

STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR

BETH A. WOOD, CPA



NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION

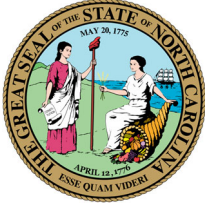
RALEIGH, NORTH CAROLINA
FINANCIAL STATEMENT AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2022

A DEPARTMENT OF THE STATE OF NORTH CAROLINA



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The Taxpayers' Watchdog

STATE OF NORTH CAROLINA
Office of the State Auditor



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State Auditor

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AUDITOR'S TRANSMITTAL

The Honorable Roy Cooper, Governor
The General Assembly of North Carolina
The State Board of Education
Catherine Truitt, State Superintendent
Department of Public Instruction

We have completed a financial statement audit of the North Carolina Department of Public Instruction for the year ended June 30, 2022, and our audit results are included in this report. You will note from the independent auditor's report that we determined that the financial statements are presented fairly in all material respects.

The results of our tests disclosed no deficiencies in internal control over financial reporting that we consider to be material weaknesses in relation to our audit scope or any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

North Carolina General Statutes require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

A handwritten signature in black ink that reads "Beth A. Wood".

Beth A. Wood, CPA
State Auditor

AN OVERVIEW OF HOW TO USE THIS REPORT

This report provides audited financial information on the North Carolina Department of Public Instruction (Department) and is designed to provide the information at a summarized level in the beginning, with more details of the information further into the report. This report is made up of various components as listed in the Table of Contents.

The Department reports financial activities in one major general fund and one nonmajor governmental fund. The general fund is used to report most of the activity of the Department.

The financial information in the report is presented at a summarized, departmental level initially. Where some numbers need further explanation, additional detail is provided in schedules or "Notes to the Financial Statements". The Schedules/Notes will be referenced next to the line item caption.

Required Information: (Information required to be reported per Governmental Accounting Standards Board and *Government Auditing Standards*).

The **Independent Auditor's Report** presents the auditor's opinion on the financial statements, which is that the financial statements, as presented, are materially correct.

The **Management's Discussion and Analysis** presents a discussion of the reasons for significant financial changes between years. The Management's Discussion and Analysis is prepared by the Department and has not been subjected to the same auditing procedures performed on the financial statements.

"A" Exhibits present the Balance Sheet as of June 30, 2022 and the Statement of Revenues, Expenditures, and Changes in Fund Balance for fiscal year ended June 30, 2022 for the Department's **governmental funds as a whole**.

Notes to the Financial Statements are designed to give the reader additional information concerning the Department and further support the financial statements.

Required Supplementary Information:

"B" Schedule presents the Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Budgetary Basis-Non-GAAP) comparison for the General Fund (for the fiscal year ended June 30, 2022).

Supplementary Information:

"C" Schedules present details of various revenues and/or expenditures of the governmental funds as follows:

- C-1 - Revenues by Source (Agrees to total revenues on Exhibit A-2)
- C-2 - Expenditures by Purpose (Agrees to total expenditures on Exhibit A-2 which are presented by natural classification)
- C-3 - Schedule of Grants, State, and Federal Aid Paid to Schools (Agrees to Exhibit A-2)

AN OVERVIEW OF HOW TO USE THIS REPORT

- C-4 - Schedule of Grants and Aid Paid to School Districts (Alphabetically)
- C-5 - Schedule of Grants and Aid Paid to School Districts (Amount - Sorted Largest to Smallest)
- C-6 - Schedule of Grants and Aid Paid to Charter Schools (Alphabetically by County)
- C-7 - Schedule of Grants and Aid Paid to Charter Schools (Amount - Sorted Largest to Smallest)

Required Information:

The **Independent Auditor's Report on Internal Control and Compliance** - this report is not an opinion on internal control or compliance but rather a report on the matters related to internal control and compliance that were noted as a part of the audit of the financial statements.

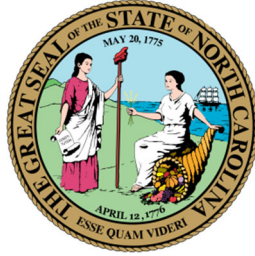


Beth A. Wood, CPA
State Auditor

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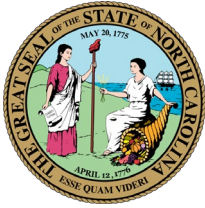
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Chapter 147, Article 5A of the North Carolina General Statutes, gives the Auditor broad powers to examine all books, records, files, papers, documents, and financial affairs of every state agency and any organization that receives public funding. The Auditor also has the power to summon people to produce records and to answer questions under oath.



INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

The State Board of Education
and Management of the North Carolina Department of Public Instruction
Raleigh, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental funds of the North Carolina Department of Public Instruction (Department), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental funds of the Department, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the Department are intended to present the financial position and changes in financial position that are only attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of North Carolina as of June 30, 2022, or the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The accompanying supplementary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 accompanying supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

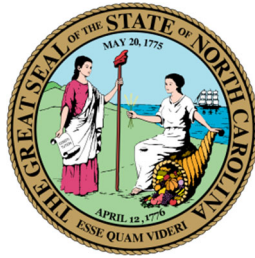
In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2023 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Department's internal control over financial reporting and compliance.



Beth A. Wood, CPA
State Auditor

Raleigh, North Carolina

May 1, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of the North Carolina Department of Public Instruction's (Department) financial report is provided as an overview of the financial performance of the governmental funds for the fiscal year ended June 30, 2022. This discussion and analysis should be read in conjunction with the financial statements and related notes to the financial statements which follow this section.

Overview of the Financial Statements

The Department's financial statements are comprised of the governmental funds including the General Fund and Capital Projects Fund. The Governmental Funds' basic financial statements consist of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.

Governmental Funds:

- The Balance Sheet presents the governmental funds' assets, deferred outflows, liabilities, and deferred inflows that are considered relevant to an assessment of near-term liquidity. The difference between assets (plus deferred outflows) and liabilities (plus deferred inflows) is reported as fund balance.
- The Statement of Revenues, Expenditures, and Changes in Fund Balance reports the resource flows (revenues and expenditures) of the governmental funds.

Notes to the financial statements are designed to give the reader additional information concerning the Department and further supports the statements noted above.

Required Supplementary Information (RSI) follows the basic financial statements and notes to the financial statements. The RSI is mandated by the Governmental Accounting Standards Board (GASB) and includes the General Fund budgetary comparison schedules reconciling the statutory to the generally accepted accounting principles fund balances at fiscal year-end.

Other Supplementary Information includes Schedule of Revenues by Source; Schedule of Expenditures by Purpose; Schedule of Grants, State, and Federal Aid Paid to Schools; Schedules of Grants and Aid Paid to School Districts; and Schedules of Grants and Aid Paid to Charter Schools.

Governmental Funds
Condensed Balance Sheets

The following Condensed Balance Sheets show the Governmental Funds' financial position at June 30, 2022 and 2021.

	2022	2021 (As Restated)
Assets	\$ 1,159,692,436	\$ 687,813,257
Deferred Outflows of Resources	-	-
Total Assets and Deferred Outflows	<u>\$ 1,159,692,436</u>	<u>\$ 687,813,257</u>
Liabilities	\$ 137,426,631	\$ 387,154,823
Deferred Inflows of Resources	-	-
Fund Balance		
Nonspendable	384,594	454,336
Restricted	6,553,940	5,983,422
Committed	1,009,820,009	563,781,600
Unassigned	5,507,262	(269,560,924)
Total Fund Balance	<u>1,022,265,805</u>	<u>300,658,434</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 1,159,692,436</u>	<u>\$ 687,813,257</u>

Total assets for fiscal year 2022 increased by \$471.9 million compared to fiscal year 2021. The major change is primarily attributed to the \$381.8 million increase in the Public School Building Capital Fund pooled cash balance. Specifically, the fund had a \$306.5 million increase in lottery receipts and received \$13.0 million in nonrecurring receipts from the State Capital Infrastructure Fund for the repair and renovation of K-12 athletic facilities. Compared to the prior year, actual spending for school building projects decreased based on project allocation requests.

The Department also had a \$34.8 million increase in pooled cash balances over the prior year due to the receipt of funding from information technology reserves. The funding is committed for modernization of systems used by the Department to manage and deliver funds and provide technical support services to school districts. Significant portions of the receipts were still available for spending at year-end.

Additionally, there was a \$23.5 million increase in intergovernmental receivables compared to the prior year. The Department's year-end reconciliation of school district federal reimbursements to actual reported spending resulted in increased receivables from various federal programs and school districts. The increased balance corresponds to overall increased federal spending by school districts during the year.

Total liabilities decreased by \$249.7 million from fiscal year 2021 to 2022, mainly due to the elimination of the installment pay method historically available to 10-month school personnel opting to receive salaries over a 12-month period. Increases in unearned revenue, and other federal and school district payables, also resulting from the year-end reconciliation of school district spending, offset the overall liability decrease by \$50.7 million.

Overall fund balance increased by \$721.6 million in 2022 compared to 2021. Committed fund balance increased by \$446.0 million, mainly due to funds carried forward for public school building construction and school business modernization. Unassigned fund balance increased by \$275.1 million primarily due to the elimination of the 12-month salary installment option for school personnel.

Condensed Statements of Revenues, Expenditures, and Changes in Fund Balance

The following Condensed Statements of Revenues, Expenditures, and Changes in Fund Balance show the Governmental Funds' resource flows at June 30, 2022 and 2021.

	2022	2021 (As Restated)
REVENUES		
Federal Funds	\$ 3,758,675,627	\$ 1,904,796,628
Other Revenues	1,806,282,782	1,307,625,034
Total Revenues	5,564,958,409	3,212,421,662
EXPENDITURES		
Grants, State, and Federal Aid	14,975,695,178	12,564,636,560
Contracted Personal Services	128,715,236	75,350,143
Salaries and Benefits	173,537,583	156,789,048
Other Expenditures	156,187,912	141,822,670
Total Expenditures	15,434,135,909	12,938,598,421
Excess of Expenditures Over Revenues	(9,869,177,500)	(9,726,176,759)
OTHER FINANCING SOURCES (USES)		
State Appropriations	10,587,217,119	9,839,135,842
Sale of Capital Assets	2,208,885	1,919,260
Insurance Recoveries	417,770	545,535
Transfers from State Reserves Fund	86,369,858	45,355,990
Transfers to State Reserve Fund	(85,428,761)	(87,002,372)
Total Other Financing Sources	10,590,784,871	9,799,954,255
Net Change in Fund Balance	721,607,371	73,777,496
Fund Balance - Beginning of Year, as Restated	300,658,434	226,880,938
Fund Balance - End of Year	\$ 1,022,265,805	\$ 300,658,434

The Department recognized increased revenues of \$2.4 billion in fiscal year 2022 compared to fiscal year 2021. The increase was primarily attributed to an increase of \$1.4 billion in federal reimbursements received from COVID-19 relief programs, most significantly including the Elementary and Secondary School Emergency Relief Fund (ESSER) program. Additionally, the Child Nutrition program continued to operate under extended federal program waivers made available during the pandemic which allowed all meals to be provided to all students at no cost. The waivers also provided higher meal reimbursement rates. Overall, the program received \$347.3 million more in federal reimbursements compared to fiscal year 2021.

Other increases in revenue were largely from Office of State Budget and Management (OSBM) transfers. These transfers included \$306.5 million in additional lottery funds for public school buildings and \$313.6 million in State Fiscal Recovery Funds primarily for premium pay bonuses to personnel. OSBM increases were offset by a \$259.6 million decrease in Coronavirus Relief Fund program reimbursements as awards expired during the fiscal year.

Total expenditures for fiscal year 2022 increased by \$2.5 billion compared to fiscal year 2021. This is primarily due to the \$2.4 billion increase in grants, state, and federal aid expenditures. The most significant portion was related to school district spending of formula based ESSER awards made in prior fiscal years. Other significant increases in spending were related to the Child Nutrition program which had a \$378.7 million in increased claims driven by increased student participation, under waiver provisions discussed above, and schools returning to full in-person operation. During the fiscal year, increases in the Child Nutrition federal reimbursement rates based on the Consumer Price Index also contributed to higher claim expenditures. Lastly, the Department provided one-time premium pay bonuses of \$420.2 million through the ESSER program and State Fiscal Recovery Fund during the fiscal year.

Total other financing sources increased by \$790.8 million from 2022 to 2021. This increase was largely driven by increases in appropriations which predominately fund teacher and other school personnel salaries and benefits, as well as certain categorical programs for specific populations of students.

Budget Variation

General Fund

Data for the General Fund budget variances is presented in Schedule C-1: Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis - Non-GAAP) of this report.

Variances - Original and Final Budget:

For fiscal year 2022, the original budgeted revenues were lower than the final budgeted numbers by \$1.6 billion. This variance is primarily attributed to an increase in budgeted federal funds in programs. The original budgeted expenditures were also lower than the final budgeted numbers. The variance of \$712.5 million is primarily attributed to increases in the grants, state, and federal aid expenditure category.

Generally, the variances between the original and final budget are attributable to the timing and length of the budget preparation process and the budgeting of federal funds for the fiscal year. The original budget for fiscal year 2022 was prepared approximately 18 months prior to the final budgets. The final budgets reflect all budget revisions made throughout the fiscal year to adjust for known facts as well as supplemental adjustments approved by the General Assembly. Consequently, significant variances in comparing the original and final budgets are expected.

Variances - Final Budget and Actual Results:

In comparing actual results for the year to the final budget for fiscal year 2022, total actual revenues were \$4.2 billion less than final budgeted, and total actual expenditures were \$4.0 billion less than final budgeted. Variances in both revenues and expenditures are largely explained by the significant infusion of ESSER funds that were awarded via three separate federal appropriations, the Coronavirus Aid, Relief, and Economic Security Act (CARES), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARP) and were first budgeted in whole or in part in 2021. Because each of the ESSER I, ESSER II, and ESSER III funds are multi-year awards with staggered

expiration dates (ESSER I - 9/30/2022, ESSER II - 9/30/2023, and ESSER III - 9/30/2024), significant portions of these awards were budgeted, but remained unspent and undrawn as of June 30, 2022.

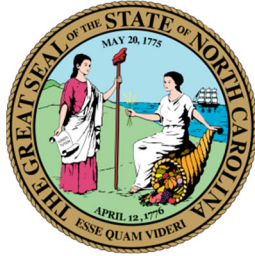
Future Outlook

In response to the COVID-19 pandemic, the federal government passed three acts to appropriate funds to the States to address the educational needs of students. From these acts, North Carolina received over \$6 billion in new one-time federal grants to support primary and secondary education. \$1.6 billion of these funds will expire in the upcoming fiscal year and the remainder will expire in the following fiscal year. The public schools have utilized much of these resources for purchases, including funding repair and renovation projects. As such, the public schools are dependent on the national supply chain to meet the timeline of the grant expiration.

The nation has experienced high inflation which has had an impact on the cost of both goods and labor. The inflationary factor has added to the problems caused by a scarce labor market and exacerbate the challenges related to meeting the salary requirements to recruit qualified personnel into the public schools.

Entering her third year as North Carolina's leader of K-12 education, State Superintendent of Public Instruction Catherine Truitt updated her signature strategic plan, Operation Polaris, with new focus areas while continuing to press for progress along a number of key fronts, including pandemic recovery, district and regional support, early student literacy and transforming the human capital pipeline. The Department's budget requests and work continue to be focused around these initiatives.

Since 2019, the State, the Department and the public schools have been focused on replacing antiquated systems with modern student information, business operations, and resource planning enterprise systems. This work is critical in providing the tools necessary to manage forty percent of operating appropriations for the State's General Fund and the increasingly complex laws and policies. The transition to these systems requires dedicated time and personnel on top of the work required to continue regular operations.



FINANCIAL STATEMENTS

North Carolina Department of Public Instruction
Balance Sheet
Governmental Funds
June 30, 2022

Exhibit A-1

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents (Note 2)	\$ 1,034,932,577	\$ 4,990,872	\$ 1,039,923,449
Receivables:			
Accounts Receivable	3,216	-	3,216
Intergovernmental Receivables (Note 4)	118,922,959	-	118,922,959
Interest Receivable	458,218	-	458,218
Inventories	384,594	-	384,594
Total Assets	1,154,701,564	4,990,872	1,159,692,436
DEFERRED OUTFLOWS OF RESOURCES	-	-	-
Total Assets and Deferred Outflows	\$ 1,154,701,564	\$ 4,990,872	\$ 1,159,692,436
LIABILITIES			
Accounts Payable and Accrued Liabilities:			
Accounts Payable	\$ 8,171,003	\$ 525,540	\$ 8,696,543
Accrued Payroll	483,646	-	483,646
Intergovernmental Payables (Note 6)	113,402,033	-	113,402,033
Funds Held for Others	412,517	-	412,517
Unearned Revenue	14,431,892	-	14,431,892
Total Liabilities	136,901,091	525,540	137,426,631
DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCES (Note 9)			
Nonspendable	384,594	-	384,594
Restricted	6,553,940	-	6,553,940
Committed	1,005,354,677	4,465,332	1,009,820,009
Unassigned	5,507,262	-	5,507,262
Total Fund Balances	1,017,800,473	4,465,332	1,022,265,805
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 1,154,701,564	\$ 4,990,872	\$ 1,159,692,436

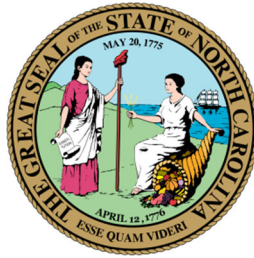
The accompanying notes to the financial statements are an integral part of this statement.

North Carolina Department of Public Instruction
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2022

Exhibit A-2

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Federal Funds	\$ 1,928,038,772	\$ -	\$ 1,928,038,772
Federal COVID-19 Funds	1,830,636,855	-	1,830,636,855
Revenues from Other State Agencies (Note 10)	1,538,880,905	-	1,538,880,905
Contributions, Gifts, and Grants	24,217,145	-	24,217,145
E Rate Telecommunication/Internet Access Program Funds	3,192,720	-	3,192,720
Sales and Services	2,632,525	-	2,632,525
Fees, Licenses, and Fines	229,788,307	-	229,788,307
Property and Equipment Rental	1,129,197	-	1,129,197
Investment Earnings	1,649,988	-	1,649,988
Student Tuition and Fees	3,345,953	-	3,345,953
Miscellaneous Income	1,446,042	-	1,446,042
Total Revenues (See Schedule C-1)	5,564,958,409	-	5,564,958,409
EXPENDITURES			
Current:			
Grants, State, and Federal Aid (See Schedule C-3)	14,975,695,178	-	14,975,695,178
Contracted Personal Services	128,715,236	-	128,715,236
Salaries and Benefits	173,537,583	-	173,537,583
Supplies and Materials	7,088,334	-	7,088,334
Purchases for Resale	98,545	-	98,545
Travel	2,254,878	-	2,254,878
Communication	1,171,701	-	1,171,701
Utilities	1,135,603	-	1,135,603
Data Processing Services	24,811,520	-	24,811,520
Claims and Benefits	1,194,491	-	1,194,491
Other Services	2,473,729	1,557	2,475,286
Other Fixed Charges	9,167,948	-	9,167,948
Expenditures to Other State Agencies (Note 10)	19,483,002	500,000	19,983,002
Insurance	2,406,402	-	2,406,402
Other Expenditures	650,385	-	650,385
Capital Outlay	82,220,952	1,511,811	83,732,763
Debt Service:			
Principal Retirement	15,123	-	15,123
Interest and Fees	1,931	-	1,931
Total Expenditures (See Schedule C-2)	15,432,122,541	2,013,368	15,434,135,909
Excess of Revenues Under Expenditures	(9,867,164,132)	(2,013,368)	(9,869,177,500)
OTHER FINANCING SOURCES (USES)			
State Appropriations	10,587,217,119	-	10,587,217,119
Sale of Capital Assets	2,208,885	-	2,208,885
Insurance Recoveries	417,770	-	417,770
Transfers from State Reserve Fund	86,364,178	5,680	86,369,858
Transfers to State Reserve Fund	(85,428,761)	-	(85,428,761)
Total Other Financing Sources	10,590,779,191	5,680	10,590,784,871
Net Change in Fund Balance	723,615,059	(2,007,688)	721,607,371
Fund Balances - July 1, as Restated (Note 16)	294,185,414	6,473,020	300,658,434
Fund Balances - June 30	\$ 1,017,800,473	\$ 4,465,332	\$ 1,022,265,805

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



NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

- A. Organization** - The North Carolina Department of Public Instruction (Department) is a part of the State of North Carolina and is not a separate legal or reporting entity. The Department is charged with implementing the State's public-school laws for pre-kindergarten through 12th grade public education at the direction of the State Board of Education and the Superintendent of Public Instruction.

The Department provides leadership and service to 116 local public school districts, including approximately 2,500 individual public schools; 217 charter schools; and three residential schools for students with hearing and visual impairments. The areas of support include curriculum and instruction, accountability, finance, teacher and administrator preparation and licensing, professional development, and school business support and operations.

The Department develops the Standard Course of Study, which describes the subjects and course content that is taught in North Carolina public schools, and the assessments and accountability model used to evaluate student, school, and district success.

The Department licenses approximately 117,000 teachers and administrators who serve public schools. The Department's primary offices are in Raleigh, with four regional alternative licensing centers in Concord, Fayetteville, Elm City and Catawba. Approximately 30,000 new teacher and administrator licenses are issued annually from these centers. The Department's work extends to the NC Center for the Advancement of Teaching with locations in Cullowhee and Ocracoke, and the NC Virtual Public School. The Department also works closely with nine Regional Education Service Alliances/Consortia and six regional accountability offices.

- B. Financial Reporting Entity** - The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. The Department is a part of the State of North Carolina and an integral part of the State's *Annual Comprehensive Financial Report*.

The accompanying financial statements present all funds belonging to the Department. The Department's accounts and transactions are included in the State's *Annual Comprehensive Financial Report* as part of the State's governmental funds.

- C. Basis of Presentation** - The Department's records are maintained on a cash basis throughout the year, but adjustments are made at the end of the fiscal year to convert to GAAP for government entities. The financial statements are prepared according to GAAP as follows:

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* requires the presentation of both government-wide and fund level financial

statements. See below for a description of each fund. The financial statements presented are governmental fund financial statements of the Department. Because the Department is not a separate legal or reporting entity, government-wide financial statements are not prepared.

The fund financial statements provide information about the Department's funds. The emphasis of fund financial statements is on governmental funds, each displayed in separate columns within the fund's financial statements. Throughout the report, the term Department is used to refer to the governmental funds unless otherwise specifically noted.

The Department's financial statements consist of the following governmental funds:

General Fund - This fund is the Department's only major fund and serves as the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund - This fund is a nonmajor governmental fund. It accounts for financial resources to be used for capital outlays, including the acquisition or construction of major capital facilities, and is primarily funded by state appropriations and the State's issuance of debt. Specific projects are identified in the State's budget and approved by the legislature.

D. Measurement Focus and Basis of Accounting

Governmental Funds - Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The operating statement presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenues to be available if they are collected within 31 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, except for compensated absences, workers' compensation, and financing agreements, which are recognized as expenditures when payment is due. Pension and other postemployment benefit contributions to cost-sharing plans are recognized as expenditures in the periods to which the payment relates even if the payment is not due until the subsequent period.

Since capital asset and long-term liability accounts relating to the governmental funds are reported only at the state-wide level, these amounts are not included in the Department's governmental funds financial statements. However, those amounts are reported in the Notes to the Financial Statements.

Nonexchange transactions, in which the Department receives (or gives) value without directly giving (or receiving) equal value in exchange, include state appropriations and certain grants and similar assistance. Revenues are recognized, net of estimated

uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

- E. Cash and Cash Equivalents** - This classification includes deposits held by the State Treasurer in the short-term investment fund (STIF). The STIF maintained by the State Treasurer has the general characteristics of a demand deposit account in that participants may deposit and withdraw cash at any time without prior notice or penalty. The Department's equity position in the STIF is recorded at fair value. Additional information regarding the fair value measurement of deposits held by the State Treasurer in the STIF is disclosed in Note 3.
- F. Investments** - To the extent available, investments are recorded at fair value based on quoted market prices in active markets on a trade-date basis. Additional information regarding the fair value measurement of investments is disclosed in Note 3. Because of the inherent uncertainty in the use of estimates, values that are based on estimates may differ from the values that would have been used had a ready market existed for the investments. The net change in the value of investments is recognized as a component of investment income.
- G. Receivables** - Receivables consist of amounts that have arisen in the ordinary course of business.

Accounts receivables primarily include amounts due from home-based schools and local education agencies in connection with the sale of publications. Receivables are considered fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

Intergovernmental receivables include amounts due from the federal government for various federal program purposes including the reimbursement of allowable expenditures for the elementary and secondary schools emergency relief (ESSER) program and qualified meals under the child nutrition program; and amounts due from local education agencies for overdrawn federal funding. Receivables are considered fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

- H. Inventories** - Inventories, consisting of expendable supplies and materials, are valued at cost using the first-in, first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased.
- I. Payables** - Accounts payable includes amounts due to vendors/suppliers, staff in connection with payment for supplies, travel reimbursements, and payment of sales and use taxes withheld from sale of textbooks and publications.

Intergovernmental payables mainly represent amounts due to the schools in connection with the federal child nutrition program for qualified meals and amounts due back to the federal government for overdrawn federal revenues.

- J. Unearned Revenue** - Unearned revenue represents the cumulative excess of cash received from the federal government over expenditures paid in connection with reimbursement of allowable expenditures made pursuant to contracts and grants.

K. Deferred Outflows/Inflows of Resources - Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

L. Fund Balance

Fund balance is reported in the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent.

Nonspendable Fund Balance - These amounts cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - These amounts have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions.

Committed Fund Balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the North Carolina General Assembly, the State's highest level of decision-making authority. The North Carolina General Assembly establishes commitments through the passage of legislation that becomes State law. Commitments may be changed or lifted only by taking the same formal action that imposed the constraint originally.

Unassigned Fund Balance - This is the residual classification for the General Fund. Other governmental funds cannot report positive unassigned fund balance but can report negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Expenditures are made from the most restrictive resource (i.e., restricted, committed, assigned, and unassigned in that order) when more than one fund balance classification is available for use.

M. Revenues and Expenditures from/to Other State Agencies - Revenues and expenditures from/to other state agencies represent funds that the Department obtains from or transfers to other agencies, institutions, or entities within the State of North Carolina. These transfers are not considered other financing sources or uses per GAAP, nor are they considered interfund transfers. These revenues and expenditures represent nonexchange transactions and are eliminated at the statewide reporting level in the State's *Annual Comprehensive Financial Report*.

N. Transfers from/to State Reserve Fund - These transfers are for funds obligated in the current year, but not spent at year-end, that will be carried forward to the next fiscal year. The Department must obtain authorization from the Office of State Budget and Management (OSBM) to carryforward funds. At year-end, these funds are transferred to the State Reserve and held by the North Carolina Office of the State Controller until approval is granted from OSBM to return the funds to the Department in the next fiscal year.

NOTE 2 - DEPOSITS

Unless specifically exempt, the Department is required by North Carolina General Statute 147-77 to deposit moneys received with the State Treasurer or with a depository institution in the name of the State Treasurer. General Statute 147-69.1 authorizes the State Treasurer to invest all deposits in the following: obligations of or fully guaranteed by the United States; obligations of certain federal agencies; specified repurchase agreements; obligations of the State of North Carolina; time deposits with specified financial institutions; prime quality commercial paper with specified ratings; specified bills of exchange or time drafts; asset-backed securities with specified ratings; and corporate bonds and notes with specified ratings.

At June 30, 2022, the Balance Sheet reported cash and cash equivalents of \$1,039,923,449, which represents the Department's equity position in the State Treasurer's Short-Term Investment Fund (STIF). The STIF (a portfolio within the State Treasurer's Investment Pool, an external investment pool that is not registered with the Securities and Exchange Commission or subject to any formal oversight other than that of the legislative body) had a weighted average maturity of 0.9 years as of June 30, 2022. Assets and shares of the STIF are valued at fair value.

Deposit and investment risks associated with the State Treasurer's Investment Pool (which includes the State Treasurer's STIF) are included in the North Carolina Department of State Treasurer Investment Programs' separately issued audit report. This separately issued report can be obtained from the Department of State Treasurer, 3200 Atlantic Avenue, Raleigh, NC 27604 or can be accessed from the Department of State Treasurer's website at <https://www.nctreasurer.com/> in the Audited Financial Statements section.

NOTE 3 - FAIR VALUE MEASUREMENTS

To the extent available, the Department's investments are recorded at fair value as of June 30, 2022. GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1	Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.
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- Level 2 Investments with inputs - other than quoted prices included within Level 1 - that are observable for an asset, either directly or indirectly.
- Level 3 Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

Short-Term Investment Fund - At year-end, the Department's cash and cash equivalents, valued at \$1,039,923,449, were held in the STIF. Ownership interests of the STIF are determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Pool investments are measured at fair value in accordance with GASB Statement No. 72. The Department's position in the pool is measured and reported at fair value and the STIF is not required to be categorized within the fair value hierarchy.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables for the General Fund at June 30, 2022 were as follows:

	Amount
Intergovernmental Receivables:	
Elementary and Secondary Schools Emergency Relief (ESSER) Program	\$ 26,844,646
Child Nutrition Program	25,754,896
Other Federal Programs	15,506,532
Local School Districts	50,816,885
Total Intergovernmental Receivables	\$ 118,922,959

NOTE 5 - CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported as expenditures in the governmental funds. Consequently, capital asset balances are not reported on the face of the governmental funds' financial statements, but are reported below. Purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Donated capital assets are recorded at acquisition value at the date of the donation except that capital assets donated prior to July 1, 2015 are recorded at their estimated fair value at the date of donation.

Generally, capital assets are defined by the Department as assets with an initial value or cost greater than or equal to \$5,000 and an estimated useful life of two or more years, except for internally generated computer software which is capitalized when the value or cost is greater than or equal to \$1,000,000. Lease payables are capitalized as a right-to-use asset when the leased asset has a cost of \$10,000 or greater and an estimated useful life of more than one year.

The value of assets constructed includes all material direct and indirect construction costs that are incurred as a result of the construction. Right-to-use leased assets are recorded at the present value of payments expected to be made during the lease term, plus any upfront payments and ancillary charges paid to place the leased asset into service.

Depreciation is recorded at the statewide level for governmental funds. Depreciation is computed using the straight-line method over the estimated useful lives of the assets in the following manner:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	10-100 years
Machinery and Equipment	2-30 years
General Infrastructure	10-75 years

Amortization for right-to-use leased assets is computed using the straight-line method over the shorter of the lease term or the asset's estimated useful life, unless the lease contains a purchase option the Department is reasonably certain will be exercised. In those instances, the right-to-use leased asset is amortized over the asset's estimated useful life.

A summary of changes in the governmental funds' capital assets for the year ended June 30, 2022, is presented as follows:

	Balance July 1, 2021 (As Restated) ¹	Increases	Decreases	Balance June 30, 2022
Capital Assets, Nondepreciable:				
Land	\$ 52,253	\$ -	\$ -	\$ 52,253
Art, Literature, and Artifacts	419,300	-	-	419,300
Construction in Progress	19,087,797	4,929,715	436,279	23,581,233
Total Capital Assets, Nondepreciable	19,559,350	4,929,715	436,279	24,052,786
Capital Assets, Depreciable:				
Buildings	53,301,513	1,500,403	1,865,811	52,936,105
Machinery and Equipment	7,814,993	200,491	112,871	7,902,613
General Infrastructure	547,115	-	-	547,115
Right-to-Use Leased Machinery and Equipment	71,420	-	-	71,420
Total Capital Assets, Depreciable	61,735,041	1,700,894	1,978,682	61,457,253
Less Accumulated Depreciation/Amortization for:				
Buildings	24,191,564	1,940,949	52,304	26,080,209
Machinery and Equipment	4,752,672	292,621	102,858	4,942,435
General Infrastructure	489,739	12,158	-	501,897
Right-to-Use Leased Machinery and Equipment	-	15,871	-	15,871
Total Accumulated Depreciation/Amortization	29,433,975	2,261,599	155,162	31,540,412
Total Capital Assets, Depreciable, Net	32,301,066	(560,705)	1,823,520	29,916,841
Capital Assets, Net	\$ 51,860,416	\$ 4,369,010	\$ 2,259,799	\$ 53,969,627

¹ As of July 1, 2021, the Department implemented GASB Statement No. 87, Leases. The governmental funds' capital assets beginning balance was impacted as a result of the implementation.

At year-end, the total amount of leased assets was \$71,420 and the related accumulated amortization was \$15,871.

NOTE 6 - INTERGOVERNMENTAL PAYABLES

Intergovernmental payables for the General Fund at June 30, 2022 were as follows:

	Amount
Intergovernmental Payables:	
Child Nutrition Program	\$ 25,754,896
Other Federal Programs	52,958,465
Other School District Payables	34,688,672
Total Intergovernmental Payables	\$ 113,402,033

NOTE 7 - LONG-TERM LIABILITIES

General long-term liabilities for the governmental funds are not recognized in the governmental funds until they become due. Consequently, the general long-term liabilities not yet due are not reported on the face of the governmental funds' financial statements.

Noncurrent long-term liabilities include principal amounts of long-term debt and other long-term liabilities that will not be paid within the next fiscal year. Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Long-term debt includes financing agreements. Other long-term liabilities include leases payable, compensated absences, net pension liability, net other postemployment benefits (OPEB) liability, and workers' compensation liability.

Compensated Absences - Employees of the Department are permitted to accumulate earned but unused vacation pay benefits. When determining the vacation pay liability due within one year, leave is considered taken on a last in, first out (LIFO) basis. In the governmental funds, a liability for these amounts is reported only as payments become due each period upon the occurrence of relevant events such as employee resignations and retirements.

The Department's policy provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward each January 1 or for which an employee can be paid upon termination of employment. Also, any accumulated vacation leave in excess of 30 days at calendar year-end is converted to sick leave. Under this policy, the accumulated vacation leave for each employee at June 30 equals the leave carried forward at the previous December 31 plus the leave earned, less the leave taken between January 1 and June 30.

In addition to the vacation leave described above, compensated absences include the accumulated unused portion of the special annual leave bonuses awarded by the North Carolina General Assembly. The bonus leave balance on December 31 is retained by employees and transferred into the next calendar year. It is not subject to the limitation on annual leave carried forward described above and is not subject to conversion to sick leave.

There is no liability for unpaid accumulated sick leave because the Department has no obligation to pay sick leave upon employee termination or retirement. However, additional service credit for retirement pension benefits is given for accumulated sick leave upon retirement.

Net Pension Liability - The net pension liability represents the Department's proportionate share of the collective net pension liability reported in the State of North Carolina's 2021 *Annual Comprehensive Financial Report*. This liability represents the Department's portion of the collective total pension liability less the fiduciary net position of the Teachers' and State Employees' Retirement System. See Note 11 for further information regarding the Department's policies for recognizing liabilities, expenses, deferred outflows of resources, and deferred inflows of resources related to pensions.

Net OPEB Liability - The net OPEB liability represents the Department's proportionate share of the collective net OPEB liability reported in the State of North Carolina's 2021 *Annual Comprehensive Financial Report*. This liability represents the Department's portion of the collective total OPEB liability less the fiduciary net position of the Retiree Health Benefit Fund. See Note 12 for further information regarding the Department's policies for recognizing liabilities, expenses, deferred outflows of resources, and deferred inflows of resources related to OPEB.

A. Changes in Long-Term Liabilities - A summary of changes in long-term liabilities for the year ended June 30, 2022, is presented as follows:

	Balance July 1, 2021 (As Restated) ⁵	Additions	Reductions	Balance June 30, 2022	Current Portion
Long-Term Debt					
Financing Agreements	\$ 98,634,340	\$ 27,398,134	\$ 55,084,186	\$ 70,948,288	\$ 35,670,841
Other Long-Term Liabilities					
Leases Payable ¹	71,420	-	15,123	56,297	15,428
Employee Benefits					
Compensated Absences	11,417,490	6,108,407	5,943,726	11,582,171	950,896
Net Pension Liability ²	40,494,021	-	24,183,117	16,310,904	-
Net Other Postemployment Benefits Liability ³	78,576,244	13,785,408	1,318	92,360,334	-
Workers' Compensation Liability ⁴	211,463,760	44,003,514	58,099,818	197,367,456	69,078,610
Total Other Long-Term Liabilities	342,022,935	63,897,329	88,243,102	317,677,162	70,044,934
Total Long-Term Liabilities	\$ 440,657,275	\$ 91,295,463	\$ 143,327,288	\$ 388,625,450	\$ 105,715,775

¹ Additional information regarding leases payable is included in Note 8.

² Additional information regarding net pension liability is included in Note 11.

³ Additional information regarding net other postemployment benefits liability is included in Note 12.

⁴ Additional information regarding workers' compensation liability is included in Note 13.

⁵ As of July 1, 2021, the Department implemented GASB Statement No. 87, Leases. The governmental funds' long-term liabilities beginning balance was impacted as a result of the implementation.

B. Financing Agreements - The Department entered into financing agreements with financial institutions on behalf of the school districts to fund the replacement of school buses. Pursuant to the annual master facilitator agreements between the Department, the school districts, and the respective financial institutions, the Department agreed to make the scheduled payments on behalf of the school districts using funds appropriated by the General Assembly for the acquisition of the school buses.

NOTES TO THE FINANCIAL STATEMENTS

The financing agreements for each applicable fiscal year are scheduled for four equal annual installments, with the first installment due upon delivery of the school buses. The financing agreements as of June 30, 2022, were as follows:

Financing Agreement	Financial Institution	Final Installment Date	Original Installment Amount	Installments Paid Through June 30, 2022	Installments Outstanding June 30, 2022
2018 - 2019 Replacement of School Buses	Banc of America Public Capital Corp.	11/15/2021	\$ 60,532,771	\$ 60,532,771	\$ -
2019 - 2020 Replacement of School Buses	Banc of America Public Capital Corp.	11/15/2022	64,009,533	48,007,149	16,002,384
2020 - 2021 Replacement of School Buses	Banc of America Public Capital Corp.	11/15/2023	57,991,459	28,995,729	28,995,730
2021 - 2022 Replacement of School Buses	Banc of America Public Capital Corp.	11/15/2024	27,398,134	1,447,960	25,950,174
Total Financing Agreements			\$ 209,931,897	\$ 138,983,609	\$ 70,948,288

NOTE 8 - LEASES

The Department's leasing arrangements at June 30, 2022 are summarized below (excluding short-term leases):

Classification:	Number of Lease Contracts	Lease Liability June 30, 2022	Current Portion	Lease Terms	Interest Rate
Lessee:					
Right-to-Use Leased Machinery and Equipment	1	\$ 56,297	\$ 15,428	5 Years	3.30%

Lease Liability - During the year the Department did not recognize any variable payment amounts.

Future principal and interest lease payments as of June 30, 2022, were as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 15,428	\$ 1,626	\$ 17,054
2024	15,945	1,109	17,054
2025	16,479	575	17,054
2026	8,445	81	8,526
Total	\$ 56,297	\$ 3,391	\$ 59,688

NOTE 9 - FUND BALANCE

The details of the fund balance classifications for the governmental funds at June 30, 2022 are as follows:

	General Fund	Capital Projects Fund	Total
Nonspendable:			
Inventory	\$ 384,594	\$ -	\$ 384,594
Restricted For:			
Primary and Secondary Education	6,553,940	-	6,553,940
Committed to:			
Primary and Secondary Education	241,327,439	-	241,327,439
Public School Capital Projects	764,027,238	4,465,332	768,492,570
Unassigned	5,507,262	-	5,507,262
Total Fund Balance	<u>\$ 1,017,800,473</u>	<u>\$ 4,465,332</u>	<u>\$ 1,022,265,805</u>

NOTE 10 - REVENUES AND EXPENDITURES FROM/TO OTHER STATE AGENCIES

The governmental funds' revenues and expenditures from/to other state agencies by entity and purpose for the year ended June 30, 2022, were as follows:

Revenues from Other State Agencies:

	Purpose	Amount
General Fund:		
Office of State Budget and Management		
Lottery	General Education Support/Public School Capital Fund	\$ 916,475,353
NC Pandemic Recovery Office	COVID- 19 Relief	10,650,270
NC Pandemic Recovery Office	State Fiscal Recovery	313,615,350
Governor's Emergency Education Relief Fund	Instructional Support for COVID-19 Responses	31,696,502
Other OSBM Transfers	State Capital Infrastructure Fund	13,024,000
Department of Revenue	General Educational Support	87,059,635
Department of Health and Human Services	Medicaid Funds for Services to Exceptional Children	41,865,580
NC Office of State Controller	Public School Contingency Reserve	75,475,693
NC Office of State Controller	Business Modernization	48,748,522
Department of Information Technology	Government Data Analytics Center (GDAC)	270,000
Total General Fund Revenues from Other State Agencies		<u>\$ 1,538,880,905</u>

Expenditures to Other State Agencies:

	Purpose	Amount
General Fund:		
Community College System Office	Perkins V	\$ 13,538,837
Department of Health and Human Services	Psychiatric Residential Treatment Facility Services	3,200,000
Department of Health and Human Services	Letters Training	144,113
Department of Information Technology	Government Data Analytics Center (GDAC) - IT Business System Modernization	1,400,000
Office of State Budget and Management	Return Coronavirus Relief Fund (CRF) Funding	1,200,052
Total General Fund Expenditures to Other State Agencies		<u>19,483,002</u>

Capital Projects Fund:

NC School of Science & Mathematics	Joint Water Tower Project	500,000
Total Capital Projects Fund Expenditures to Other State Agencies		<u>500,000</u>
Total Governmental Funds' Expenditures to Other State Agencies		<u>\$ 19,983,002</u>

NOTE 11 - RETIREMENT PLANS

Cost-Sharing, Multiple-Employer, Defined Benefit Plan

Pension contributions to cost sharing plans are recognized as expenditures in the period to which the payment relates, even if payment is not due until the subsequent period. Consequently, the net pension liability, discussed in Note 7 to the financial statements, is not reported on the face of the governmental funds' financial statements.

Plan Administration: The State of North Carolina administers the Teachers' and State Employees' Retirement System (TSERS) plan. This plan is a cost-sharing, multiple-employer, defined benefit pension plan established by the State to provide pension benefits for general employees and law enforcement officers (LEOs) of the State, general employees and LEOs of its component units, and employees of Local Education Agencies (LEAs) and charter schools not in the reporting entity. Membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the LEAs and charter schools that elect to join the Retirement System. Benefit provisions are established by General Statute 135-5 and may be amended only by the North Carolina General Assembly.

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 membership 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 membership service. Survivor benefits are available to eligible beneficiaries of general 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 five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases.

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. LEO's who complete 25 years of credible service with 15 years as an officer are eligible to retire with partial retirement benefits. 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 (not including sick leave) regardless of age, or have completed 15 years of creditable service as an LEO and have reached age 50, or have completed five years of creditable service as an LEO and have reached age 55, or have completed 15 years of creditable service as an 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. Plan members are required to contribute 6% of their annual pay. The contribution rate for employers is set each year by the

North Carolina General Assembly in the Appropriations Act and may not be less than the contribution rate required of plan members. The TSERS Board of Trustees establishes a funding policy from which an accrued liability rate and a normal contribution rate are developed by the consulting actuary. The sum of those two rates developed under the funding policy is the actuarially determined contribution rate (ADC). The TSERS Board of Trustees may further adopt a contribution rate policy that is higher than the ADC known as the required employer contribution to be recommended to the North Carolina General Assembly. The Department's contractually-required contribution rate for the year ended June 30, 2022 was 16.38% of covered payroll. Plan members' contributions to the pension plan were \$4,302,409, and the Department's contributions were \$11,745,577 for the year ended June 30, 2022.

The TSERS plan's financial information, including all information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, is included in the State of North Carolina's fiscal year 2021 *Annual Comprehensive Financial Report*. An electronic version of this report is available on the North Carolina Office of the State Controller's website at <https://www.osc.nc.gov/> or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

TSERS Basis of Accounting: The financial statements of the TSERS plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the TSERS plan, and additions to/deductions from the TSERS plan's fiduciary net position have been determined on the same basis as they are reported by TSERS.

Methods Used to Value TSERS Investments: Pursuant to North Carolina General Statutes, the State Treasurer is the custodian and administrator of the retirement systems. The State Treasurer maintains various investment portfolios in its External Investment Pool. TSERS and other pension plans of the State of North Carolina participate in the Long-Term Investment, the Fixed Income Investment, Equity Investment, Real Estate Investment, Alternative Investment, Opportunistic Fixed Income Investment, and Inflation Sensitive Investment portfolios. The Fixed Income Asset Class includes the Long-Term Investment and Fixed Income Investment portfolios. The Global Equity Asset Class includes the Equity Investment portfolio. The investment balance of each pension trust fund represents its share of the fair value of the net position of the various portfolios within the External Investment Pool. Detailed descriptions of the methods and significant assumptions regarding investments of the State Treasurer are provided in the 2021 *Annual Comprehensive Financial Report*.

Net Pension Liability: At June 30, 2022, the Department reported a liability of \$16,310,904 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, and update procedures were used to roll forward the total pension liability to June 30, 2021. The Department's proportion of the net pension liability was based on a projection of the present value of future salaries for the Department relative to the projected present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2021, the Department's proportion was 0.34833%, which was an increase of 0.01317 from its proportion measured as of June 30, 2020, which was 0.33516%.

Actuarial Assumptions: The following table presents the actuarial assumptions used to determine the total pension liability for the TSERS plan at the actuarial valuation date:

Valuation Date	12/31/2020
Inflation	2.5%
Salary Increases*	3.25% - 8.05%
Investment Rate of Return**	6.5%

* Salary increases include 3.25% inflation and productivity factor.

** Investment rate of return includes inflation assumption and is net of pension plan investment expense.

TSERS 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuations were based on the results of an actuarial experience review for the period January 1, 2015 through December 31, 2019.

Future ad hoc cost of living adjustment 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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (the measurement date) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29%	1.4%
Global Equity	42%	5.3%
Real Estate	8%	4.3%
Alternatives	8%	8.9%
Opportunistic Fixed Income	7%	6.0%
Inflation Sensitive	6%	4.0%
Total	100%	

The information in the preceding table is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. 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%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2021 is 1.3%.

Discount Rate: The discount rate used to measure the total pension liability was 6.5% for the December 31, 2020 valuation. The discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the plan at June 30, 2021 calculated using the discount rate of 6.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.5%) or 1-percentage point higher (7.5%) than the current rate:

Net Pension Liability		
1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
\$ 54,712,918	\$ 16,310,904	\$ (15,610,796)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2022, the Department's proportionate share of the collective pension expense was \$5,258,154. At June 30, 2022, the Department's proportionate share of deferred outflows of resources and deferred inflows of resources related to TSERS were from the following sources:

Employer Balances of Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions by Classification:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$ 916,857	\$ 370,439
Changes of Assumptions	6,118,396	-
Net Difference Between Projected and Actual Earnings on Plan Investments	-	20,209,413
Change in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions	2,915,624	241,860
Contributions Subsequent to the Measurement Date	11,745,577	-
Total	\$ 21,696,454	\$ 20,821,712

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to TSERS will be recognized as pension expense as follows:

Schedule of the Net Amount of the Employer's Balances of Deferred Outflows of Resources and Deferred Inflows of Resources That will be Recognized in Pension Expense:

Year Ending June 30:	Amount
2023	\$ (1,152,747)
2024	(1,316,838)
2025	(2,203,106)
2026	(6,198,144)
2027	-
Total	\$ (10,870,835)

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS

Other postemployment benefit contributions to cost sharing plans are recognized as expenditures in the period to which the payment relates, even if payment is not due until the subsequent period. Consequently, the net other postemployment benefits liability, discussed in Note 7 to the financial statements, is not reported on the face of the governmental fund financial statements.

The Department participates in two postemployment benefit plans, the Retiree Health Benefit Fund and the Disability Income Plan of North Carolina, that are administered by the State of North Carolina as pension and other employee benefit trust funds. Each plan's financial information, including all information about the plans' assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, is included in the State of North Carolina's fiscal year 2021 *Annual Comprehensive Financial Report*. An electronic version of this report is available on the North Carolina Office of the State Controller's website at <https://www.osc.nc.gov/> or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

A. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The financial statements of these plans were prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan. For purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of each plan, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by the plans.

Methods Used to Value Plan Investments: Pursuant to North Carolina General Statutes, the State Treasurer is the custodian and administrator of the other postemployment benefits funds. The State Treasurer maintains various investment portfolios in its External Investment Pool. The Retiree Health Benefit Fund participates in the External Investment Pool. The Disability Income Plan of North Carolina is invested in the Short-Term Investment Portfolio of the External Investment Pool and the Bond Index External Investment Pool. The investment balance of each other employee benefit trust fund represents its share of the fair value of the net position of the various portfolios within the pool. Detailed descriptions of the methods and significant assumptions regarding investments of the State Treasurer are provided in the 2021 *Annual Comprehensive Financial Report*.

B. Plan Descriptions**1. Health Benefits**

Plan Administration: The State of North Carolina administers the North Carolina State Health Plan for Teachers and State Employees, referred to as the State Health Plan (the Plan), a healthcare plan exclusively for the benefit of employees of the State, the University of North Carolina System, community colleges, and certain other component units. In addition, Local Education Agencies (LEAs), charter schools, and some select local governments that are not part of the State's financial reporting entity also

participate. Health benefit programs and premium rates are determined by the State Treasurer upon approval of the Plan Board of Trustees.

The Retiree Health Benefit Fund (RHBF) has been established by Chapter 135-7, Article 1 of the General Statutes as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of eligible former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments that are not part of the State's financial reporting entity also participate.

By statute, RHBF is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System (TSERS). 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 Plan. The State Treasurer, with the approval of the 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 Plan.

Benefits Provided: Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees as described in Note 13. The plan options change when former employees become eligible for Medicare. The benefits provided include medical and pharmacy coverage for employees and their dependents. Non-Medicare eligible members have two self-funded options administered by the State Health Plan while Medicare members have three options, including one self-funded option and two fully-insured Medicare Advantage/Prescription Drug Plan options. Self-funded medical and pharmacy claims costs are shared between the covered member and the State Health Plan. If the self-funded plan is elected by a Medicare eligible member, the coverage is secondary to Medicare. Fully-insured claims include cost sharing from covered members with the remaining balance paid by the fully-insured carrier.

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 and retirees of TSERS, the Consolidated Judicial Retirement System, the Legislative Retirement System, 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 North Carolina General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the North Carolina 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 North Carolina 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 total noncontributory premium. Employees first hired on or after October 1, 2006 and members of the North Carolina General Assembly first taking

office on or after February 1, 2007 with five but less than 10 years of retirement service credit are eligible for coverage on a fully contributory basis.

Section 35.21 (c) & (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired on or after January 1, 2021. The legislation amends Chapter 135, Article 3B of the General Statutes to require that retirees must earn contributory retirement service in the Teachers' and State Employees' Retirement System (or in an allowed local system unit), the Consolidated Judicial Retirement System, or the Legislative Retirement System 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: Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the North Carolina General Assembly in the Appropriations Bill. The Department's contractually-required contribution rate for the year ended June 30, 2022 was 6.29% of covered payroll. The Department's contributions to the RHBF were \$4,510,359 for the year ended June 30, 2022.

In fiscal year 2021, the State Health Plan (the Plan) transferred \$187.0 million to RHBF as a result of cost savings to the Plan over a span of six years. For financial reporting purposes, the transfer was considered to be a nonemployer contributing entity contribution and was allocated among RHBF employers. For the fiscal year ended June 30, 2022, the contribution allocated to the Department was \$558,663.

2. Disability Income

Plan Administration: As discussed in Note 13, 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 participating component units, and LEAs which are not part of the reporting entity, and the University Employees' ORP. By statute, DIPNC is administered by the Department of State Treasurer and the Board of Trustees of TSERS.

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 provided the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or the University Employees' 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; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing five years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

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

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

Contributions: Although DIPNC operates on a calendar year, disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the North Carolina General Assembly and coincide with the State's fiscal year. The Department's contractually-required contribution rate for the year ended June 30, 2022 was 0.09% of covered payroll. The Department's contributions to DIPNC were \$64,536 for the year ended June 30, 2022.

C. Net OPEB Liability (Asset)

Net OPEB Liability: At June 30, 2022, the Department reported a liability of \$92,360,334 for its proportionate share of the collective net OPEB liability for RHBF. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020, and update procedures were used to roll forward the total OPEB liability to June 30, 2021. The Department's proportion of the net OPEB liability was based on a projection of the present value of future salaries for the Department relative to the projected present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2021, the Department's proportion was 0.29875%, which was an increase of 0.0155% from its proportion measured as of June 30, 2020, which was 0.28325%.

Net OPEB Asset: At June 30, 2022, the Department reported an asset of \$48,581 for its proportionate share of the collective net OPEB asset for DIPNC. The net OPEB asset was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020, and update procedures were used to roll forward the total OPEB liability to June 30, 2021. The Department's proportion of the net OPEB asset was based on a projection of the present value of future salaries for the Department relative to the projected present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2021, the Department's proportion was 0.29742%, which was an increase of 0.01405% from its proportion measured as of June 30, 2020, which was 0.28337%.

Actuarial Assumptions: The total OPEB liabilities for RHBF and DIPNC were determined by actuarial valuations as of December 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liabilities were then rolled forward to June 30, 2021 utilizing update procedures incorporating the actuarial assumptions.

	Retiree Health Benefit Fund	Disability Income Plan of N.C.
Valuation Date	12/31/2020	12/31/2020
Inflation	2.5%	2.5%
Salary Increases*	3.25% - 8.05%	3.25% - 8.05%
Investment Rate of Return**	6.5%	3.00%
Healthcare Cost Trend Rate - Medical	6% grading down to 5% by 2026	6% grading down to 5% by 2026
Healthcare Cost Trend Rate - Prescription Drug	9.5% grading down to 5% by 2030	9.5% grading down to 5% by 2030
Healthcare Cost Trend Rate - Medicare Advantage	5%	N/A
Healthcare Cost Trend Rate - Administrative	3%	3%

* Salary increases include 3.25% inflation and productivity factor.

** Investment rate of return is net of OPEB plan investment expense, including inflation.

N/A - Not Applicable

The OPEB plans currently use mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer) and health status (i.e. disabled or not disabled). The current mortality rates are based on published tables and studies that cover significant portions of the U.S. public plan population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The projected long-term investment returns and inflation assumptions are developed through a 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. DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2021.

Best estimates of real rates of return for each major asset class included in RHBF's target asset allocation as of June 30, 2021 (the measurement date) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29%	1.4%
Global Equity	42%	5.3%
Real Estate	8%	4.3%
Alternatives	8%	8.9%
Opportunistic Fixed Income	7%	6.0%
Inflation Sensitive	6%	4.0%
Total	100%	

The information in the preceding table is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. 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%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2021 is 1.3%.

Actuarial valuations of the plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The results of the valuations fluctuate from year to year as actual experience differs from assumptions. This includes demographic experiences (i.e., mortality and retirement) that differ from expected. This also includes financial experiences (i.e., member medical costs and contributions) that vary from expected trends. Actuarially determined amounts are subject

to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial assumptions used for RHBF are consistent with those used to value the pension benefits of TSERS where appropriate. These assumptions are based on the most recent pension valuations available. The discount rate used for RHBF reflects a pay-as-you-go approach.

Projections of benefits for financial reporting purposes of the plans are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing of benefit costs between the employer and plan members to that point. Historically, the benefits have been funded solely by employer contributions applied equally to all retirees. Currently, as described earlier in the note, benefits are dependent on membership requirements.

The actuarial methods and assumptions used for DIPNC include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial assumptions used in the December 31, 2020 valuations were generally based on the results of an actuarial experience study prepared as of December 31, 2019, as amended for updates to certain assumptions (such as the long-term investment return, medical claims, and medical trend rate assumptions) implemented based on annual reviews that have occurred since that experience study.

Discount Rate: The discount rate used to measure the total OPEB liability for RHBF was 2.16% at June 30, 2021 compared to 2.21% at June 30, 2020. The projection of cash flows 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 to current plan members. As a result, a municipal bond rate of 2.16% was used as the discount rate used to measure the total OPEB liability. The 2.16% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2021.

The discount rate used to measure the total OPEB liability for DIPNC was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members would be made at the current contribution rate and that contributions from employers would be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to the current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate: The following presents the Department's proportionate share of the net OPEB liability (asset) of the plans, as well as what the plans' net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

Net OPEB Liability (Asset)			
	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
RHBF	\$ 109,861,276	\$ 92,360,334	\$ 78,186,541
	1% Decrease (2%)	Current Discount Rate (3%)	1% Increase (4%)
DIPNC	\$ (30,673)	\$ (48,581)	\$ (65,147)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability (asset) of the plans, as well as what the plans' net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

Net OPEB Liability (Asset)			
	1% Decrease (Medical - 4% - 5%, Pharmacy - 4% - 8.5%, Med. Advantage - 4%, Administrative - 2%)	Current Healthcare Cost Trend Rates (Medical - 5% - 6%, Pharmacy - 5% - 9.5%, Med. Advantage - 5%, Administrative - 3%)	1% Increase (Medical - 6% - 7%, Pharmacy - 6% - 10.5%, Med. Advantage - 6%, Administrative - 4%)
RHBF	\$ 74,796,296	\$ 92,360,334	\$ 115,660,650
	1% Decrease (Medical - 4% - 5%, Pharmacy - 4% - 8.5%, Administrative - 2%)	Current Healthcare Cost Trend Rates (Medical - 5% - 6%, Pharmacy - 5% - 9.5%, Administrative - 3%)	1% Increase (Medical - 6% - 7%, Pharmacy - 6% - 10.5%, Administrative - 4%)
DIPNC	\$ (51,132)	\$ (48,581)	\$ (45,401)

OPEB Expense: For the fiscal year ended June 30, 2022, the Department recognized OPEB expense as follows:

OPEB Plan	Amount
RHBF	\$ (5,142,787)
DIPNC	117,862
Total OPEB Expense	\$ (5,024,925)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At June 30, 2022, the Department's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB were from the following sources:

**Employer Balances of Deferred Outflows of Resources
Related to OPEB by Classification:**

	RHBF	DIPNC	Total
Differences Between Actual and Expected Experience	\$ 545,290	\$ 123,867	\$ 669,157
Changes of Assumptions	7,554,388	8,530	7,562,918
Net Difference Between Projected and Actual Earnings on Plan Investments	-	4,741	4,741
Changes in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions	5,887,873	49,365	5,937,238
Contributions Subsequent to the Measurement Date	4,510,359	64,536	4,574,895
Total	\$ 18,497,910	\$ 251,039	\$ 18,748,949

**Employer Balances of Deferred Inflows of Resources
Related to OPEB by Classification:**

	RHBF	DIPNC	Total
Differences Between Actual and Expected Experience	\$ 1,719,280	\$ -	\$ 1,719,280
Changes of Assumptions	22,445,889	17,637	22,463,526
Net Difference Between Projected and Actual Earnings on Plan Investments	47,247	-	47,247
Changes in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions	7,916,103	296	7,916,399
Total	\$ 32,128,519	\$ 17,933	\$ 32,146,452

Amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability related to RHBF and an increase of the net OPEB asset related to DIPNC in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

**Schedule of the Net Amount of the Employer's Balances of Deferred
Outflows of Resources and Deferred Inflows of Resources That will be
Recognized in OPEB Expense:**

Year Ending June 30:	RHBF	DIPNC
2023	\$ (12,651,421)	\$ 42,826
2024	(5,497,343)	32,708
2025	(1,669,261)	39,153
2026	(508,972)	20,066
2027	2,186,029	11,506
Thereafter	-	22,311
Total	\$ (18,140,968)	\$ 168,570

NOTE 13 - RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled via a combination of methods, including participation in state-administered insurance programs, purchase of commercial insurance, and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

A. Employee Benefit Plans

1. State Health Plan

Department employees and retirees are provided comprehensive major medical care benefits. Coverage is funded by contributions to the State Health Plan (Plan), a discretely presented component unit of the State of North Carolina. The Plan is funded by employer and employee contributions. The Plan has contracted with third parties to process claims. See Note 12, Other Postemployment Benefits, for additional information regarding retiree health benefits.

2. Death Benefit Plan of North Carolina

Term life insurance (death benefits) of \$25,000 to \$50,000 is provided to eligible workers who enroll in the Teachers' and State Employees' Retirement System. This

Death Benefit Plan is administered by the State Treasurer and funded via employer contributions. The employer contribution rate was 0.13% for the current fiscal year.

3. Disability Income Plan

Short-term and long-term disability benefits are provided to Department employees through the Disability Income Plan of North Carolina (DIPNC), part of the State's Pension and Other Employee Benefit Trust Funds. Short-term benefits are paid by the Department for up to twelve months. The Board of Trustees of the DIPNC may extend the short-term disability benefits for up to an additional twelve months. During the extended period of short-term disability benefits, payments are made directly by the DIPNC to the beneficiary. As discussed in Note 12, long-term disability benefits are payable as other postemployment benefits 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.

B. Other Risk Management and Insurance Activities

1. Automobile, Fire, and Other Property Losses

The Department is required to maintain fire and lightning coverage on all state-owned buildings and contents through the State Property Fire Insurance Fund (Fund), an internal service fund of the State. Such coverage is provided at no cost to the Department for operations supported by the State's General Fund. Other operations not supported by the State's General Fund are charged for the coverage. Losses covered by the Fund are subject to a \$5,000 per occurrence deductible. However, some agencies have chosen a higher deductible for a reduction in premium.

All state-owned vehicles are covered by liability insurance through a private insurance company and handled by the North Carolina Department of Insurance. The liability limits for losses are \$1,000,000 per claim and \$10,000,000 per occurrence. The Department pays premiums to the North Carolina Department of Insurance for the coverage.

2. Public Officers' and Employees' Liability Insurance

The risk of tort claims of up to \$1,000,000 per claimant is retained under the authority of the State Tort Claims Act. In addition, the State provides excess public officers' and employees' liability insurance up to \$2,000,000 per claim and \$10,000,000 in the aggregate per fiscal year via contract with private insurance companies. The Department pays the premium, based on a composite rate, directly to the private insurer.

3. Employee Dishonesty and Computer Fraud

The Department is protected for losses from employee dishonesty and computer fraud. This coverage is with a private insurance company and is handled by the North Carolina Department of Insurance. The Department is charged a premium by the private insurance company. Coverage limit is \$5,000,000 per occurrence. The private insurance company pays 90% of each loss less a \$100,000 deductible.

4. Workers' Compensation Program

On behalf of the State Board of Education, and in accordance with Chapter 115C-337, Article 23; and Chapter 115, Article 2, the Department administers a workers' compensation program for all Department employees and all public school employees whose salaries are paid in whole or in part from state funds. The program provides benefits to workers injured on the job, in accordance with the North Carolina Workers' Compensation Act, Chapter 97. When an employee is injured, the Department's primary responsibility is to provide the arrangements necessary to carry out the provisions of the Workers' Compensation Act. The Department retains the risk for workers' compensation, though portions of the year-end liability are split-funded between the Department and local public school districts.

Additional details on the state-administered risk management programs are disclosed in the State's *Annual Comprehensive Financial Report*, issued by the Office of the State Controller.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. Federal Grants - The Department receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Under the terms of the grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures. Any disallowance as a result of questioned costs could become a liability of the Department. As of June 30, 2022, the Department is unable to estimate what liabilities may result from such audits.

B. Pending Litigation and Claims

Hoke County Board of Education et al. v. State of North Carolina et al. Right to a Sound Basic Education (formerly Leandro)

In 1994, students and boards of education in five counties in the State filed suit in Superior Court requesting a declaration that the public education system of North Carolina, including its system of funding, violates the State constitution by failing to provide adequate or substantially equal educational opportunities, by denying due process of law, and by violating various statutes relating to public education. Five other school boards and students therein intervened, alleging claims for relief on the basis of the high proportion of at-risk and high-cost students in their counties' systems.

The suit is similar to a number of suits in other states, some of which resulted in holdings that the respective systems of public education funding were unconstitutional under the applicable state law. The State filed a motion to dismiss, which was denied. On appeal, the North Carolina Supreme Court upheld the present funding system against the claim that it unlawfully discriminated against low wealth counties but remanded the case for trial on the claim for relief based on the Court's conclusion that the constitution guarantees every child the opportunity to obtain a sound basic education. Trial on the claim of one plaintiff-county was held in the fall of 1999. On October 26, 2000 the trial court, in Section Two of a projected three-part ruling, concluded that at-risk children in North Carolina are

constitutionally entitled to such pre-kindergarten educational programs as may be necessary to prepare them for higher levels of education and the “sound basic education” mandated by the Supreme Court. On March 26, 2001, the Court issued Section Three of the three-part ruling, in which the judge ordered all parties to investigate certain school systems to determine why they are succeeding without additional funding. The State filed a Notice of Appeal to the Court of Appeals, which resulted in the Court’s decision to re-open the trial and call additional witnesses. That proceeding took place in the fall of 2001. On April 4, 2002, the Court entered Section Four of the ruling, ordering the State to take such actions as may be necessary to remedy the constitutional deficiency for those children who are not being provided with access to a sound basic education and to report to the Court at 90-day intervals remedial actions being implemented. On July 30, 2004, the North Carolina Supreme Court affirmed the majority of the trial court’s orders, thereby directing the executive and legislative branches to take corrective action necessary to ensure that every child has the opportunity to obtain a sound, basic education. Thereafter, the State took steps to respond to the trial court’s orders.

On June 15, 2011, the General Assembly enacted legislation which placed certain restrictions on the North Carolina pre-kindergarten program which had been established by the General Assembly in 2001. Following a hearing requested by the plaintiffs, the trial court entered an order prohibiting the enforcement of legislation having the effect of restricting participation in the program. On appeal, the North Carolina Court of Appeals affirmed the trial court’s order prohibiting the State from denying any eligible “at risk” children admission to the program. The State appealed this decision, and in November 2013, the North Carolina Supreme Court held that amendments to the 2011 legislation had rendered the appeal moot. The case was remanded to the Superior Court.

On March 13, 2018, the Superior Court issued an Order appointing WestEd to serve as the Court’s independent, non-party consultant to make recommendations for specific actions necessary to achieve sustained compliance with the constitutional mandates of Leandro. On October 4, 2019, WestEd submitted its final report and recommendations to the Court. The WestEd report estimated that over the eight-year period beginning in the 2019-20 fiscal year, it could take as much as \$6.86 billion in additional funding beyond 2018-2019 appropriations for the State to meet its Leandro obligations. On January 21, 2020, the Court entered a Consent Order Regarding the Need for Immediate, Systemic Action for the Achievement of Leandro Compliance. In that Order, the Court found that many children across North Carolina are still not receiving the constitutionally-required opportunity for a sound basic education and the State had to make systemic changes and investments to fulfill its obligations. Consistent with that decision, the Court ordered the State Defendants, in consultation with the plaintiff parties, to develop a comprehensive remedial plan to provide all children with the opportunity for a sound basic education. The Court did not order the State to appropriate any funds but ordered the State to remedy the deficiencies identified in its Order of January 21, 2020.

In June 2020, the parties submitted a Joint Report to the Court on Sound Basic Education for All: Fiscal Year 2021 Action Plan For North Carolina. The Joint Report detailed the actions the State and NC SBE were committed to taking in the first year (Fiscal Year 2021) of an eight-year Plan. The parties agreed that the actions outlined in the Joint Report were the necessary and appropriate actions needed in Fiscal Year 2021 to begin to adequately address the constitutional violations in providing the opportunity for a sound basic education to all children in North Carolina. The State Defendants estimated that the costs of the action steps detailed in the Joint Report would require an additional State investment

of \$426.99 million in Fiscal Year 2021. The Court thereafter ordered the parties to formalize the commitments in the Joint Report in a Consent Order which the Court entered on September 11, 2020.

On March 15, 2021, the State Defendants submitted the Comprehensive Remedial Plan required under the January and September Consent Orders. The State Defendants, including the NC State Board of Education, agreed that the actions outlined in that Plan were the necessary and appropriate actions needed over the next eight years to address the constitutional violations and provide the opportunity for a sound basic education to all children in North Carolina. Attached to the Plan was an Appendix which detailed the implementation timeline for each action step, as well as the estimated additional State investment necessary for each of the actions described in the Plan. The State Defendants estimated that the actions steps in the Plan would cost an additional \$5.5 billion in recurring funds at the end of the eight-year implementation period.

On June 7, 2021, the Court entered an Order directing the State Defendants to implement the Comprehensive Remedial Plan in full and in accordance with the timelines contained therein. The Court further ordered the State Defendants to seek and secure “such funding and resources as are needed and required to implement in a sustainable manner the programs and policies set forth in the Comprehensive Remedial Plan.” The Court held open the possibility of entering judgment in the future “granting declaratory relief and such other relief as needed to correct the wrong” if the State fails to implement the actions described in the Plan. Finally, the Court ordered State Defendants to submit a report no later than August 6, 2021, regarding progress toward fulfilling the terms and conditions of the Order and stated that it would hold a hearing in September 2021 to address issues raised in that report.

On August 6, 2021, the State Board of Education and the State of North Carolina filed separate Reports on Progress on the Comprehensive Remedial Plan. On August 27, 2021, the Plaintiffs and the Plaintiff Intervenors filed Responses to those Reports. The Court scheduled a hearing on September 8, 2021, to “address issues raised in the reports and responses.”

On October 16, 2021, the trial court held a hearing during which it indicated that it would enter an order directing certain executive branch officials to transfer funds sufficient to fund Years two and three of the Comprehensive Remedial Plan. On November 10, 2021, the trial court entered such an order.

On November 18, 2021, the State Budget Act was enacted. On that day, the State filed a notice of appeal of the trial court order transferring funds, followed shortly by an appeal of the Legislative Leaders who noticed intervention into the case by virtue of N.C. General Statute §1- 72.2. The State filed a petition to bypass the Court of Appeals and have the claim directly heard by the North Carolina Supreme Court. That petition was granted by the Court, who first remanded the case for clarification on how the enactment of the State Budget Act impacted the trial court order of November 10, 2021.

During that time, the Honorable Michael Robinson was selected to preside over the matter. Judge Robinson amended the trial court order of November 2021 by incorporating the financial changes associated with the State Budget Act. Judge Robinson also incorporated his understanding that because the Court of Appeals had recently entered a writ of

prohibition in a collateral appeal barring the transfer of funds, the trial court was no longer permitted to include the transfer within the bounds of the amended order.

The case was heard by the North Carolina Supreme Court on August 31, 2022. On November 4, 2022, the Supreme Court filed an opinion. With that opinion, the Supreme Court reversed, in part, concluding that the trial court erred when it concluded that it lacked the authority to order the transfer of funds. Mandate on the opinion issued directly to the trial court on November 29, 2022, commanding that the trial court conform the subject order to the Supreme Court opinion.

On March 3, 2023, the Supreme Court entered an order granting the Controller's motion to dissolve the Court's stay of a Writ of Prohibition that had been previously entered by the Court of Appeals until such time as the Supreme Court could hear and decide certain issues not already addressed in Leandro IV pertaining to the Controller's authority to transfer the funds specified in the Superior Court's Order of April 26, 2022. The effect of that Order was to prohibit the Superior Court from taking any action to implement the transfer of funds specified in the Superior Court's April 26, 2022, Order. The Supreme Court's Order to recalculate the amounts due in years 2 and 3 of the CRP, however, remained in force.

On April 17, 2023, the Superior Court filed its Order on remand. In that Order, the Superior Court held that the Current Operations Appropriations Act of 2022, Session Law 2022-73 underfunded Years 2 and 3 of the CRP by a total of \$675,801,707.00. The Order recalculates the underfunding of the CRP for the individual departments responsible for implementing the CRP as follows:

1. Reduced the underfunding for CRP components administered through DHHS from \$142,900,000 to \$133,900,000;
2. Reduced the underfunding for CRP components administered through DPI from \$608,006,248 to \$509,701,707 and;
3. Determined that no recalculation for CRP components administered through the UNC System was required and the underfunded amount remains \$34,200,000.

Despite those findings, however, at present all further actions to implement the transfer of funds are stayed pending the Supreme Court's further review of issues raised by the Controller and the Legislative Intervenors.

C. Construction and Other Commitments

As of June 30, 2022, the Department had outstanding commitments of \$595,902,939 for Needs-Based Public School building Capital Fund cost-reimbursement grants awarded annually to Local Education Agencies (LEAs) for school capital projects.

Other capital projects commitments as of June 30, 2022 were \$3,822,834.

NOTE 15 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

For the fiscal year ended June 30, 2022, the Department implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 87, Leases

GASB Statement No. 99, Omnibus 2022

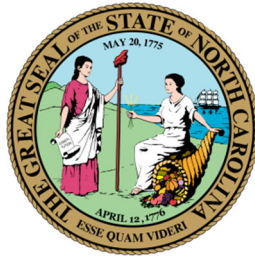
GASB Statement No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundation 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.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

NOTE 16 - FUND BALANCE RESTATEMENT

As of July 1, 2021, fund balance of the General Fund as previously reported was restated as follows:

	Amount
July 1, 2021 Fund Balance as Previously Reported	\$ 289,036,244
Restatement	
Correction of an Error to Reduce the Liability for Civil Penalty	
Collections Held for School Districts	5,149,170
July 1, 2021 Fund Balance as Restated	\$ 294,185,414



REQUIRED SUPPLEMENTARY INFORMATION

North Carolina Department of Public Instruction
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis-Non-GAAP) - General Fund
For the Fiscal Year Ended June 30, 2022

Schedule B-1

	Budgeted Amounts		Actual (Cash Basis)	Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal Funds	\$ 6,776,325,919	\$ 8,212,557,439	\$ 3,775,415,775	\$ (4,437,141,664)
Revenues from Other State Agencies	1,234,653,962	1,346,909,207	1,535,310,135	188,400,928
Contributions, Gifts, and Grants	10,891,124	11,288,136	22,494,017	11,205,881
E Rate Telecommunication/Internet Program Funds	-	3,192,721	3,192,720	(1)
Sales and Services	2,478,256	2,831,994	5,566,487	2,734,493
Fees, Licenses, and Fines	231,098,652	231,324,560	229,906,048	(1,418,512)
Property and Equipment Rental	1,600,000	1,603,025	1,129,197	(473,828)
Investment Earnings	5,597,164	3,250,743	1,291,263	(1,959,480)
Student Tuition	505,000	708,166	3,345,953	2,637,787
Miscellaneous Income	1,309,875	1,617,227	2,006,256	389,029
Total Revenues	8,264,459,952	9,815,283,218	5,579,657,851	(4,235,625,367)
EXPENDITURES				
Grants, State, and Federal Aid	18,138,139,665	18,918,854,616	15,257,758,800	3,661,095,816
Contracted Personal Services	209,084,705	270,505,284	123,656,849	146,848,435
Salaries and Benefits	191,997,999	192,544,239	173,063,254	19,480,985
Supplies and Materials	10,940,485	9,016,166	6,689,912	2,326,254
Purchase Services	110,530	110,530	75,579	34,951
Other Expenditures	202,863,313	154,943,628	128,654,587	26,289,041
Reserves	144,432,787	107,826,774	6,000,000	101,826,774
Expenditures to Other State Agencies	6,684,397	26,223,596	24,123,724	2,099,872
Total Expenditures	18,904,253,881	19,680,024,833	15,720,022,705	3,960,002,128
Excess of Revenues Under Expenditures	(10,639,793,929)	(9,864,741,615)	(10,140,364,854)	(275,623,239)
OTHER FINANCING SOURCES (USES)				
State Appropriations	10,602,387,352	10,602,387,352	10,587,217,119	(15,170,233)
Sale of Capital Assets	1,635,347	1,635,936	2,208,885	572,949
Insurance Recoveries	3,502	5,381	417,770	412,389
Transfers from State Reserve Fund	70,206,856	86,364,178	86,364,178	-
Transfers to State Reserve Fund	(63,293,499)	(85,428,764)	(85,428,761)	3
Total Other Financing Sources and (Uses)	10,610,939,558	10,604,964,083	10,590,779,191	(14,184,892)
Net Change in Fund Balance	(28,854,371)	740,222,468	450,414,337	(289,808,131)
Fund Balance - July 1	584,518,240	584,518,240	584,518,240	-
Fund Balance - June 30	\$ 555,663,869	\$ 1,324,740,708	\$ 1,034,932,577	\$ (289,808,131)

The following table presents a reconciliation of resulting basis differences in the fund balance (budgetary basis) at June 30, 2022 to the fund balance on a modified accrual basis (GAAP).

	General Fund
Fund Balance (Budgetary Basis) June 30, 2022	\$ 1,034,932,577
<u>Reconciling Adjustments:</u>	
Basis Differences:	
Receivables	119,384,393
Payables	(122,469,199)
Unearned Revenue	(14,431,892)
Total Basis Differences	(17,516,698)
Other Adjustments:	
Inventories	384,594
Fund Balance (GAAP Basis) June 30, 2022	<u>\$ 1,017,800,473</u>

The accompanying notes to the required supplementary information are an integral part of this schedule.

North Carolina Department of Public Instruction
Notes to Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
(Budgetary Basis-Non-GAAP) - General Fund
For the Fiscal Year Ended June 30, 2022

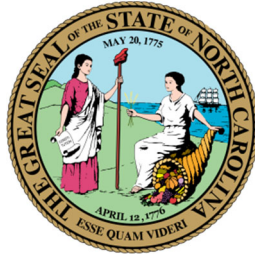
A. Budgetary Process

The State's annual budget is prepared principally on the cash basis. The 1985 General Assembly enacted certain special provisions which state that the original budget as certified in the appropriations act is the legal budget for all agencies. These special provisions also state that agencies may spend more than was originally certified in various line items provided the over-expenditure meets certain criteria and is authorized by the Director of the Budget. The process of approving these over-expenditures results in the final authorized budget amounts.

B. Reconciliation of Budget/GAAP Reporting Differences

The *Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis-Non-GAAP) - General Fund*, presents comparisons of the legally adopted budget with actual data on a budgetary basis. Accounting principles applied to develop data on a budgetary basis differ significantly from those principles used to present financial statements in conformity with generally accepted accounting principles (GAAP). The following describes the major differences between budgetary financial data and GAAP financial data.

Basis differences. Budgetary fund balance is accounted for on the cash basis of accounting, while GAAP fund balance for governmental funds is accounted for on the modified accrual basis of accounting. Accrued revenues and expenditures are recognized in the GAAP financial statements.



SUPPLEMENTARY INFORMATION

North Carolina Department of Public Instruction
Supplementary Information
Schedule of Revenues by Source
Governmental Funds
For the Fiscal Year Ended June 30, 2022

Schedule C-1

REVENUES

Federal Funds:

Child Nutrition Cluster	\$	884,330,697
Title I Grants to School Districts		474,041,726
Special Education: Preschool Grants & Grants to States		354,016,116
School Improvement Grants		1,566,929
Career and Technical Education - Basic Grants to States		42,412,825
English Language Acquisition State Grants		13,491,737
Supporting Effective Instruction Grants		57,241,766
Twenty-First Century Community Learning Centers		43,754,993
Student Support and Academic Enrichment Grants		33,202,133
Other Federal Funds		23,979,850

Federal COVID-19 Funds:

Elementary and Secondary School Emergency Relief Fund		1,769,368,227
Emergency Assistance for Nonpublic Schools		37,326,053
CARES Act (Child Nutrition)		21,613,144
Rethink K-12 Education Models		2,329,432

Total Federal Funds

3,758,675,627

Revenues from Other State Agencies:

Office of State Budget and Management:

Lottery Funds		916,475,353
Coronavirus Relief Fund		10,650,270
State Fiscal Recovery Fund		313,615,350
Governor's Emergency Education Relief Fund		31,696,502
State Capital Infrastructure Fund		13,024,000
Department of Revenue		87,059,635
Department of Health and Human Services		41,865,580
Office of State Controller		124,224,215
Other		270,000

Total Revenues from Other State Agencies

1,538,880,905

Contributions, Gifts, and Grants

24,217,145

E Rate Telecommunication and Internet Access Program Funds

3,192,720

Sales and Services

2,632,525

Fees, Licenses, and Fines

229,788,307

Property and Equipment Rental

1,129,197

Investment Earnings

1,649,988

Student Tuition and Fees

3,345,953

Miscellaneous

1,446,042

Total Revenues (See Exhibit A-2)

\$ 5,564,958,409

North Carolina Department of Public Instruction
Supplementary Information
Schedule of Expenditures by Purpose
Governmental Funds
For the Fiscal Year Ended June 30, 2022

Schedule C-2
Page 1 of 2

EXPENDITURES

Expenditures Paid by the Department to Schools or On Their Behalf:

Grants, State, and Federal Aid to Schools (See Schedule C-3)	\$ 14,975,695,178
Supplemental Benefits for Schools:	
Workers' Compensation Payments for School Employees	48,853,616
Claims and Benefits, Primarily School Unemployment Payments	1,194,491
Excess Professional Liability Insurance for School Employees	2,263,557
Total Supplemental Benefits for Schools	52,311,664
School Buses, Textbooks, and Other Costs Paid for Schools:	
School Bus Replacement, Financing Payments	62,885,056
Textbooks	3,916,459
Payment of Tort Claim Settlements	6,639,152
Total School Buses, Textbooks, and Other Costs Paid for Schools	73,440,667
Residential School Operating Costs:	
North Carolina School for the Deaf	11,030,004
Eastern North Carolina School for the Deaf	8,759,864
Governor Morehead School	7,758,678
Total Residential School Operating Costs	27,548,546
North Carolina Center for Advancement of Teaching	5,074,449
Total Expenditures Paid by the Department to Schools or On Their Behalf	15,134,070,504

Expenditures Paid for Department Operations and Administration:

Contracted Services:	
Academic Services	19,469,028
Other Information Tech Services	29,377,365
Other Contractual Services	73,749,788
Total Contracted Services	122,596,181
Salaries and Wages:	
Salaries Subject to State Personnel Act	51,596,023
Salaries Exempt Under State Personnel Act	4,739,580
Contractual Employees	18,472,871
Temporary Wages	64,063
Other Contractual Services	5,873,626
Total Salaries and Wages	80,746,163
Employee Benefits:	
Medical Insurance Contributions	4,383,527
Other Medical Insurance	95,440
Regular Retirement Contributions	12,789,086
Social Security Contributions	5,750,031
Total Employee Benefits	23,018,084

North Carolina Department of Public Instruction
Supplementary Information
Schedule of Expenditures by Purpose
Governmental Funds
For the Fiscal Year Ended June 30, 2022

Schedule C-2
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Supplies and Materials:	
Educational Supplies	4,170,355
Other Supplies and Materials	1,273,073
Total Supplies and Materials	5,443,428
Purchases for Resale	98,545
Travel:	
Ground Transportation In-State	950,990
Ground Transportation Out-of-State	17,917
Lodging	473,810
Workshops	586,086
Other Travel	522,012
Total Travel	2,550,815
Communication	955,894
Data Processing Services:	
Managed Local Network Service Charge	22,033,506
Managed Server Services	132,984
Other Server Services	439,427
Total Data Processing Services	22,605,917
Other Services	353,773
Other Fixed Charges:	
Network Software Maintenance Agreement	134,704
Server Software Maintenance Agreement	641,443
Membership Dues and Subscriptions	1,375,925
Other Fixed Charges	2,145,253
Total Other Fixed Charges	4,297,325
Expenditures to Other State Agencies:	
Community College	13,538,837
Other Expenditures	6,444,165
Total Expenditures to Other State Agencies	19,983,002
Capital Outlay:	
Computer and Printer Equipment	8,557,758
Personal Computer and Server Software	190,423
Other Capital Outlays	6,493,523
Total Capital Outlay	15,241,704
Other Expenditures:	
Workshop Expenses	76,801
Other Expenditures	2,097,773
Total Other Expenditures	2,174,574
Total Expenditures Paid for Department Operations and Administration	300,065,405
Total Expenditures (See Exhibit A-2)	\$ 15,434,135,909

North Carolina Department of Public Instruction
Supplementary Information
Schedule of Grants, State, and Federal Aid Paid to Schools
General Fund
For the Fiscal Year Ended June 30, 2022

Schedule C-3
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School District Expenditures Funded by State Aid:

Salaries:

Administrative Personnel:

Superintendents or Directors	\$ 64,310,071
Associate or Assistant Superintendents	16,804,226
Principals	193,321,997
Assistant Principals	145,668,760
Finance Officers	7,103,653
Total Administrative Personnel	427,208,707

Teachers	4,031,694,767
Instructional Support Personnel - Certified	554,716,552
Psychologists	38,554,197
Teacher Assistants	334,761,800
Tutors and Non-Certified Instructors	14,954,804
Interpreters, Therapists, and Specialists	70,705,579
School Resource Officers and Monitors	19,369,775
Technical and Administrative Support Personnel	224,946,120
Substitute Pay	73,906,757
Drivers	175,709,810
Custodians	178,066,797
Skilled Tradesmen and Managers	77,550,533
Supplementary Pay	476,753,890
Extra Duty Pay	35,596,420
Total Salaries	6,734,496,508

Employer-Provided Benefits:

Employer's Social Security Cost - Regular	474,017,426
Retirement Benefits	1,418,215,197
Insurance Benefits	836,244,532
Longevity Pay	18,636,768
Annual Leave Pay	49,412,434
Short-Term Disability Pay	7,437,844
Total Employer-Provided Benefits	2,803,964,201

Purchased Services:

Professional and Technical Services	229,568,173
Property Services	16,546,398
Transportation Services	34,015,260
Communications	7,832,114
Tuition	7,843,728
Total Purchased Services	295,805,673

Supplies and Materials:

School and Office Supplies	155,965,935
Operational Supplies	88,489,609
Food Supplies	271,751
Noncapitalized Equipment	40,501,754
Sales and Use Tax Expenses/Refunds	125,742
Total Supplies and Materials	285,354,791

Capital Outlay:

Equipment and Computer Hardware	13,913,599
Vehicles	1,493,033
Total Capital Outlay	15,406,632

Other Expenditures:

Dues and Fees	425,934
Insurance and Judgments	5,611,218
Expenditures to Other State Agencies	720,648
Total Other Expenditures	6,757,800

Total School District Expenditures Funded by State Aid (See Schedules C-4 and C-5)	10,141,785,605
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North Carolina Department of Public Instruction
Supplementary Information
Schedule of Grants, State, and Federal Aid Paid to Schools
General Fund
For the Fiscal Year Ended June 30, 2022

Schedule C-3
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Federal Grants and Aid to School Districts:

Payments Under Federal Grant Programs (See Schedules C-4 and C-5)	2,585,417,422
Reimbursements for Meals Provided Under Federal Child Nutrition Program (See Schedules C-4 and C-5)	862,262,354
Reimbursements from Medicaid (See Schedules C-4 and C-5)	43,599,835

Total Federal Grants and Aid Paid to School Districts	3,491,279,611
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Construction Projects Paid through Building Capital Fund (See Schedules C-4 and C-5)	139,900,771
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Technology Support Paid through School Technology Fund (See Schedules C-4 and C-5)	11,667,568
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Total Grants, State, and Federal Aid to School Districts (See Schedules C-4 and C-5)	13,784,633,555
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Reimbursements	(2,643,075)
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Grants and Aid to Charter Schools:

Charter School Expenditures Funded by State Aid (See Schedules C-6 and C-7)	948,967,870
Payments Under Federal Grant Programs (See Schedules C-6 and C-7)	143,332,932
Reimbursements for Meals Provided Under Federal Child Nutrition Program (See Schedules C-6 and C-7)	23,980,830

Total Grants and Aid to Charter Schools (See Schedules C-6 and C-7)	1,116,281,632
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Aid to Other Entities for Programming¹	77,423,066
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Total Grants, State, and Federal Aid Expenditures (See Exhibit A-2)	\$ 14,975,695,178
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¹ Other entities include not-for-profit organizations, other state agencies, and federal schools.

North Carolina Department of Public Instruction
Supplementary Information
Schedule of Grants and Aid Paid to School Districts (Alphabetically)
General Fund
For the Fiscal Year Ended June 30, 2022

Schedule C-4
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	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Federal Medicaid Reimbursements	State Building Capital Funds	State Technology Funds	Total
Alamance-Burlington County Schools	\$ 160,096,450	\$ 45,096,836	\$ 13,865,091	\$ 712,991	\$ 1,115,427	\$ 144,352	\$ 221,031,147
Alexander County Schools	37,084,978	7,165,378	2,903,919	-	262,823	351,878	47,768,976
Alleghany County Schools	12,964,478	4,854,451	921,485	60,867	32,858	15,623	18,849,762
Anson County Schools	27,180,705	6,823,670	2,151,888	-	106,842	16,547	36,279,652
Ashe County Schools	24,466,631	4,498,243	2,050,062	-	106,447	18,579	31,139,962
Asheboro City Schools	33,283,463	11,753,315	3,347,778	-	409,974	42,326	48,836,856
Asheville City Schools	30,861,994	8,396,303	2,163,644	99,754	320,166	53,255	41,895,116
Avery County Schools	17,306,139	5,000,372	1,342,456	39,959	104,120	55,143	23,848,189
Beaufort County Schools	46,561,402	16,459,886	4,093,239	-	487,000	72,364	67,673,891
Bertie County Schools	20,135,669	4,398,140	1,769,523	-	104,277	22,406	26,430,015
Bladen County Schools	33,311,071	11,275,369	3,305,857	-	399,779	23,915	48,315,991
Brunswick County Schools	89,299,414	25,803,921	8,724,967	-	989,313	58,261	124,875,876
Buncombe County Schools	163,177,418	51,044,172	14,520,836	490,261	1,012,370	275,506	230,520,563
Burke County Schools	89,567,796	25,681,352	8,464,590	434,039	2,191,103	76,806	126,415,686
Cabarrus County Schools	230,265,848	36,200,773	20,406,406	431,869	2,373,708	401,241	290,079,845
Caldwell County Schools	83,275,747	17,923,209	7,290,935	-	124,716	129,255	108,743,862
Camden County Schools	17,355,534	1,969,688	932,769	-	1,566,215	21,356	21,845,562
Carteret County Schools	56,173,747	15,319,804	4,916,761	-	-	3,270	76,413,582
Caswell County Schools	20,730,378	6,136,936	1,559,709	-	105,185	946	28,533,154
Catawba County Schools	107,957,700	28,081,958	11,005,084	-	743,606	-	147,788,348
Chapel-Hill/Carrboro City Schools	83,299,708	13,178,091	5,908,622	258,339	974,242	145,516	103,764,518
Charlotte-Mecklenburg County Schools	970,967,417	203,740,532	79,857,822	2,039,519	16,777,058	-	1,273,382,348
Chatham County Schools	64,598,562	15,130,314	5,843,111	-	699,382	106,743	86,378,112
Cherokee County Schools	26,698,795	9,655,593	2,748,224	-	5,888,463	36,028	45,027,103
Clay County Schools	12,454,297	2,945,874	905,332	-	662,477	14,938	16,982,918
Cleveland County Schools	106,579,506	22,556,334	8,776,467	-	-	187,508	138,099,815
Clinton City Schools	22,349,449	4,733,074	2,476,886	-	106,536	54,527	29,720,472
Columbus County Schools	43,554,468	11,879,553	4,965,460	-	111,788	61,767	60,573,036
Craven County Schools	90,984,770	23,291,324	9,166,432	-	1,009,958	155,839	124,608,323
Cumberland County Schools	355,177,775	101,231,700	34,588,583	25,952,963	3,493,226	456,285	520,900,532
Currituck County Schools	31,799,472	5,119,570	2,198,276	-	514,414	49,221	39,680,953
Dare County Schools	38,212,135	5,816,630	2,740,651	-	411,868	62,076	47,243,360
Davidson County Schools	128,660,944	31,692,677	10,938,954	309,693	2,908,999	215,592	174,726,859
Davie County Schools	43,462,013	6,833,909	4,639,479	-	171,067	62,348	55,168,816
Duplin County Schools	71,755,569	15,815,758	8,244,803	-	2,730,085	111,590	98,657,805
Durham Public Schools	236,589,619	78,649,957	16,924,175	-	172,481	388,525	332,724,757
Edenton-Chowan County Schools	16,941,084	3,801,507	1,443,304	-	2,867,947	21,776	25,075,618
Edgecombe County Schools	45,807,847	15,793,862	4,057,753	-	260,485	143,280	66,063,227
Elizabeth City/Pasquotank County Schools	41,693,313	7,309,800	4,209,667	-	439,772	94,609	53,747,161
Elkin City Schools	10,528,606	2,026,102	799,404	42,577	102,717	14,224	13,513,630
Franklin County Schools	60,103,086	16,094,394	4,883,766	183,805	517,662	111,903	81,894,616
Gaston County Schools	211,263,651	50,514,826	20,997,534	771,006	2,138,590	20,729	285,706,336
Gates County Schools	16,018,941	3,022,741	1,069,884	-	103,489	18,282	20,233,337
Graham County Schools	11,930,069	3,495,331	814,628	-	2,107,418	2,343	18,349,789
Granville County Schools	55,185,834	9,456,193	3,783,858	148,273	683,106	55,720	69,312,984
Greene County Schools	27,160,130	8,151,365	2,324,232	-	333,795	26,659	37,996,181
Guilford County Schools	480,367,060	170,900,296	48,051,488	1,663,585	4,750,000	-	705,732,429
Halifax County Schools	21,260,760	10,431,145	1,896,568	-	104,607	13,241	33,706,321
Harnett County Schools	145,886,524	30,240,052	14,224,428	-	1,200,000	237,414	191,788,418
Haywood County Schools	49,584,961	12,171,886	5,172,283	-	283,628	81,052	67,293,810
Henderson County Schools	92,116,260	19,061,538	8,464,859	286,545	1,194,353	349,969	121,473,524
Hertford County Schools	24,446,602	4,043,631	1,769,990	-	3,108,213	9,083	33,377,519

North Carolina Department of Public Instruction
Supplementary Information
Schedule of Grants and Aid Paid to School Districts (Alphabetically)
General Fund
For the Fiscal Year Ended June 30, 2022

Schedule C-4
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	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Federal Medicaid Reimbursements	State Building Capital Funds	State Technology Funds	Total
Hickory City Schools	28,067,542	6,287,039	2,373,614	-	265,542	17,220	37,010,957
Hoke County Schools	69,676,287	18,482,718	6,737,257	-	119,888	104,130	95,120,280
Hyde County Schools	8,522,023	2,210,719	339,682	-	101,245	-	11,173,669
Innovative School District	1,633,761	2,180,251	-	-	-	-	3,814,012
Iredell-Statesville Schools	137,032,031	36,724,390	11,519,347	-	144,952	235,501	185,656,221
Jackson County Schools	27,161,953	9,676,107	2,383,722	-	331,556	18,477	39,571,815
Johnston County Schools	269,060,153	52,047,064	19,986,745	-	2,506,620	91,911	343,692,493
Jones County Schools	11,596,615	2,909,463	786,245	-	270,931	1,233	15,564,487
Kannapolis City Schools	37,367,487	9,749,356	3,822,985	71,757	852,067	63,751	51,927,403
Lee County Schools	69,448,126	18,397,206	6,343,980	-	121,978	115,137	94,426,427
Lenoir County Schools	63,919,067	20,036,326	6,145,564	-	118,487	86,061	90,305,505
Lexington City Schools	23,280,274	8,714,064	2,317,276	-	826,370	661	35,138,645
Lincoln County Schools	77,285,033	16,345,784	7,742,804	156,511	1,009,510	126,940	102,666,582
Macon County Schools	34,367,290	10,487,998	2,933,418	-	465,694	53,350	48,307,750
Madison County Schools	20,683,089	6,812,144	1,371,305	52,045	410,000	5,478	29,334,061
Martin County Schools	25,767,594	5,613,466	2,043,037	-	3,734,749	-	37,158,846
McDowell County Schools	46,691,543	10,841,474	3,996,963	189,178	112,993	68,057	61,900,208
Mitchell County Schools	16,741,439	3,471,052	1,073,550	30,728	468,927	17,652	21,803,348
Montgomery County Schools	28,977,786	9,420,239	3,057,856	126,414	358,160	42,759	41,983,214
Moore County Schools	87,495,240	17,246,234	7,214,617	-	128,414	148,881	112,233,386
Mooreville City Schools	39,926,307	8,139,269	3,960,476	-	113,428	15,318	52,154,798
Mount Airy City Schools	13,800,400	3,889,820	1,352,712	-	103,665	19,515	19,166,112
Nash-Rocky Mount Schools	108,950,632	33,275,177	8,895,687	-	4,277,084	94,581	155,493,161
New Hanover County Schools	181,043,179	49,170,657	13,575,013	653,117	2,926,409	321,811	247,690,186
Newton-Conover City Schools	21,167,567	4,801,002	1,940,312	-	218,805	33,654	28,161,340
Northampton County Schools	15,357,111	6,798,212	1,125,866	-	102,873	8,699	23,392,761
Onslow County Schools	183,372,737	40,205,959	15,469,327	-	1,806,824	124,286	240,979,133
Orange County Schools	52,830,754	9,319,807	3,665,032	141,783	578,290	73,724	66,609,390
Pamlico County Schools	13,048,807	3,012,269	964,562	-	169,281	14,366	17,209,285
Pender County Schools	71,202,567	13,319,408	6,799,785	-	2,646,688	3,031	93,971,479
Perquimans County Schools	14,937,873	3,379,667	1,316,044	-	103,525	196	19,737,305
Person County Schools	34,271,742	9,368,748	2,895,446	97,421	1,214,315	62,222	47,909,894
Pitt County Schools	169,123,578	45,131,747	14,131,612	424,672	2,019,903	106,467	230,937,979
Polk County Schools	18,469,777	4,695,265	1,567,205	-	104,625	24,218	24,861,090
Randolph County Schools	111,092,958	30,484,767	10,239,934	-	1,434,148	63,855	153,315,662
Richmond County Schools	54,988,225	14,585,015	4,915,383	313,508	313,603	56,285	75,172,019
Roanoke Rapids City Schools	21,466,019	6,321,412	1,569,876	-	306,173	32,342	29,695,822
Robeson County Schools	173,284,032	59,678,952	19,037,468	-	6,118,394	353,125	258,471,971
Rockingham County Schools	87,207,047	23,178,910	7,601,130	472,941	946,580	134,097	119,540,705
Rowan-Salisbury County Schools	133,698,396	26,110,172	11,540,400	300,800	1,138,522	-	172,788,290
Rutherford County Schools	59,152,184	23,098,857	5,501,699	265,704	6,002,334	88,132	94,108,910
Sampson County Schools	62,645,328	19,945,765	6,057,544	-	117,555	-	88,766,192
Scotland County Schools	46,635,161	15,785,645	3,502,974	317,384	511,995	-	66,753,159
Stanly County Schools	61,651,019	15,180,646	5,160,259	131,454	688,000	95,906	82,907,284
Stokes County Schools	44,824,585	8,157,051	3,731,600	165,013	450,000	35,452	57,363,701
Surry County Schools	56,467,123	16,502,147	6,445,726	218,263	-	71,206	79,704,465
Swain County Schools	17,657,636	3,661,719	1,515,586	-	104,321	17,172	22,956,434
Thomasville City Schools	16,723,831	6,413,009	2,032,746	43,327	65,748	8,546	25,287,207
Transylvania County Schools	26,364,224	6,543,403	2,184,218	-	164,351	38,428	35,294,624
Tyrrell County Schools	8,301,196	1,338,084	615,074	-	101,385	3,580	10,359,319
Union County Schools	264,822,234	40,689,582	20,325,462	451,247	3,314,607	260,206	329,863,338
Vance County Schools	46,676,801	15,108,114	3,680,520	-	880,874	35,638	66,381,947

North Carolina Department of Public Instruction
Supplementary Information
Schedule of Grants and Aid Paid to School Districts (Alphabetically)
General Fund
For the Fiscal Year Ended June 30, 2022

Schedule C-4
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	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Federal Medicaid Reimbursements	State Building Capital Funds	State Technology Funds	Total
Wake County Schools	1,084,325,521	253,019,978	66,997,788	2,133,429	4,404,807	2,160,439	1,413,041,962
Warren County Schools	18,111,799	4,226,885	1,514,454	-	103,853	-	23,956,991
Washington County Schools	12,514,342	3,064,363	1,090,854	-	102,608	8,804	16,780,971
Watauga County Schools	34,795,461	6,028,628	2,688,259	116,537	410,619	55,611	44,095,115
Wayne County Schools	136,765,214	49,218,638	11,794,823	462,061	140,006	25,387	198,406,129
Weldon City Schools	8,343,731	2,484,980	641,509	-	101,644	192	11,572,056
Whiteville City Schools	18,253,474	6,972,600	2,089,036	-	104,955	16,630	27,436,695
Wilkes County Schools	66,408,286	14,434,565	7,451,686	307,227	625,000	155,729	89,382,493
Wilson County Schools	77,574,865	20,087,557	6,315,058	274,831	8,921,391	237,329	113,411,031
Winston-Salem/Forsyth County Schools	370,521,973	125,333,873	30,775,326	1,694,365	3,648,510	438,070	532,412,117
Yadkin County Schools	40,963,735	8,870,596	3,677,259	-	561,235	49,868	54,122,693
Yancey County Schools	18,776,052	4,062,073	1,095,735	62,073	-	34,436	24,030,369
Total Grants and Aid to School Districts	<u>\$ 10,141,785,605</u>	<u>\$ 2,585,417,422</u>	<u>\$ 862,262,354</u>	<u>\$ 43,599,835</u>	<u>\$ 139,900,771</u>	<u>\$ 11,667,568</u>	<u>\$ 13,784,633,555</u>

North Carolina Department of Public Instruction
Supplementary Information
Schedule of Grants and Aid Paid to School Districts (Amount - Sorted Largest to Smallest)
General Fund
For the Fiscal Year Ended June 30, 2022

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	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Federal Medicaid Reimbursements	State Building Capital Funds	State Technology Funds	Total
Wake County Schools	\$ 1,084,325,521	\$ 253,019,978	\$ 66,997,788	\$ 2,133,429	\$ 4,404,807	\$ 2,160,439	\$ 1,413,041,962
Charlotte-Mecklenburg County Schools	970,967,417	203,740,532	79,857,822	2,039,519	16,777,058	-	1,273,382,348
Guilford County Schools	480,367,060	170,900,296	48,051,488	1,663,585	4,750,000	-	705,732,429
Winston-Salem/Forsyth County Schools	370,521,973	125,333,873	30,775,326	1,694,365	3,648,510	438,070	532,412,117
Cumberland County Schools	355,177,775	101,231,700	34,588,583	25,952,963	3,493,226	456,285	520,900,532
Johnston County Schools	269,060,153	52,047,064	19,986,745	-	2,506,620	91,911	343,692,493
Union County Schools	264,822,234	40,689,582	20,325,462	451,247	3,314,607	260,206	329,863,338
Durham Public Schools	236,589,619	78,649,957	16,924,175	-	172,481	388,525	332,724,757
Cabarrus County Schools	230,265,848	36,200,773	20,406,406	431,869	2,373,708	401,241	290,079,845
Gaston County Schools	211,263,651	50,514,826	20,997,534	771,006	2,138,590	20,729	285,706,336
Onslow County Schools	183,372,737	40,205,959	15,469,327	-	1,806,824	124,286	240,979,133
New Hanover County Schools	181,043,179	49,170,657	13,575,013	653,117	2,926,409	321,811	247,690,186
Robeson County Schools	173,284,032	59,678,952	19,037,468	-	6,118,394	353,125	258,471,971
Pitt County Schools	169,123,578	45,131,747	14,131,612	424,672	2,019,903	106,467	230,937,979
Buncombe County Schools	163,177,418	51,044,172	14,520,836	490,261	1,012,370	275,506	230,520,563
Alamance-Burlington County Schools	160,096,450	45,096,836	13,865,091	712,991	1,115,427	144,352	221,031,147
Harnett County Schools	145,886,524	30,240,052	14,224,428	-	1,200,000	237,414	191,788,418
Iredell-Statesville Schools	137,032,031	36,724,390	11,519,347	-	144,952	235,501	185,656,221
Wayne County Schools	136,765,214	49,218,638	11,794,823	462,061	140,006	25,387	198,406,129
Rowan-Salisbury County Schools	133,698,396	26,110,172	11,540,400	300,800	1,138,522	-	172,788,290
Davidson County Schools	128,660,944	31,692,677	10,938,954	309,693	2,908,999	215,592	174,726,859
Randolph County Schools	111,092,958	30,484,767	10,239,934	-	1,434,148	63,855	153,315,662
Nash-Rocky Mount Schools	108,950,632	33,275,177	8,895,687	-	4,277,084	94,581	155,493,161
Catawba County Schools	107,957,700	28,081,958	11,005,084	-	743,606	-	147,788,348
Cleveland County Schools	106,579,506	22,556,334	8,776,467	-	-	187,508	138,099,815
Henderson County Schools	92,116,260	19,061,538	8,464,859	286,545	1,194,353	349,969	121,473,524
Craven County Schools	90,984,770	23,291,324	9,166,432	-	1,009,958	155,839	124,608,323
Burke County Schools	89,567,796	25,681,352	8,464,590	434,039	2,191,103	76,806	126,415,686
Brunswick County Schools	89,299,414	25,803,921	8,724,967	-	989,313	58,261	124,875,876
Moore County Schools	87,495,240	17,246,234	7,214,617	-	128,414	148,881	112,233,386
Rockingham County Schools	87,207,047	23,178,910	7,601,130	472,941	946,580	134,097	119,540,705
Chapel-Hill/Carrboro City Schools	83,299,708	13,178,091	5,908,622	258,339	974,242	145,516	103,764,518
Caldwell County Schools	83,275,747	17,923,209	7,290,935	-	124,716	129,255	108,743,862
Wilson County Schools	77,574,865	20,087,557	6,315,058	274,831	8,921,391	237,329	113,411,031
Lincoln County Schools	77,285,033	16,345,784	7,742,804	156,511	1,009,510	126,940	102,666,582
Duplin County Schools	71,755,569	15,815,758	8,244,803	-	2,730,085	111,590	98,657,805
Pender County Schools	71,202,567	13,319,408	6,799,785	-	2,646,688	3,031	93,971,479
Hoke County Schools	69,676,287	18,482,718	6,737,257	-	119,888	104,130	95,120,280
Lee County Schools	69,448,126	18,397,206	6,343,980	-	121,978	115,137	94,426,427
Wilkes County Schools	66,408,286	14,434,565	7,451,686	307,227	625,000	155,729	89,382,493
Chatham County Schools	64,598,562	15,130,314	5,843,111	-	699,382	106,743	86,378,112
Lenoir County Schools	63,919,067	20,036,326	6,145,564	-	118,487	86,061	90,305,505
Sampson County Schools	62,645,328	19,945,765	6,057,544	-	117,555	-	88,766,192
Stanly County Schools	61,651,019	15,180,646	5,160,259	131,454	688,000	95,906	82,907,284
Franklin County Schools	60,103,086	16,094,394	4,883,766	183,805	517,662	111,903	81,894,616
Rutherford County Schools	59,152,184	23,098,857	5,501,699	265,704	6,002,334	88,132	94,108,910
Surry County Schools	56,467,123	16,502,147	6,445,726	218,263	-	71,206	79,704,465
Carteret County Schools	56,173,747	15,319,804	4,916,761	-	-	3,270	76,413,582
Granville County Schools	55,185,834	9,456,193	3,783,858	148,273	683,106	55,720	69,312,984
Richmond County Schools	54,988,225	14,585,015	4,915,383	313,508	313,603	56,285	75,172,019

North Carolina Department of Public Instruction
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	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Federal Medicaid Reimbursements	State Building Capital Funds	State Technology Funds	Total
Orange County Schools	52,830,754	9,319,807	3,665,032	141,783	578,290	73,724	66,609,390
Haywood County Schools	49,584,961	12,171,886	5,172,283	-	283,628	81,052	67,293,810
McDowell County Schools	46,691,543	10,841,474	3,996,963	189,178	112,993	68,057	61,900,208
Vance County Schools	46,676,801	15,108,114	3,680,520	-	880,874	35,638	66,381,947
Scotland County Schools	46,635,161	15,785,645	3,502,974	317,384	511,995	-	66,753,159
Beaufort County Schools	46,561,402	16,459,886	4,093,239	-	487,000	72,364	67,673,891
Edgecombe County Schools	45,807,847	15,793,862	4,057,753	-	260,485	143,280	66,063,227
Stokes County Schools	44,824,585	8,157,051	3,731,600	165,013	450,000	35,452	57,363,701
Columbus County Schools	43,554,468	11,879,553	4,965,460	-	111,788	61,767	60,573,036
Davie County Schools	43,462,013	6,833,909	4,639,479	-	171,067	62,348	55,168,816
Elizabeth City/Pasquotank County Schools	41,693,313	7,309,800	4,209,667	-	439,772	94,609	53,747,161
Yadkin County Schools	40,963,735	8,870,596	3,677,259	-	561,235	49,868	54,122,693
Mooresville City Schools	39,926,307	8,139,269	3,960,476	-	113,428	15,318	52,154,798
Dare County Schools	38,212,135	5,816,630	2,740,651	-	411,868	62,076	47,243,360
Kannapolis City Schools	37,367,487	9,749,356	3,822,985	71,757	852,067	63,751	51,927,403
Alexander County Schools	37,084,978	7,165,378	2,903,919	-	262,823	351,878	47,768,976
Watauga County Schools	34,795,461	6,028,628	2,688,259	116,537	410,619	55,611	44,095,115
Macon County Schools	34,367,290	10,487,998	2,933,418	-	465,694	53,350	48,307,750
Person County Schools	34,271,742	9,368,748	2,895,446	97,421	1,214,315	62,222	47,909,894
Bladen County Schools	33,311,071	11,275,369	3,305,857	-	399,779	23,915	48,315,991
Asheboro City Schools	33,283,463	11,753,315	3,347,778	-	409,974	42,326	48,836,856
Currituck County Schools	31,799,472	5,119,570	2,198,276	-	514,414	49,221	39,680,953
Asheville City Schools	30,861,994	8,396,303	2,163,644	99,754	320,166	53,255	41,895,116
Montgomery County Schools	28,977,786	9,420,239	3,057,856	126,414	358,160	42,759	41,983,214
Hickory City Schools	28,067,542	6,287,039	2,373,614	-	265,542	17,220	37,010,957
Anson County Schools	27,180,705	6,823,670	2,151,888	-	106,842	16,547	36,279,652
Jackson County Schools	27,161,953	9,676,107	2,383,722	-	331,556	18,477	39,571,815
Greene County Schools	27,160,130	8,151,365	2,324,232	-	333,795	26,659	37,996,181
Cherokee County Schools	26,698,795	9,655,593	2,748,224	-	5,888,463	36,028	45,027,103
Transylvania County Schools	26,364,224	6,543,403	2,184,218	-	164,351	38,428	35,294,624
Martin County Schools	25,767,594	5,613,466	2,043,037	-	3,734,749	-	37,158,846
Ashe County Schools	24,466,631	4,498,243	2,050,062	-	106,447	18,579	31,139,962
Hertford County Schools	24,446,602	4,043,631	1,769,990	-	3,108,213	9,083	33,377,519
Lexington City Schools	23,280,274	8,714,064	2,317,276	-	826,370	661	35,138,645
Clinton City Schools	22,349,449	4,733,074	2,476,886	-	106,536	54,527	29,720,472
Roanoke Rapids City Schools	21,466,019	6,321,412	1,569,876	-	306,173	32,342	29,695,822
Halifax County Schools	21,260,760	10,431,145	1,896,568	-	104,607	13,241	33,706,321
Newton-Conover City Schools	21,167,567	4,801,002	1,940,312	-	218,805	33,654	28,161,340
Caswell County Schools	20,730,378	6,136,936	1,559,709	-	105,185	946	28,533,154
Madison County Schools	20,683,089	6,812,144	1,371,305	52,045	410,000	5,478	29,334,061
Bertie County Schools	20,135,669	4,398,140	1,769,523	-	104,277	22,406	26,430,015
Yancey County Schools	18,776,052	4,062,073	1,095,735	62,073	-	34,436	24,030,369
Polk County Schools	18,469,777	4,695,265	1,567,205	-	104,625	24,218	24,861,090
Whiteville City Schools	18,253,474	6,972,600	2,089,036	-	104,955	16,630	27,436,695
Warren County Schools	18,111,799	4,226,885	1,514,454	-	103,853	-	23,956,991
Swain County Schools	17,657,636	3,661,719	1,515,586	-	104,321	17,172	22,956,434
Camden County Schools	17,355,534	1,969,688	932,769	-	1,566,215	21,356	21,845,562
Avery County Schools	17,306,139	5,000,372	1,342,456	39,959	104,120	55,143	23,848,189
Edenton-Chowan County Schools	16,941,084	3,801,507	1,443,304	-	2,867,947	21,776	25,075,618
Mitchell County Schools	16,741,439	3,471,052	1,073,550	30,728	468,927	17,652	21,803,348

North Carolina Department of Public Instruction
Supplementary Information
Schedule of Grants and Aid Paid to School Districts (Amount - Sorted Largest to Smallest)
General Fund
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	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Federal Medicaid Reimbursements	State Building Capital Funds	State Technology Funds	Total
Thomasville City Schools	16,723,831	6,413,009	2,032,746	43,327	65,748	8,546	25,287,207
Gates County Schools	16,018,941	3,022,741	1,069,884	-	103,489	18,282	20,233,337
Northampton County Schools	15,357,111	6,798,212	1,125,866	-	102,873	8,699	23,392,761
Perquimans County Schools	14,937,873	3,379,667	1,316,044	-	103,525	196	19,737,305
Mount Airy City Schools	13,800,400	3,889,820	1,352,712	-	103,665	19,515	19,166,112
Pamlico County Schools	13,048,807	3,012,269	964,562	-	169,281	14,366	17,209,285
Alleghany County Schools	12,964,478	4,854,451	921,485	60,867	32,858	15,623	18,849,762
Washington County Schools	12,514,342	3,064,363	1,090,854	-	102,608	8,804	16,780,971
Clay County Schools	12,454,297	2,945,874	905,332	-	662,477	14,938	16,982,918
Graham County Schools	11,930,069	3,495,331	814,628	-	2,107,418	2,343	18,349,789
Jones County Schools	11,596,615	2,909,463	786,245	-	270,931	1,233	15,564,487
Elkin City Schools	10,528,606	2,026,102	799,404	42,577	102,717	14,224	13,513,630
Hyde County Schools	8,522,023	2,210,719	339,682	-	101,245	-	11,173,669
Weldon City Schools	8,343,731	2,484,980	641,509	-	101,644	192	11,572,056
Tyrrell County Schools	8,301,196	1,338,084	615,074	-	101,385	3,580	10,359,319
Innovative School District	1,633,761	2,180,251	-	-	-	-	3,814,012
Total Grants and Aid to School Districts	<u>\$ 10,141,785,605</u>	<u>\$ 2,585,417,422</u>	<u>\$ 862,262,354</u>	<u>\$ 43,599,835</u>	<u>\$ 139,900,771</u>	<u>\$ 11,667,568</u>	<u>\$ 13,784,633,555</u>

North Carolina Department of Public Instruction
Supplementary Information
Schedule of Grants and Aid Paid to Charter Schools (Alphabetically by County)
General Fund
For the Fiscal Year Ended June 30, 2022

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County of Location	Charter School Name	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Total
Alamance	Alamance Community School	\$ 3,019,782	\$ 1,125,505	\$ -	\$ 4,145,287
Alamance	Clover Garden School	4,491,817	542,081	-	5,033,898
Alamance	River Mill Academy	5,556,688	537,009	-	6,093,697
Alamance	The Hawbridge School	3,561,824	195,249	-	3,757,073
Avery	Marjorie Williams Academy	905,383	1,635,320	101,293	2,641,996
Beaufort	Washington Montessori Charter	3,069,649	184,226	-	3,253,875
Bertie	Three Rivers Academy	553,406	301,951	-	855,357
Bladen	Emereau: Bladen	5,383,202	497,104	-	5,880,306
Bladen	Paul R Brown Leadership Academy	1,304,236	1,112,481	-	2,416,717
Brunswick	Charter Day School	7,094,848	1,031,962	-	8,126,810
Brunswick	South Brunswick Charter School	3,748,785	268,326	-	4,017,111
Buncombe	Asheville Peak Academy	573,918	183,923	-	757,841
Buncombe	Evergreen Community Charter	3,070,914	361,535	-	3,432,449
Buncombe	Francine Delany New School for Children	1,376,736	253,982	-	1,630,718
Buncombe	Invest Collegiate (Buncombe)	9,145,995	1,053,676	-	10,199,671
Buncombe	The Artspace Charter School	2,939,297	439,518	-	3,378,815
Buncombe	The Franklin School Of Innovation	4,679,644	505,426	-	5,185,070
Burke	The New Dimensions School	3,519,338	454,468	-	3,973,806
Cabarrus	ACE Academy	2,839,588	737,514	162,004	3,739,106
Cabarrus	Cabarrus Charter Academy	5,185,383	397,777	511,543	6,094,703
Cabarrus	Carolina International School	5,740,284	667,831	-	6,408,115
Cabarrus	Concord Lake STEAM Academy	2,911,290	305,804	-	3,217,094
Cabarrus	Dogwood Classical Academy	-	2,536	-	2,536
Cabarrus	Kannapolis Charter Academy	-	-	426,926	426,926
Carteret	Tiller School	1,480,310	346,477	-	1,826,787
Chatham	Chatham Charter School	3,890,458	274,436	-	4,164,894
Chatham	School of the Arts For Boys	-	101,425	-	101,425
Chatham	The Woods Charter School	3,580,355	251,961	3,533	3,835,849
Chatham	Willow Oak Montessori	2,079,583	96,227	-	2,175,810
Cherokee	Learning Center (The)	1,733,481	881,408	-	2,614,889
Cleveland	Pinnacle Classical Academy	8,314,614	711,495	-	9,026,109
Columbus	Columbus Charter School	7,330,891	1,511,729	-	8,842,620
Columbus	Thomas Academy	938,361	795,714	-	1,734,075
Cumberland	Alpha Academy	6,577,329	1,240,317	-	7,817,646
Cumberland	The Capitol Encore Academy	4,206,244	875,706	327,231	5,409,181
Currituck	Waters Edge Village School	360,165	34,205	-	394,370
Davidson	Davidson Charter Academy: CFA	3,821,840	580,659	-	4,402,499
Durham	Carter Community School	1,683,537	1,002,992	251,545	2,938,074
Durham	Central Park School For Children	4,871,302	576,920	257,483	5,705,705
Durham	Discovery Charter School	1,952,484	348,376	-	2,300,860
Durham	Excelsior Classical Academy	6,843,857	263,413	-	7,107,270
Durham	Global Scholars Academy Charter	1,666,823	1,238,309	216,313	3,121,445
Durham	Healthy Start Academy Charter	3,712,904	1,754,669	421,278	5,888,851
Durham	Kestrel Heights School	3,142,148	621,389	-	3,763,537
Durham	KIPP Durham College Preparatory	2,822,266	799,982	225,369	3,847,617
Durham	Maureen Joy Charter School	4,883,505	1,629,626	389,495	6,902,626
Durham	NC Cyber Academy	20,847,838	2,442,884	-	23,290,722
Durham	NC Virtual Academy	22,438,107	2,507,251	-	24,945,358
Durham	Reaching All Minds Academy	3,096,453	164,726	2,146	3,263,325
Durham	Research Triangle Charter Academy	5,001,012	844,636	338,726	6,184,374
Durham	Research Triangle High School	3,946,925	431,659	-	4,378,584
Durham	The Institute For The Development of Young Leaders	2,938,599	351,771	-	3,290,370
Durham	Voyager Academy Charter	9,664,239	717,175	7,066	10,388,480
Edgecombe	North East Carolina Preparatory	7,666,936	2,159,659	518,150	10,344,745
Forsyth	Appalachian State U Academy Middle Fork	1,939,245	1,256,484	-	3,195,729
Forsyth	Arts-Based Elementary	3,570,843	374,357	-	3,945,200
Forsyth	Carter G Woodson School Challenge	3,208,359	1,558,304	405,937	5,172,600
Forsyth	Forsyth Academies	5,322,246	1,143,891	374,784	6,840,921
Forsyth	Quality Education Academy	4,811,963	2,208,446	445,289	7,465,698
Forsyth	The North Carolina Leadership	6,915,210	503,113	-	7,418,323
Franklin	Crosscreek Charter	3,050,124	435,976	-	3,486,100
Franklin	Youngsville Academy	3,554,664	191,716	-	3,746,380
Gaston	Mountain Island Charter School	10,794,593	1,003,557	511,806	12,309,956
Gaston	Piedmont Community School	12,376,273	1,237,861	-	13,614,134

North Carolina Department of Public Instruction
Supplementary Information
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General Fund
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County of Location	Charter School Name	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Total
Gaston	Ridgeview Charter School	1,663,106	843,655	207,758	2,714,519
Gaston	TEAMCFA - Community Public Charter	3,211,056	249,745	-	3,460,801
Granville	Falls Lake Academy	8,212,590	810,333	-	9,022,923
Granville	Oxford Preparatory High School	6,193,303	567,090	-	6,760,393
Guilford	Cornerstone Academy	8,681,034	589,282	-	9,270,316
Guilford	Gate City Charter Academy	4,804,381	967,481	352,448	6,124,310
Guilford	Greensboro Academy	5,006,452	376,882	-	5,383,334
Guilford	Guilford Charter School	3,211,880	1,174,504	319,030	4,705,414
Guilford	Next Generation Academy	2,270,105	1,498,953	208,364	3,977,422
Guilford	Phoenix Academy	7,777,314	534,049	-	8,311,363
Guilford	Piedmont Classical High School	2,930,023	565,813	-	3,495,836
Guilford	Revolution Academy	3,975,188	39,865	-	4,015,053
Guilford	Summerfield Charter Academy	5,080,750	409,775	135,443	5,625,968
Guilford	Summit Creek Academy	2,950,353	40,878	162,963	3,154,194
Guilford	The College Preparatory & Leadership Academy	5,746,612	1,924,399	196,714	7,867,725
Guilford	The Experiential School of Greensboro	2,332,125	290,170	-	2,622,295
Guilford	Triad Math And Science	8,706,786	2,399,049	646,859	11,752,694
Halifax	Hobgood Charter School	3,127,958	372,431	-	3,500,389
Halifax	KIPP Halifax College Preparatory	6,162,753	1,322,000	441,499	7,926,252
Harnett	Achievement Charter Academy	1,262,636	300,482	-	1,563,118
Harnett	Anderson Creek Academy	2,151,096	105,499	-	2,256,595
Haywood	Shining Rock Classical Academy	3,670,308	660,565	-	4,330,873
Henderson	Fernleaf Community Charter School	3,130,576	334,569	-	3,465,145
Henderson	The Mountain Community School	1,472,222	111,380	-	1,583,602
Iredell	American Renaissance Middle School	4,303,629	521,253	-	4,824,882
Iredell	Iredell Charter Academy	4,307,712	582,625	443,931	5,334,268
Iredell	Langtree Charter Academy	8,940,231	491,285	710,767	10,142,283
Iredell	Pine Lake Preparatory	12,252,456	1,113,256	-	13,365,712
Iredell	Success Institute Charter School	707,124	614,341	135,916	1,457,381
Jackson	Catamount School	381,243	23,879	-	405,122
Jackson	Summit Charter School	1,870,772	228,860	-	2,099,632
Johnston	Johnston Charter Academy	5,163,656	317,576	278,492	5,759,724
Johnston	Neuse Charter School	6,374,863	599,394	-	6,974,257
Lee	Ascend Leadership Academy	3,371,238	363,374	-	3,734,612
Lee	Central Carolina Academy	-	215,258	-	215,258
Lee	Mina Charter School of Lee Co	2,579,920	800,016	178,762	3,558,698
Lenoir	Children's Village Academy	1,317,380	1,708,154	163,821	3,189,355
Lincoln	Lincoln Charter School	14,473,090	1,327,287	-	15,800,377
Lincoln	West Lake Preparatory Academy	2,833,187	160,582	66,144	3,059,913
Martin	Bear Grass Charter School	3,650,559	265,884	-	3,916,443
Martin	North East Regional School	1,746,067	130,945	-	1,877,012
Mecklenburg	Aristotle Preparatory Academy	1,463,540	328,977	159,468	1,951,985
Mecklenburg	Bonnie Clone Classical Academy	5,296,546	654,051	-	5,950,597
Mecklenburg	Bradford Preparatory School	10,305,593	813,694	-	11,119,287
Mecklenburg	Charlotte Lab School	6,382,298	586,219	39,353	7,007,870
Mecklenburg	Charlotte Secondary	1,689,864	463,134	-	2,152,998
Mecklenburg	Commonwealth High School	1,838,068	968,541	-	2,806,609
Mecklenburg	Community School Of Davidson	10,118,298	889,758	-	11,008,056
Mecklenburg	Corvian Community School	8,475,866	813,820	-	9,289,686
Mecklenburg	East Voyager Academy	842,923	360,621	-	1,203,544
Mecklenburg	Eastside STREAM Academy	1,527,382	271,461	138,944	1,937,787
Mecklenburg	Invest Collegiate	2,573,979	1,038,563	-	3,612,542
Mecklenburg	KIPP Charlotte Charter School	6,459,141	2,120,173	545,863	9,125,177
Mecklenburg	Lake Norman Charter School	13,963,530	848,545	-	14,812,075
Mecklenburg	Mallard Creek Stem Academy	6,201,300	869,523	499,226	7,570,049
Mecklenburg	Matthew's Charter Academy	5,079,517	537,238	362,866	5,979,621
Mecklenburg	Metrolina Regional Scholars' Academy	2,538,033	320,600	-	2,858,633
Mecklenburg	Mountain Island Day Lake Academy	4,991,409	415,093	-	5,406,502
Mecklenburg	Movement Charter School	4,394,932	1,556,354	301,545	6,252,831
Mecklenburg	Movement School Eastland	1,926,956	1,271,790	221,179	3,419,925
Mecklenburg	Niner University Elementary	821,135	350,685	-	1,171,820
Mecklenburg	Pioneer Springs Community School	3,149,351	413,827	-	3,563,178
Mecklenburg	Queen City STEM School	5,161,625	893,384	75,230	6,130,239
Mecklenburg	Queens Grant Community School	8,382,083	734,528	254,182	9,370,793

North Carolina Department of Public Instruction
Supplementary Information
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County of Location	Charter School Name	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Total
Mecklenburg	Socrates Academy	5,428,724	394,943	-	5,823,667
Mecklenburg	Southwest Charlotte STEM Academy	4,932,435	866,914	324,811	6,124,160
Mecklenburg	Steele Creek Preparatory Academy	3,689,677	368,760	332,632	4,391,069
Mecklenburg	Stewart Creek High School	1,760,191	517,222	-	2,277,413
Mecklenburg	Sugar Creek Charter School	11,275,034	4,518,074	1,110,156	16,903,264
Mecklenburg	Telra Institute	1,545,186	287,725	39,802	1,872,713
Mecklenburg	Lakeside Charter Academy	1,559,141	266,823	-	1,825,964
Mecklenburg	United Community School	1,832,544	182,984	-	2,015,528
Mecklenburg	Unity Classical Charter School	2,355,809	131,324	-	2,487,133
Mecklenburg	UpROAR Leadership Academy	904,853	765,493	35,290	1,705,636
Mecklenburg	Veritas Community School	1,043,489	334,803	-	1,378,292
Montgomery	Tillery Charter Academy	1,147,826	204,231	-	1,352,057
Moore	Moore Montessori Community School	1,273,409	120,973	-	1,394,382
Moore	Sandhills Theatre Arts Renaissance School (STARS)	5,091,207	602,141	-	5,693,348
Moore	The Academy Of Moore County	3,295,042	374,946	-	3,669,988
Nash	Rocky Mount Preparatory	7,149,529	1,721,626	530,310	9,401,465
New Hanover	American Leadership Academy	4,682,722	488,779	-	5,171,501
New Hanover	Cape Fear Center For Inquiry	2,926,690	267,180	-	3,193,870
New Hanover	D.C Virgo Preparatory Academy	1,463,894	450,161	-	1,914,055
New Hanover	Douglass Academy	887,524	280,174	-	1,167,698
New Hanover	Girls Leadership Academy Of Wilmington	2,661,539	768,840	128,528	3,558,907
New Hanover	Island Montessori Charter	1,607,540	171,775	-	1,779,315
New Hanover	Wilmington Preparatory	798,943	125,932	-	924,875
New Hanover	Wilmington School of the Arts	1,293,028	486,446	-	1,779,474
Northampton	KIPP Gaston College Preparatory	14,375,949	2,362,988	827,818	17,566,755
Onslow	Zeca School Of Arts And Technology	1,131,270	820,870	115,183	2,067,323
Orange	Eno River Academy	5,595,470	229,701	-	5,825,171
Orange	The Expedition School	2,742,841	282,169	-	3,025,010
Pamlico	Arapahoe Charter School	5,280,742	1,063,210	406,196	6,750,148
Pasquotank	NE Academy Of Aerospace	5,935,266	417,007	-	6,352,273
Person	Bethel Hill Charter School	2,941,636	425,371	293,693	3,660,700
Person	Roxboro Community School	5,146,745	362,895	-	5,509,640
Pitt	ECU Community School	905,127	380,694	-	1,285,821
Pitt	Winterville Charter Academy	4,670,921	783,608	299,221	5,753,750
Randolph	Uwharrie Charter Academy	12,924,771	1,477,263	-	14,402,034
Robeson	CIS Academy	1,055,586	238,974	-	1,294,560
Robeson	Old Main Stream Academy	1,517,150	249,505	-	1,766,655
Robeson	Southeastern Academy	1,754,671	66,845	-	1,821,516
Rockingham	Bethany Community Middle School	4,332,182	161,186	-	4,493,368
Rockingham	Moss Street Partnership School	2,612,472	907,981	-	3,520,453
Rowan	Faith Academy	3,405,140	398,635	-	3,803,775
Rutherford	Lake Lure Classical Academy	4,009,311	776,700	-	4,786,011
Rutherford	Thomas Jefferson Classical	9,933,347	1,041,712	-	10,975,059
Stanly	Gray Stone Day School	5,617,246	393,287	-	6,010,533
Surry	Millennium Charter	6,213,933	610,912	-	6,824,845
Swain	Mountain Discovery School	1,665,316	171,875	-	1,837,191
Transylvania	Brevard Academy	3,455,875	340,948	-	3,796,823
Union	Apprentice Academy High School of North Carolina	1,908,148	354,320	-	2,262,468
Union	Monroe Charter Academy	825,877	290,978	-	1,116,855
Union	Union Academy	13,230,717	883,816	6,984	14,121,517
Union	Union Day School	4,421,762	305,239	-	4,727,001
Union	Union Preparatory Academy at Indian Trail	6,902,176	405,747	662,161	7,970,084
Vance	Henderson Collegiate	10,870,240	1,842,753	997,054	13,710,047
Vance	Vance Charter School	7,850,686	638,244	-	8,488,930
Wake	The Math and Science Academy of Apex	-	98,824	-	98,824
Wake	Cardinal Charter	6,110,986	414,419	-	6,525,405
Wake	Cardinal Charter Academy	4,510,019	299,121	897,231	5,706,371
Wake	Carolina Charter Academy:CFA	4,259,220	670,933	-	4,930,153
Wake	Casa Esperanza	3,818,458	306,204	-	4,124,662
Wake	Central Wake Charter High School	2,004,492	422,331	-	2,426,823
Wake	Doral Academy	1,220,510	228,706	-	1,449,216
Wake	East Wake Academy	7,923,917	979,426	-	8,903,343
Wake	Endeavor Charter School	4,937,824	446,942	-	5,384,766
Wake	Envision Science Academy	4,804,752	441,865	-	5,246,617

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Supplementary Information
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County of Location	Charter School Name	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Total
Wake	Franklin Academy	10,900,257	837,369	-	11,737,626
Wake	Longleaf School Of The Arts	2,649,340	202,396	-	2,851,736
Wake	Magellan Charter School	2,766,284	269,455	-	3,035,739
Wake	Peak Charter Academy	4,994,227	294,280	169,827	5,458,334
Wake	Pine Springs Preparatory Academy:CFA	6,851,290	571,800	-	7,423,090
Wake	PreEminent Charter School	5,009,008	769,533	331,572	6,110,113
Wake	Quest Academy	964,250	57,343	-	1,021,593
Wake	Raleigh Charter High School	3,644,849	130,709	-	3,775,558
Wake	Raleigh Oak Charter School	2,111,690	259,864	-	2,371,554
Wake	Rise Southeast Raleigh Charter	3,188,514	1,233,283	369,359	4,791,156
Wake	Rolesville Charter Academy	4,951,845	435,057	202,222	5,589,124
Wake	Southern Wake Academy	5,751,265	381,513	-	6,132,778
Wake	Sterling Montessori Academy	4,103,571	421,369	-	4,524,940
Wake	The Exploris School	3,157,895	357,865	-	3,515,760
Wake	Torchlight Academy	4,090,571	480,287	594,524	5,165,382
Wake	Triangle Math & Science	6,574,197	692,527	-	7,266,724
Wake	Wake Forest Charter Academy	5,003,563	342,063	235,449	5,581,075
Warren	Haliwa Saponi Tribal School	1,602,020	267,208	72,104	1,941,332
Washington	Pocosin Innovative Charter	2,491,208	407,378	-	2,898,586
Watauga	Two Rivers Community School	1,275,869	140,425	-	1,416,294
Wayne	Dillard Academy	2,153,533	688,342	350,066	3,191,941
Wayne	Wayne Preparatory	7,281,549	1,138,344	-	8,419,893
Wilkes	Bridges Charter School	-	-	14,297	14,297
Wilson	Sallie B Howard School	8,166,298	3,130,900	1,083,712	12,380,910
Wilson	Wilson Preparatory Academy	6,560,854	391,647	405,944	7,358,445
Total Grants and Aid to Charter Schools		<u>\$ 948,967,870</u>	<u>\$ 143,332,932</u>	<u>\$ 23,980,830</u>	<u>\$ 1,116,281,632</u>

North Carolina Department of Public Instruction

Supplementary Information

Schedule of Grants and Aid Paid to Charter Schools (Amount - Sorted Largest to Smallest)

General Fund

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County of Location	Charter School Name	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Total
Durham	NC Virtual Academy	\$ 22,438,107	\$ 2,507,251	\$ -	\$ 24,945,358
Durham	NC Cyber Academy	20,847,838	2,442,884	-	23,290,722
Lincoln	Lincoln Charter School	14,473,090	1,327,287	-	15,800,377
Northampton	KIPP Gaston College Preparatory	14,375,949	2,362,988	827,818	17,566,755
Mecklenburg	Lake Norman Charter School	13,963,530	848,545	-	14,812,075
Union	Union Academy	13,230,717	883,816	6,984	14,121,517
Randolph	Uwharrie Charter Academy	12,924,771	1,477,263	-	14,402,034
Gaston	Piedmont Community School	12,376,273	1,237,861	-	13,614,134
Iredell	Pine Lake Preparatory	12,252,456	1,113,256	-	13,365,712
Mecklenburg	Sugar Creek Charter School	11,275,034	4,518,074	1,110,156	16,903,264
Wake	Franklin Academy	10,900,257	837,369	-	11,737,626
Vance	Henderson Collegiate	10,870,240	1,842,753	997,054	13,710,047
Gaston	Mountain Island Charter School	10,794,593	1,003,557	511,806	12,309,956
Mecklenburg	Bradford Preparatory School	10,305,593	813,694	-	11,119,287
Mecklenburg	Community School Of Davidson	10,118,298	889,758	-	11,008,056
Rutherford	Thomas Jefferson Classical	9,933,347	1,041,712	-	10,975,059
Durham	Voyager Academy Charter	9,664,239	717,175	7,066	10,388,480
Buncombe	Invest Collegiate (Buncombe)	9,145,995	1,053,676	-	10,199,671
Iredell	Langtree Charter Academy	8,940,231	491,285	710,767	10,142,283
Guilford	Triad Math And Science	8,706,786	2,399,049	646,859	11,752,694
Guilford	Cornerstone Academy	8,681,034	589,282	-	9,270,316
Mecklenburg	Corvian Community School	8,475,866	813,820	-	9,289,686
Mecklenburg	Queens Grant Community School	8,382,083	734,528	254,182	9,370,793
Cleveland	Pinnacle Classical Academy	8,314,614	711,495	-	9,026,109
Granville	Falls Lake Academy	8,212,590	810,333	-	9,022,923
Wilson	Sallie B Howard School	8,166,298	3,130,900	1,083,712	12,380,910
Wake	East Wake Academy	7,923,917	979,426	-	8,903,343
Vance	Vance Charter School	7,850,686	638,244	-	8,488,930
Guilford	Phoenix Academy	7,777,314	534,049	-	8,311,363
Edgecombe	North East Carolina Preparatory	7,666,936	2,159,659	518,150	10,344,745
Columbus	Columbus Charter School	7,330,891	1,511,729	-	8,842,620
Wayne	Wayne Preparatory	7,281,549	1,138,344	-	8,419,893
Nash	Rocky Mount Preparatory	7,149,529	1,721,626	530,310	9,401,465
Brunswick	Charter Day School	7,094,848	1,031,962	-	8,126,810
Forsyth	The North Carolina Leadership	6,915,210	503,113	-	7,418,323
Union	Union Preparatory Academy at Indian Trail	6,902,176	405,747	662,161	7,970,084
Wake	Pine Springs Preparatory Academy:CFA	6,851,290	571,800	-	7,423,090
Durham	Excelsior Classical Academy	6,843,857	263,413	-	7,107,270
Cumberland	Alpha Academy	6,577,329	1,240,317	-	7,817,646
Wake	Triangle Math & Science	6,574,197	692,527	-	7,266,724
Wilson	Wilson Preparatory Academy	6,560,854	391,647	405,944	7,358,445
Mecklenburg	KIPP Charlotte Charter School	6,459,141	2,120,173	545,863	9,125,177
Mecklenburg	Charlotte Lab School	6,382,298	586,219	39,353	7,007,870
Johnston	Neuse Charter School	6,374,863	599,394	-	6,974,257
Surry	Millennium Charter	6,213,933	610,912	-	6,824,845
Mecklenburg	Mallard Creek Stern Academy	6,201,300	869,523	499,226	7,570,049
Granville	Oxford Preparatory High School	6,193,303	567,090	-	6,760,393
Halifax	KIPP Halifax College Preparatory	6,162,753	1,322,000	441,499	7,926,252
Wake	Cardinal Charter	6,110,986	414,419	-	6,525,405
Pasquotank	NE Academy Of Aerospace	5,935,266	417,007	-	6,352,273
Wake	Southern Wake Academy	5,751,265	381,513	-	6,132,778
Guilford	The College Preparatory & Leadership Academy	5,746,612	1,924,399	196,714	7,867,725
Cabarrus	Carolina International School	5,740,284	667,831	-	6,408,115
Stanly	Gray Stone Day School	5,617,246	393,287	-	6,010,533
Orange	Eno River Academy	5,595,470	229,701	-	5,825,171
Alamance	River Mill Academy	5,556,688	537,009	-	6,093,697
Mecklenburg	Socrates Academy	5,428,724	394,943	-	5,823,667
Bladen	Emereau: Bladen	5,383,202	497,104	-	5,880,306
Forsyth	Forsyth Academies	5,322,246	1,143,891	374,784	6,840,921
Mecklenburg	Bonnie Clone Classical Academy	5,296,546	654,051	-	5,950,597
Pamlico	Arapahoe Charter School	5,280,742	1,063,210	406,196	6,750,148
Cabarrus	Cabarrus Charter Academy	5,185,383	397,777	511,543	6,094,703

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County of Location	Charter School Name	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Total
Johnston	Johnston Charter Academy	5,163,656	317,576	278,492	5,759,724
Mecklenburg	Queen City STEM School	5,161,625	893,384	75,230	6,130,239
Person	Roxboro Community School	5,146,745	362,895	-	5,509,640
Moore	Sandhills Theatre Arts Renaissance School (STARS)	5,091,207	602,141	-	5,693,348
Guilford	Summerfield Charter Academy	5,080,750	409,775	135,443	5,625,968
Mecklenburg	Matthew's Charter Academy	5,079,517	537,238	362,866	5,979,621
Wake	PreEminent Charter School	5,009,008	769,533	331,572	6,110,113
Guilford	Greensboro Academy	5,006,452	376,882	-	5,383,334
Wake	Wake Forest Charter Academy	5,003,563	342,063	235,449	5,581,075
Durham	Research Triangle Charter Academy	5,001,012	844,636	338,726	6,184,374
Wake	Peak Charter Academy	4,994,227	294,280	169,827	5,458,334
Mecklenburg	Mountain Island Day Lake Academy	4,991,409	415,093	-	5,406,502
Wake	Rolesville Charter Academy	4,951,845	435,057	202,222	5,589,124
Wake	Endeavor Charter School	4,937,824	446,942	-	5,384,766
Mecklenburg	Southwest Charlotte STEM Academy	4,932,435	866,914	324,811	6,124,160
Durham	Maureen Joy Charter School	4,883,505	1,629,626	389,495	6,902,626
Durham	Central Park School For Children	4,871,302	576,920	257,483	5,705,705
Forsyth	Quality Education Academy	4,811,963	2,208,446	445,289	7,465,698
Wake	Envision Science Academy	4,804,752	441,865	-	5,246,617
Guilford	Gate City Charter Academy	4,804,381	967,481	352,448	6,124,310
New Hanover	American Leadership Academy	4,682,722	488,779	-	5,171,501
Buncombe	The Franklin School Of Innovation	4,679,644	505,426	-	5,185,070
Pitt	Winterville Charter Academy	4,670,921	783,608	299,221	5,753,750
Wake	Cardinal Charter Academy	4,510,019	299,121	897,231	5,706,371
Alamance	Clover Garden School	4,491,817	542,081	-	5,033,898
Union	Union Day School	4,421,762	305,239	-	4,727,001
Mecklenburg	Movement Charter School	4,394,932	1,556,354	301,545	6,252,831
Rockingham	Bethany Community Middle School	4,332,182	161,186	-	4,493,368
Iredell	Iredell Charter Academy	4,307,712	582,625	443,931	5,334,268
Iredell	American Renaissance Middle School	4,303,629	521,253	-	4,824,882
Wake	Carolina Charter Academy:CFA	4,259,220	670,933	-	4,930,153
Cumberland	The Capitol Encore Academy	4,206,244	875,706	327,231	5,409,181
Wake	Sterling Montessori Academy	4,103,571	421,369	-	4,524,940
Wake	Torchlight Academy	4,090,571	480,287	594,524	5,165,382
Rutherford	Lake Lure Classical Academy	4,009,311	776,700	-	4,786,011
Guilford	Revolution Academy	3,975,188	39,865	-	4,015,053
Durham	Research Triangle High School	3,946,925	431,659	-	4,378,584
Chatham	Chatham Charter School	3,890,458	274,436	-	4,164,894
Davidson	Davidson Charter Academy:CFA	3,821,840	580,659	-	4,402,499
Wake	Casa Esperanza	3,818,458	306,204	-	4,124,662
Brunswick	South Brunswick Charter School	3,748,785	268,326	-	4,017,111
Durham	Healthy Start Academy Charter	3,712,904	1,754,669	421,278	5,888,851
Mecklenburg	Steele Creek Preparatory Academy	3,689,677	368,760	332,632	4,391,069
Haywood	Shining Rock Classical Academy	3,670,308	660,565	-	4,330,873
Martin	Bear Grass Charter School	3,650,559	265,884	-	3,916,443
Wake	Raleigh Charter High School	3,644,849	130,709	-	3,775,558
Chatham	The Woods Charter School	3,580,355	251,961	3,533	3,835,849
Forsyth	Arts-Based Elementary	3,570,843	374,357	-	3,945,200
Alamance	The Hawbridge School	3,561,824	195,249	-	3,757,073
Franklin	Youngsville Academy	3,554,664	191,716	-	3,746,380
Burke	The New Dimensions School	3,519,338	454,468	-	3,973,806
Transylvania	Brevard Academy	3,455,875	340,948	-	3,796,823
Rowan	Faith Academy	3,405,140	398,635	-	3,803,775
Lee	Ascend Leadership Academy	3,371,238	363,374	-	3,734,612
Moore	The Academy Of Moore County	3,295,042	374,946	-	3,669,988
Guilford	Guilford Charter School	3,211,880	1,174,504	319,030	4,705,414
Gaston	TEAMCFA - Community Public Charter	3,211,056	249,745	-	3,460,801
Forsyth	Carter G Woodson School Challenge	3,208,359	1,558,304	405,937	5,172,600
Wake	Rise Southeast Raleigh Charter	3,188,514	1,233,283	369,359	4,791,156
Wake	The Exploris School	3,157,895	357,865	-	3,515,760
Mecklenburg	Pioneer Springs Community School	3,149,351	413,827	-	3,563,178
Durham	Kestrel Heights School	3,142,148	621,389	-	3,763,537

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Supplementary Information

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County of Location	Charter School Name	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Total
Henderson	Fernleaf Community Charter School	3,130,576	334,569	-	3,465,145
Halifax	Hobgood Charter School	3,127,958	372,431	-	3,500,389
Durham	Reaching All Minds Academy	3,096,453	164,726	2,146	3,263,325
Buncombe	Evergreen Community Charter	3,070,914	361,535	-	3,432,449
Beaufort	Washington Montessori Charter	3,069,649	184,226	-	3,253,875
Franklin	Crosscreek Charter	3,050,124	435,976	-	3,486,100
Alamance	Alamance Community School	3,019,782	1,125,505	-	4,145,287
Guilford	Summit Creek Academy	2,950,353	40,878	162,963	3,154,194
Person	Bethel Hill Charter School	2,941,636	425,371	293,693	3,660,700
Buncombe	The Artspace Charter School	2,939,297	439,518	-	3,378,815
Durham	The Institute For The Development of Young Leaders	2,938,599	351,771	-	3,290,370
Guilford	Piedmont Classical High School	2,930,023	565,813	-	3,495,836
New Hanover	Cape Fear Center For Inquiry	2,926,690	267,180	-	3,193,870
Cabarrus	Concord Lake STEAM Academy	2,911,290	305,804	-	3,217,094
Cabarrus	ACE Academy	2,839,588	737,514	162,004	3,739,106
Lincoln	West Lake Preparatory Academy	2,833,187	160,582	66,144	3,059,913
Durham	KIPP Durham College Preparatory	2,822,266	799,982	225,369	3,847,617
Wake	Magellan Charter School	2,766,284	269,455	-	3,035,739
Orange	The Expedition School	2,742,841	282,169	-	3,025,010
New Hanover	Girls Leadership Academy Of Wilmington	2,661,539	768,840	128,528	3,558,907
Wake	Longleaf School Of The Arts	2,649,340	202,396	-	2,851,736
Rockingham	Moss Street Partnership School	2,612,472	907,981	-	3,520,453
Lee	Mina Charter School of Lee Co	2,579,920	800,016	178,762	3,558,698
Mecklenburg	Invest Collegiate	2,573,979	1,038,563	-	3,612,542
Mecklenburg	Metrolina Regional Scholars' Academy	2,538,033	320,600	-	2,858,633
Washington	Pocosin Innovative Charter	2,491,208	407,378	-	2,898,586
Mecklenburg	Unity Classical Charter School	2,355,809	131,324	-	2,487,133
Guilford	The Experiential School of Greensboro	2,332,125	290,170	-	2,622,295
Guilford	Next Generation Academy	2,270,105	1,498,953	208,364	3,977,422
Wayne	Dillard Academy	2,153,533	688,342	350,066	3,191,941
Harnett	Anderson Creek Academy	2,151,096	105,499	-	2,256,595
Wake	Raleigh Oak Charter School	2,111,690	259,864	-	2,371,554
Chatham	Willow Oak Montessori	2,079,583	96,227	-	2,175,810
Wake	Central Wake Charter High School	2,004,492	422,331	-	2,426,823
Durham	Discovery Charter School	1,952,484	348,376	-	2,300,860
Forsyth	Appalachian State U Academy Middle Fork	1,939,245	1,256,484	-	3,195,729
Mecklenburg	Movement School Eastland	1,926,956	1,271,790	221,179	3,419,925
Union	Apprentice Academy High School of North Carolina	1,908,148	354,320	-	2,262,468
Jackson	Summit Charter School	1,870,772	228,860	-	2,099,632
Mecklenburg	Commonwealth High School	1,838,068	968,541	-	2,806,609
Mecklenburg	United Community School	1,832,544	182,984	-	2,015,528
Mecklenburg	Stewart Creek High School	1,760,191	517,222	-	2,277,413
Robeson	Southeastern Academy	1,754,671	66,845	-	1,821,516
Martin	North East Regional School	1,746,067	130,945	-	1,877,012
Cherokee	Learning Center (The)	1,733,481	881,408	-	2,614,889
Mecklenburg	Charlotte Secondary	1,689,864	463,134	-	2,152,998
Durham	Carter Community School	1,683,537	1,002,992	251,545	2,938,074
Durham	Global Scholars Academy Charter	1,666,823	1,238,309	216,313	3,121,445
Swain	Mountain Discovery School	1,665,316	171,875	-	1,837,191
Gaston	Ridgeview Charter School	1,663,106	843,655	207,758	2,714,519
New Hanover	Island Montessori Charter	1,607,540	171,775	-	1,779,315
Warren	Haliwa Saponi Tribal School	1,602,020	267,208	72,104	1,941,332
Mecklenburg	Lakeside Charter Academy	1,559,141	266,823	-	1,825,964
Mecklenburg	Telra Institute	1,545,186	287,725	39,802	1,872,713
Mecklenburg	Eastside STREAM Academy	1,527,382	271,461	138,944	1,937,787
Robeson	Old Main Stream Academy	1,517,150	249,505	-	1,766,655
Carteret	Tiller School	1,480,310	346,477	-	1,826,787
Henderson	The Mountain Community School	1,472,222	111,380	-	1,583,602
New Hanover	D.C Virgo Preparatory Academy	1,463,894	450,161	-	1,914,055
Mecklenburg	Aristotle Preparatory Academy	1,463,540	328,977	159,468	1,951,985
Buncombe	Francine Delany New School for Children	1,376,736	253,982	-	1,630,718
Lenoir	Children's Village Academy	1,317,380	1,708,154	163,821	3,189,355

North Carolina Department of Public Instruction

Supplementary Information

Schedule of Grants and Aid Paid to Charter Schools (Amount - Sorted Largest to Smallest)

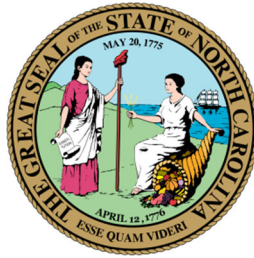
General Fund

For the Fiscal Year Ended June 30, 2022

Schedule C-7

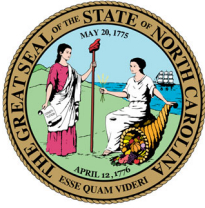
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County of Location	Charter School Name	State Funds	Federal Grant Funds	Federal Child Nutrition Funds	Total
Bladen	Paul R Brown Leadership Academy	1,304,236	1,112,481	-	2,416,717
New Hanover	Wilmington School of the Arts	1,293,028	486,446	-	1,779,474
Watauga	Two Rivers Community School	1,275,869	140,425	-	1,416,294
Moore	Moore Montessori Community School	1,273,409	120,973	-	1,394,382
Harnett	Achievement Charter Academy	1,262,636	300,482	-	1,563,118
Wake	Doral Academy	1,220,510	228,706	-	1,449,216
Montgomery	Tillery Charter Academy	1,147,826	204,231	-	1,352,057
Onslow	Zeca School Of Arts And Technology	1,131,270	820,870	115,183	2,067,323
Robeson	CIS Academy	1,055,586	238,974	-	1,294,560
Mecklenburg	Veritas Community School	1,043,489	334,803	-	1,378,292
Wake	Quest Academy	964,250	57,343	-	1,021,593
Columbus	Thomas Academy	938,361	795,714	-	1,734,075
Avery	Marjorie Williams Academy	905,383	1,635,320	101,293	2,641,996
Pitt	ECU Community School	905,127	380,694	-	1,285,821
Mecklenburg	UpROAR Leadership Academy	904,853	765,493	35,290	1,705,636
New Hanover	Douglass Academy	887,524	280,174	-	1,167,698
Mecklenburg	East Voyager Academy	842,923	360,621	-	1,203,544
Union	Monroe Charter Academy	825,877	290,978	-	1,116,855
Mecklenburg	Niner University Elementary	821,135	350,685	-	1,171,820
New Hanover	Wilmington Preparatory	798,943	125,932	-	924,875
Iredell	Success Institute Charter School	707,124	614,341	135,916	1,457,381
Buncombe	Asheville Peak Academy	573,918	183,923	-	757,841
Bertie	Three Rivers Academy	553,406	301,951	-	855,357
Jackson	Catamount School	381,243	23,879	-	405,122
Currituck	Waters Edge Village School	360,165	34,205	-	394,370
Cabarrus	Kannapolis Charter Academy	-	-	426,926	426,926
Lee	Central Carolina Academy	-	215,258	-	215,258
Chatham	School of the Arts For Boys	-	101,425	-	101,425
Wake	The Math and Science Academy of Apex	-	98,824	-	98,824
Wilkes	Bridges Charter School	-	-	14,297	14,297
Cabarrus	Dogwood Classical Academy	-	2,536	-	2,536
Total Grants and Aid to Charter Schools		<u>\$ 948,967,870</u>	<u>\$ 143,332,932</u>	<u>\$ 23,980,830</u>	<u>\$ 1,116,281,632</u>



INDEPENDENT AUDITOR'S REPORT

STATE OF NORTH CAROLINA
Office of the State Auditor



Beth A. Wood, CPA
State Auditor

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**INDEPENDENT AUDITOR'S 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**

The State Board of Education
and Management of the North Carolina Department of Public Instruction

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental funds of the North Carolina Department of Public Instruction (Department), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated May 1, 2023.

As discussed in Note 1, the financial statements of the Department are intended to present the financial position and changes in financial position that are only attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of North Carolina as of June 30, 2022, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department'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 Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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 Department's financial statements will not be prevented, or detected and corrected on a timely basis.


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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department'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 Department'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 Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth A. Wood, CPA
State Auditor

Raleigh, North Carolina

May 1, 2023

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919-807-7666



This audit required 1,842 hours at an approximate cost of \$221,040, including costs associated with the report on the Department's statewide financial statement audit procedures.