

Pitt County Board of Education, North Carolina

Comprehensive Annual Financial Report



**PITT
COUNTY
SCHOOLS**
Strong



Year Ended June 30, 2020



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
PITT COUNTY BOARD OF EDUCATION,
NORTH CAROLINA
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Ethan Lenker, Ed.D.
Superintendent

Prepared by
Debra Baggett
Chief Financial Officer



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INTRODUCTORY SECTION



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January 30, 2021

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 Comprehensive Annual Financial Report of the Pitt County Board of Education (Board) for the fiscal year ended June 30, 2020, 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, 2020. The goal of the audit was to provide reasonable assurance that the financial statements of Board for the fiscal year ended June 30, 2020, 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, 2020, 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, 2020 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 second month average daily membership for the 2019-2020 school year was 23,826 students. The total operating budget for all governmental activities for the 2019-20 school year was \$298,873,034 with a per-pupil expenditure of \$9,763 including Child Nutrition.

The Board operates a very diverse system with 1,842 National Origin Minority Students enrolled, representing 43 different native languages. Out of these students, 1064 were identified as Limited English Proficient and served in the English as a Second Language Program. The ethnic distribution of students in 2019-20 is: African American – 44.0%; White – 35.4%; Hispanic – 12.3%; Multi racial – 6.4%; Asian – 1.5%; and other – 0.3%.

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 2020 was offered \$25,180,056 in scholarships which includes 423 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 North Carolina State Goodnight Scholarship, an Academic Merit Scholarship at Meredith College, a Chancellor's Scholarship at the University of North Carolina at Charlotte, a University of South Carolina Scholars Award, a University of Alabama Provost Scholarship, a University of Denver Provost Scholarship, Indiana University Jacobs Scholarship, Embry Riddle Aeronautical University Scholarship, 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 hours 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 over 1,100 students living in Pitt County attending charter schools. The County Appropriation dollars of \$1,685 per pupil follow these students to their respective schools, and was budgeted at \$1,950,000 for 2019-20.

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 2016 phase funded the following projects: 1) The relocation and replacement of the existing transportation facility to include new offices, maintenance bays and parking storage capacity for the current fleet. 2) Restore and renovate restroom facilities ant Belvoir Elementary. 3) Other projects to add STEM labs, renovate restroom facilities, and repair gymnasium floors at various schools throughout the District. As these projects near completion, the Board is also working with the County of Pitt to move forward with the 2021 phase of borrowing to fund an extensive renovation at AG Cox Middle School to update two wings, which were built in 1936 and 1958.

The safety of our students is one of the highest priorities of both the Board of Education and the County Commissioners. Recently the County provided funds for additional security measures such as fire alarm replacements, school bus cameras, internal security cameras and related servers.

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 will receive 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 a State Bond to fund 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 fiscal year has 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 providing meals to students in the spring of 2020. 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

The Board has adopted a mission and vision and adopted system-wide goals to sustain academic growth for Pitt County's elementary, middle, and high school students.

The mission states, "Pitt County Schools will ensure that all students are provided a rigorous and personalized education that prepares them for the ever-changing challenges of the 21st Century."

The vision states, "A system of excellence partnering with family and community to prepare students to function effectively in a rapidly changing world by developing global citizens through academic excellence."

The motto states, "Celebrating every child, challenging every learner."

The Board's system-wide goals are:

- Every student graduates from high school prepared for work, further education, and citizenship.
- Every student has a personalized education.
- Every student has an excellent educator every day.
- Every school has up-to-date financial, business, and technology systems to serve its students, parents and educators.
- Every student is healthy, safe, and responsible.

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 86.3% 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 will allow the District to offer many training opportunities to teachers and administrators and provide many benefits to students, staff and our community.

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, 2019. 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, 2019. 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 Comprehensive Annual 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



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pitt County Board of Education
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



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

Pitt County Board of Education

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

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



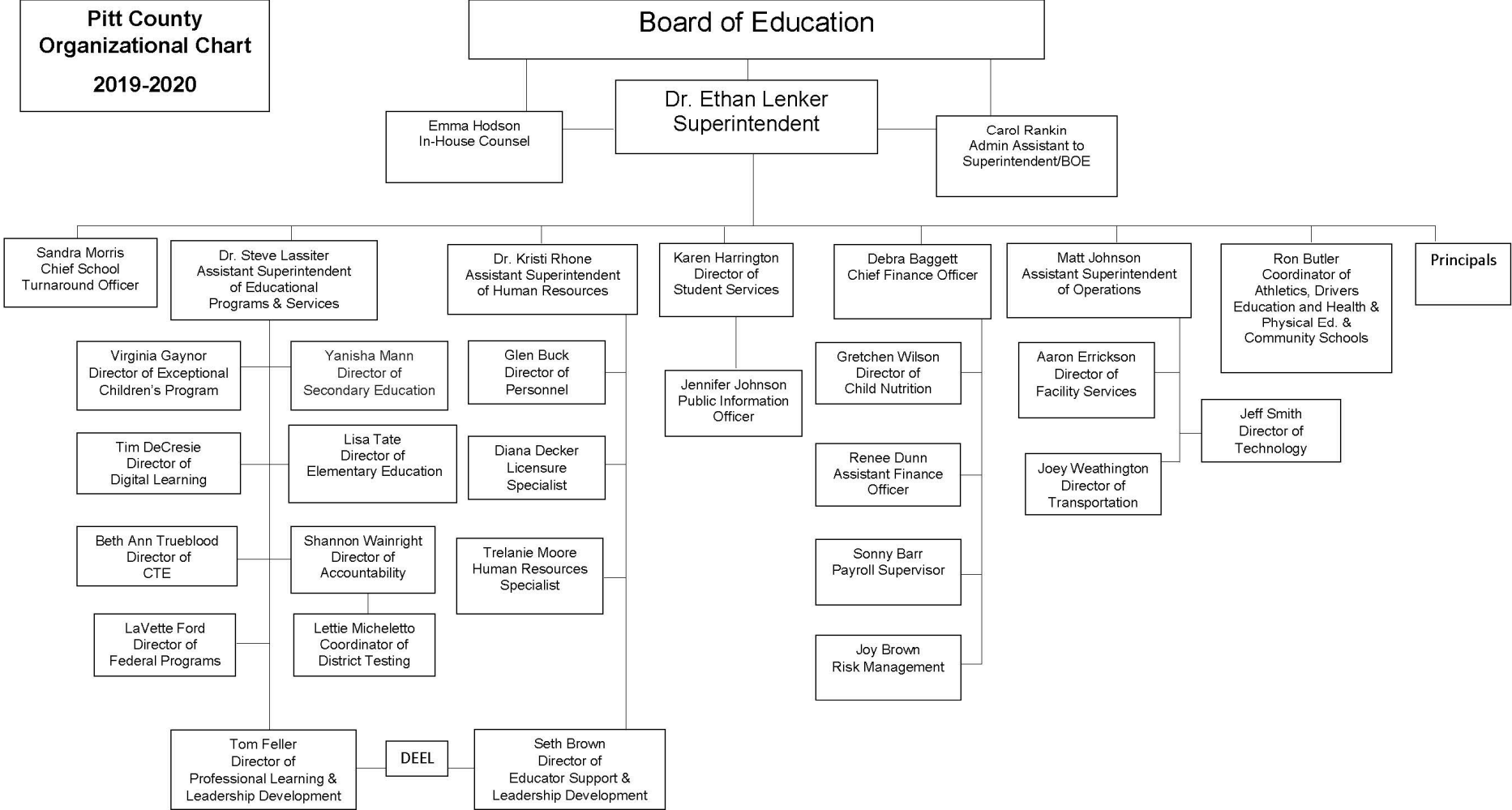
A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

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

David J. Lewis
Executive Director

**Pitt County
Organizational Chart
2019-2020**



The Pitt County Board of Education

Board Members

2019-2020



Betsy Flanagan
Board Chair
District 4



Melinda Fagundus
Board Vice Chair
District 8



Tracy Everette-Lenz
District 1



Amy Cole
District 2



Mary Blount Williams
District 3



Anna Barrett Smith
District 5



Worth Forbes
District 6



Caroline Doherty
District 7



Benjie Forrest
District 9



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Pitt County, North Carolina

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, 2020, 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, 2020, 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'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 (CFR) 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 budgetary 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 budgetary 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 30, 2021 on our consideration of Pitt County Board of Education'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's internal control over financial reporting and compliance.

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

Goldsboro, North Carolina
January 30, 2021



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Management's Discussion and Analysis

Pitt County Board of Education 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, 2020. 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, 2020 by \$173,430,109 (net position). Net position consists of \$6,866,467 as restricted for use, \$196,785,014 is for net investment in capital assets and (\$377,081,590) is unrestricted.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,785,478 or 9.58% of total general fund expenditures and total fund balance for the general fund was \$9,715,276 or 24.58% 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 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 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 91 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 99 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 \$173,430,109 as of June 30, 2020. The largest component of net position is net investment in capital assets of \$196,785,014 which comprises - (113.47)% of the total net position, whereas unrestricted net position was (\$377,081,590).

Pitt County Board of Education 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	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 30,296,317	\$ 27,719,685	\$ 7,165,426	\$ 5,859,977	\$ 37,461,743	\$ 33,579,662
Capital assets	196,692,873	200,675,251	869,036	440,318	197,561,909	201,115,569
Total assets	226,989,190	228,394,936	8,034,462	6,300,295	235,023,652	234,695,231
Deferred outflows of resources	60,407,206	61,319,551	2,023,603	2,011,106	62,430,809	63,330,657
Current liabilities	7,677,264	8,051,263	171,985	85,343	7,849,249	8,136,606
Long-term liabilities	355,970,267	326,338,187	9,301,787	8,563,143	365,272,054	334,901,330
Total liabilities	363,647,531	334,389,450	9,473,772	8,648,486	373,121,303	343,037,936
Deferred inflows of resources	95,236,843	122,973,771	2,526,424	3,120,151	97,763,267	126,093,922
Net investment in capital assets	195,915,978	198,770,607	869,036	440,318	196,785,014	199,210,925
Restricted net position	6,857,492	7,500,438	8,975	6,569	6,866,467	7,507,007
Unrestricted net position (deficit)	(374,261,448)	(373,919,779)	(2,820,142)	(3,904,123)	(377,081,590)	(377,823,902)
Total net position (deficit)	\$ (171,487,978)	\$ (167,648,734)	\$ (1,942,131)	\$ (3,457,236)	\$ (173,430,109)	\$ (171,105,970)

The Board's net position decreased during the current fiscal year by \$2,324,139. In part, the decrease is the net result of:

- An increase of \$3,882,081 in current assets, primarily related to an increase in cash and account receivable from additional federal, state and county funding.
- A decrease of \$3,553,660 in capital assets, primarily related to the annual provision for depreciation expense and less overall capital construction.
- A decrease of \$899,848 in deferred outflows of resources, primarily related to changes in actuarial valuations for the pension and OPEB plans.
- A decrease of \$287,357 in current liabilities, primarily related to less year-end accruals outstanding.
- An increase of \$30,370,724 in long-term liabilities, primarily related to changes in actuarial valuations for the pension and OPEB plans.
- A decrease of \$28,330,655 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 \$2,425,911 is contributed to the following factors:

- The increase of \$3,019,425 in net capital outlay and acquisition of other capital assets.
- An annual provision of depreciation expense of \$7,242,987.
- Debt service payments of \$1,127,749 in long-term debt related to the installment purchases of school buses, and capital lease of buses and a modular classroom.

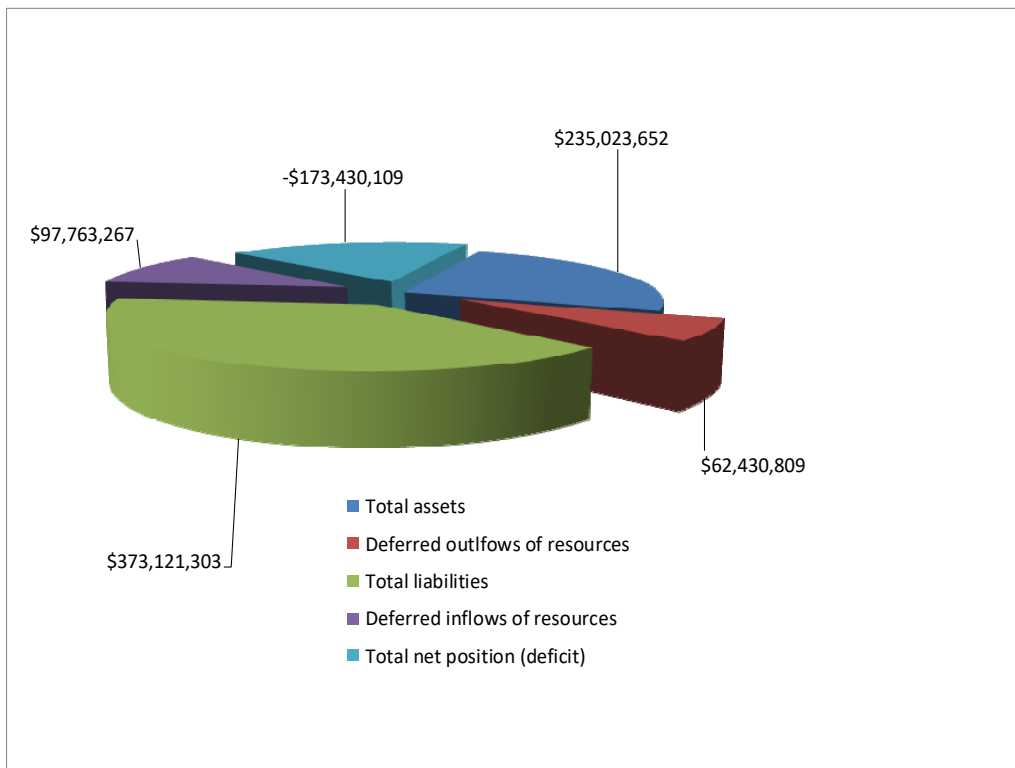
The following factors contributed to the decrease of \$640,540 in restricted net position:

- Net position restricted for school capital projects decreased by \$1,281,159.
- Net position restricted by grantor requirements in the Special Revenue fund increased \$288,426.

Pitt County Board of Education Management's Discussion and Analysis

- Net position restricted by state statute to cover outstanding encumbrances and accounts receivable increased \$235,492 from June 30, 2019 to June 30, 2020. 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, 2020.



Pitt County Board of Education 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	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 986,186	\$ 1,223,441	\$ 986,186	\$ 1,223,441
Operating grants and contributions	186,710,961	181,834,387	10,936,379	9,986,460	197,647,340	191,820,847
Capital grants and contributions	2,708,561	3,080,270	-	-	2,708,561	3,080,270
General revenues:						
Other revenues	48,729,271	49,488,545	59,295	86,738	48,788,566	49,575,283
Total revenues	238,148,793	234,403,202	11,981,860	11,296,639	250,130,653	245,699,841
Expenses:						
Governmental activities:						
Instructional services	191,573,195	179,789,552	-	-	191,573,195	179,789,552
System-wide support services	40,427,637	40,384,987	-	-	40,427,637	40,384,987
Ancillary services and non-program	2,109,936	1,481,218	-	-	2,109,936	1,481,218
Repayment of County debt issuance	1,759,876	2,110,661	-	-	1,759,876	2,110,661
Interest Expense	31,625	17,423	-	-	31,625	17,423
Depreciation	5,720,120	5,479,290	-	-	5,720,120	5,479,290
Business-type activities:						
Food service	-	-	10,832,403	11,122,647	10,832,403	11,122,647
Total expense	241,622,389	229,263,131	10,832,403	11,122,647	252,454,792	240,385,778
Excess revenues over (under) expenses before transfers	(3,473,596)	5,140,071	1,149,457	173,992	(2,324,139)	5,314,063
Transfers in (out)	(365,648)	(76,976)	365,648	76,976	-	-
Increase (decrease) in net position	(3,839,244)	5,063,095	1,515,105	250,968	(2,324,139)	5,314,063
Net position (deficit), beginning,	(167,648,734)	(172,711,829)	(3,457,236)	(3,708,204)	(171,105,970)	(176,420,033)
Net position (deficit), ending	\$ (171,487,978)	\$ (167,648,734)	\$ (1,942,131)	\$ (3,457,236)	\$ (173,430,109)	\$ (171,105,970)

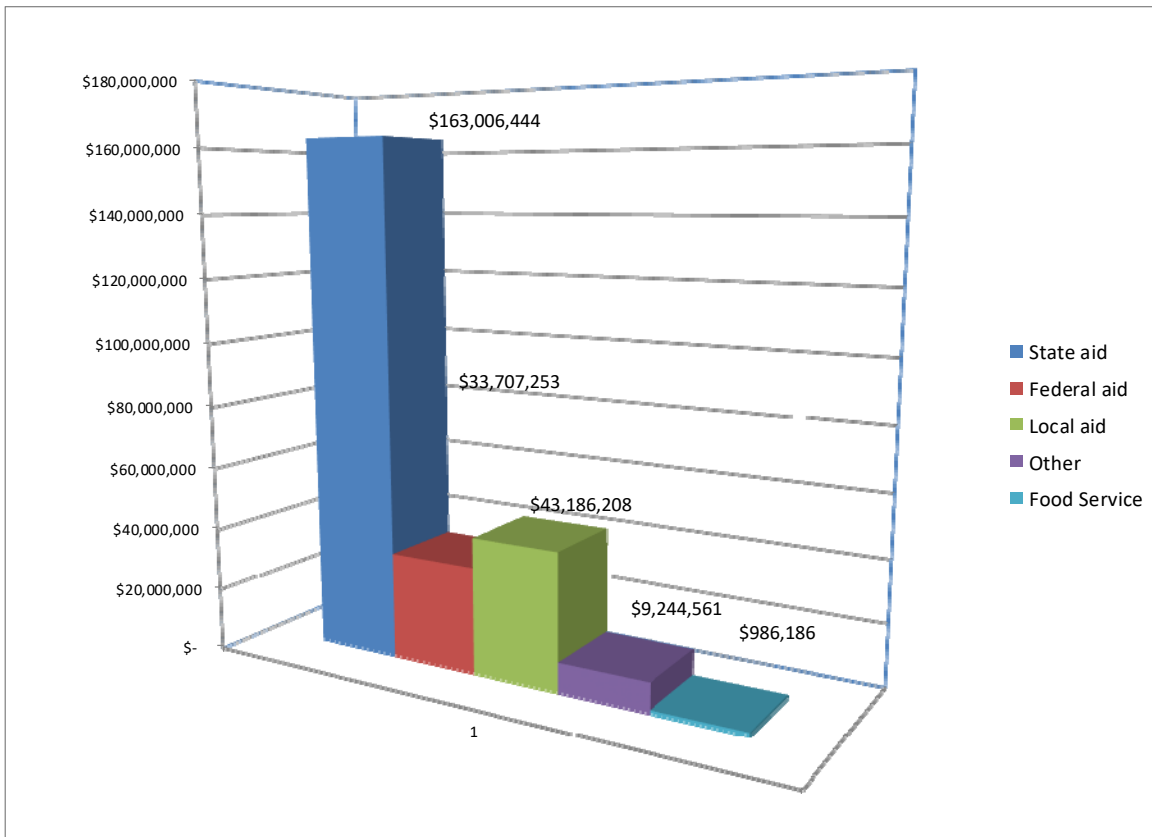
For fiscal years ended June 30, 2020 and 2019, total governmental activities earned revenues of \$238,148,793 and \$234,403,202, respectively, which is a net increase of \$3,745,591. The following factors contributed to the net increase in governmental activities earned revenues from fiscal year ended June 30, 2019 to fiscal year ended June 30, 2020:

- An increase of \$4,876,574 in operating grants and contributions, which includes an increase of \$5,554,801 from State Public School Fund appropriations and a decrease of \$11,834 in federal appropriations.
- A decrease of \$371,709 in capital grants and contributions.
- A decrease of \$759,274 in other revenues, which includes an increase of \$1,355,651 from county operating appropriations and a decrease of \$1,310,809 from county capital appropriations.
- An increase in indirect costs of \$302,782 generated mostly from the Federal Teacher Incentive Fund grant.
- A decrease in revenues from fines and forfeitures of \$146,342, which is generated largely from traffic light fines.

Pitt County Board of Education Management's Discussion and Analysis

For fiscal years ended June 30, 2020 and 2019, business-type activities related to the Board's food service program earned revenue of \$11,981,860 and \$11,296,639, respectively which is an increase of \$685,221. Federal reimbursements for meals served to qualifying students increased \$886,016 while food sales decreased \$237,255. These increases and decreases, respectively, are the result of additional Covid-19 related funding and school closure in the spring of 2020.

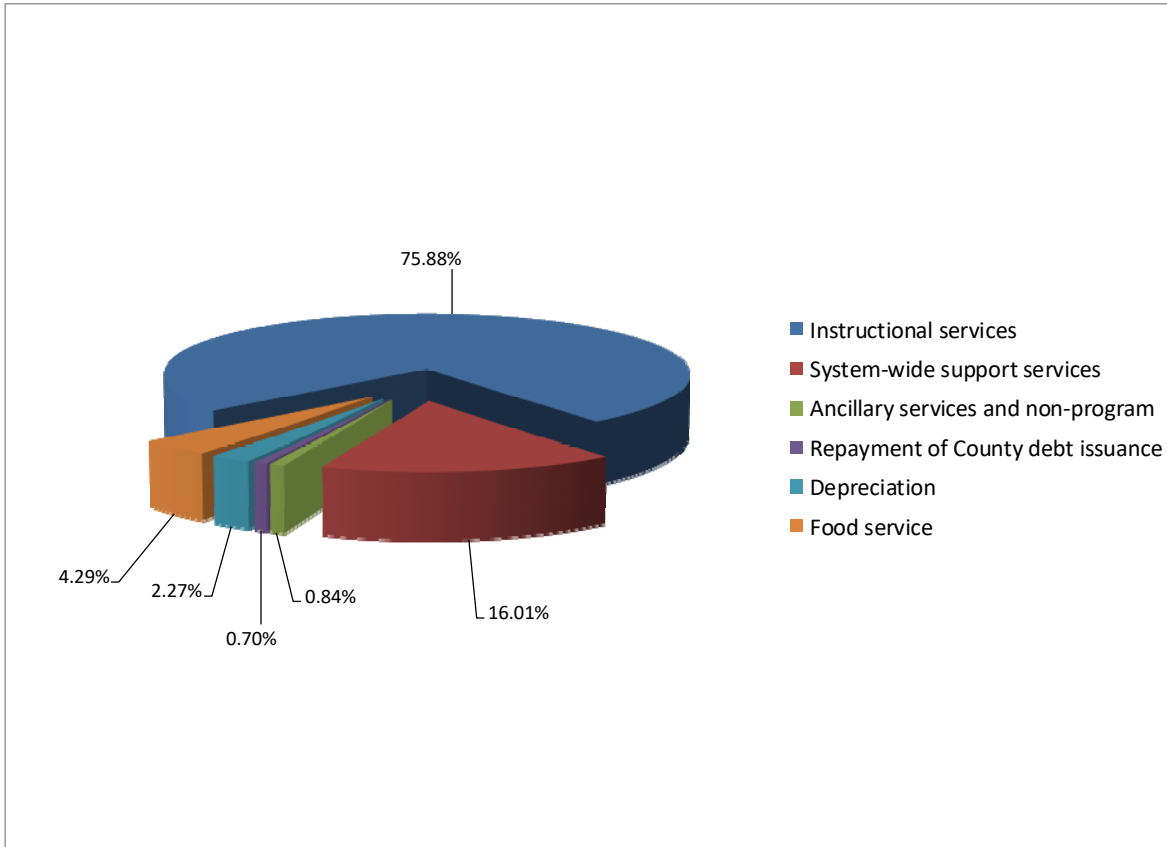
The following chart shows, by revenue source, the government-wide revenues presented on the accrual basis of accounting for fiscal years ended June 30, 2020:



Total governmental activities expenses for fiscal years ended June 30, 2020 and 2019 were \$241,622,389 and \$229,263,131, respectively, which is an increase of \$12,359,258.

Pitt County Board of Education Management's Discussion and Analysis

The following chart show the percentage composition of governmental activities expenses by expense purpose for fiscal year ended June 30, 2020, excluding interest expense:



The following factors contributed to the increase in governmental activities expenses from the fiscal year ended June 30, 2019 to fiscal year ended June 30, 2020:

- Instructional programs expenses increased \$11,783,643
- Ancillary services and non-program increased \$628,718
- Repayment of County debt issuance decreased \$350,785

Instructional programs expense comprised 75.9% of total governmental-type expenses while supporting services made up 16.0% of those expenses for 2020.

Business-type activities expense related to the Board's food service program ended June 30, 2020 and 2019 at \$10,832,403 and \$11,122,647, respectively, which is a decrease of \$290,244.

The Board's business-type revenues related to the food service program were above expenses by \$1,149,457 and \$173,992, respectively, before transfers, for fiscal years ended June 30, 2020 and 2019, primarily related to Covid-19 relating funding.

For fiscal years ended June 30, 2020 and 2019, net position of the governmental activities decreased by \$3,839,244 and increased by \$5,063,095, respectively. For fiscal years ended June 30, 2020 and 2019, net position of the business-type activities increased by \$1,515,105 and \$250,968, respectively.

Pitt County Board of Education Management's Discussion and Analysis

Financial Analysis of the Board's Funds

For fiscal year ended June 30, 2020, the Board's governmental funds reported combined ending fund balances of \$22,229,616 which is an increase of \$2,844,113 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 \$9,715,276 which is an increase of \$2,399,066 from the prior 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, 2020 the ending fund balance of the general fund is comprised of \$3,785,478 which represents unassigned fund balance available for spending at the government's discretion. The general fund's remaining fund balance of \$5,929,798 is comprised of the following:

- \$367,832 that is non-spendable inventories
- \$426,224 that is restricted based on North Carolina state statute.
- \$463,194 which is restricted by grantors to school capital outlay projects.
- \$4,116,997 that has been committed by the Board to fund future school capital projects.
- \$555,551 that is assigned to fund subsequent year's expenditures.

Special Revenue Fund

The special revenue fund was established in the Board's adopted budget ordinance 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.

At June 30, 2020 the special revenue fund ended the year with a fund balance of \$8,979,855 which is an increase of \$1,317,527 from the fiscal year ended June 30, 2019 and is comprised of the following:

- \$1,540,724 that is restricted based on the requirements of grantors
- \$6,892,135 that is assigned to fund subsequent year's expenditures
- \$546,996 that is restricted based on North Carolina state statute

Individual Schools Fund

For fiscal year ended June 30, 2020 the individual schools fund balance was \$2,031,637 which was restricted for individual school use. The individual schools fund balance increased \$7,856 from fiscal year ended June 30, 2019 due primarily to management vigilance in spending related to contributions and donations at the school level intended to fund co-curricular activities of the Board's students. Individual schools contributions and donations and interest earnings were \$4,723,820 and \$5,784,965, respectively, for fiscal years ended June 30, 2020 and 2019 which is a decrease of \$1,061,145. Individual schools co-curricular expenditures were \$4,715,964 and \$5,746,108, respectively, for fiscal years ended

Pitt County Board of Education Management's Discussion and Analysis

June 30, 2020 and 2019 which is a decrease of \$1,030,144. These decreases, in revenues and expenditures, are primarily the result of less spring 2020 activities and school closure related to Covid-19.

Capital Fund

The capital fund ending fund balance was \$1,502,848 which was restricted to school capital outlay projects. The capital fund balance decreased \$880,336 from fiscal year ended June 30, 2019 to fiscal year ended June 30, 2020 due primarily to the timing of various capital projects in operation at the end of the fiscal year.

Proprietary Fund

For fiscal year ended June 30, 2020 the Board's business-type net position stood at (\$1,942,131) which is an increase of \$1,515,105, from the fiscal year ended June 30, 2019, which is primarily related to additional federal funding resulting for Covid-19.

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 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, 2020, actual general fund revenues came in \$79,272 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 \$167,856 less than budgeted.
- Tuition and fees, miscellaneous revenue and interest income were \$88,584 higher than anticipated, including revenues from East Carolina University for funds associated with the partnership with the East Carolina University Community School.

General fund expenditures ended the fiscal year \$6,471,036 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 \$197,561,909 and \$201,115,568, respectively, as of June 30, 2020 and 2019. This investment in capital assets includes land, buildings, vehicles, and equipment.

Pitt County Board of Education Management's Discussion and Analysis

The following table outlines the Board's capital assets as of June 30, 2020 and 2019:

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

June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 5,168,270	\$ 5,168,270	\$ -	\$ -	\$ 5,168,270	\$ 5,168,270
Construction in progress	-	3,096,428	-	-	-	3,096,428
Buildings and improvements	187,228,631	187,574,798	-	-	187,228,631	187,574,798
Equipment and furniture	1,574,718	1,130,861	849,419	416,570	2,424,137	1,547,431
Vehicles	2,721,254	3,704,894	19,617	23,747	2,740,871	3,728,641
Total capital assets	\$ 196,692,873	\$ 200,675,251	\$ 869,036	\$ 440,317	\$ 197,561,909	\$ 201,115,568

For fiscal year ended June 30, 2020 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 71 and 72 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, increased \$30,370,724.

The following table outlines the Board's long-term debt as of June 30, 2020 and 2019:

**Table 4
Condensed Summary of Long-term Debt**

June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Installment purchases	\$ 303,344	\$ 1,252,029	\$ -	\$ -	\$ 303,344	\$ 1,252,029
Capital lease	473,551	652,615	-	-	473,551	652,615
Compensated absences	12,877,698	12,856,293	273,013	229,041	13,150,711	13,085,334
Net OPEB liability	249,426,714	224,147,357	2,522,292	2,398,920	251,949,006	226,546,277
Net pension liability	92,888,960	87,429,893	6,506,482	5,935,182	99,395,442	93,365,075
Total long-term debt	\$ 355,970,267	\$ 326,338,187	\$ 9,301,787	\$ 8,563,143	\$ 365,272,054	\$ 334,901,330

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 85 of the financial statements.

Pitt County Board of Education Management's Discussion and Analysis

Economic Factors

The population of Pitt County at 2020 is 181,301 which is an increase of 2,861 from 2019. Consistent with the overall growth in the population of Pitt County, the Board's student population has grown over the past ten years. There were several years where the district enrollment dropped due to the opening of charter schools within the county; however, enrollment has increased for the last several years. The Board has enacted policies such as open enrollment in several schools and specialized programming 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 2020 was 7.1%. This is slightly higher than the State of North Carolina's June 2020 rate of 7.6%.
- 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 the CARES Act 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 has approved funding of additional teacher positions to be 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 2020-2021 budget year.

Pitt County Board of Education 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



Basic Financial Statements



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Pitt County Board of Education, North Carolina
Statement of Net Position
June 30, 2020
Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 13,524,976	\$ 2,305,211	\$ 15,830,187
Investments	8,844,124	3,331,977	12,176,101
Receivables (net)	973,220	7,719	980,939
Due from other governments	6,240,297	917,867	7,158,164
Net OPEB asset	345,869	8,975	354,844
Inventories	367,831	593,677	961,508
Capital assets			
Land and construction in process	5,168,270	-	5,168,270
Other capital assets, net of depreciation	191,524,603	869,036	192,393,639
Total capital assets	196,692,873	869,036	197,561,909
Total assets	226,989,190	8,034,462	235,023,652
DEFERRED OUTFLOWS OF RESOURCES - PENSIONS	35,672,706	1,414,212	37,086,918
DEFERRED OUTFLOWS OF RESOURCES - OPEB	24,734,500	609,391	25,343,891
LIABILITIES			
Accounts payable and accrued liabilities	7,677,264	80,629	7,757,893
Unearned revenues	-	91,356	91,356
Long-term liabilities:			
Due in more than one year net pension liability	92,888,960	2,522,292	95,411,252
Due in more than one year net OPEB liability	249,426,714	6,506,482	255,933,196
Due within one year	3,684,462	68,253	3,752,715
Due in more than one year	9,970,131	204,760	10,174,891
Total liabilities	363,647,531	9,473,772	373,121,303
DEFERRED INFLOWS OF RESOURCES - PENSIONS	1,461,698	-	1,461,698
DEFERRED INFLOWS OF RESOURCES - OPEB	93,731,577	2,526,424	96,258,001
DEFERRED INFLOWS OF RESOURCES	43,568	-	43,568
NET POSITION			
Net investment in capital assets	195,915,978	869,036	196,785,014
Restricted for:			
Individual schools	2,031,637	-	2,031,637
Requirements by grantors	1,540,724	-	1,540,724
School capital outlay	1,966,042	-	1,966,042
DIPNC OPEB plan	345,869	8,975	354,844
Stabilization by state statute	973,220	-	973,220
Unrestricted (deficit)	(374,261,448)	(2,820,142)	(377,081,590)
Total net position (deficit)	\$ (171,487,978)	\$ (1,942,131)	\$ (173,430,109)

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, 2020
Exhibit 2

Functions	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Instructional programs				
Regular	\$ 106,928,411	\$ -	\$ 93,110,694	\$ -
Special	29,943,500	-	27,409,802	-
Alternative programs	21,565,030	-	20,686,110	-
School leadership	14,877,194	-	8,380,335	-
Co-curricular	5,894,740	-	4,723,419	-
School based support	12,364,320	-	11,070,713	-
Supporting services				
Support and development	2,644,588	-	2,228,681	-
Special populations	603,675	-	403,838	-
Alternative programs	769,914	-	629,240	-
Technology support	1,754,347	-	537,642	-
Operational support	29,174,971	-	14,329,985	948,685
Financial and human resources	3,840,331	-	784,523	-
Accountability services	113,970	-	-	-
System wide pupil support	107,365	-	-	-
Leadership services	1,418,476	-	677,898	-
Ancillary services	1,594,966	-	952,393	-
Non-program charges	514,970	-	785,688	-
On-behalf payment to County for for repayment of debt	1,759,876	-	-	1,759,876
Interest on long-term debt	31,625	-	-	-
Unallocated depreciation expense (excludes amounts directly allocated)	5,720,120	-	-	-
Total governmental activities	241,622,389	-	186,710,961	2,708,561
Business-type activities:				
School food services	10,832,403	986,186	10,936,379	-
Total business-type activities	10,832,403	986,186	10,936,379	-
Total board of education	\$ 252,454,792	\$ 986,186	\$ 197,647,340	\$ 2,708,561

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, 2020
Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Functions	Governmental Activities	Business-type Activities	Total
Primary Government:			
Governmental activities:			
Instructional programs			
Regular	\$ (13,817,717)	\$ -	\$ (13,817,717)
Special	(2,533,698)	-	(2,533,698)
Alternative programs	(878,920)	-	(878,920)
School leadership	(6,496,859)	-	(6,496,859)
Co-curricular	(1,171,321)	-	(1,171,321)
School based support	(1,293,607)	-	(1,293,607)
Supporting services			
Support and development	(415,907)	-	(415,907)
Special populations	(199,837)	-	(199,837)
Alternative programs	(140,674)	-	(140,674)
Technology support	(1,216,705)	-	(1,216,705)
Operational support	(13,896,301)	-	(13,896,301)
Financial and human resources	(3,055,808)	-	(3,055,808)
Accountability services	(113,970)	-	(113,970)
System wide pupil support	(107,365)	-	(107,365)
Leadership services	(740,578)	-	(740,578)
Ancillary services	(642,573)	-	(642,573)
Non-program charges	270,718	-	270,718
On-behalf payment to County for for repayment of debt	-	-	-
Interest on long-term debt	(31,625)	-	(31,625)
Unallocated depreciation expense (excludes amounts directly allocated)	(5,720,120)	-	(5,720,120)
Total governmental activities	(52,202,867)	-	(52,202,867)
Business-type activities:			
School food services	-	1,090,162	1,090,162
Total business-type activities	-	1,090,162	1,090,162
Total board of education	(52,202,867)	1,090,162	(51,112,705)
General revenues:			
Unrestricted county appropriation - operating	40,905,920	-	40,905,920
Unrestricted county appropriation - capital	2,280,288	-	2,280,288
Unrestricted State appropriation - operating	18,435	-	18,435
Interest earnings, unrestricted	145,046	59,295	204,341
Unrestricted Federal grants	194,967	-	194,967
Miscellaneous, unrestricted	5,184,615	-	5,184,615
Transfers	(365,648)	365,648	-
Total general revenues and transfers	48,363,623	424,943	48,788,566
Change in net position	(3,839,244)	1,515,105	(2,324,139)
Net position (deficit) - beginning	(167,648,734)	(3,457,236)	(171,105,970)
Net position (deficit), ending	\$ (171,487,978)	\$ (1,942,131)	\$ (173,430,109)

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



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Pitt County Board of Education, North Carolina
Balance Sheet –Governmental Funds
June 30, 2020
Exhibit 3

	General	State Public School	Federal Grants	Special Revenue	Individual Schools	Capital Outlay	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 5,886,891	\$ 322,040	\$ -	\$ 4,438,348	\$ 2,009,585	\$ 868,112	\$ 13,524,976
Investments	4,076,248	-	-	4,091,311	22,052	654,513	8,844,124
Accounts receivable	426,224	-	-	546,996	-	-	973,220
Inventories	367,832	-	-	-	-	-	367,832
Due from other governments	-	5,552,770	477,515	188,655	-	21,357	6,240,297
Total assets	\$ 10,757,195	\$ 5,874,810	\$ 477,515	\$ 9,265,310	\$ 2,031,637	\$ 1,543,982	\$ 29,950,449
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 326,074	\$ -	\$ -	\$ 60,370	\$ -	\$ 41,134	\$ 427,578
Temporary bank overdraft	-	-	723	-	-	-	723
Accrued salaries and wages payable	715,845	5,869,045	438,989	225,085	-	-	7,248,964
Total liabilities	1,041,919	5,869,045	439,712	285,455	-	41,134	7,677,265
Deferred inflows of resources	-	5,765	37,803	-	-	-	43,568
Fund balances:							
Nonspendable:							
Inventories	367,832	-	-	-	-	-	367,832
Restricted:							
Stabilization by State Statute	426,224	-	-	546,996	-	-	973,220
Requirements by Grantors	-	-	-	1,540,724	-	-	1,540,724
School capital outlay	463,194	-	-	-	-	1,502,848	1,966,042
Individual schools	-	-	-	-	2,031,637	-	2,031,637
Committed:							
Capital projects	4,116,997	-	-	-	-	-	4,116,997
Assigned:							
Subsequent years expenditures	555,551	-	-	6,892,135	-	-	7,447,686
Unassigned:	3,785,478	-	-	-	-	-	3,785,478
Total fund balances	9,715,276	-	-	8,979,855	2,031,637	1,502,848	22,229,616
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,757,195	\$ 5,874,810	\$ 477,515	\$ 9,265,310	\$ 2,031,637	\$ 1,543,982	\$ 29,950,449

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	\$ 22,229,616
Net OPEB asset	345,869
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	196,692,873
Deferred outflows related to pensions	35,672,706
Deferred outflows related to OPEB	24,734,500
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.	(13,654,593)
Net pension liability	(92,888,960)
Net OPEB liability	(249,426,714)
Deferred inflows of resources related to pensions	(1,461,698)
Deferred inflows of resources related to OPEB	(93,731,577)
Net position of governmental activities	\$ (171,487,978)

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, 2020
Exhibit 4

	State Public		Special	Individual	Total		
	General	School	Federal Grants	Revenue	Individual Schools	Capital Outlay	Governmental Funds
REVENUES							
State aid	\$ -	\$ 156,833,526	\$ -	\$ 3,458,412	\$ -	\$ 2,708,561	\$ 163,000,499
Federal aid	-	-	16,962,588	5,814,231	-	-	22,776,819
Local aid	40,905,920	-	-	-	-	2,280,288	43,186,208
Other local sources	-	-	-	476,048	-	75,220	551,268
Contributions and donations	-	-	-	-	4,723,419	-	4,723,419
Interest earnings	61,937	-	-	66,802	401	15,906	145,046
Fines and forfeitures	1,882,144	-	-	-	-	-	1,882,144
Indirect costs	-	-	-	1,386,937	-	-	1,386,937
Sales tax	-	-	27,885	188,655	-	21,357	237,897
Tuition and fees	10,600	-	-	604,690	-	-	615,290
Miscellaneous	316,047	-	-	222,917	-	-	538,964
Total revenues	43,176,648	156,833,526	16,990,473	12,218,692	4,723,820	5,101,332	239,044,491
EXPENDITURES							
Current:							
Instructional programs							
Regular	12,065,316	88,683,615	1,080,879	3,117,817	-	17,000	104,964,627
Special	1,051,482	22,059,133	5,350,669	904,765	-	-	29,366,049
Alternative programs	498,743	8,868,689	8,654,882	3,218,990	-	-	21,241,304
School leadership	6,110,674	8,380,335	-	78,344	-	-	14,569,353
Co-curricular	1,125,872	-	-	32,548	4,715,964	-	5,874,384
School based support	739,758	10,417,719	652,994	347,607	-	-	12,158,078
System wide support services							
Support and development	830,325	281,385	278,904	1,274,714	-	-	2,665,328
Special populations	8,388	200,997	202,841	162,400	-	-	574,626
Alternative programs	102,895	121,158	411,410	97,603	-	-	733,066
Technology support	1,145,599	537,642	-	-	-	-	1,683,241
Operational support	11,874,038	15,178,073	43,376	100,860	-	-	27,196,347
Financial and human resources	3,071,989	474,488	-	141,528	-	8,234	3,696,239
Accountability Services	108,441	-	-	-	-	-	108,441
System wide pupil support	101,994	-	-	-	-	-	101,994
Leadership services	676,775	677,898	-	-	-	-	1,354,673
Ancillary services							
Community	413	-	-	912,751	-	-	913,164
Nutritional	11,074	586,746	-	20,000	-	-	617,820
Non-program charges	-	-	314,518	491,238	-	-	805,756
On-behalf payment to County for repayment of debt	-	-	-	-	-	1,759,876	1,759,876
Debt Service:							
Principal	-	-	-	-	-	1,127,749	1,127,749
Interest	-	-	-	-	-	31,625	31,625
Capital outlay:							
Real property and buildings	-	-	-	-	-	2,405,674	2,405,674
Furniture and equipment	-	-	-	-	-	1,908,510	1,908,510
Total expenditures	39,523,776	156,467,878	16,990,473	10,901,165	4,715,964	7,258,668	235,857,924
Excess revenues over (under) expenditures	3,652,872	365,648	-	1,317,527	7,856	(2,157,336)	3,186,567
OTHER FINANCING SOURCES (USES)							
Transfers from (to) other funds	(1,277,000)	(365,648)	-	-	-	1,277,000	(365,648)
Total other financing sources (uses)	(1,277,000)	(365,648)	-	-	-	1,277,000	(365,648)
Net change in fund balances	2,375,872	-	-	1,317,527	7,856	(880,336)	2,820,919
Fund balances - beginning	7,316,210	-	-	7,662,328	2,023,781	2,383,184	19,385,503
Increase in reserve for inventories	23,194	-	-	-	-	-	23,194
Fund balances - ending	\$ 9,715,276	\$ -	\$ -	\$ 8,979,855	\$ 2,031,637	\$ 1,502,848	\$ 22,229,616

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, 2020
Exhibit 4 (continued)

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

Net changes in fund balances - total governmental funds	\$ 2,820,919
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	3,079,667
Depreciation expense	(7,062,045)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	
	16,732,899
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	
	8,476,072
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	(32,666,403)
OPEB revenues	3,650,109
Debt service	1,127,749
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	23,194
Compensated absences	(21,405)
	(21,405)
Total changes in net position of governmental activities	\$ (3,839,244)

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, 2020
Exhibit 5

General Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ -	\$ -	\$ -	\$ -
Federal aid	-	-	-	-
Local aid	40,905,920	40,905,920	40,905,920	-
Other local sources	-	-	-	-
Interest earnings	-	-	61,937	61,937
Fines and forfeitures	2,050,000	2,050,000	1,882,144	(167,856)
Indirect costs	-	-	-	-
Sales tax	-	-	-	-
Tuition and fees	-	-	10,600	10,600
Miscellaneous	300,000	300,000	316,047	16,047
Total revenues	43,255,920	43,255,920	43,176,648	(79,272)
EXPENDITURES				
Current:				
Instructional programs				
Regular	16,372,000	15,630,178	12,065,316	3,564,862
Special	1,103,019	1,152,019	1,051,482	100,537
Alternative programs	499,988	536,203	498,743	37,460
School leadership	5,861,370	6,159,502	6,110,674	48,828
Co-curricular	1,199,789	1,199,889	1,125,872	74,017
School based support	754,203	840,003	739,758	100,245
System wide support services				
Support and development	923,036	892,496	830,325	62,171
Special populations	5,687	8,587	8,388	199
Alternative program	161,902	106,052	102,895	3,157
Technology support	1,015,033	1,149,533	1,145,599	3,934
Operational support	13,651,837	13,575,838	11,874,038	1,701,800
Financial and human resources	3,535,368	3,523,188	3,071,989	451,199
Accountability services	43,767	112,817	108,441	4,376
System wide pupil support	239,205	156,455	101,994	54,461
Leadership services	916,261	918,161	676,775	241,386
Ancillary services				
Community	23,554	15,099	413	14,686
Nutritional	6,792	18,792	11,074	7,718
Non-program charges	-	-	-	-
Total expenditures	46,312,811	45,994,812	39,523,776	6,471,036
Revenues over expenditures	(3,056,891)	(2,738,892)	3,652,872	6,391,764
Other financing sources (uses)				
Transfers to other funds	(959,000)	(1,277,000)	(1,277,000)	-
Fund balance appropriated	4,015,891	4,015,892	-	(4,015,892)
Total other financing sources (uses)	3,056,891	2,738,892	(1,277,000)	(4,015,892)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	2,375,872	\$ 2,375,872
Fund balances - beginning, previously reported			7,316,210	
Decrease in reserve for inventories			23,194	
Fund balances - ending			<u>\$ 9,715,276</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, 2020
Exhibit 5

State Public School Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ 161,010,926	\$ 167,845,573	\$ 156,833,526	\$ (11,012,047)
Federal aid	-	-	-	-
Local aid	-	-	-	-
Other local sources	-	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Indirect costs	-	-	-	-
Sales tax	-	-	-	-
Tuition and fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	161,010,926	167,845,573	156,833,526	(11,012,047)
EXPENDITURES				
Current:				
Instructional programs				
Regular	93,813,900	94,091,442	88,683,615	5,407,827
Special	22,009,661	22,785,096	22,059,133	725,963
Alternative programs	9,926,612	10,092,085	8,868,689	1,223,396
School leadership	8,853,010	9,054,746	8,380,335	674,411
Co-curricular	-	-	-	-
School based support	10,848,469	12,071,611	10,417,719	1,653,892
System wide support services				
Support and development	290,781	320,056	281,385	38,671
Special populations	269,496	220,040	200,997	19,043
Alternative program	144,180	142,930	121,158	21,772
Technology support	240,702	546,431	537,642	8,789
Operational support	13,343,153	15,567,607	15,178,073	389,534
Financial and human resources	457,086	496,785	474,488	22,297
Accountability services	-	-	-	-
System wide pupil support	-	-	-	-
Leadership services	693,004	703,691	677,898	25,793
Ancillary services				
Community	20,350	20,350	-	20,350
Nutritional	100,003	1,366,537	586,746	779,791
Non-program charges	-	-	-	-
Total expenditures	161,010,407	167,479,407	156,467,878	11,011,529
Revenues over expenditures	519	366,166	365,648	(518)
Other financing sources (uses)				
Transfers to other funds	(519)	(366,166)	(365,648)	518
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	(519)	(366,166)	(365,648)	518
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, 2020
Exhibit 5

Federal Grants Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ -	\$ -	\$ -	\$ -
Federal aid	21,553,729	29,792,182	16,962,588	(12,829,594)
Local aid	-	-	-	-
Other local sources	-	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Indirect costs	-	-	-	-
Sales tax	27,885	27,885	27,885	-
Tuition and fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	21,581,614	29,820,067	16,990,473	(12,829,594)
EXPENDITURES				
Current:				
Instructional programs				
Regular	1,292,749	3,852,652	1,080,879	2,771,773
Special	6,805,593	8,080,578	5,350,669	2,729,909
Alternative programs	10,963,946	11,094,031	8,654,882	2,439,149
School leadership	-	-	-	-
Co-curricular	-	-	-	-
School based support	947,222	1,340,621	652,994	687,627
System wide support services				
Support and development	419,763	419,250	278,904	140,346
Special populations	202,808	207,042	202,841	4,201
Alternative program	440,423	435,419	411,410	24,009
Technology support	-	-	-	-
Operational support	91,944	3,252,614	43,376	3,209,238
Financial and human resources	-	-	-	-
Accountability services	-	-	-	-
System wide pupil support	-	-	-	-
Leadership services	-	-	-	-
Ancillary services				
Community	-	-	-	-
Nutritional	-	-	-	-
Non-program charges	417,166	1,137,860	314,518	823,342
Total expenditures	21,581,614	29,820,067	16,990,473	12,829,594
Revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers to other funds	-	-	-	-
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			\$ -	

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, 2020
Exhibit 5

Special Revenue Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ 3,732,254	\$ 3,736,344	\$ 3,458,412	\$ (277,932)
Federal aid	8,510,666	8,510,666	5,814,231	(2,696,435)
Local aid	-	-	-	-
Other local sources	385,862	480,364	476,048	(4,316)
Interest earnings	-	-	66,802	66,802
Fines and forfeitures	-	-	-	-
Indirect costs	1,550,000	1,550,000	1,386,937	(163,063)
Sales tax	200,000	200,000	188,655	(11,345)
Tuition and fees	875,000	875,000	604,690	(270,310)
Miscellaneous	475,000	475,000	222,917	(252,083)
Total revenues	15,728,782	15,827,374	12,218,692	(3,608,682)
EXPENDITURES				
Current:				
Instructional programs				
Regular	11,158,771	11,195,558	3,117,817	8,077,741
Special	1,404,732	1,406,002	904,765	501,237
Alternative programs	3,819,242	3,819,242	3,218,990	600,252
School leadership	944,500	617,800	78,344	539,456
Co-curricular	31,098	36,098	32,548	3,550
School based support	750,187	700,387	347,607	352,780
System wide support services				
Support and development	1,297,790	1,776,395	1,274,714	501,681
Special populations	349,939	353,565	162,400	191,165
Alternative program	100,573	100,573	97,603	2,970
Technology support	-	-	-	-
Operational support	149,631	122,075	100,860	21,215
Financial and human resources	383,082	299,977	141,528	158,449
Accountability services	-	-	-	-
System wide pupil support	-	-	-	-
Leadership services	-	-	-	-
Ancillary services				
Community	1,087,595	1,127,595	912,751	214,844
Nutritional	-	20,000	20,000	-
Non-program charges	760,205	760,670	491,238	-
Total expenditures	22,237,345	22,335,937	10,901,165	11,165,340
Revenues over expenditures	(6,508,563)	(6,508,563)	1,317,527	7,826,090
Other financing sources (uses)				
Transfers to other funds	-	-	-	-
Fund balance appropriated	6,508,563	6,508,563	-	(6,508,563)
Total other financing sources (uses)	6,508,563	6,508,563	-	(6,508,563)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	1,317,527	\$ 1,317,527
Fund balances - beginning			7,662,328	
Fund balances - ending			\$ 8,979,855	

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, 2020
Exhibit 6

	School Food Service
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,305,211
Investments	3,331,977
Accounts receivables	7,719
Due from other governments	917,867
OPEB asset	8,975
Inventories	593,677
Total current assets	7,165,426
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	869,036
Total noncurrent assets	869,036
Total assets	8,034,462
DEFERRED OUTFLOWS OF RESOURCES - PENSIONS	1,414,212
DEFERRED OUTFLOWS OF RESOURCES - OPEB	609,391
LIABILITIES	
Current liabilities:	
Accounts payable	80,629
Compensated absences payable, current	68,253
Unavailable revenues	91,356
Total current liabilities	240,238
Noncurrent liabilities:	
Net pension liability	2,522,292
Net OPEB liability	6,506,482
Compensated absences payable, noncurrent	204,760
Total noncurrent liabilities	9,233,534
Total liabilities	9,473,772
DEFERRED INFLOWS OF RESOURCES - OPEB	2,526,424
NET POSITION	
Investment in capital assets	869,036
DIPNC OPEB plan	8,975
Unrestricted (deficit)	(2,820,142)
Total net position (deficit)	\$ (1,942,131)

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, 2020
Exhibit 7

School Food Service	
OPERATING REVENUES	
Food sales	\$ 986,186
Total operating revenues	986,186
OPERATING EXPENSES	
Purchase of food	4,992,316
Salaries and benefits	4,857,639
Indirect costs	581,180
Purchased services	70,192
Repairs and maintenance	77,228
Materials and supplies	72,906
Depreciation	180,942
Total operating expenses	10,832,403
Operating loss	(9,846,217)
NONOPERATING REVENUES (EXPENSES)	
Federal reimbursements	10,146,639
Federal commodities	783,795
State reimbursements	5,945
Investment earnings	59,295
Total nonoperating revenues	10,995,674
Income before transfers	1,149,457
Transfers in (out)	
State Public School Fund	365,648
Total transfers	365,648
Change in net position	1,515,105
Total net position (deficit) - beginning, previously reported	(3,457,236)
Total net position (deficit) - ending	\$ (1,942,131)

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, 2020
Exhibit 8

	School Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	\$ 998,470
Cash paid for goods and services	(5,045,062)
Cash paid to employees for services	(4,361,977)
Net cash used in operating activities	(8,408,569)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal and state reimbursements	9,313,730
Net cash provided by noncapital financing activities	9,313,730
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(609,661)
Net cash used in capital and related financing activities	(609,661)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	505,667
Interest on investments	59,295
Net cash provided by investing activities	564,962
Net increase in cash and cash equivalents	860,462
Cash and cash equivalents, July 1	1,444,749
Cash and cash equivalents, June 30	\$ 2,305,211

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, 2020
Exhibit 8

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

Operating loss	\$	(9,846,217)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation		180,942
Donated commodities consumed		783,795
Salaries paid by special revenue fund		365,648
Change in assets, deferred outflows of resources and liabilities:		
(Increase) Decrease in due from other governments		12,284
(Increase) Decrease in net OPEB asset		(2,406)
(Increase) Decrease in inventory		(121,677)
Increase (Decrease) in accounts payable		53,819
Increase (Decrease) in net OPEB liability		571,300
Increase (Decrease) in compensated absences		43,972
Increase (Decrease) in unavailable revenues		32,823
Increase (Decrease) in net pension liability		123,372
(Increase) Decrease in deferred outflows - pensions		236,710
(Increase) Decrease in deferred outflows - OPEB		(249,207)
Increase (Decrease) in deferred inflows - OPEB		(593,727)
Net cash used in operating activities	\$	(8,408,569)

Noncash operating activities and noncapital financing activities:

The State Public School Fund paid salaries and benefits of \$365,648 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 \$783,795 during the fiscal year. The receipt of the commodities is recognized as a non-operating revenue. The Fund recorded the consumption of \$783,795 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. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

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, 2020 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 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.

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

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:

	<u>Years</u>
Buildings	50
Improvements	10
Equipment and furniture	3 - 12

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.

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, 2020 is recorded in the

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

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]

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-

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

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.

Individual Schools – 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.

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 \$(193,717,594) consists of several elements as follows:

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

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)).	\$ 320,619,801
Less accumulated depreciation	(123,926,928)
Net capital assets	196,692,873
Net OPEB asset	345,869
Pension related deferred outflows of resources	35,672,706
OPEB related deferred outflows of resources	24,734,500
and are therefore not recorded in the fund statement	
Installment financing	(303,344)
Capital lease	(473,551)
Compensated absences	(12,877,698)
Net pension liability	(92,888,960)
Net OPEB liability	(249,426,714)
Pension related deferred inflows of resources	(1,461,698)
OPEB related deferred inflows of resources	(93,731,577)
Total adjustments	\$ (193,717,594)

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 \$(6,660,163) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 3,079,667
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.	(7,062,045)
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	1,127,749
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	16,732,899
Contributions to the OPEB plan in the current fiscal year are not included on the statement of activities	8,476,072
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	(32,666,403)
OPEB revenue	3,650,109
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	23,194
Compensated absences are accrued in the government-wide statements but not the fund statements because they do not use current resources	(21,405)
Total adjustments	\$ (6,660,163)

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. 95, Postponement of the Effective Dates of Certain Authoritative Guidance

In May 2020, the GASB issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 84, Fiduciary Activities
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.
- The effective dates of the following pronouncements are postponed by 18 months:
 - Statement No. 87, Leases
 - Implementation Guide No. 2019-3, Leases.

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

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued. The requirements of this Statement are effective immediately.

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

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

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.

Earlier application is encouraged and is permitted by topic. The Board is currently reviewing this statement to determine the effect on the Board's 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. 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 the Board's 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. 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. The Board is currently reviewing this statement to determine the effect on the Board's financial statements. With the issuance of GASB Statement

Pitt County Board of Education, North Carolina
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No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, the effective date of this statement has been extended by one year.

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, 2020, the Board had deposits with banks and savings and loans with a carrying amount of \$15,508,147 and with the State Treasurer of \$322,040. The bank balances with the financial institutions and the State Treasurer were \$16,053,695 and \$1,229,418, respectively. Of these balances, \$1,277,302 was covered by federal depository insurance and \$16,005,811 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

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Notes to Financial Statements

2. Investments

At June 30, 2020, 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	\$ 3,109,005	N/A	AAAm
NC Capital Management Trust - Term Portfolio	Fair Value - Level 1	7,289,000	Duration of .11 years	Unrated
Department of State Treasurer Short Term Investment Fund (STIF)	Fair Value - Level 2	1,778,096	Duration of 1.3 years	Unrated
		<u>\$ 12,176,101</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, 2020, were as follows:

	Due from other governments	Other	Total
Governmental activities:			
General	\$ -	\$ 426,224	\$ 426,224
Other governmental activities	6,240,297	546,996	6,787,293
Total governmental activities	<u>\$ 6,240,297</u>	<u>\$ 973,220</u>	<u>\$ 7,213,517</u>
Business-type activities			
Food Service Fund	\$ 917,867	\$ 7,719	\$ 925,586
Total business-type activities	<u>\$ 917,867</u>	<u>\$ 7,719</u>	<u>\$ 925,586</u>
Due from other governments consists of the following:			
State Public School	\$ 5,552,770	Operating fund from DPI	
Federal Grants	477,515	Operating fund from DPI	
Special Revenue	188,655	Miscellaneous revenues from state and county	
Capital Outlay	21,357	Miscellaneous revenues from the state	
Total	<u>\$ 6,240,297</u>		
Food Service Fund	<u>\$ 917,867</u>	Federal reimbursements	

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

4. Capital Assets

Capital asset activity for the year ended June 30, 2020, 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	3,096,428	121,427	3,217,855	-
Total capital assets not being depreciated	8,264,698	121,427	3,217,855	5,168,270
Capital assets being depreciated:				
Buildings and improvements	279,945,198	5,173,242	-	285,118,440
Equipment and furniture	8,791,164	945,634	-	9,736,798
Vehicles	20,599,316	57,219	60,242	20,596,293
Total capital assets being depreciated	309,335,678	6,176,095	60,242	315,451,531
Less accumulated depreciation for:				
Buildings and improvements	92,370,400	5,519,409	-	97,889,809
Equipment and furniture	7,660,303	501,777	-	8,162,080
Vehicles	16,894,422	1,040,859	60,242	17,875,039
Total accumulated depreciation	116,925,125	7,062,045	60,242	123,926,928
Total capital assets being depreciated, net	192,410,553			191,524,603
Governmental activities capital assets, net	\$ 200,675,251			\$ 196,692,873

Depreciation expense was charged to governmental functions as follows:

Regular instructional	\$ 83,968
Special instructional	23,492
Alternative programs	16,992
School leadership	11,655
Co-curricular	4,699
School based support services	9,726
Support and development services	78,503
Special populations	16,925
Alternative programs	21,591
Technology support	49,577
Operational support services	801,023
Financial and human resources services	108,867
Accountability services	3,194
System-wide pupil support	3,004
Leadership services	39,900
Community services	45,077
Non-programmed charges	23,732
Unallocated depreciation	5,720,120
Total	\$ 7,062,045

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Notes to Financial Statements

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 4,146,861	\$ 609,661	\$ -	\$ 4,756,522
Vehicles	121,411	-	36,233	85,178
<hr/>				
Total capital assets being depreciated	4,268,272	609,661	36,233	4,841,700
Less accumulated depreciation for:				
Equipment	3,730,291	176,812	-	3,907,103
Vehicles	97,664	4,130	36,233	65,561
<hr/>				
Total accumulated depreciation	3,827,955	180,942	36,233	3,972,664
Business-type activities capital assets, net	\$ 440,317			\$ 869,036

5. 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 21 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, 2020, has been recorded.

The payments due in the fiscal year ended June 30, 2021 and thereafter are as follows:

Total purchase price, 21 buses - \$1,982,823

<u>Year ended June 30:</u>	
2021	\$ 991,411
2022	495,706
2023	495,706
Total	<u>\$ 1,982,823</u>

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

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

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2020, was 12.97% 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 \$17,110,533 for the year ended June 30, 2020.

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.

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

At June 30, 2020, the Board reported a liability of \$95,411,252 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019 and at June 30, 2018, the Board's proportion was 0.920% and 0.902%, respectively.

For the year ended June 30, 2020, the Board recognized pension expense of \$33,403,862. At June 30, 2020, 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	\$ 7,981,041	\$ 191,007
Change in assumptions	10,166,444	-
Net difference between projected and actual earnings on pension plan investments	1,828,900	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,270,691
Employer contributions subsequent to the measurement date	17,110,533	-
Total	\$ 37,086,918	\$ 1,461,698

\$17,110,533 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2021	\$ 13,138,228
2022	3,092,659
2023	1,644,006
2024	639,794
Thereafter	-
Total	\$ 18,514,687

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014. 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:

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 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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

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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)	\$ 181,594,154	\$ 95,411,252	\$ 23,114,781

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) 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 CAFR, 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

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

the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

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

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

RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.47% of covered payroll which amounted to \$8,535,440.

At June 30, 2020, Board reported a liability of \$255,933,196 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. The

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total OPEB liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the Board's proportion was 0.809%.

\$8,535,440 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2021	\$ (24,841,599)
2022	(24,841,599)
2023	(24,816,957)
2024	(7,675,853)
2025	2,213,266
Thereafter	-
Total	\$ (79,962,742)

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	Teachers: 7.55% grading down to 3.50% Law Enforcement Officers: 8.10% grading down to 3.50% General Employees: 5.50% grading down to 3.50%
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 3.50%. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.50% 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, 2018.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage point higher (4.50 percent) than the current discount rate:

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	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability	\$ 304,139,647	\$ 255,933,196	\$ 217,331,738

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 (2.50 percent) or 1-percentage point higher (4.50 percent) than the current discount rate:

Healthcare Trend Rates			
	1% decrease (Medical - 4.00 - 5.50%, Pharmacy - 4.00 - 8.50%, Medicare Advantage - 4.00 - 5.50%, Administrative - 2.00%)	Discount Rate (3.50%)	1% increase (Medical - 6.00 - 7.50%, Pharmacy - 6.00 - 10.50%, Medicare Advantage - 6.00 - 4.50%, Administrative - 4.00%)
Net OPEB liability	\$ 210,740,573	\$ 255,933,196	\$ 315,351,455

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued CAFR 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 CAFR, 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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2020, employers made a statutory contribution of 0.14% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$131,924 for the year ended June 30, 2020.

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

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

At June 30, 2020, Board reported an asset of \$354,844 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018. The total OPEB asset was then rolled forward to the measurement date of June 30, 2019 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, 2019, the Board's proportion was 0.822%.

\$131,924 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, 2021. 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,		
2021	\$	134,132
2022		95,299
2023		67,791
2024		39,815
2025		57,635
Thereafter		(13,404)
Total	\$	381,268

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	\$ 300,544	\$ 354,844	\$ 407,606

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	\$ 355,469	\$ 354,844	\$ 354,260

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2018 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

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measurement date of June 30, 2019. 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	\$ (4,060,447)	\$ 327,848	\$ (3,732,599)
OPEB Liability (Asset)	255,933,196	(354,844)	255,578,352
Proportionate share of the net OPEB liability (asset)	0.809%	0.822%	
Deferred of Outflows of Resources			
Differences between expected and actual experience	-	362,500	362,500
Changes of assumptions	12,301,354	39,308	12,340,662
Net difference between projected and actual earnings on plan investments	170,431	67,589	238,020
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,735,345	-	3,735,345
Board contributions subsequent to the measurement date	8,535,440	131,924	8,667,364
Total Deferred of Outflows of Resources - OPEB	\$ 24,742,570	\$ 601,321	\$ 25,343,891
Deferred of Inflows of Resources			
Differences between expected and actual experience	\$ 12,902,257	\$ -	\$ 12,902,257
Changes of assumptions	76,944,736	36,405	76,981,141
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	6,322,879	51,724	6,374,603
Total Deferred of Inflows of Resources - OPEB	\$ 96,169,872	\$ 88,129	\$ 96,258,001

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2. Accounts Payable

Accounts payable as of June 30, 2020, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental activities:			
General	\$ 326,074	\$ 715,845	\$ 1,041,919
Other governmental activities	102,227	6,533,118	6,635,345
Total governmental activities	\$ 428,301	\$ 7,248,963	\$ 7,677,264
Business-type activities:			
Food Service Fund	\$ 80,629	-	\$ 80,629
Total business-type activities	\$ 80,629	\$ -	\$ 80,629

3. Unearned Revenues

The balance in unearned revenues as of June 30, 2020 for business-type activities is composed of the following:

	Unearned Revenue
Business-type activities:	
Prepaid meals	\$ 91,356
Total	\$ 91,356

4. Deferred Outflows and Inflows of Resources

The balance in deferred outflows and inflows of resources as of June 30, 2020 is composed of the following elements:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Governmental activities		
Sales tax refunds receivable (State Public School Fund)	\$ -	\$ 5,765
Sales tax refunds receivable (Federal Grants Fund)	-	37,803
Total	\$ -	\$ 43,568

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

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\$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 (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Public Instruction, insuring the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on Flood, Earthquake, Business Interruption and Extra Expense. \$10 million per occurrence is provided on Increased Cost of Construction.

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, 2020, 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, 2020 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

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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.

The future minimum payments of all installment purchases as of June 30, 2020 are as follows:

	Initial contract year		
	FYE 2018	FYE 2019	Totals
Total buses purchased	12	1	13
Total purchase price	\$ 1,039,107	\$ 87,144	\$ 1,126,251
Total payments 2020-2021	259,780	21,783	281,563
Total payments 2021-2022	-	21,781	21,781
Total remaining payments	\$ 259,780	\$ 43,564	\$ 303,344

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 agreement 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, 2020:

Classes of Property	Cost	Accumulated Depreciation	Net Book Value
Buildings	\$ 382,176	\$ 12,739	\$ 369,437
Vehicles	530,498	139,992	390,506
Total	\$ 912,674	\$ 152,731	\$ 759,943

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Future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2020 is as follows:

Year Ending June 30,		
2021	\$	210,689
2022		210,689
2023		71,251
2024		23,750
Total minimum lease payments		516,379
Less: amount representing interest		42,828
Present value of the minimum lease payments	\$	473,551

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, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental activities:					
Installment purchases	\$ 1,252,029	\$ -	\$ 948,685	\$ 303,344	\$ 281,563
Capital leases	652,615	-	179,064	473,551	183,475
Net pension liability	87,429,893	5,459,067	-	92,888,960	-
Net OPEB liability	224,147,357	25,279,357	-	249,426,714	-
Compensated absences	12,856,293	10,961,295	10,939,890	12,877,698	3,219,424
Total	\$ 326,338,187	\$ 41,699,719	\$ 12,067,639	\$ 355,970,267	\$ 3,684,462
Business-type activities:					
Compensated absences	\$ 229,041	\$ 298,530	\$ 254,558	\$ 273,013	\$ 68,253
Net pension liability	2,398,920	123,372	-	2,522,292	-
Net OPEB liability	5,935,182	571,300	-	6,506,482	-
Total	\$ 8,563,143	\$ 993,202	\$ 254,558	\$ 9,301,787	\$ 68,253

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:

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Year Ending June 30,	Cell Tower	Modular Unit	Total
2021	\$ 18,000	\$ 35,626	\$ 53,626
2022	18,000	35,626	53,626
2023	18,000	35,626	53,626
2024	18,000	11,875	29,875
Total	\$ 72,000	\$ 118,753	\$ 190,753

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.

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	\$ 365,648	\$ -	\$ 365,648
School food service fund	-	365,648	(365,648)
General fund	1,277,000	-	1,277,000
Capital projects fund	-	1,277,000	(1,277,000)
Total	\$ 1,642,648	\$ 1,642,648	\$ -

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:

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Total fund balance- General Fund	\$	9,715,276
Less:		
Inventories		367,832
Stabilization by state statute:		
Accounts receivable		426,224
Total stabilization by state statute		426,224
Restricted for school capital projects		463,194
Committed for capital projects		4,116,997
Assigned for:		
Subsequent years expenditures		555,551
Total assigned fund balance		555,551
Remaining Fund Balance- Unassigned	\$	3,785,478

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 30, 2021, the date on which the financial statements were available to be issued.



Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015	2014
Board's proportion of the net pension liability (asset)	0.920%	0.902%	0.899%	0.916%	0.921%	0.903%	0.837%
Board's proportionate share of the net pension liability (asset)	\$ 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	\$ 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	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%

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 CAFR and valuation reports are available at <https://www.myncretirement.com/governance/valuations-and-cafrs>.

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 the Board Contributions to
Teachers' and State Employees' Retirement System
Last Seven Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 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>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>
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
Contributions as a percentage of covered payroll	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 Four Fiscal Years*

	2020	2019	2018	2017
Board's proportion of the net OPEB liability	0.809%	0.808%	0.827%	0.807%
Board's proportionate share of the net OPEB liability	\$ 255,933,196	\$ 230,082,539	\$ 271,053,859	\$ 351,275,528
Board's covered payroll	\$ 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	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%

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 CAFR and valuation reports are available at <https://www.myncretirement.com/governance/valuations-and-cafrs>.

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 Board Contributions to
Retiree Health Benefit Fund
Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 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	\$ 5,722,419
Contributions in relation to the contractually required contribution	<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>	<u>5,722,419</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	\$ 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	\$ 116,784,038
Contributions as a percentage of covered payroll	6.44%	6.30%	6.08%	6.02%	5.60%	5.51%	5.41%	5.30%	5.00%	4.90%

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 Asset
Disability Income Plan of North Carolina
Last Four Fiscal Years***

	2020	2019	2018	2017
Board's proportion of the net OPEB asset	0.822%	0.810%	0.805%	0.828%
Board's proportionate share of the net OPEB asset	\$ 354,844	\$ 245,998	\$ 492,181	\$ 513,915
Board's covered payroll	\$ 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	0.27%	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%

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 CAFR and valuation reports are available at <https://www.myncretirement.com/governance/valuations-and-cafrs>.

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 the Board Contributions to
Disability Income Plan of North Carolina
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 131,924	\$ 183,359	\$ 172,959	\$ 651,133	\$ 479,425	\$ 486,307	\$ 495,391	\$ 498,670	\$ 584,703	\$ 607,277
Contributions in relation to the contractually required contribution	<u>131,924</u>	<u>183,359</u>	<u>172,959</u>	<u>651,133</u>	<u>479,425</u>	<u>486,307</u>	<u>495,391</u>	<u>498,670</u>	<u>584,703</u>	<u>607,277</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	\$ 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	\$ 116,784,038
Contributions as a percentage of covered payroll	0.10%	0.14%	0.14%	0.54%	0.41%	0.41%	0.44%	0.44%	0.52%	0.52%

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.



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Individual Fund Schedules

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, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Schedule 1
Page 1 of 3

	2020 Budget	2020 Actual	Variance	2019 Actual
Revenues				
Pitt County:				
Appropriation from general revenues	\$ 40,905,920	\$ 40,905,920	\$ -	\$ 39,550,269
Total	40,905,920	40,905,920	-	39,550,269
Other				
Fines and forfeitures	2,050,000	1,882,144	(167,856)	2,028,486
Interest	-	61,937	61,937	32,502
Miscellaneous	300,000	326,647	26,647	248,228
Total	2,350,000	2,270,728	(79,272)	2,309,216
Total revenues	43,255,920	43,176,648	(79,272)	41,859,485
Expenditures				
Instructional programs				
Regular				
Salaries and employee benefits		7,782,128		7,584,789
Purchased services		2,498,513		2,480,676
Supplies and materials		1,784,675		2,261,797
Total	15,630,178	12,065,316	3,564,862	12,327,262
Special				
Salaries and employee benefits		1,001,667		1,105,280
Supplies and materials		49,815		19,224
Total	1,152,019	1,051,482	100,537	1,124,504
Alternative programs				
Salaries and employee benefits		498,743		428,142
Total	536,203	498,743	37,460	428,142
School leadership				
Salaries and employee benefits		5,937,323		5,502,382
Purchased services		113,316		124,166
Supplies and materials		60,035		56,077
Total	6,159,502	6,110,674	48,828	5,682,625
Co-curricular				
Salaries and employee benefits		707,547		721,449
Purchased services		408,325		363,884
Supplies and materials		10,000		-
Total	1,199,889	1,125,872	74,017	1,085,333

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, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Schedule 1
Page 2 of 3

	2020 Budget	2020 Actual	Variance	2019 Actual
School based support				
Salaries and employee benefits		577,886		501,052
Purchased services		123,589		166,977
Supplies and materials		38,283		56,675
Total	840,003	739,758	100,245	724,704
Total instructional programs	25,517,794	21,591,845	3,925,949	21,372,570
System wide support services				
Support and development				
Salaries and employee benefits		651,308		682,084
Purchased services		175,890		142,671
Supplies and materials		3,127		1,284
Total	892,496	830,325	62,171	826,039
Special populations				
Salaries and employee benefits		8,388		6,889
Total	8,587	8,388	199	6,889
Alternative programs				
Salaries and employee benefits		102,895		143,867
Total	106,052	102,895	3,157	143,867
Technology support				
Salaries and employee benefits		988,902		908,891
Purchased services		156,697		119,723
Supplies and materials		-		753
Total	1,149,533	1,145,599	3,934	1,029,367
Operational support				
Salaries and employee benefits		3,510,302		3,325,223
Purchased services		4,632,619		5,240,342
Supplies and materials		3,731,117		3,478,397
Total	13,575,838	11,874,038	1,701,800	12,043,962
Financial and human resources				
Salaries and employee benefits		1,353,109		1,578,812
Purchased services		1,675,687		2,030,467
Supplies and materials		43,193		94,794
Total	3,523,188	3,071,989	451,199	3,704,073
Accountability				
Salaries and employee benefits		108,441		43,739
Total	112,817	108,441	4,376	43,739
System wide pupil support				
Salaries and employee benefits		101,994		106,118
Supplies and materials		-		54,291
Total	156,455	101,994	54,461	160,409

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, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Schedule 1

Page 3 of 3

	2020 Budget	2020 Actual	Variance	2019 Actual
Leadership services				
Salaries and employee benefits		462,536		555,876
Purchased services		160,575		243,110
Supplies and materials		53,664		33,835
Total	918,161	676,775	241,386	832,821
Total system wide support services	20,443,127	17,920,444	2,522,683	18,791,166
Ancillary services				
Community services				
Salaries and employee benefits		413		5,608
Nutritional services				
Salaries and employee benefits		11,074		-
Total ancillary services	33,891	11,487	22,404	5,608
Total expenditures	45,994,812	39,523,776	6,471,036	40,169,344
Revenues over (under) expenditures	(2,738,892)	3,652,872	6,391,764	1,690,141
Other financing sources				
Transfers to other funds	(1,277,000)	(1,277,000)	-	-
Fund balance appropriated	4,015,892	-	(4,015,892)	-
Total other financing sources (uses)	2,738,892	(1,277,000)	(4,015,892)	-
Net change in fund balance	<u>\$ -</u>	2,375,872	<u>\$ 2,375,872</u>	1,690,141
Fund balances - beginning		7,316,210		5,637,718
Increase in reserve for inventories		23,194		(11,649)
Fund balances - ending		<u>\$ 9,715,276</u>		<u>\$ 7,316,210</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, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Schedule 2
Page 1 of 2

	2020 Budget	2020 Actual	Variance	2019 Actual
Revenues				
US Government				
ROTC	\$ 350,000	\$ 353,772	\$ 3,772	\$ 324,416
GEAR Up	35,700	18,435	(17,265)	85,604
TIF Grant	7,124,966	4,417,786	(2,707,180)	3,960,949
Medicaid Administration Outreach Program	1,000,000	1,024,238	24,238	1,090,747
Total	8,510,666	5,814,231	(2,696,435)	5,461,716
State of North Carolina:				
NC Pre-K Program	3,324,988	3,263,445	(61,543)	2,990,622
Reimbursements	411,356	194,967	(216,389)	215,893
Total	3,736,344	3,458,412	(277,932)	3,206,515
Other				
Sales tax	200,000	188,655	(11,345)	193,321
Tuition and fees	875,000	604,690	(270,310)	827,790
Interest	-	66,802	66,802	110,229
Indirect costs	1,550,000	1,386,937	(163,063)	1,420,600
Other local sources	480,364	476,048	(4,316)	619,204
Miscellaneous	475,000	222,917	(252,083)	336,174
Total	3,580,364	2,946,049	(634,315)	3,507,318
Total revenues	15,827,374	12,218,692	(3,608,682)	12,175,549
Expenditures				
Instructional programs				
Regular				
Salaries and employee benefits		2,945,503		2,577,665
Purchased services		34,556		23,897
Supplies and materials		137,758		407,510
Total	11,195,558	3,117,817	8,077,741	3,009,072
Special				
Salaries and employee benefits		355,992		226,401
Purchased services		336,809		1,041,666
Supplies and materials		211,964		197,840
Total	1,406,002	904,765	501,237	1,465,907
Alternative programs				
Salaries and employee benefits		1,972,553		2,058,075
Purchased services		1,112,358		985,734
Supplies and materials		134,079		81,754
Total	3,819,242	3,218,990	600,252	3,125,563
School leadership				
Salaries and employee benefits		78,344		997,882
Salaries and employee benefits		-		670
Total	617,800	78,344	539,456	998,552
Co-Curricular				
Contracted services		1,450		286
Supplies and materials		31,098		-
Total	36,098	32,548	3,550	286
School based support				
Salaries and employee benefits		241,031		266,692
Purchased services		35,317		24,257
Supplies and materials		71,259		16,500
Total	700,387	347,607	352,780	307,449

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, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Schedule 2
Page 2 of 2

	2020 Budget	2020 Actual	Variance	2019 Actual
Total instructional programs	17,775,087	7,700,071	10,075,016	8,906,829
System wide support services				
Support and development				
Salaries and employee benefits		780,901		806,283
Purchased services		350,808		441,418
Supplies and materials		143,005		1,377
Total	1,776,395	1,274,714	501,681	1,249,078
Special populations				
Salaries and employee benefits		148,431		113,270
Purchased services		13,969		20,441
Total	353,565	162,400	191,165	133,711
Alternative Programs				
Salaries and employee benefits		97,603		98,779
Total	100,573	97,603	2,970	98,779
Operational support				
Salaries and employee benefits		2,874		25,512
Purchased services		97,986		120,900
Total	122,075	100,860	21,215	146,412
Financial and human resources				
Salaries and employee benefits		140,169		130,602
Purchased services		1,359		-
Total	299,977	141,528	158,449	130,602
System-wide pupil support				
Supplies and materials		-		80,000
Total	-	-	-	80,000
Total system wide support services	2,652,585	1,777,105	875,480	1,838,582
Ancillary services				
Community services				
Salaries and employee benefits		690,479		625,898
Purchased services		126,043		211,552
Supplies and materials		96,229		110,862
Nutrition services				
Supplies and materials		20,000		-
Total	1,147,595	932,751	214,844	948,312
Non-Programmed charges				
Indirect costs		491,238		457,903
Total	760,670	491,238	269,432	457,903
Total ancillary services	1,908,265	1,423,989	484,276	1,406,215
Total expenditures	22,335,937	10,901,165	11,434,772	12,151,626
Revenues over (under) expenditures	(6,508,563)	1,317,527	7,826,090	23,923
Other financing sources (uses)				
Transfers to other funds	-	-	-	(1,120,000)
Fund balance appropriated	6,508,563	-	(6,508,563)	-
Total other financing sources (uses)	6,508,563	-	(6,508,563)	(1,120,000)
Net change in fund balance	<u>\$ -</u>	1,317,527	<u>\$ 1,317,527</u>	(1,096,077)
Fund balances - beginning		7,662,328		8,758,405
Fund balances - ending		<u>\$ 8,979,855</u>		<u>\$ 7,662,328</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, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)
Schedule 3

	2020 Budget	2020 Actual	Variance	2019 Actual
REVENUES				
State of North Carolina				
Public School Building Capital Fund- lottery	\$ 2,000,000	\$ 1,759,876	\$ (240,124)	\$ 2,110,661
State appropriations - buses	1,465,000	948,685	(516,315)	969,609
Pitt County, North Carolina				
Appropriation from County	1,000,000	1,000,000	-	2,371,800
Restricted portion of sales tax	1,547,795	1,280,288	(267,507)	1,219,297
Other revenues				
Unrestricted portion of sales tax	-	21,357	21,357	6,992
Other local revenue	71,300	75,220	3,920	167,487
Investment earnings	20,000	15,906	(4,094)	54,017
Total revenues	6,104,095	5,101,332	(1,002,763)	6,899,863
EXPENDITURES				
Capital outlay				
Instructional program				
Regular		17,000		47,501
System wide support services				
Operational support		-		7,631
Financial & human resources		8,234		5,394
Improvements to existing sites		2,405,674		3,839,359
Furniture and equipment		1,908,510		1,069,445
Buses and motor vehicles		-		166,205
On-behalf payment to County for repayment of debt		1,759,876		2,110,661
Total	10,227,285	6,099,294	4,127,991	7,246,196
Debt service				
Principal		1,127,749		1,139,124
Interest		31,625		17,423
Total debt service	1,605,000	1,159,374	445,626	1,156,547
Total expenditures	11,832,285	7,258,668	4,573,617	8,402,743
Excess of revenues over expenditures	(5,728,190)	(2,157,336)	3,570,854	(1,502,880)
Other financing sources				
Installment purchase obligations issued	2,050,000	-	(2,050,000)	87,144
Transfers from other funds	1,082,000	1,277,000	195,000	1,120,000
Appropriated fund balance	2,384,190	-	(2,384,190)	-
Total other financing sources	5,516,190	1,277,000	(4,239,190)	1,207,144
Net change in fund balance	<u>\$ (212,000)</u>	(880,336)	<u>\$ (668,336)</u>	(295,736)
Fund balances - beginning		<u>2,383,184</u>		<u>2,678,920</u>
Fund balances - ending		<u>\$ 1,502,848</u>		<u>\$ 2,383,184</u>

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures – Budget and Actual – Food Service Fund
For the Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)
Schedule 4

	2020 Budget	2020 Actual	Variance	2019 Actual
Operating revenues, food sales	\$ 3,369,351	\$ 986,186	\$ (2,383,165)	\$ 1,223,441
Operating expenses				
Nutritional services				
Purchase of food	6,053,787	5,113,994	939,793	5,289,111
Salaries and benefits	6,014,683	4,727,625	1,287,058	5,095,862
Indirect cost	886,531	581,180	305,351	567,584
Purchased services	172,706	70,192	102,514	113,792
Repairs and maintenance	95,796	77,228	18,568	57,838
Materials and supplies	114,998	34,189	80,809	20,930
Equipment purchases	861,499	648,378	213,121	317,311
Total operating expenses	14,200,000	11,252,786	2,947,214	11,462,428
Operating loss	(10,830,649)	(10,266,600)	564,049	(10,238,987)
Nonoperating revenues				
Federal reimbursements	9,465,825	10,146,639	(680,814)	9,260,623
Federal commodities	779,937	783,795	(3,858)	719,152
State reimbursements	14,471	5,945	8,526	6,685
Investment earnings	28,250	59,295	(31,045)	86,738
Total nonoperating revenues	10,288,483	10,995,674	707,191	10,073,198
Excess of revenues over (under) expenses before other financing sources	(542,166)	729,074	1,271,240	(165,789)
Other financing sources:				
Transfers in	542,166	365,648	(176,518)	76,976
Excess of revenues and other sources over (under) expenditures	<u>\$ -</u>	1,094,722	<u>\$ 1,094,722</u>	(88,813)
Reconciliation of modified accrual to full accrual basis:				
Reconciling items:				
Depreciation		(180,942)		(141,017)
Increase (decrease) in net OPEB asset		2,406		(6,031)
(Increase) decrease in net pension liability		(123,372)		(452,253)
(Increase) decrease in net OPEB liability		(571,300)		1,003,797
Increase (decrease) in deferred outflows - pension		(236,710)		345,038
(Increase) decrease in deferred inflows - pension		-		21,743
Increase (decrease) in deferred outflows - OPEB		249,207		(1,178)
(Increase) decrease in deferred inflows - OPEB		593,727		(708,526)
Capital outlay		609,661		191,992
Increase (decrease) in inventory		121,678		85,685
(Increase) decrease in compensated absences payable		(43,972)		531
Change in net position (full accrual)		\$ 1,515,105		\$ 250,968



STATISTICAL SECTION



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Pitt County Board of Education, North Carolina Statistical Section

<u>Financial Trends:</u>	<u>Table</u>
These schedules contain trend information to help the reader understand how the Board’s financial performance and well-being have changed over time.	
Pitt County Board of Education – Net Position By Component	1
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Pitt County Board of Education – Changes in Net Position	3
Pitt County, NC – Changes in Net Position	4
Pitt County Board of Education – Fund Balances – Governmental Funds	5
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<u>Revenue Capacity:</u>	
These schedules contain information to help the reader assess the Board’s revenues.	
Pitt County Board of Education – Governmental Fund Revenues	7
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Pitt County Board of Education – Governmental Fund Expenditures and Net Change in Fund Balances	9
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<u>Debt Capacity:</u>	
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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<u>Demographic and Economic Information:</u>	
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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Sources – Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) 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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Government Activities										
Net investment in capital assets	\$ 212,609,147	\$ 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
Restricted	1,754,522	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
Unrestricted	2,034,524	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)
Total governmental activities net position	\$ 216,398,193	\$ 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)
Business-type activities										
Net investment in capital assets	\$ 163,925	\$ 263,965	\$ 347,130	\$ 389,330	\$ 352,833	\$ 427,325	\$ 318,378	\$ 389,342	\$ 440,318	\$ 869,036
Restricted	-	-	-	-	-	-	-	12,600	6,569	8,975
Unrestricted	4,009,157	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)
Total business-type activities net position	\$ 4,173,082	\$ 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)
Primary government										
Net investment in capital assets	\$ 212,773,072	\$ 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
Restricted	1,754,522	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
Unrestricted	6,043,681	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)
Total primary government net position	\$ 220,571,275	\$ 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)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Government Activities										
Net investment in capital assets	\$ 3,313,440	\$ (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
Restricted	15,413,852	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
Unrestricted	(12,273,362)	(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)
Total governmental activities net position	\$ 6,453,930	\$ 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
Business-type activities										
Net investment in capital assets	\$ 2,870,867	\$ 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
Unrestricted	1,639,256	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)
Total business-type activities net position	\$ 4,510,123	\$ 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
Primary government										
Net investment in capital assets	\$ 6,184,307	\$ 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
Restricted	15,413,852	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
Unrestricted	(10,634,106)	(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)
Total primary government net position	\$ 10,964,053	\$ 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

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2020

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

Unaudited
Table 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
Instructional programs	\$ 158,517,720	\$ 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
Supporting services	40,857,370	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
Community services	1,376,439	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
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
Non-programmed charges	-	-	-	-	-	379,965	283,694	229,885	481,237	514,970
Interest expense	-	-	-	-	-	1,134	2,001	1,006	17,423	31,625
Unallocated depreciation expense	5,959,459	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
Total governmental activities expenses	206,710,988	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
Business-type activities:										
School food service	10,281,031	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
Total business-type activities	10,281,031	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
Total primary government expenses	\$ 216,992,019	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
Instructional programs	\$ 1,726,004	\$ 1,733,459	\$ 1,822,983	\$ 1,862,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	151,658,750	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
Capital grants and contributions	1,358,220	1,571,664	2,414,292	1,795,949	-	3,448,614	2,558,123	3,134,996	3,080,270	2,708,561
Total governmental activities program revenues	154,742,974	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
Business-type activities:										
Charges for services	3,372,698	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
Operating grants and contributions	7,784,220	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
Total business-type activities program revenues	11,156,918	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
Total primary government program revenues	\$ 165,899,892	\$ 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
Net (Expense)/Revenue										
Governmental activities	\$ (51,968,014)	\$ (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)
Business-type activities	875,887	648,842	167,557	(163,219)	(120,988)	(80,151)	238,271	195,837	87,254	1,090,162
Total primary government net expense	\$ (51,092,127)	\$ (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)

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	\$ 6,676,196	\$ 612,973	\$ 1,126,016	\$ 479,380	\$ 2,653,262	\$ 2,016,258	\$ 2,802,758	\$ 140,632	\$ 215,893	\$ 18,435	
Pitt County	55,427,237	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	
Federal grants	-	-	-	-	-	-	1,497,052	2,030,188	85,604	194,967	
Investment earnings	94,431	65,264	39,668	38,815	40,836	60,026	81,233	114,578	197,400	145,046	
Other	1,526,206	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	
Transfers	(111,253)	(115,322)	(118,036)	(118,569)	(120,547)	(69,078)	(65,491)	(72,428)	(76,976)	(365,648)	
Total governmental activities	63,612,817	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	
Business-type activities:											
General Revenues:											
Investment earnings	7,242	6,692	15,722	16,532	19,757	25,181	35,379	51,300	86,738	59,295	
Transfers	111,253	115,322	118,036	118,569	120,547	69,078	65,491	72,428	76,976	365,648	
Total business-type activities:	118,495	122,014	133,758	135,101	140,304	94,259	100,870	123,728	163,714	424,943	
Total primary government revenues	\$ 63,731,312	\$ 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	
Change in Net Position											
Governmental activities	\$ 11,644,803	\$ (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)	
Business-type activities	994,382	770,856	301,315	(28,118)	19,316	14,108	339,141	319,565	250,968	1,515,105	
Total primary government	\$ 12,639,185	\$ 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)	

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 16,768,759	\$ 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
Public safety	32,913,064	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
Economic and physical development	6,728,810	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
Environmental protection	245,159	230,549	200,253	216,114	186,589	285,467	282,750	247,086	319,329	245,419
Human Services	41,740,952	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
Cultural and recreation	698,384	618,966	590,667	606,785	679,571	664,949	822,133	745,971	735,016	819,601
Education	53,506,480	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
Interest on long term debt	6,967,304	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
Total governmental activities	159,568,912	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
Business-type activities:										
Solid Waste	7,348,253	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
Total business-type activities	7,348,253	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
Total primary government expenses	\$ 166,917,165	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,308,955	\$ 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
Public safety	9,341,259	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
Economic and physical development	584,174	183,709	168,709	59,294	569,379	47,827	64,955	76,913	112,248	157,168
Environmental protection	73,019	50,504	38,004	65,453	-	97,089	92,189	73,988	121,651	104,743
Human Services	6,323,684	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
Operating grants and contributions:										
General government	20,334	3,269	8,501	1,410	149,781	(5)	21,836	315,232	316,582	320,133
Public safety	56,387	263,750	228,750	2,230,832	674,984	2,156,752	2,207,523	2,677,977	2,511,588	3,641,061
Economic and physical development	4,367,361	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
Environmental protection	-	-	-	-	-	-	-	-	-	379,141
Human Services	21,147,178	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
Education	5,083,917	725,706	600,706	-	-	-	-	245,412	85,134	-
Capital grants and contributions:										
General government	207,368	-	-	-	-	-	75,160	-	-	-
Public safety	2,177	37,758	16,758	190,314	-	-	-	-	-	-
Economic and physical development	307,686	51,725	40,680	303,311	1,318,696	1,215,545	2,668,269	4,040,588	2,088,793	331,785
Environmental protection	126,903	96,977	65,977	-	-	-	-	-	-	-
Education	358,751	1,548,346	1,418,346	1,533,622	-	1,623,271	2,625,917	2,783,252	2,209,661	1,858,876
Social services	-	-	-	19,049	-	-	-	-	-	-
Total governmental activities program revenues	53,309,153	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
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	12,248	755,856	700,247	79,728	13,411	16,811	34,620	26,297	11,128	10,414
Total business-type activities program revenues	8,157,731	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
Total primary government program revenues	\$ 61,466,884	\$ 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
Net (Expense)/Revenue										
Governmental activities	\$ (106,259,759)	\$ (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)
Business-type activities	809,478	855,906	1,203,081	116,476	94,929	541,974	(521,908)	(395,770)	(1,209,325)	(554,239)
Total primary government net expense	\$ (105,450,281)	\$ (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)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 79,984,365	\$ 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
Local option sales tax	14,704,181	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
Payment in lieu of taxes and other taxes	10,655,050	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
Interest earned on investments	138,986	140,704	89,550	2,036,371	1,648,230	2,013,878	985,633	1,233,001	7,184,375	2,465,169
Loss on disposal of capital assets	(27,417,055)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	102,980	132,691	(1,323,725)	485,228	477,070
Gain on Bond Defeasance	-	-	-	7,423,910	-	-	-	-	-	-
Total governmental activities	78,065,527	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
Business-type activities:										
Investment earnings	885	89	18,889	20,980	14,295	44,598	43,652	42,552	104,857	80,815
Transfers	-	-	-	-	-	(102,980)	(132,691)	1,323,725	(485,228)	(477,070)
Total business-type activities:	885	89	18,889	20,980	14,295	(58,382)	(89,039)	1,366,277	(380,371)	(396,255)
Total primary government revenues	\$ 78,066,412	\$ 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
Change in Net Position										
Governmental activities	\$ (28,194,232)	\$ (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
Business-type activities	810,363	855,995	1,221,970	137,456	109,224	483,592	(610,947)	970,507	(1,589,696)	(950,494)
Total primary government	\$ (27,383,869)	\$ (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

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2020

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 2,273,981	\$ 1,142,341	\$ 1,196,971	\$ 645,616	\$ 102,880	\$ 529,270	\$ 544,865	\$ 1,374,046	\$ 997,976	\$ 889,418
Nonspendable	-	-	-	-	-	-	-	356,286	344,637	367,832
Committed	2,850,000	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
Assigned	1,376,636	652,851	740,355	1,681,577	726,513	575,016	645,336	620,297	431,060	555,551
Unassigned	3,138,492	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
Total general funds	\$ 9,639,109	\$ 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
All Other Governmental Funds										
Restricted										
State statute	\$ 10,271	\$ 577,196	\$ 591,688	\$ 870,998	\$ 217,586	\$ 300,842	\$ 348,573	\$ 127,467	\$ 603,769	\$ 546,996
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
Individual schools	1,754,522	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
Capital outlay	1,149,213	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
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
Unassigned	-	-	-	-	-	-	1,660,751	-	-	-
Total all other governmental funds	\$ 2,914,006	\$ 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
Total governmental funds	\$ 12,553,115	\$ 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

Pitt County, North Carolina
Fund Balances, Governmental Funds – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 6

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable- prepaid items	127,233	96,021	150,981	194,008	171,896	289,553	253,963	119,578	116,179	114,632
Restricted	6,310,217	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
Assigned	4,215,000	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
Unassigned	11,254,925	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
Total general fund	\$ 21,907,375	\$ 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
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Undesignated/(deficit)										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Nonspendable- prepaid items	93,315	114,571	139,920	84,668	153,579	183,018	147,785	160,295	163,340	115,869
Restricted	30,735,482	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
Committed	11,623,127	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
Assigned	1,434,962	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
Unassigned	(1,130,273)	(975,612)	(265,605)	(2,191,980)	(246,910)	(1,089,227)	(62,063)	(1,303,665)	(4,129,782)	(982,365)
Total all other governmental funds	42,756,613	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
Total governmental funds	\$ 64,663,988	\$ 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

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2020

Note: The County of Pitt Fiscal Year 2011 reflects implementation of GASB Statement No. 54, prior years have not been restated.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Federal sources:										
Federal grants, sales tax, and other	\$ 27,482,928	\$ 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
Total federal sources	27,482,928	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
State sources:										
State Public School Fund, and sales tax	115,810,969	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
Public School Building Lottery Fund	5,083,917	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
State Grants and other	4,553,294	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
Total state sources	125,448,180	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
Local sources:										
Pitt County	36,475,616	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
Pitt County Certificates of Participation	18,269,372	5,382,277	17,582	-	-	-	-	-	-	-
Interest earnings	94,431	65,264	39,668	38,815	40,841	60,026	81,233	114,578	197,400	145,046
Contributions and donations	6,828,191	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
Fines and forfeitures	682,249	635,368	839,714	517,098	594,746	567,290	568,429	1,671,208	2,028,486	1,882,144
Sales tax	296,602	271,920	279,750	248,690	171,853	223,666	234,529	218,074	240,036	237,897
Indirect cost revenues	642,187	592,243	793,803	977,807	1,066,979	1,137,206	826,133	1,117,819	1,420,600	1,386,937
Tuition and fees	1,083,817	1,141,216	1,029,180	884,613	833,911	868,013	822,328	823,199	842,040	615,290
Other	1,526,206	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
Total local sources	65,898,671	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
Total revenues	\$ 218,829,779	\$ 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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Taxes:										
Property	\$ 78,827,130	\$ 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
Sales	14,428,378	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
Other	10,930,853	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
Total taxes	104,186,361	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
Intergovernmental	38,191,288	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
Sales & Services / Permits & Fees	11,933,673	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
Interest	262,393	140,633	83,754	451,726	110,704	304,345	458,660	877,645	1,489,327	1,102,239
Miscellaneous	1,754,585	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
Total revenues	\$ 156,328,300	\$ 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

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2020

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instructional programs:	\$ 156,793,395	\$ 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
Support services:	34,899,106	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
Ancillary services:	1,368,803	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
Non-programmed charges	362,735	144,066	248,936	381,863	422,898	396,507	276,859	582,236	853,016	805,756
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
Debt service:										
Principal	1,358,220	387,747	893,424	275,081	563,319	478,272	1,040,194	1,218,062	1,139,124	1,127,749
Interest	-	-	-	-	-	1,134	2,001	1,006	17,423	31,625
Capital outlay:										
Real property and buildings	24,725,467	5,948,237	623,948	409,807	856,709	986,536	11,263,024	10,671,656	3,839,359	2,405,674
Furniture and equipment	340,678	694,944	323,693	577,331	696,043	634,950	484,397	719,012	1,069,445	1,908,510
Buses and motor vehicles	1,022,477	1,011,361	121,186	194,856	906,163	501,032	2,710,037	1,039,107	166,205	-
Total expenditures	220,870,881	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
Excess of revenue over (under) expenditures	(2,041,102)	940,175	1,277,449	24,211	(952,484)	(1,332,036)	(488,939)	1,145,907	327,669	3,186,567
Other Financing Sources (Uses)										
Installment purchase obligations issued	1,022,477	1,011,361	-	88,953	906,163	501,032	2,668,488	1,039,107	87,144	-
Other transfers in (out)	(111,253)	(115,322)	(118,036)	(118,569)	(120,547)	(69,078)	(65,491)	(72,428)	(76,976)	(365,648)
Net change in fund balances	\$ (1,129,878)	\$ 1,836,214	\$ 1,159,413	\$ (5,405)	\$ (166,868)	\$ (900,082)	\$ 2,114,058	\$ 2,112,586	\$ 337,837	\$ 2,820,919
Debt service as a percentage of noncapital expenditures	0.70%	0.20%	0.46%	0.14%	0.28%	0.24%	0.51%	0.57%	0.50%	0.50%

Pitt County, North Carolina
Governmental Fund Expenditures and Net Change in Fund Balances
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 10

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	\$ 13,455,312	\$ 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
Public Safety	37,264,598	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
Environmental Protection	229,879	217,076	200,253	216,114	248,599	260,578	256,163	271,431	284,118	290,729
Economic Development	6,648,224	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
Human Services	40,327,489	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
Culture and Recreation	698,384	618,966	590,667	606,785	679,571	664,949	822,133	745,971	735,016	819,601
Education	65,996,318	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
Debt Service:										
Principal	9,388,490	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
Interest	7,052,042	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
Total expenditures	181,060,736	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
Excess of revenue over (under) expenditures	(24,732,436)	(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
Other Financing Sources (Uses)										
Transfers in	(8,110,548)	(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)
Transfers out	7,341,348	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
Insurance Proceeds	-	-	-	20,489	139,235	-	15,363	-	(605)	-
Payment to bondholders, bond redemption	-	-	-	(54,372,710)	-	-	-	-	-	-
Payment to refunding escrow agent	(5,040,000)	-	-	-	-	-	-	-	-	-
Payment to escrow agent, debt refunding pmt	-	(21,230,000)	-	-	(39,421,164)	-	(55,709,200)	-	-	-
Payment from escrow agent	-	-	-	61,796,620	-	-	-	-	-	-
Debt Obligation issued	33,994,490	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
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	-	-	-
Total other financing sources (uses)	28,185,290	6,873,879	5,075,440	8,328,083	334,495	19,028,829	27,637,726	3,319,880	(848,796)	465,593
Net change in fund balances	\$ 3,452,854	\$ (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
Debt service as a percentage of noncapital expenditures	9.08%	11.08%	11.22%	11.48%	11.48%	10.87%	8.78%	10.59%	11.28%	10.72%

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						
2011	9,652,528,904	-	-	-	2,045,396,018	105,153,588	11,803,078,510	0.66500	11,921,109,295	99.0%
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%

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pitt County	\$ 0.6650	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6860	\$ 0.6960	\$ 0.6960	\$ 0.7210	\$ 0.6797
<u>Municipality Rates:</u>										
Town of Ayden	0.5000	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400
Town of Bethel	0.5900	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	0.4500	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	0.6000	0.5875	0.5875	0.5875	0.5875	0.5875
City of Greenville	0.5200	0.5200	0.5200	0.5200	0.5300	0.5200	0.5200	0.5200	0.5200	0.4945
Town of Grifton	0.6000	0.6000	0.6000	0.6000	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	0.4500	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	0.0425	0.0475	0.0475	0.0475	0.0599	0.0599	0.0724	0.0799	0.0799	0.0799
Bell Arthur Fire District	0.0500	0.0500	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
Bethel Fire District	-	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675
Black Jack Fire District	0.0540	0.0640	0.0740	0.0740	0.0740	0.0740	0.0740	0.0740	0.0790	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	0.0500	0.0775	0.0775
Falkland Fire District	0.0600	0.0600	0.0600	0.0600	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Farmville Fire District	0.0365	0.0389	0.0389	0.0389	0.0400	0.0500	0.0500	0.0600	0.0600	0.0600
Fountain Fire District	0.0500	0.0500	0.0500	0.0675	0.0675	0.0875	0.0875	0.0875	0.0875	0.0875
Garndersville Fire District	0.0800	0.0800	0.0940	0.0940	0.0940	0.0940	0.0940	0.0940	0.0940	0.0940
Grifton Fire District	0.0499	0.0599	0.0599	0.0599	0.0599	0.0599	0.0599	0.0649	0.0649	0.0649
Grimesland Fire District	0.0700	0.0700	0.0700	0.0700	0.0700	0.0750	0.0750	0.0750	0.0750	0.0750
Pactolus Fire District	0.0425	0.0425	0.0425	0.0625	0.0625	0.0625	0.0625	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	0.0700	0.0950
Sharp Point Fire District	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Simpson Fire District	0.0500	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650
Staton House Fire District	0.0215	0.0250	0.0275	0.0275	0.0275	0.0290	0.0290	0.0290	0.0290	0.0290
Stokes Fire District	0.0500	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Winterville Fire District	0.0250	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0624	0.0624
EMS District	0.0440	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	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 Four Prior Years
Unaudited
Table 13

Taxpayer	Type of Business	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
Patheon Manufacturing Services, LLC	Manufacturer	\$ 367,987,484	1	2.70%	\$ 438,841,687	1	3.40%	\$ 281,066,878	1	2.25%	\$ 262,435,545	1	2.13%	\$ 249,654,598	1	2.07%
DSM Dyneema, LLC	Manufacturer	184,313,498	2	1.35%	159,204,045	2	1.23%	168,966,357	2	1.35%	175,263,183	2	1.42%	181,014,354	2	1.50%
Carolina Telephone	Communications													36,161,505	10	0.30%
Asmo	Manufacturer				83,029,035	3	0.64%	78,797,637	3	0.63%	81,378,706	4	0.66%	80,326,401	4	0.67%
Weyerhaeuser Company	Manufacturer	58,591,141	6	0.43%	69,207,040	6	0.54%	52,938,672	6	0.42%	51,898,139	6	0.42%	49,090,486	7	0.41%
RPI Greenville Mall, LP	Mall	43,741,374	7	0.32%	45,601,022	8	0.35%	44,614,187	8	0.36%	44,614,187	8	0.36%	44,614,187	8	0.37%
Copper Beach Townhome Comm	Apartments	37,150,841	10	0.27%	38,466,338	10	0.30%	38,203,386	9	0.31%	37,505,180	9	0.30%	37,505,180	9	0.31%
Attends Healthcare	Manufacturer	90,257,207	3	0.66%	75,890,952	5	0.59%	77,671,652	4	0.62%	85,746,840	3	0.70%	89,078,952	3	0.74%
Denso Manufacturing NC LLC	Manufacturer	87,423,893	4	0.64%												
Wal Mart Real Estate Business Trust	Retail	38,469,708	8	0.28%	45,728,077	7	0.35%	46,565,229	7	0.37%	46,951,953	7	0.38%	50,710,681	6	0.42%
Pep Core NCC LLC (I&II)	Apartments										57,603,990	5	0.47%	57,603,990	5	0.48%
Pep ECU LLC	Apartments							34,059,395	10	0.27%	34,038,022	10	0.28%			
400 Moye Boulevard Realty Dist	Builder	37,357,114	9	0.27%												
Taft Ward ECU Campus Edge Apts LLC	Apartments				41,937,241	9	0.32%									
Metrics/Mayne Pharma	Manufacturer	81,329,606	5	0.60%	76,048,960	5	0.59%	74,228,030	5	0.57%						
Totals		\$ 1,026,621,866		7.52%	\$ 1,073,954,397		8.31%	\$ 897,111,423		7.18%	\$ 877,435,745		7.12%	\$ 875,760,334		7.25%

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			Collected Within the Fiscal Year of the Levy			Collections for Prior Years	Total Amount Collected	Total Percentage Collected
	(Original Levy)	Adjustments	Total Adjusted Levy	Total Amount	Percentage of Original Levy	Percentage of Adjusted Levy			
2011	77,149,471	(1,265,750)	75,883,721	72,098,919	93.45%	95.01%	2,341,016	74,439,935	96.49%
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%

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			
2011	-	105,330,000	59,835,000	5,962,500	3,953,949	-	-	-	175,081,449	1,034	3.12%
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	N/A

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2020

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			
2011	-	-	-	0.00%	0.0000%	0
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	N/A	0.1113%	84

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2020

Note: N/A = not available

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value of Property	\$ 11,803,079	\$ 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
Debt Limit, 8% of Assessed Value (Statutory Limitation)	944,246	939,986	918,719	956,103	943,919	966,009	985,406	999,380	1,033,408	1,091,878
Amount of Debt Applicable to Limit										
Gross debt	175,071	170,604	164,434	156,181	144,267	152,325	163,798	154,420	154,931	140,874
Less: Amount available for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Debt outstanding serviced by Enterprise Fund (solid waste)	-	-	-	-	-	-	-	750	608	463
Revenue bonds	105,330	98,860	92,715	86,225	43,210	37,875	17,590	15,240	13,830	12,420
Total net debt applicable to limit	69,741	71,744	71,719	69,956	101,057	114,450	146,208	138,430	140,493	127,991
Legal Debt Margin	<u>\$ 874,505</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	7.39%	7.63%	7.81%	7.32%	10.71%	11.85%	14.84%	13.85%	13.60%	11.72%

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2020

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, 2020 are as follows:

	Initial contract year		
	FYE 2018	FYE 2019	Totals
Total buses purchased	12	1	13
Total purchase price	\$ 1,039,107	\$ 87,144	\$ 1,126,251
Total payments 2016-2017	-	-	-
Total payments 2017-2018	259,778	-	259,778
Total payments 2018-2019	259,777	21,789	281,566
Total payments 2019-2020	259,776	21,785	281,561
Total payments 2020-2021	259,776	21,785	281,561
Total payments 2021-2022	-	21,785	21,785
Total payments	\$ 1,039,107	\$ 87,144	\$ 1,126,251

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Installment purchases:										
Beginning balance	\$ 1,111,237	\$ 775,494	\$ 1,399,108	\$ 505,684	\$ 319,556	\$ 414,325	\$ 520,024	\$ 2,230,383	\$ 2,134,494	\$ 1,904,644
Increase	1,022,477	1,011,361	-	88,953	574,016	501,033	2,668,482	1,039,107	909,274	-
Decrease	(1,358,220)	(387,747)	(893,424)	(275,081)	(479,247)	(395,334)	(958,123)	(1,134,996)	(1,139,124)	(1,127,749)
Ending 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
Debt outstanding as % of personal income	0.455%	0.811%	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

	2019-2020 (1)			2010-2011 (2)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Vidant Medical Center	6,760	1	8.23%	7,868	1	10.75%
East Carolina University	5,672	2	6.90%	5,455	2	7.45%
Pitt County Schools	3,699	3	4.50%	3,111	3	4.25%
Patheon, Inc.	1,261	4	1.53%	1,200	4	1.64%
Hyster-Yale	1,226	5	1.49%	1,000	5	1.37%
City of Greenville	1,132	6	1.38%	743	9	1.02%
County of Pitt	1,020	8	1.24%	968	6	1.32%
Denso Manufacturing of NC	722	9	0.88%			
Alliance One				850	8	1.16%
Pitt Community College	1,100	7	1.34%	861	7	1.18%
Mayne Pharma	629	10	0.77%			
The Roberts Company				525	10	0.72%

Source: (1) Pitt County Industrial Development Commission
(2) 2010 Pitt County CAFR Financial Services Department

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percent Change 2011-2020
Supervisory											
Senior Administrators	13	15	17	16	16	15	16	16	18	18	38.46%
Principals	33	33	34	33	32	35	36	36	37	35	6.06%
Assistant Principals	41	39	42	46	48	44	44	48	44	45	9.76%
Total Supervisory	87	87	93	95	96	94	96	100	99	98	12.64%
Instruction											
Elementary Teachers	715	736	733	748	745	732	726	730	772	780	9.09%
Secondary Teachers	370	369	361	353	357	362	365	351	364	363	-1.89%
Other Teachers	472	443	455	445	460	467	451	420	398	409	-13.35%
Teacher Assistants	465	399	425	414	409	392	366	352	354	364	-21.72%
Total Instructional	2,022	1,947	1,974	1,960	1,971	1,953	1,908	1,853	1,888	1,916	-5.24%
Student Services											
Guidance	64	64	65	69	68	68	69	65	68	67	4.69%
Psychological	15	13	14	10	7	8	10	10	8	9	-40.00%
Librarians	35	34	35	33	34	35	35	35	33	34	-2.86%
Other Professionals	82	81	82	83	76	74	82	67	89	92	12.20%
Total Student Services	196	192	196	195	185	185	196	177	198	202	3.06%
Support and Administration											
Technicians	10	10	14	14	14	14	14	13	15	14	40.00%
Clerical, Secretarial	160	157	162	158	162	158	161	160	162	162	1.25%
Service Workers	316	299	310	301	329	325	313	289	293	295	-6.65%
Skilled Crafts	42	42	45	43	42	43	39	38	38	36	-14.29%
Laborers, Unskilled	22	20	20	23	21	19	17	15	13	15	-31.82%
Total Support and Admin	550	528	551	539	568	559	544	515	521	522	-5.09%
Total	2,855	2,754	2,814	2,789	2,820	2,791	2,744	2,645	2,706	2,738	-4.10%

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	138.00	128.60	123.00	123.00	122.00	121.50	121.50	121.00	121.00	121.00
Public safety	426.50	383.50	382.50	389.00	393.25	406.38	409.37	413.75	420.50	422.50
Social services	229.00	233.30	226.30	258.00	259.00	271.50	276.50	283.50	291.50	292.50
Economic and physical development	20.35	39.35	30.60	30.60	24.35	23.98	22.98	24.85	25.85	25.85
Environmental protection	21.75	22.25	25.25	26.25	26.25	27.00	27.00	27.00	28.00	28.00
Health	138.90	130.55	120.65	119.65	121.65	125.40	128.65	127.40	130.20	132.20
Veteran's Services	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Total	976.50	939.55	910.30	948.50	949.50	978.76	989.00	1,000.50	1,020.05	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
2011	24	25	49	7	2	9	182	156	338	939	855	1,794	5,768	5,596	11,364	4,732	4,315	9,047	337	337	674	11,989	11,286	23,275
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

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

Fiscal Year	Minimum	Maximum	Average
2011	30,430	67,250	40,698
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

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)
2011	169,378	5,620,218	32,841	22,750	10.8%
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	N/A	N/A	23,343	7.3%

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)
2011	22,750	1.83%	198,192,029	8,712	8,414	1,557	14.61	13,612	12,656	2,613,766
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

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

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
2011	149,922,134	34,899,106	1,368,803	362,735	26,088,622	10,281,031	1,358,220	224,280,651
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

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		
2011	3,372,698	7,072,537	650,429	61,254	7,242	11,164,160	491
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

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	0.30	-	-	-	-	-	-
Lunch Paid	2.00	2.25	2.25	2.25	2.25	2.25	2.25	2.25	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	6.00 - 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)	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Dessert (choice of one)	0.50	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	0.50	.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	3.50 - 4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Accompaniments (choice of two)	0.50	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	0.60	.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
	<u>3,661,523</u>	<u>50</u>	<u>26,050</u>	<u>23,630</u>	<u>90.71</u>

Source:

(a) Hite Associates architecture

(b) 2019-20 School Year Day 20 Enrollment Numbers



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COMPLIANCE SECTION



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**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, 2020, and the related notes to the financial statements, which collectively comprises the Pitt County Board of Education's basic financial statements, and have issued our report thereon dated January 30, 2021.

Internal Control Over Financial Reporting

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

Car, Riggs & Ingram, L.L.C.

Goldsboro, North Carolina
January 30, 2021



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**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's major federal programs for the year ended June 30, 2020. The Pitt County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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'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'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's compliance.

Opinion on Each Major Federal Program

In our opinion, the Pitt County Board of Education 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, 2020.

Report on Internal Control Over Compliance

Management of the Pitt County Board of Education 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'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'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.

Carri Riggs & Ingram, L.L.C.

Goldsboro, North Carolina
January 30, 2021



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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's major state programs for the year ended June 30, 2020. The Pitt County Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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'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'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's compliance.

Opinion on Each Major State Program

In our opinion, the Pitt County Board of Education 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, 2020.

Report on Internal Control Over Compliance

Management of the Pitt County Board of Education 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'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'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, Riggs & Ingram, L.L.C.

Goldsboro, North Carolina
January 30, 2021

**Pitt County Board of Education, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020**

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's 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 auditor's 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>
	Child Nutrition Cluster
10.555	National School Lunch Program (NSLP)
10.559	Summer Food Service Program for Children (SFSP)
84.367	Supporting Effective Instruction

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,027,670
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, 2020

State Awards

Internal control over major State programs:

Type of auditor's 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 Textbook and Digital Resources Funds

Governor's COVID Supplemental Fund

Pitt County Board of Education, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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, 2020

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, 2020**

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, 2020
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>
FEDERAL AWARDS:				
<u>United States Department of Agriculture</u>				
Non-cash assistance:				
Commodity Supplemental Food Program	10.565	N.C. Department of Agriculture, PRC 035	\$ 783,795	\$ -
Total non-cash assistance			<u>783,795</u>	<u>-</u>
<u>Child Nutrition Cluster</u>				
National School Lunch Program	10.555	N.C. Department of Public Instruction, PRC 035	6,756,797	-
Summer Food Service Program for Children	10.559	N.C. Department of Public Instruction, PRC 050	3,328,128	-
Total Child Nutrition Cluster			<u>10,084,925</u>	<u>-</u>
Fresh Fruit and Vegetable Program				
Fresh Fruit and Vegetable Program	10.582	N.C. Department of Public Instruction, PRC 035	61,714	-
Total United States Department of Agriculture			<u>10,930,434</u>	<u>-</u>
<u>United States Department of Defense</u>				
Reserve Officer Training Corps	12.U01		353,772	-
Total United States Department of Defense			<u>353,772</u>	<u>-</u>
<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 105	71,073	-
Title I Grants to Local Educational Agencies	84.010	N.C. Department of Public Instruction, PRC 050	8,944,474	-
Title I Grants to Local Educational Agencies	84.010	N.C. Department of Public Instruction, PRC 115	270,754	-
Total Title I Grants to Local Educational Agencies			<u>9,286,301</u>	<u>-</u>
<u>Special Education Cluster</u>				
Special Education_Grants to States				
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 049	150,778	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 119	217	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 118	18,776	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 060	5,011,575	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 114	188,145	-
Total Special Education_Grants to States			<u>5,369,491</u>	<u>-</u>
Total Special Education Cluster			<u>5,369,491</u>	<u>-</u>
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	494,357	-
Special Education - State Personnel Development				
Special Education - State Personnel Development	84.323	N.C. Department of Public Instruction, PRC 082	15,444	-

Pitt County Board of Education, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2020
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<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>
<i>FEDERAL AWARDS:</i>				
Gaining Early Awareness and Readiness for Undergraduate Programs				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		18,435	-
English Language Acquisition State Grants				
English Language Acquisition State Grants	84.365	N.C. Department of Public Instruction, PRC 111	158	-
English Language Acquisition State Grants	84.365	N.C. Department of Public Instruction, PRC 104	119,629	-
Total English Language Acquisition State Grants			119,787	-
Supporting Effective Instruction State Grants				
Supporting Effective Instruction State Grants	84.367	N.C. Department of Public Instruction, PRC 103	865,508	-
Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)				
Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)	84.374		4,417,786	-
Student Support and Academics Enrichment Program	84.424	N.C. Department of Public Instruction, PRC 108	811,699	-
Total United States Department of Education			21,398,808	-
<i>United States Department of Health and Human Services</i>				
Medicaid Cluster				
Medical Assistance Program				
Medical Assistance Program - Medicaid Cluster	93.778	N.C. Department of Health and Human Services, PRC 305	1,024,238	-
Total United States Department of Health and Human Services			1,024,238	-
<i>United States Department of Treasury</i>				
COVID-19 Coronavirus Relief Fund	21.019	NC Department of Public Instruction, PRC 125	548,401	-
Total United States Department of Treasury			548,401	-
Total Expenditures of Federal Awards			34,255,653	-

Pitt County Board of Education, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2020
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>
STATE AWARDS:				
Cash assistance:				
<u>North Carolina Department of Public Instruction</u>				
State Public School Fund		XXXX	146,173,852	-
State Textbooks and Digital Resources		PRC 131	809,758	-
Driver Training - SPSF		PRC 012	398,781	-
School Technology Fund - SPSF		PRC 015	618,721	-
Governor's COVID-19 Supplemental Funding		PRC 154	908,038	-
Vocational Education				
- State Months of Employment		PRC 013	7,053,702	-
- Program Support Funds		PRC 014	322,273	-
Total State Public School Fund			156,285,125	-
EC Data Manager Grant		PRC 464	36,028	-
Distinguished School Award		PRC 565	10,426	-
<u>Total North Carolina Department of Public Instruction</u>			156,331,579	-
Passed-through Pitt County:				
Public School Building Capital Fund		PRC 076	1,759,876	-
Reimbursement for kindergarten breakfast		PRC 035	5,945	-
<u>North Carolina Department of Health and Human Services</u>				
NC Pre-Kindergarten Program		XXXX	3,294,886	1,107,516
Autism Grant		PRC 461	146,439	-
Non-cash assistance:				
<u>North Carolina Department of Public Instruction</u>				
School Buses Appropriation		PRC 120	948,685	-
Total Expenditures of State Awards			162,487,410	1,107,516
Total Expenditures of Federal and State Awards			\$ 196,743,063	\$ 1,107,516

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, 2020

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 under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. 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, 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.

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 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 did not expend federal or State awards related to loans or loan guarantees during the fiscal year ended June 30, 2020.

Noncash Assistance: Pitt County Board of Education did receive commodities for the fiscal year ended June 30, 2020 from the US Department of Agriculture CFDA# 10.565 in the amount of \$783,795. 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 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