

Pitt County Board of Education North Carolina

Annual Comprehensive Financial Report



Year Ended June 30, 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
PITT COUNTY BOARD OF EDUCATION,
NORTH CAROLINA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Ethan Lenker, Ed.D.
Superintendent

Prepared by
Debra Baggett
Chief Financial Officer

Pitt County Board of Education, North Carolina
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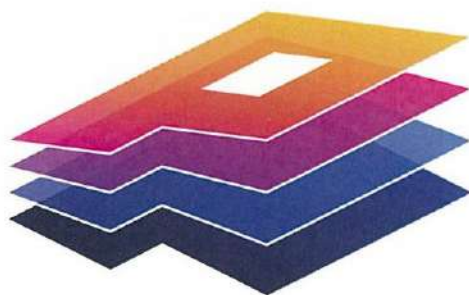
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PITT COUNTY

— SCHOOLS —

INTRODUCTORY SECTION



January 28, 2022

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

In compliance with local ordinances and the Public Schools Laws of North Carolina, the Annual Comprehensive Financial Report of the Pitt County Board of Education (Board) for the fiscal year ended June 30, 2021, is herewith submitted. These ordinances and statutes require that the Board issue annually a report on its financial position and activity and that an independent firm of certified public accountants will audit this report. Responsibility for the accuracy, completeness, and clarity of this report rests with the Superintendent and the Chief Financial Officer.

Carr, Riggs, & Ingram, following the requirements and guidelines promulgated by the Governmental Accounting Standards Board (GASB), assisted in the preparation of the report. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain the maximum understanding of the Board's financial activity have been included.

In addition, Carr, Riggs, & Ingram, Inc. (Certified Public Accountants) has audited the Board's financial statements for the fiscal year ended June 30, 2021. The goal of the audit was to provide reasonable assurance that the financial statements of Board for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Board's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP).

The independent audit of the financial statements of the Board was part of broader federal and state mandates; which require "Single Audits". These audits are designed to meet the special needs of the federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are included in this document. The Board understands the importance of quality internal control structure and places emphasis on ensuring compliance with grant requirements. The Board's fiscal year end June 30, 2021 Single Audits reported no instances of reportable conditions or material weaknesses within its internal control structure.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Board's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

The Board consists of nine citizens elected on a non-partisan basis, who serve four-year staggered terms. The Superintendent of Schools is appointed by the Board and serves as secretary to the Board. The Board has no tax levying authority or borrowing authority and is required to maintain accounting records according to a uniform

state format. The Board receives local, state, and federal government funding and must comply with the legal requirements of each source entity. North Carolina General Statute 115C-140 empowers the Pitt County Board of Education with general control and supervision of all matters pertaining to the schools in the system.

The school system consists of 37 K-12 schools with varying configurations including 16 K-5 elementary schools, six K-8 schools, seven 6-8 middle schools, and eight high schools. The final average daily membership for the 2020-2021 school year was 23,466 students. The total operating budget for all governmental activities for the 2020-21 school year was \$377,007,612 with a per-pupil expenditure of \$10,546 including Child Nutrition.

The Board operates a very diverse system with many National Origin Minority Students enrolled, representing 43 different native languages. Out of these students, 1053 were identified as Limited English Proficient and served in the English as a Second Language Program. The ethnic distribution of students in 2020-21 is: African American – 45.6%; White – 34.9%; Hispanic – 12.4%; Multi racial – 5.1%; Asian – 1.6%; and other – 0.4%.

A principal charged with the responsibility of the total school operations administers each individual school. Appropriate instructional and support personnel based on pupil enrollment staff the schools. The school principal and faculty work cooperatively with instructional specialists and central administrative staff in developing and implementing effective instructional programs.

The graduating class of 2021 was offered \$15,001,848 in scholarships which includes 429 NC Scholars along with East Carolina University Honors College Scholarships, North Carolina State University Park Scholarships, a University of North Carolina-Chapel Hill Morehead-Cain Scholarship, a Duke University Benjamin N. Duke Scholarship, a Harvard University Bryan Cameron Impact Award, a Questbridge Scholarship at Emory University, an Academic Merit Scholarship at Meredith College, a University of South Carolina Scholars Award, , several athletic scholarships, and scholarships for the United States Air Force Academy, United States Military Academy, United States Marine Corps., West Point and the United States Naval Academy among many others.

The system, accredited by the North Carolina Department of Public Instruction and Advance ED, participates in a state performance-based accountability plan. Both district-level and school-based teams (comprised of teachers, parents, and administrators) annually develop School Improvement Plans to meet state guidelines as well as the unique needs of their students.

The quantity and quality of the instructional programs of the school system are directly dependent on the funding provided and on effective management and efficient use of those funds. We recognize the important trust and responsibility we are given in the management of public resources and continue to be vigilant and trustworthy in fulfilling that responsibility. During the last several years, the Board has pursued ways to reduce costs and improve efficiency by implementing a more aggressive risk management program and an energy efficiency plan. The Board has managed costs by adjusting formulas for personnel and non-personnel resources supporting schools and departments. We believe that continuation of these financial management practices coupled with effective planning provides fiscal accountability to the public and continued improvement of programs and outcomes for our students.

LOCAL ECONOMIC CONDITION AND OUTLOOK

The information provided in this year's financial report is best understood when it is explained in relation to the local economy.

Local Economy: A snapshot of Pitt County. As a university community with a strong business/manufacturing base, the area is characterized by an expanding, highly productive, multi-skilled labor force, a diversified economic base, a low cost of living, an excellent educational system, a large regional health care complex, abundant cultural and recreational opportunities, financially sound, progressive, and pro-business local government, and a mild climate.

The Pitt County/Greenville area is a leading retail center in eastern North Carolina and ranks as one of only a dozen billion dollar retail markets in NC. The local economy is well diversified with wholesale/retail trade and

manufacturing, government and health care/social services accounting for the majority of the total employment. Agriculture is also a strong contributor to the economy; tobacco, corn, soybeans, wheat, peanuts, eggs, livestock, poultry and vegetables are the primary agricultural products. Major employers include: Vidant Medical Center (health care), East Carolina University (education), Pitt County Schools (education), Patheon (pharmaceutical manufacturing), Hyster-Yale (materials handling equipment), City of Greenville (local government, Pitt Community College (education), Pitt County (local government), Denso Manufacturing (automotive supplier of technology systems and components), and Mayne Pharma (pharmaceutical manufacturing).

Access is provided by an east-west Interstate-quality freeway, a north-south four-lane highway, two railroads, and two commercial airports. An international airport is within two hour drive. More than thirty freight carriers, including several special commodity companies, provide regular service.

The area's educational system is the pride of eastern North Carolina. **Pitt County Schools** receives extensive local support, reflected in a wide range of extra-curricular activities, and student performance above state and national averages on standardized achievement tests. **Pitt Community College**, seventh largest in North Carolina's 58-campus community college system, educates and empowers people for success. With a culture of excellence and innovation, the college is a vital partner in the economic and workforce development of our community. **East Carolina University**, the state's fourth largest institution of higher education, offers undergraduate and graduate degree programs in its professional schools and colleges. The Brody School of Medicine at ECU also offers a four year Medical Doctor degree as well as PhD programs and the University has recently opened a Dental School. The University also operates several service and research centers or institutes to assist local government, business, and industry in resolving technical production problems, developing market strategies, or improving the quality of management skills.

The creation of the Brody School of Medicine at ECU stimulated the emergence of Vidant Health Systems as a regional health care referral center. The medical center serves a 29-county referral area with a multitude of services that include organ transplant, a Level I Trauma Center, air ambulance service, neonatal intensive care and centers for rehabilitation, diabetes, cancer, and cardiac care.

One of the most unique characteristics of the area is the wide assortment of leisure and cultural activities. Parks, rivers, golf courses, historic old towns, coastal sounds, and the famous beaches of the Outer Banks offer many recreational outlets in addition to organized activities sponsored by local recreation departments. The mild climate allows residents the opportunity to enjoy outdoor recreational activities throughout the year. The presence of the College of Fine Arts at ECU with its schools of Music, Theatre, and Art provides the cultural diversity of a major metropolitan area. Amateur musical, theatrical, and dance groups offer more than 200 free performances annually to fill nights and weekends. Excellent, professional entertainers perform regularly in clubs and concert facilities. The Wellington B. Gray Gallery (on campus) and the Greenville Museum of Art house excellent permanent exhibits as well as hosting traveling exhibitions.

Most of all, the quality of the business environment and the quality of life are reflections of the caliber of the people who have chosen to live, serve, work, raise families, or retire here, combining the hardiness and charm of Southerners with the vitality of new ideas brought by newcomers from around the world. Whether they are residents of Ayden, Bethel, Farmville, Grifton, or Greenville, the people of Pitt County fulfill the expectations of their employers, their communities, and their fellow citizens.

Charter Schools and Projected Enrollment. While students from Pitt County have attended charter schools for years, the first charter school opened in Pitt County in 2015-16, enrolling nearly 500 students. The following year the second charter school opened in the County with approximately 175 students. During 2017-18, the North Carolina General Assembly also legislated the opening of two Lab Schools within the State. Pitt County Schools partnered with East Carolina University to assist in the opening of the East Carolina University Community School enrolling 117 students, who are housed on the South Greenville Elementary School campus.

Charter school enrollment in Pitt County has stabilized with just less than 1,000 students living in Pitt County attending charter schools. The County Appropriation dollars of \$1,775 per pupil follow these students to their respective schools, and was budgeted at \$1,625,000 for 2020-21.

The Board of Education is also monitoring growth patterns and projected student population over the upcoming years. An area of concern is a population shift within the District. While the total enrollment should remain nearly constant, a declined enrollment is predicted in the northern side of the County and a comparable increase is projected in the southern side of the County, where schools are already reaching capacity.

Long-term Planning. The Board employs several initiatives to ensure the improvement and maintenance of the system's sites, facilities, and equipment. The preparation of an annual budget, a Long Range Facility Plan, and a Strategic Technology plan are tools employed to secure resources.

The Board completed a "Long Range Education Plan" ("plan") conducted by Smith Sinnett Associates that provided the basis for determining the immediate, short, and long-range facility needs of the school system. Through partnership with the County of Pitt, the Board was successful in having a portion of the immediate and short-term needs funded through Local Obligation Bonds along with supplemental resources from within the system.

Funding under the 2021 phase funded an extensive renovation at AG Cox Middle School to update two wings, which were built in 1936 and 1958. In addition the County and the district are partnering to complete structural repairs at CM Eppes middle school, repair roofing at various schools and update security camera systems, both within the school buildings and on school buses.

Current legislation in the State of North Carolina has mandated smaller class-size in grades Kindergarten through third grade. While the State has approved funding of additional teacher positions to be phased in from 2018-19 through 2021-22, the demand for classroom space and furniture has not been funded. Pitt County Schools received approximately 65 additional teacher positions, and will be in need of over 50 classrooms in the upcoming years. Both the Board and the County Commissioners are advocating with State leaders for funds for building needs.

An additional concern to the Board of Education is the age of existing school buildings within the District. Fourteen of our thirty-six school buildings were constructed prior to 1970. Many sites need half-life renovations with updates to electrical systems, windows, flooring and restrooms.

Together both the Board of Education and the County Commissioners are looking to other funding sources to meet future needs. Lottery receipts allocated to Pitt County Schools by State statute as part of the N.C. Education Lottery and a ¼ cent local sales tax dedicated to education construction are two sources of revenue that will be very influential to funding future school construction projects needed to meet the Board's growing student population.

Pitt County Schools "Strategic Technology Plan" provides a vision to provide all students, teachers, administrators, and staff with equitable access to essential tools to facilitate learning, teaching, monitoring, and communicating in an efficient and productive manner. The plan embraces emerging technologies for their usefulness in engaging learners and helping students evolve as critical thinkers.

COVID-19

This past two fiscal years have been both trying and rewarding, as no one could have foreseen the many challenges our school system would face due to the pandemic outbreak of Covid-19. The effects and repercussions of a national shutdown combined with the health and safety concerns were difficult on our nation, and most particularly, our students and staff. The Board's response to these events, in conjunction with the NCDPI's and the Governor's office protocols and proclamations, has been one of our utmost focal points. This response includes addressing virtual learning, PPE for staff and addressing learning loss. The Board is continuing to address many of

these issues and concerns, as we move into a new school year, once again seeking and utilizing local, state and federal resources to provide for well-being of our student and staff, in a safe learning environment.

MAJOR INITIATIVES

Developed during the most challenging year in our history, Pitt County Schools developed its Strategic Plan as a comprehensive guide outlining the forward direction of our system. Our goal continues to be foundational, optimal achievement for our students not just as successful learners, but also as successful people.

The mission states, "Pitt County Schools will lead collaboration between school, home and community to foster student growth and success, both socially and academically, in order to develop productive, global citizens."

The vision states, "Pitt County Schools will inspire and motivate all learners by providing educational opportunities that engage, empower and elevate students to lead healthy, resourceful and responsible lives."

The motto states, "Engage. Empower. Elevate."

The Board's system-wide goals are:

- GOAL 1- Teaching, Learning and Equity: Eliminate opportunity gaps by 2026.
- GOAL 2 - Achievement: Improve school and district performance.
- GOAL 3 - Human Capital: Increase educator preparedness to meet the needs of every student.
- GOAL 4 – Community Engagement and Safety: Foster shared responsibility for student success.

The goals are a reflection of the Board's top priority to increase academic achievement for all students of Pitt County Schools. The graduation rate serves as an example of this priority. The school system posted an 84.6% four-year cohort graduation rate.

Public schools in North Carolina are assigned a letter grade by the State Board of Education based upon the school's achievement score (80%) and the students' academic growth (20%). With the release of the 2017-2018 accountability results, Pitt County Schools had 36 out of 37 schools receive a passing grade. Additionally, three schools, Pitt County Early College, Innovation Early College and Hope Middle School, earned a grade of A.

In addition to State and Local funds, the District seeks Federal grants to assist with new initiatives. In 2016, the District received a multi-year grant in excess of \$16 million to implement new processes to recruit, retain and reward educators through multiple career pathways and performance based compensation. This grant allowed the District to offer many training opportunities to teachers and administrators and provide many benefits to students, staff and our community. The District has also applied for another Federal grant to support the professional development of Teachers and School Leaders, which will equate to approximately \$5.2 million.

In 2016, the North Carolina State Board of Education (SBE) adopted a new policy for recurring low-performing schools. Restart schools are given charter-like flexibility; however, an application must be submitted to the Department of Public Instruction detailing how operating the school with the same exemptions from statutes and rules as a charter school provides each student with the opportunity for a sound basic education. With this flexibility, the school continues to remain under the operation of the local education agency. North Carolina State Board of Education approved four applications for Restart schools in Pitt County. The District requested that all four schools be designated as a Restart Schools in order to have the flexibility necessary to meet these goals:

- (1) Significantly improve the academic achievement for all students
- (2) Close achievement gaps
- (3) Increase school performance growth scores
- (4) Build capacity among staff and leadership
- (5) Make substantive changes in instructional delivery

Increased academic performance and expansion of programs intended to build 21st century learning skills is of primary focus for the Board's Superintendent, Dr. Ethan Lenker. Dr. Lenker joined Pitt County Schools in August of 2013 and from day one set out to meet with parents, students, employees, elected officials, and members of the public to tap into the uniqueness of each community and the instructional needs of all students. Over a period encompassing several months a vision of 21st century learning has been established with the creation and expansion of instructional programming intended to meet diverse needs.

FINANCIAL AND BUDGETARY CONTROLS

Accrual Accounting. With the implementation of *GASB Statement No. 34, Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*, the Board displays information about the government-wide entity as a whole. The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenue, expense, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Fund Accounting. The Board also reports its financial activities through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities. *(See Note 1 in the Notes to Financial Statements for a summary of significant accounting policies and a description of fund types).*

The Board's financial management staff is responsible for establishing and maintaining an internal control structure through its financial policies designed to ensure that the assets of the school system are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. The Board has implemented an internal auditing function with the employment of a full time internal auditor in order to ensure that financial policies are maintained and adhered to at the individual school and central services levels.

As a recipient of federal, state, and local financial assistance, the school system is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with all applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

The largest component of the Board's financial operations is the investment in human resources. The Board relies heavily on teachers, teacher assistants, counselors, and various other instructional support positions to meet the instructional needs of all students. The Board employs over 3,000 individuals with the cost of salaries and benefits comprising approximately 75% of the boards operating funds.

The cost of public school education in North Carolina is financed primarily by the State, which establishes minimum programs. Local funds, in varying amounts by district, supplement the basic program and are generated from the general tax levies of the county. Local boards of education have no direct tax levying and limited borrowing authority.

North Carolina state law requires a uniform accounting system for all local school administrative units. Significant modifications were made to the uniform accounting system by the North Carolina Department of Public Instruction (NCDPI) that went into effect at the beginning of the 2007-08 fiscal year. On a monthly basis, the Board submits reports of transactions of state and federal funds and details of disbursements from these funds to NCDPI for review.

North Carolina General Statutes require all governmental units in the state to adopt a balanced budget by July 1 of each year. 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, function, and project 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 expenditure. 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 year to appropriations in future years.

Financial activities throughout the year are controlled in accordance with the ***North Carolina School Budget and Fiscal Control Act*** which requires a pre-audit procedure to ensure availability of funds prior to issuance of purchase order or payment of claims. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.


AWARDS AND ACKNOWLEDGMENTS

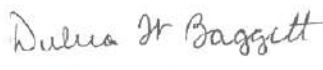
The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pitt County Board of Education for its CAFR for the fiscal year ended June 30, 2020. The ASBOI awarded a Certificate of Excellence in Financial Reporting to the Pitt County Board of Education for its CAFR for the fiscal year ended June 30, 2020. This was the fifteenth year that the Board received these prestigious awards. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

These awards are only valid for a period of one year. We believe that our current CAFR continues to meet both GFOA and ASBO requirements and we are submitting it to both organizations to determine its eligibility for another certificate.

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 our appreciation to all the staff members who helped in the preparation of this report.

Respectfully submitted,


Ethan Lenker, Ed. D.
Superintendent


Debra W. Baggett
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pitt County Board of Education
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Pitt County Board of Education

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

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



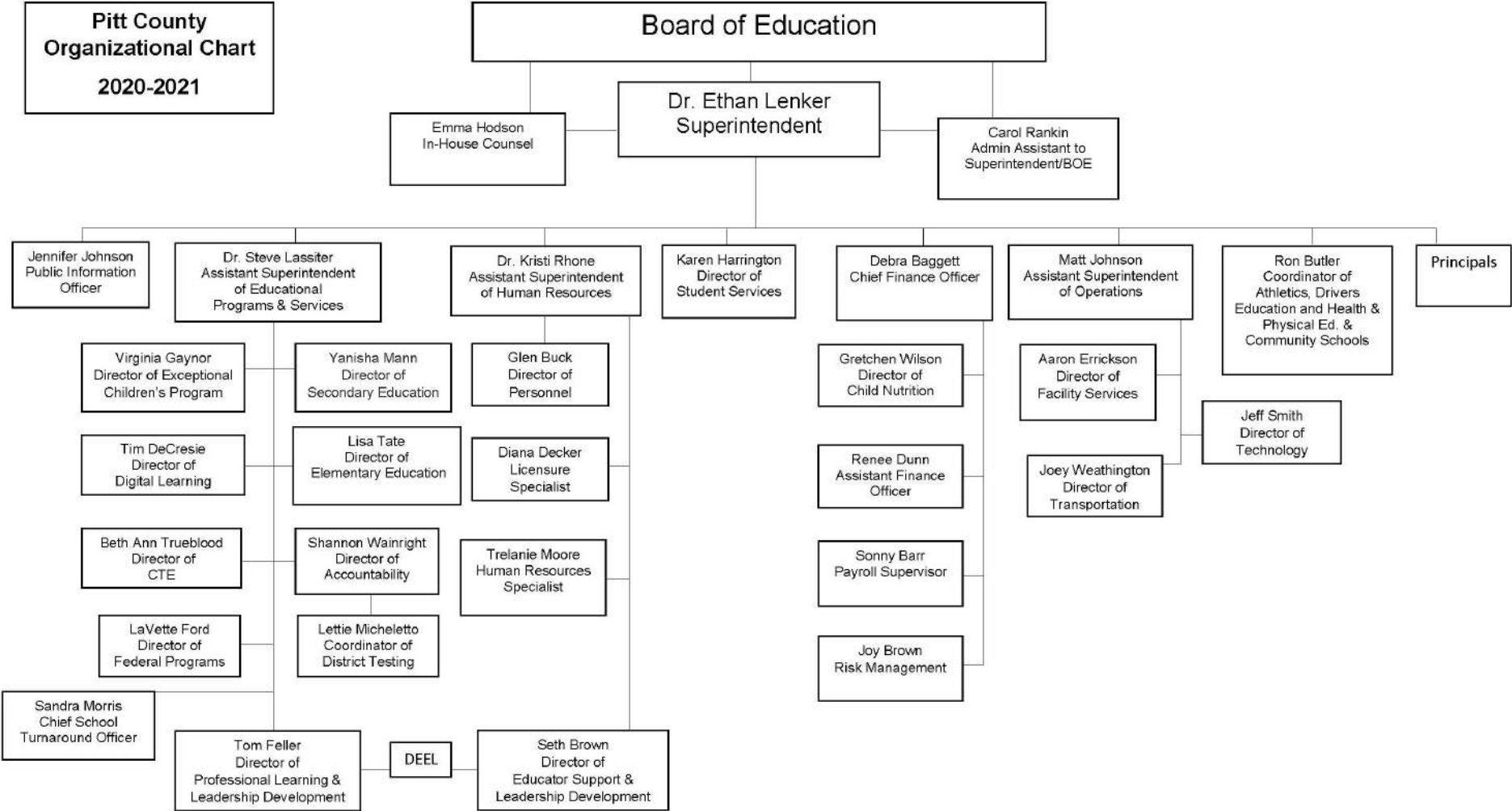
A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
President

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

David J. Lewis
Executive Director

**Pitt County
Organizational Chart
2020-2021**



2020-2021 Pitt County Board of Education
Board Members



Melinda Fagundus
Chair



Tracy Everette-Lenz
Vice Chair



Amy Cole



Caroline W. Doherty



Worth Forbes



Benjie Forrest



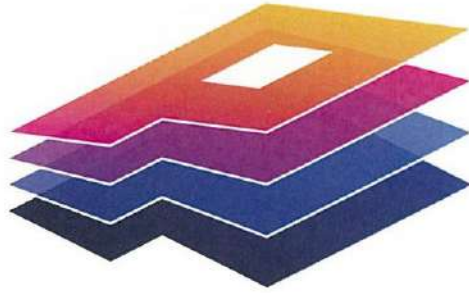
Don Rhodes



Anna Barrett Smith



James E. Tripp Jr.



PITT COUNTY
— **SCHOOLS** —
FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Pitt County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Pitt County Board of Education, North Carolina, as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Pitt County Board of Education'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 auditors consider 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, and each major fund of the Pitt County Board of Education, North Carolina as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, State Public School Fund, Federal Grants Fund, and the Special Revenue Fund 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, the Schedule of the Proportionate Share of the Net Pension and OPEB Liabilities (Assets) and the Schedule of Board Contributions as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pitt County Board of Education, North Carolina's basic financial statements. The introductory section, individual fund schedules, statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, and is not a required part of the basic financial statements.

The individual fund schedules and the 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 schedule of expenditures of federal and State awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022 on our consideration of Pitt County Board of Education, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to solely 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 Pitt County Board of Education, North Carolina's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, P.L.L.C.

Goldsboro, North Carolina
January 28, 2022

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

This section of the Pitt County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2021. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- At the government-wide level, the liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources of the Board for the fiscal year ended June 30, 2021 by \$162,058,122 (net position). Net position consists of \$7,596,058 as restricted for use, \$193,958,283 is for net investment in capital assets and (\$363,612,463) is unrestricted.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,660,034 or 8.85% of total general fund expenditures and total fund balance for the general fund was \$11,599,906 or 28.06% of total general fund expenditures.

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:
 - Information relating to the Board's participation in the Teachers' and State Employees Retirement System
 - Information relating to the Board's participation in the Retiree Health Benefit Fund
 - Information relating to the Board's participation in the Disability Income Plan of North Carolina

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. These statements are presented on the full accrual basis of accounting and include the Statement of Net Position and the Statement of Activities. The Statement of Net Position includes all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Board. Assets and liabilities are classified in the order of relative liquidity for assets and due dates for liabilities. This statement provides a summary of the Board's investment in assets, deferred inflows of resources, and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the current year revenues and expenses for the Board. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

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

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

Government-wide Statements

The government-wide financial statements report information about the Board as a whole, using the accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Board's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

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

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

The Board's activities are divided into two categories on 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 cover the costs of certain services it provides. School food service is included here.

The government wide statements are shown on 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 funds or "major" funds and not the district 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 established other funds to control and manage money for a particular purpose or to show that it is accounting for financial resources properly, such as the Federal Grants Fund.

The Board has two types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flows in and out and the balances remaining 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 determine whether there are more or fewer financial resources that can be spent in the near term 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 funds statements, in the form of a reconciliation, explains the relationship (or differences) between them. The

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

Board has several governmental funds: the General Fund, the State Public School Fund, the Federal Grants Fund, the Special Revenue Fund, the Individual Schools Fund, and the Capital Outlay Fund. The governmental fund statements are shown as Exhibits 3 through 5 of this report.

Proprietary fund: Services for which the Board charges a fee are generally reported in the proprietary fund. The proprietary fund statements are reported on the same basis of accounting as the government-wide statements – full accrual. The Board has one proprietary fund – the School Food Service Fund. The proprietary fund statements are shown as Exhibits 6, 7 and 8 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in this document following the financial statements.

Required supplementary information (RSI)

The RSI provides information that relates to the Board's participation in the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of North Carolina (DIPNC). The RSI can be found following the notes to the financial statements beginning on page 85 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes supplementary information concerning the Board's individual fund statements. This information can be found after the notes beginning on page 91 of this report.

Interdependence with Other Entities

The Board depends on the financial resources flowing from, or associated with, the Federal Government, the State of North Carolina, and the County of Pitt. Because of this dependency the Board is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal, State, and County appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and holders of publicly held U.S. Treasury Securities.

Financial Analysis of the Board as a Whole

Net position can be an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$162,058,122 as of June 30, 2021. The largest component of net position is net investment in capital assets of \$193,958,283 which comprises - (119.68)% of the total net position, whereas unrestricted net position was (\$363,612,463).

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

The following table shows the net position for the Board:

Table 1
Condensed Statement of Net Position

June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 38,163,623	\$ 30,296,317	\$ 6,532,615	\$ 7,165,426	\$ 44,696,238	\$ 37,461,743
Capital assets	194,432,029	196,692,873	819,533	869,036	195,251,562	197,561,909
Total assets	232,595,652	226,989,190	7,352,148	8,034,462	239,947,800	235,023,652
Deferred outflows of resources	62,559,759	60,407,206	2,059,048	2,023,603	64,618,807	62,430,809
Current liabilities	9,214,826	7,677,264	169,801	171,985	9,384,627	7,849,249
Long-term liabilities	341,413,519	355,970,267	8,988,532	9,301,787	350,402,051	365,272,054
Total liabilities	350,628,345	363,647,531	9,158,333	9,473,772	359,786,678	373,121,303
Deferred inflows of resources	104,165,684	95,236,843	2,672,367	2,526,424	106,838,051	97,763,267
Net investment in capital assets	193,138,750	195,915,978	819,533	869,036	193,958,283	196,785,014
Restricted net position	7,586,331	6,857,492	9,727	8,975	7,596,058	6,866,467
Unrestricted net position (deficit)	(360,363,699)	(374,261,448)	(3,248,764)	(2,820,142)	(363,612,463)	(377,081,590)
Total net position (deficit)	\$ (159,638,618)	\$ (171,487,978)	\$ (2,419,504)	\$ (1,942,131)	\$ (162,058,122)	\$ (173,430,109)

The Board's net position increased during the current fiscal year by \$11,371,987. In part, the increase is the net result of:

- An increase of \$7,234,495 in current assets, primarily related to an increase in cash and account receivable from additional federal, state and county funding.
- A decrease of \$2,310,347 in capital assets, primarily related to the annual provision for depreciation expense and less overall capital construction.
- An increase of \$2,187,998 in deferred outflows of resources, primarily related to changes in actuarial valuations for the pension and OPEB plans.
- An increase of \$1,535,378 in current liabilities, primarily related to more year-end accruals outstanding.
- A decrease of \$14,870,003 in long-term liabilities, primarily related to changes in actuarial valuations for the pension and OPEB plans.
- An increase of \$9,074,784 in deferred inflows of resources, primarily related to changes in actuarial valuations for the pension and OPEB plans.

The decrease in net investment in capital assets of \$2,826,731 is contributed to the following factors:

- The increase of \$5,225,531 in net capital outlay and acquisition of other capital assets.
- An annual provision of depreciation expense of \$7,535,879.
- Debt service issued of \$1,970,823 in long-term debt related to the installment purchase of school buses.
- Debt service payments of \$1,454,439 in long-term debt related to the installment purchases of school buses, and capital lease of buses and a modular classroom.

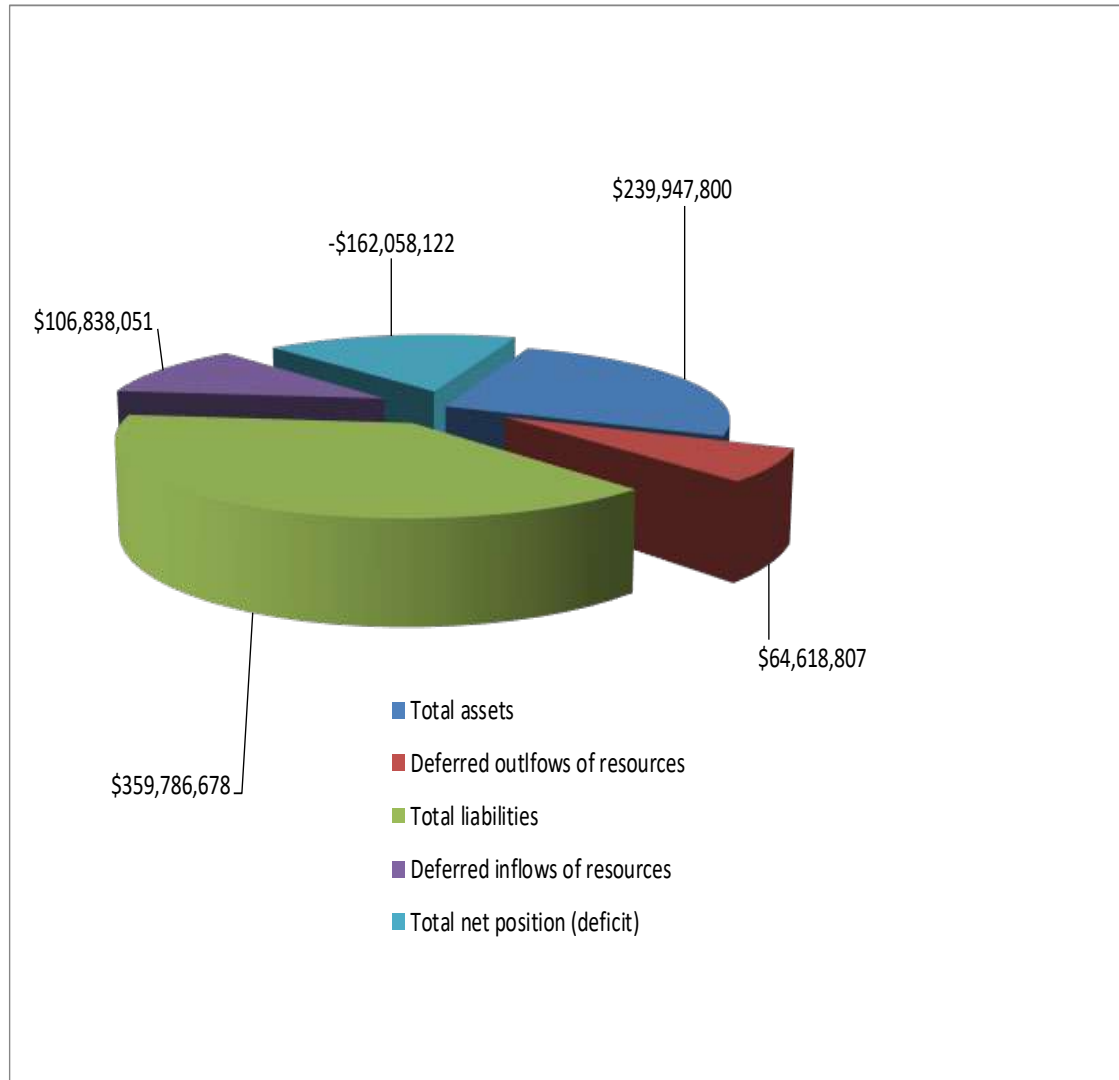
The following factors contributed to the increase of \$729,591 in restricted net position:

- Net position restricted for school capital projects decreased by \$31,151.
- Net position restricted by grantor requirements in the Special Revenue fund increased \$803,391.
- Net position restricted for school capital outlay in the Capital Outlay fund increased \$561,547.

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

- Net position restricted for DIPNC OPEB plan increased \$46,397.
- Net position restricted by state statute to cover outstanding encumbrances and accounts receivable decreased \$650,593 from June 30, 2020 to June 30, 2021. Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

The following chart shows the net position components at the government-wide level as of June 30, 2021.



Pitt County Board of Education, North Carolina Management's Discussion and Analysis

The following table shows revenue and expenses for the Board:

Table 2
Condensed Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Years Ended June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 725,684	\$ -	\$ 232,216	\$ 986,186	\$ 957,900	\$ 986,186
Operating grants and contributions	199,603,999	186,710,961	6,646,338	10,936,379	206,250,337	197,647,340
Capital grants and contributions	4,106,672	2,708,561	-	-	4,106,672	2,708,561
General revenues:						
Other revenues	49,685,208	48,729,271	6,931	59,295	49,692,139	48,788,566
Total revenues	254,121,563	238,148,793	6,885,485	11,981,860	261,007,048	250,130,653
Expenses:						
Governmental activities:						
Instructional services	190,074,834	191,573,195	-	-	190,074,834	191,573,195
System-wide support services	42,504,111	40,427,637	-	-	42,504,111	40,427,637
Ancillary services and non-program	2,496,103	2,109,936	-	-	2,496,103	2,109,936
Repayment of County debt issuance	1,419,849	1,759,876	-	-	1,419,849	1,759,876
Interest Expense	23,224	31,625	-	-	23,224	31,625
Depreciation	5,708,665	5,720,120	-	-	5,708,665	5,720,120
Business-type activities:						
Food service	-	-	7,408,275	10,832,403	7,408,275	10,832,403
Total expense	242,226,786	241,622,389	7,408,275	10,832,403	249,635,061	252,454,792
Excess revenues over (under) expenses before transfers	11,894,777	(3,473,596)	(522,790)	1,149,457	11,371,987	(2,324,139)
Transfers in (out)	(45,417)	(365,648)	45,417	365,648	-	-
Increase (decrease) in net position	11,849,360	(3,839,244)	(477,373)	1,515,105	11,371,987	(2,324,139)
Net position (deficit), beginning,	(171,487,978)	(167,648,734)	(1,942,131)	(3,457,236)	(173,430,109)	(171,105,970)
Net position (deficit), ending	\$ (159,638,618)	\$ (171,487,978)	\$ (2,419,504)	\$ (1,942,131)	\$ (162,058,122)	\$ (173,430,109)

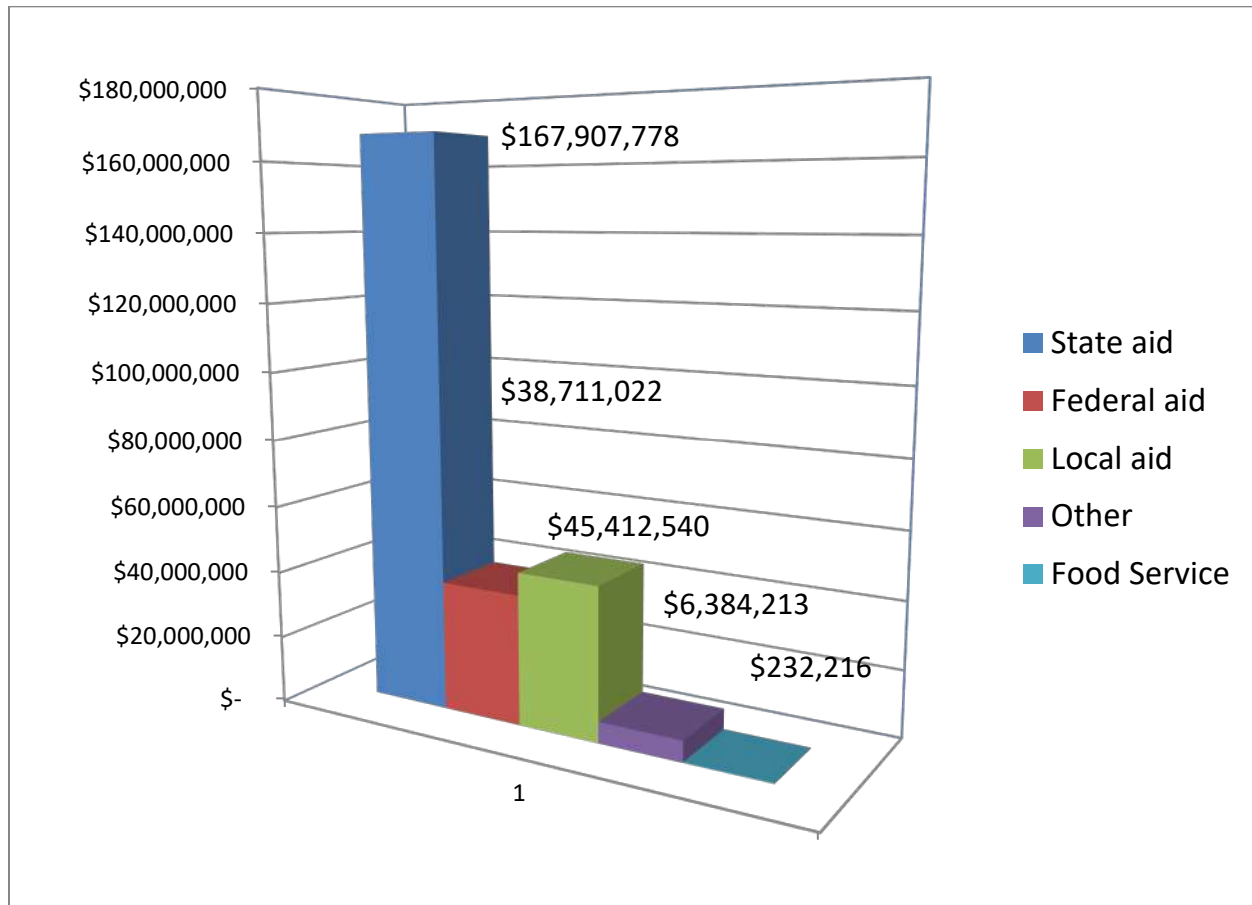
For fiscal years ended June 30, 2021 and 2020, total governmental activities earned revenues of \$254,121,563 and \$238,148,793, respectively, which is a net increase of \$15,972,770. The following factors contributed to the net increase in governmental activities earned revenues from fiscal year ended June 30, 2020 to fiscal year ended June 30, 2021:

- An increase of \$725,684 in charges for services.
- An increase of \$12,893,038 in operating grants and contributions, which includes an increase of \$4,620,021 from State Public School Fund appropriations and an increase of \$9,362,704 in federal appropriations.
- An increase of \$1,398,111 in capital grants and contributions.
- An increase of \$955,937 in other revenues, which includes an increase of \$591,891 from county operating appropriations, an increase of \$1,634,441 from county capital appropriations, an increase in unrestricted federal grants of \$1,464,834 and a decrease in miscellaneous income of \$2,605,394.
- A decrease in indirect costs of \$166,806 generated mostly from the Federal Teacher Incentive Fund grant.
- A decrease in revenues from fines and forfeitures of \$81,361, which is generated largely from traffic light fines.

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

For fiscal years ended June 30, 2021 and 2020, business-type activities related to the Board's food service program earned revenue of \$6,885,485 and \$11,981,860, respectively which is a decrease of \$5,096,375. Federal reimbursements for meals served to qualifying students decreased \$4,313,942 while food sales decreased \$753,970. These decreases are the result of additional Covid-19 related funding for the school year.

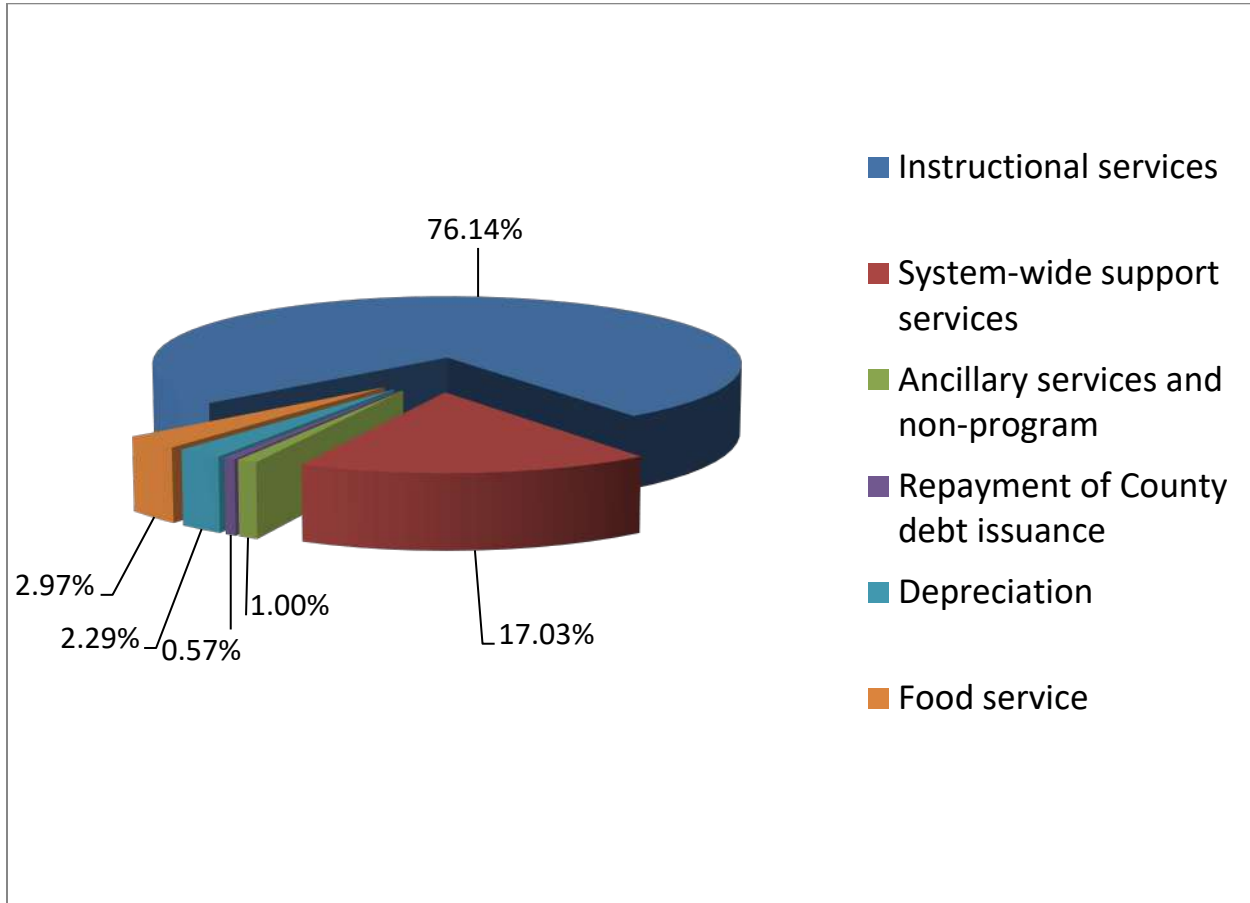
The following chart shows, by revenue source, the government-wide revenues presented on the accrual basis of accounting for fiscal years ended June 30, 2021:



Total governmental activities expenses for fiscal years ended June 30, 2021 and 2020 were \$242,226,786 and \$241,622,389, respectively, which is an increase of \$604,397.

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

The following chart shows the percentage composition of governmental activities expenses by expense purpose for fiscal year ended June 30, 2021, excluding interest expense:



The following factors contributed to the increase in governmental activities expenses from the fiscal year ended June 30, 2020 to fiscal year ended June 30, 2021:

- Instructional programs expenses decreased \$1,498,361
- System-wide support services increased \$2,076,474
- Ancillary services and non-program increased \$386,167
- Repayment of County debt issuance decreased \$340,027

Instructional programs expense comprised 76.14% of total governmental-type expenses while supporting services made up 17.03% of those expenses for 2021.

Business-type activities expense related to the Board's food service program ended June 30, 2021 and 2020 at \$7,408,275 and \$10,832,403, respectively, which is a decrease of \$3,424,128.

The Board's business-type revenues related to the food service program were below expenses by \$522,790 and above expenses by \$1,149,457, respectively, before transfers, for fiscal years ended June 30, 2021 and 2020, primarily related to Covid-19 relating funding.

For fiscal years ended June 30, 2021 and 2020, net position of the governmental activities increased by \$11,849,360 and decreased by \$3,839,244, respectively. For fiscal years ended June 30, 2021 and 2020,

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

net position of the business-type activities decreased by \$477,373 and increased by \$1,515,105, respectively.

Financial Analysis of the Board's Funds

For fiscal year ended June 30, 2021, the Board's governmental funds reported combined ending fund balances of \$28,447,713 which is an increase of \$6,218,098 from the prior year. This amount is comprised of ending fund balances in the general fund, special revenue fund, individual schools fund, and the capital outlay fund. The following is an analysis of the change in fund balance of each respective fund and a summary of the factors that impacted the change:

General Fund

The general fund comprised the largest component of the Board's governmental funds combined fund balances ending the year with a fund balance of \$11,599,906 which is an increase of \$1,884,630 from the prior year. This increase in fund balance can be attributed to insurance proceeds received for a building repair along with funds received from red light camera fines and forfeitures that were not expended during the fiscal year and will be paid out in the subsequent year.

To better account for financial resources from many granting agencies and to comply with NC case law, the Board has segregated monies between the General Fund Special Revenue Fund.

At June 30, 2021 the ending fund balance of the general fund is comprised of \$3,660,034 which represents unassigned fund balance available for spending at the government's discretion. The general fund's remaining fund balance of \$7,939,872 is comprised of the following:

- \$391,674 that is non-spendable inventories
- \$44,674 that is restricted based on North Carolina state statute.
- \$739,649 which is restricted by grantors to school capital outlay projects.
- \$5,806,820 that has been committed by the Board to fund future school capital projects.
- \$957,055 that is assigned to fund subsequent year's expenditures.

Special Revenue Funds

The special revenue funds were established in the Board's adopted budget ordinance to account for programs and grants provided by other state, local, and federal sources to the local administrative unit. The special revenue funds are used to account for reimbursements for services and fees, sales tax refunds, gifts and grants restricted to use, and federal appropriations made directly to the local administrative unit. The special revenue funds are also used to account for funds received for pre-kindergarten programs and special programs.

At June 30, 2021 the special revenue funds ended the year with a fund balance of \$10,853,443 which is an increase of \$1,873,588 from the fiscal year ended June 30, 2020 due to costs related to transportation services reducing as a large portion of students attended virtually or parents opted to transport their children along with costs for exceptional children's programs being shifted to Federal COVID relief funds. Fiscal year end fund balance of the special revenue fund is comprised of the following:

- \$2,344,115 that is restricted based on the requirements of grantors
- \$8,237,313 that is assigned to fund subsequent year's expenditures
- \$272,015 that is restricted based on North Carolina state statute

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

Revenues of the special revenue funds increased by \$14,098,551 for the fiscal year ended June 30, 2021 compared to the prior fiscal year, primarily due to increased federal and state funding for Covid-19 related programs. Expenditures for the special revenue funds increased by \$13,512,721 for the same periods, which increases primarily within instructional support and operational support.

Individual Schools Fund

For fiscal year ended June 30, 2021 the individual schools fund balance was \$2,000,486 which was restricted for individual school use. The individual schools fund balance decreased \$31,150 from fiscal year ended June 30, 2020 due primarily to COVID restrictions no allowing for many school fundraisers or events. Individual schools contributions and donations and interest earnings were \$2,409,786 and \$4,723,820, respectively, for fiscal years ended June 30, 2021 and 2020 which is a decrease of \$2,314,034. Individual schools co-curricular expenditures were \$2,440,936 and \$4,715,964, respectively, for fiscal years ended June 30, 2021 and 2020 which is a decrease of \$2,275,028. These decreases, in revenues and expenditures, are primarily the result of less school activities related to Covid-19.

Capital Fund

The capital fund ending fund balance was \$3,993,878 which was restricted to state statute in the amount of \$5,938 and school capital outlay projects for \$1,787,940 and committed for capital project for \$2,200,000. The capital fund balance increased \$2,491,030 from fiscal year ended June 30, 2020 to fiscal year ended June 30, 2021 due primarily to the timing of various capital projects in operation at the end of the fiscal year and transfers from other funds in the amount of \$2,850,000.

Proprietary Fund

For fiscal year ended June 30, 2021 the Board's business-type net position stood at (\$2,419,504) which is a decrease of \$477,373, from the fiscal year ended June 30, 2020, which is primarily related to man students attending virtually, resulting in less meal preparation, along with additional labor hours involved in providing meals in classrooms and in non-traditional methods from operating in a COVID environment.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the general fund budget several times at the functional level through formal budget amendment to account for changes in expense utilization. The change in the final amended budget from original at the functional level was due primarily to increased Federal ESSER funding and changes in expectation throughout the year of the required resources needed to serve special education, economically disadvantaged students through community services as well as alternative programs compared to the resources needed to serve regular instructional students.

For fiscal year ended June 30, 2021, actual general fund revenues came in \$424,478 below the final amended budget. The reduction in general fund revenues compared to the final amended budget was the net result of the following:

- Fines and forfeitures, including traffic light revenues, were \$249,217 less than budgeted.
- Tuition and fees, miscellaneous revenue and interest income were \$175,261 lower than anticipated, including revenues from East Carolina University for funds associated with the partnership with the East Carolina University Community School.

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

General fund expenditures ended the fiscal year \$10,621,007 below the final amended budget. The variance in general fund expenditures from the final amended budget represented fund balance committed by the Board to cover various projects during the next fiscal year.

Capital Asset Administration

The Board's capital assets (net of accumulated depreciation) for its governmental and business-type activities stood at approximately \$195,251,562 and \$197,561,910, respectively, as of June 30, 2021 and 2020. This investment in capital assets includes land, buildings, vehicles, and equipment.

The following table outlines the Board's capital assets as of June 30, 2021 and 2020:

Table 3
Condensed Summary of Capital Assets (net of depreciation)

June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,168,270	\$ 5,168,270	\$ -	\$ -	\$ 5,168,270	\$ 5,168,270
Construction in progress	2,236,637	-	-	-	2,236,637	-
Buildings and improvements	182,066,092	187,228,631	-	-	182,066,092	187,228,631
Equipment and furniture	1,500,775	1,574,719	804,046	849,419	2,304,821	2,424,138
Vehicles	3,460,255	2,721,254	15,487	19,617	3,475,742	2,740,871
Total capital assets	\$ 194,432,029	\$ 196,692,874	\$ 819,533	\$ 869,036	\$ 195,251,562	\$ 197,561,910

For fiscal year ended June 30, 2021 the Board had an overall decrease in net capital assets of from the previous year.

Additional information on the Board's capital assets can be found in the Capital Asset section of footnote II, Detail Notes on All Funds, on pages 65 and 66 of the financial statements.

Debt Outstanding

During the year the Board's long-term liabilities, including compensated absences, net OPEB liability and net pension liability, decreased \$14,870,003.

The following table outlines the Board's long-term debt as of June 30, 2021 and 2020:

Table 4
Condensed Summary of Long-term Debt

June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Installment purchases	\$ 1,007,193	\$ 303,344	\$ -	\$ -	\$ 1,007,193	\$ 303,344
Capital lease	286,086	473,551	-	-	286,086	473,551
Compensated absences	12,924,265	12,877,698	208,731	273,013	13,132,996	13,150,711
Net OPEB liability	218,973,455	249,426,714	2,774,786	2,522,292	221,748,241	251,949,006
Net pension liability	108,222,520	92,888,960	6,005,015	6,506,482	114,227,535	99,395,442
Total long-term debt	\$ 341,413,519	\$ 355,970,267	\$ 8,988,532	\$ 9,301,787	\$ 350,402,051	\$ 365,272,054

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. Pitt County Government holds virtually all debt issued for school capital construction.

Additional information on the Board's long-term obligations can be found in the Long-term obligations section of footnote II, Detail Notes on All funds, starting on page 80 of the financial statements.

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

Economic Factors

The population of Pitt County at 2021 is 183,076 which is an increase of 1,775 from 2020. Consistent with the overall growth in the population of Pitt County, the Board's student population has grown over the past ten years. While enrollment has increased for the last several years, the impact of closures due to COVID-19 and the virtual learning environment has resulted in decreased enrollment. The Board has enacted policies such as open enrollment, specialized programming and a virtual academy as a means of attracting students to enroll and remain in the District.

County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects that of the schools. The following factors have affected the economic outlook of Pitt County:

- The unemployment rate for Pitt County in June 2021 was 5.1%. This is slightly higher than the State of North Carolina's June 2021 rate of 4.6%.
- The County continues to serve as the hub of eastern North Carolina in the healthcare, retail, and education sectors. Moderate growth and expansion are expected in these areas.

The current economic environment will continue to be most challenging for the Board, as Local Educational Agencies (LEAs) are dependent upon state and local revenue allocations to fund the primary operations of the school system, as set forth within State law. While funding sources may be negatively impacted by the COVID-19 global pandemic, educators will be faced with addressing learning loss and other factors resulting from related school closures and newly implemented virtual instruction. Additional Federal funds provided through ESSER will be an integral part of closing the educational gaps created by our current circumstances.

In addition, current legislation in the State of North Carolina has mandated smaller class-size in Kindergarten through third grade. While the State funded additional teacher positions which were phased in over a four year period, the demand for classroom space and furniture has not been funded. Pitt County Schools will receive approximately 65 additional teacher positions, and will be in need of over 50 classrooms over the next year. The Board is currently exempt from these requirements because it receives funds related to teacher compensation models; however, both the Board and the County Commissioners are advocating with State leaders for a State Bond to fund building needs. In the meantime, the District continues to use modular units to accommodate the student growth in various locations across the county.

In December 2019, the Board, in an effort to increase teacher recruitment and retention, voted to increase teacher supplements to 6% from 3.00% - 5.25%. The ability to attract new business to the local Pitt County area will also be vital to increase skill sets and expand the tax base needed to assist in meeting the instructional need of the Board's students. The increased cost of reopening schools and supporting learning loss resulting from school closures during the global pandemic is a major challenge the Board will face for the 2021-2022 budget year.

Pitt County Board of Education, North Carolina Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of the Pitt County Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Debra Baggett
Chief Financial Officer
Pitt County Board of Education
1717 West Fifth Street
Greenville, NC 27834
www.pitt.k12.nc.us

Pitt County Board of Education, North Carolina
Statement of Net Position
June 30, 2021
Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 20,683,899	\$ 2,930,537	\$ 23,614,436
Investments	9,739,172	2,447,562	12,186,734
Receivables (net)	322,627	7,834	330,461
Due from other governments	6,634,737	427,188	7,061,925
Net OPEB asset	391,514	9,727	401,241
Inventories	391,674	709,767	1,101,441
Capital assets			
Land and construction in process	7,404,907	-	7,404,907
Other capital assets, net of depreciation	187,027,122	819,533	187,846,655
Total capital assets	194,432,029	819,533	195,251,562
Total assets	232,595,652	7,352,148	239,947,800
DEFERRED OUTFLOWS OF RESOURCES - PENSIONS	40,621,892	1,495,709	42,117,601
DEFERRED OUTFLOWS OF RESOURCES - OPEB	21,937,867	563,339	22,501,206
LIABILITIES			
Accounts payable and accrued liabilities	9,214,826	53,209	9,268,035
Unearned revenues	-	116,592	116,592
Long-term liabilities:			
Due in more than one year net pension liability	108,222,520	2,774,786	110,997,306
Due in more than one year net OPEB liability	218,973,455	6,005,015	224,978,470
Due within one year	3,933,819	52,183	3,986,002
Due in more than one year	10,283,725	156,548	10,440,273
Total liabilities	350,628,345	9,158,333	359,786,678
DEFERRED INFLOWS OF RESOURCES - PENSIONS	1,701,212	3,944	1,705,156
DEFERRED INFLOWS OF RESOURCES - OPEB	102,354,902	2,668,423	105,023,325
DEFERRED INFLOWS OF RESOURCES	109,570	-	109,570
NET POSITION			
Net investment in capital assets	193,138,750	819,533	193,958,283
Restricted for:			
Individual schools	2,000,486	-	2,000,486
Requirements by grantors	2,344,115	-	2,344,115
School capital outlay	2,527,589	-	2,527,589
DIPNC OPEB plan	391,514	9,727	401,241
Stabilization by state statute	322,627	-	322,627
Unrestricted (deficit)	(360,363,699)	(3,248,764)	(363,612,463)
Total net position (deficit)	\$ (159,638,618)	\$ (2,419,504)	\$ (162,058,122)

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2021
Exhibit 2

			Program Revenues	
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Instructional programs				
Regular	\$ 107,272,613	\$ 325,234	\$ 99,305,479	\$ -
Special	29,334,943	-	29,073,527	-
Alternative programs	21,175,020	-	21,561,070	-
School leadership	14,653,115	-	10,025,465	-
Co-curricular	3,466,407	-	2,409,744	-
School based support	14,172,736	-	13,790,065	-
Supporting services				
Support and development	2,554,027	-	1,708,566	-
Special populations	584,757	-	584,297	-
Alternative programs	810,087	-	723,603	-
Technology support	1,621,445	-	438,028	-
Operational suport	31,086,247	400,450	16,010,175	2,686,823
Financial and human resources	4,237,174	-	721,090	-
Accountability services	109,798	-	-	-
System wide pupil support	103,090	-	77,314	-
Leadership services	1,397,486	-	659,100	-
Ancillary services	2,066,378	-	1,384,636	-
Non-program charges	429,725	-	1,131,840	-
On-behalf payment to County for for repayment of debt	1,419,849	-	-	1,419,849
Interest on long-term debt	23,224	-	-	-
Unallocated depreciation expense (excludes amounts directly allocated)	5,708,665	-	-	-
Total governmental activities	242,226,786	725,684	199,603,999	4,106,672
Business-type activities:				
School food services	7,408,275	232,216	6,646,338	-
Total business-type activities	7,408,275	232,216	6,646,338	-
Total board of education	\$ 249,635,061	\$ 957,900	\$ 206,250,337	\$ 4,106,672

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2021
Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Functions	Governmental Activities	Business-type Activities	Total
Primary Government:			
Governmental activities:			
Instructional programs			
Regular	\$ (7,641,900)	\$ -	\$ (7,641,900)
Special	(261,416)	-	(261,416)
Alternative programs	386,050	-	386,050
School leadership	(4,627,650)	-	(4,627,650)
Co-curricular	(1,056,663)	-	(1,056,663)
School based support	(382,671)	-	(382,671)
Supporting services			
Support and development	(845,461)	-	(845,461)
Special populations	(460)	-	(460)
Alternative programs	(86,484)	-	(86,484)
Technology support	(1,183,417)	-	(1,183,417)
Operational support	(11,988,799)	-	(11,988,799)
Financial and human resources	(3,516,084)	-	(3,516,084)
Accountability services	(109,798)	-	(109,798)
System wide pupil support	(25,776)	-	(25,776)
Leadership services	(738,386)	-	(738,386)
Ancillary services	(681,742)	-	(681,742)
Non-program charges	702,115	-	702,115
On-behalf payment to County for for repayment of debt	-	-	-
Interest on long-term debt	(23,224)	-	(23,224)
Unallocated depreciation expense (excludes amounts directly allocated)	(5,708,665)	-	(5,708,665)
Total governmental activities	(37,790,431)	-	(37,790,431)
Business-type activities:			
School food services	-	(529,721)	(529,721)
Total business-type activities	-	(529,721)	(529,721)
Total board of education	(37,790,431)	(529,721)	(38,320,152)
General revenues:			
Unrestricted county appropriation - operating	41,497,811	-	41,497,811
Unrestricted county appropriation - capital	3,914,729	-	3,914,729
Interest earnings, unrestricted	33,646	6,931	40,577
Unrestricted Federal grants	1,659,801	-	1,659,801
Miscellaneous, unrestricted	2,579,221	-	2,579,221
Transfers	(45,417)	45,417	-
Total general revenues and transfers	49,639,791	52,348	49,692,139
Change in net position	11,849,360	(477,373)	11,371,987
Net position (deficit) - beginning	(171,487,978)	(1,942,131)	(173,430,109)
Net position (deficit), ending	\$ (159,638,618)	\$ (2,419,504)	\$ (162,058,122)

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
Balance Sheet –Governmental Funds
June 30, 2021
Exhibit 3

	General	State Public School	Federal Grants	Special Revenue	Individual Schools	Capital Outlay	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 7,981,878	\$ 322,229	\$ -	\$ 6,657,514	\$ 1,985,376	\$ 3,736,902	\$ 20,683,899
Investments	4,941,881	-	-	3,945,879	15,110	836,302	9,739,172
Accounts receivable	44,674	-	-	272,015	-	5,938	322,627
Inventories	391,674	-	-	-	-	-	391,674
Due from other governments	-	5,780,931	623,301	222,269	-	8,236	6,634,737
Total assets	\$ 13,360,107	\$ 6,103,160	\$ 623,301	\$ 11,097,677	\$ 2,000,486	\$ 4,587,378	\$ 37,772,109
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 497,010	\$ -	\$ -	\$ 52,191	\$ -	\$ 593,500	\$ 1,142,701
Temporary bank overdraft	-	-	1,437	-	-	-	1,437
Accrued salaries and wages payable	1,263,191	6,102,705	512,749	192,043	-	-	8,070,688
Total liabilities	1,760,201	6,102,705	514,186	244,234	-	593,500	9,214,826
Deferred inflows of resources	-	455	109,115	-	-	-	109,570
Fund balances:							
Nonspendable:							
Inventories	391,674	-	-	-	-	-	391,674
Restricted:							
Stabilization by State Statute	44,674	-	-	272,015	-	5,938	322,627
Requirements by Grantors	-	-	-	2,344,115	-	-	2,344,115
School capital outlay	739,649	-	-	-	-	1,787,940	2,527,589
Individual schools	-	-	-	-	2,000,486	-	2,000,486
Committed:							
Capital projects	5,806,820	-	-	-	-	2,200,000	8,006,820
Assigned:							
Subsequent years expenditures	957,055	-	-	8,237,313	-	-	9,194,368
Unassigned:	3,660,034	-	-	-	-	-	3,660,034
Total fund balances	11,599,906	-	-	10,853,443	2,000,486	3,993,878	28,447,713
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,360,107	\$ 6,103,160	\$ 623,301	\$ 11,097,677	\$ 2,000,486	\$ 4,587,378	\$ 37,772,109

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position:

Amounts reported for governmental activities in the Statement of Net Position

(Exhibit I) are different because:

Fund balance - governmental funds	\$ 28,447,713
Net OPEB asset	391,514
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	194,432,029
Deferred outflows related to pensions	40,621,892
Deferred outflows related to OPEB	21,937,867
Some liabilities, including notes payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	(14,217,544)
Net pension liability	(108,222,520)
Net OPEB liability	(218,973,455)
Deferred inflows of resources related to pensions	(1,701,212)
Deferred inflows of resources related to OPEB	(102,354,902)
Net position of governmental activities	\$ (159,638,618)

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
For the Fiscal Year Ended June 30, 2021
Exhibit 4 (continued)

	General	State Public School	Federal Grants	Special Revenue	Individual Schools	Capital Outlay	Total Governmental Funds
REVENUES							
State aid	\$ -	\$ 161,453,547	\$ -	\$ 3,767,408	\$ -	\$ 2,686,823	\$ 167,907,778
Federal aid	-	-	26,315,854	5,748,830	-	-	32,064,684
Local aid	41,497,811	-	-	-	-	3,914,729	45,412,540
Other local sources	-	-	-	436,288	-	71,251	507,539
Contributions and donations	-	-	-	-	2,409,744	-	2,409,744
Interest earnings	18,371	-	-	12,650	42	2,582	33,645
Fines and forfeitures	1,800,783	-	-	-	-	-	1,800,783
Indirect costs	-	-	-	1,220,131	-	-	1,220,131
Sales tax	-	-	37,323	222,269	-	8,236	267,828
Tuition and fees	5,250	-	-	319,984	-	-	325,234
Miscellaneous	101,118	-	-	606,958	-	-	708,076
Total revenues	43,423,333	161,453,547	26,353,177	12,334,518	2,409,786	6,683,621	252,657,982
EXPENDITURES							
Current:							
Instructional programs							
Regular	12,101,996	90,749,064	5,688,693	3,181,082	-	-	111,720,835
Special	1,105,247	22,939,767	6,133,205	397,229	-	-	30,575,448
Alternative programs	455,526	8,601,250	9,610,619	3,178,436	-	-	21,845,831
School leadership	4,970,842	9,748,298	277,167	314,103	-	-	15,310,410
Co-curricular	1,048,234	-	-	-	2,440,936	-	3,489,170
School based support	613,377	12,374,483	1,307,183	338,854	-	-	14,633,897
System wide support services							
Support and development	818,812	296,247	400,038	1,050,577	-	-	2,565,674
Special populations	7,071	205,943	151,528	227,511	-	-	592,053
Alternative programs	107,517	129,467	400,842	183,252	-	-	821,078
Technology support	1,178,785	420,077	17,951	-	-	-	1,616,813
Operational support	14,580,896	13,801,404	1,345,358	-	-	6,782	29,734,440
Financial and human resources	3,448,335	558,973	27,159	140,778	-	4,006	4,179,251
Accountability Services	111,339	-	-	-	-	-	111,339
System wide pupil support	27,462	77,314	-	-	-	-	104,776
Leadership services	744,048	650,047	9,053	-	-	-	1,403,148
Ancillary services							
Community	25,027	-	-	698,658	-	-	723,685
Nutritional	1,293	855,796	483,423	-	-	-	1,340,512
Non-program charges	-	-	500,958	400,450	-	-	901,408
On-behalf payment to County for repayment of debt	-	-	-	-	-	1,419,849	1,419,849
Debt Service:							
Principal	-	-	-	-	-	1,454,439	1,454,439
Interest	-	-	-	-	-	23,224	23,224
Capital outlay:							
Real property and buildings	-	-	-	-	-	3,028,186	3,028,186
Furniture and equipment	-	-	-	-	-	1,073,524	1,073,524
Buses and motor vehicles	-	-	-	-	-	2,003,404	2,003,404
Total expenditures	41,345,807	161,408,130	26,353,177	10,110,930	2,440,936	9,013,414	250,672,394
Excess revenues over (under) expenditures	2,077,526	45,417	-	2,223,588	(31,150)	(2,329,793)	1,985,588
OTHER FINANCING SOURCES (USES)							
Installment purchase obligations issued	-	-	-	-	-	1,970,823	1,970,823
Transfers (from) to other funds	(2,500,000)	(45,417)	-	(350,000)	-	2,850,000	(45,417)
Insurance recovery	2,283,262	-	-	-	-	-	2,283,262
Total other financing sources (uses)	(216,738)	(45,417)	-	(350,000)	-	4,820,823	4,208,668
Net change in fund balances	1,860,788	-	-	1,873,588	(31,150)	2,491,030	6,194,256
Fund balances - beginning	9,715,276	-	-	8,979,855	2,031,636	1,502,848	22,229,615
Increase in reserve for inventories	23,842	-	-	-	-	-	23,842
Fund balances - ending	\$ 11,599,906	\$ -	\$ -	\$ 10,853,443	\$ 2,000,486	\$ 3,993,878	\$ 28,447,713

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to Statement of Activities
For the Fiscal Year Ended June 30, 2021
Exhibit 4 (concluded)

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net changes in fund balances - total governmental funds	\$ 6,194,256
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.	
Capital outlay	5,040,735
Depreciation expense	(7,301,580)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	19,641,078
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	12,786,783
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the Statement of Activities - it affects only the government-wide Statement of Net Position.	(1,970,823)
Some expenses reported in the Statement of Activities (Exhibit 2) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Pension expense	(30,264,964)
OPEB revenues	6,292,160
Debt service	1,454,439
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	23,842
Compensated absences	(46,567)
Total changes in net position of governmental activities	<u><u>\$ 11,849,360</u></u>

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and
Actual
For the Fiscal Year Ended June 30, 2021
Exhibit 5 (continued)

General Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ -	\$ -	\$ -	\$ -
Federal aid	-	-	-	-
Local aid	41,497,811	41,497,811	41,497,811	-
Other local sources	-	-	-	-
Interest earnings	-	-	18,371	18,371
Fines and forfeitures	2,050,000	2,050,000	1,800,783	(249,217)
Indirect costs	-	-	-	-
Sales tax	-	-	-	-
Tuition and fees	-	-	5,250	5,250
Miscellaneous	300,000	300,000	101,118	(198,882)
Total revenues	43,847,811	43,847,811	43,423,333	(424,478)
EXPENDITURES				
Current:				
Instructional programs				
Regular	17,851,020	17,174,563	12,101,996	5,072,567
Special	1,104,315	1,309,291	1,105,247	204,044
Alternative programs	451,287	478,687	455,526	23,161
School leadership	5,941,718	5,730,643	4,970,842	759,801
Co-curricular	1,185,300	1,185,300	1,048,234	137,066
School based support	706,131	765,944	613,377	152,567
System wide support services				
Support and development	823,101	870,067	818,812	51,255
Special populations	5,831	7,338	7,071	267
Alternative program	104,280	108,882	107,517	1,365
Technology support	1,208,918	1,213,939	1,178,785	35,154
Operational support	15,038,164	18,555,572	14,580,896	3,974,676
Financial and human resources	3,418,820	3,532,691	3,448,335	84,356
Accountability services	101,197	111,483	111,339	144
System wide pupil support	157,760	30,279	27,462	2,817
Leadership services	863,685	843,056	744,048	99,008
Ancillary services				
Community	15,195	40,956	25,027	15,929
Nutritional	6,830	8,123	1,293	6,830
Non-program charges	-	-	-	-
Total expenditures	48,983,552	51,966,814	41,345,807	10,621,007
Revenues over expenditures	(5,135,741)	(8,119,003)	2,077,526	10,196,529
Other financing sources (uses)				
Transfers to other funds	-	(2,500,000)	(2,500,000)	-
Insurance recovery	-	3,483,262	2,283,262	(1,200,000)
Fund balance appropriated	5,135,741	7,135,741	-	(7,135,741)
Total other financing sources (uses)	5,135,741	8,119,003	(216,738)	(8,335,741)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	1,860,788	\$ 1,860,788
Fund balances - beginning, previously reported			9,715,276	
Increase in reserve for inventories			23,842	
Fund balances - ending			<u>\$ 11,599,906</u>	

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and
Actual
For the Fiscal Year Ended June 30, 2021
Exhibit 5 (continued)

State Public School Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ 157,203,070	\$ 168,516,920	\$ 161,453,547	\$ (7,063,373)
Federal aid	-	-	-	-
Local aid	-	-	-	-
Other local sources	-	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Indirect costs	-	-	-	-
Sales tax	-	-	-	-
Tuition and fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	157,203,070	168,516,920	161,453,547	(7,063,373)
EXPENDITURES				
Current:				
Instructional programs				
Regular	89,519,230	93,531,452	90,749,064	2,782,388
Special	22,618,928	23,682,233	22,939,767	742,466
Alternative programs	10,018,095	10,570,233	8,601,250	1,968,983
School leadership	7,757,012	9,940,745	9,748,298	192,447
Co-curricular	-	-	-	-
School based support	11,292,583	12,599,519	12,374,483	225,036
System wide support services				
Support and development	359,082	333,199	296,247	36,952
Special populations	220,560	227,290	205,943	21,347
Alternative program	71,426	150,637	129,467	21,170
Technology support	96,524	610,055	420,077	189,978
Operational support	13,003,506	14,557,538	13,801,404	756,134
Financial and human resources	726,896	585,233	558,973	26,260
Accountability services	-	-	-	-
System wide pupil support	-	77,431	77,314	117
Leadership services	685,542	685,636	650,047	35,589
Ancillary services				
Community	20,350	20,350	-	20,350
Nutritional	813,336	899,952	855,796	44,156
Non-program charges	-	-	-	-
Total expenditures	157,203,070	168,471,503	161,408,130	7,063,373
Revenues over expenditures	-	45,417	45,417	-
Other financing sources (uses)				
Transfers to other funds	-	(45,417)	(45,417)	-
Insurance recovery	-	-	-	-
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	(45,417)	(45,417)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	-	\$ -
Fund balances - beginning			-	
Fund balances - ending			\$ -	

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and
Actual
For the Fiscal Year Ended June 30, 2021
Exhibit 5 (continued)

Federal Grants Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ -	\$ -	\$ -	\$ -
Federal aid	29,818,357	130,286,983	26,315,854	(103,971,129)
Local aid	-	-	-	-
Other local sources	-	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Indirect costs	-	-	-	-
Sales tax	-	37,326	37,323	(3)
Tuition and fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	29,818,357	130,324,309	26,353,177	(103,971,132)
EXPENDITURES				
Current:				
Instructional programs				
Regular	4,634,263	40,298,974	5,688,693	34,610,281
Special	7,827,768	13,047,681	6,133,205	6,914,476
Alternative programs	11,215,344	33,449,420	9,610,619	23,838,801
School leadership	-	869,441	277,167	592,274
Co-curricular	-	-	-	-
School based support	1,202,224	4,963,495	1,307,183	3,656,312
System wide support services				
Support and development	444,849	2,593,839	400,038	2,193,801
Special populations	211,139	220,397	151,528	68,869
Alternative program	458,851	452,604	400,842	51,762
Technology support	-	233,676	17,951	215,725
Operational support	3,272,518	17,300,066	1,345,358	15,954,708
Financial and human resources	-	460,865	27,159	433,706
Accountability services	-	-	-	-
System wide pupil support	-	-	-	-
Leadership services	-	638,888	9,053	629,835
Ancillary services				
Community	-	-	-	-
Nutritional	-	602,967	483,423	119,544
Non-program charges	551,401	15,191,996	500,958	14,691,038
Total expenditures	29,818,357	130,324,309	26,353,177	103,971,132
Revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers to other funds	-	-	-	-
Insurance recovery	-	-	-	-
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	-	\$ -
Fund balances - beginning			-	
Fund balances - ending			<u>\$ -</u>	

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and
Actual
For the Fiscal Year Ended June 30, 2021
Exhibit 5 (concluded)

Special Revenue Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ 3,205,268	\$ 3,791,053	\$ 3,767,408	\$ (23,645)
Federal aid	10,782,466	8,366,974	5,748,830	(2,618,144)
Local aid	-	-	-	-
Other local sources	-	453,009	436,288	(16,721)
Interest earnings	-	-	12,650	12,650
Fines and forfeitures	-	-	-	-
Indirect costs	-	1,375,000	1,220,131	(154,869)
Sales tax	-	200,000	222,269	22,269
Tuition and fees	-	735,000	319,984	(415,016)
Miscellaneous	-	785,000	606,958	(178,042)
Total revenues	13,987,734	15,706,036	12,334,518	(3,371,518)
EXPENDITURES				
Current:				
Instructional programs				
Regular	12,520,695	11,700,845	3,181,082	8,519,763
Special	1,411,577	1,429,067	397,229	1,031,838
Alternative programs	3,659,878	3,944,421	3,178,436	765,985
School leadership	933,600	907,350	314,103	593,247
Co-curricular	5,000	5,000	-	5,000
School based support	705,198	924,268	338,854	585,414
System wide support services				
Support and development	823,479	1,115,644	1,050,577	65,067
Special populations	245,462	245,462	227,511	17,951
Alternative program	101,776	185,496	183,252	2,244
Technology support	-	-	-	-
Operational support	120,000	100,000	-	100,000
Financial and human resources	283,180	148,955	140,778	8,177
Accountability services	-	-	-	-
System wide pupil support	-	-	-	-
Leadership services	46,000	46,000	-	46,000
Ancillary services				
Community	345	1,127,595	698,658	428,937
Nutritional	-	-	-	-
Non-program charges	713,681	406,431	400,450	-
Total expenditures	21,569,871	22,286,534	10,110,930	12,169,623
Revenues over expenditures	(7,582,137)	(6,580,498)	2,223,588	8,804,086
Other financing sources (uses)				
Transfers to other funds	-	(350,000)	(350,000)	-
Insurance recovery	-	-	-	-
Fund balance appropriated	7,582,137	6,930,498	-	(6,930,498)
Total other financing sources (uses)	7,582,137	6,580,498	(350,000)	(6,930,498)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	1,873,588	\$ 1,873,588
Fund balances - beginning			8,979,855	
Fund balances - ending			<u>\$ 10,853,443</u>	

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
Statement of Net Position
Proprietary Fund
June 30, 2021
Exhibit 6

		School Food Service
ASSETS		
Current assets:		
Cash and cash equivalents	\$	2,930,537
Investments		2,447,562
Accounts receivables		7,834
Due from other governments		427,188
OPEB asset		9,727
Inventories		709,767
Total current assets		6,532,615
Noncurrent assets:		
Capital assets (net of accumulated depreciation)		819,533
Total noncurrent assets		819,533
Total assets		7,352,148
DEFERRED OUTFLOWS OF RESOURCES - PENSIONS		1,495,709
DEFERRED OUTFLOWS OF RESOURCES - OPEB		563,339
LIABILITIES		
Current liabilities:		
Accounts payable		52,664
Accrued salaries and wages payable		545
Compensated absences payable, current		52,183
Unavailable revenues		116,592
Total current liabilities		221,984
Noncurrent liabilities:		
Net pension liability		2,774,786
Net OPEB liability		6,005,015
Compensated absences payable, noncurrent		156,548
Total noncurrent liabilities		8,936,349
Total liabilities		9,158,333
DEFERRED INFLOWS OF RESOURCES - PENSIONS		3,944
DEFERRED INFLOWS OF RESOURCES - OPEB		2,668,423
NET POSITION		
Investment in capital assets		819,533
DIPNC OPEB plan		9,727
Unrestricted (deficit)		(3,248,764)
Total net position (deficit)	\$	(2,419,504)

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
Statement of Revenue, Expenses and Changes in Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2021
Exhibit 7

		School Food Service
OPERATING REVENUES		
Food sales	\$	232,216
Total operating revenues		232,216
OPERATING EXPENSES		
Purchase of food		2,992,324
Salaries and benefits		3,662,616
Indirect costs		318,723
Purchased services		61,294
Repairs and maintenance		81,375
Materials and supplies		57,644
Depreciation		234,299
Total operating expenses		7,408,275
Operating loss		(7,176,059)
NONOPERATING REVENUES (EXPENSES)		
Federal reimbursements		5,832,697
Federal commodities		813,641
Investment earnings		6,931
Total nonoperating revenues		6,653,269
Income before transfers		(522,790)
Transfers in (out)		
State Public School Fund		45,417
Total transfers		45,417
Change in net position		(477,373)
Total net position (deficit) - beginning		(1,942,131)
Total net position (deficit) - ending	\$	(2,419,504)

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2021
Exhibit 8 (continued)

	School Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	\$ 232,101
Cash paid for goods and services	(2,816,538)
Cash paid to employees for services	(3,820,163)
Net cash used in operating activities	(6,404,600)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal and state reimbursements	6,323,376
Net cash provided by noncapital financing activities	6,323,376
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(184,796)
Net cash used in capital and related financing activities	(184,796)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	884,415
Interest on investments	6,931
Net cash provided by investing activities	891,346
Net change in cash and cash equivalents	625,326
Cash and cash equivalents, July 1	2,305,211
Cash and cash equivalents, June 30	\$ 2,930,537

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2021
Exhibit 8 (concluded)

Reconciliation of operating loss to net cash used in operating activities:

Operating loss	\$	(7,176,059)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation		234,299
Donated commodities consumed		813,641
Salaries paid by special revenue fund		45,417
Change in assets, deferred outflows of resources and liabilities:		
(Increase) Decrease in due from other governments		(115)
(Increase) Decrease in net OPEB asset		(752)
(Increase) Decrease in inventory		(116,090)
Increase (Decrease) in accounts payable		(27,965)
Increase (Decrease) in accrued salaries and wages payable		545
Increase (Decrease) in net OPEB liability		(501,467)
Increase (Decrease) in compensated absences		(64,282)
Increase (Decrease) in unavailable revenues		25,236
Increase (Decrease) in net pension liability		252,494
(Increase) Decrease in deferred outflows - pensions		(81,497)
Increase (Decrease) in deferred inflows - pensions		3,944
Increase (Decrease) in deferred inflows - OPEB		141,999
Net cash used in operating activities	\$	(6,404,600)

Noncash operating activities and noncapital financing activities:

The State Public School Fund paid salaries and benefits of \$45,417 to administrative personnel of the School Food Service Fund during the fiscal year. The payment is reflected as an transfer in and an operating expense on Exhibit 7.

The School Food Service Fund received donated commodities with a value of \$813,641 during the fiscal year. The receipt of the commodities is recognized as a non-operating revenue. The Fund recorded the consumption of \$813,641 worth of donated commodities during the fiscal year as an operating expense. These transactions are reported on Exhibit 7.

The accompanying notes are an integral part of these basic financial statements.

Pitt County Board of Education, North Carolina

Notes to Financial Statements

I. Summary of Significant Accounting Policies

The accounting policies of Pitt County Board of Education, North Carolina 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 Pitt County Board of Education, North Carolina (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 Pitt County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities present information about the Board. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities on revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Pitt County Board of Education, North Carolina

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 is used to account for various programs and grants, which the federal government provided to the local administrative unit.

Special Revenue Fund. The Special Revenue Fund is used to account for other programs and grants provided by other State, Local, and Federal sources to the local administrative unit. The Special Revenue Fund is used to account for reimbursements for services and fees, sales tax refunds, gifts and grants restricted to use, and Federal appropriations made directly to the local administrative unit. The Special Revenue Fund is also used to account for funds received for pre-kindergarten programs and special programs.

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 Individual Schools Fund is reported as a special revenue fund.

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 the proprietary fund) and is reported as a capital projects fund. It is mandated by State law [G.S.115C-426]. Capital projects are funded by Pitt County appropriations, restricted sales tax moneys, proceeds of Pitt County bonds issued for public school construction, lottery proceeds, as well as certain State assistance.

The Board reports the following major enterprise fund:

School Food Service Fund. The Child Nutrition Fund is used to account for the food service program within the school system and is reported as an enterprise fund.

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.

Pitt County Board of Education, North Carolina

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 60 days after year-end. These 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.

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 the North Carolina General Statutes. Per State law no budget is required 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 dimension level for all annually budgeted funds. The Board has authorized the Superintendent to move monies from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change purpose appropriations. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The actual and budgetary expenditure data on Exhibit 5 is presented at the functional level to provide greater details and information.

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.

The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an

Pitt County Board of Education, North Carolina

Notes to Financial Statements

external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

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. 159-3(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAm rating from S&P Global and AAAMf by Moody's Investors Service. The NCCMT Government Portfolio is reported at fair value.

The Short-Term Investment Fund (STIF) is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs – other than quoted prices – included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2021 of 1.3 years. 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. All cash and investments with original maturities of three months or less 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; thus, an equivalent portion of fund balance is reserved. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

Donated assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 15, 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

Pitt County Board of Education, North Carolina

Notes to Financial Statements

July 1, 1950 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$3,000 with an estimated useful life of two or more years. In addition, other items that are purchased and used in large quantities such as student desks are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

	Years
Buildings	50
Improvements	10
Equipment and furniture	3 - 12
Vehicles	6

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 financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has several items that meet this criterion – pension and OPEB related deferrals and contributions made to the plans subsequent to the measurement date. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has several items that meet this criterion - sales tax refunds receivable in the State Public School and Federal Grants funds and 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.

Pitt County Board of Education, North Carolina

Notes to Financial Statements

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. 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 based on prior years' records has been made.

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

8. Net Position/Fund Balances

Net Position

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

Fund Balance

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Restricted for Requirements by Grantors – portion of fund balance that can only be used for the specific purposes as specified by the grantors.

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

Pitt County Board of Education, North Carolina

Notes to Financial Statements

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

Committed Fund Balance – portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of the Board of Education’s governing body (highest level of decision-making authority) and in certain instances approval by the County’s governing body is required. Any changes or removal of specific purpose requires majority vote by quorum of the governing bodies that approved the original action.

Committed for Capital Projects – portion of fund balance committed by the Board that can only be used for future capital projects.

Assigned fund balance – portion of fund balance that Pitt County Board of Education 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 Board body approves the appropriation; however, per Board policy 3.101, the budget ordinance authorizes the Superintendent to transfer the appropriations between sub-functions and objects or expenditures within a function.

Unassigned fund balance – 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 has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Chief Financial Officer will use resources in the following hierarchy in conjunction with and within the confines of all applicable state, federal, and local fiscal policies, laws, and regulations: state funds, federal funds, special revenue funds, Board of Education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

9. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund Balance Sheet includes a reconciliation between total fund balance of the governmental funds and net position of the governmental activities as reported in the government-wide Statement of Net Position. The net adjustment of \$(188,086,331) consists of several elements as follows:

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Description	Amount
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds (total capital assets on government-wide statements in the governmental column (Exhibit 1)).	\$ 325,581,295
Less accumulated depreciation	(131,149,266)
Net capital assets	194,432,029
Net OPEB asset	391,514
Pension related deferred outflows of resources	40,621,892
OPEB related deferred outflows of resources	21,937,867
and are therefore not recorded in the fund statement	
Installment financing	(1,007,193)
Capital lease	(286,086)
Compensated absences	(12,924,265)
Net pension liability	(108,222,520)
Net OPEB liability	(218,973,455)
Pension related deferred inflows of resources	(1,701,212)
OPEB related deferred inflows of resources	(102,354,902)
Total adjustments	\$ (188,086,331)

2. Explanation of certain differences between the governmental funds 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 Funds 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 \$5,655,103 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 5,040,735
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(7,301,580)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(1,970,823)
Principal payments on debt owed are recorded as a use of funds on the fund statement; it has no effect on the statement of activities - it affects only the government-wide statement of net position	1,454,439
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	19,641,078
Contributions to the OPEB plan in the current fiscal year are not included on the statement of activities	12,786,783
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expense in the fund statements.	
Pension expense	(30,264,964)
OPEB revenue	6,292,160
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	23,842
Compensated absences are accrued in the government-wide statements but not the fund statements because they do not use current resources	(46,567)
Total adjustments	\$ 5,655,103

10. Defined Benefit Pension Plan and OPEB Plans

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

11. New Financial Accounting Standards

GASB Statement No. 83, *Certain Asset Retirement Obligations*

In November 2016, the GASB issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year. This Statement did not affect the Board's financial reporting or financial operations.

GASB Statement No. 84, *Fiduciary Activities*

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year. This Statement did not affect the Board's financial reporting or financial operations.

GASB Statement No. 87, *Leases*

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The Board is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been postponed by 18 months.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The Board is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year. This Statement did not affect the Board's financial reporting or financial operations.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*

In August 2018, the GASB issued GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority

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equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year. This Statement did not affect the Board's financial reporting or financial operations.

GASB Statement No. 91, *Conduit Debt Obligations*

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The Board is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

GASB Statement No. 92, *Omnibus 2020*

In January 2020, the GASB issued GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended*, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to *postemployment benefit arrangements*
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

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Earlier application is encouraged and is permitted by topic. The Board is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including re-measurement of the lease liability or lease receivable.

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

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The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The Board is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated). The Board is currently reviewing this statement to determine the effect on its financial statements.

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GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The Board is currently reviewing this statement to determine the effect on its financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier

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application of those requirements is encouraged and permitted by requirement as specified within this Statement. For portions of this Statement relating to GASB 84 that are effective immediately, the Board did not experience any reporting changes. For other portions of this Statement that are effective in future reporting periods, the Board does not anticipate this Statement affecting its financial reporting or financial operations.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of Annual Comprehensive Financial Report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for Annual Comprehensive Financial Report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged. The Board implemented this statement for the year ended June 30, 2021.

II. 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 and savings and loans with a carrying amount of \$23,292,207 and with the State Treasurer of \$322,229. The bank balances with the financial institutions and the State Treasurer were \$24,214,003 and \$1,444,968, respectively. Of these balances, \$1,107,299 was covered by federal depository insurance and \$24,551,672 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

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2. Investments

At June 30, 2021, the Board's investment balances were as follows:

Investment Type	Valuation Measurement Method	Fair Value	Maturity	Rating
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 10,400,630	N/A	AAAmf
Department of State Treasurer Short Term Investment Fund (STIF)	Fair Value - Level 2	<u>1,786,104</u>	Duration of 1.3 years	Unrated
		<u>\$ 12,186,734</u>		

All investments are measured using the market approach. Debt classified in Level 1 of the fair value hierarchy is valued using prices quoted in active markets for those securities. 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. The Board has no policy for managing interest rate risk or credit risk.

3. Accounts Receivable

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

	Due from other governments	Other	Total
Governmental activities:			
General	\$ -	\$ 44,674	\$ 44,674
Other governmental activities	6,634,737	277,953	6,912,690
Total governmental activities	<u>\$ 6,634,737</u>	<u>\$ 322,627</u>	<u>\$ 6,957,364</u>
Business-type activities			
Food Service Fund	\$ 427,188	\$ 7,834	\$ 435,022
Total business-type activities	<u>\$ 427,188</u>	<u>\$ 7,834</u>	<u>\$ 435,022</u>
Due from other governments consists of the following:			
State Public School	\$ 5,780,931	Operating fund from DPI	
Federal Grants	623,301	Operating fund from DPI	
Special Revenue	222,269	Misc revenues from NC and county	
Capital Outlay	8,236	Misc revenues from the state	
Total	<u>\$ 6,634,737</u>		
Food Service Fund	<u>\$ 427,188</u>	Federal reimbursements	

Management has determined from a review of outstanding accounts that amounts presented as receivables are collectible, and that an allowance for doubtful accounts was not considered necessary.

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4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,168,270	\$ -	\$ -	\$ 5,168,270
Construction in progress	-	2,236,637	-	2,236,637
Total capital assets not being depreciated	5,168,270	2,236,637	-	7,404,907
Capital assets being depreciated:				
Buildings and improvements	285,118,440	331,640	-	285,450,080
Equipment and furniture	9,736,798	462,271	-	10,199,069
Vehicles	20,596,293	2,010,187	79,241	22,527,239
Total capital assets being depreciated	315,451,531	2,804,098	79,241	318,176,388
Less accumulated depreciation for:				
Buildings and improvements	97,889,809	5,494,179	-	103,383,988
Equipment and furniture	8,162,079	536,215	-	8,698,294
Vehicles	17,875,039	1,271,186	79,241	19,066,984
Total accumulated depreciation	123,926,927	7,301,580	79,241	131,149,266
Total capital assets being depreciated, net	191,524,604			187,027,122
Governmental activities capital assets, net	\$ 196,692,874			\$ 194,432,029

Depreciation expense was charged to governmental functions as follows:

Regular instructional	\$ 90,962
Special instructional	24,894
Alternative programs	17,787
School leadership	12,466
Co-curricular	2,841
School based support services	11,915
Support and development services	83,326
Special populations	19,228
Alternative programs	26,666
Technology support	52,509
Operational support services	965,688
Financial and human resources services	135,730
Accountability services	3,616
System-wide pupil support	3,403
Leadership services	45,570
Community services	67,039
Non-programmed charges	29,275
Unallocated depreciation	5,708,665
Total	\$ 7,301,580

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Notes to Financial Statements

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 4,756,522	\$ 184,796	\$ -	\$ 4,941,318
Vehicles	85,178	-	-	85,178
Total capital assets being depreciated	4,841,700	184,796	-	5,026,496
Less accumulated depreciation for:				
Equipment	3,907,103	230,169	-	4,137,272
Vehicles	65,561	4,130	-	69,691
Total accumulated depreciation	3,972,664	234,299	-	4,206,963
Business-type activities capital assets, net	\$ 869,036			\$ 819,533

5. Construction Commitments

Pitt County has an active construction project as of June 30, 2021. The project includes construction at A.G. Cox Middle School for the benefit of Pitt County Board of Education. At year-end, the Board's commitments with contractors for school construction is as follows:

Project	Budget	Spent-to-date	Remaining Commitment
A.G. Cox Middle School	\$ 12,254,076	\$ 2,236,637	\$ 10,017,439

6. Financing Commitments

Legislation permits the State Board of Education to finance the purchase of replacement school buses through installment purchases. Pitt County Board of Education has entered into an agreement to purchase 4 buses in this manner. The term of the financing cannot exceed three years and the Board must purchase the buses from vendors approved by the Department of Public Instruction. The Department of Public Instruction will make the payments to the lender on behalf of the Pitt County Board of Education out of funds allocated to the Pitt County Board of Education. Because future resources will be used to fund the payments under the installment agreement no encumbrance of fund balance at June 30, 2021, has been recorded.

The payments due in the fiscal year ended June 30, 2022 and thereafter are as follows:

Total purchase price, 4 buses - \$377,147

Year ended June 30:	
2022	\$ 188,573
2023	94,287
2024	94,287
Total	\$ 377,147

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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.

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

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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 \$19,964,502 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 \$110,997,306 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension 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, 2020 and at June 30, 2019, the Board's proportion was 0.919% and 0.920%, respectively.

For the year ended June 30, 2021, the Board recognized pension expense of \$30,763,330. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 6,116,548	\$ -
Change in assumptions	3,761,387	-
Net difference between projected and actual earnings on pension plan investments	12,275,164	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,705,156
Employer contributions subsequent to the measurement date	19,964,502	-
Total	\$ 42,117,601	\$ 1,705,156

\$19,964,502 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension

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liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2022	\$	6,894,889
2023		5,449,249
2024		4,446,929
2025		3,656,876
Thereafter		-
Total	\$	20,447,943

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

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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 7.00 percent, 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Board's proportionate share of the net pension liability (asset)	\$ 199,769,083	\$ 110,997,306	\$ 36,536,157

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

b. Other Postemployment Benefits

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 General Statute 135-7, 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>.

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

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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 current fiscal year, the Board contributed 6.68% of covered payroll which amounted to \$9,023,198.

At June 30, 2021, Board reported a liability of \$224,978,470 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and June 30, 2019, the Board's proportion was 0.811% and 0.809%, respectively.

\$9,023,198 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ending June 30,	
2022	\$ (32,205,521)
2023	(32,180,816)
2024	(14,992,057)
2025	(5,081,288)
2026	(7,385,289)
Thereafter	-
Total	\$ (91,844,971)

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

Inflation	3.00%
Salary increases based on service	3.5% to 8.1%, including inflation and productivity factor
Investment rate of return	7.00%

Healthcare cost trend rates

Medical	6.50% grading down to 5.00% by 2024 for non-MA and MA coverage
Prescription drug	9.50% grading down to 5.00% by 2028
Administrative costs	3.00%
Post-Retirement Mortality Rates	RP-2014 Healthy Annuitant Mortality Rate 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 3.50% 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 2.21% was used as the discount rate used to measure the total OPEB liability. The 3.50% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2020.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$ 266,810,229	\$ 224,978,470	\$ 191,276,015

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount

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rate that is 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

Healthcare Trend Rates			
	1% decrease		1% increase
	(Medical - 4.00 - 5.50%, Pharmacy - 4.00 - 8.50%, Medicare Advantage - 4.00 - 5.50%, Administrative - 2.00%)	(Medical - 5.00 - 6.50%, Pharmacy - 5.00 - 9.50%, Medicare Advantage - 5.00 - 6.50%, Administrative - 3.00%)	(Medical - 6.00 - 7.50%, Pharmacy - 6.00 - 10.50%, Medicare Advantage - 6.00 - 7.50%, Administrative - 4.00%)
Net OPEB liability	\$ 181,373,326	\$ 224,978,470	\$ 283,262,616

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

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further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 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 \$121,570 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 another postemployment benefit.

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

At June 30, 2021, Board reported an asset of \$401,241 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, 2020, the Board's proportion was 0.816%.

\$121,570 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a 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 Ending June 30,	
2022	\$ 73,930
2023	46,639
2024	18,891
2025	36,557
2026	(589)
Thereafter	2,656
Total	\$ 178,084

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

Inflation	3.00%
Salary increases	3.5% to 8.10%, include 3.5% inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage point higher (4.75 percent) than the current discount rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB asset	\$ 346,529	\$ 401,241	\$ 454,363

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Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using 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:

	Initial Trend Rate 5.50%, Ultimate Trend Rate 4.00%	Initial Trend Rate 6.50%, Ultimate Trend Rate 5.00%	Initial Trend Rate 7.50%, Ultimate Trend Rate 6.00%
Net OPEB asset	\$ 401,902	\$ 401,241	\$ 400,662

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Opportunistic Fixed Income	7.0%	6.0%
Inflation Sensitive	6.0%	4.0%
Total	100%	

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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 pension expense:

	RHBF	DIPNC	Total
OPEB (Revenue) Expense	\$ (6,683,181)	\$ 288,709	\$ (6,394,472)
OPEB Liability (Asset)	224,978,470	(401,241)	224,577,229
Proportionate share of the net OPEB liability (asset)	0.811%	0.816%	
Deferred of Outflows of Resources			
Differences between expected and actual experience	203,814	290,666	494,480
Changes of assumptions	9,866,590	31,197	9,897,787
Net difference between projected and actual earnings on plan investments	473,941	-	473,941
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,490,230	-	2,490,230
Board contributions subsequent to the measurement date	9,023,198	121,570	9,144,768
Total Deferred of Outflows of Resources - OPEB	\$ 22,057,773	\$ 443,433	\$ 22,501,206
Deferred of Inflows of Resources			
Differences between expected and actual experience	\$ 8,801,435	\$ -	\$ 8,801,435
Changes of assumptions	91,299,815	31,598	91,331,413
Net difference between projected and actual earnings on plan investments	-	67,976	67,976
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,778,296	44,205	4,822,501
Total Deferred of Inflows of Resources - OPEB	\$ 104,879,546	\$ 143,779	\$ 105,023,325

2. Accounts Payable

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

	Vendors	Salaries and Benefits	Total
Governmental activities:			
General	\$ 497,010	\$ 1,263,191	\$ 1,760,201
Other governmental activities	645,691	6,807,497	7,453,188
Total governmental activities	\$ 1,142,701	\$ 8,070,688	\$ 9,213,389
Business-type activities:			
Food Service Fund	\$ 52,664	\$ 545	\$ 53,209
Total business-type activities	\$ 52,664	\$ 545	\$ 53,209

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3. Unearned Revenues

The balance in unearned revenues as of June 30, 2021 for business-type activities is composed of the following:

	Unearned Revenue	
Business-type activities:		
Prepaid meals	\$	116,592
Total	\$	116,592

4. Deferred Outflows and Inflows of Resources

The balance in deferred outflows and inflows of resources as of June 30, 2021 is composed of the following elements:

	Deferred Outflow of Resources		Deferred Inflow of Resources	
Governmental activities				
Sales tax refunds receivable (State Public School Fund)	\$	-	\$	455
Sales tax refunds receivable (Federal Grants Fund)		-		109,115
Total	\$	-	\$	109,570

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. Workers' Compensation coverage is purchased 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 (Insurance Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. The Insurance 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.

Pitt County Board of Education, North Carolina

Notes to Financial Statements

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. The Board pays 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 of the Board's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$175,000.

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

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 attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Board's financial position.

The Board entered into a lease with the County of Pitt at the beginning of the 2004-2005 fiscal year. The lease covers the central office space. The agreement is for one year with payments due monthly. Monthly payments will remain constant at \$28,333, yielding an annual lease expense of \$340,000 for the office space. The lease can be renewed annually at the discretion of the Board. Rent expense for the year ended June 30, 2021 was \$340,000.

7. Long-Term Obligations

A. Installment Purchase

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 and Blue Bird Buses through a special third party financing arrangement by Banc of America Public Capital Corp at total payments less than the purchase price. In the fiscal years listed below the Board entered in a direct placement installment purchase contract to finance the purchase of the school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract requires only principal payments shown below for the contract year.

Pitt County Board of Education, North Carolina
Notes to Financial Statements

The future minimum payments of all installment purchases as of June 30, 2021 are as follows:

	Initial contract year		
	FYE 2019	FYE 2021	Totals
	1	21	22
Total buses purchased			
Total purchase price	\$ 87,144	\$ 1,970,823	\$ 2,057,967
Total payments 2021-2022	21,781	492,706	514,487
Total payments 2022-2023	-	492,706	492,706
Total remaining payments	\$ 21,781	\$ 985,412	\$ 1,007,193

B. Capital Leases

During the fiscal year ended June 30, 2019, the Board entered into an agreement to lease a modular classroom complex. The lease agreement qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of the inception. The agreement requires 60 monthly payments of \$5,913 and title passes to the Board at the end of the lease term.

During the fiscal year ended June 30, 2019, the Board entered into two agreements to lease activity buses. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The first agreement requires four annual payments of \$69,302. The second agreement requires four annual payments of \$70,136. For both of these leases, title passes to the Board at the end of the lease term.

The following is an analysis of the assets recorded under capital leases at June 30, 2021:

Classes of Property	Cost	Accumulated Depreciation	Net Book Value
Buildings	\$ 382,176	\$ 20,382	\$ 361,794
Vehicles	530,498	228,408	302,090
Total	\$ 912,674	\$ 248,790	\$ 663,884

Future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2021 is as follows:

Year Ending June 30,	
2022	\$ 188,261
2023	71,251
2024	46,178
Total minimum lease payments	305,690
Less: amount representing interest	19,604
Present value of the minimum lease payments	\$ 286,086

Pitt County Board of Education, North Carolina
Notes to Financial Statements

C. 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:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental activities:					
Installment purchases	\$ 303,344	\$ 1,970,823	\$ 1,266,974	\$ 1,007,193	\$ 514,487
Capital leases	473,551	-	187,465	286,086	188,261
Net pension liability	92,888,960	15,333,560	-	108,222,520	-
Net OPEB liability	249,426,714	-	30,453,259	218,973,455	-
Compensated absences	12,877,698	10,869,893	10,823,326	12,924,265	3,231,071
Total	\$ 355,970,267	\$ 28,174,276	\$ 42,731,024	\$ 341,413,519	\$ 3,933,819
Business-type activities:					
Compensated absences	\$ 273,013	\$ 232,293	\$ 296,575	\$ 208,731	\$ 52,183
Net pension liability	2,522,292	252,494	-	2,774,786	-
Net OPEB liability	6,506,482	-	501,467	6,005,015	-
Total	\$ 9,301,787	\$ 484,787	\$ 798,042	\$ 8,988,532	\$ 52,183

Compensated absences, net pension liabilities, and net OPEB liabilities are typically liquidated by the General and other governmental funds.

D. Lease Income

The Board's leasing operations consists principally of a land rental agreement with American Tower for the use of the Board's property to erect a cellular tower. The rental agreement outlines payments through a ten year term beginning July 1, 2014 and commencing June 30, 2024. The Board also began leasing a modular unit to East Carolina University, whereby the University will pay one half of the monthly debt service payment of \$2,969 to the Board. In addition the University will reimburse the Board 75% of cost of utilities. This agreement consists of 60 payments through the fiscal year 2024. The following table outlines the future minimum lease income to be received by the Board:

Year Ending June 30,	Cell Tower	Modular Unit	Total
2022	\$ 18,000	\$ 35,626	\$ 53,626
2023	18,000	35,626	53,626
2024	18,000	11,875	29,875
Total	\$ 54,000	\$ 83,127	\$ 137,127

In addition to the rent, the agreement with American Tower includes a one-time payment to the Board in the amount of \$100,000 upon erection of the cellular tower. Upon commencement of the lease at June 30, 2024 American Tower will have the right to extend the agreement for each of two five year Renewal Terms.

Pitt County Board of Education, North Carolina
Notes to Financial Statements

E. Inter-fund Balances and Activity

The following inter-fund transfers represent transfers from the State Public School Fund and the General Fund to the School Food Service Fund for administrative costs:

Fund	Transfer from	Transfer to	Net
State fund	\$ 45,417	\$ -	\$ 45,417
School food service fund	-	45,417	(45,417)
General fund	2,500,000	-	2,500,000
Special revenue fund	350,000	-	350,000
Capital projects fund	-	2,850,000	(2,850,000)
Total	\$ 2,895,417	\$ 2,895,417	\$ -

F. Fund Balance

The Board has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Assistant Superintendent of Finance will use resources in the following hierarchy in conjunction with and within the confines of all applicable state, federal, and local fiscal policies, laws, and regulations: state funds, federal funds, special revenue funds, Board of Education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

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	\$ 11,599,906
Less:	
Inventories	391,674
Stabilization by state statute:	
Accounts receivable	44,674
Total stabilization by state statute	44,674
Restricted for school capital projects	739,649
Committed for capital projects	5,806,820
Assigned for:	
Subsequent years expenditures	957,055
Total assigned fund balance	957,055
Remaining Fund Balance- Unassigned	\$ 3,660,034

Pitt County Board of Education, North Carolina

Notes to Financial Statements

III. 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 monies 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.

IV. Significant Effects of Subsequent Events

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, certain operations of the Board have been affected. In response to this event, in the spring of 2020, the Board closed its schools and moved towards a remote or virtual learning environment. Many funding sources of the Board have been affected by this pandemic, and new funding sources have emerged from federal and state legislation. The Board is actively seeking to address the operational and financial effects of this event, however, continued effects of the pandemic may result in uncertainties and a negative impact on operating activities and results of the Board. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Management has evaluated subsequent events through January 28, 2022, the date on which the financial statements were available to be issued.

Pitt County Board of Education, North Carolina
Schedule of Proportionate Share of Net Pension Liability for
Teachers' and State Employees' Retirement System*
Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Board's proportion of the net pension liability (asset)	0.919%	0.920%	0.902%	0.899%	0.916%	0.921%	0.903%	0.837%
Board's proportionate share of the net pension liability (asset)	\$ 110,997,306	\$ 95,411,252	\$ 89,828,813	\$ 71,369,503	\$ 84,161,369	\$ 33,936,251	\$ 10,587,079	\$ 9,758,714
Board's covered payroll	\$ 132,527,888	\$ 130,294,426	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875	\$ 118,144,306	\$ 112,418,528	\$ 113,334,124
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	83.75%	73.23%	73.05%	59.19%	71.97%	28.72%	9.42%	8.61%
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%

Notes to Schedule:

There were no significant changes in benefit terms or changes in assumptions noted. Information regarding changes in benefit terms and changes of assumptions for the Teachers' and State Employees' Retirement System as well as the State of North Carolina's most recent ACFR and valuation reports are available at <https://www.myncretirement.com/governance/valuations-and-acfrs>.

This schedule is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

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

Pitt County Board of Education, North Carolina
Schedule of the Board Contributions to
Teachers' and State Employees' Retirement System
Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 19,964,502	\$ 17,110,533	\$ 16,096,344	\$ 13,317,872	\$ 11,811,200	\$ 10,699,353	\$ 10,810,204	\$ 9,758,714
Contributions in relation to the contractually required contribution	<u>19,964,502</u>	<u>17,110,533</u>	<u>16,096,344</u>	<u>13,317,872</u>	<u>11,811,200</u>	<u>10,699,353</u>	<u>10,810,204</u>	<u>9,758,714</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 135,030,898	\$ 132,527,888	\$ 130,294,426	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875	\$ 118,144,306	\$ 112,418,528
Contributions as a percentage of covered payroll	14.79%	12.91%	12.35%	10.83%	9.80%	9.15%	9.15%	8.68%

Notes to Schedule:

This schedule is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

Pitt County Board of Education, North Carolina
Schedule of Proportionate Share of Net OPEB Liability
Retiree Health Benefit Fund
Last Five Fiscal Years*

	2021	2020	2019	2018	2017
Board's proportion of the net OPEB liability	0.811%	0.809%	0.808%	0.827%	0.807%
Board's proportionate share of the net OPEB liability	\$ 224,978,470	\$ 255,933,196	\$ 230,082,539	\$ 271,053,859	\$ 351,275,528
Board's covered payroll	\$ 132,527,888	\$ 130,294,426	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	169.76%	196.43%	187.11%	224.79%	300.41%
Plan fiduciary net position as a percentage of the total OPEB liability	4.40%	3.52%	3.52%	2.41%	2.41%

Notes to Schedule:

There were no significant changes in benefit terms or changes in assumptions noted. Information regarding changes in benefit terms and changes of assumptions for the Teachers' and State Employees' Retirement System as well as the State of North Carolina's most recent ACFR and valuation reports are available at <https://www.myncretirement.com/governance/valuations-and-acfrs>.

This schedule is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

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

Pitt County Board of Education, North Carolina
Schedule of the Board Contributions to
Retiree Health Benefit Fund
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 9,023,198	\$ 8,535,440	\$ 8,211,882	\$ 7,474,316	\$ 7,258,932	\$ 6,548,241	\$ 6,511,772	\$ 6,079,794	\$ 6,006,709	\$ 5,622,148
Contributions in relation to the contractually required contribution	<u>9,023,198</u>	<u>8,535,440</u>	<u>8,211,882</u>	<u>7,474,316</u>	<u>7,258,932</u>	<u>6,548,241</u>	<u>6,511,772</u>	<u>6,079,794</u>	<u>6,006,709</u>	<u>5,622,148</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	\$ 135,030,898	\$ 132,527,888	\$ 130,294,426	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875	\$ 118,144,306	\$ 112,418,528	\$ 113,334,091	\$ 112,442,885
Contributions as a percentage of covered payroll	6.68%	6.44%	6.30%	6.08%	6.02%	5.60%	5.51%	5.41%	5.30%	5.00%

Pitt County Board of Education, North Carolina
Schedule of Proportionate Share of Net OPEB Asset
Disability Income Plan of North Carolina
Last Five Fiscal Years*

	2021	2020	2019	2018	2017
Board's proportion of the net OPEB asset	0.816%	0.822%	0.810%	0.805%	0.828%
Board's proportionate share of the net OPEB asset	\$ 401,241	\$ 354,844	\$ 245,998	\$ 492,181	\$ 513,915
Board's covered payroll	\$ 132,527,888	\$ 130,294,426	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.30%	0.27%	0.20%	0.41%	0.44%
Plan fiduciary net position as a percentage of the total OPEB asset	116.47%	116.37%	116.23%	116.06%	117.06%

There were no significant changes in benefit terms or changes in assumptions noted. Information regarding changes in benefit terms and changes of assumptions for the Teachers' and State Employees' Retirement System as well as the State of North Carolina's most recent ACFR and valuation reports are available at <https://www.myncretirement.com/governance/valuations-and-acfrs>.

This schedule is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

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

Pitt County Board of Education, North Carolina
Schedule of the Board Contributions to
Disability Income Plan of North Carolina
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 121,570	\$ 131,924	\$ 183,359	\$ 172,959	\$ 651,133	\$ 479,425	\$ 486,307	\$ 495,391	\$ 498,670	\$ 584,703
Contributions in relation to the contractually required contribution	121,570	131,924	183,359	172,959	651,133	479,425	486,307	495,391	498,670	584,703
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	\$ 135,030,898	\$ 132,527,888	\$ 130,294,426	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875	\$ 118,144,306	\$ 112,418,528	\$ 113,334,091	\$ 112,442,885
Contributions as a percentage of covered payroll	0.09%	0.10%	0.14%	0.14%	0.54%	0.41%	0.41%	0.44%	0.44%	0.52%

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Schedule 1

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	2021 Budget	2021 Actual	Variance	2020 Actual
Revenues				
Pitt County:				
Appropriation from general revenues	\$ 41,497,811	\$ 41,497,811	\$ -	\$ 40,905,920
Total	41,497,811	41,497,811	-	40,905,920
Other				
Fines and forfeitures	2,050,000	1,800,783	(249,217)	1,882,144
Interest	-	18,371	18,371	61,937
Miscellaneous	300,000	106,368	(193,632)	326,647
Total	2,350,000	1,925,522	(424,478)	2,270,728
Total revenues	43,847,811	43,423,333	(424,478)	43,176,648
Expenditures				
Instructional programs				
Regular				
Salaries and employee benefits		8,087,983		7,782,128
Purchased services		2,243,716		2,498,513
Supplies and materials		1,770,297		1,784,675
Total	17,174,563	12,101,996	5,072,567	12,065,316
Special				
Salaries and employee benefits		1,105,247		1,001,667
Supplies and materials		-		49,815
Total	1,309,291	1,105,247	204,044	1,051,482
Alternative programs				
Salaries and employee benefits		455,526		498,743
Total	478,687	455,526	23,161	498,743
School leadership				
Salaries and employee benefits		4,838,816		5,937,323
Purchased services		81,294		113,316
Supplies and materials		50,732		60,035
Total	5,730,643	4,970,842	759,801	6,110,674
Co-curricular				
Salaries and employee benefits		536,326		707,547
Purchased services		511,908		408,325
Supplies and materials		-		10,000
Total	1,185,300	1,048,234	137,066	1,125,872

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)
Schedule 1
Page 2 of 3

	2021 Budget	2021 Actual	Variance	2020 Actual
School based support				
Salaries and employee benefits		512,869		577,886
Purchased services		58,727		123,589
Supplies and materials		41,781		38,283
Total	765,944	613,377	152,567	739,758
Total instructional programs	26,644,428	20,295,222	6,349,206	21,591,845
System wide support services				
Support and development				
Salaries and employee benefits		644,944		651,308
Purchased services		172,628		175,890
Supplies and materials		1,240		3,127
Total	870,067	818,812	51,255	830,325
Special populations				
Salaries and employee benefits		7,071		8,388
Total	7,338	7,071	267	8,388
Alternative programs				
Salaries and employee benefits		107,517		102,895
Total	108,882	107,517	1,365	102,895
Technology support				
Salaries and employee benefits		1,043,359		988,902
Purchased services		135,426		156,697
Total	1,213,939	1,178,785	35,154	1,145,599
Operational support				
Salaries and employee benefits		3,576,711		3,510,302
Purchased services		4,256,123		4,632,619
Supplies and materials		6,748,062		3,731,117
Total	18,555,572	14,580,896	3,974,676	11,874,038
Financial and human resources				
Salaries and employee benefits		1,268,675		1,353,109
Purchased services		2,120,502		1,675,687
Supplies and materials		59,158		43,193
Total	3,532,691	3,448,335	84,356	3,071,989
Accountability				
Salaries and employee benefits		111,339		108,441
Total	111,483	111,339	144	108,441
System wide pupil support				
Salaries and employee benefits		27,462		101,994
Total	30,279	27,462	2,817	101,994

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Schedule 1

Page 3 of 3

	2021 Budget	2021 Actual	Variance	2020 Actual
Leadership services				
Salaries and employee benefits		492,656		462,536
Purchased services		207,912		160,575
Supplies and materials		43,480		53,664
Total	843,056	744,048	99,008	676,775
Total system wide support services	25,273,307	21,024,265	4,249,042	17,920,444
Ancillary services				
Community services				
Salaries and employee benefits		25,027		413
Nutritional services				
Salaries and employee benefits		1,293		11,074
Total ancillary services	49,079	26,320	22,759	11,487
Total expenditures	51,966,814	41,345,807	10,621,007	39,523,776
Revenues over (under) expenditures	(8,119,003)	2,077,526	10,196,529	3,652,872
Other financing sources (uses)				
Transfers to other funds	(2,500,000)	(2,500,000)	-	(1,277,000)
Insurance recovery	3,483,262	2,283,262	(1,200,000)	-
Fund balance appropriated	7,135,741	-	(7,135,741)	-
Total other financing sources (uses)	8,119,003	(216,738)	(8,335,741)	(1,277,000)
Net change in fund balance	<u>\$ -</u>	1,860,788	<u>\$ 1,860,788</u>	2,375,872
Fund balances - beginning		9,715,276		7,316,210
Increase in reserve for inventories		23,842		23,194
Fund balances - ending		<u>\$ 11,599,906</u>		<u>\$ 9,715,276</u>

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Special Revenue Fund
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Schedule 2

Page 1 of 2

	2021 Budget	2021 Actual	Variance	2020 Actual
Revenues				
US Government				
ROTC	\$ 350,000	\$ 336,497	\$ (13,503)	\$ 353,772
GEAR Up	-	-	-	18,435
Plasma games pilot program	144,000	144,000	-	-
TIF Grant	6,872,974	3,945,029	(2,927,945)	4,417,786
Medicaid Administration Outreach Program	1,000,000	1,323,304	323,304	1,024,238
Total	8,366,974	5,748,830	(2,618,144)	5,814,231
State of North Carolina:				
NC Pre-K Program	3,459,875	3,459,869	(6)	3,263,445
COVID child care payments	54,285	56,595	2,310	-
Reimbursements	276,893	250,944	(25,949)	194,967
Total	3,791,053	3,767,408	(23,645)	3,458,412
Other				
Sales tax	200,000	222,269	22,269	188,655
Tuition and fees	735,000	319,984	(415,016)	604,690
Interest	-	12,650	12,650	66,802
Indirect costs	1,375,000	1,220,131	(154,869)	1,386,937
Other local sources	453,009	436,288	(16,721)	476,048
Miscellaneous	785,000	606,958	(178,042)	222,917
Total	3,548,009	2,818,280	(729,729)	2,946,049
Total revenues	15,706,036	12,334,518	(3,371,518)	12,218,692
Expenditures				
Instructional programs				
Regular				
Salaries and employee benefits		2,684,187		2,945,503
Purchased services		22,684		34,556
Supplies and materials		474,211		137,758
Total	11,700,845	3,181,082	8,519,761	3,117,817
Special				
Salaries and employee benefits		186,230		355,992
Purchased services		90,955		336,809
Supplies and materials		120,044		211,964
Total	1,429,067	397,229	1,031,838	904,765
Alternative programs				
Salaries and employee benefits		1,832,771		1,972,553
Purchased services		1,223,777		1,112,358
Supplies and materials		121,888		134,079
Total	3,944,421	3,178,436	765,985	3,218,990
School leadership				
Salaries and employee benefits		314,103		78,344
Total	907,350	314,103	593,247	78,344
Co-Curricular				
Contracted services		-		1,450
Supplies and materials		-		31,098
Total	5,000	-	5,000	32,548
School based support				
Salaries and employee benefits		202,749		241,031
Purchased services		46,858		35,317
Supplies and materials		89,247		71,259
Total	924,268	338,854	585,414	347,607

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Special Revenue Fund
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Schedule 2

Page 2 of 2

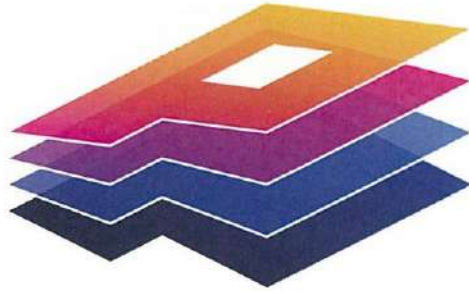
	2021 Budget	2021 Actual	Variance	2020 Actual
Total instructional programs	18,910,951	7,409,704	11,501,245	7,700,071
System wide support services				
Support and development				
Salaries and employee benefits		731,794		780,901
Purchased services		301,828		350,808
Supplies and materials		16,955		143,005
Total	1,115,644	1,050,577	65,067	1,274,714
Special populations				
Salaries and employee benefits		225,773		148,431
Purchased services		1,738		13,969
Total	245,462	227,511	17,951	162,400
Alternative Programs				
Salaries and employee benefits		183,252		97,603
Total	185,496	183,252	2,244	97,603
Operational support				
Salaries and employee benefits		-		2,874
Purchased services		-		97,986
Total	100,000	-	100,000	100,860
Financial and human resources				
Salaries and employee benefits		140,478		140,169
Purchased services		300		1,359
Total	148,955	140,778	8,177	141,528
Leadership services				
Supplies and materials		-		-
Total	46,000	-	46,000	-
Total system wide support services	1,841,557	1,602,118	239,439	1,777,105
Ancillary services				
Community services				
Salaries and employee benefits		549,584		690,479
Purchased services		66,973		126,043
Supplies and materials		82,101		96,229
Nutrition services				
Supplies and materials		-		20,000
Total	1,127,595	698,658	428,937	932,751
Non-Programmed charges				
Indirect costs		400,450		491,238
Total	406,431	400,450	5,981	491,238
Total ancillary services	1,534,026	1,099,108	434,918	1,423,989
Total expenditures	22,286,534	10,110,930	12,175,602	10,901,165
Revenues over (under) expenditures	(6,580,498)	2,223,588	8,804,084	1,317,527
Other financing sources (uses)				
Transfers to other funds	(350,000)	(350,000)	-	-
Fund balance appropriated	6,930,498	-	(6,930,498)	-
Total other financing sources (uses)	6,580,498	(350,000)	(6,930,498)	-
Net change in fund balance	<u>\$ -</u>	<u>1,873,588</u>	<u>\$ 1,873,586</u>	<u>1,317,527</u>
Fund balances - beginning		<u>8,979,855</u>		<u>7,662,328</u>
Fund balances - ending		<u>\$ 10,853,443</u>		<u>\$ 8,979,855</u>

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Capital Outlay Fund
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)
Schedule 3

	2021 Budget	2021 Actual	Variance	2020 Actual
REVENUES				
State of North Carolina				
Public School Building Capital Fund- lottery	\$ 2,000,000	\$ 1,419,849	\$ (580,151)	\$ 1,759,876
State appropriations - buses	1,715,000	1,266,974	(448,026)	948,685
Pitt County, North Carolina				
Appropriation from County	15,503,392	3,236,638	(12,266,754)	1,000,000
Restricted portion of sales tax	8,351,169	678,091	(7,673,078)	1,280,288
Other revenues				
Unrestricted portion of sales tax	-	8,236	8,236	21,357
Other local revenue	71,300	71,251	(49)	75,220
Investment earnings	20,000	2,582	(17,418)	15,906
Total revenues	27,660,861	6,683,621	(20,977,240)	5,101,332
EXPENDITURES				
Capital outlay				
Instructional program				
Regular		-		17,000
System wide support services				
Operational support		6,782		-
Financial & human resources		4,006		8,234
Improvements to existing sites		3,028,186		2,405,674
Furniture and equipment		1,073,524		1,908,510
Buses and motor vehicles		2,003,404		-
On-behalf payment to County for repayment of debt		1,419,849		1,759,876
Total	32,203,465	7,535,751	24,667,714	6,099,294
Debt service				
Principal		1,454,439		1,127,749
Interest		23,224		31,625
Total debt service	1,861,250	1,477,663	383,587	1,159,374
Total expenditures	34,064,715	9,013,414	25,051,301	7,258,668
Excess of revenues over expenditures	(6,403,854)	(2,329,793)	4,074,061	(2,157,336)
Other financing sources				
Installment purchase obligations issued	2,050,000	1,970,823	(79,177)	-
Transfers from other funds	2,850,000	2,850,000	-	1,277,000
Appropriated fund balance	1,503,854	-	(1,503,854)	-
Total other financing sources	6,403,854	4,820,823	(1,583,031)	1,277,000
Net change in fund balance	\$ -	2,491,030	\$ 2,491,030	(880,336)
Fund balances - beginning		1,502,848		2,383,184
Fund balances - ending		\$ 3,993,878		\$ 1,502,848

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures – Budget and Actual – Food Service Fund
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)
Schedule 4

	2021 Budget	2021 Actual	Variance	2020 Actual
Operating revenues, food sales	\$ 3,369,351	\$ 232,216	\$ (3,137,135)	\$ 986,186
Operating expenses				
Nutritional services				
Purchase of food	5,653,787	3,108,414	2,545,373	5,113,994
Salaries and benefits	6,014,683	3,866,125	2,148,558	4,727,625
Indirect cost	886,531	318,723	567,808	581,180
Purchased services	157,706	61,294	96,412	70,192
Repairs and maintenance	95,796	81,375	14,421	77,228
Materials and supplies	114,998	44,163	70,835	34,189
Equipment purchases	876,499	198,277	678,222	648,378
Total operating expenses	13,800,000	7,678,371	6,121,629	11,252,786
Operating loss	(10,430,649)	(7,446,155)	2,984,494	(10,266,600)
Nonoperating revenues				
Federal reimbursements	9,465,825	5,832,697	3,633,128	10,146,639
Federal commodities	779,937	813,641	(33,704)	783,795
State reimbursements	14,471	-	14,471	5,945
Investment earnings	28,250	6,931	21,319	59,295
Total nonoperating revenues	10,288,483	6,653,269	(3,635,214)	10,995,674
Excess of revenues over (under) expenses before other financing sources	(142,166)	(792,886)	(650,720)	729,074
Other financing sources:				
Transfers in	142,166	45,417	(96,749)	365,648
Excess of revenues and other sources over (under) expenditures	<u>\$ -</u>	(747,469)	<u>\$ (747,469)</u>	1,094,722
Reconciliation of modified accrual to full accrual basis:				
Reconciling items:				
Depreciation		(234,299)		(180,942)
Increase (decrease) in net OPEB asset		752		2,406
(Increase) decrease in net pension liability		(252,494)		(123,372)
(Increase) decrease in net OPEB liability		501,467		(571,300)
Increase (decrease) in deferred outflows - pension		81,497		(236,710)
(Increase) decrease in deferred inflows - pension		(3,944)		-
Increase (decrease) in deferred outflows - OPEB		(46,052)		249,207
(Increase) decrease in deferred inflows - OPEB		(141,999)		593,727
Capital outlay		184,796		609,661
Increase (decrease) in inventory		116,090		121,678
(Increase) decrease in compensated absences payable		64,282		(43,972)
Change in net position (full accrual)		\$ (477,373)		\$ 1,515,105



PITT COUNTY

— SCHOOLS —

STATISTICAL SECTION

Pitt County Board of Education, North Carolina Statistical Section

Financial Trends:

Table

These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

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Pitt County, NC – Changes in Net Position	4
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Pitt County NC – Fund Balances – Governmental Funds	6

Revenue Capacity:

These schedules contain information to help the reader assess the Board's revenues.

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Pitt County Board of Education – Governmental Fund Expenditures and Net Change in Fund Balances	9
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Debt Capacity:

Since the Board of Education has no tax-levying or debt issuing authority, the County of Pitt provides significant funding to the school system. Fiscal data from the County of Pitt has been included to help the reader assess the affordability of Pitt County's current levels of outstanding debt and Pitt County's ability to issue additional debt in the future.

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Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place. Information on the County of Pitt is also included.

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Pitt County Board of Education, North Carolina Statistical Section

Operating Information:

These schedules contain service 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

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Sources – Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) of the Pitt County Board of Education and Pitt County, North Carolina

Pitt County Board of Education, North Carolina
Net Position by Component – Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited
Table 1

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Government Activities										
Net investment in capital assets	\$ 211,406,654	\$ 205,455,036	\$ 199,405,257	\$ 194,348,779	\$ 191,040,719	\$ 197,290,630	\$ 201,690,551	\$ 198,770,607	\$ 195,915,978	\$ 193,138,750
Restricted	3,405,377	5,571,803	4,894,713	4,166,144	4,778,356	5,504,675	7,638,711	7,500,438	6,857,492	7,586,331
Unrestricted (deficit)	1,498,148	(1,020,175)	(577,373)	(30,398,260)	(32,150,243)	(34,828,040)	(382,041,091)	(373,919,779)	(374,261,448)	(360,363,699)
Total governmental activities net position (deficit)	\$ 216,310,179	\$ 210,006,664	\$ 203,722,597	\$ 168,116,663	\$ 163,668,832	\$ 167,967,265	\$ (172,711,829)	\$ (167,648,734)	\$ (171,487,978)	\$ (159,638,618)
Business-type activities										
Net investment in capital assets	\$ 263,965	\$ 347,130	\$ 389,330	\$ 352,833	\$ 427,325	\$ 318,378	\$ 389,342	\$ 440,318	\$ 869,036	\$ 819,533
Restricted	-	-	-	-	-	-	12,600	6,569	8,975	9,727
Unrestricted (deficit)	4,679,973	4,898,123	4,827,806	3,632,695	3,995,768	4,443,856	(4,110,146)	(3,904,123)	(2,820,142)	(3,248,764)
Total business-type activities net position (deficit)	\$ 4,943,938	\$ 5,245,253	\$ 5,217,136	\$ 3,985,528	\$ 4,423,093	\$ 4,762,234	\$ (3,708,204)	\$ (3,457,236)	\$ (1,942,131)	\$ (2,419,504)
Primary government										
Net investment in capital assets	\$ 211,670,619	\$ 205,802,166	\$ 199,794,587	\$ 194,701,612	\$ 191,468,044	\$ 197,609,008	\$ 202,079,893	\$ 199,210,925	\$ 196,785,014	\$ 193,958,283
Restricted	3,405,377	5,571,803	4,894,713	4,166,144	4,778,356	5,504,675	7,651,311	7,507,007	6,866,467	7,596,058
Unrestricted (deficit)	6,178,121	3,877,948	4,250,433	(26,765,565)	(28,154,475)	(30,384,184)	(386,151,237)	(377,823,902)	(377,081,590)	(363,612,463)
Total primary government net position (deficit)	\$ 221,254,117	\$ 215,251,917	\$ 208,939,733	\$ 172,102,191	\$ 168,091,925	\$ 172,729,499	\$ (176,420,033)	\$ (171,105,970)	\$ (173,430,109)	\$ (162,058,122)

Pitt County, North Carolina
Net Position by Component – Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited
Table 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Government Activities										
Net investment in capital assets	\$ (2,393,761)	\$ 2,947,086	\$ 8,363,163	\$ 7,404,524	\$ 17,210,123	\$ 82,314,633	\$ 95,084,397	\$ 94,736,490	\$ 38,822,258	\$ 39,890,615
Restricted	10,949,019	12,335,800	17,176,068	14,785,094	16,678,816	15,971,134	16,908,623	20,035,629	10,928,339	13,704,651
Unrestricted	(5,966,584)	9,777,730	7,074,844	14,440,586	14,575,156	(59,397,402)	(109,730,455)	(99,870,347)	(25,104,183)	(2,506,445)
Total governmental activities net position	\$ 2,588,674	\$ 25,060,616	\$ 32,614,075	\$ 36,630,204	\$ 48,464,095	\$ 38,888,365	\$ 2,262,565	\$ 14,901,772	\$ 24,646,414	\$ 51,088,821
Business-type activities										
Net investment in capital assets	\$ 2,901,091	\$ 3,563,524	\$ 3,770,246	\$ 3,740,050	\$ 4,187,094	\$ 4,170,609	\$ 5,851,954	\$ 5,628,944	\$ 5,049,956	\$ 5,178,369
Unrestricted	2,444,272	2,895,804	2,500,256	2,355,498	2,255,919	1,797,584	(1,132,958)	(2,499,644)	(2,871,150)	(3,076,703)
Total business-type activities net position	\$ 5,345,363	\$ 6,459,328	\$ 6,270,502	\$ 6,095,548	\$ 6,443,013	\$ 5,968,193	\$ 4,718,996	\$ 3,129,300	\$ 2,178,806	\$ 2,101,666
Primary government										
Net investment in capital assets	\$ 507,330	\$ 6,510,610	\$ 12,133,409	\$ 11,144,574	\$ 21,397,217	\$ 86,485,242	\$ 100,936,351	\$ 100,365,434	\$ 43,872,214	\$ 45,068,984
Restricted	10,949,019	12,335,800	17,176,068	14,785,094	16,678,816	15,971,134	16,908,623	20,035,629	10,928,339	13,704,651
Unrestricted	(3,522,312)	12,673,534	9,575,100	16,796,084	16,831,075	(57,599,818)	(110,863,413)	(102,369,991)	(27,975,333)	(5,583,148)
Total primary government net position	\$ 7,934,037	\$ 31,519,944	\$ 38,884,577	\$ 42,725,752	\$ 54,907,108	\$ 44,856,558	\$ 6,981,561	\$ 18,031,072	\$ 26,825,220	\$ 53,190,487

Source: County of Pitt Annual Comprehensive Financial Report for the year ended June 30, 2021

Pitt County Board of Education, North Carolina
Changes in Net Position – Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited
Table 3

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
Instructional programs	\$ 159,555,412	\$ 164,210,102	\$ 159,653,060	\$ 155,131,854	\$ 158,877,916	\$ 169,406,325	\$ 184,599,923	\$ 179,789,552	\$ 191,573,195	\$ 190,074,834
Supporting services	34,452,351	33,702,640	34,959,103	32,156,564	35,116,216	35,943,020	41,691,204	40,384,987	40,427,637	42,504,111
Community services	1,486,095	1,331,656	1,259,186	1,090,587	1,099,274	1,331,209	1,113,119	999,981	1,594,966	2,066,378
Repayment of debt issuance	1,183,917	1,520,868	1,520,868	2,174,016	1,600,000	1,600,000	2,000,000	2,110,661	1,759,876	1,419,849
Non-programmed charges	-	-	-	-	379,965	283,694	229,885	481,237	514,970	429,725
Interest expense	-	-	-	-	1,134	2,001	1,006	17,423	31,625	23,224
Unallocated depreciation expense	1,995,344	1,920,258	1,056,326	1,025,378	5,310,942	5,527,730	5,310,191	5,479,290	5,720,120	5,708,665
Total governmental activities expenses	198,673,119	202,685,524	198,448,543	191,578,399	202,385,447	214,093,979	234,945,328	229,263,131	241,622,389	242,226,786
Business-type activities:										
School food service	10,382,852	11,242,514	11,589,796	11,280,624	11,432,648	10,772,726	10,959,869	11,122,647	10,832,403	7,408,275
Total business-type activities	10,382,852	11,242,514	11,589,796	11,280,624	11,432,648	10,772,726	10,959,869	11,122,647	10,832,403	7,408,275
Total primary government expenses	\$ 209,055,971	\$ 213,928,038	\$ 210,038,339	\$ 202,859,023	\$ 213,818,095	\$ 224,866,705	\$ 245,905,197	\$ 240,385,778	\$ 252,454,792	\$ 249,635,061
Program Revenues										
Governmental activities:										
Charges for services:										
Instructional programs	\$ 1,733,459	\$ 1,822,983	\$ 1,862,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 725,684
Operating grants and contributions	152,115,418	153,175,541	149,552,150	158,918,373	158,180,232	156,981,476	167,080,945	181,834,387	186,710,961	199,603,999
Capital grants and contributions	1,571,664	2,414,292	1,795,949	-	3,448,614	2,558,123	3,134,996	3,080,270	2,708,561	4,106,672
Total governmental activities program revenues	155,420,541	157,412,816	153,210,519	158,918,373	161,628,846	159,539,599	170,215,941	184,914,657	189,419,522	204,436,355
Business-type activities:										
Charges for services	3,041,394	2,949,144	2,760,616	2,089,961	1,788,677	1,481,042	1,299,271	1,223,441	986,186	232,216
Operating grants and contributions	7,990,300	8,460,927	8,665,961	9,069,675	9,563,820	9,529,955	9,856,435	9,986,460	10,936,379	6,646,338
Total business-type activities program revenues	11,031,694	11,410,071	11,426,577	11,159,636	11,352,497	11,010,997	11,155,706	11,209,901	11,922,565	6,878,554
Total primary government program revenues	\$ 166,452,235	\$ 168,822,887	\$ 164,637,096	\$ 170,078,009	\$ 172,981,343	\$ 170,550,596	\$ 181,371,647	\$ 196,124,558	\$ 201,342,087	\$ 211,314,909
Net (Expense)/Revenue										
Governmental activities	\$ (43,252,578)	\$ (45,272,708)	\$ (45,238,024)	\$ (32,660,026)	\$ (40,756,601)	\$ (54,554,380)	\$ (64,729,387)	\$ (44,348,474)	\$ (52,202,867)	\$ (37,790,431)
Business-type activities	648,842	167,557	(163,219)	(120,988)	(80,151)	238,271	195,837	87,254	1,090,162	(529,721)
Total primary government net expense	\$ (42,603,736)	\$ (45,105,151)	\$ (45,401,243)	\$ (32,781,014)	\$ (40,836,752)	\$ (54,316,109)	\$ (64,533,550)	\$ (44,261,220)	\$ (51,112,705)	\$ (38,320,152)

Pitt County Board of Education, North Carolina
Changes in Net Position – Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited
Table 3

General Revenues and Other Changes in Net Position																				
Governmental activities:																				
General Revenues:																				
State of North Carolina	\$	612,973	\$	1,126,016	\$	479,380	\$	2,653,262	\$	2,016,258	\$	2,802,758	\$	140,632	\$	215,893	\$	18,435	\$	-
Pitt County		41,412,747		35,796,133		36,743,669		37,182,996		38,921,377		50,476,365		50,762,562		43,141,366		43,186,208		45,412,540
Federal grants		-		-		-		-		-		1,497,052		2,030,188		85,604		194,967		1,659,801
Investment earnings		65,264		39,668		38,815		40,836		60,026		81,233		114,578		197,400		145,046		33,646
Other		1,188,902		2,125,412		1,810,662		1,206,341		2,966,880		4,060,896		4,910,154		5,848,282		5,184,615		2,579,221
Transfers		(115,322)		(118,036)		(118,569)		(120,547)		(69,078)		(65,491)		(72,428)		(76,976)		(365,648)		(45,417)
Total governmental activities		43,164,564		38,969,193		38,953,957		40,962,888		43,895,463		58,852,813		57,885,686		49,411,569		48,363,623		49,639,791
Business-type activities:																				
General Revenues:																				
Investment earnings		6,692		15,722		16,532		19,757		25,181		35,379		51,300		86,738		59,295		6,931
Transfers		115,322		118,036		118,569		120,547		69,078		65,491		72,428		76,976		365,648		45,417
Total business-type activities:		122,014		133,758		135,101		140,304		94,259		100,870		123,728		163,714		424,943		52,348
Total primary government revenues	\$	43,286,578	\$	39,102,951	\$	39,089,058	\$	41,103,192	\$	43,989,722	\$	58,953,683	\$	58,009,414	\$	49,575,283	\$	48,788,566	\$	49,692,139
Change in Net Position																				
Governmental activities	\$	(88,014)	\$	(6,303,515)	\$	(6,284,067)	\$	8,302,862	\$	3,138,862	\$	4,298,433	\$	(6,843,701)	\$	5,063,095	\$	(3,839,244)	\$	11,849,360
Business-type activities		770,856		301,315		(28,118)		19,316		14,108		339,141		319,565		250,968		1,515,105		(477,373)
Total primary government	\$	682,842	\$	(6,002,200)	\$	(6,312,185)	\$	8,322,178	\$	3,152,970	\$	4,637,574	\$	(6,524,136)	\$	5,314,063	\$	(2,324,139)	\$	11,371,987

Pitt County, North Carolina
Changes in Net Position – Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited
Table 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 19,876,656	\$ 16,297,756	\$ 18,833,804	\$ 16,508,916	\$ 15,016,731	\$ 13,681,634	\$ 19,638,344	\$ 20,985,890	\$ 15,898,263	\$ 27,691,892
Public safety	43,251,794	42,976,133	39,562,880	40,105,903	42,525,254	48,042,994	44,749,789	48,637,520	50,939,881	52,984,556
Economic and physical development	9,625,223	10,116,946	7,068,054	3,630,825	54,011	16,552,198	18,516,340	9,091,992	7,347,857	6,627,061
Environmental protection	230,549	200,253	216,114	186,589	285,467	282,750	247,086	319,329	245,419	323,228
Human Services	40,545,062	38,623,179	36,848,621	40,654,477	44,531,856	47,835,102	39,694,998	39,757,063	41,335,177	41,952,958
Cultural and recreation	618,966	590,667	606,785	679,571	664,949	822,133	745,971	735,016	819,601	794,853
Education	38,098,594	33,948,819	45,338,884	46,080,991	49,421,608	53,841,094	45,124,628	50,055,019	53,531,473	53,506,611
Interest on long term debt	9,001,235	6,952,420	8,605,897	7,251,638	6,444,049	4,915,136	6,584,012	5,535,726	5,386,308	3,776,242
Total governmental activities	161,248,079	149,706,173	157,081,039	155,098,910	158,943,925	185,973,041	175,301,168	175,117,555	175,503,979	187,657,401
Business-type activities:										
Solid Waste	8,361,494	7,763,554	8,357,565	8,462,330	8,239,791	9,626,750	9,567,945	11,017,190	10,420,725	13,397,683
Total business-type activities	8,361,494	7,763,554	8,357,565	8,462,330	8,239,791	9,626,750	9,567,945	11,017,190	10,420,725	13,397,683
Total primary government expenses	\$ 169,609,573	\$ 157,469,727	\$ 165,438,604	\$ 163,561,240	\$ 167,183,716	\$ 195,599,791	\$ 184,869,113	\$ 186,134,745	\$ 185,924,704	\$ 201,055,084
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,903,519	\$ 5,635,527	\$ 4,971,244	\$ 4,546,258	\$ 6,208,910	\$ 6,058,408	\$ 5,241,296	\$ 5,747,291	\$ 5,081,761	\$ 6,786,332
Public safety	10,237,128	9,987,128	6,607,559	7,307,031	7,606,744	6,681,784	7,841,621	7,075,521	7,483,752	9,390,196
Economic and physical development	183,709	168,709	59,294	569,379	47,827	64,955	76,913	112,248	157,168	827,242
Environmental protection	50,504	38,004	65,453	-	97,089	92,189	73,988	121,651	104,743	107,432
Human Services	5,694,120	5,169,120	4,946,415	2,345,008	4,574,034	5,663,557	5,682,654	5,928,238	6,421,394	6,551,400
Operating grants and contributions:										
General government	3,269	8,501	1,410	149,781	(5)	21,836	315,232	316,582	320,133	7,452,628
Public safety	263,750	228,750	2,230,832	674,984	2,156,752	2,207,523	2,677,977	2,511,588	3,641,061	2,669,809
Economic and physical development	3,764,654	3,514,654	3,759,697	4,659,192	2,679,943	3,486,757	3,827,227	4,108,630	4,376,983	3,916,242
Environmental protection	-	-	-	-	-	-	-	-	379,141	364,294
Human Services	21,157,852	20,505,352	20,465,760	28,041,057	24,299,521	25,512,425	17,486,874	17,670,380	17,122,893	20,021,512
Education	725,706	600,706	-	-	-	-	245,412	85,134	-	-
Capital grants and contributions:										
General government	-	-	-	-	-	75,160	-	-	-	-
Public safety	37,758	16,758	190,314	-	-	-	-	-	-	-
Economic and physical development	51,725	40,680	303,311	1,318,696	1,215,545	2,668,269	4,040,588	2,088,793	331,785	161,874
Environmental protection	96,977	65,977	-	-	-	-	-	-	-	-
Education	1,548,346	1,418,346	1,533,622	-	1,623,271	2,625,917	2,783,252	2,209,661	1,858,876	1,419,849
Social services	-	-	19,049	-	-	-	-	-	-	-
Total governmental activities program revenues	49,719,017	47,398,212	45,153,960	49,611,386	50,509,631	55,158,780	50,293,034	47,975,717	47,279,690	59,668,810
Business-type activities:										

Pitt County, North Carolina
Changes in Net Position – Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited
Table 4

Capital grants and contributions - Solid Waste	755,856	700,247	79,728	13,411	16,811	34,620	26,297	11,128	10,414	-
Total business-type activities program revenues	9,217,400	8,966,635	8,474,041	8,557,259	8,781,765	9,104,842	9,172,175	9,807,865	9,866,486	13,785,157
Total primary government program revenues	\$ 58,936,417	\$ 56,364,847	\$ 53,628,001	\$ 58,168,645	\$ 59,291,396	\$ 64,263,622	\$ 59,465,209	\$ 57,783,582	\$ 57,146,176	\$ 73,453,967
Net (Expense)/Revenue										
Governmental activities	\$ (111,529,062)	\$ (102,307,961)	\$ (111,927,079)	\$ (105,487,524)	\$ (108,434,294)	\$ (130,814,261)	\$ (125,008,134)	\$ (127,141,838)	\$ (128,224,289)	\$ (127,988,591)
Business-type activities	855,906	1,203,081	116,476	94,929	541,974	(521,908)	(395,770)	(1,209,325)	(554,239)	387,474
Total primary government net expense	\$ (110,673,156)	\$ (101,104,880)	\$ (111,810,603)	\$ (105,392,595)	\$ (107,892,320)	\$ (131,336,169)	\$ (125,403,904)	\$ (128,351,163)	\$ (128,778,528)	\$ (127,601,117)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 82,303,935	\$ 81,542,495	\$ 84,456,744	\$ 84,354,263	\$ 86,795,644	\$ 90,552,468	\$ 93,081,325	\$ 95,377,311	\$ 101,877,780	\$ 109,993,357
Local option sales tax	14,321,819	15,401,125	23,118,577	26,698,824	28,843,710	30,412,717	31,316,187	34,320,168	33,275,692	41,053,392
Payment in lieu of taxes and other taxes	10,876,593	11,493,571	2,118,654	2,186,843	2,220,734	2,264,174	3,103,121	2,413,962	2,530,996	2,456,079
Interest earned on investments	140,704	89,550	2,036,371	1,648,230	2,013,878	985,633	1,233,001	7,184,375	2,465,169	96,308
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	102,980	132,691	(1,323,725)	485,228	477,070	469,569
Gain on Bond Defeasance	-	-	7,423,910	-	-	-	-	-	-	-
Total governmental activities	107,643,051	108,526,741	119,154,256	114,888,160	119,976,946	124,347,683	127,409,909	139,781,044	140,626,707	154,068,705
Business-type activities:										
Investment earnings	89	18,889	20,980	14,295	44,598	43,652	42,552	104,857	80,815	4,955
Transfers	-	-	-	-	(102,980)	(132,691)	1,323,725	(485,228)	(477,070)	(469,569)
Total business-type activities:	89	18,889	20,980	14,295	(58,382)	(89,039)	1,366,277	(380,371)	(396,255)	(464,614)
Total primary government revenues	\$ 107,643,140	\$ 108,545,630	\$ 119,175,236	\$ 114,902,455	\$ 119,918,564	\$ 124,258,644	\$ 128,776,186	\$ 139,400,673	\$ 140,230,452	\$ 153,604,091
Change in Net Position										
Governmental activities	\$ (3,886,011)	\$ 6,218,780	\$ 7,227,177	\$ 9,400,636	\$ 11,542,652	\$ (6,466,578)	\$ 2,401,775	\$ 12,639,206	\$ 12,402,418	\$ 26,080,114
Business-type activities	855,995	1,221,970	137,456	109,224	483,592	(610,947)	970,507	(1,589,696)	(950,494)	(77,140)
Total primary government	\$ (3,030,016)	\$ 7,440,750	\$ 7,364,633	\$ 9,509,860	\$ 12,026,244	\$ (7,077,525)	\$ 3,372,282	\$ 11,049,510	\$ 11,451,924	\$ 26,002,974

Source: County of Pitt Annual Comprehensive Financial Report for the year ended June 30, 2021

Pitt County Board of Education, North Carolina
Fund Balances, Governmental Funds – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 5

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 1,142,341	\$ 1,196,971	\$ 645,616	\$ 102,880	\$ 529,270	\$ 544,865	\$ 1,374,046	\$ 997,976	\$ 889,418	\$ 784,323
Nonspendable	-	-	-	-	-	-	356,286	344,637	367,832	391,674
Committed	2,982,500	1,680,399	1,606,500	1,185,496	1,543,000	1,623,000	1,562,313	2,720,815	4,116,997	5,806,820
Assigned	652,851	740,355	1,681,577	726,513	575,016	645,336	620,297	431,060	555,551	957,055
Unassigned	1,347,530	1,983,912	514,122	1,820,397	792,821	1,404,611	1,724,776	2,821,722	3,785,478	3,660,034
Total general funds	\$ 6,125,222	\$ 5,601,637	\$ 4,447,815	\$ 3,835,286	\$ 3,440,107	\$ 4,217,812	\$ 5,637,718	\$ 7,316,210	\$ 9,715,276	\$ 11,599,906
All Other Governmental Funds										
Restricted										
State statute	\$ 577,196	\$ 591,688	\$ 870,998	\$ 217,586	\$ 300,842	\$ 348,573	\$ 127,467	\$ 603,769	\$ 546,996	\$ 277,953
Grantor requirements	1,550,425	1,203,244	763,881	1,145,034	1,093,983	1,096,276	994,423	1,252,298	1,540,724	2,344,115
Individual schools	1,672,751	1,597,121	1,565,392	1,656,872	1,745,546	1,776,121	1,984,273	2,023,782	2,031,637	2,000,486
Capital outlay	1,430,986	982,779	1,048,826	1,025,113	1,108,715	1,738,840	2,678,920	2,383,184	1,502,848	1,787,940
Committed										
Capital outlay	-	-	-	-	-	-	-	-	-	2,200,000
Assigned										
Subsequent years expenditure	3,032,749	5,572,273	6,846,425	7,496,578	6,787,191	5,752,070	7,636,515	5,806,261	6,892,135	8,237,313
Unassigned	-	-	-	-	-	1,660,751	-	-	-	-
Total all other governmental funds	\$ 8,264,107	\$ 9,947,105	\$ 11,095,522	\$ 11,541,183	\$ 11,036,277	\$ 12,372,631	\$ 13,421,598	\$ 12,069,294	\$ 12,514,340	\$ 16,847,807
Total governmental funds	\$ 14,389,329	\$ 15,548,742	\$ 15,543,337	\$ 15,376,469	\$ 14,476,384	\$ 16,590,443	\$ 19,059,316	\$ 19,385,504	\$ 22,229,616	\$ 28,447,713

Pitt County, North Carolina

Fund Balances, Governmental Funds – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Unaudited

Table 6

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable- prepaid items	96,021	150,981	194,008	171,896	289,553	253,963	119,578	116,179	114,632	317,111
Restricted	6,990,076	7,872,485	9,064,048	9,826,214	11,351,974	5,960,868	10,328,244	14,466,785	7,684,849	8,444,785
Assigned	2,288,000	2,288,000	2,786,466	2,871,466	2,871,466	5,855,639	4,234,581	4,610,192	3,612,043	16,555,158
Unassigned	14,846,239	16,997,017	23,805,248	26,585,766	26,604,345	25,143,213	26,232,157	23,612,026	29,556,375	35,346,230
Total general fund	\$ 24,220,336	\$ 27,308,483	\$ 35,849,770	\$ 39,455,342	\$ 41,117,338	\$ 37,213,683	\$ 40,914,560	\$ 42,805,182	\$ 40,967,899	\$ 60,663,284
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Undesignated/(deficit)										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Nonspendable- prepaid items	114,571	139,920	84,668	153,579	183,018	147,785	160,295	163,340	115,869	107,284
Restricted	11,867,990	14,297,247	9,921,816	8,004,372	8,667,226	24,447,486	11,376,139	11,947,618	5,104,511	17,071,829
Committed	12,407,122	7,427,612	9,822,537	7,460,390	24,130,049	15,447,427	14,886,566	16,870,161	20,455,011	17,338,500
Assigned	1,789,875	1,505,723	1,647,750	1,411,986	1,364,137	1,604,679	1,031,037	567,844	558,715	11,540,633
Unassigned	(975,612)	(265,605)	(2,191,980)	(246,910)	(1,089,227)	(62,063)	(1,303,665)	(4,129,782)	(982,365)	(692,364)
Total all other governmental funds	25,203,946	23,104,897	19,284,791	16,783,417	33,255,203	41,585,314	26,150,372	25,419,181	25,251,741	45,365,882
Total governmental funds	\$ 49,424,282	\$ 50,413,380	\$ 55,134,561	\$ 56,238,759	\$ 74,372,541	\$ 78,798,997	\$ 67,064,932	\$ 68,224,363	\$ 66,219,640	\$ 106,029,166

Source: County of Pitt Annual Comprehensive Financial Report for the year ended June 30, 2021

Pitt County Board of Education, North Carolina
Governmental Fund Revenues – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 7

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Federal sources:										
Federal grants, sales tax, and other	\$ 23,469,782	\$ 21,744,137	\$ 17,774,145	\$ 18,646,711	\$ 19,873,595	\$ 16,973,341	\$ 20,057,241	\$ 22,788,653	\$ 22,776,819	\$ 32,064,684
Total federal sources	23,469,782	21,744,137	17,774,145	18,646,711	19,873,595	16,973,341	20,057,241	22,788,653	22,776,819	32,064,684
State sources:										
State Public School Fund, and sales tax	119,738,228	123,170,760	123,106,477	129,530,622	130,494,970	135,769,148	140,957,518	151,278,725	156,833,526	161,453,547
Public School Building Lottery Fund	1,183,917	1,520,868	1,520,868	1,600,000	1,600,000	1,600,000	2,000,000	2,000,000	2,000,000	2,000,000
State Grants and other	3,085,209	3,692,428	2,915,735	3,161,672	3,061,767	3,760,881	4,180,937	4,286,785	4,166,973	4,454,231
Total state sources	124,007,354	128,384,056	127,543,080	134,292,294	135,156,737	141,130,029	147,138,455	157,565,510	163,000,499	167,907,778
Local sources:										
Pitt County	35,395,102	34,938,837	36,226,571	37,182,996	38,222,086	50,476,365	50,762,562	43,141,366	43,186,208	45,412,540
Pitt County Certificates of Participation	5,382,277	17,582	-	-	-	-	-	-	-	-
Interest earnings	65,264	39,668	38,815	40,841	60,026	81,233	114,578	197,400	145,046	33,645
Contributions and donations	6,695,065	6,556,842	6,643,427	6,095,524	6,245,918	5,752,427	6,064,739	5,784,965	4,723,419	2,409,744
Fines and forfeitures	635,368	839,714	517,098	594,746	567,290	568,429	1,671,208	2,028,486	1,882,144	1,800,783
Sales tax	271,920	279,750	248,690	171,853	223,666	234,529	218,074	240,036	237,897	267,828
Indirect cost revenues	592,243	793,803	977,807	1,066,979	1,137,206	826,133	1,117,819	1,420,600	1,386,937	1,220,131
Tuition and fees	1,141,216	1,029,180	884,613	833,911	868,013	822,328	823,199	842,040	615,290	325,234
Other	1,188,902	2,125,412	1,810,662	1,568,921	1,638,849	1,593,089	1,110,403	1,356,843	1,090,232	1,215,615
Total local sources	51,367,357	46,620,788	47,347,683	47,555,771	48,963,054	60,354,533	61,882,582	55,011,736	53,267,173	52,685,520
Total revenues	\$ 198,844,493	\$ 196,748,981	\$ 192,664,908	\$ 200,494,776	\$ 203,993,386	\$ 218,457,903	\$ 229,078,278	\$ 235,365,899	\$ 239,044,491	\$ 252,657,982

Pitt County, North Carolina
Governmental Fund Revenues – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 8

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Taxes:										
Property	\$ 82,355,998	\$ 81,339,280	\$ 85,735,784	\$ 84,891,802	\$ 86,949,292	\$ 90,613,945	\$ 93,148,258	\$ 95,409,222	\$ 101,898,373	\$ 110,023,049
Sales	14,380,502	15,677,039	13,809,165	16,638,841	17,635,460	18,831,700	19,034,077	21,056,307	20,536,825	25,715,221
Other	10,817,910	11,217,657	11,428,066	12,246,826	13,428,984	13,845,191	15,385,231	15,677,823	15,269,863	17,794,250
Total taxes	107,554,410	108,233,976	110,973,015	113,777,469	118,013,736	123,290,836	127,567,566	132,143,352	137,705,061	153,532,520
Intergovernmental	33,859,590	32,355,138	32,239,169	36,042,326	35,140,590	39,455,051	35,520,979	33,862,995	33,727,002	42,515,131
Sales & Services / Permits & Fees	12,270,529	11,976,737	10,832,855	11,204,558	11,588,782	10,937,435	11,810,949	11,132,162	10,692,625	13,538,622
Interest	140,633	83,754	451,726	110,704	304,345	458,660	877,645	1,489,327	1,102,239	92,408
Miscellaneous	2,154,058	1,566,417	1,679,320	1,891,679	2,331,536	4,199,918	2,336,373	2,306,918	2,364,253	2,578,774
Total revenues	\$ 155,979,220	\$ 154,216,022	\$ 156,176,085	\$ 163,026,736	\$ 167,378,989	\$ 178,341,900	\$ 178,113,512	\$ 180,934,754	\$ 185,591,180	\$ 212,257,455

Source: County of Pitt Annual Comprehensive Financial Report for the year ended June 30, 2021

Pitt County Board of Education, North Carolina
Governmental Fund Expenditures and Net Change in Fund Balances
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 9

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instructional programs:	\$ 154,060,936	\$ 158,240,026	\$ 154,673,342	\$ 162,239,824	\$ 166,113,909	\$ 166,294,634	\$ 173,169,725	\$ 186,474,987	\$ 188,173,795	\$ 197,575,591
Support services:	33,036,357	32,221,018	33,394,240	33,044,895	33,509,105	34,281,112	37,493,870	38,371,735	38,113,955	41,128,572
Ancillary services:	1,436,753	1,278,433	1,213,309	1,117,409	1,103,977	994,584	1,037,697	996,275	1,530,984	2,064,197
Non-programmed charges	144,066	248,936	381,863	422,898	396,507	276,859	582,236	853,016	805,756	901,408
On-behalf payment to County for repayment of debt	1,183,917	1,520,868	1,520,868	1,600,000	1,600,000	1,600,000	2,000,000	2,110,661	1,759,876	1,419,849
Debt service:										
Principal	387,747	893,424	275,081	563,319	478,272	1,040,194	1,218,062	1,139,124	1,127,749	1,454,439
Interest	-	-	-	-	1,134	2,001	1,006	17,423	31,625	23,224
Capital outlay:										
Real property and buildings	5,948,237	623,948	409,807	856,709	986,536	11,263,024	10,671,656	3,839,359	2,405,674	3,028,186
Furniture and equipment	694,944	323,693	577,331	696,043	634,950	484,397	719,012	1,069,445	1,908,510	1,073,524
Buses and motor vehicles	1,011,361	121,186	194,856	906,163	501,032	2,710,037	1,039,107	166,205	-	2,003,404
Total expenditures	197,904,318	195,471,532	192,640,697	201,447,260	205,325,422	218,946,842	227,932,371	235,038,230	235,857,924	250,672,394
Excess of revenue over (under) expenditures	940,175	1,277,449	24,211	(952,484)	(1,332,036)	(488,939)	1,145,907	327,669	3,186,567	1,985,588
Other Financing Sources (Uses)										
Installment purchase obligations issued	1,011,361	-	88,953	906,163	501,032	2,668,488	1,039,107	87,144	-	1,970,823
Other transfers in (out)	(115,322)	(118,036)	(118,569)	(120,547)	(69,078)	(65,491)	(72,428)	(76,976)	(365,648)	(45,417)
Insurance recovery	-	-	-	-	-	-	-	-	-	2,283,262
Net change in fund balances	\$ 1,836,214	\$ 1,159,413	\$ (5,405)	\$ (166,868)	\$ (900,082)	\$ 2,114,058	\$ 2,112,586	\$ 337,837	\$ 2,820,919	\$ 6,194,256
Debt service as a percentage of noncapital expenditures	0.20%	0.46%	0.14%	0.28%	0.24%	0.51%	0.57%	0.50%	0.50%	0.60%

Pitt County, North Carolina
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
Unaudited
Table 11

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	\$ 12,712,923	\$ 12,178,377	\$ 14,855,647	\$ 12,914,832	\$ 12,398,418	\$ 13,732,350	\$ 15,541,812	\$ 14,472,409	\$ 19,380,216	\$ 23,122,902
Public Safety	41,181,005	39,894,354	37,939,525	38,790,924	40,489,226	45,837,911	47,285,798	45,798,091	47,707,308	48,875,805
Environmental Protection	217,076	200,253	216,114	248,599	260,578	256,163	271,431	284,118	290,729	304,473
Economic Development	8,998,731	9,469,340	6,916,650	5,485,544	5,009,774	19,902,032	18,963,496	9,568,287	7,104,881	6,402,187
Human Services	39,276,818	37,486,478	37,911,830	40,505,222	43,744,551	46,210,880	38,962,154	38,846,194	39,472,323	39,490,075
Culture and Recreation	618,966	590,667	606,785	679,571	664,949	822,133	745,971	735,016	819,601	794,853
Education	55,350,580	40,720,188	42,996,018	45,001,927	47,669,432	57,094,539	50,937,215	49,047,015	50,757,770	53,597,072
Debt Service:										
Principal	9,949,728	10,656,994	11,372,680	10,611,931	12,069,612	10,993,356	15,069,231	14,090,238	13,906,196	13,166,375
Interest	9,786,979	7,105,713	6,967,738	8,018,483	6,258,736	6,703,806	5,390,349	6,085,159	5,964,696	5,533,108
Total expenditures	178,092,806	158,302,364	159,782,987	162,257,033	168,565,276	201,553,170	193,167,457	178,926,527	185,403,720	191,286,850
Excess of revenue over (under) expenditures	(22,113,586)	(4,086,342)	(3,606,902)	769,703	(1,186,287)	(23,211,270)	(15,053,945)	2,008,227	187,460	20,970,605
Other Financing Sources (Uses)										
Transfers in	(10,070,906)	(18,911,293)	(18,948,152)	(22,912,919)	(23,179,553)	(26,469,826)	(27,951,538)	(21,499,990)	(22,029,014)	(41,407,378)
Transfers out	9,079,761	17,960,898	18,237,483	21,776,816	21,101,953	25,681,106	27,391,418	20,351,799	21,439,944	39,609,435
Insurance Proceeds	-	-	20,489	139,235	-	15,363	-	(605)	-	11,325
Sale of capital assets	-	-	-	-	-	-	-	-	-	2,000,000
Payment to bondholders, bond redemption	-	-	(54,372,710)	-	-	-	-	-	-	-
Payment to refunding escrow agent	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent, debt refunding pmt	(21,230,000)	-	-	(39,421,164)	-	(55,709,200)	-	-	-	(16,178,178)
Payment from escrow agent	-	-	61,796,620	-	-	-	-	-	-	-
Debt Obligation issued	26,711,977	6,025,835	1,594,353	35,135,000	19,250,000	63,690,000	3,880,000	300,000	1,054,663	31,660,000
Installment Debt Issued	-	-	-	893,828	877,242	10,177,000	-	-	-	-
Premium received from issuance of debt	2,383,047	-	-	4,723,699	979,187	10,253,283	-	-	-	2,781,424
Total other financing sources (uses)	6,873,879	5,075,440	8,328,083	334,495	19,028,829	27,637,726	3,319,880	(848,796)	465,593	18,476,628
Net change in fund balances	\$ (15,239,707)	\$ 989,098	\$ 4,721,181	\$ 1,104,198	\$ 17,842,542	\$ 4,426,456	\$ (11,734,065)	\$ 1,159,431	\$ 653,053	\$ 39,447,233
Debt service as a percentage of noncapital expenditures	11.08%	11.22%	11.48%	11.48%	10.87%	8.78%	10.59%	11.28%	10.72%	9.78%

Source: County of Pitt Annual Comprehensive Financial Report for the year ended June 30, 2021

Pitt County, North Carolina
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
Unaudited
Table 11

Fiscal Year	Real Property				Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
	Residential Property	Commercial Property	Industrial Property	Present-use Value						
2012	9,554,186,028	-	-	-	2,091,154,625	104,488,137	11,749,828,790	0.68000	11,867,327,078	99.0%
2013	9,113,031,060	-	-	-	2,266,724,289	104,234,635	11,483,989,984	0.68000	11,598,829,884	99.0%
2014	9,206,945,276	-	-	-	2,643,301,152	101,041,838	11,951,288,266	0.68000	12,070,801,149	99.0%
2015	9,410,339,621	-	-	-	2,285,610,536	103,039,401	11,798,989,558	0.68000	11,916,979,454	99.0%
2016	9,449,775,738	-	-	-	2,454,881,901	170,452,100	12,075,109,739	0.68600	12,195,860,836	99.0%
2017	9,727,381,342	-	-	-	2,437,716,258	152,480,080	12,317,577,680	0.69600	12,440,753,457	99.0%
2018	9,761,433,643	-	-	-	2,550,757,485	180,058,529	12,492,249,657	0.69600	12,617,172,154	99.0%
2019	10,110,870,674	-	-	-	2,704,582,036	102,150,893	12,917,603,603	0.72100	13,046,779,639	99.0%
2020	10,547,400,173	-	-	-	2,922,170,420	178,903,063	13,648,473,656	0.67970	13,784,958,393	99.0%
2021	11,652,069,432	-	-	-	3,314,386,251	190,018,883	15,156,474,566	0.68410	15,308,039,312	99.0%

Source: Pitt County Annual County Report of Valuation and Property Tax Levies

Pitt County, North Carolina
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years
Unaudited
Table 12

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pitt County	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6860	\$ 0.6960	\$ 0.6960	\$ 0.7210	\$ 0.6797	\$ 0.6841
<u>Municipality Rates:</u>										
Town of Ayden	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400
Town of Bethel	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600
Town of Falkland	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4600	0.4600	0.4600	0.4600
Town of Farmville	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900
Town of Fountain	0.6000	0.6000	0.6000	0.6000	0.5875	0.5875	0.5875	0.5875	0.5875	0.5875
City of Greenville	0.5200	0.5200	0.5200	0.5300	0.5200	0.5200	0.5200	0.5200	0.4945	0.4945
Town of Grifton	0.6000	0.6000	0.6000	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300
Town of Grimesland	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
Village of Simpson	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Town of Winterville	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750
<u>Fire Districts:</u>										
Ayden Fire District	0.0475	0.0475	0.0475	0.0599	0.0599	0.0724	0.0799	0.0799	0.0799	0.0799
Bell Arthur Fire District	0.0500	0.0885	0.0885	0.0885	0.0885	0.0885	0.0885	0.0885	0.0885	0.0885
Belvoir Fire District	0.0189	0.0189	0.0225	0.0225	0.0225	0.0225	0.0225	0.0250	0.0250	0.0375
Bethel Fire District	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675
Black Jack Fire District	0.0640	0.0740	0.0740	0.0740	0.0740	0.0740	0.0740	0.0790	0.0890	0.0890
Clarks Neck Fire District	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450
Eastern Pines Fire District	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0775	0.0775	0.0775
Falkland Fire District	0.0600	0.0600	0.0600	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Farmville Fire District	0.0389	0.0389	0.0389	0.0400	0.0500	0.0500	0.0600	0.0600	0.0600	0.0600
Fountain Fire District	0.0500	0.0500	0.0675	0.0675	0.0875	0.0875	0.0875	0.0875	0.0875	0.0875
Garndersville Fire District	0.0800	0.0940	0.0940	0.0940	0.0940	0.0940	0.0940	0.0940	0.0940	0.0940
Grifton Fire District	0.0599	0.0599	0.0599	0.0599	0.0599	0.0599	0.0649	0.0649	0.0649	0.0649
Grimesland Fire District	0.0700	0.0700	0.0700	0.0700	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Pactolus Fire District	0.0425	0.0425	0.0625	0.0625	0.0625	0.0625	0.0925	0.0925	0.0925	0.0925
Red Oak Fire District	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0950	0.0950
Sharp Point Fire District	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0800
Simpson Fire District	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0665	0.0665
Staton House Fire District	0.0250	0.0275	0.0275	0.0275	0.0290	0.0290	0.0290	0.0290	0.0290	0.0290
Stokes Fire District	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Winterville Fire District	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0624	0.0624	0.0624
EMS District	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.0595	0.0595

Source: Pitt County Tax Assessor

Note: Tax rates are based on \$100 per assessed valuation for Pitt County and all overlapping governments.

Pitt County, North Carolina
Principal Property Tax Payers – Current and Five Prior Years
Unaudited
Table 13

Taxpayer	Type of Business	Fiscal Year 2021			Fiscal Year 2020			Fiscal Year 2019			Fiscal Year 2018			Fiscal Year 2017			Fiscal Year 2016		
		Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Patheon Manufacturing Services, LLC	Manufacturer	\$ 405,417,851	1	2.67%	\$ 367,987,484	1	2.43%	\$ 438,841,687	1	3.22%	\$ 281,066,878	1	2.18%	\$ 262,435,545	1	2.10%	\$ 249,654,598	1	2.03%
DSM Protective Materials, LLC	Manufacturer	138,430,077	2	0.91%															
DSM Dyneema, LLC	Manufacturer	43,000,434	8	0.28%	184,313,498	2	1.22%	159,204,045	2	1.17%	168,966,357	2	1.31%	175,263,183	2	1.40%	181,014,354	2	1.47%
Carolina Telephone	Communications																36,161,505	10	0.29%
Asmo	Manufacturer							83,029,035	3	0.61%	78,797,637	3	0.61%	81,378,706	4	0.65%	80,326,401	4	0.65%
Weyerhaeuser Company	Manufacturer	55,912,512	6	0.37%	58,591,141	6	0.39%	69,207,040	6	0.51%	52,938,672	6	0.41%	51,898,139	6	0.42%	49,090,486	7	0.40%
RPI Greenville Mall, LP	Mall	43,741,374	7	0.29%	43,741,374	7	0.29%	45,601,022	8	0.33%	44,614,187	8	0.35%	44,614,187	8	0.36%	44,614,187	8	0.36%
Copper Beach Townhome Comm	Apartments			0.00%	37,150,841	10	0.25%	38,466,338	10	0.28%	38,203,386	9	0.30%	37,505,180	9	0.30%	37,505,180	9	0.30%
Attends Healthcare	Manufacturer	75,205,791	5	0.50%	90,257,207	3	0.60%	75,890,952	5	0.56%	77,671,652	4	0.60%	85,746,840	3	0.69%	89,078,952	3	0.72%
Denso Manufacturing NC LLC	Manufacturer	82,122,643	3	0.54%	87,423,893	4	0.58%												
Wal Mart Real Estate Business Trust	Retail	38,469,708	9	0.25%	38,469,708	8	0.25%	45,728,077	7	0.34%	46,565,229	7	0.36%	46,951,953	7	0.38%	50,710,681	6	0.41%
Pep Core NCC LLC (I&II)	Apartments													57,603,990	5	0.46%	57,603,990	5	0.47%
Pep ECU LLC	Apartments										34,059,395	10	0.26%	34,038,022	10	0.27%			
400 Moye Boulevard Realty Dist	Builder	37,357,114	10	0.25%	37,357,114	9	0.25%												
Taft Ward ECU Campus Edge Apts LLC	Apartments							41,937,241	9	0.31%									
Metrics/Mayne Pharma	Manufacturer	77,800,177	4	0.51%	81,329,606	5	0.54%	76,048,960	5	0.56%	74,228,030	5	0.54%						
Totals		<u>\$ 997,457,681</u>		<u>6.58%</u>	<u>\$ 1,026,621,866</u>		<u>7.52%</u>	<u>\$ 1,073,954,397</u>		<u>8.31%</u>	<u>\$ 897,111,423</u>		<u>7.18%</u>	<u>\$ 877,435,745</u>		<u>7.12%</u>	<u>\$ 875,760,334</u>		<u>7.25%</u>

Source: Pitt County Tax Assessor

Note: The principal property tax payers is presented for the current period and the prior five years. Information prior to this timeframe is not available.

Pitt County, North Carolina
Property Tax Levies and Collections – Last Ten Fiscal Years
Unaudited
Table 14

Fiscal Year	Taxes Levied for the Fiscal Year(Original Levy)	Adjustments	Total Adjusted Levy	Collected Within the Fiscal Year of the Levy			Collections for Prior Years	Total Amount Collected	Total Percentage Collected
				Total Amount	Percentage of Original Levy	Percentage of Adjusted Levy			
2012	78,720,265	(282,444)	78,437,821	74,447,693	94.57%	94.91%	2,615,285	77,062,978	97.89%
2013	77,910,953	(685,609)	77,225,344	73,415,329	94.23%	95.07%	2,116,475	75,531,804	96.95%
2014	81,273,137	(437,679)	80,835,458	78,657,337	96.78%	97.31%	2,018,752	80,668,314	99.26%
2015	80,239,327	(610,817)	79,628,510	77,964,973	97.17%	97.91%	1,668,821	79,633,794	99.25%
2016	82,109,809	93,722	82,203,531	80,665,237	98.24%	98.13%	1,099,227	81,764,464	99.58%
2017	84,725,527	1,076,224	85,801,751	84,305,375	99.50%	98.26%	983,837	85,289,212	100.67%
2018	86,936,284	977,361	87,913,645	86,442,625	99.43%	98.33%	607,959	87,050,584	100.13%
2019	89,902,231	(479,496)	89,422,735	88,888,299	98.87%	99.40%	1,020,512	89,000,307	99.00%
2020	98,420,004	(2,795,819)	95,624,185	95,113,036	96.64%	99.47%	670,564	95,783,600	97.32%
2021	103,441,619	(1,893,301)	101,548,318	100,999,073	97.64%	99.46%	589,040	101,588,113	98.21%

Source: Audited financial reports of Pitt County Government and Pitt County's Tax Assessor and Tax Collector.

Note: The presentation of this schedule includes data from the county-wide property tax levy only. Levy pertaining to the Industrial Development Commission (component unit) is reported in the original levy but reflected separately in the Financial Statements.

Pitt County, North Carolina
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years
Unaudited
Table 15

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Per Capita	Percentage of Personal Income
	General Obligation Bonds	COPs	LOBs	QSCBs	Notes Payable	General Obligation Bonds	Revenue Bonds	Installment Loans			
2012	-	98,860,000	57,450,000	5,602,353	8,691,345	-	-	-	170,603,698	1,002	2.77%
2013	-	92,715,000	54,705,000	5,252,206	11,761,922	-	-	-	164,434,128	953	2.76%
2014	-	86,225,000	51,965,000	4,902,059	13,089,040	-	-	-	156,181,099	898	2.52%
2015	-	43,210,000	84,365,000	4,551,912	12,140,084	-	-	-	144,266,996	827	2.21%
2016	19,250,000	37,875,000	80,310,000	4,201,765	10,687,861	-	-	-	152,324,626	868	2.27%
2017	18,235,000	17,590,000	109,270,000	3,851,618	14,851,652	-	-	-	163,798,270	931	2.29%
2018	17,220,000	15,240,000	102,455,000	3,501,471	15,253,063	-	-	750,000	154,419,534	875	2.38%
2019	16,205,000	13,830,000	94,785,000	3,151,324	12,050,230	-	-	607,742	140,629,296	868	1.98%
2020	15,190,000	12,420,000	87,035,000	2,801,177	9,723,844	-	-	462,793	127,632,814	777	1.70%
2021	14,175,000	1,385,000	108,505,000	2,451,030	3,498,418	-	-	313,280	130,327,728	796	N/A

Source: County of Pitt Annual Comprehensive Financial Report for the year ended June 30, 2021

Note: N/A = not available

Pitt County, North Carolina
Ratios of Net General Bonded Debt Outstanding – Last Ten Fiscal Years
Unaudited
Table 16

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
2012	-	-	-	0.00%	0.0000%	0
2013	-	-	-	0.00%	0.0000%	0
2014	-	-	-	0.00%	0.0000%	0
2015	-	-	-	0.00%	0.0000%	0
2016	19,250,000	-	19,250,000	0.29%	0.1594%	110
2017	18,235,000	-	18,235,000	0.26%	0.1476%	104
2018	17,220,000	-	17,220,000	0.24%	0.1378%	98
2019	16,205,000	-	16,205,000	0.21%	0.1254%	91
2020	15,190,000	-	15,190,000	0.18%	0.1113%	84
2021	14,175,000	-	14,175,000	N/A	0.0935%	78

Source: County of Pitt Annual Comprehensive Financial Report for the year ended June 30, 2021

Note: N/A = not available

Pitt County, North Carolina
Legal Debt Margin Information – Last Ten Fiscal Years
(dollars in thousands)
Unaudited
Table 17

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value of Property	\$ 11,749,829	\$ 11,483,990	\$ 11,951,288	\$ 11,798,990	\$ 12,075,110	\$ 12,317,578	\$ 12,492,250	\$ 12,917,604	\$ 13,648,474	\$ 15,156,475
Debt Limit, 8% of Assessed Value (Statutory Limitation)	939,986	918,719	956,103	943,919	966,009	985,406	999,380	1,033,408	1,091,878	1,212,518
Amount of Debt Applicable to Limit										
Gross debt	170,604	164,434	156,181	144,267	152,325	163,798	154,420	154,931	140,874	144,169
Less: Amount available for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Debt outstanding serviced by Enterprise Fund (solid waste)	-	-	-	-	-	-	750	608	463	313
Revenue bonds	98,860	92,715	86,225	43,210	37,875	17,590	15,240	13,830	12,420	1,385
Total net debt applicable to limit	71,744	71,719	69,956	101,057	114,450	146,208	138,430	140,493	127,991	142,471
Legal Debt Margin	<u>\$ 868,242</u>	<u>\$ 847,000</u>	<u>\$ 886,147</u>	<u>\$ 842,862</u>	<u>\$ 851,559</u>	<u>\$ 839,198</u>	<u>\$ 860,950</u>	<u>\$ 892,915</u>	<u>\$ 963,887</u>	<u>\$ 1,070,047</u>
Total net debt applicable to the limit as a percentage of debt limit	7.63%	7.81%	7.32%	10.71%	11.85%	14.84%	13.85%	13.60%	11.72%	11.75%

Source: County of Pitt Annual Comprehensive Financial Report for the year ended June 30, 2021

Pitt County Board of Education, North Carolina
Outstanding Debt – Installment Purchase Agreements Future Minimum Payments
Unaudited
Table 18

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement with State approved vendors at total payments less than the purchase price. The future minimum payments of all installment purchases as of June 30, 2021 are as follows:

	Initial contract year		
	FYE 2019	FYE 2021	Totals
Total buses purchased	1	21	22
Total purchase price	\$ 87,144	\$ 1,970,823	\$ 2,057,967
Total payments 2021-2022	21,781	492,706	514,487
Total payments 2022-2023	-	492,706	492,706
Total payments	\$ 21,781	\$ 985,412	\$ 1,007,193

Pitt County Board of Education, North Carolina
Long-Term Debt Obligations – Installment Purchase and Capital Lease Agreements – Last Ten Fiscal Years
Unaudited
Table 19

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Installment purchases:										
Beginning balance	\$ 775,494	\$ 1,399,108	\$ 505,684	\$ 319,556	\$ 414,325	\$ 520,024	\$ 2,230,383	\$ 2,134,494	\$ 1,904,644	\$ 776,895
Increase	1,011,361	-	88,953	574,016	501,033	2,668,482	1,039,107	909,274	-	1,970,823
Decrease	(387,747)	(893,424)	(275,081)	(479,247)	(395,334)	(958,123)	(1,134,996)	(1,139,124)	(1,127,749)	(1,454,439)
Ending Balance	<u>\$ 1,399,108</u>	<u>\$ 505,684</u>	<u>\$ 319,556</u>	<u>\$ 414,325</u>	<u>\$ 520,024</u>	<u>\$ 2,230,383</u>	<u>\$ 2,134,494</u>	<u>\$ 1,904,644</u>	<u>\$ 776,895</u>	<u>\$ 1,293,279</u>
Debt outstanding as % of personal income	0.811%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: N/A = Information not yet available

Pitt County, North Carolina
Principal Employers – Most Current Year and Nine Years Ago
Unaudited
Table 20

	2020-2021 (1)			2011-2012 (2)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Vidant Medical Center	6,760	1	8.23%	6,483	1	8.62%
East Carolina University	5,672	2	6.90%	5,386	2	7.17%
Pitt County Schools	3,699	3	4.50%	2,754	3	3.66%
Patheon, Inc.	1,261	4	1.53%	1,500	4	2.00%
Hyster-Yale	1,226	5	1.49%	1,000	6	1.33%
City of Greenville	1,132	6	1.38%	764	10	1.02%
County of Pitt	1,020	8	1.24%	914	7	1.22%
Denso Manufacturing of NC	722	9	0.88%			
Alliance One				825	9	1.10%
Pitt Community College	1,100	7	1.34%	953	8	1.27%
Mayne Pharma	629	10	0.77%			
The Roberts Company				1,100	5	1.46%

Source: (1) Pitt County Industrial Development Commission
(2) 2012 Pitt County ACFR Financial Services Department

Pitt County Board of Education, North Carolina
Full-Time-Equivalent Board Employees by Type – Last Ten Fiscal Years
Unaudited
Table 21

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percent Change 2012-2021
Supervisory											
Senior Administrators	15	17	16	16	15	16	16	18	18	20	33.33%
Principals	33	34	33	32	35	36	36	37	35	36	9.09%
Assistant Principals	39	42	46	48	44	44	48	44	45	46	17.95%
Total Supervisory	87	93	95	96	94	96	100	99	98	102	17.24%
Instruction											
Elementary Teachers	736	733	748	745	732	726	730	772	780	787	6.93%
Secondary Teachers	369	361	353	357	362	365	351	364	363	366	-0.81%
Other Teachers	443	455	445	460	467	451	420	398	409	410	-7.45%
Teacher Assistants	399	425	414	409	392	366	352	354	364	348	-12.78%
Total Instructional	1,947	1,974	1,960	1,971	1,953	1,908	1,853	1,888	1,916	1,911	-1.85%
Student Services											
Guidance	64	65	69	68	68	69	65	68	67	69	7.81%
Psychological	13	14	10	7	8	10	10	8	9	9	-30.77%
Librarians	34	35	33	34	35	35	35	33	34	35	2.94%
Other Professionals	81	82	83	76	74	82	67	89	92	90	11.11%
Total Student Services	192	196	195	185	185	196	177	198	202	203	5.73%
Support and Administration											
Technicians	10	14	14	14	14	14	13	15	14	14	40.00%
Clerical, Secretarial	157	162	158	162	158	161	160	162	162	155	-1.27%
Service Workers	299	310	301	329	325	313	289	293	295	270	-9.70%
Skilled Crafts	42	45	43	42	43	39	38	38	36	37	-11.90%
Laborers, Unskilled	20	20	23	21	19	17	15	13	15	20	0.00%
Total Support and Admin	528	551	539	568	559	544	515	521	522	496	-6.06%
Total	2,754	2,814	2,789	2,820	2,791	2,744	2,645	2,706	2,738	2,712	-1.53%

Source: North Carolina Public Schools, Statistical Profile
Pitt County Board of Education Finance department

Pitt County, North Carolina
Full-Time-Equivalent County Government Employees by Function – Last Ten Fiscal Years
Unaudited
Table 22

Function/Program	Full-time Equivalent Employees as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	128.60	123.00	123.00	122.00	121.50	121.50	121.00	121.00	121.00	121.00
Public safety	383.50	382.50	389.00	393.25	406.38	409.37	413.75	420.50	422.50	422.50
Social services	233.30	226.30	258.00	259.00	271.50	276.50	283.50	291.50	292.50	292.50
Economic and physical development	39.35	30.60	30.60	24.35	23.98	22.98	24.85	25.85	25.85	25.85
Environmental protection	22.25	25.25	26.25	26.25	27.00	27.00	27.00	28.00	28.00	28.00
Health	130.55	120.65	119.65	121.65	125.40	128.65	127.40	130.20	132.20	132.20
Veteran's Services	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total	939.55	910.30	948.50	949.50	978.76	989.00	1,000.50	1,020.05	1,025.05	1,025.05

Source: Pitt County Financial Services Department

Note: This schedule represents number of persons employed as of June 30 of each year.
Full time personnel work 2,080 hours per year (less vacation and sick leave).

Pitt County Board of Education, North Carolina
Pupils in Membership by Ethnic Origin and Sex – Last Ten Fiscal Years
Unaudited
Table 23

Year Ended June 30,	American Indian			Hawaiian Pacific			Asian			Hispanic			Black			White			Multi-Racial			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
2012	28	27	55	7	1	8	158	144	302	1,083	1,060	2,143	5,722	5,565	11,287	4,735	4,222	8,957	320	311	631	12,053	11,330	23,383
2013	27	21	48	5	3	8	153	155	308	1,183	1,126	2,309	5,730	5,503	11,233	4,687	4,201	8,888	349	355	704	12,134	11,364	23,498
2014	24	25	49	15	3	18	174	165	339	1,328	1,227	2,555	5,731	5,619	11,350	4,571	4,188	8,759	400	404	804	12,243	11,631	23,874
2015	25	26	51	7	6	13	156	186	342	1,310	1,246	2,556	5,815	5,610	11,425	4,581	4,069	8,650	417	387	804	12,311	11,530	23,841
2016	23	26	49	5	6	11	168	180	348	1,337	1,272	2,609	5,744	5,571	11,315	4,402	3,924	8,326	428	388	816	12,107	11,367	23,474
2017	25	26	51	11	7	18	173	180	353	1,396	1,323	2,719	5,628	5,403	11,031	4,405	3,969	8,374	472	414	886	12,110	11,322	23,432
2018	25	24	49	12	11	23	178	183	361	1,406	1,306	2,712	5,541	5,403	10,944	4,452	3,969	8,421	518	442	960	12,132	11,338	23,470
2019	29	19	48	15	10	25	182	168	350	1,505	1,391	2,896	5,245	5,101	10,346	4,371	3,960	8,331	802	711	1,513	12,149	11,360	23,509
2020	30	16	46	16	12	28	191	189	380	1,442	1,346	2,788	5,410	5,305	10,715	4,427	3,954	8,381	549	499	1,048	12,065	11,321	23,386
2021	27	21	48	17	12	29	199	171	370	1,455	1,401	2,856	5,290	5,193	10,483	4,194	3,824	8,018	616	551	1,167	11,798	11,173	22,971

Source: North Carolina Public Schools, Statistical Profile
Pitt County Board of Education Student Services department

Note: This schedule represents school membership reported by race/ethnic origin as of the end of the first school month which is the only month this data is collected. These figures should not be confused with average daily membership (ADM).

Pitt County Board of Education, North Carolina
Teacher Salaries – Last Ten Fiscal Years
Unaudited
Table 24

<u>Fiscal Year</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
2012	30,430	67,250	40,698
2013	30,800	68,050	41,186
2014	30,800	68,050	41,681
2015	33,000	69,452	43,342
2016	35,000	66,000	44,299
2017	35,000	67,716	47,143
2018	35,000	65,006	49,594
2019	35,000	63,530	47,028
2020	35,000	72,300	48,975
2021	35,000	63,530	46,444

Source: Pitt County Board of Education Finance department
State of North Carolina teacher salary schedule

Note: Teacher salary information presented above does not include
North Carolina longevity for years of service or locally paid
teacher supplement

Pitt County, North Carolina
Demographic and Economic Statistics – Last Ten Calendar Years
Unaudited
Table 25

Calendar Year	Population (a)	Personal Income (thousands of dollars) (b)	Per Capita Personal Income (b)	Public School Enrollment(c)	Unemployment Rate (d)
2012	170,263	6,167,597	35,743	22,825	9.6%
2013	172,569	5,965,589	34,216	22,981	6.5%
2014	173,938	6,209,314	35,410	23,369	6.3%
2015	174,424	6,513,624	37,042	23,613	5.7%
2016	175,532	6,724,276	37,943	23,239	5.3%
2017	175,885	7,143,838	39,900	23,224	4.1%
2018	176,424	7,143,838	39,900	23,461	4.2%
2019	178,440	7,830,577	43,325	23,301	3.9%
2020	181,301	8,262,413	45,169	23,343	7.3%
2021	181,005	N/A	N/A	22,951	6.8%

Sources: (a) Provided by the North Carolina Office of State Budget and Management.
(b) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year
(c) N.C. Department of Public Instruction, Final Month Average Daily Membership
(d) N. C. Employment Security Commission, Annual Average for prior calendar year.

Note: N/A = Information not yet available

Pitt County Board of Education, North Carolina
Operating Statistics – Last Ten Fiscal Years
Unaudited
Table 26

Fiscal Year	Final ADM(a)	Percentage Change in Final ADM	Operating Expenditures	Cost per Pupil	State Average(b)	Teaching Staff(b)	Pupil-Teacher Ratio	Students Receiving Free or Reduced Meals	Transportation of Pupils- Public School Buses Number of Student Riders(b)	Transportation of Pupils- Public School Buses Number of Miles Transported(b)
2012	22,825	0.33%	192,671,875	8,441	8,436	1,548	14.74	13,908	12,712	2,706,317
2013	22,981	0.68%	197,491,879	8,594	8,514	1,549	14.84	13,828	12,739	2,687,564
2014	23,369	1.69%	194,852,475	8,338	8,605	1,546	15.12	14,020	12,803	2,714,440
2015	23,613	1.04%	208,668,969	8,837	8,776	1,562	15.12	13,945	12,848	2,701,919
2016	23,239	-1.58%	213,035,552	9,167	8,776	1,548	15.01	14,848	12,794	2,964,147
2017	23,224	-0.06%	204,910,197	8,823	9,172	1,542	15.06	15,039	12,688	2,859,759
2018	23,259	0.15%	213,189,099	9,166	9,478	1,501	15.50	12,507	12,992	2,902,807
2019	23,228	-0.13%	220,889,379	9,510	10,179	1,534	15.14	13,094	12,958	2,843,701
2020	23,286	0.25%	223,883,292	9,615	9,951	1,552	15.00	11,359	12,468	2,158,125
2021	22,466	-3.52%	239,218,044	10,648	10,527	1,563	14.37	10,331	6,276	2,704,559

Source: (a) North Carolina Public Schools, Statistical Report final ADM
Pitt County Board of Education Student Services department
(b) North Carolina Public Schools, Statistical Profile
Pitt County Board of Education Finance department

Note: Operating expenditures exclude individual schools and capital outlay as well as school food service.

Pitt County Board of Education, North Carolina
Governmental and Proprietary Funds Expenditures by Function – Last Ten Fiscal Years
Unaudited
Table 27

Fiscal Year Ended June 30	Instructional Programs	Supporting Services	Ancillary Services	Non- Programmed Charges	Capital Outlay	Child Nutrition	Debt Service	Total
2012	147,284,100	33,036,357	1,436,753	144,066	7,654,542	10,382,852	387,747	200,326,417
2013	151,607,554	32,221,018	1,278,433	248,936	1,068,827	11,242,514	893,424	198,560,706
2014	147,998,186	33,394,240	1,213,309	381,863	1,181,994	11,589,796	275,081	196,034,469
2015	162,239,824	33,044,895	1,117,409	422,898	2,458,915	11,280,624	563,319	211,127,884
2016	166,113,909	33,509,105	1,103,977	396,507	2,122,518	11,432,648	479,406	215,158,070
2017	160,572,515	34,281,112	994,584	276,859	14,457,458	10,772,726	1,042,195	222,397,449
2018	167,312,745	37,493,870	1,037,697	582,236	12,429,775	10,959,869	1,219,068	231,035,260
2019	180,728,879	38,371,735	996,275	853,016	5,075,009	11,122,647	1,156,547	238,304,108
2020	183,457,831	38,113,955	1,530,984	805,756	4,314,184	10,832,403	1,159,374	240,214,487
2021	195,134,655	41,128,572	2,064,197	901,408	6,105,114	7,408,275	1,477,663	254,219,884

Note: Excludes individual schools and on behalf payments to the County

Pitt County Board of Education, North Carolina
Food Service Revenues – Last Ten Fiscal Years
Unaudited
Table 28

Fiscal Year	Operating Revenue	Nonoperating Revenue				Total Revenues	Revenue per Pupil
	Food Sales	Federal Reimbursements	Federal Commodities	State Reimbursements	Investment Earnings		
2012	3,041,394	7,459,459	519,103	11,738	6,692	11,038,386	484
2013	2,949,144	7,884,280	562,321	14,326	15,722	11,425,793	497
2014	2,760,616	8,032,470	618,432	15,059	16,532	11,443,109	490
2015	2,089,961	8,433,372	622,830	13,473	19,757	11,179,393	473
2016	1,788,677	8,834,777	715,499	13,544	25,181	11,377,678	490
2017	1,481,042	8,765,225	754,017	10,713	35,379	11,046,376	476
2018	1,299,271	9,087,874	758,535	10,026	51,300	11,207,006	478
2019	1,223,441	9,260,623	719,152	6,685	86,738	11,296,639	485
2020	986,186	10,146,639	783,795	5,945	59,295	11,981,860	513
2021	232,216	5,832,697	813,641	-	6,931	6,885,485	300

Source: Pitt County Board of Education Finance department

Pitt County Board of Education, North Carolina
Food Service Revenues Rates – For the Current Fiscal Year
Unaudited
Table 29

Revenue Source	Rates per Person									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Student Meals										
Breakfast Paid	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Breakfast Reduced	0.30	0.30	0.30	-	-	-	-	-	-	-
Lunch Paid	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.35	2.35	2.35
Lunch Reduced	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Catered Meals										
Entree excluding prime rib	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50
Prime rib entrée	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50
Entrée accompaniments (choice of two)	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Dessert (choice of one)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Beverage	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25
Catered Reception and Snack Menu										
Heavy Hors D'oervres	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sweet and salty	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Fruit and vegetables	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Beverage	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25
Catered Breakfast										
Entrée	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Accompaniments (choice of two)	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Pastries	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Beverage	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25

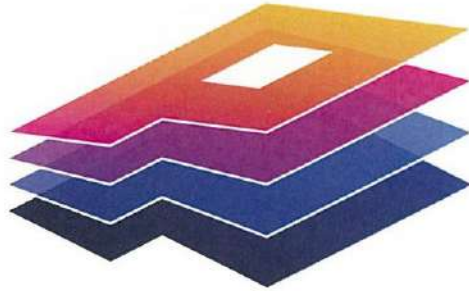
Source: Pitt County Schools Food Service department

Pitt County Board of Education, North Carolina
School Building Information – For the Current Fiscal Year
Unaudited
Table 30

School	Square Feet(a)	Modular Classrooms	Capacity	Enrollment(b)	% of Capacity
Elementary					
Ayden	71,022	0	654	642	98.17%
Belvoir	51,952	1	591	401	67.85
Bethel	76,635	0	456	288	63.16
Chicod	158,437	1	988	913	92.41
Creekside	76,127	6	569	637	111.95
Eastern	86,120	2	654	717	109.63
Elmhurst	51,559	0	430	441	102.56
Falkland	49,473	4	404	244	60.40
G.R. Whitfield	80,243	1	540	474	87.78
Grifton	70,987	3	626	414	66.13
H.B. Sugg	85,989	0	434	393	90.55
Northwest	133,899	6	831	778	93.62
Pactolus	85,254	0	534	376	70.41
Ridgewood	91,404	2	650	522	80.31
Lakeforest	88,471	2	643	801	124.57
Sadie Saulter	70,454	0	336	311	0.00
Sam Bundy	35,857	0	429	425	99.07
South Greenville	52,366	1	363	299	82.37
Stokes	47,639	0	394	239	60.66
Wahl-Coates	63,240	4	490	401	81.84
W.H. Robinson	80,265	0	687	643	93.60
Wintergreen Intermediate	97,157	1	816	797	97.67
Wintergreen Primary	101,944	3	642	754	117.45
Middle					
A.G. Cox	100,823	6	800	819	102.38
Ayden	63,758	0	384	412	107.29
C.M. Eppes	86,724	1	648	627	96.76
E.B. Aycock	110,207	0	782	753	96.29
Farmville	80,120	0	715	633	88.53
Hope	109,644	0	774	849	109.69
Wellcome	73,736	0	466	416	89.27
High School					
Ayden Grifton	148,152	4	803	626	77.96
D.H. Conley	230,793	1	1,434	1,625	113.32
Early College	-	0	192	311	161.98
Farmville Central	158,615	0	985	782	79.39
J.H. Rose	273,703	0	1,799	1,435	79.77
Innovation Early College	-	0	54	106	196.30
North Pitt	162,053	1	1,333	759	56.94
South Central	256,701	0	1,720	1,567	91.10
	3,661,523	50	26,050	23,630	90.71

Source:

- (a) Hite Associates architecture
(b) 2020-21 School Year Day 20 Enrollment Numbers



PITT COUNTY

— SCHOOLS —

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***

To the Board of Education
Pitt County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Pitt County Board of Education, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the Pitt County Board of Education, North Carolina's basic financial statements, and have issued our report thereon dated January 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pitt County Board of Education, North Carolina'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 Pitt County Board of Education, North Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pitt County Board of Education, North Carolina's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider 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 Pitt County Board of Education, North Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Carr, Rigg & Ingram, P.L.L.C.

Goldsboro, North Carolina
January 28, 2022



Carr, Riggs & Ingram, P.L.L.C.
2805 North Park Drive
Goldsboro, NC 27534

Mailing Address:
PO Box 10588
Goldsboro, NC 27532

919.751.8297
919.778.0575 (fax)
CRlcpa.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB UNIFORM GUIDANCE AND THE STATE
SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of Education
Pitt County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Pitt County Board of Education, North Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Pitt County Board of Education, North Carolina's major federal programs for the year ended June 30, 2021. The Pitt County Board of Education, North Carolina'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 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 Pitt County Board of Education, North Carolina's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Pitt County Board of Education, North Carolina'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 Pitt County Board of Education, North Carolina's compliance.

Opinion on Each Major Federal Program

In our opinion, the Pitt County Board of Education, North Carolina 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 Pitt County Board of Education, North Carolina 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 Pitt County Board of Education, North Carolina'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 Pitt County Board of Education, North Carolina'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.

Carr, Rigg & Ingram, P.L.L.C.

Goldsboro, North Carolina
January 28, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE
AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of Education
Pitt County, North Carolina

Report on Compliance for Each Major State Program

We have audited the Pitt County Board of Education, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Pitt County Board of Education, North Carolina's major state programs for the year ended June 30, 2021. The Pitt County Board of Education, North Carolina'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 the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Pitt County Board of Education, North Carolina's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, 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 Pitt County Board of Education, North Carolina's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Pitt County Board of Education, North Carolina 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 Pitt County Board of Education, North Carolina 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 Pitt County Board of Education, North Carolina'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 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 Pitt County Board of Education, North Carolina'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Carr, Rigg & Ingram, P.L.L.C.

Goldsboro, North Carolina
January 28, 2022

Pitt County Board of Education, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(s) identified that are not considered to be material weaknesses? None noted

Noncompliance material to financial statements noted? No

Federal Awards:

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

Internal control over major federal programs:

Material weakness(es) identified? No

Significant deficiency(s) identified that are not considered to be material weaknesses? None noted

Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR Part 200.516(a) No

Identification of major federal programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
12.U01	Reserve Officer Training Corps
84.374A	Teacher and School Leader Incentive Grant
84.425C, D & U	Education Stabilization Fund
93.778	Medical Assistance Program
84.027	Special Education - Grants to States

Dollar threshold used to distinguish between Type A and Type B programs: \$1,161,331

Auditee qualified as low-risk auditee? Yes

Pitt County Board of Education, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

State Awards

Internal control over major State programs:

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

Material weakness(es) identified? No

Significant deficiency(s) identified that are not considered to be material weaknesses? None noted

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act No

Identification of major State programs

Name of State Program

State Public School Fund

State Capital Outlay - School Buses

Public School Building Capital Fund

Governor's Emergency Education Relief (GEER) Fund

Pitt County Board of Education, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section II Financial Statement Findings

None Reported

Section III Federal Awards Findings and Questioned Costs

None Reported

Section IV State Awards Findings and Questioned Costs

None Reported

Pitt County Board of Education, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2021

Section II Financial Statement Findings

None Reported

Section III Federal Awards Findings and Questioned Costs

None Reported

Section IV State Awards Findings and Questioned Costs

None Reported

Pitt County Board of Education, North Carolina
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2021

Section II Financial Statement Findings

None Reported

Section III Federal Awards Findings and Questioned Costs

None Reported

Section IV State Awards Findings and Questioned Costs

None Reported

Pitt County Board of Education, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021
Page 1 of 3

<i>Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Pitt County Board of Education Expenditures</i>	<i>Subrecipient Expenditures</i>
<u>FEDERAL AWARDS:</u>				
<u>United States Department of Agriculture</u>				
Non-cash assistance:				
Food Distribution Program	10.555	N.C. Department of Agriculture, PRC 035	\$ 813,641	\$ -
Total non-cash assistance			813,641	-
<u>Child Nutrition Cluster</u>				
Summer Food Service Program for Children	10.559	N.C. Department of Public Instruction, PRC 050	5,748,803	-
<u>Total Child Nutrition Cluster</u>			6,562,444	-
Fresh Fruit and Vegetable Program				
Fresh Fruit and Vegetable Program	10.582	N.C. Department of Public Instruction, PRC 035	83,894	-
<u>Total United States Department of Agriculture</u>			6,646,338	-
<u>United States Department of Defense</u>				
Reserve Officer Training Corps	12.U01		336,497	-
<u>Total United States Department of Defense</u>			336,497	-
<u>United States Department of Education</u>				
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	84.010	N.C. Department of Public Instruction, PRC 050	8,142,195	-
Title I Grants to Local Educational Agencies	84.010	N.C. Department of Public Instruction, PRC 115	19,246	-
Total Title I Grants to Local Educational Agencies			8,161,441	-
<u>Special Education Cluster</u>				
Special Education_Grants to States				
Special Education_Grants to States	84.173	N.C. Department of Public Instruction, PRC 049	134,369	-
Special Education_Grants to States	84.173	N.C. Department of Public Instruction, PRC 119	3,830	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 118	11,812	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 060	4,862,256	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 114	383,797	-
Total Special Education_Grants to States			5,396,064	-
<u>Total Special Education Cluster</u>			5,396,064	-
Career and Technical Education -- Basic Grants to States				
Career and Technical Education -- Basic Grants to States	84.048	N.C. Department of Public Instruction, PRC 017	513,877	-
Special Education - State Personnel Development				
Special Education - State Personnel Development	84.323	N.C. Department of Public Instruction, PRC 082	26,520	-

Pitt County Board of Education, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021
Page 2 of 3

<i>Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Pitt County Board of Education Expenditures</i>	<i>Subrecipient Expenditures</i>
<u>FEDERAL AWARDS:</u>				
English Language Acquisition State Grants				
English Language Acquisition State Grants	84.365	N.C. Department of Public Instruction, PRC 111	5,016	-
English Language Acquisition State Grants	84.365	N.C. Department of Public Instruction, PRC 104	146,145	-
Total English Language Acquisition State Grants			151,161	-
Supporting Effective Instruction State Grants				
Supporting Effective Instruction State Grants	84.367	N.C. Department of Public Instruction, PRC 103	1,117,924	-
Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)				
Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)	84.374		3,945,029	-
Student Support and Academics Enrichment Program	84.424	N.C. Department of Public Instruction, PRC 108	655,181	-
Education Stabilization Fund				
COVID-19 - K-12 Emergency Relief Fund - ESSER I - CARES Act	84.425D	N.C. Department of Public Instruction, PRC 163	5,738,231	-
COVID-19 - ESSER III - K-12 Emergency Relief Fund - ARPA	84.425U	N.C. Department of Public Instruction, PRC 181	3,981,788	-
COVID-19 - ESSER I - Exceptional Children Grants- CARES Act	84.425D	N.C. Department of Public Instruction, PRC 167	25,817	-
COVID-19 - GEER I - Supplemental - Instructional Services - CARES Act	84.425C	N.C. Department of Public Instruction, PRC 170	20,319	-
COVID-19 - ESSER I - Digital Curricula - CARES Act	84.425D	N.C. Department of Public Instruction, PRC 165	167,270	-
COVID-19 - GEER I - Specialized Instructional Support Personnel for COVID-19 Response - CARES Act	84.425C	N.C. Department of Public Instruction, PRC 169	64,668	-
COVID-19 - K-12 Emergency Relief Fund - ESSER II - CRRSA	84.425D	N.C. Department of Public Instruction, PRC 171	295,593	-
Total Education Stabilization Fund			10,293,686	-
Other Programs				
Plasma Games Pilot Program			144,000	-
<u>Total United States Department of Education</u>			30,404,883	-

Pitt County Board of Education, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021
Page 3 of 3

<i>Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Pitt County Board of Education Expenditures</i>	<i>Subrecipient Expenditures</i>
<u>United States Department of Health and Human Services</u>				
Medicaid Cluster				
Medical Assistance Program		N.C. Department of Health and Human Services, PRC		
Medical Assistance Program - Medicaid Cluster	93.778	305	1,323,304	-
<u>Total United States Department of Health and Human Services</u>			<u>1,323,304</u>	<u>-</u>
<u>Total Expenditures of Federal Awards</u>			<u>38,711,022</u>	<u>-</u>
STATE AWARDS:				
Cash assistance:				
<u>North Carolina Department of Public Instruction</u>				
State Public School Fund		XXXX	148,099,184	-
State Textbooks and Digital Resources		PRC 131	427,747	-
Driver Training - SPSF		PRC 012	417,805	-
School Technology Fund - SPSF		PRC 015	1,259	-
Vocational Education				
- State Months of Employment		PRC 013	7,250,045	-
- Program Support Funds		PRC 014	330,346	-
Total State Public School Fund			<u>156,526,386</u>	<u>-</u>
EC Data Manager Grant		PRC 464	112,193	-
DCDEE - COVID Child Care		PRC 429	56,595	-
Governor's Emergency Education Relief (GEER) Fund				
State COVID Relief Fund Appropriations				
CRF-Summer Learning		PRC 121	966,603	-
CRF-School Health Support Personnel		PRC 122	90,168	-
CRF-Remote Instruction		PRC 123	31,075	-
CRF-Student Computers and Devices		PRC 124	1,152,846	-
CRF-School Nutrition		PRC 125	852,602	-
CRF-Personnel Computers and Devices		PRC 126	75,815	-
CRF-Connectivity School Buses		PRC 128	169,935	-
CRF-Exceptional Children		PRC 132	554,092	-
CRF-Low Wealth Counties		PRC 134	602,125	-
CRF-Cybersecurity		PRC 135	60,889	-
CRF-Personal Protective Equipment		PRC 137	313,916	-
CRF-Gaggle Safety Management		PRC 138	57,095	-
Total State COVID Relief Fund Appropriations			<u>4,927,161</u>	<u>-</u>
<u>Total North Carolina Department of Public Instruction</u>			<u>161,622,335</u>	<u>-</u>
Passed-through Pitt County:				
Public School Building Capital Fund		PRC 076	1,419,849	-
<u>North Carolina Department of Health and Human Services</u>				
NC Pre-Kindergarten Program		PRC 413	3,459,869	1,180,690
Autism Grant		PRC 461	138,751	-
Non-cash assistance:				
<u>North Carolina Department of Public Instruction</u>				
School Buses Appropriation		PRC 120	1,266,974	-
<u>Total Expenditures of State Awards</u>			<u>167,907,778</u>	<u>1,180,690</u>
<u>Total Expenditures of Federal and State Awards</u>			<u>\$ 206,618,800</u>	<u>\$ 1,180,690</u>

Pitt County Board of Education, North Carolina
Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021

Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Pitt County Board of Education, North Carolina 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 Pitt County Board of Education, North Carolina, it is not intended to and does not present the financial position, changes in net position, or cash flows of Pitt County Board of Education, North Carolina.

Summary of Significant Accounting Policies

Basis of Accounting: 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.

Indirect Cost Rate: Pitt County Board of Education, North Carolina has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Loans: Pitt County Board of Education, North Carolina did not expend federal or State awards related to loans or loan guarantees during the fiscal year ended June 30, 2021.

Noncash Assistance: Pitt County Board of Education, North Carolina did receive commodities for the fiscal year ended June 30, 2021 from the US Department of Agriculture CFDA# 10.555 in the amount of \$813,641. The value of noncash assistance is the fair value of the noncash items as established by the grantor.

Federally Funded Insurance: Pitt County Board of Education, North Carolina has no federally funded insurance.

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

- School Nutrition Cluster