

FORVIS

GOVERNMENT

Franklin County Schools – Board Presentation

January 9, 2023

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Agenda

- Discussion of Audit Results
- Review of Communications to the Board
- Review of Financial Highlights
- Review of Compliance Audit
- Upcoming Accounting Pronouncements

Discussion of Audit Results

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Franklin County Schools, North Carolina (“Board”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the Board, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School Fund, Restricted Revenues, and Federal Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Review of Communications to the Board

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Required Communications to the Board of Education

- **Significant estimates and sensitive disclosures**
 - Useful lives of depreciable assets and proportionate share of net pension and OPEB liabilities
- **Difficulties or disagreements**
 - None noted
- **Uncorrected misstatements**
 - None noted
- **Management representations**
- **Other matters**
 - Adoption of GASB Statement No. 87

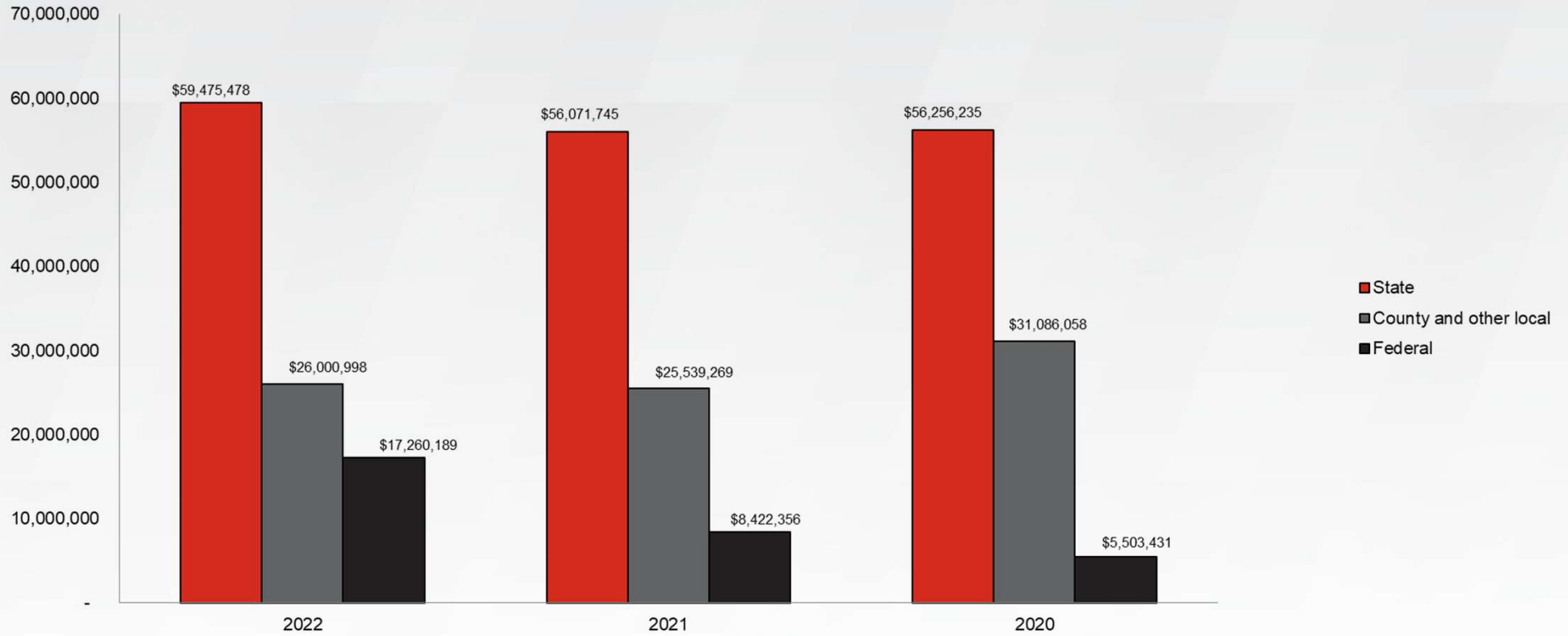
Financial Highlights

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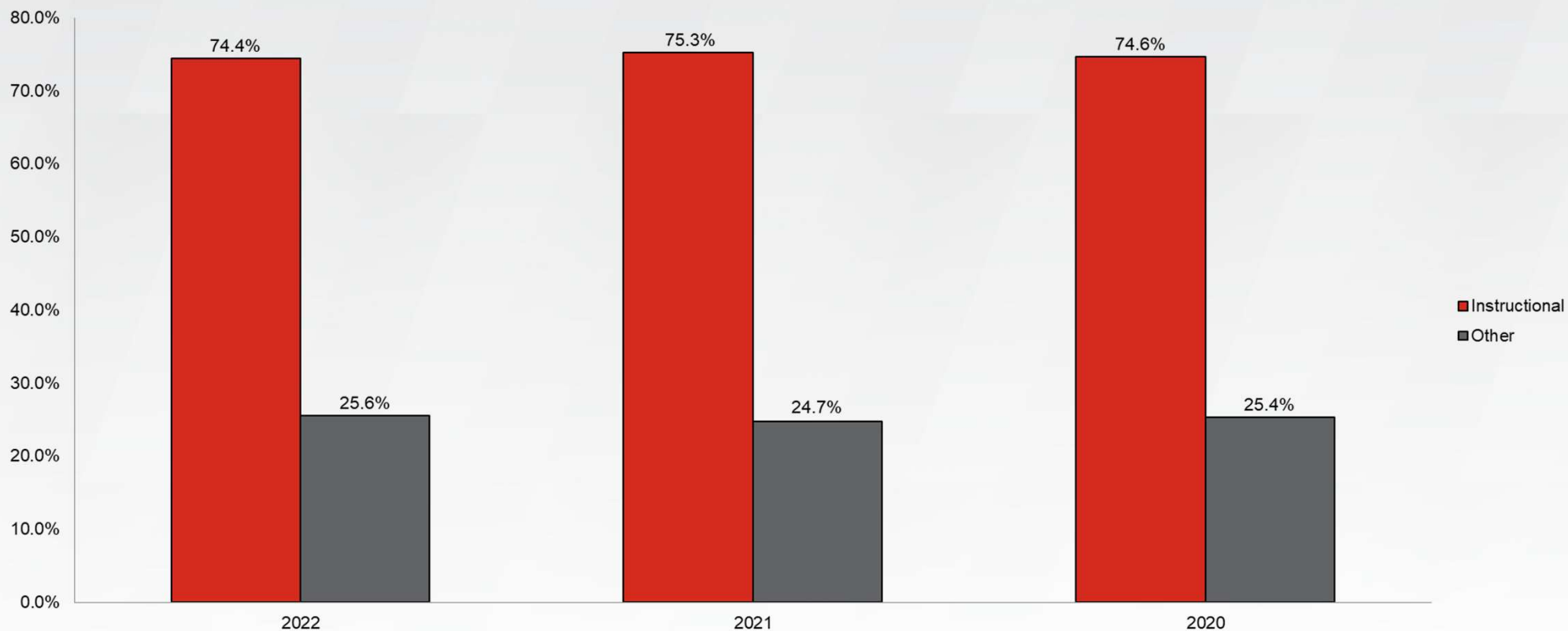
Revenues

Governmental Funds State, County and Other Local, and Federal Revenues



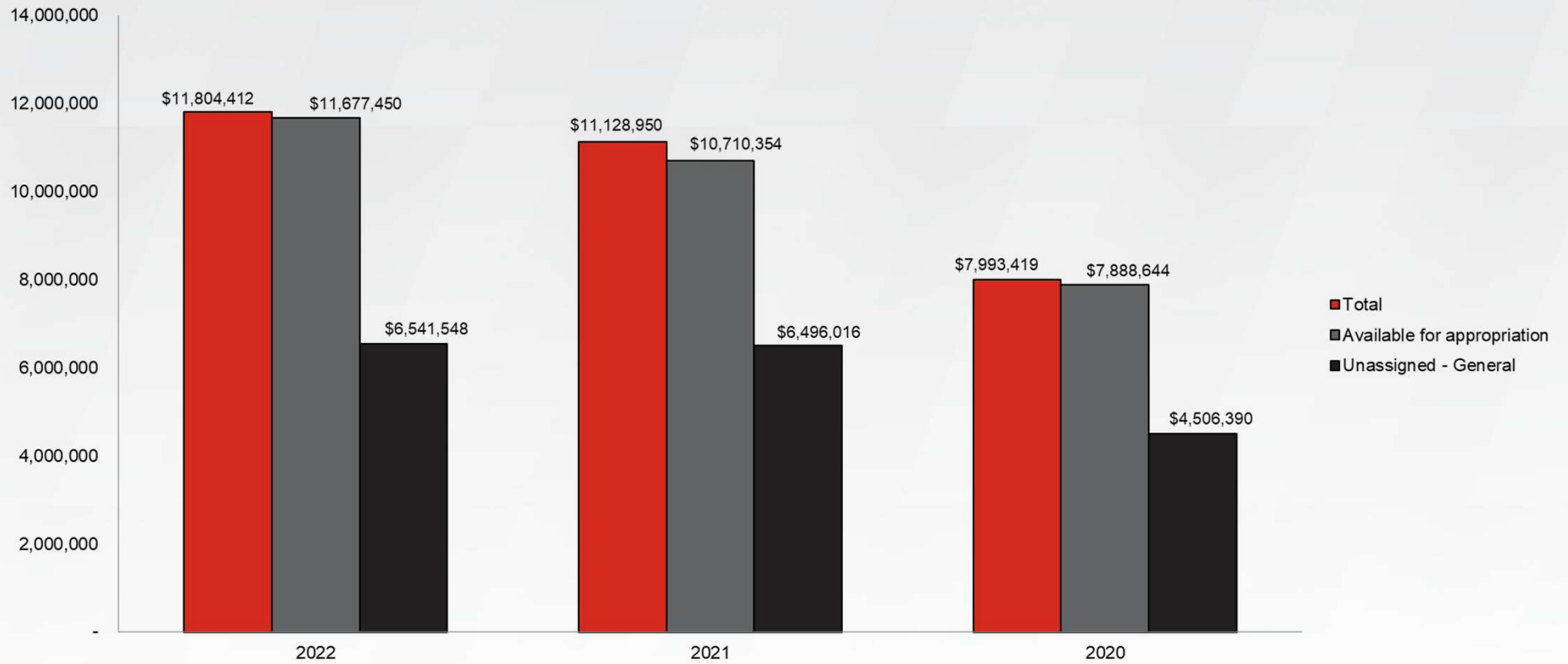
Expenditures

Governmental Expenditures by Purpose as a % of Total Governmental Expenditures, Excluding Capital Outlay



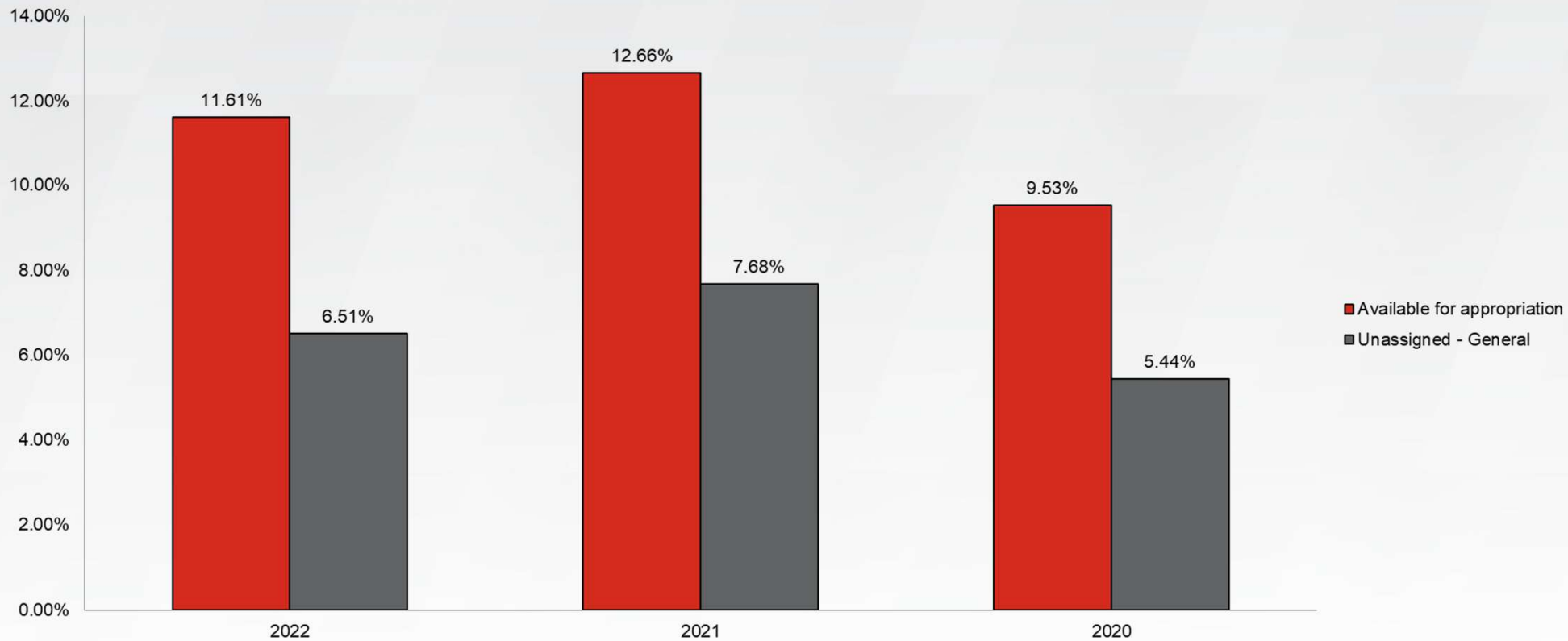
Fund Balance

General and Restricted Revenues Fund Balance



Fund Balance

General and Restricted Revenues Fund Balance as a % of Total Governmental Expenditures, Excluding Capital Outlay



School Food Service Fund

	June 30, 2022	June 30, 2021	June 30, 2020
Cash and investments	1,771,558	1,145,767	936,878
Receivables	153,449	136,115	263,299
Other assets	1,403	4,356	3,838
Inventories	390,164	377,991	187,601
Fixed assets (net)	193,856	212,621	281,399
Deferred outflows	805,783	711,047	663,876
Total assets and deferred outflows	<u>3,316,213</u>	<u>2,587,897</u>	<u>2,336,891</u>
Liabilities and deferred inflows	<u>4,952,477</u>	<u>5,264,661</u>	<u>5,443,507</u>
Net position (deficit)	<u>(1,636,264)</u>	<u>(2,676,764)</u>	<u>(3,106,616)</u>
Revenues			
Food sales	326,145	11,933	739,980
Federal revenues	5,229,140	4,472,792	3,492,161
Other	27,536	61,499	27,687
Total	<u>5,582,821</u>	<u>4,546,224</u>	<u>4,259,828</u>
Expenses			
Food costs	2,133,232	1,510,011	1,974,037
Salaries and benefits	2,175,185	2,309,478	2,114,102
Other	233,904	296,883	285,811
Total	<u>4,542,321</u>	<u>4,116,372</u>	<u>4,373,950</u>
Net income (loss) before transfers	<u>1,040,500</u>	<u>429,852</u>	<u>(114,122)</u>

Compliance Audit

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Compliance Audit – Yellowbook Report

Report on internal control and compliance in accordance with Government Auditing Standards

Results:

- Findings: None

Compliance Audit – Federal Major Programs

Federal Programs

- 84.425 – COVID-19 Education Stabilization Fund
- 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Act
- 84.027 & 84.173 – Special Education Cluster

Results:

- Findings: None

Compliance Audit – State Major Programs

State Programs

- State Public School Fund

Results:

- Findings: None

Upcoming Accounting Pronouncements

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GASB Update

- Statement No. 96, Subscription-Based Information Technology Arrangements
 - Improvements to reduce diversity in current reporting, defining subscription-based information technology arrangements (SBITA) leveraging guidance in Statement No. 87, Leases
 - Effective for fiscal year-end June 30, 2023

Questions?

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