

Annual Comprehensive Financial Report



**For the Fiscal Year Ended June 30, 2022
Hickory City Board of Education
Hickory, North Carolina**

Hickory City Board of Education
Hickory, North Carolina

**Annual Comprehensive
Financial Report
For the Fiscal Year Ended
June 30, 2022**

Prepared by
The Finance Department

HICKORY CITY BOARD OF EDUCATION

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
Board Members and Principal Officers	v
Organizational Chart	vi
Certificate of Achievement for Excellence in Financial Reporting – GFOA	vii
Certificate of Excellence in Financial Reporting – ASBO	viii

FINANCIAL SECTION

	<u>Page No.</u>
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government – wide Financial Statements:	
1 Statement of Net Position.....	12
2 Statement of Activities.....	13
Fund Financial Statements:	
3 Balance Sheet – Governmental Funds.....	14
4 Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	15
5 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and Annually Budgeted Major Special Revenue Funds	17
6 Statement of Net Position – Proprietary Fund.....	21
7 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund.....	22
8 Statement of Cash Flows – Proprietary Fund.....	23
9 Statement of Fiduciary Net Position – Fiduciary Funds.....	24
10 Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	25
Notes to the Financial Statements.....	26
Required Supplementary Information:	
Schedule of the Board's Proportionate Share of the Net Pension Liability – Teachers' and State Employees' Retirement System.....	54
Schedule of Board Contributions – Teachers' and State Employees' Retirement System.....	55
Schedule of the Board's Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund.....	56
Schedule of Board Contributions – Retiree Health Benefit Fund.....	57
Schedule of the Board's Proportionate Share of the Net OPEB Asset – Disability Income Plan of North Carolina.....	58
Schedule of Board Contributions – Disability Income Plan of North Carolina.....	59

HICKORY CITY BOARD OF EDUCATION

TABLE OF CONTENTS (CONTINUED)

Individual Fund Statements and Schedules:

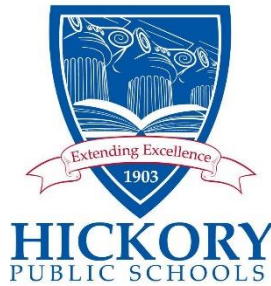
A-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	60
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Outlay Fund	61
C-1	Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – School Food Service Fund	62

STATISTICAL SECTION

		<u>Page No.</u>
	Statistical Section (Unaudited)	63
1	Financial Perspective Governmental and Business-type Activities	64
2	Net Position by Component	65
3	Changes in Net Position	67
4	Governmental Funds – Fund Balances	69
5	Governmental Funds – Changes in Fund Balances	71
6	Operational Expenditures Per Pupil – Expenditures by Function.....	73
7	Average Daily Membership by School.....	75
8	Average Daily Membership	76
9	Student Statistics	77
10	Instructional Personnel	79
11	School Building Data.....	80
	Catawba County, North Carolina	
12	Demographic Statistics.....	81
13	Principal Employers.....	82
14	Legal Debt Margin Information	83
15	Ratio of General Bonded Debt Outstanding	85
16	Principal Property Taxpayers	86
17	Property Tax Rates – All Overlapping Governments	87
18	Property Tax Levies and Current Collections	89



Introductory Section



Hickory City Schools
432 Fourth Avenue, SW
Hickory, North Carolina 28602
(828) 322-2855

Letter of Transmittal

Dr. Bryan Taylor
Superintendent

Jeffrey Blalock
Finance Officer

December 13, 2022

Members of the Hickory City Schools Board of Education and Citizens of Hickory and Catawba County, North Carolina:

The annual comprehensive financial report of the Hickory City Board of Education for the year ended June 30, 2022, is hereby submitted. Responsibility for accuracy, completeness, and clarity of the report rests with the superintendent and the finance officer.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this Letter of Transmittal and therefore, should be read in conjunction.

The report has been prepared by the Finance Department following the requirements and guidelines prescribed by the Governmental Accounting Standards Board. We believe the data presented is accurate in all material respects, and that it is presented in a manner designed to reflect fairly the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain the maximum understanding of the Board's financial activity have been included.

Reporting Entity

Hickory City Schools is one of three public school systems in Catawba County, each of which is subject to changes in the economic condition of the county, the State of North Carolina, and the nation. As defined by the Governmental Accounting Standards Board, the Hickory City Schools Board of Education is recognized as a separate governmental reporting entity. These statements cover all financial resources of Hickory City Schools—Federal, State, and Local—as well as funds received at individual schools for fund-raising, athletics, and other fees.

Governmental Structure, Local Economic Condition, and Outlook

Hickory City Schools, chartered by the State of North Carolina in 1903, serves approximately 4,000 students in grades pre-K through 12 in nine school locations. The system is located in North Carolina's Piedmont region, 50 miles northwest of Charlotte. Hickory is the geographic and economic center of North Carolina's 9th largest Metropolitan Statistical Area (MSA). The city spans approximately 30 square miles and has a population that includes 43,490 of Catawba County's 161,723 residents.

The Hickory City Schools Board of Education consists of seven members, six elected in districts and one elected at-large. The superintendent is selected by the Board and serves as the chief

Letter of Transmittal *(continued)*

executive officer of the system. The Board is responsible for setting policy, while the superintendent and the administrative team are charged with managing operations of the school system. The school principal is responsible for school operations and works cooperatively with the central administrative staff in developing and implementing effective instructional programs.

Over the next several years, Hickory City Schools will continue to be challenged to provide the high-quality education expected by the community and state while facing the probability of declining resources and accommodating the diversity and number of students that accompany the area's growth. Hickory City Schools will serve approximately 3,800 students for the 2022-2023 school year and 900 of these students have a language other than English spoken in their homes. Our charter school population has decreased from 36 students in 2021-2022 to 26 students in 2022-2023. We are required to send charter schools our local per pupil allotment. We expect the number of charter school students to increase as the number of Charter Schools grow across North Carolina.

The greatest challenge in the near term is inflation including the state mandated \$15 minimum wage for classified staff.

The county's unemployment rate was 3.8% in June 2022 which is slightly higher than the State unemployment rate of 3.4%. According to county reports, the economic outlook continues to be strong with the Trivium Business Park. Tenants include: Corning, ITM, Cataler, Stonemont Spec Building, American Fuji Seal, and Gusmer Enterprises.

Education continues to represent the largest portion of Catawba County's budget, with 38.7 percent of property and sales tax revenues going toward the instructional costs and capital needs of the county's three school systems and community college. Federal funding increased during the 2021-2022 fiscal year with the allocation of Elementary and Secondary School Emergency Relief (ESSER) funding.

Catawba County Commissioners continue to support Hickory City Schools. County officials and area business leaders have become increasingly aware that high-quality public education is essential in attracting new business and industry and have worked hard to provide the additional support necessary to maintain high

quality schools in the community. The County Commissioners increased per pupil funding by \$94 per student for 2022-2023, to help with increased inflationary cost.

Major Initiatives

The Board of Education, in collaboration with the superintendent, annually establishes and reviews goals. Once the system-wide goals are approved by the Board, the superintendent and administrative staff works with the principals and school leadership teams to develop more specific goals at the school level.

The Hickory City Schools strategic plan serves as the district's road map for achieving educational excellence. The plan includes strategies designed to create globally competitive students, 21st century professionals, healthy and responsible students, leadership that will guide innovation and 21st century operations and systems. The plan is reviewed annually and goals within each strategy will be evaluated.

The system's goals for the upcoming year include:

- Every student in Hickory Public Schools will graduate high school with the knowledge and skills necessary to be responsible and productive citizens.
- Every student in Hickory Public Schools will have a personalized education tailored to their individual needs and interests.
- Hickory Public Schools will recruit, support and provide professional development for all teachers, administrators, and support staff to ensure every student has an excellent educator every day.
- Financial, business, technology and facility systems will continue to be updated and provide quality, effective service to students, parents, and educators.
- Every stakeholder in HPS is responsible and nurturing to ensure a healthy and safe school community.
- Ensure equity of educational opportunity for all students through demonstrating cultural competence and expanding academic opportunities for all.

Letter of Transmittal *(continued)*

Major Achievements

Schools throughout the state and nation are still dealing with the effects of Covid-19 learning loss. During the 2021-2022 school year, Hickory Public Schools either met or exceeded growth based off of EOG and EOC test scores. There were only eight districts out of one hundred fifteen districts in North Carolina that met or exceeded growth.

Facilities

The district's facilities are maintained by the county per the State's constitution. The County provides funding to renovate and build new schools. In the past five years the county has provided funding for major renovations at Jenkins Elementary and Oakwood Elementary. The oldest facility, Hickory Career and Arts Magnet School built in 1952 was totally renovated and brought up to safety and building codes in 2012. Federal ESSER funding will be used for HVAC controls in 2022-2023.

Financial Operations

Budgetary and Internal Control Structures

With the implementation of GASB Statement No. 63, Basic Financial Statement—and Management's Discussion and Analysis—For State and Local Governments, Hickory City Schools displays information about the government-wide entity as a whole. The Statement of Net Position and Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenue, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Hickory City Schools also reports its financial activities through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities.

The management of the school system is responsible for establishing and maintaining an

internal control structure designed to ensure that the assets of the school system are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. Reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. We believe the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The cost of public-school education in North Carolina is financed primarily by the state, which establishes minimum programs. Local funds, in varying amounts by district, supplement the basic programs and are generated from the general tax levies of the county. Hickory City Schools and the school systems in North Carolina do not have direct tax levying authority and very limited borrowing authority.

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual school's special revenue funds, as required by North Carolina General Statutes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level and amendments, requiring board approval are done as necessary to comply.

Financial activities throughout the year are controlled in accordance with the North Carolina Budget and Fiscal Control Act, which requires a pre-audit procedure to ensure availability of funds prior to issuance of purchase orders or payment of claims. The school system also maintains an encumbrance accounting system as one method of maintaining budgetary control. Encumbered amounts lapse at year's end. However, outstanding encumbrances considered to be continuing contracts generally are re-appropriated as part of the following year's budget.

Letter of Transmittal *(continued)*

Independent Audit

North Carolina's Public-School Budget and Fiscal Control Act mandates that financial statements be audited at the end of each fiscal year. Our selection of an independent auditor has been approved by the state's Local Government Commission as qualified to audit local governments.

The Basic Financial Statements and the accompanying Individual Fund Statements have been audited by Anderson Smith & Wike PLLC. These statements, as well as the auditor's unmodified opinion on the statements, appear in the Financial Section.

These financial statements also have been audited by the independent auditor under requirements of the Single Audit Act, for which separate compliance reports are issued.

Financial Reporting Awards

For the fiscal year ended June 30, 2021, the Annual Comprehensive Financial Report of Hickory City Schools earned the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting Award.

Hickory City Schools is honored to be the recipient of these awards for the 31st consecutive year. The awards are made only to governmental units that publish an annual comprehensive financial report, which is easily readable, efficiently organized, and conform to program standards as well as satisfying generally accepted accounting principles. Awards are valid for one year only. We believe the accompanying report continues to conform to GFOA and ASBO requirements, and we will submit it for determination of eligibility for renewed awards.

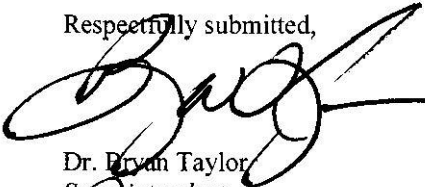
The system also was cited by the State Board of Education for excellence in management of the North Carolina State Public School Fund for the 30th time in the last 31 years.

Acknowledgments

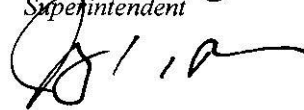
The preparation of the Annual Comprehensive Financial Report in a timely manner could not be

accomplished without the efforts and dedication of the superintendent's staff and the Finance Department. We express appreciation to all staff members who contributed to the development of this report.

Respectfully submitted,



Dr. Bryan Taylor
Superintendent



Jeffrey Blalock
Finance Officer

***Hickory City Board of Education
Hickory, North Carolina***

July 1, 2021 - June 30, 2022

Board Members

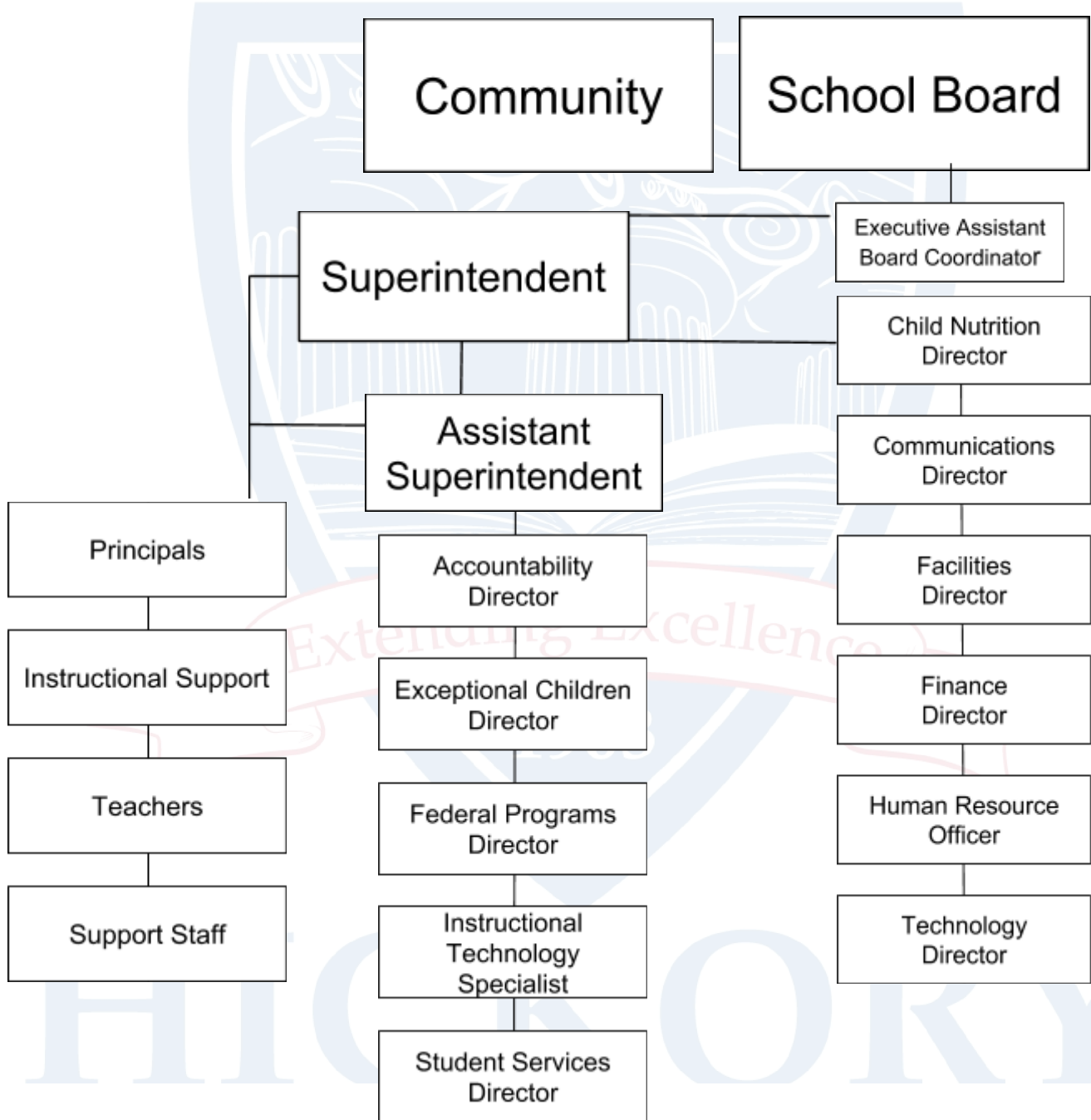
Bryan Graham, *Chair*
Amy Monroe, *Vice Chair*

Amanda McGuire	Sarah Temple
Mike Heard	Keyhisa Hannah
Ittiely Carson	

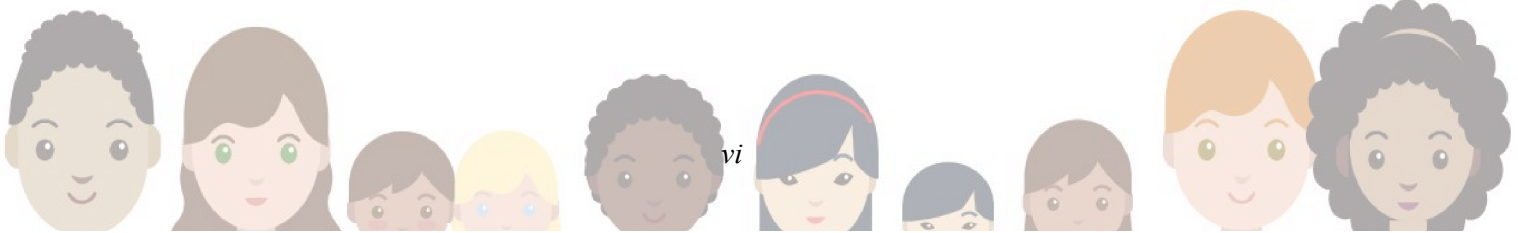
Principal Officers

Dr. Bryan Taylor, *Superintendent*

Hickory Public Schools Organizational Chart



All areas of this organization operate to support all HPS students.





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Hickory City Board of Education
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Hickory City Board of Education

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

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



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

William A. Sutter
President

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

David J. Lewis
Executive Director



Financial Section



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hickory City Board of Education
Hickory, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hickory City Board of Education, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise of the Hickory City Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hickory City Board of Education as of June 30, 2022, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the State Public School Fund, the Other Special Revenue Fund, and the Federal Grants Fund 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 *Governmental Auditing Standards*, issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hickory City Board of Education 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.

Responsibilities of Management for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 raises substantial doubt about Hickory City Board of Education's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 of material misstatement, whether due to fraud or error, and to issue an auditors' 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 *Governmental Auditing Standards* will always detect

material statement 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 *Governmental Auditing Standards* we

- Exercised professional judgement and maintained 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 Hickory City Board of Education'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 Hickory City Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11 and the Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of Board Contributions on pages 54 through 59, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 Hickory City Board of Education's basic financial statements. The individual fund budgetary schedules, as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, individual fund budgetary schedules and the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022 on our consideration of Hickory City Board of Education'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 the effectiveness of Hickory City Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hickory City Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

October 31, 2022
Huntersville, North Carolina

**HICKORY CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

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

Financial Highlights

- Funding from the Catawba County Board of Commissioners increased \$57 per a pupil for a total of \$1,798.
- The liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at the close of the fiscal year by \$2,657,936.
- The State held school districts harmless as a result of COVID and thus Average Daily Membership (ADM) was left at pre-pandemic levels of 4,011. ADM is used in the calculation of State Allotments.
- The State Public School Fund accounts for the largest portion of the school system's operational budget totaling \$28.1 million. This was an increase of \$500,000 over the prior year. While funding increased, it was used to pay for increases in retirement and health insurance. The retirement rate increased from 21.68% to 24.10% and health insurance increased 14%.
- Hickory City Schools received approximately \$14 million in Federal Funds through the CARES Act, CRRS Act, and the ARP Act. Funding in these acts expire September 30, 2022; 2023; and 2024. One of the main areas of focus with this funding is addressing learning loss as a result of not being able to meet face-to-face during the COVID pandemic.
- Catawba County contributed funding towards capital projects that included the purchase and installation of an artificial turf football field at Hickory High School, bathroom renovations at Hickory High School and Oakwood Elementary School, and the purchase of a van for the maintenance department.
- Hickory City Schools spent approximately \$800,000 on technology in FY22. With the new emphasis on technology and the option of remote learning, technology plays a vital role in future plans for funding.

Overview of the Financial Statements

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

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *Government-wide Statements*. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The Statement of Net Position includes all of the Board's assets, deferred

**HICKORY CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

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

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

Government-wide Statements

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

The two government-wide statements report the Board's net position and how they have changed. Net position – the difference between the Board's assets and liabilities – is one way to measure the unit's financial health or position.

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

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

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

The government-wide statements are shown as Exhibit 1 and 2 of this report.

**HICKORY CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

Fund Financial Statements

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds – not the unit as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The Board has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants Fund.

Hickory City Board of Education has three types of funds:

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

The governmental fund statements are shown as Exhibits 3, 4, and 5 of this report.

Proprietary Fund: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. Hickory City Board of Education has one proprietary fund – an enterprise fund – the School Food Service Fund.

The proprietary fund statements are shown as Exhibits 6, 7, and 8 of this report.

Fiduciary Fund: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Hickory City Board of Education has two fiduciary funds: 1) a Private-purpose Trust Fund which is a scholarship fund under the control of the administrative unit and 2) a Custodial Fund which holds assets for the Sunpac Group. Custodianship of the Sunpac Group was transferred to another governmental entity during the year. The fiduciary fund statements are shown as Exhibits 9 and 10 of this report.

Financial Analysis of the Board of Education as a Whole

Net position is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$2,657,936 as of June 30, 2022. Other than unrestricted net position, the largest component of net position is net investment in capital assets of \$47,970,793.

**HICKORY CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

Following is a summary of the Statement of Net Position:

Table 1						
Condensed Statement of Net Position						
As of June 30, 2022 and 2021						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021
Current assets	\$ 5,568,954	\$ 6,005,727	\$ 1,212,637	\$ 985,701	\$ 6,781,591	\$ 6,991,428
Capital assets	47,853,527	48,381,636	117,266	120,242	47,970,793	48,501,878
Total assets	<u>53,422,481</u>	<u>54,387,363</u>	<u>1,329,903</u>	<u>1,105,943</u>	<u>54,752,384</u>	<u>55,493,306</u>
Deferred outflows of resources	<u>11,891,961</u>	<u>10,792,198</u>	<u>342,076</u>	<u>291,581</u>	<u>12,234,037</u>	<u>11,083,779</u>
Current liabilities	491,409	1,559,292	319	29,934	491,728	1,589,226
Long-term liabilities	<u>44,975,726</u>	<u>52,507,864</u>	<u>1,287,570</u>	<u>1,400,188</u>	<u>46,263,296</u>	<u>53,908,052</u>
Total liabilities	<u>45,467,135</u>	<u>54,067,156</u>	<u>1,287,889</u>	<u>1,430,122</u>	<u>46,755,024</u>	<u>55,497,278</u>
Deferred inflows of resources	<u>22,118,172</u>	<u>19,748,028</u>	<u>636,236</u>	<u>533,547</u>	<u>22,754,408</u>	<u>20,281,575</u>
Net investment in capital assets	47,853,527	48,381,636	117,266	120,242	47,970,793	48,501,878
Restricted net position	878,725	962,821	562	1,633	879,287	964,454
Unrestricted net position	<u>(51,112,069)</u>	<u>(57,980,080)</u>	<u>(395,947)</u>	<u>(688,020)</u>	<u>(51,508,016)</u>	<u>(58,668,100)</u>
Total net position	<u>\$ (2,379,817)</u>	<u>\$ (8,635,623)</u>	<u>\$ (278,119)</u>	<u>\$ (566,145)</u>	<u>\$ (2,657,936)</u>	<u>\$ (9,201,768)</u>

Note that net position of governmental activities increased by approximately \$6.3 million during the year, indicating improvement in the financial condition of the Board. Also note that the Board carries capital assets for which Catawba County carries the offsetting debt.

**HICKORY CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

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

Table 2						
Condensed Statement of Activities						
For the Fiscal Years Ended June 30, 2022 and 2021						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021
Revenues:						
Program revenues:						
Charges for services	\$ 118,376	\$ 151,677	\$ 104,255	\$ 35,452	\$ 222,631	\$ 187,129
Operating grants and contributions	33,629,325	29,626,042	2,524,268	1,838,280	36,153,593	31,464,322
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
County	8,256,173	8,252,228	-	-	8,256,173	8,252,228
State	62,550	61,528	-	-	62,550	61,528
Other revenues	3,321,015	2,179,839	950	2,105	3,321,965	2,181,944
Total revenues	45,387,439	40,271,314	2,629,473	1,875,837	48,016,912	42,147,151
Expenses:						
Governmental activities:						
Instructional services	32,258,418	30,760,736	-	-	32,258,418	30,760,736
System-wide support services	6,640,172	7,432,144	-	-	6,640,172	7,432,144
Ancillary services	134,833	144,236	-	-	134,833	144,236
Non-programmed	2,612	29,794	-	-	2,612	29,794
Depreciation	50,584	61,933	-	-	50,584	61,933
Business-type activities:						
Food service	-	-	2,386,461	1,785,350	2,386,461	1,785,350
Total expenses	39,086,619	38,428,843	2,386,461	1,785,350	41,473,080	40,214,193
Revenues over (under) expenditures	6,300,820	1,842,471	243,012	90,487	6,543,832	1,932,958
Transfers in (out)	(45,014)	(51,578)	45,014	51,578	-	-
Increase (decrease) in net position	6,255,806	1,790,893	288,026	142,065	6,543,832	1,932,958
Beginning net position	(8,635,623)	(10,426,516)	(566,145)	(708,210)	(9,201,768)	(11,134,726)
Ending net position	<u>\$ (2,379,817)</u>	<u>\$ (8,635,623)</u>	<u>\$ (278,119)</u>	<u>\$ (566,145)</u>	<u>\$ (2,657,936)</u>	<u>\$ (9,201,768)</u>

**HICKORY CITY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2022**

Total governmental activities generated revenues of \$45.4 million while expenses in this category totaled \$39.1 million for the year ended June 30, 2022. Comparatively, revenues were \$40.3 million and expenses totaled \$38.4 million for the year ended June 30, 2021. The increase in governmental activities net position stands at \$6,255,806 at June 30, 2022, compared to a \$1,790,893 increase in 2021. The increase in net position is mainly due to declines in OPEB expenses. Business-type activities generated revenue of \$2.6 million while expenses totaled \$2.4 million. The increase in business-type net position, after transfers in, stands at \$288,026.

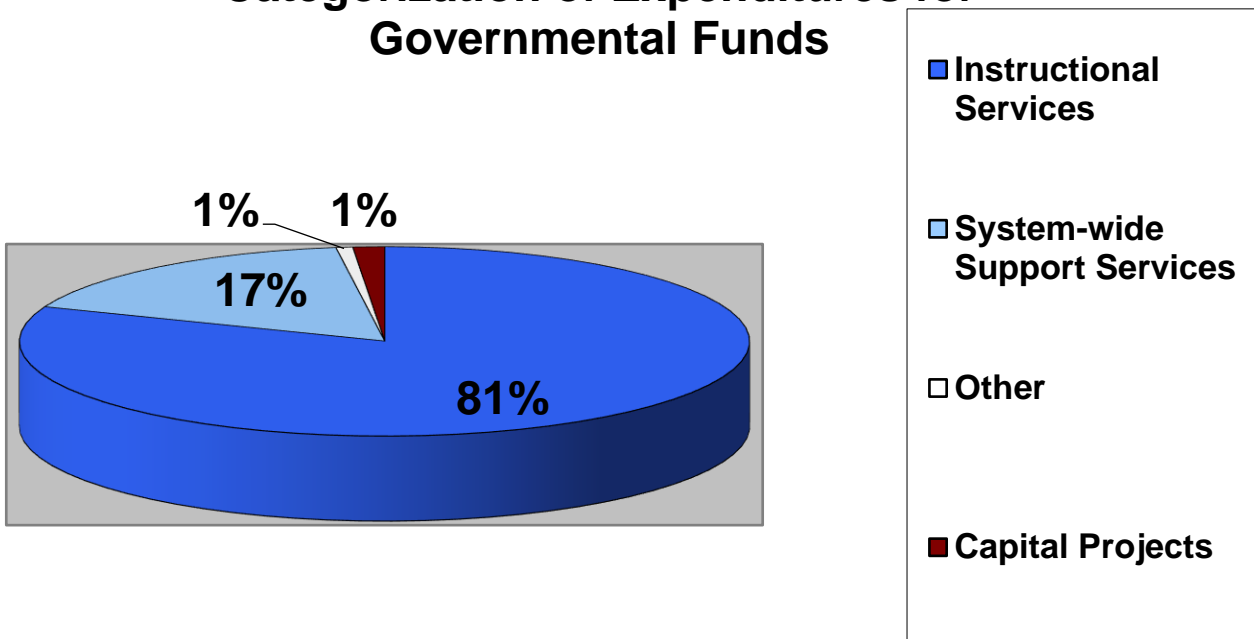
Financial Analysis of the Board’s Funds

Governmental Funds: The focus of Hickory City Board of Education’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board’s financing requirements.

The Board’s governmental funds reported a combined fund balance of \$4,949,053, a \$563,068 increase from last year. This increase in fund balance is primarily due to cost cutting efforts and increases in local revenues. The General Fund reported a \$392,692 increase in fund balance, the Capital Outlay Fund balance decreased by \$94,305, the Individual Schools Fund reported a \$70,460 increase in fund balance, and the Other Special Revenue Fund reported a \$194,221 increase in fund balance for the year ended June 30, 2022.

Proprietary Funds: The Board’s business-type fund had an increase in net position of \$288,026.

**Categorization of Expenditures for
Governmental Funds**



Expenditures presented on modified accrual basis of accounting

**HICKORY CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

General Fund Budgetary Highlights

The Board approved several budget amendments to account for changes in revenue and expenditure projections. Budget amendments are submitted to the Board on a monthly basis to reflect new revenues not measurable or known at the time of the original budget resolution. State and federal budgets are not approved at the State level until after the fiscal year begins and amendments are needed to reconcile the initial budget to final approved State and federal budgets. The State may send new allotments throughout the year and require additional budget amendments. There were no significant budget amendments during the year and there were no significant expenditures in excess of the budgeted expenditures. Actual expenditures were less than budgeted expenditures mainly due increases in State and federal funding, cuts made in previous years, and conservative spending by the district.

Capital Assets

Capital assets decreased by \$531,085 from the previous year. This was due to depreciation expense exceeding capital additions. More detailed information about the Board's capital assets is available in the notes to the financial statements. The following is a summary of the capital assets, net of depreciation at year-end.

Table 3						
Summary of Capital Assets						
As of June 30, 2022 and 2021						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Land	\$ 3,489,875	\$ 3,489,875	\$ -	\$ -	\$ 3,489,875	\$ 3,489,875
Construction in progress	798,402	698,253	-	-	798,402	698,253
Buildings and improvements	42,337,946	43,711,918	-	-	42,337,946	43,711,918
Equipment and furniture	1,136,950	385,226	117,266	120,242	1,254,216	505,468
Vehicles	90,354	96,364	-	-	90,354	96,364
Total	<u>\$ 47,853,527</u>	<u>\$ 48,381,636</u>	<u>\$ 117,266</u>	<u>\$ 120,242</u>	<u>\$ 47,970,793</u>	<u>\$ 48,501,878</u>

A more detailed description of capital assets is available in Note 3 of the basic financial statements.

Debt Outstanding

During the year the Board's outstanding debt for compensated absences increased by approximately \$5,000. The Board is limited by North Carolina General Statutes with regard to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. A more detailed description of the long-term debt is available in Note 3 of the basic financial statements.

**HICKORY CITY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

Economic Factors

Inflation is a concern for the future. The current rate of inflation is around 9%. This is significant and affects just about everything in the budget including salaries and benefits, cost of food, supplies, and the cost of maintenance projects just to name a few without being all inclusive. The State of North Carolina has mandated a \$15 minimum wage for classified employees without fully funding these increases. This will be an ongoing cost going forward.

Human resources also are an area of concern. The unemployment rate remains low in the area hovering around 4%. This is significant with the labor shortage in the area which places upward pressure on Salaries & Wages as discussed above. The District has labor shortages in the areas of teachers and bus drivers. This is an issue state and nationwide and not just in our own District.

The Average Daily Membership (ADM) is a statistic that the State of North Carolina uses in the calculation of funding that is allocated to the School District. ADM remains lower than pre-pandemic levels by about 150 students. It is the hope of the District that the new development in the area will close this gap.

The Free Lunch Program for all by USDA that has been in place for the past two years has been discontinued. Students in need may still be approved to participate in this program and receive free or reduced lunch based on eligibility. This is significant because of the reduction in funding that will be received as compared to being fully funded in prior years through the Free Lunch for All Program.

Catawba County is a supporter of Hickory City Schools and continues to fund capital projects and funding for instructional and system-wide support services. County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects that of the schools.

Impact of Coronavirus

During the fiscal year, the state and the nation were affected by the spread of a coronavirus. The Board's response to the coronavirus included using the additional funding to address learning loss as students returned to a full year of in person learning. Out of the one hundred and fifteen public schools in the state, Hickory City Schools was one of eight districts that met or exceeded growth.

Requests for Information

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

Jeffrey L. Blalock
Finance Director
Hickory City Board of Education
432 Fourth Avenue, SW
Hickory, NC 28602

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2022

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,286,962	\$ 1,153,866	\$ 6,440,828
Receivables (net)	130,369	-	130,369
Due from other governments	121,005	32,758	153,763
Due to (from) other funds	11,078	(11,078)	-
OPEB asset	19,540	562	20,102
Inventories	-	36,529	36,529
Capital assets			
Land, improvements, and construction in progress	4,288,277	-	4,288,277
Other capital assets, net of depreciation	43,565,250	117,266	43,682,516
Total capital assets	47,853,527	117,266	47,970,793
Total assets	53,422,481	1,329,903	54,752,384
DEFERRED OUTFLOWS OF RESOURCES	11,891,961	342,076	12,234,037
LIABILITIES			
Accounts payable and accrued expenses	491,409	319	491,728
Unearned revenue	108,952	25,973	134,925
Long-term liabilities:			
Due within one year	1,063,368	30,243	1,093,611
Due in more than one year			
Net pension liability	6,371,429	183,276	6,554,705
Net OPEB liability	36,506,194	1,050,112	37,556,306
Compensated absences	1,034,735	23,939	1,058,674
Total liabilities	45,576,087	1,313,862	46,889,949
DEFERRED INFLOWS OF RESOURCES	22,118,172	636,236	22,754,408
NET POSITION			
Net investment in capital assets	47,853,527	117,266	47,970,793
Restricted for:			
Stabilization by State statute	145,812	-	145,812
Individual schools	331,707	-	331,707
Capital Outlay	381,666	-	381,666
DIPNC OPEB plan	19,540	562	20,102
Unrestricted	(51,112,069)	(395,947)	(51,508,016)
Total net position	\$ (2,379,817)	\$ (278,119)	\$ (2,657,936)

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

Page 12

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental Activities:							
Instructional programs:							
Regular instructional	\$ 19,734,017	\$ 70,398	\$ 18,966,440	\$ -	\$ (697,179)	\$ -	\$ (697,179)
Special populations	4,085,763	-	4,677,732	-	591,969	-	591,969
Alternative programs	2,919,264	-	2,676,316	-	(242,948)	-	(242,948)
School Leadership	2,404,591	-	2,443,553	-	38,962	-	38,962
Co-curricular	140,894	-	-	-	(140,894)	-	(140,894)
School-based support	2,973,889	-	2,904,114	-	(69,775)	-	(69,775)
Support services:							
Support and development	393,635	-	130,139	-	(263,496)	-	(263,496)
Special populations	329,011	-	-	-	(329,011)	-	(329,011)
Alternative programs	117,995	-	-	-	(117,995)	-	(117,995)
Technology support	395,089	-	167,442	-	(227,647)	-	(227,647)
Operational support	4,056,566	47,978	845,289	-	(3,163,299)	-	(3,163,299)
Financial and human resource services	656,803	-	441,905	-	(214,898)	-	(214,898)
System-wide pupil support services	118,939	-	-	-	(118,939)	-	(118,939)
Policy, leadership and public relations	572,134	-	376,395	-	(195,739)	-	(195,739)
Ancillary services	134,833	-	-	-	(134,833)	-	(134,833)
Non-programmed charges	2,612	-	-	-	(2,612)	-	(2,612)
Unallocated depreciation expense**	50,584	-	-	-	(50,584)	-	(50,584)
Total governmental activities	39,086,619	118,376	33,629,325	-	(5,338,918)	-	(5,338,918)
Business-type activities:							
School food service	2,386,461	104,255	2,524,268	-	-	242,062	242,062
Total primary government	\$ 41,473,080	\$ 222,631	\$ 36,153,593	\$ -	(5,338,918)	242,062	(5,096,856)
General revenues:							
Unrestricted county appropriations - operating					7,211,778	-	7,211,778
Unrestricted county appropriations - capital					1,044,395	-	1,044,395
Unrestricted State appropriations - operating					62,550	-	62,550
Investment earnings, unrestricted					-	950	950
Miscellaneous, unrestricted					3,321,015	-	3,321,015
Total general revenues					11,639,738	950	11,640,688
Transfers					(45,014)	45,014	-
Total general revenues and transfers					11,594,724	45,964	11,640,688
Change in net position					6,255,806	288,026	6,543,832
Net position-beginning					(8,635,623)	(566,145)	(9,201,768)
Net position-ending					\$ (2,379,817)	\$ (278,119)	\$ (2,657,936)

** This amount excludes the depreciation that is included in the direct expenses of the various programs.

HICKORY CITY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

Exhibit 3

	Major Funds					Total Governmental Funds	
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants		Other Special Revenue Fund
ASSETS							
Cash and cash equivalents	\$ 4,002,162	\$ -	\$ 331,707	\$ 385,056	\$ -	\$ 568,037	\$ 5,286,962
Receivables (net)	-	-	-	-	-	130,369	130,369
Due from other governments	5,384	-	-	105,562	-	10,059	121,005
Due from other funds	-	-	-	-	-	11,078	11,078
Total assets	<u>\$ 4,007,546</u>	<u>\$ -</u>	<u>\$ 331,707</u>	<u>\$ 490,618</u>	<u>\$ -</u>	<u>\$ 719,543</u>	<u>\$ 5,549,414</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and other accruals	\$ 481,486	\$ -	\$ -	\$ -	\$ -	\$ 9,923	\$ 491,409
Deferred revenue	-	-	-	108,952	-	-	108,952
Total liabilities	<u>481,486</u>	<u>-</u>	<u>-</u>	<u>108,952</u>	<u>-</u>	<u>9,923</u>	<u>600,361</u>
Fund balances:							
Restricted:							
Stabilization by State statute	5,384	-	-	-	-	140,428	145,812
Capital Outlay	-	-	-	381,666	-	-	381,666
Individual Schools	-	-	331,707	-	-	-	331,707
Assigned							
Designated for subsequent year's expenditures	846,187	-	-	-	-	-	846,187
Special revenues	-	-	-	-	-	569,192	569,192
Unassigned	2,674,489	-	-	-	-	-	2,674,489
Total fund balances	<u>3,526,060</u>	<u>-</u>	<u>331,707</u>	<u>381,666</u>	<u>-</u>	<u>709,620</u>	<u>4,949,053</u>
Total liabilities and fund balances	<u>\$ 4,007,546</u>	<u>\$ -</u>	<u>\$ 331,707</u>	<u>\$ 490,618</u>	<u>\$ -</u>	<u>\$ 719,543</u>	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Net OPEB asset

Deferred outflows of resources related to pensions

Deferred outflows of resources related to OPEB

47,853,527

19,540

6,621,407

5,270,554

Some liabilities, compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

Net pension liability

Net OPEB liability

Deferred inflows of resources related to OPEB

Deferred inflows of resources related to pensions

Net position of governmental activities

(2,098,103)

(6,371,429)

(36,506,194)

(13,600,040)

(8,518,132)

\$ (2,379,817)

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants	Other Special Revenue Fund	
REVENUES							
State of North Carolina	\$ -	\$ 27,295,227	\$ -	\$ -	\$ -	\$ 393,466	\$ 27,688,693
Catawba County	7,211,778	-	-	1,044,395	-	-	8,256,173
U.S. Government	-	772,315	-	-	6,278,324	335,055	7,385,694
Other	65,876	-	626,128	125,848	-	1,239,027	2,056,879
Total revenues	<u>7,277,654</u>	<u>28,067,542</u>	<u>626,128</u>	<u>1,170,243</u>	<u>6,278,324</u>	<u>1,967,548</u>	<u>45,387,439</u>
EXPENDITURES							
Current:							
Instructional services:							
Regular instructional	1,869,539	16,653,245	555,668	11,071	2,255,313	409,516	21,754,352
Special populations	41,179	3,717,449	-	-	936,255	33,009	4,727,892
Alternative programs	107,325	737,997	-	-	1,889,819	606,451	3,341,592
School Leadership	354,948	2,330,838	-	-	109,895	-	2,795,681
Co-curricular	146,774	-	-	17,227	-	-	164,001
School-based support	46,847	2,501,855	-	-	392,194	509,019	3,449,915
System-wide support services:							
Support and development	325,372	108,079	-	-	21,508	2,593	457,552
Special populations	73	211,666	-	-	171,233	-	382,972
Alternative programs	5,667	1,796	-	-	129,885	-	137,348
Technology support	254,306	159,422	-	-	7,819	38,105	459,652
Operational support	3,146,835	765,555	-	607,879	77,739	121,546	4,719,554
Financial and human resource services	269,454	423,214	-	-	18,223	53,088	763,979
Policy, leadership and public relations	289,533	366,488	-	-	9,659	-	665,680
Ancillary services	-	44,924	-	-	112,023	-	156,947
Non-programmed charges	27,110	-	-	-	146,759	-	173,869
Capital outlay	-	-	-	628,371	-	-	628,371
Total expenditures	<u>6,884,962</u>	<u>28,022,528</u>	<u>555,668</u>	<u>1,264,548</u>	<u>6,278,324</u>	<u>1,773,327</u>	<u>44,779,357</u>
Revenues over (under) expenditures	392,692	45,014	70,460	(94,305)	-	194,221	608,082
OTHER FINANCING USES							
Transfers to other funds	-	(45,014)	-	-	-	-	(45,014)
Net change in fund balance	392,692	-	70,460	(94,305)	-	194,221	563,068
Fund balances-beginning	3,133,368	-	261,247	475,971	-	515,399	4,385,985
Fund balances-ending	<u>\$ 3,526,060</u>	<u>\$ -</u>	<u>\$ 331,707</u>	<u>\$ 381,666</u>	<u>\$ -</u>	<u>\$ 709,620</u>	<u>\$ 4,949,053</u>

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit 4
(Continued)

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

Net changes in fund balances - total governmental funds	\$ 563,068
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(528,109)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	3,873,271
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	1,508,637
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	220,816
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension (expense) benefit	(1,440,762)
Net OPEB (expense) benefit	2,047,721
Compensated absences	11,164
	<hr/>
Total changes in net position of governmental activities	<u>\$ 6,255,806</u>

**HICKORY CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2022**

Exhibit 5

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Catawba County	7,211,778	7,211,778	7,211,778	-
U.S. Government	-	-	-	-
Other	93,500	94,212	65,876	(28,336)
Total revenues	<u>7,305,278</u>	<u>7,305,990</u>	<u>7,277,654</u>	<u>(28,336)</u>
Expenditures:				
Current:				
Instructional services	3,593,775	3,594,487	2,566,612	1,027,875
System-wide support services	4,570,456	4,570,456	4,291,240	279,216
Ancillary services	-	-	-	-
Non-programmed charges	30,000	30,000	27,110	2,890
Total expenditures	<u>8,194,231</u>	<u>8,194,943</u>	<u>6,884,962</u>	<u>1,309,981</u>
Revenues over (under) expenditures	(888,953)	(888,953)	392,692	1,281,645
Appropriated fund balance	<u>888,953</u>	<u>888,953</u>	<u>-</u>	<u>(888,953)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	392,692	<u>\$ 392,692</u>
Fund balances, beginning of year			<u>3,133,368</u>	
Fund balances, end of year			<u>\$ 3,526,060</u>	

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2022

Exhibit 5

	State Public School Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
State of North Carolina	\$ 26,178,475	\$ 28,909,798	\$ 27,295,227	\$ (1,614,571)
Catawba County	-	-	-	-
U.S. Government	-	-	772,315	772,315
Other	-	-	-	-
Total revenues	<u>26,178,475</u>	<u>28,909,798</u>	<u>28,067,542</u>	<u>(842,256)</u>
Expenditures:				
Current:				
Instructional services	24,273,664	26,698,848	25,941,384	757,464
System-wide support services	1,839,811	2,099,946	2,036,220	63,726
Ancillary services	-	44,924	44,924	-
Non-programmed charges	-	-	-	-
Total expenditures	<u>26,113,475</u>	<u>28,843,718</u>	<u>28,022,528</u>	<u>821,190</u>
Revenues over (under) expenditures	65,000	66,080	45,014	(21,066)
Other financing uses:				
Transfers to other funds	<u>(65,000)</u>	<u>(66,080)</u>	<u>(45,014)</u>	<u>21,066</u>
Revenues over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2022

Exhibit 5

	Federal Grants Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Catawba County	-	-	-	-
U.S. Government	14,819,344	18,017,890	6,278,324	(11,739,566)
Other	-	-	-	-
Total revenues	<u>14,819,344</u>	<u>18,017,890</u>	<u>6,278,324</u>	<u>(11,739,566)</u>
Expenditures:				
Current:				
Instructional services	12,214,296	13,522,282	5,583,476	7,938,806
System-wide support services	2,069,455	1,930,070	436,066	1,494,004
Ancillary services	111,242	112,242	112,023	219
Non-programmed charges	424,351	2,453,296	146,759	2,306,537
Total expenditures	<u>14,819,344</u>	<u>18,017,890</u>	<u>6,278,324</u>	<u>11,739,566</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, beginning of year			<u> </u>	
Fund balances, end of year			<u>\$ -</u>	

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2022

Exhibit 5

	<u>Other Special Revenue Fund</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
State of North Carolina	\$ 393,466	\$ 393,466	\$ 393,466	\$ -
Catawba County	-	-	-	-
U.S. Government	70,196	325,476	335,055	9,579
Other	1,247,841	1,344,291	1,239,027	(105,264)
Total revenues	<u>1,711,503</u>	<u>2,063,233</u>	<u>1,967,548</u>	<u>(95,685)</u>
Expenditures:				
Current:				
Instructional services	1,558,070	1,906,331	1,557,995	348,336
System-wide support services	351,228	356,228	215,332	140,896
Ancillary services	-	-	-	-
Non-programmed charges	-	-	-	-
Total expenditures	<u>1,909,298</u>	<u>2,262,559</u>	<u>1,773,327</u>	<u>489,232</u>
Revenues over (under) expenditures	(197,795)	(199,326)	194,221	393,547
Appropriated fund balance	<u>197,795</u>	<u>199,326</u>	<u>-</u>	<u>(199,326)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	194,221	<u>\$ 194,221</u>
Fund balances, beginning of year			<u>515,399</u>	
Fund balances, end of year			<u>\$ 709,620</u>	

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2022

Exhibit 6

	<u>Major Fund</u>
	<u>School Food Service</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,153,866
Due from other governments	32,758
OPEB asset	562
Inventories	36,529
Total current assets	<u>1,223,715</u>
Noncurrent assets:	
Investment in capital assets	<u>117,266</u>
Total assets	<u>1,340,981</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>342,076</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	319
Due to other fund	11,078
Compensated absences	30,243
Unearned revenues	25,973
Total current liabilities	<u>67,613</u>
Noncurrent liabilities:	
Net pension liability	183,276
Net OPEB liability	1,050,112
Compensated absences	23,939
Total liabilities	<u>1,324,940</u>
DEFERRED INFLOWS OF RESOURCES	<u>636,236</u>
NET POSITION	
Investment in capital assets	117,266
Restricted - DIPNC OPEB plan	562
Unrestricted	(395,947)
Total net position	<u>\$ (278,119)</u>

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND
For the Year Ended June 30, 2022

Exhibit 7

	<u>Major Fund</u>
	<u>School Food Service</u>
OPERATING REVENUES	
Food sales	\$ 104,255
OPERATING EXPENSES	
Purchase of food	997,447
Salaries and benefits	1,161,300
Indirect costs	101,078
Materials and supplies	27,126
Repairs and maintenance	37,827
Contracted services	15,658
Depreciation	24,264
Other	21,761
Total operating expenses	<u>2,386,461</u>
Operating loss	<u>(2,282,206)</u>
NONOPERATING REVENUES	
Federal reimbursements	2,364,807
Federal commodities	159,461
Interest earned	950
Total nonoperating revenues	<u>2,525,218</u>
Income (loss) before transfers	243,012
Transfer from other fund	<u>45,014</u>
Change in net position	288,026
Total net position - beginning	<u>(566,145)</u>
Total net position - ending	<u>\$ (278,119)</u>

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Year Ended June 30, 2022

Exhibit 8

	<u>Major Fund</u> <u>School Food</u> <u>Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 130,228
Cash paid for goods and services	(1,026,292)
Cash paid to employees for services	(1,175,639)
Net cash used by operating activities	<u>(2,071,703)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Increase (decrease) in due to other funds	11,078
Federal and State reimbursements	2,360,936
Net cash provided by noncapital financing activities	<u>2,372,014</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(21,288)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>950</u>
Net increase (decrease) in cash and cash equivalents	279,973
Balance-beginning of the year	<u>873,893</u>
Balance-end of the year	<u>\$ 1,153,866</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating loss	<u>\$ (2,282,206)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	24,264
Expenses paid by the State Public School Fund	45,014
Donated commodities consumed	159,461
Changes in assets, deferred outflows of resources, and liabilities:	
(Increase) decrease in net OPEB asset	1,071
(Increase) decrease in inventories	44,759
Increase (decrease) in accounts payable and accrued liabilities	(29,615)
(Increase) decrease in deferred outflows	(50,495)
Increase (decrease) in net pension liability	(277,943)
Increase (decrease) in net OPEB liability	149,674
Increase (decrease) in deferred inflows	102,689
Increase (decrease) in unearned revenues	25,973
Increase (decrease) in compensated absences	15,651
Total adjustments	<u>210,503</u>
Net cash used by operating activities	<u>\$ (2,071,703)</u>

Noncash Investing, Capital, and Financing Activities

The School Food Service Fund received donated commodities with a value of \$159,461 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue.

The State Public School Fund contributed \$45,014 to the School Food Service Fund during the fiscal year to provide assistance with the payment of operating expenses. This payment is reflected as a transfer in and an operating expense on Exhibit 7.

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
June 30, 2022

Exhibit 9

	<u>Private-Purpose Trust Fund Scholarships</u>
ASSETS	
Current assets:	
Cash and cash equivalents	<u>\$ 73,320</u>
 NET POSITION	
Unrestricted	<u>\$ 73,320</u>

HICKORY CITY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
For the Year Ended June 30, 2022

Exhibit 10

	<u>Private-Purpose Trust Fund Scholarships</u>	<u>Custodial Fund Sunpac Group</u>
ADDITIONS		
Donations	\$ 3,735	\$ -
Interest earned	8	18
	<hr/>	<hr/>
Total additions	3,743	18
DEDUCTIONS		
Scholarships awarded	6,100	-
Transfer to new custodian	-	302,563
	<hr/>	<hr/>
Total deductions	6,100	302,563
Change in net position	(2,357)	(302,545)
Total net position - beginning	<hr/> 75,677	<hr/> 302,545
Total net position - ending	<hr/> <u>\$ 73,320</u>	<hr/> <u>\$ -</u>

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Hickory City Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Hickory City Board of Education (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Hickory, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426].

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

Individual Schools Fund. The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs. The Board has chosen to report the Individual Schools Fund as a major fund to more clearly reflect the operations of each individual fund.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S.115C-426]. Capital projects are funded by Catawba County appropriations, restricted sales tax moneys, proceeds of Catawba County bonds issued for public school construction, lottery proceeds, as well as certain State assistance.

Federal Grants Fund. The Federal Grants Fund includes appropriations from various federal funding sources for the current operating expenditures of the various grants awarded to the Board.

Other Special Revenue Fund. The Other Special Revenue Fund is used to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal and State grants restricted as to use, federal and State appropriations made directly to local school administrative units and other special programs.

The Board reports the following major enterprise fund:

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

The Board reports the following fiduciary funds:

Private-purpose Trust Fund: The Private-purpose Trust Fund is used to account for scholarship money under the control of the Board for the benefit of students in the district.

Custodial Fund: Custodial funds are custodial in nature and use the economic resources measurement focus. This fund is used to account for assets the Board holds on behalf of others. The Board maintains the following custodial fund: the Sunpac Group, which provides support for the accounting software used by the Board. During the year ended June 30, 2022, the Sunpac Group transferred custodianship to the Brunswick County Board of Education. As such the Board transferred all funds held in a custodial capacity relating to the Sunpac Group to Brunswick County Board of Education.

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Board's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys (up to \$10,000) from one function to another within a fund. Such transfers do not require approval from the governing board. However, the transfer must be reported to the governing board at its next regular meeting. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$10,000. Amendments which alter the county appropriations or transfer moneys to or from the Capital Project Fund require the approval of the Catawba County Board of Commissioners. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Encumbrance accounting is employed in all governmental funds except the Individual Schools Fund. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as restrictions of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. There were no outstanding encumbrances at June 30, 2022.

Assets, Liabilities, and Fund Equity

Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAm rating from S & P Global Ratings and AAAMf by Moody's Investors Service. The NCCMT Government Portfolio is reported at fair value.

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

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest in the STIF is 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. All investments are measured using the market approach. The STIF is classified as Level 2 in the fair value hierarchy and is valued using prices that are either directly or indirectly observable for an asset or liability. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

Cash and Cash Equivalents

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

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

Capital Assets

Donated assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1984 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. In addition, other items that are purchased and used in large quantities, such as student desks, are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

	<u>Years</u>
Buildings	50
Equipment and furniture	10
Vehicles	6
Computer equipment	3

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

Deferred outflows and inflows of resources

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

Long-Term Obligations

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

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Compensated Absences

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

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

Net Position/Fund Balances

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

Restricted for capital outlay - portion of fund balance that can only be used for school capital outlay. [G.S. 159-18 through 22]

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

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

Subsequent year's expenditures – portion of fund balance that is appropriated in next year's budget that is not already classified in restricted. The Board of Education approves the appropriation.

Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that the Board of Education has assigned to be expended for educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes. The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, and lastly board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of (\$7,328,870) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 84,093,426
Less Accumulated Depreciation	<u>36,239,899</u>
Net capital assets	47,853,527
Net OPEB asset	19,540
Pension related deferred outflows of resources	6,621,407
OPEB related deferred outflows of resources	5,270,554
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Compensated absences	(2,098,103)
Net pension liability	(6,371,429)
Net OPEB liability	(36,506,194)
Deferred inflows of resources related to pensions	(8,518,132)
Deferred inflows of resources related to OPEB	<u>(13,600,040)</u>
Total adjustment	<u>\$ (7,328,870)</u>

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$5,692,738 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 1,015,384
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(1,543,493)
Contributions to the pension plan in the current fiscal year are not included in the statement of activities.	3,873,271
Contributions to the OPEB plan in the current fiscal year are not included in the statement of activities.	1,508,637
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	220,816
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Pension (expense) benefit	(1,440,762)
Net OPEB (expense) benefit	2,047,721
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	<u>11,164</u>
Total adjustment	<u>\$ 5,692,738</u>

**HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Defined Benefit Pension Plan and OPEB Plans

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Material Violations of Finance-Related Legal and Contractual Provisions

None

Excess of Expenditures Over Appropriations

None

Deficits in Fund Balance or Net Position of Individual Funds

None

NOTE 3 – DETAIL NOTES ON ALL FUNDS

Assets

Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2022, the Board had deposits with banks and savings and loans with a carrying amount of \$4,162,155 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$4,322,996 and \$311,957, respectively. Of these balances, \$589,866 was covered by federal depository insurance and \$4,045,087 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

At June 30, 2022, the Board of Education had \$2,351,993 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2022. The Board has no policy for managing interest rate risk or credit risk.

Accounts Receivable

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

	Due from other governments	Other
	<u> </u>	<u> </u>
Governmental activities:		
General Fund	\$ 5,384	\$ -
Capital Outlay Fund	105,562	-
Other Special Revenue Fund	10,059	130,369
Total	<u>\$ 121,005</u>	<u>\$ 130,369</u>
Business-type activities:		
School Food Service	<u>\$ 32,758</u>	<u>\$ -</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 5,384	Catawba County appropriations and other
Capital Outlay Fund	105,562	County funds for capital construction
Other Special Revenue	10,059	Federal grant revenues and other
Total	<u>\$ 121,005</u>	
Business-type activities:		
School Food Service	<u>\$ 32,758</u>	Federal funds

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Retirements</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,489,875	\$ -	\$ -	\$ 3,489,875
Construction in progress	<u>698,253</u>	<u>959,486</u>	<u>859,337</u>	<u>798,402</u>
Total capital assets not being depreciated	<u>4,188,128</u>	<u>959,486</u>	<u>859,337.00</u>	<u>4,288,277</u>
Capital assets being depreciated:				
Buildings and improvements	75,649,872	-	-	75,649,872
Equipment and furniture	2,390,929	870,661	78,885	3,182,705
Vehicles	<u>1,012,924</u>	<u>44,574</u>	<u>84,926</u>	<u>972,572</u>
Total capital assets being depreciated	<u>79,053,725</u>	<u>915,235</u>	<u>163,811</u>	<u>79,805,149</u>
Less accumulated depreciation for:				
Buildings and improvements	31,937,954	1,373,972	-	33,311,926
Equipment and furniture	2,005,703	118,937	78,885	2,045,755
Vehicles	<u>916,560</u>	<u>50,584</u>	<u>84,926</u>	<u>882,218</u>
Total accumulated depreciation	<u>34,860,217</u>	<u>1,543,493</u>	<u>163,811</u>	<u>36,239,899</u>
Total capital assets being depreciated, net	<u>44,193,508</u>			<u>43,565,250</u>
Governmental activity capital assets, net	<u>\$ 48,381,636</u>			<u>\$ 47,853,527</u>

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Furniture and office equipment	\$ 1,208,080	\$ 21,288	\$ 6,138	\$ 1,223,230
Less accumulated depreciation for:				
Furniture and office equipment	<u>1,087,838</u>	<u>24,264</u>	<u>6,138</u>	<u>1,105,964</u>
School Food Service capital assets, net:	<u>\$ 120,242</u>			<u>\$ 117,266</u>

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 50,584
Instructional services	1,373,972
System-wide support services	<u>118,937</u>
Total	<u>\$ 1,543,493</u>

Construction Commitments

Hickory City Board of Education has on-going construction projects as of June 30, 2022. At year-end, the Board's commitments with contractors for school construction are as follows:

Project	Spent-to-date	Total Commitment
Hickory High Restrooms	\$ 786,850	\$ 941,381
Oakwood Restrooms	<u>11,552</u>	<u>100,832</u>
	<u>\$ 798,402</u>	<u>\$ 1,042,213</u>

Liabilities

Pension Plan Obligations

a. Teachers' and State Employees' Retirement System

Plan Description. The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent,

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

who serve as ex-officio members. The Teachers' and State Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2022, was 16.38% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$3,984,686 for the year ended June 30, 2022.

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

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

At June 30, 2022, the Board reported a liability of \$6,554,705 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2021 and at June 30, 2020, the Board's proportion was .140% and .145%, respectively.

For the year ended June 30, 2022, the Board recognized pension expense of \$1,500,905. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 368,448	\$ 148,865
Changes in assumptions	2,458,740	-
Net difference between projected and actual earnings on pension plan investments	-	8,121,361
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	492,933
Board contributions subsequent to the measurement date	<u>3,984,686</u>	<u>-</u>
Total	<u>\$ 6,811,874</u>	<u>\$ 8,763,159</u>

\$3,984,686 reported as deferred outflows of resources related to pensions resulting from the Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023.

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

Year ended June 30:

2023		\$ (1,071,882)
2024		(1,097,966)
2025		(1,275,334)
2026		(2,490,789)
2027		-
Thereafter		-
	Total	<u>\$ (5,935,971)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 8.05%, including inflation and productivity factor
Investment rate of return	6.50%, net of pension plan investment expense, including Inflation

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

The actuarial assumptions used in the December 31, 2020 actuarial valuation were based on the actuarial experience study for the prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discounted Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 21,986,950	\$ 6,554,705	\$ 6,273,359

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

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

b. Other Post-employment Benefits

Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established in Chapter 135, Article 1 of the General Statutes. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

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

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

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

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.29% of covered payroll which amounted to \$1,530,139. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$187 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$227,168.

At June 30, 2022, Board reported a liability of \$37,556,306 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2021 and at June 30, 2020, the Boards proportion was 0.121% and 0.123%, respectively.

\$1,530,139 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2023	\$	(5,124,864)
2024		(2,873,677)
2025		(1,438,195)
2026		(1,058,318)
2027		315,583
Thereafter		--
	Total	<u>\$ (10,179,471)</u>

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

Inflation	2.50%
Salary increases	3.25-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	6.50%
Healthcare cost trend rate – medical	5.00% - 6.00%
Healthcare cost trend rate – prescription drug	5.00% - 9.50%
Healthcare cost trend rate – administrative	3.00%
Post-retirement mortality rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF at June 30, 2022, was 2.16% and 2.21% for 2021. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan’s fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 2.16% 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, 2020.

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

	<u>1% Decrease (1.16%)</u>	<u>Discounted Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Net OPEB liability	\$ 44,672,629	\$ 37,556,306	\$ 31,792,807

Sensitivity of the Board’s proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates:

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

	Healthcare Trend Rates			
	1% Decrease in Trend Rates		1% Increase in Trend Rates	
	(Medical - 6.50%, Pharmacy - 7.25%, Administrative - 3.00%)			
	\$	\$	\$	\$
Net OPEB liability	30,414,239	37,556,306	47,030,815	

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

Disability Benefits

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

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

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

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

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2022, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$21,894 for the year ended June 30, 2022.

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

At June 30, 2022, Board reported an OPEB asset of \$20,102 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The total OPEB asset was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2021 and at June 30, 2020, the Boards proportion was .12% and .13%, respectively.

\$21,894 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2023		\$	14,661
2024			10,474
2025			13,140
2026			7,386
2027			3,844
Thereafter			<u>8,847</u>
	Total	\$	<u>58,352</u>

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

Inflation	2.50%
Salary increases	3.25% to 8.05%, including a 3.25% inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage point higher (4.00 percent) than the current discount rate:

	<u>1% Decrease (2.00%)</u>	<u>Discounted Rate (3.00%)</u>	<u>1% Increase (4.00%)</u>
Net OPEB asset	\$ 12,692	\$ 20,102	\$ 26,957

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

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

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

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2021. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2021 is 1.2%.

**HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

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

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

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense	\$ 2,067,470	\$ (45,765)	\$ 2,021,705
OPEB liability (asset)	37,556,306	(20,102)	37,536,204
Proportionate share of the net OPEB liability (asset)	0.121%	0.123%	
Deferred of Outflows of Resources			
Differences between expected and actual experience	221,727	51,255	272,982
Changes of assumptions	3,071,782	3,530	3,075,312
Net difference between projected and actual earnings on plan investments	-	1,962	1,962
Changes in proportion and differences between Board contributions and proportionate share of contributions	510,033	9,841	519,874
Board contributions subsequent to the measurement date	1,530,139	21,894	1,552,033
Deferred of Inflows of Resources			
Differences between expected and actual experience	699,098	-	699,098
Changes of assumptions	9,126,999	7,298	9,134,297
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,137,704	938	4,138,642
Net difference between projected and actual earnings on plan investments	19,212	-	19,212

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2022 are as follows:

	<u>Vendors</u>
Governmental Activities	
General	\$ 481,486
Other Governmental	9,923
Total-governmental activities	<u>\$ 491,409</u>
Business-type Activities	
School Food Service	<u>\$ 319</u>

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Unavailable Revenues

The balance in unavailable revenues at year-end in the Capital Outlay Fund is composed of \$108,952 of K-12 Athletic Facilities Grant funds. The balance in unavailable revenues at year-end in the School Food Service Fund is composed of \$25,973 of prepaid student meals.

Deferred Inflows of Resources

The balance in deferred inflows of resources at year-end is composed of the following.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Change in proportion and difference between employer contributions and proportionate share of contributions.	\$ 519,874	\$ 4,631,575
Changes in assumptions	5,534,052	9,134,297
Difference between projected and actual earnings on plan investments	1,962	8,140,573
date	5,536,719	-
Difference between expected and actual experience	<u>641,430</u>	<u>847,963</u>
Totals	<u>\$ 12,234,037</u>	<u>\$ 22,754,408</u>

Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The State of North Carolina provides workers' compensation coverage for employees to the extent they are paid from State funds. The Board purchases workers' compensation coverage for locally and federally funded employees from Key Risk Insurance Company. The Board purchases General Liability Insurance from Utica National Insurance Company with a \$2,000,000 General Aggregate Limit, the Board's Errors and Omissions is \$1,000,000 per occurrence and \$2,000,000 Aggregate Annual Limit. The Umbrella policy extends coverage for General Liability, Automotive Liability, Errors and Omission with a \$3,000,000 Aggregate Annual Limit.

The Board insures its tangible property with the NC Public School Insurance Fund. The fund provides coverage for the full blanket limit of \$193,666,931 (replacement value for direct damage to the real and personal property scheduled in the policy.) The property deductible includes \$2,000 per loss for theft and vandalism, \$5,000 for windstorm and hail and \$25,000 for flood. The Board also purchases automobile liability insurance from Utica National Insurance Company. The Board participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-fund risk financing pool of

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

the State administered by Blue Cross and Blue Shield of North Carolina. The Board pays most of the cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's moneys at any given time are performance bonded through an employee dishonesty blanket bond for \$25,000. The finance officer is bonded for \$100,000.

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

Long-Term Obligation Activity

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

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Current
Governmental activities:					
Net pension liability	\$ 17,070,967	\$ -	\$ 10,699,538	\$ 6,371,429	\$ -
Net OPEB liability	33,327,630	3,178,564	-	36,506,194	-
Compensated absences	<u>2,109,267</u>	<u>2,144,999</u>	<u>2,156,163</u>	<u>2,098,103</u>	<u>1,063,368</u>
Total	<u>\$ 52,507,864</u>	<u>\$ 5,323,563</u>	<u>\$ 12,855,701</u>	<u>\$ 44,975,726</u>	<u>\$ 1,063,368</u>
Business-type activities:					
Net pension liability	\$ 461,219	\$ -	\$ 277,943	\$ 183,276	\$ -
Net OPEB liability	900,438	149,674	-	1,050,112	-
Compensated absences	<u>38,531</u>	<u>84,103</u>	<u>68,452</u>	<u>54,182</u>	<u>30,243</u>
Total	<u>\$ 1,400,188</u>	<u>\$ 233,777</u>	<u>\$ 346,395</u>	<u>\$ 1,287,570</u>	<u>\$ 30,243</u>

Compensated absences are typically liquidated by the general and other governmental funds. The General Fund, State Public School Fund, Federal Grants Fund and Other Special Revenue Fund make annual contributions to the net pension liability and the net OPEB liability.

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Fund Balance

The following schedule provides management and citizens with information on the portion of the General Fund's fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 3,526,060
Less:	
Stabilization by State statute	(5,384)
Appropriated Fund Balance in 2023 budget	<u>(846,187)</u>
Remaining fund balance	<u>\$ 2,674,489</u>

Transfers to/from other funds

During the year ended June 30, 2022, the State Public School Fund paid administrative salaries of \$45,014 for the School Food Service Fund.

NOTE 4 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

At June 30, 2022, the Board was a defendant to a lawsuit. In the opinion of the Board's management and legal counsel, the ultimate outcome of this lawsuit will not have a material adverse effect on the Board's financial position.

HICKORY CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 5 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2022 in the Other Special Revenue Fund consists of the following:

Tuition and fees	\$	70,398
Contracted service revenue		586,152
Indirect costs allocated		271,934
Contributions and donations		16,647
Activity bus		27,489
Reimbursements		148,170
Rental of school property		47,978
Sales tax		57,427
Other		<u>12,832</u>
Total other revenues	\$	<u>1,239,027</u>

HICKORY CITY BOARD OF EDUCATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
*Last Nine Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net pension liability (asset)	0.140%	0.145%	0.145%	0.153%	0.153%
Board's proportionate share of the net pension liability (asset)	\$ 6,554,705	\$ 17,532,186	\$ 15,061,115	\$ 15,279,610	\$ 12,132,554
Covered payroll	\$ 22,747,417	\$ 22,658,010	\$ 22,238,918	\$ 21,965,067	\$ 21,344,354
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	28.82%	77.38%	67.72%	69.56%	56.84%
Plan fiduciary net position as a percentage of the total pension liability	94.86%	85.98%	87.56%	87.61%	89.51%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset)	0.153%	0.149%	0.150%	0.160%
Board's proportionate share of the net pension liability (asset)	\$ 14,023,678	\$ 5,480,995	\$ 1,759,569	\$ 9,695,417
Covered payroll	\$ 20,807,675	\$ 20,424,393	\$ 20,310,058	\$ 21,207,442
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	67.40%	26.84%	8.66%	45.72%
Plan fiduciary net position as a percentage of the total pension liability	87.32%	94.64%	98.24%	90.60%

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

Note: This schedule is intended to show information for ten years, however such information for ten years is not available. As information comes available it will be displayed in this schedule.

This schedule is required supplementary information as required by the Governmental Accounting Standards Board.

HICKORY CITY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 3,984,686	\$ 3,362,068	\$ 2,938,744	\$ 2,733,163	\$ 2,367,834
Contributions in relation to the contractually required contribution	3,984,686	3,362,068	2,938,744	2,733,163	2,367,834
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 24,326,531	\$ 22,747,417	\$ 22,658,010	\$ 22,238,918	\$ 21,965,067
Contributions as a percentage of covered payroll	16.38%	14.78%	12.97%	12.29%	10.78%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,130,167	\$ 1,903,902	\$ 1,868,832	\$ 1,764,944
Contributions in relation to the contractually required contribution	2,130,167	1,903,902	1,868,832	1,764,944
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,344,354	\$ 20,807,675	\$ 20,424,393	\$ 20,310,058
Contributions as a percentage of covered payroll	9.98%	9.15%	9.15%	8.69%

Note: This schedule is intended to show information for ten years, however such information for ten years is not available. As information comes available it will be displayed in this schedule.

This schedule is required supplementary information as required by the Governmental Accounting Standards Board.

HICKORY CITY BOARD OF EDUCATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
*Last Six Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net OPEB liability (asset)	0.121%	0.123%	0.127%	0.137%	0.140%
Board's proportionate share of the net OPEB liability (asset)	\$ 37,556,306	\$ 34,228,068	\$ 40,214,089	\$ 39,120,233	\$ 45,773,929
Covered payroll	\$ 22,747,417	\$ 22,658,010	\$ 22,238,918	\$ 21,965,067	\$ 21,344,354
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	165.10%	151.06%	180.83%	178.10%	214.45%
Plan fiduciary net position as a percentage of the total OPEB liability	7.72%	6.92%	4.40%	4.40%	3.52%

	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.127%
Board's proportionate share of the net OPEB liability (asset)	\$ 57,585,964
Covered payroll	\$ 20,807,675
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	276.75%
Plan fiduciary net position as a percentage of the total OPEB liability	2.41%

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

Note: This schedule is intended to show information for ten years, however such information for ten years is not available. As information comes available it will be displayed in this schedule.

This schedule is required supplementary information as required by the Governmental Accounting Standards Board.

HICKORY CITY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,530,139	\$ 1,519,527	\$ 1,465,973	\$ 1,394,380	\$ 1,328,887
Contributions in relation to the contractually required contribution	<u>1,530,139</u>	<u>1,519,527</u>	<u>1,465,973</u>	<u>1,394,380</u>	<u>1,328,887</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 24,326,531	\$ 22,747,417	\$ 22,658,010	\$ 22,238,918	\$ 21,965,067
Contributions as a percentage of covered-employee payroll	6.29%	6.68%	6.47%	6.27%	6.05%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,240,107	\$ 1,165,230	\$ 1,121,299	\$ 1,096,743	\$ 1,124,248
Contributions in relation to the contractually required contribution	<u>1,240,107</u>	<u>1,165,230</u>	<u>1,121,299</u>	<u>1,096,743</u>	<u>1,124,248</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,344,354	\$ 20,807,675	\$ 20,424,393	\$ 20,310,058	\$ 21,212,226
Contributions as a percentage of covered-employee payroll	5.81%	5.60%	5.49%	5.40%	5.30%

This schedule is required supplementary information as required by the Governmental Accounting Standards Board.

HICKORY CITY BOARD OF EDUCATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET
DISABILITY INCOME PLAN OF NORTH CAROLINA
*Last Six Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net OPEB asset	0.123%	0.126%	0.127%	0.136%	0.135%
Board's proportionate share of the net OPEB asset	\$ 20,102	\$ 62,083	\$ 55,090	\$ 41,314	\$ 82,433
Covered payroll	\$ 22,747,417	\$ 22,658,010	\$ 22,238,918	\$ 21,965,067	\$ 21,344,354
Board's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	0.09%	0.27%	0.25%	0.19%	0.39%
Plan fiduciary net position as a percentage of the total OPEB asset	105.18%	115.57%	113.00%	108.47%	116.23%
	<u>2017</u>				
Board's proportion of the net OPEB asset	0.136%				
Board's proportionate share of the net OPEB asset	\$ 84,493				
Covered payroll	\$ 20,807,675				
Board's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	0.41%				
Plan fiduciary net position as a percentage of the total OPEB asset	116.06%				

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

Note: This schedule is intended to show information for ten years, however such information for ten years is not available. As information comes available it will be displayed in this schedule.

This schedule is required supplementary information as required by the Governmental Accounting Standards Board.

HICKORY CITY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 21,894	\$ 20,473	\$ 22,658	\$ 31,134	\$ 30,751
Contributions in relation to the contractually required contribution	21,894	20,473	22,658	31,134	30,751
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 24,326,531	\$ 22,747,417	\$ 22,658,010	\$ 22,238,918	\$ 21,965,067
Contributions as a percentage of covered-employee payroll	0.09%	0.09%	0.10%	0.14%	0.14%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 81,109	\$ 85,311	\$ 83,740	\$ 89,364	\$ 93,334
Contributions in relation to the contractually required contribution	81,109	85,311	83,740	89,364	93,334
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,344,354	\$ 20,807,675	\$ 20,424,393	\$ 20,310,058	\$ 21,212,226
Contributions as a percentage of covered-employee payroll	0.38%	0.41%	0.41%	0.44%	0.44%

This schedule is required supplementary information as required by the Governmental Accounting Standards Board.

HICKORY CITY BOARD OF EDUCATION**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL****For the Fiscal Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	Exhibit A-1 <u>Variance Positive (Negative)</u>
Revenues:			
Catawba County:			
Appropriations from general revenues	\$ 7,211,778	\$ 7,211,778	\$ -
Other:			
Fines and forfeitures		62,550	
Miscellaneous		3,326	
Total	<u>94,212</u>	<u>65,876</u>	<u>(28,336)</u>
Total revenues	<u>7,305,990</u>	<u>7,277,654</u>	<u>(28,336)</u>
Expenditures:			
Instructional services:			
Regular instructional		1,869,539	
Special populations		41,179	
Alternative programs		107,325	
School leadership		354,948	
Co-curricular		146,774	
School-based support		46,847	
Total instructional services	<u>3,594,487</u>	<u>2,566,612</u>	<u>1,027,875</u>
System-wide support services:			
Support and development		325,372	
Special population support		73	
Alternative programs and support services		5,667	
Technology support		254,306	
Operational support		3,146,835	
Financial and human resource services		269,454	
Policy, leadership and public relations		289,533	
Total system-wide support services	<u>4,570,456</u>	<u>4,291,240</u>	<u>279,216</u>
Non-programmed charges:			
Payments to Charter Schools	<u>30,000</u>	<u>27,110</u>	<u>2,890</u>
Total expenditures	<u>8,194,943</u>	<u>6,884,962</u>	<u>1,309,981</u>
Revenues over (under) expenditures	(888,953)	392,692	1,281,645
Appropriated fund balance	<u>888,953</u>	<u>-</u>	<u>(888,953)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>392,692</u>	<u>\$ 392,692</u>
Fund balances:			
Beginning of year, July 1		<u>3,133,368</u>	
End of year, June 30		<u>\$ 3,526,060</u>	

**HICKORY CITY BOARD OF EDUCATION
CAPITAL OUTLAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Catawba County appropriations	\$ 5,800,726	\$ 1,044,395	\$ (4,756,331)
State of North Carolina - K-12 Athletic Facilities Grant	108,952	-	(108,952)
Miscellaneous	100,000	125,848	25,848
Total revenues	<u>6,009,678</u>	<u>1,170,243</u>	<u>(4,839,435)</u>
Expenditures:			
Current:			
Instructional services	66,904	28,298	38,606
System-wide support services	1,593,075	607,879	985,196
Capital Outlay	4,639,945	628,371	4,011,574
Total expenditures	<u>6,299,924</u>	<u>1,264,548</u>	<u>5,035,376</u>
Revenues over (under) expenditures	(290,246)	(94,305)	195,941
Appropriated fund balance	<u>290,246</u>	<u>-</u>	<u>(290,246)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(94,305)</u>	<u>\$ (94,305)</u>
Fund balances:			
Beginning of year, July 1		<u>475,971</u>	
End of year, June 30		<u>\$ 381,666</u>	

**HICKORY CITY BOARD OF EDUCATION
SCHOOL FOOD SERVICE FUND
SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP)
For the Fiscal Year Ended June 30, 2022**

Exhibit C-1

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Operating revenues			
Food sales	\$ 182,130	\$ 104,255	\$ (77,875)
Operating expenditures:			
Business support services	<u>2,445,285</u>	<u>2,407,477</u>	<u>37,808</u>
Operating loss	<u>(2,263,155)</u>	<u>(2,303,222)</u>	<u>(40,067)</u>
Nonoperating revenues:			
Federal and State reimbursements	2,001,600	2,364,807	363,207
Federal commodities	165,098	159,461	(5,637)
Interest earned	<u>8,600</u>	<u>950</u>	<u>(7,650)</u>
	<u>2,175,298</u>	<u>2,525,218</u>	<u>349,920</u>
Revenues over (under) expenditures	(87,857)	221,996	309,853
Other financing sources:			
Transfer from other fund	<u>87,857</u>	<u>45,014</u>	<u>(42,843)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	267,010	<u>\$ 267,010</u>
Reconciliation of modified accrual to full accrual basis:			
Depreciation		(24,264)	
(Increase) decrease in net pension liability		277,943	
(Increase) decrease in net OPEB liability		(149,674)	
Increase (decrease) deferred outflows		50,495	
(Increase) decrease in deferred inflows		(102,689)	
(Increase) decrease in accounts payable and accrued liabilities		29,615	
(Increase) decrease in compensated absences		(15,651)	
Increase (decrease) in inventory		<u>(44,759)</u>	
Change in net position - full accrual		<u>\$ 288,026</u>	



Statistical Section

STATISTICAL SECTION **(Unaudited)**

The Statistical Section of the District's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial outlook.

Sections

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

Revenue Capacity

Since the District's local revenues are primarily provided by Catawba County, these schedules on the county's revenue sources are relevant to an understanding of Catawba County's most significant local revenue source, the property tax.

Debt Capacity

Since the District has no tax-levying or debt-issuing authority, the County of Catawba provides significant funding to the school system. Selected fiscal data from the County of Catawba has been included to help the reader better understand the school system and its financial operations.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

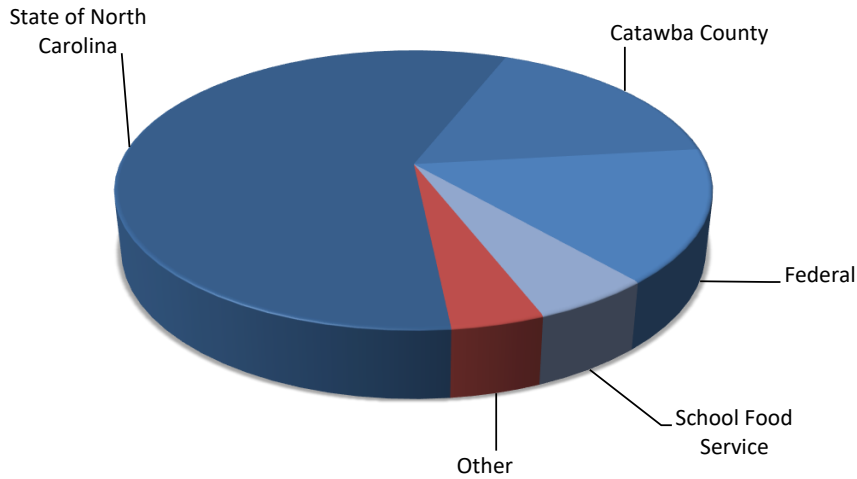
Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Financial Perspective

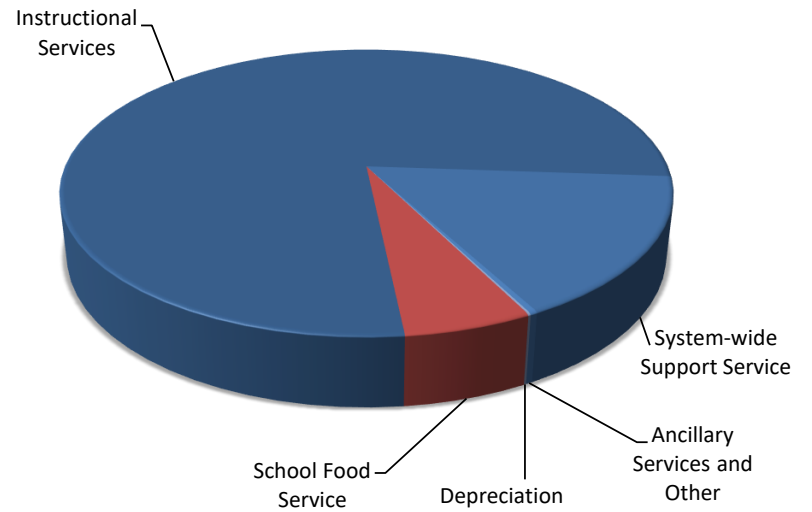
Governmental and Business-type Activities for Fiscal Year 2021-2022

Revenue Sources



State of North Carolina	\$	27,688,693
Catawba County		8,256,173
Federal		7,385,694
School Food Service		2,629,473
Other		2,056,879
Total	\$	48,016,912

Expenses



Instructional Services	\$	32,258,418
System-wide Support Service		6,640,172
Ancillary Services and Other		137,445
Depreciation		50,584
School Food Service		2,386,461
Total	\$	41,473,080

HICKORY CITY SCHOOLS

Net Position by Component Last Ten Fiscal Years

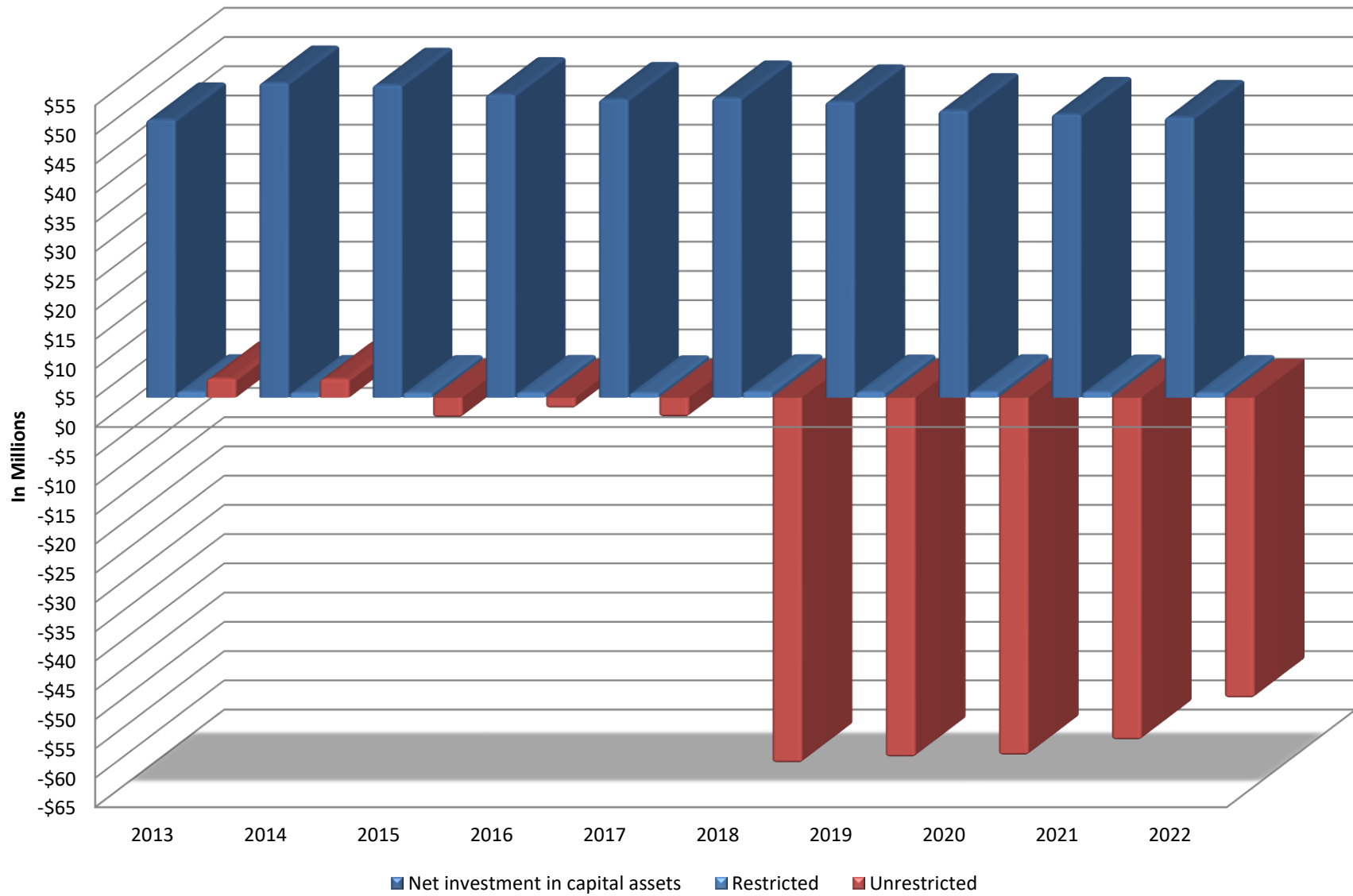
Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 47,418,363	\$ 53,736,090	\$ 53,244,531	\$ 51,658,250	\$ 50,858,716	\$ 51,102,721	\$ 50,458,953	\$ 48,984,279	\$ 48,381,636	\$ 47,853,527
Restricted	1,024,583	872,911	850,675	903,640	822,307	1,029,142	978,589	1,027,415	962,821	878,725
Unrestricted	2,211,941	2,230,805	(4,388,143)	(2,879,924)	(4,287,867)	(61,396,583)	(60,510,065)	(60,438,210)	(57,980,080)	(51,112,069)
	\$ 50,654,887	\$ 56,839,806	\$ 49,707,063	\$ 49,681,966	\$ 47,393,156	\$ (9,264,720)	\$ (9,072,523)	\$ (10,426,516)	\$ (8,635,623)	\$ (2,379,817)
Business-type activities										
Net investment in capital assets	\$ 132,891	\$ 117,976	\$ 237,680	\$ 205,333	\$ 180,929	\$ 192,697	\$ 166,716	\$ 146,910	\$ 120,242	\$ 117,266
Restricted	-	-	-	-	-	2,567	1,192	1,529	1,633	562
Unrestricted	1,057,150	991,595	843,553	919,400	839,799	(1,206,873)	(1,104,611)	(856,649)	(688,020)	(395,947)
	\$ 1,190,041	\$ 1,109,571	\$ 1,081,233	\$ 1,124,733	\$ 1,020,728	\$ (1,011,609)	\$ (936,703)	\$ (708,210)	\$ (566,145)	\$ (278,119)
District-wide										
Net investment in capital assets	\$ 47,551,254	\$ 53,854,066	\$ 53,482,211	\$ 51,863,583	\$ 51,039,645	\$ 51,295,418	\$ 50,625,669	\$ 49,131,189	\$ 48,501,878	\$ 47,970,793
Restricted	1,024,583	872,911	850,675	903,640	822,307	1,031,709	979,781	1,028,944	964,454	879,287
Unrestricted	3,269,091	3,222,400	(3,544,590)	(1,960,524)	(3,448,068)	(62,603,456)	(61,614,676)	(61,294,859)	(58,668,100)	(51,508,016)
	\$ 51,844,928	\$ 57,949,377	\$ 50,788,296	\$ 50,806,699	\$ 48,413,884	\$ (10,276,329)	\$ (10,009,226)	\$ (11,134,726)	\$ (9,201,768)	\$ (2,657,936)

Source: Hickory City Board of Education, North Carolina, Annual Financial Reports

Note: Net position for 2014 and before is not comparable to 2015 (and after) net position due to the implementation of GASB 68 during the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with the Board's participation in the Statewide Teachers' and State Employees' Retirement System (TSERS).

Note: Net position for 2017 and before is not comparable to 2018 (and after) net position due to the implementation of GASB 75 for the year ended June 30, 2018. The standard requires the Board to record its share of the Other Postemployment Benefit (OPEB) liability and asset associated with the Board's participation in the statewide Retiree Health Benefit Fund (RHBF) and the Disability Income Plan of North Carolina (DIPNC).

Net Position by Component Government-wide



HICKORY CITY SCHOOLS

Changes in Net Position Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instructional services	\$ 31,093,129	\$ 29,607,775	\$ 28,990,566	\$ 29,792,177	\$ 31,895,735	\$ 32,913,873	\$ 31,370,275	\$ 32,811,884	\$ 30,760,736	\$ 32,258,418
System-wide support services	7,098,046	7,014,100	6,750,484	6,785,228	8,462,388	7,725,046	7,135,999	7,515,122	7,432,144	6,640,172
Ancillary services & non-programmed charges	59,888	28,851	49,237	15,373	22,861	14,664	21,272	70,070	174,030	137,445
Unallocated depreciation expense	171,829	82,928	76,193	64,285	83,781	57,670	53,911	76,288	61,933	50,584
Total governmental activities	<u>38,422,892</u>	<u>36,733,654</u>	<u>35,866,480</u>	<u>36,657,063</u>	<u>40,464,765</u>	<u>40,711,253</u>	<u>38,581,457</u>	<u>40,473,364</u>	<u>38,428,843</u>	<u>39,086,619</u>
Business-type activities:										
School food service	2,486,112	2,486,370	2,301,063	2,368,310	2,406,308	2,535,478	2,121,683	2,122,636	1,785,350	2,386,461
Total government-wide	<u>\$ 40,909,004</u>	<u>\$ 39,220,024</u>	<u>\$ 38,167,543</u>	<u>\$ 39,025,373</u>	<u>\$ 42,871,073</u>	<u>\$ 43,246,731</u>	<u>\$ 40,703,140</u>	<u>\$ 42,596,000</u>	<u>\$ 40,214,193</u>	<u>\$ 41,473,080</u>
Program Revenues:										
Governmental activities:										
Charges for services - tuition and fees	\$ 382,092	\$ 317,997	\$ 303,627	\$ 226,535	\$ 239,307	\$ 174,519	\$ 186,611	\$ 174,957	\$ 151,677	\$ 118,376
Operating grants and contributions	26,811,948	25,766,491	25,978,034	26,315,220	26,559,114	26,794,225	27,829,316	28,445,943	29,626,042	33,629,325
Total governmental activities program revenues	<u>\$ 27,194,040</u>	<u>\$ 26,084,488</u>	<u>\$ 26,281,661</u>	<u>\$ 26,541,755</u>	<u>\$ 26,798,421</u>	<u>\$ 26,968,744</u>	<u>\$ 28,015,927</u>	<u>\$ 28,620,900</u>	<u>\$ 29,777,719</u>	<u>\$ 33,747,701</u>
Business-type activities:										
Charges for services										
Student meal services	\$ 541,112	\$ 511,889	\$ 427,632	\$ 407,165	\$ 382,419	\$ 346,223	\$ 383,028	\$ 287,613	\$ 35,452	\$ 104,255
Operating grants and contributions	1,835,238	1,843,070	1,877,448	1,955,789	1,863,013	1,855,247	1,758,580	1,987,378	1,838,280	2,524,268
Capital grants and contributions	-	-	163,408	-	7,253	-	-	6,175	-	-
Total business-type activities program revenues	<u>2,376,350</u>	<u>2,354,959</u>	<u>2,468,488</u>	<u>2,362,954</u>	<u>2,252,685</u>	<u>2,201,470</u>	<u>2,141,608</u>	<u>2,281,166</u>	<u>1,873,732</u>	<u>2,628,523</u>
Total government-wide	<u>\$ 29,570,390</u>	<u>\$ 28,439,447</u>	<u>\$ 28,750,149</u>	<u>\$ 28,904,709</u>	<u>\$ 29,051,106</u>	<u>\$ 29,170,214</u>	<u>\$ 30,157,535</u>	<u>\$ 30,902,066</u>	<u>\$ 31,651,451</u>	<u>\$ 36,376,224</u>
Net (Expense)/Revenue										
Governmental activities	\$ (11,228,852)	\$ (10,649,166)	\$ (9,584,819)	\$ (10,115,308)	\$ (13,666,344)	\$ (13,742,509)	\$ (10,565,530)	\$ (11,852,464)	\$ (8,651,124)	\$ (5,338,918)
Business-type activities	(109,762)	(131,411)	167,425	(5,356)	(153,623)	(334,008)	19,925	158,530	88,382	242,062
Total government-wide	<u>\$ (11,338,614)</u>	<u>\$ (10,780,577)</u>	<u>\$ (9,417,394)</u>	<u>\$ (10,120,664)</u>	<u>\$ (13,819,967)</u>	<u>\$ (14,076,517)</u>	<u>\$ (10,545,605)</u>	<u>\$ (11,693,934)</u>	<u>\$ (8,562,742)</u>	<u>\$ (5,096,856)</u>

HICKORY CITY SCHOOLS
Changes in Net Position (Continued)
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 6,378,376	\$ 6,397,719	\$ 6,321,850	\$ 6,642,357	\$ 6,603,520	\$ 6,724,119	\$ 6,830,109	\$ 6,952,611	\$ 7,162,474	\$ 7,211,778
Unrestricted county appropriations - capital	4,079,475	8,304,198	1,592,725	991,850	2,545,953	2,118,443	1,353,549	1,110,259	1,089,754	1,044,395
Unrestricted State appropriations - operating	89,229	88,414	84,875	88,519	30,333	88,150	66,334	66,080	61,528	62,550
Investment earnings, unrestricted	-	-	-	-	-	14,685	22,041	30,241	6,113	-
Miscellaneous, unrestricted	2,273,095	2,092,785	2,194,266	2,413,218	2,242,998	2,619,019	2,532,029	2,400,559	2,173,726	3,321,015
Transfers	(47,123)	(49,031)	(45,759)	(45,733)	(45,270)	(45,000)	(46,335)	(61,279)	(51,578)	(45,014)
Total governmental activities	\$ 12,773,052	\$ 16,834,085	\$ 10,147,957	\$ 10,090,211	\$ 11,377,534	\$ 11,519,416	\$ 10,757,727	\$ 10,498,471	\$ 10,442,017	\$ 11,594,724
Business-type activities:										
Investment earnings, unrestricted	\$ 1,910	\$ 1,910	\$ 2,094	\$ 3,123	\$ 4,348	\$ 5,962	\$ 8,646	\$ 8,684	\$ 2,105	\$ 950
Transfers	47,123	49,031	45,759	45,733	45,270	45,000	46,335	61,279	51,578	45,014
Total business-type activities	49,033	50,941	47,853	48,856	49,618	50,962	54,981	69,963	53,683	45,964
Total government-wide	\$ 12,822,085	\$ 16,885,026	\$ 10,195,810	\$ 10,139,067	\$ 11,427,152	\$ 11,570,378	\$ 10,812,708	\$ 10,568,434	\$ 10,495,700	\$ 11,640,688
Change in Net Position										
Governmental activities	\$ 1,544,200	\$ 6,184,919	\$ 563,138	\$ (25,097)	\$ (2,288,810)	\$ (2,223,093)	\$ 192,197	\$ (1,353,993)	\$ 1,790,893	\$ 6,255,806
Business-type activities	(60,729)	(80,470)	215,278	43,500	(104,005)	(283,046)	74,906	228,493	142,065	288,026
Total government-wide	\$ 1,483,471	\$ 6,104,449	\$ 778,416	\$ 18,403	\$ (2,392,815)	\$ (2,506,139)	\$ 267,103	\$ (1,125,500)	\$ 1,932,958	\$ 6,543,832

Source: Hickory City Board of Education, North Carolina, Annual Financial Reports

Note: Expenses for 2014 and before are not comparable to 2015 (and after) expenses due to the implementation of GASB 68 during the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with the Board's participation in the Statewide Teachers' and State Employees' Retirement System (TSERS).

Note: Expenses for 2017 and before is not comparable to 2018 (and after) expenses due to the implementation of GASB 75 for the year ended June 30, 2018. The standard requires the Board to record its share of the Other Postemployment Benefit (OPEB) liability and asset associated with the Board's participation in the statewide Retiree Health Benefit Fund (RHSF) and the Disability Income Plan of North Carolina (DIPNC).

HICKORY CITY SCHOOLS

Governmental Funds

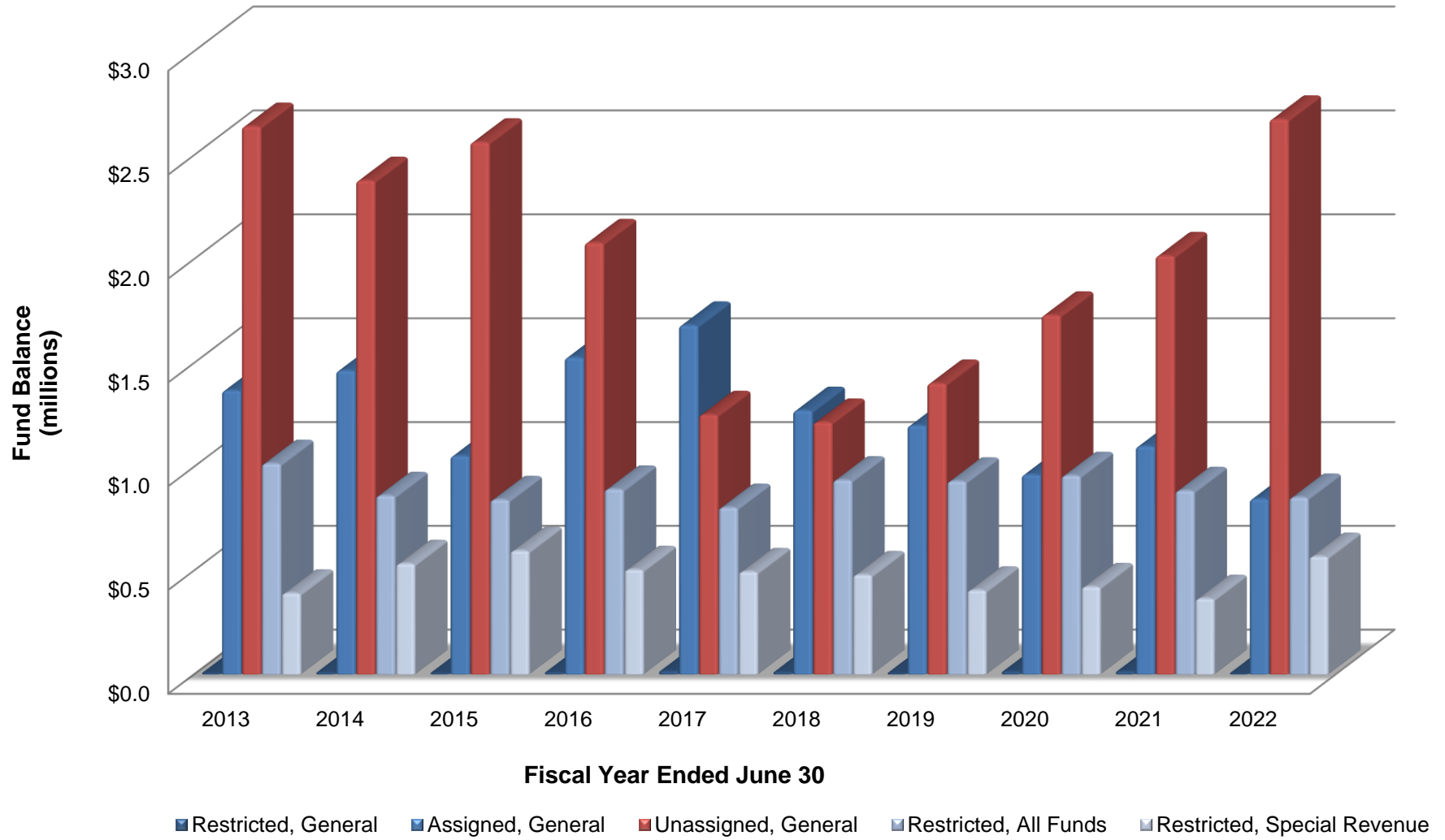
Fund Balances

Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$ 7,600	\$ 10,651	\$ 8,176	\$ 10,519	\$ 17,121	\$ 11,863	\$ 6,609	\$ 14,982	\$ 16,137	\$ 5,384
Assigned	1,368,560	1,464,580	1,053,931	1,527,562	1,682,844	1,272,498	1,200,000	963,704	1,100,000	846,187
Unassigned	2,639,648	2,379,325	2,564,086	2,080,078	1,252,650	1,215,783	1,403,392	1,731,345	2,017,231	2,674,489
Total General Fund	<u>\$ 4,015,808</u>	<u>\$ 3,854,556</u>	<u>\$ 3,626,193</u>	<u>\$ 3,618,159</u>	<u>\$ 2,952,615</u>	<u>\$ 2,500,144</u>	<u>\$ 2,610,001</u>	<u>\$ 2,710,031</u>	<u>\$ 3,133,368</u>	<u>\$ 3,526,060</u>
All other governmental funds:										
Restricted	\$ 1,016,983	\$ 862,260	\$ 842,499	\$ 893,121	\$ 805,186	\$ 937,413	\$ 931,858	\$ 958,872	\$ 886,234	\$ 853,801
Assigned, reported in:										
Other Special Revenue Fund	392,528	534,537	597,008	505,796	495,844	480,890	407,039	423,420	366,383	569,192
Total all other governmental funds	<u>\$ 1,409,511</u>	<u>\$ 1,396,797</u>	<u>\$ 1,439,507</u>	<u>\$ 1,398,917</u>	<u>\$ 1,301,030</u>	<u>\$ 1,418,303</u>	<u>\$ 1,338,897</u>	<u>\$ 1,382,292</u>	<u>\$ 1,252,617</u>	<u>\$ 1,422,993</u>

Source: Hickory City Board of Education, North Carolina, Annual Financial Reports

Governmental Funds Fund Balances



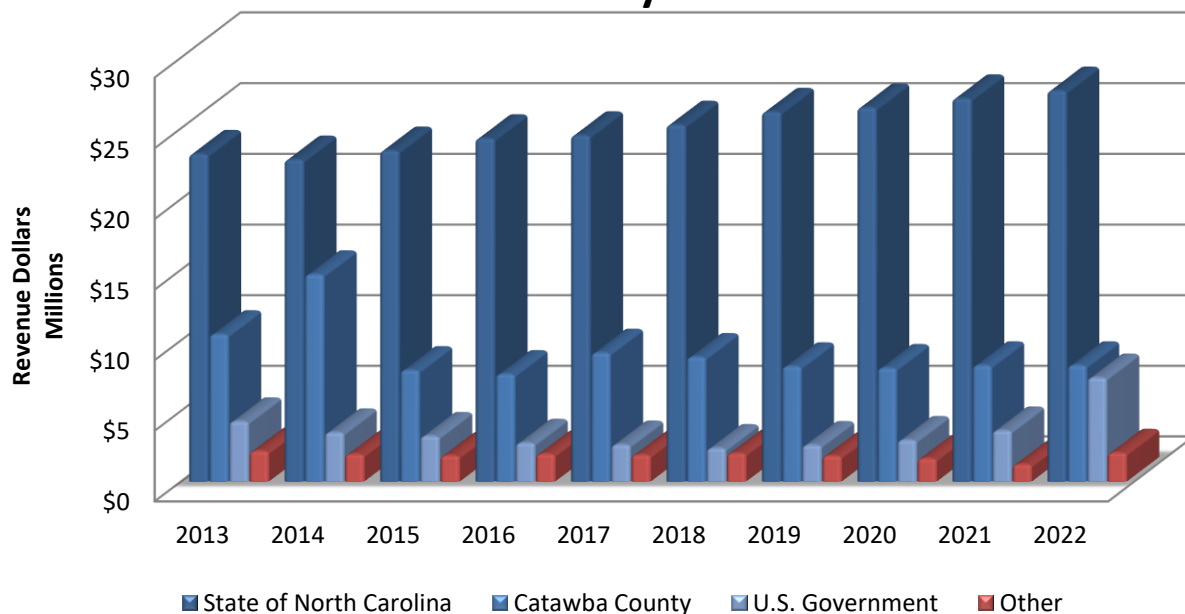
HICKORY CITY SCHOOLS

Governmental Funds Changes in Fund Balances Last Ten Fiscal Years

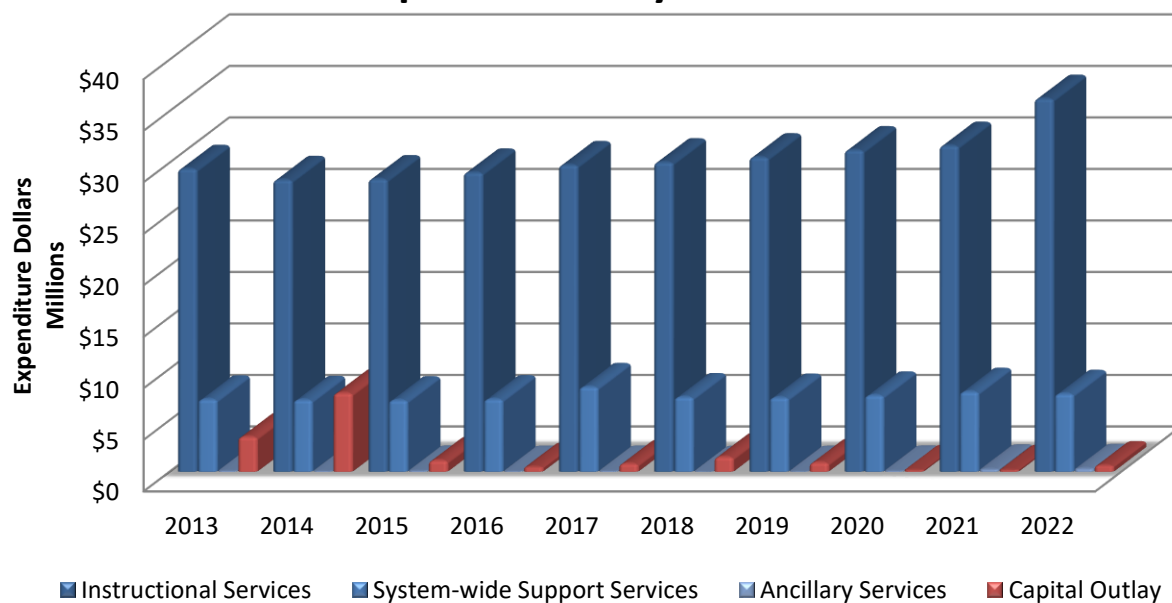
Year Ended June 30	2013	2014	2015	2016	2017
Revenues					
State of North Carolina	\$23,217,876	\$22,814,613	\$23,453,333	\$24,318,653	\$24,529,847
Catawba County	10,457,851	14,701,917	7,914,575	7,634,207	9,149,473
U.S. Government	4,286,300	3,501,565	3,246,726	2,764,484	2,637,385
Other	2,173,103	1,952,428	1,860,743	1,971,746	1,904,520
Total revenues	<u>40,135,130</u>	<u>42,970,523</u>	<u>36,475,377</u>	<u>36,689,090</u>	<u>38,221,225</u>
Expenditures					
Instructional Services	29,422,085	28,350,726	28,425,187	29,067,343	29,791,998
System-wide Support Services	7,046,816	6,995,988	6,960,809	7,063,633	8,249,777
Ancillary Services	106,928	89,857	119,872	76,242	97,717
Capital Outlay	3,405,170	7,658,887	1,109,403	484,763	799,894
Total expenditures	<u>39,980,999</u>	<u>43,095,458</u>	<u>36,615,271</u>	<u>36,691,981</u>	<u>38,939,386</u>
Revenues over (under) expenditures	154,131	(124,935)	(139,894)	(2,891)	(718,161)
Other financing sources (uses)					
Transfers in (out)	(47,123)	(49,031)	(45,759)	(45,733)	(45,270)
Net change in fund balances	<u>\$ 107,008</u>	<u>\$ (173,966)</u>	<u>\$ (185,653)</u>	<u>\$ (48,624)</u>	<u>\$ (763,431)</u>
Year Ended June 30	2018	2019	2020	2021	2022
Revenues					
State of North Carolina	\$25,276,850	\$26,187,317	\$26,498,944	\$27,143,641	\$27,688,693
Catawba County	8,842,562	8,183,658	8,062,870	8,252,228	8,256,173
U.S. Government	2,388,895	2,605,233	2,962,477	3,638,560	7,385,694
Other	2,024,853	1,843,781	1,656,359	1,236,885	2,056,879
Total revenues	<u>38,533,160</u>	<u>38,819,989</u>	<u>39,180,650</u>	<u>40,271,314</u>	<u>45,387,439</u>
Expenditures					
Instructional services	30,058,567	30,547,033	31,236,983	31,668,484	36,233,433
System-wide support services	7,264,508	7,216,097	7,430,971	7,783,532	7,586,737
Ancillary services and other	52,486	63,219	111,411	263,473	330,816
Capital outlay	1,447,797	916,854	196,581	210,585	628,371
Total expenditures	<u>38,823,358</u>	<u>38,743,203</u>	<u>38,975,946</u>	<u>39,926,074</u>	<u>44,779,357</u>
Revenues over (under) expenditures	(290,198)	76,786	204,704	345,240	608,082
Other financing sources (uses)					
Transfers in (out)	(45,000)	(46,335)	(61,279)	(51,578)	(45,014)
Net change in fund balances	<u>\$ (335,198)</u>	<u>\$ 30,451</u>	<u>\$ 143,425</u>	<u>\$ 293,662</u>	<u>\$ 563,068</u>

Source: Hickory City Board of Education, North Carolina, Annual Financial Reports

Governmental Funds Revenue by Source



Governmental Funds Expenditures by Function



HICKORY CITY SCHOOLS

Operational Expenditures Per Pupil Expenditures by Function Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS					
Year Ended June 30	2013	2014	2015	2016	2017
Average Daily Membership	4,484	4,263	4,356	4,258	4,211
Instructional	\$ 6,562	\$ 6,650	\$ 6,526	\$ 6,827	\$ 7,075
Support	1,572	1,641	1,598	1,659	1,959
Ancillary	24	21	28	18	23
Total Expenditures	\$ 8,158	\$ 8,312	\$ 8,152	\$ 8,504	\$ 9,057

EXPRESSED IN NOMINAL DOLLARS					
Year Ended June 30	2018	2019	2020	2021	2022
Average Daily Membership	4,117	4,042	4,049	3,740	3,691
Instructional	\$ 7,301	\$ 7,557	\$ 7,715	\$ 8,468	\$ 9,817
Support	1,765	1,785	1,835	2,081	2,055
Ancillary	13	16	28	70	90
Total Expenditures	\$ 9,079	\$ 9,358	\$ 9,578	\$ 10,619	\$ 11,962

EXPRESSED IN CONSTANT DOLLARS					
Year Ended June 30	2011	2012	2013	2014	2015
Instructional	\$ 2,810	\$ 2,790	\$ 2,735	\$ 2,832	\$ 2,888
Support	734	766	746	688	800
Ancillary	11	10	13	7	9
Total Expenditures	\$ 3,555	\$ 3,566	\$ 3,494	\$ 3,527	\$ 3,697

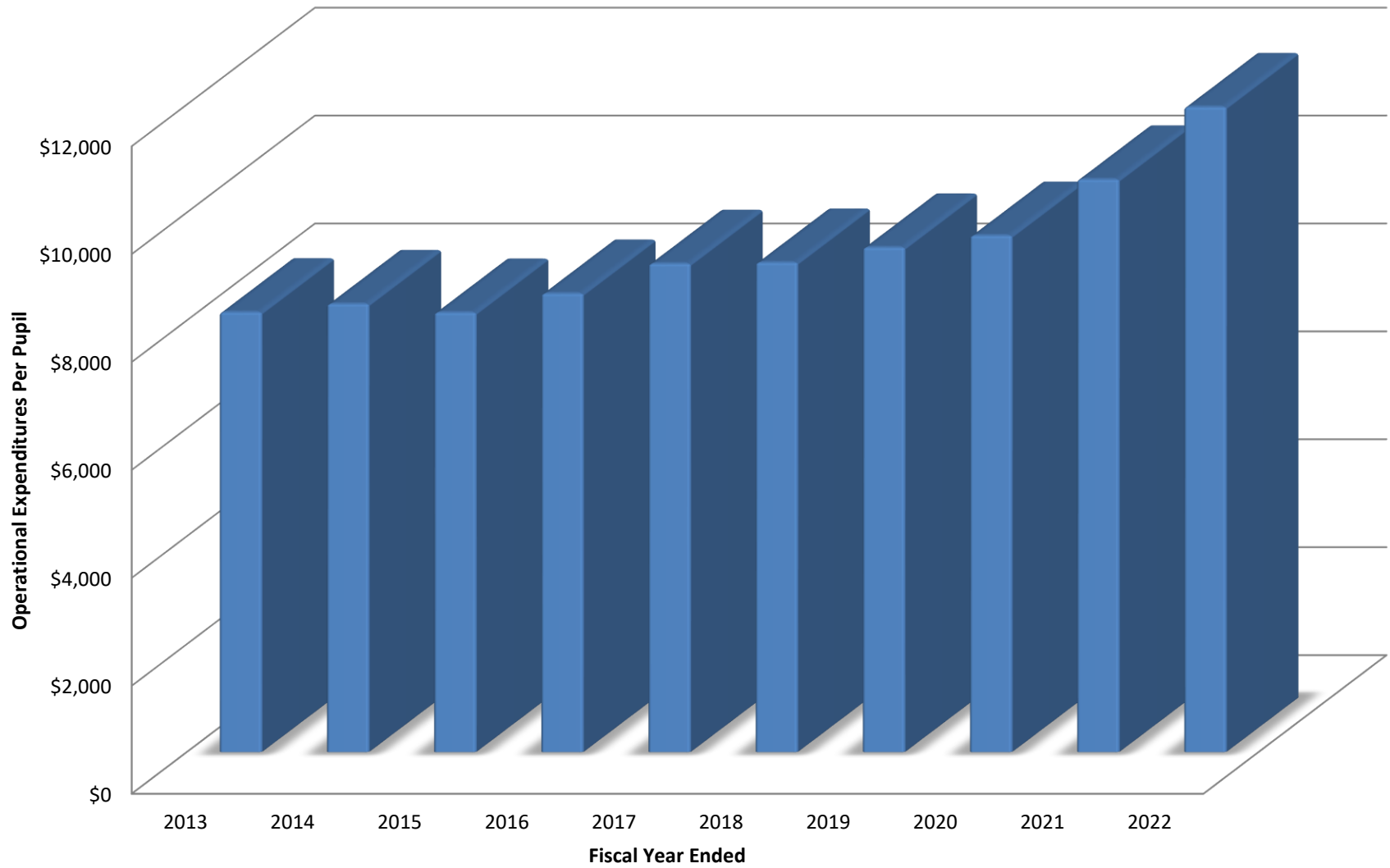
EXPRESSED IN CONSTANT DOLLARS					
Year Ended June 30	2016	2017	2018	2021	2022
Instructional	\$ 2,897	\$ 2,950	\$ 2,993	\$ 3,117	\$ 3,313
Support	700	697	712	766	694
Ancillary	5	6	11	26	30
Total Expenditures	\$ 3,602	\$ 3,653	\$ 3,716	\$ 3,909	\$ 4,037

Source: Hickory City Board of Education, North Carolina, Annual Financial Reports.

The above operational expenditures per pupil include the General, State Public School, Federal Grants and Other Special Revenue Funds.

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

Operational Expenditures Per Pupil Expenditures by Function



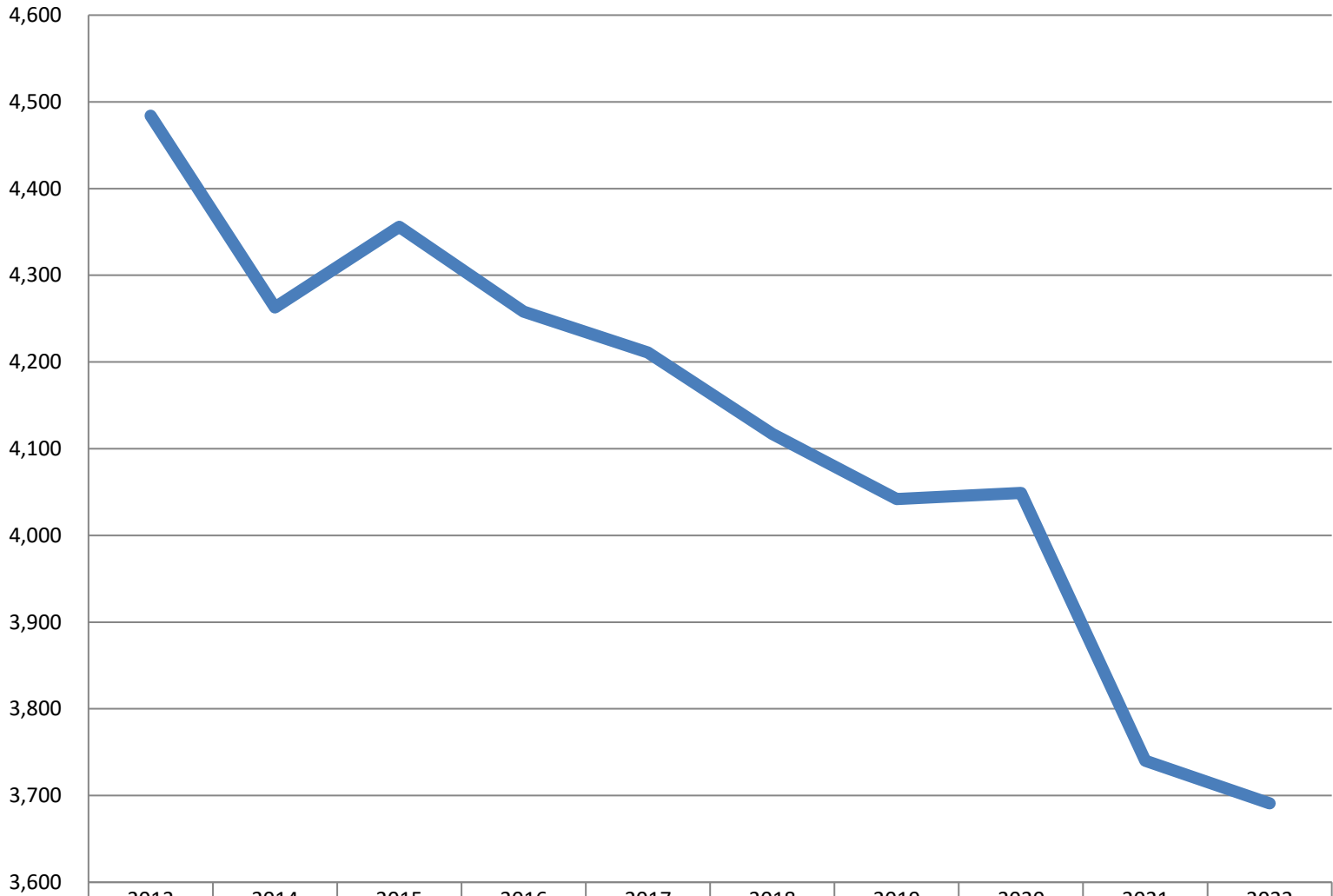
HICKORY CITY SCHOOLS

Average Daily Membership By School Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017
Elementary Schools					
Jenkins	458	445	407	409	409
Longview	361	314	424	440	447
Oakwood	373	378	364	364	371
Southwest	339	343	308	309	276
Viewmont	626	585	581	545	501
Total Elementary Schools	2,157	2,065	2,084	2,067	2,004
Middle Schools					
Northview	549	568	590	572	577
Grandview	451	456	443	413	414
Total Middle Schools	1,000	1,024	1,033	985	991
Special Schools					
Hickory Career & Arts Magnet	205	228	254	183	155
High School					
Hickory High	943	946	985	1,023	1,061
Total Average Daily Membership	4,484	4,263	4,356	4,258	4,211
Year Ended June 30	2018	2019	2020	2021	2022
Elementary Schools					
Jenkins	405	387	350	265	263
Longview	357	322	335	325	314
Oakwood	348	348	345	302	305
Southwest	334	319	335	326	292
Viewmont	491	484	511	473	493
Total Elementary Schools	1,935	1,860	1,876	1,691	1,667
Middle Schools					
Northview	543	575	572	526	495
Grandview	446	448	431	400	420
Total Middle Schools	989	1,023	1,003	926	915
Special Schools					
Hickory Career & Arts Magnet	151	143	165	188	166
High School					
Hickory High	1,042	1,016	1,005	935	943
Total Average Daily Membership	4,117	4,042	4,049	3,740	3,691

Source: North Carolina Monthly Principal's Report, North Carolina Department of Public Instruction

HICKORY CITY SCHOOLS Average Daily Membership Last Ten Fiscal Years



— Avg Daily Membership

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	4,484	4,263	4,356	4,258	4,211	4,117	4,042	4,049	3,740	3,691

Hickory City Schools
Student Statistics
Last Ten Fiscal Years

Year Ended June 30,	Teaching Staff	Students	Pupil/ Teacher ratio	Student Attendance Percentage	Students receiving free/ reduced lunch percentage
2022	278	3,691	1/13	90.33%	54.44%
2021	276	3,740	1/14	88.90%	52.36%
2020	283	4,049	1/14	95.63%	57.79%
2019	283	4,042	1/14	94.00%	58.27%
2018	283	4,117	1/15	94.59%	57.00%
2017	284	4,211	1/15	94.59%	58.40%
2016	289	4,258	1/15	95.19%	58.80%
2015	286	4,356	1/15	94.77%	59.71%
2014	291	4,263	1/15	95.57%	62.45%
2013	288	4,484	1/15	95.91%	62.27%

Hickory City Schools
Student Statistics
Last Ten Fiscal Years

Year Ended June 30,	Ethnic Distribution Percentage					Graduates	Graduates Continuing Education Percentage
	White	Black	Asian	Hispanic	Other		
2022	38%	20%	5%	27%	10%	245	70%
2021	38%	20%	5%	26%	11%	273	76%
2020	40%	19%	5%	26%	10%	289	72%
2019	41%	20%	4%	25%	10%	276	82%
2018	43%	20%	4%	25%	8%	292	84%
2017	43%	20%	4%	25%	8%	256	87%
2016	44%	21%	4%	23%	8%	261	84%
2015	46%	21%	4%	22%	7%	234	79%
2014	47%	22%	4%	21%	6%	235	90%
2013	47%	22%	4%	21%	6%	258	81%

Source: NCDPI Statistical Profile Online

**Hickory City Schools
Instructional Personnel
Last Ten Fiscal Years**

Year Ended June 30,	Teacher Salaries			Bachelors Degree	Masters Degree	Sixth Year Degree	Doctorate Degree
	Minimum	Maximum	Average				
2022	\$ 35,000	\$104,806	\$ 49,922	201	97	6	3
2021	35,000	92,753	51,752	199	107	5	4
2020	35,000	89,787	45,500	194	120	2	5
2019	35,000	85,557	48,307	190	119	3	5
2018	35,000	83,668	45,198	196	121	2	2
2017	35,000	81,216	44,858	197	121	3	2
2016	35,000	81,216	47,387	197	121	4	2
2015	35,310	73,579	44,651	202	110	3	1
2014	32,956	65,538	49,247	190	136	3	0
2013	32,956	65,538	49,247	193	127	1	0

The above tabulation represents total salaries including both state base and the system-wide local supplement, but does not include the following:

- (a) Longevity payments, ranging from 1 1/2% to 4 1/2% of the annual salary, made to each teacher for 10 or more years of service. Teachers stopped receiving longevity payments after 2014.
- (b) Payments of varying amounts for performing extra duties.
- (c) Bonus payments

Source: Hickory City Board of Education Payroll Data

HICKORY CITY SCHOOLS

School Building Data

June 30, 2022

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
Jenkins Elementary	1967	483	263	-46%	Fair
<i>Classroom Addition</i>	1990				
<i>Classroom Addition</i>	1995				
<i>Renovations</i>	2004				
<i>Renovations</i>	2018				
Longview Elementary	2014	480	314	-35%	Excellent
Oakwood Elementary	1953	339	305	-10%	Fair
<i>Classroom Addition</i>	1969				
<i>Classroom Addition</i>	1994				
<i>Renovations</i>	2017				
Southwest Elementary	1969	382	292	-24%	Fair
<i>Classroom Addition</i>	1996				
Viewmont Elementary	1992	532	493	-7%	Fair
Northview	2000	634	495	-22%	Fair
Grandview	2005	634	420	-34%	Good
*Hickory Career & Arts Magnet	1952	300	166	-45%	Fair
<i>Classroom Addition</i>	1975				
<i>Renovations</i>	2012				
Hickory High School	1972	1,347	943	-30%	Fair
<i>Gymnasium / Music Addition</i>	1976				
<i>JROTC Building</i>	1979				
<i>CTE Classroom Addition</i>	1993				
<i>Athletic and Fitness Complex</i>	2005				
<i>Renovations</i>	2010				

* Alternative School currently housed in former College Middle School.

Source: Hickory Public Schools N. C. Public Schools Facility Needs Report; 2022

CATAWBA COUNTY
North Carolina
Demographic Statistics
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017
Population Estimate (1)	155,190	155,366	155,856	156,800	158,138
Personal Income (2)	\$5,637,450,000	\$5,916,220,000	\$6,260,538,000	\$6,500,813,000	\$6,821,461,000
Per Capita Income (2)	\$36,326	\$38,079	\$40,169	\$41,459	\$43,136
Median Age (3)	40.3	40.5	40.7	40.8	41.1
School Enrollment					
All 3 Systems in County (4)	24,241	24,204	23,889	23,679	23,509
Unemployment Rate (2)	8.9%	6.4%	5.8%	4.9%	4.4%
Year Ended June 30	2018	2019	2020	2021	2022
Population Estimate (1)	158,868	159,735	160,747	161,723	N/A
Personal Income (2)	\$7,062,807,000	\$7,390,776,000	\$7,940,833,000	\$8,625,094,000	N/A
Per Capita Income (2)	\$44,457	\$46,269	\$49,400	\$53,333	N/A
Median Age (3)	41.2	41.3	41.7	41.8	42.45
School Enrollment					
All 3 Systems in County (4)	23,303	22,705	22,593	21,701	21,636
Unemployment Rate (5)	3.9%	3.8%	9.3%	4.7%	3.8%

N/A = Not Available

Sources:

- 1 Based upon estimates issued by the U.S. Census Bureau
- 2 Bureau of Economic Analysis
- 3 Office of State Budget and Management
- 4 North Carolina Department of Public Instruction
- 5 North Carolina Department of Commerce

Note: This table is a ten year schedule. However, county level annual income data was not available from Catawba County for June 30, 2022 at the time of this report. Therefore, June 30, 2022 income based information will be shown above as "N/A", and the June 30, 2022 information will be reported for the year ended June 30, 2023, if applicable.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2022 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2023, if applicable.

CATAWBA COUNTY
North Carolina
Principal Employers
For Year Ended June 30, 2022 and 2013

Employer	2022			2013		
	Employees ⁽¹⁾	Rank	Approximate Percentage of Total County Employment	Employees ⁽¹⁾	Rank	Approximate Percentage of Total County Employment
Catawba County Schools	1,000+	1	1.3%+	1,000+	1	1.4%+
Target Stores Div.	1,000+	2	1.3%+	-	-	-
Catawba Valley Medical Center	1,000+	3	1.3%+	1,000+	2	1.4%+
Corning Optical Communications, LLC	1,000+	4	1.3%+	1,000+	7	1.4%+
CommScope	1,000+	5	1.3%+	1,000+	4	1.4%+
Catawba County Government	1,000+	6	1.3%+	1,000+	5	1.4%+
Wal-Mart Associates, LLC	1,000+	7	1.3%+	500-999	9	0.7%- 1.4%
Dip Partner Frye, LLC	1,000+	8	1.3%+	1,000+	3	1.4%+
Gkn Driveline Newton, LLC	500-999	9	0.7% - 1.3%	-	-	-
Catawba Valley Community College	500-999	10	0.7% - 1.3%	-	-	-
Hickory Springs Manufacturing Co., Inc.	-	-	-	1,000+	6	1.4%+
HDM Furniture Industries, Inc.	-	-	-	500-999	8	0.7%- 1.4%
Ethan Allen, Inc.	-	-	-	500-999	10	0.7%- 1.4%
Total County Employment (1)	<u>75,922</u>		<u>11.8%- 13%+</u>	<u>69,809</u>		<u>11.9% - 14%+</u>

Sources:

(1) North Carolina Department of Commerce

CATAWBA COUNTY, NORTH CAROLINA
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assessed value (after exemption)	\$ 19,836,704,600	\$ 19,134,815,417	\$ 18,456,695,118	\$ 17,181,488,855
Debt limit rate	8%	8%	8%	8%
Debt limit	<u>1,586,936,368</u>	<u>1,530,785,233</u>	<u>1,476,535,609</u>	<u>1,374,519,108</u>
Less: Total net debt applicable to limit	<u>129,084,877</u>	<u>149,357,032</u>	<u>149,376,135</u>	<u>167,855,980</u>
Legal debt margin	<u><u>1,457,851,491</u></u>	<u><u>1,381,428,201</u></u>	<u><u>1,327,159,474</u></u>	<u><u>1,206,663,128</u></u>
 Total net debt applicable to the limit as a percentage of debt limit	 8%	 10%	 10%	 12%
 Legal Debt Margin Calculation for Fiscal Year 2022				
Assessed value (after exemptions)				\$ 19,836,704,600
Debt limit (8% of assessed value)				1,586,936,368
Debt applicable to limit:				
Certificates of participation				2,880,000
Installment purchase				68,243,000
Qualified School Construction Bonds				27,808,553
Limited Obligation Bonds				48,816,483
Federal Revolving Loan				600,000
Less: Statutory deductions				
Sinking Funds				<u>(19,263,159)</u>
Total net debt applicable to limit				<u>129,084,877</u>
Legal debt margin				<u><u>\$ 1,457,851,491</u></u>

Note: Hickory City Board of Education does not have debt levy authority.

2018	2017	2016	2015	2014	2013
\$ 16,699,688,355	\$ 16,421,192,679	\$ 16,094,340,156	\$ 16,637,423,792	\$ 16,700,602,238	\$ 16,027,884,358
8%	8%	8%	8%	8%	8%
1,335,975,068	1,313,695,414	1,287,547,212	1,330,993,903	1,336,048,179	1,282,230,749
198,869,191	170,255,375	148,502,990	152,703,618	154,634,710	125,775,150
<u>1,137,105,877</u>	<u>1,143,440,039</u>	<u>1,139,044,222</u>	<u>1,178,290,285</u>	<u>1,181,413,469</u>	<u>1,156,455,599</u>
15%	13%	12%	11%	12%	11%

CATAWBA COUNTY, NORTH CAROLINA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total Taxable Assessed Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita (1)</u>
2013	3,325,000	16,027,884,358	0.021%	21
2014	799,341	16,700,602,238	0.005%	5
2015	-	16,637,423,792	0.000%	0
2016	-	16,094,340,156	0.00	0
2017	-	16,421,192,679	0.00	0
2018	-	16,699,688,355	0.00	0
2019	-	17,181,488,855	0.00	0
2020	-	18,456,695,118	0.00	0
2021	-	19,134,815,417	0.00	0
2022	-	19,836,704,600	0.00	0

(1) Population based on estimates issued by the Bureau of the Census

CATAWBA COUNTY, NORTH CAROLINA
Principal Property Taxpayers
December 31, 2022 and December 31, 2013

Taxpayer	December 31, 2022			December 31, 2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Apple, Inc.	\$1,213,996,359	1	6.12	\$ 627,330,611	1	3.91
Duke Energy Carolinas, LLC	866,429,389	2	4.37	506,438,391	2	3.16
GKN Driveline Newton, LLC	240,732,658	3	1.21	108,991,404	4	0.68
Corning Cable Systems, LLC	166,626,767	4	0.84	68,286,524	8	0.43
Prysmian Cables and Systems, LLC	145,813,000	5	0.74	-	-	-
CommScope Inc. of North Carolina	116,960,643	6	0.59	106,209,879	5	0.66
Target Corporation	77,243,719	7	0.39	111,232,424	3	0.69
Duke Lifepoint	76,387,670	8	0.39	74,213,592	7	0.46
Piedmont Natural Gas Co, Inc.	75,008,852	9	0.38	-	-	-
Hickory Springs Mfg. Co., Inc.	49,556,610	10	0.25	55,172,963	9	0.34
Draka Comteq American Medical	-	-	-	75,099,121	6	0.47
Valley Hills Mall, LLC	-	-	-	45,891,969	10	0.29
	<u>\$3,028,755,667</u>		<u>15.28</u>	<u>\$ 1,778,866,878</u>		<u>11.09</u>
Total Assessed Valuation	<u>\$ 19,836,704,600</u>			<u>\$ 16,027,884,358</u>		

Source: Catawba County Tax Collector

CATAWBA COUNTY North Carolina Property Tax Rates - All Overlapping Governments (PER \$100 OF ASSESSED VALUE) Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017
CATAWBA COUNTY	0.5300	0.5300	0.5300	0.5750	0.5750
CITIES AND TOWNS					
Brookford	0.5200	0.5200	0.5200	0.5200	0.5200
Catawba	0.4800	0.4800	0.4800	0.4800	0.4800
Claremont	0.4600	0.4600	0.4600	0.4900	0.4900
Conover	0.4000	0.4300	0.4300	0.4700	0.4700
Hickory	0.5000	0.5000	0.5000	0.5665	0.5665
Long View	0.4000	0.4200	0.4200	0.4200	0.5200
Maiden	0.3800	0.3800	0.3800	0.3800	0.3800
Newton	0.4800	0.5100	0.5100	0.5400	0.5400
FIRE DISTRICTS					
Bandys	0.0700	0.0700	0.0700	0.0820	0.0820
Catawba	0.0700	0.0700	0.0700	0.0850	0.1000
Claremont	0.0700	0.0700	0.0700	0.0800	0.0800
Conover Rural	0.0700	0.0700	0.0700	0.0900	0.0900
Cooksville	0.0617	0.0617	0.0617	0.0620	0.0620
Hickory Rural	0.0700	0.0700	0.0700	0.0900	0.0900
Long View	0.0546	0.0650	0.0650	0.0730	0.0730
Maiden Rural	0.0600	0.0700	0.0750	0.0800	0.0800
Mountain View	0.0600	0.0600	0.0600	0.0600	0.0750
Newton	0.0700	0.0850	0.0850	0.0900	0.0900
Oxford	0.0558	0.0558	0.0558	0.0650	0.0650
Propst	0.0615	0.0615	0.0615	0.0620	0.0620
Sherrills Ford	0.0700	0.0800	0.0800	0.0810	0.1100
St. Stephens	0.0700	0.0900	0.0900	0.0900	0.1200

Year Ended June 30	2018	2019	2020	2021	2022
CATAWBA COUNTY	0.5750	0.5750	0.5750	0.5750	0.5750
CITIES AND TOWNS					
Brookford	0.5200	0.5200	0.5200	0.5200	0.5200
Catawba	0.4800	0.5800	0.5800	0.5800	0.5800
Claremont	0.4900	0.4900	0.4900	0.4900	0.4900
Conover	0.4700	0.5000	0.5000	0.5000	0.5000
Hickory	0.5665	0.5665	0.5875	0.5875	0.5875
Long View	0.5200	0.5700	0.5700	0.5700	0.5700
Maiden	0.3800	0.3800	0.3800	0.3800	0.3800
Newton	0.5400	0.5400	0.5400	0.5400	0.5400
FIRE DISTRICTS					
Bandys	0.0820	0.0820	0.0780	0.1150	0.1150
Catawba	0.1000	0.1000	0.1300	0.1300	0.1300
Claremont	0.0900	0.0900	0.0900	0.1100	0.1100
Conover Rural	0.0900	0.1100	0.1100	0.1100	0.1100
Cooksville	0.0620	0.0750	0.0750	0.0750	0.0750
Hickory Rural	0.1200	0.1200	0.1500	0.1500	0.1500
Long View	0.0730	0.0730	0.0830	0.0830	0.0830
Maiden Rural	0.0800	0.0800	0.0753	0.0753	0.0753
Mountain View	0.0750	0.0750	0.0718	0.0718	0.0718
Newton	0.0900	0.1200	0.1200	0.1300	0.1300
Oxford	0.0650	0.0650	0.0650	0.0650	0.0650
Propst	0.0620	0.0620	0.0620	0.0620	0.0620
Sherrills Ford	0.1100	0.1100	0.1300	0.1300	0.1300
St. Stephens	0.1200	0.1200	0.1200	0.1200	0.1200

Source: Catawba County, North Carolina, Annual Financial Reports.

CATAWBA COUNTY
North Carolina
Property Tax Levies and Current Collections
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS			
FISCAL YEAR ENDED June 30	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED
2022	114,633,420	113,541,410	99.05
2021	110,229,070	109,080,596	98.96
2020	106,244,575	104,660,807	98.51
2019	99,113,042	97,751,358	98.63
2018	96,140,422	94,571,921	98.37
2017	94,639,996	93,070,059	98.34
2016	92,542,456	90,856,714	98.18
2015	88,178,346	86,413,676	98.00
2014	88,513,192	85,800,420	96.94
2013	84,947,787	81,441,422	95.87

EXPRESSED IN CONSTANT DOLLARS			
FISCAL YEAR ENDED June 30	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	
2022	38,686,859	38,318,324	
2021	40,570,737	40,148,032	
2020	41,212,495	40,598,148	
2019	38,694,418	38,162,807	
2018	38,152,627	37,530,178	
2017	38,635,666	37,994,758	
2016	38,393,306	37,693,938	
2015	36,950,673	36,211,197	
2014	37,136,896	35,998,716	
2013	36,379,585	34,877,956	

Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

Source: Catawba County, North Carolina, Annual Financial Reports.

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1903-2003