

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

of the

**GUILFORD COUNTY  
BOARD OF EDUCATION**

Greensboro, North Carolina

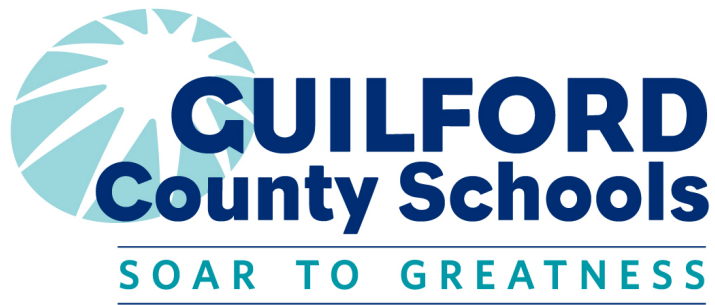
*For the Fiscal Year Ended June 30, 2018*



Prepared by:

**Angela Henry, Chief Financial Officer**

**Tara Trexler, Executive Director for Financial Services**



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# Guilford County Board of Education

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## **INTRODUCTORY SECTION**

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This section of Guilford County Board of Education's (the "Board") comprehensive annual financial report presents general information on the Board's structure and the environment in which it operates.

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## LETTER OF TRANSMITTAL

December 17, 2018

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

In compliance with North Carolina General Statute 115C-447, the Comprehensive Annual Financial Report (the "Report") of the Guilford County Board of Education, operating as "Guilford County Schools," for the fiscal year ended June 30, 2018 is herewith submitted.

### MANAGEMENT RESPONSIBILITY

Responsibility for the accuracy, completeness, and clarity of the Report rests with the Superintendent and the Finance Officer. The Report has been prepared by the Chief Financial Officer and the Assistant Financial Officer in accordance with the requirements and guidelines promulgated by the Governmental Accounting Standards Board. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain the maximum understanding of the district's financial activity have been included.

### REPORTING ENTITY

Guilford County Schools (GCS) is the third largest school district in North Carolina and among the 50 largest districts in the country serving almost 71,000 students at 126 schools as of the twentieth day of the 2018-19 school year. GCS is one comprehensive school district serving the entire county. Ten municipalities reside in Guilford County: Gibsonville, Jamestown, Oak Ridge, Pleasant Garden, Sedalia, Stokesdale, Summerfield, Whitsett and two of the state's nine largest cities, Greensboro and High Point.

Guilford County Schools was formed as a result of a merger of the former Greensboro City School, Guilford County School and High Point City School Systems in July 1993. This merger gives the district a robust mix of urban, suburban and county schools. Of the district's 126 schools, 69 are elementary schools; 22 middle schools; 28 high schools; four special education schools; two SCALE schools, which provide an alternative to long-term suspensions and Doris Henderson Newcomer School, designed for students in grades five through 12 who have recently arrived in the United States and are considered novices on the North Carolina language test.

The Board consists of nine citizens elected for staggered terms of four years. The Superintendent serves as secretary to the Board. The Board has no tax levying authority and is required to maintain accounting records according to a uniform state format. The Board receives funding from Guilford County, the State of North Carolina, and the United States Government, and must comply with the legal requirements of each funding entity. North Carolina General Statute 115C-40 empowers the Guilford County Board of Education with general control and supervision of all matters pertaining to the schools in the system.

**STRIVING. ACHIEVING. EXCELLING.**

712 North Eugene Street Greensboro, NC 27401 P 336.370.8100

In evaluating how to define the district for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is a legally separate organization for which the district is financially accountable and other organizations for which the nature and significance of their relationship with the district are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The district is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the district. The district may also be financially accountable if an organization is fiscally dependent on the district, regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Using the GASB criteria, management has determined that the district has no component units, nor is it a component unit of any other organization.

## **ECONOMIC CONDITION AND OUTLOOK**

Guilford County Schools (GCS) serves the diverse needs of the entire county, a 651 square mile area with an approximate population of 526,593. Our enrollment of approximately 71,300 students (*our Average Daily Membership for 2017-18 was 71,304 per North Carolina Department of Public Instruction*) mirrors the diversity of the community, representing some 95 countries and speaking 124 languages.

Guilford County generally enjoys a favorable economic environment. While gross retail sales information is unavailable due to the national streamlined sales tax initiative, comparable State taxable sales figures are available to approximate retail sales growth. State taxable sales for Guilford County increased 1.1% in fiscal year 2018 after increases of 9.64%, 3.98%, and 9.85% in fiscal years 2017, 2016, and 2015, respectively. Taxable sales are \$7.43 billion for fiscal year 2018 as compared to \$7.35 billion for fiscal year 2017. Guilford County has a labor force of approximately 252,000. Guilford County's unemployment rate has historically been below both state and national averages; however, during 2009 this changed as the unemployment rate began to exceed those averages. The County, State, and U.S. unemployment rates as of June 30, 2018 are 4.5%, 4.2%, and 4.2%, respectively. Guilford County's economy has continued to change and diversify. In December 2017, manufacturing accounted for 12.2% of the County's jobs compared to 28.6% in 1980. Manufacturing jobs have declined significantly in furniture and textiles but have shown growth in computer and electronic products and electrical equipment. Major employers with headquarters or divisions within Guilford County include semiconductor, communications, chemical, bus, truck, insurance, aircraft manufacturing and maintenance, healthcare, real estate development, and distribution services. The County is home to two state universities, four private colleges, a private school of law, and a community college with a cumulative enrollment approaching 50,000 students.

In March of 2018, the Triad Business Journal reported that the Greensboro-High Point Metropolitan Statistical Area was ranked No. 2 nationally by the Atlanta-based Site Selection Magazine for 2017 with 41 new and expanded corporate facilities. The Greensboro-High Point Metropolitan Statistical Area has made the top 10 list every year since 2006.

Eight areas located in Guilford County were included in Niche.com's "2018 Best Places to Live in North Carolina" report. Rankings were based on overall livability, which factors in the quality of local schools, crime rates, housing trends, employment statistics, and access to amenities.

Guilford County's robust transportation and logistics structure, with access to major interstates, airports, railroads, and sea ports, has attracted a continuing inflow of additional capital and job creation in a wide array of existing and new industry.

The Greensboro/High Point/Guilford County Workforce Development Board reported a workforce totaling 251,904 in Guilford County as of June 2018, with 4,391 more people working compared to the same period

one year ago. Annual taxable retail sales as of June 2018 were \$7,433,151,223, a 1.10% increase from the prior year.

In August 2018, it was announced that employee owned Publix Super Markets will build a \$400 million distribution center in eastern Greensboro, which will employ 1,000 people with an average salary of \$45,000. Construction of the 1.8 million square-foot center, one of the largest distribution centers in the Piedmont Triad region, will be located on 350 acres in eastern Greensboro and will be completed in two phases. Slated to begin in the first half of 2020, the \$300 million Phase One is expected to create 600 jobs. Guilford County and the City of Greensboro are granting approximately \$35 million in tax incentives over the next 10 years, while the State is providing a \$16 million grant contingent on fulfillment of the initial job commitment. A City of Greensboro report indicates the project will create an approximate \$20 million increase in tax revenue over the next 10 years.

While no announcement had been made as of the end of August 2018, Amazon was issued a building permit for a fulfillment facility in Triad Business Park, with an upwards of 1,000 new jobs to be created according to some estimates. Triad Business Park is located in Guilford County and the neighboring Forsyth County.

In August 2018, it was reported that the FedEx Mid-Atlantic Hub, located at the Piedmont Triad International (PTI) Airport, expects to make significant infrastructure investments and double its existing workforce of 400 employees to 800 by the end of December 2018, in line with substantial market growth in pickup and delivery operations. Eight additional flights are anticipated to coincide with the additional hires.

The PTI Airport, which has immediate interstate access and other existing infrastructure, including aerospace manufacturing and the Mid-Atlantic FedEx Hub, recently completed a \$20 million taxiway-bridge that will connect a planned \$16 million taxiway at the airport to 1,000 acres of developable land across Bryan Boulevard. The developable land is considered central to attracting another MRO (maintenance, repair, overhaul) or OEM (original equipment manufacturer) such as current PTI tenants HAECO Americas and Honda Aircraft Co. Completion of the taxiway will result in full access to the land from the airport.

The taxiway and taxiway bridge are part of a broader \$176 million I-73 project from the airport to Summerfield. The PTI was one of ten N.C. airports to receive state and federal funds approved by the NC Department of Transportation. In March 2018, a grant totaling a \$12.2 million investment, was received to cover the design costs of the taxiway.

Greensboro based HAECO Americas, an aircraft maintenance and overhaul company completed construction of a \$60 million, 250,000 square foot hangar in December 2017, opening it at the PTI Airport in the second quarter of 2018. Increased demand and the availability of the new hangar brought in 150 new hires by February 2018. The company anticipates 400 to 500 total new hires once the hangar is at full capacity. HAECO employs about 1,800 and is the seventh-largest manufacturer and the 34th-largest employer in the Triad area, according to Triad Business Journal's most recent research.

Greensboro based Honda Aircraft, which employs 1,800 people at the PTI Airport, recently expanded sales to India and has partnered with Japan's largest airlines to use the HondaJet for feeder and charter flights, according to the Triad Business Journal. During the first half of 2018 Honda Aircraft delivered 17 HondaJets to its customers, making it the most delivered aircraft in its class, and in February 2018 it signed a deal for \$77 million worth of planes with a French air taxi company. In August 2018 it announced deliveries of its new HondaJet Elite, with more than 10 orders having been placed in Japan.

The recent sale of Greensboro based Secure Designs, Inc., a network security provider, to Florida based ADT, is expected to result in an increase from its current workforce of 35 people to around 500 in the next five years.

The Greensboro office of Florida based Superior recently relocated from its High Point location and anticipates 80 new jobs, of which 61 have already been added, by the first quarter of 2019. Superior was formerly known as SunGard Public Sector, a designer and provider of public sector software.

Wilmington, N.C. based Well Care Health, an in-home care company, opened offices in Greensboro and Advance, with plans to hire more than 100 nurses, therapists, social workers, and home health aides by the end of 2018.

As of April 2018, the Greensboro based Automotive Americas division for TE Connectivity had added 300 jobs over the past 18 months, anticipated 80 additional hires, and was continuing with plans to complete a forty plus million dollar expansion before 2020.

In May 2018, it was announced that Amada, a Japanese company with U.S. headquarters in Buena Park, California, selected High Point for an \$87 million expansion expected to generate 201 new jobs over the next five years. Amada's future High Point operations will manufacture and assemble a new line of high-precision press brace bending equipment for the U.S. market.

In July 2018 Norwegian Cruise Line announced it will hire 200 people for entry level positions in the Piedmont Triad region, which includes Guilford County, to match guests' vacation plans with Norwegian destinations.

In downtown Greensboro, construction is underway on a \$70 million hotel/apartment complex at Eugene and Bellemeade Streets, across from the Greensboro Grasshoppers' baseball stadium. Completion of the project is expected in late 2018.

In addition, construction, which started in the spring of 2017 on the \$78 million Steven Tanger Center for the performing Arts, continues with an anticipated completion in 2020.

In August 2018 the High Point Enterprise reported that a new entrepreneurship center, HP365, will be 40 to 50 percent operational in time for the City of High Point's fall furniture market in October 2018 and fully operational by the April 2019 market. HP365 complements a potential \$140 million downtown revitalization of High Point, and will be located in a former hosiery mill adjacent to a new stadium being built. The stadium will house an Atlantic League pro baseball team, a hotel, restaurant, brew pub, offices, retail, condos and apartments.

## **BUDGET PROCESS**

The North Carolina School Budget and Fiscal Control Act mandates a uniform budget format and the adoption of an annual balanced budget resolution for the State Public School Fund, the Local Current Expense Fund, the Federal Grants Fund, the Capital Outlay Fund and the Special Revenue Fund. The district's budget resolution also includes the Child Nutrition or School Food Service Fund and the ACES (After-School Care Enrichment Services) fund.

Budget development is a year-round process that begins in the fall of each year and continues until a budget resolution is adopted by the Guilford County Board of Education on or before July 1. Participation at all levels of the school system is evident in this ongoing process.

Schools and central office departments review their budget needs and submit their requests. The superintendent, chief financial officer and division chiefs develop the superintendent's budget request prioritizing all requests based on the District's vision, mission, goals, and objectives.

Initial state fund and federal fund budget calculations are based on budget information provided by the North Carolina Department of Public Instruction.

Previous years' budgets and development processes were reviewed in order to identify the major budgetary assumptions/variables of federal, state and local origin impacting the school district's budget development/adoption.

The assumptions/variables identified as a result of that review include:

- salary increase percentage for teachers/licensed staff;
- salary increase percentage for principals/assistant principals;
- salary increase percentage for classified employees;
- changes in employee benefit rates/amounts (*social security, retirement, hospitalization, workers' compensation, unemployment, life insurance*);
- percentage of increase for annual utility/energy and gas/diesel fuel costs;
- percentage of increase for various risk management areas (*i.e., liability/fleet/property/pupil scholastic accident insurance lines of coverage*);
- additional energy costs for newly constructed and or air conditioned square footage associated with the district's Capital Improvement Plan (CIP) Program;
- additional maintenance/staffing costs associated with newly constructed and/or renovated square footage associated with the CIP Program; and
- increase in funding associated with projected growth in student enrollment.

Other factors impacting the budget development process can include:

- strategic plan initiatives;
- funds to address accountability/achievement goals/requirements; or
- funds to offset anticipated state/federal budget cuts.

A final consideration concerns the funds needed to maintain an aging infrastructure. Half of the school district's buildings are 50 years old or more, with at least 60% built before 1969. The school district maintains over 12 million square feet of school building space.

These items are funded from the increase in funding associated with projected growth in student enrollment, if available, and/or from the redirection of existing state/local/federal dollars and/or from additional funding requested from the county commission.

The district has two proprietary (enterprise) funds - the Child Nutrition or School Food Service Fund and the After School Care Enrichment Services (ACES) fund. Budgets for these funds are developed based on historical revenue, expenditure and participation data as well as anticipated legislated salary increases and/or changes in employee benefit rates/amounts and/or inflationary increases for food or supplies and/or student enrollment projections and/or changes in child nutrition meal costs or weekly ACES fees.

#### ***Monitoring of budgets and funds:***

Budget management includes three separate areas:

- pre-audit of disbursements and encumbrances
- amendments to the budget resolution
  - accounts for transfers of funds from one account to another within guidelines of the respective funding source(s)
  - tracks increases (new funds added to budget) or decreases (funds removed from budget)
  - budget resolution specifies transfer authority and reporting requirements
- meeting applicable reporting requirements (local, state and federal)

Some of the tools/mechanisms used to evaluate budgets include:

- internal audits;
- external audits;
- program audits;
- analyzing expenditures and revenues;
- analyzing staffing patterns.

The district incorporates the following practices in budget development and implementation:

- establishing measures for continuous performance monitoring;
- obtaining citizen and other stakeholder involvement early in the budget process;
- communicating goals, objectives, strategies and desired outcomes;
- promoting a sense of ownership and empowerment to budget managers to implement effective practices and achieve goals;
- incorporating realistic revenue and expenditure forecasts;
- reviewing budget-to-actual or budget-to-projected comparisons of revenues, expenditures, cash flow, and fund balance periodically during budget development;
- providing monthly summary and detail expenditure reports to budget managers;
- using the district's accounts payable, general ledger, payroll and purchasing systems to monitor available funds before encumbering/spending occurs; and
- preparing a comprehensive annual financial report of the district's operations.

## **MAJOR INITIATIVES, SERVICE EFFORTS AND ACCOMPLISHMENTS**

Our **vision** (*what we will become*), our **mission** and **thematic goals** (*how we will get there*), and our **core values** (*what we believe*) solidify the underlying foundation for all Guilford County Schools' decisions and actions.

Our **vision** is to become the top performing academic metropolitan school district in America.

The **mission** of the district is that Guilford County students will graduate as responsible citizens prepared to succeed in higher education, or in the career of their choice.

The Board in partnership with parents and community members wants to share these district **core values** in order to strengthen our schools and improve the quality of life for all of our citizens.

- **Diversity.** We are committed to creating an educational organization where a variety of persons and perspectives are welcome. We are committed to providing an environment where students and staff from all cultures and backgrounds may succeed.
- **Empathy.** We are committed to developing a culture where our employees identify with and understand the feelings of our students and parents and their colleagues.
- **Equality.** We are committed to creating a school system where everyone is appreciated and judged based solely on their contributions and performance. Through the work of this institution, we will create awareness of and develop strategies to understand and eradicate prejudice, discrimination and racism on the individual and organizational level.
- **Innovativeness.** We are committed to fostering a work environment where the goal is not to manage innovations, but to become innovative. Problems are identified, ownership of those problems is assumed by the adults in the district, and everyone works together as agents of the solution until the problems are solved. We will not stop until obstacles are removed, solutions found and clear and compelling goals are established.
- **Integrity.** We are committed to creating a school district that acts with honesty and forthrightness, holding ourselves to high academic and ethical standards, and dealing with everyone with respect.

## ACHIEVING EDUCATIONAL EXCELLENCE

### DISTRICT HONORS

- **National District of Character**
- North Carolina **District of Character**
- **Profiles in Courage Award** from the Council of the Great City Schools
- **First-ever World Kindness District**
- **United Way Spirit of North Carolina Award since 2013**
- **State championships** in football, basketball, men's and women's indoor and outdoor track, tennis, golf, wrestling, lacrosse and swimming
- **A Say Yes to Education Community**
- The Guilford County Board of Education received the **Kennedy Center and National School Boards Association Award** for outstanding support of arts education

### STANDOUT SCHOOLS

- In 2018, GCS' graduation rate reached an **a remarkable 89.4%**
- **Twelve high schools achieved 100% graduation rates in 2018.** An additional 8 schools, including 7 traditional high schools, had graduation rates above 90%
- The Early College at Guilford is ranked the **12<sup>th</sup> best public high school** in the nation and **No. 1 in the state** by the U.S. News & World Report. Weaver Academy is ranked fourth in the state and 104 in the nation.
- Two additional GCS schools made the **state's Top 20**: The STEM Early College at N.C. A&T State University is ranked eighth in the state and #179 nationally. Penn-Griffin School for the Arts is the 12<sup>th</sup> in the state and #274 in the nation.
- The Early College at Guilford was named the **best high school in North Carolina** by Niche, a research company. Nine other GCS schools made the top 100.
- **18 State Schools of Character** since 2014 and **13 National Schools of Character**
- The **national championship Quiz Bowl team** from the Early College at Guilford
- **The Middle College at UNCG** was named one of America's Best Urban Schools.

### TOP EDUCATORS

- **768** National Board Certified Teachers – ranking **ninth in the country**
- 74.1% of schools met or **exceeded growth** in 2017-18

### SUPERIOR STUDENTS

- **23** semi-finalists for the 2017-18 **National Merit Scholarship**; at least three winners
- **31** students selected for 2018 **Governor's School of North Carolina**, the nation's oldest statewide summer residential program for academically gifted students
- Two students awarded state recognition by the **North Carolina Association for the Gifted and Talented**
- Members of the Class of 2018 received the **Morehead-Cain Scholarship and Park Scholarship**.

## **INTERNAL CONTROLS**

Management of the district is responsible for establishing and maintaining internal controls designed to ensure that the assets of the district are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation 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.

As a recipient of federal, state and county financial assistance, the district also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal controls are subject to periodic evaluation by management and the external auditor for the district. The program administrators for school accounting monitor the activity funds of the individual schools for compliance with applicable federal, state, and local laws/regulations/policies/procedures.

As a part of the district's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to state and federal financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations. The district's single audit for the fiscal year ended June 30, 2018 resulted in no instances of material weaknesses in internal controls, material violations of applicable laws and regulations or questioned costs.

## **INDEPENDENT AUDIT**

North Carolina General Statutes require an annual audit by independent certified public accountants. The financial records and transactions of the Guilford County Board of Education for the year ended June 30, 2018 have been audited by Dixon Hughes Goodman LLP, a firm of independent certified public accountants. Their audit of the basic financial statements and accompanying combining and individual fund statements and schedules was performed in accordance with generally accepted auditing standards and, accordingly, included a review of the Board's system of budgetary and accounting controls. In addition to meeting the requirements set forth by the statutes, the audit also was designed to meet the single audit requirements. Guilford County Schools received an unmodified opinion on the basic financial statements. The auditors' report on the basic financial statements and the combining and individual fund statements and schedules are included in the financial section of this Report.

Management's Discussion and Analysis provides an overview of the school district's financial activities and condition for the fiscal year ended June 30, 2018. The analysis focuses on school district financial performance as a whole. Please read it in conjunction with this transmittal letter and the school district's financial statements.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Guilford County Board of Education for its comprehensive annual financial report for the fiscal year ended June 30, 2017. These are prestigious awards recognizing conformance with the highest standards for preparation of state and local government financial reports.

These awards are made only to governmental units that publish a comprehensive annual financial report that is easily readable, efficiently organized, and conforms to program standards as well as satisfies generally accepted accounting principles and applicable legal requirements. The awards are valid for a period of one year only. We believe the accompanying Report continues to conform to GFOA and ASBO program requirements; therefore, we will submit it to these respective organizations for consideration of renewed certificate eligibility and award.



## ACKNOWLEDGEMENTS

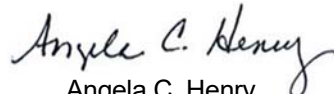
The preparation of this Report could not have been accomplished without the efforts and dedication of the Financial Services staff of Guilford County Schools and the independent audit firm. We would like to express our appreciation to all of the employees who contributed in the development of this Report and to the Guilford County government for providing statistical data.

Also, we would like to thank members of the Guilford County Board of Education for supporting the financial operation of the school system in a dedicated and responsible manner.

Respectfully submitted,



Sharon L. Contreras , Ph. D.  
Superintendent



Angela C. Henry  
Chief Financial Officer



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**GUILFORD COUNTY BOARD OF EDUCATION**

**BOARD MEMBERS  
AND  
PRINCIPAL OFFICIALS**

BOARD OF EDUCATION

Alan W. Duncan, Chairperson  
Deena A. Hayes, Vice Chairperson  
Wes Cashwell  
T. Dianne Bellamy Small  
Darlene Garrett  
Byron Gladden  
Pat Tillman  
Anita Sharpe  
Linda Welborn

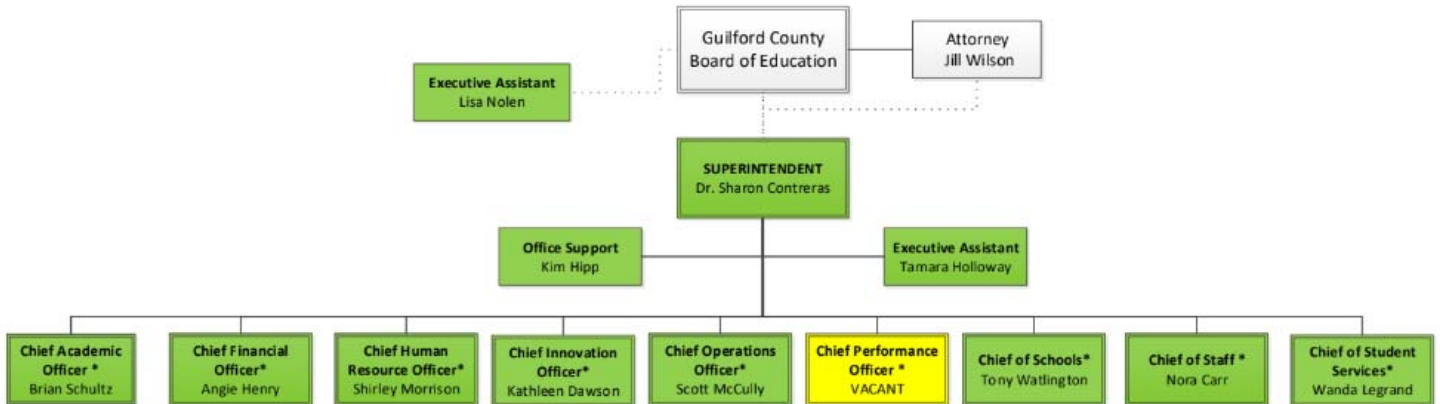
SUPERINTENDENT

Dr. Sharon L. Contreras

SUPERINTENDENT'S COUNCIL

Brian Schultz, Chief Academic Officer  
Angela Henry, Chief Financial Officer  
Dr. Shirley Morrison, Chief Human Resources Officer  
Dr. Kathleen Dawson, Chief Innovation Officer  
Scott McCully, Chief Operations Officer  
Vacant, Chief Performance Officer  
Dr. Tony Watlington, Chief of Schools  
Dr. Nora Carr, Chief of Staff  
Dr. Wanda Legrand, Chief Student Services Officer

# 2018-19 Organizational Chart





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

## **Guilford County Board of Education**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE  
Executive Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Guilford County Board of Education  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

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This section of the Guilford County Board of Education's (the "Board") comprehensive annual financial report presents the basic financial statements and Required Supplementary Information (including Management's Discussion and Analysis), as well as the Independent Auditors' Report. In addition, the financial section contains combining statements for fund types, budgetary schedules and other supplemental information.

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## **Independent Auditors' Report**

Guilford County Board of Education  
Greensboro, North Carolina

### **Report On the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Guilford County Board of Education (the "Board") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Board as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and State Public School Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Change in Accounting Principle***

As discussed in Note 5 to the financial statements, beginning balances were restated due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* ("OPEB"), in 2018. Our opinion is not modified with respect to these changes.

***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 pension and OPEB schedules, identified in the table of contents, on pages 52 and 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us will sufficient evident to express and opinion or provide any assurance.

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, budgetary schedules and statistical section, 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 State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, budgetary schedules, other schedules and the accompanying Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, budgetary schedules and the accompanying Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2018 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*Dixon Hughes Goodman LLP*

**Asheville, North Carolina  
December 17, 2018**



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## **Management's Discussion and Analysis**

This section of the Guilford County Board of Education's (the Board) financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2018. This information should be read in conjunction with the audited financial statements included in this report.

### ***Financial Highlights***

- The Board's average daily membership (ADM) decreased by 92 students (or .13%) from the previous year. [ADM is calculated by dividing the number of students enrolled each school day (whether in attendance or not) by the number of school days.] In the past decade, our student enrollment has increased by approximately 300 students.
- The liabilities and deferred inflows of resources of the Board exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$342,595,591.
- The Board restated net position with a decrease of \$1,108,213,874 due to the implementation of the OPEB standards. After the restatement, the Board's total net position decreased \$37,364,197.
- Total fund balance in the Board's General Fund increased from \$11.4 million at June 30, 2017 to \$15.1 million at June 30, 2018. The increase in the total fund balance was due primarily to the receipt of a portion of the insurance proceeds for schools damaged by tornadoes in April 2018 as well as higher than budgeted receipts in fines and forfeitures.
- Unassigned fund balance is \$4,398,372 as of June 30, 2018. This figure represents 2.17% of our FY18 general fund final budget and .64% of our FY18 original operating budget. While the unassigned fund balance is not constrained in any way or earmarked for any specific use or purpose, these funds provide some additional financial stability to the district and the resources necessary to meet unexpected expenditures and/or revenue shortfalls in future budget cycles.
- The 2017-18 county appropriation to the capital outlay fund was \$5.0 million – these are dollars that are used to make needed repairs to more than 12 million square feet of facilities across the district.
- In 2009-10 the Board established a special revenue fund to account for reimbursements, including but not limited to, indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs.

On March 19, 2015, the Guilford County Board of County Commissioners approved funding six priority projects totaling \$42,571,153 using dollars remaining from the 2008 voter approved bonds:

- **Hunter Elementary School** – replacement school (\$19,273,675 revised budget);
- **High Point Central High School** – addition/renovation (\$12,457,591 revised budget);
- **Bluford Elementary School** – renovation (\$8,294,462 revised budget);
- **Northwood Elementary School** – kitchen renovation/expansion (\$639,225);
- **Dudley High School** – new traffic pattern (\$750,000); and
- **Northwest High School** – new traffic pattern (\$1,156,200).

It is important to note that the Board of Education has no tax levying authority; therefore, bond debt is issued and reported by the County while the capital assets and associated depreciation are reported by the Board.

**Guilford County Board Of Education  
Management's Discussion And Analysis  
Year Ended June 30, 2018**

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***Overview of the Financial Section***

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

- *Independent Auditors' Report;*
- *Management's Discussion and Analysis (required supplementary information);*
- *Basic Financial Statements; and*
- *Supplemental information section that presents combining and budgetary statements for non-major governmental funds and budgetary statements for major governmental and enterprise funds.*

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 and liabilities. 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 set of statements included in the basic financial statements is the *fund financial statements*, which is presented for the Board's governmental funds, proprietary funds, 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 unit 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 and liabilities, except for fiduciary fund assets and liabilities. 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 the total of liabilities – is one way to measure the unit's financial health or position.

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the district's overall health, factors such as the condition of its school buildings and other physical assets must also 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 funding and state 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 and After-School Care Enrichment Services are included here.

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

**Guilford County Board Of Education  
Management's Discussion And Analysis  
Year Ended June 30, 2018**

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***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.

The Board has three types of funds: governmental funds, proprietary funds, and fiduciary 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-side and the fund financial statements. The district has several governmental funds: the General Fund, the State Public School Fund, the Capital Outlay Fund, the Federal Grants Fund, the Special Revenue Fund, and the Individual Schools Fund.

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

*Proprietary funds:* 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. The Board has two proprietary funds – both enterprise funds – the School Food Service Fund and the After School Care Enrichment Services Fund (ACES).

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

*Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Board serves as a trustee, or fiduciary, for ten scholarships. All of the Board's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a separate Statement of Changes in Fiduciary Net Position. We exclude these activities from the Board's other financial statements because the Board cannot use these assets to finance its operations. The Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes and by those to whom the assets belong. This is accounted for as a private purpose trust fund.

The fiduciary fund statements are shown as Exhibits 9 and 10 of this report.

**Guilford County Board Of Education  
Management's Discussion And Analysis  
Year Ended June 30, 2018**

***Financial Analysis of the Board as a Whole***

- Net position is an indicator of the fiscal health of the Board. Total liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at the close of the fiscal year by \$342,595,591 as of June 30, 2018. The largest component of net position is the net investment in capital assets of \$924,536,650.

Information regarding net position is contained in the following two tables. Table 1 is a Condensed Statement of Net Position as of June 30, 2018 and Table 2 is a Condensed Statement of Activities for the year ended June 30, 2018.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Government-Wide</b>	
	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2018</b>	<b>6/30/2017</b>
<b>ASSETS:</b>						
Current assets	\$ 53,945,138	\$ 40,769,812	\$ 12,445,716	\$ 13,255,795	\$ 66,390,854	\$ 54,025,607
Non-current assets	1,671,667	1,860,509	-	-	1,671,667	1,860,509
Capital assets	<u>923,462,798</u>	<u>929,520,936</u>	<u>3,344,011</u>	<u>3,307,657</u>	<u>926,806,809</u>	<u>932,828,593</u>
Total assets	<u>979,079,603</u>	<u>972,151,257</u>	<u>15,789,727</u>	<u>16,563,452</u>	<u>994,869,330</u>	<u>988,714,709</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	<u>159,853,857</u>	<u>173,696,601</u>	<u>4,406,484</u>	<u>4,654,389</u>	<u>164,260,341</u>	<u>178,350,990</u>
<b>LIABILITIES:</b>						
Current liabilities	35,833,969	32,011,174	1,115,806	1,237,769	36,949,775	33,248,943
Long-term liabilities	<u>1,114,727,346</u>	<u>304,347,076</u>	<u>30,755,508</u>	<u>7,953,073</u>	<u>1,145,482,854</u>	<u>312,300,149</u>
Total liabilities	<u>1,150,561,315</u>	<u>336,358,250</u>	<u>31,871,314</u>	<u>9,190,842</u>	<u>1,182,432,629</u>	<u>345,549,092</u>
<b>DEFERRED IN FLOWS OF RESOURCES</b>						
	<u>310,692,279</u>	<u>18,050,446</u>	<u>8,60,354</u>	<u>483,681</u>	<u>319,292,633</u>	<u>18,534,127</u>
<b>NET POSITION</b>						
Net investment in capital assets	921,192,639	925,082,020	3,344,011	3,307,657	924,536,650	928,389,677
Restricted	18,261,669	7,556,558	21,439	-	18,283,108	7,556,558
Unrestricted	<u>(1,261,774,442)</u>	<u>(141,199,416)</u>	<u>(23,640,907)</u>	<u>8,235,661</u>	<u>(1,285,415,349)</u>	<u>(132,963,755)</u>
Total net position	<u>\$ (322,320,134)</u>	<u>\$ 791,439,162</u>	<u>\$ (20,275,457)</u>	<u>\$ 11,543,318</u>	<u>\$ (342,595,591)</u>	<u>\$ 802,982,480</u>

Note that net position decreased by approximately \$1,113,759,000 during the year. The decrease in net position was due largely to the restatement of net position due to the implementation of OPEB standards. Also note that the Board carries capital assets for which Guilford County carries the offsetting debt.



**Guilford County Board Of Education  
Management's Discussion And Analysis  
Year Ended June 30, 2018**

Table 2 shows the revenues and expenses for the Board for the current and previous fiscal year.

<b>Table 2</b>						
<b>Condensed Statements of Activities</b>						
<b>Years ended June 30, 2018 and 2017</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-wide</u>	
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>REVENUES:</b>						
Program revenues:						
Charges for	\$ 8,388,698	\$ 8,891,103	\$ 13,331,383	\$ 13,192,766	\$ 21,720,081	\$ 22,083,869
Operating grants						
contributions	476,449,107	479,509,054	36,406,280	36,991,651	512,855,387	516,500,705
Capital grants and						
contributions	2,145,935	3,073,375	-	180,830	2,145,935	3,254,205
General revenues:						
Unrestricted county						
State	224,618,809	257,737,243	-	-	224,618,809	257,737,243
Investment	245,733	123,583	84,357	22,341	330,090	145,924
Miscellaneous	8,958,422	3,782,141	33,896	27,546	8,992,318	3,809,687
<b>Total Revenues</b>	<u>720,806,704</u>	<u>753,116,499</u>	<u>49,855,916</u>	<u>50,415,134</u>	<u>770,662,620</u>	<u>803,531,633</u>
<b>EXPENSES:</b>						
Governmental						
Instructional	567,026,092	552,656,918	-	-	567,026,092	552,656,918
Supporting services	144,333,654	137,954,803	-	-	144,333,654	137,954,803
Ancillary services	165,892	302,827	-	-	165,892	302,827
Non-program	17,064,859	16,445,966	-	-	17,064,859	16,445,966
Depreciation	27,657,141	26,651,888	-	-	27,657,141	26,651,888
Business-type						
Food service	-	-	45,024,436	43,039,897	45,024,436	43,039,897
ACES program	-	-	6,754,743	6,785,034	6,754,743	6,785,034
<b>Total expenses</b>	<u>756,247,638</u>	<u>734,012,402</u>	<u>51,779,179</u>	<u>49,824,931</u>	<u>808,026,817</u>	<u>783,837,333</u>
Revenues over						
(under) expenses	(35,440,934)	19,104,097	(1,923,263)	590,203	(37,364,197)	19,694,300
<b>TRANSERS</b>	<u>-</u>	<u>(32,590)</u>	<u>-</u>	<u>32,590</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(35,440,934)</u>	<u>19,071,507</u>	<u>(1,923,263)</u>	<u>622,793</u>	<u>(37,364,197)</u>	<u>19,694,300</u>
<b>NET POSITION:</b>						
Beginning of year,						
as reported	791,431,162	772,367,655	11,543,318	10,920,525	802,982,480	783,288,180
Restatement	(1,078,318,362)	-	(29,895,512)	-	(1,108,213,874)	-
Beginning of year,	<u>(286,879,200)</u>	<u>772,367,655</u>	<u>(18,352,194)</u>	<u>10,920,525</u>	<u>(305,231,394)</u>	<u>783,288,180</u>
as adjusted						
End of year	<u>\$(322,320,134)</u>	<u>\$ 791,431,162</u>	<u>\$(20,275,457)</u>	<u>\$ 11,543,318</u>	<u>\$( 342,595,591)</u>	<u>\$ 802,982,480</u>

Table 2 (Condensed Statement of Activities) reflects a decrease in net position of \$35,440,934 for governmental activities. This decrease was due to the Board's proportionate share of pension and OPEB expenses. Total net position in the business-type activities decreased by \$1,923,263 for the same reasons in 2017-18.

Total governmental activities generated revenues of \$721 million while expenses in this category totaled \$756 million for the year ended June 30, 2018. Comparatively, revenues were \$753 million and expenses totaled \$734 million for the year ended June 30, 2017. The decrease in net position for total governmental activities stands at \$35 million at June 30, 2018, compared to an increase of \$19 million in 2017. Instructional expenses comprised 75.0% of total governmental-type expenses while support services made up 19.1% of those expenses for 2018.

**Guilford County Board Of Education  
Management's Discussion And Analysis  
Year Ended June 30, 2018**

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County funding comprised 31.1% and 34.2% of total governmental revenue in 2018 and 2017, respectively. Much of the remaining 69% of total governmental revenue for 2018 consists of restricted state and federal money. The decrease in net position for business-type activities stands at \$1.9 million at June 30, 2018, compared to an increase in net position of \$622,793 in 2017.

***Financial Analysis of the Board's Funds***

*Governmental Funds:* The focus of the Board'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 (general, state, federal, capital outlay and individual school funds) reported a combined fund balance of \$23 million, an increase of approximately \$6.6 million from last year. Most of this increase was due to the receipt of insurance proceeds for schools damaged by tornadoes in April 2018. While work was done to secure the buildings and to mitigate any deterioration, repairs/renovations work has not yet started on the buildings.

*Proprietary Funds:* As mentioned previously, the Board has two proprietary funds – both enterprise funds – the School Food Service Fund and the After School Care Enrichment Services Fund. The activity in these two funds is categorized as business-type activity because the district charges fees to help it cover the costs of services provided.

For the year ended June 30, 2018, expenses exceeded revenues in the School Food Service Fund by \$2.2 million. A portion of the increase in expenses is due to an increase in food and labor costs as well as the pension and OPEB expense.

After School Care Enrichment Services (ACES) was provided to an average enrollment of 4,013 students at 57 elementary school sites in the district during the 2017-18 academic year. The weekly program fee continued to be \$46 in 2017-18 and all ACES programs were licensed by the North Carolina Division of Child Development and Early Education and all sites except Washington Elementary were eligible to accept Department of Social Services child care vouchers.

For the year ended June 30, 2018, revenues exceeded expenses in the After School Care Enrichment Services Fund by \$257,415.

***General Fund Budgetary Highlights***

During the year, the Board revised the district's budget. Budget amendments reflected changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$2,078,839 or 1.0% in total general fund budgeted expenditures. This increase was primarily attributable to an adjustment to fund balance appropriations for encumbrances that were outstanding at June 30, 2017.

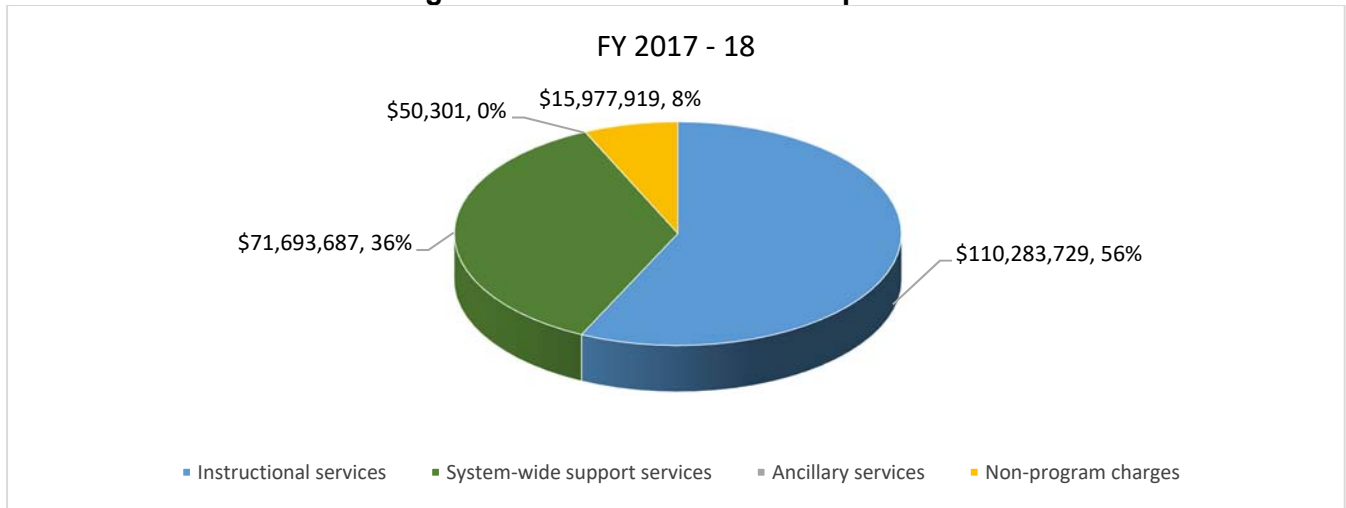
A review of Exhibit 5 (Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General and State Public School Funds) reflects a positive variance in the general fund final budgeted versus actual revenues.

Exhibit 5 also reflects a \$4.6 million positive variance in the general fund final budget versus actual expenditures. This was primarily made up of \$2.9 million in instructional services and \$1.4 million in system-wide support services.

**Guilford County Board Of Education  
Management's Discussion And Analysis  
Year Ended June 30, 2018**

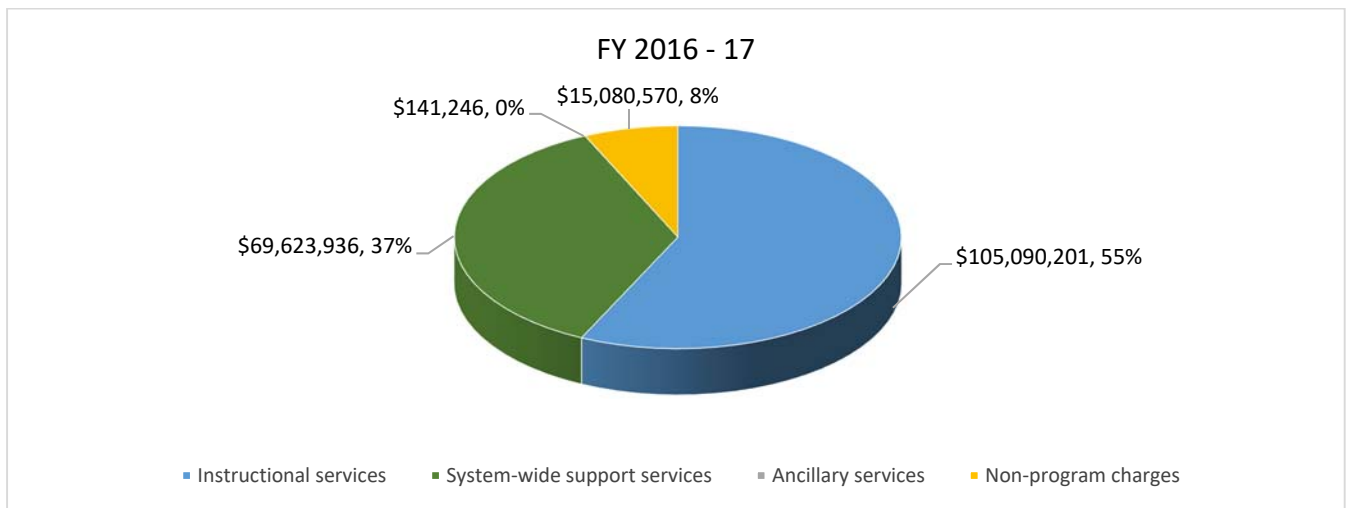
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**Categorization of General Fund Expenditures**



(Expenditures presented on modified accrual basis of accounting.)

**Categorization of General Fund Expenditures**



(Expenditures presented on modified accrual basis of accounting.)

**Guilford County Board Of Education  
Management's Discussion And Analysis  
Year Ended June 30, 2018**

**Capital Assets**

Capital assets decreased by \$6,021,783 (or 0.6%) from the previous year. This was largely due the depreciation expense exceeding the additions to capital assets. The following is a summary of the capital assets, net of depreciation at year end.

<b>Table 3</b>						
<b>Summary of Capital Assets as of June 30, 2018 and 2017</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-wide</u>	
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Capital assets, net:						
Land	\$ 26,082,299	\$ 26,082,299	\$ -	\$ -	\$ 26,082,299	\$ 26,082,299
Construction in progress	49,125,353	76,952,858	-	-	49,125,353	76,952,858
Land improvements	16,307,139	17,203,822	-	-	16,307,139	17,203,822
Buildings	804,863,826	779,674,454	87,192	90,033	804,951,018	779,764,487
Furniture and equipment	8,843,815	8,335,916	3,123,364	3,060,961	11,967,179	11,396,877
Vehicles	18,240,366	21,271,587	133,455	156,663	18,373,821	21,428,250
<b>Total</b>	<u>\$ 923,462,798</u>	<u>\$ 929,520,936</u>	<u>\$ 3,344,011</u>	<u>\$ 3,307,657</u>	<u>\$ 926,806,809</u>	<u>\$ 932,828,593</u>

Additional information on the Board's capital assets can be found in Note 3.A.4 to the financial statements.

**Debt Outstanding**

The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. Readers desiring more detailed information on the district's long-term debt/obligation activity associated with school bus installment purchases should see Note 3.B.8 to the financial statements.

**Requests for Information**

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

Angela C. Henry, Chief Financial Officer  
or  
Tara L. Trexler, Executive Director – Financial Services  
Guilford County Board of Education  
712 North Eugene Street  
P. O. Box 880  
  
Greensboro, NC 27402-0880

## **BASIC FINANCIAL STATEMENTS**

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The basic financial statements for Guilford County Board of Education (the “Board”) consist of both government-wide and fund financial statements of the Board. The Board has elected to include budgetary comparisons for the General Fund and annually adopted major special revenue funds as part of the fund financial statements.

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**GUILFORD COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2018**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 33,397,712	\$ 10,432,499	\$ 43,830,211
Receivables:			
Due from other governments	14,988,319	1,395,370	16,383,689
Other	3,772,416	177,257	3,949,673
Net OPEB asset	1,576,592	21,439	1,598,031
Internal balances	210,099	(210,099)	-
Inventories	-	629,250	629,250
Total current assets	<u>53,945,138</u>	<u>12,445,716</u>	<u>66,390,854</u>
Non-current assets:			
Deposits	1,671,667	-	1,671,667
Capital assets:			
Land and construction in progress	75,207,652	-	75,207,652
Other capital assets, net	848,255,146	3,344,011	851,599,157
Total non-current assets	<u>925,134,465</u>	<u>3,344,011</u>	<u>928,478,476</u>
Total assets	<u>979,079,603</u>	<u>15,789,727</u>	<u>994,869,330</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>159,853,857</u>	<u>4,406,484</u>	<u>164,260,341</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	6,599,641	89,059	6,688,700
Accrued salaries and related payables	22,742,405	377,289	23,119,694
Unearned revenues	1,717,808	390,203	2,108,011
Current portion of long-term obligations	4,774,115	259,255	5,033,370
Total current liabilities	<u>35,833,969</u>	<u>1,115,806</u>	<u>36,949,775</u>
Non-current liabilities:			
Non-current portion of long-term obligations	35,064,087	866,881	35,930,968
Net pension liability	227,203,405	6,289,738	233,493,143
Net OPEB liability	852,459,854	23,598,889	876,058,743
Total liabilities	<u>1,150,561,315</u>	<u>31,871,314</u>	<u>1,182,432,629</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>310,692,279</u>	<u>8,600,354</u>	<u>319,292,633</u>
<b>NET POSITION</b>			
Net investment in capital assets	921,192,639	3,344,011	924,536,650
Restricted:			
Stabilization by State Statute	8,775,457	-	8,775,457
School capital outlay	3,417,998	-	3,417,998
Individual schools	3,740,955	-	3,740,955
Special programs	750,667	-	750,667
Net OPEB asset	1,576,592	21,439	1,598,031
Unrestricted (deficit)	<u>(1,261,774,442)</u>	<u>(23,640,907)</u>	<u>(1,285,415,349)</u>
Total net position	<u>\$ (322,320,134)</u>	<u>\$ (20,275,457)</u>	<u>\$ (342,595,591)</u>

The accompanying notes are an integral part of this statement.

**GUILFORD COUNTY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2018**

<b>Activities/Functions</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Instructional services:				
Regular instructional	\$ 325,110,068	\$ 188,830	\$ 234,614,646	\$ -
Special populations	94,504,437	-	81,064,430	-
Alternative programs	44,708,186	-	38,518,657	-
School leadership	43,735,851	-	23,801,741	-
Co-curricular	15,236,222	4,743,905	5,816,032	-
School-based support	43,731,328	-	32,241,008	-
Total instructional services	<u>567,026,092</u>	<u>4,932,735</u>	<u>416,056,514</u>	<u>-</u>
System-wide support services:				
Support and development	5,983,396	-	2,846,100	-
Special population support and development	5,363,764	-	3,277,037	-
Alternative programs and services support and development	2,591,495	-	2,250,766	-
Technology support	8,517,469	-	837,848	-
Operational support	98,726,054	-	44,004,957	2,145,935
Financial and human resource	10,224,167	-	2,585,977	-
Accountability	2,954,322	-	334,244	-
System-wide pupil support	2,784,135	-	251,308	-
Policy, leadership and public relations	7,188,852	-	2,896,515	-
Ancillary services	165,892	-	87,516	-
Non-program charges	17,064,859	3,455,963	1,020,325	-
Unallocated depreciation expense	27,657,141	-	-	-
Total system-wide support services	<u>189,221,546</u>	<u>3,455,963</u>	<u>60,392,593</u>	<u>2,145,935</u>
Total governmental activities	<u>756,247,638</u>	<u>8,388,698</u>	<u>476,449,107</u>	<u>2,145,935</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
School Food Service	45,024,436	6,319,225	36,406,280	-
After School Care Enrichment Services	6,754,743	7,012,158	-	-
Total business-type activities	<u>51,779,179</u>	<u>13,331,383</u>	<u>36,406,280</u>	<u>-</u>
Total government-wide	<u>\$ 808,026,817</u>	<u>\$ 21,720,081</u>	<u>\$ 512,855,387</u>	<u>\$ 2,145,935</u>

**GENERAL REVENUES**

Unrestricted county appropriations - operating  
Unrestricted county appropriations - capital  
Unrestricted State appropriation - capital  
Investment earnings, unrestricted  
Miscellaneous, unrestricted  
Total general revenues

Change in net position

**NET POSITION**

Beginning of year, as adjusted  
End of year

The accompanying notes are an integral part of this statement.



## Exhibit 2

<b>Net (Expenses) Revenues and Changes in Net Position</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (90,306,592) (13,440,007) (6,189,529) (19,934,110) (4,676,285) (11,490,320) <hr/> (146,036,843)	\$ - - - - - - <hr/> -	\$ (90,306,592) (13,440,007) (6,189,529) (19,934,110) (4,676,285) (11,490,320) <hr/> (146,036,843)
(3,137,296) (2,086,727)	- -	(3,137,296) (2,086,727)
(340,729) (7,679,621) (52,575,162) (7,638,190) (2,620,078) (2,532,827) (4,292,337) (78,376) (12,588,571) (27,657,141) <hr/> (123,227,055) (269,263,898)	- - - - - - - - - - <hr/> - -	(340,729) (7,679,621) (52,575,162) (7,638,190) (2,620,078) (2,532,827) (4,292,337) (78,376) (12,588,571) (27,657,141) <hr/> (123,227,055) (269,263,898)
- - <hr/> - (269,263,898)	(2,298,931) 257,415 <hr/> (2,041,516) (2,041,516)	(2,298,931) 257,415 <hr/> (2,041,516) (271,305,414)
195,860,398 28,584,985 173,426 245,733 8,958,422 <hr/> 233,822,964 (35,440,934)	- - - 84,357 33,896 <hr/> 118,253 (1,923,263)	195,860,398 28,584,985 173,426 330,090 8,992,318 <hr/> 233,941,217 (37,364,197)
(286,879,200) <hr/> \$ (322,320,134)	(18,352,194) <hr/> \$ (20,275,457)	(305,231,394) <hr/> \$ (342,595,591)

**GUILFORD COUNTY BOARD OF EDUCATION  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2018**

	Major Funds					Total Governmental Funds
	General Fund	State Public School Fund	Individual Schools Fund	Capital Outlay Fund	Non-major Governmental Funds	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 24,275,572	\$ -	\$ 3,854,379	\$ 3,527,827	\$ 1,739,934	\$ 33,397,712
Receivables:						
Due from other governments	-	10,015,942	-	4,059,147	913,230	14,988,319
Other	2,933,597	-	328,027	7,106	503,686	3,772,416
Due from other funds	368,888	-	-	-	248,379	617,267
Self-funded insurance deposits	1,671,667	-	-	-	-	1,671,667
Total assets	<u>\$ 29,249,724</u>	<u>\$ 10,015,942</u>	<u>\$ 4,182,406</u>	<u>\$ 7,594,080</u>	<u>\$ 3,405,229</u>	<u>\$ 54,447,381</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 2,350,996	\$ -	\$ 72,563	\$ 4,176,082	\$ -	\$ 6,599,641
Accrued salaries and related payables	11,827,989	9,999,143	-	-	915,273	22,742,405
Unearned revenues	-	16,799	-	-	1,701,009	1,717,808
Due to other funds	-	-	368,888	-	38,280	407,168
Total liabilities	<u>14,178,985</u>	<u>10,015,942</u>	<u>441,451</u>	<u>4,176,082</u>	<u>2,654,562</u>	<u>31,467,022</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Self-insurance deposits	1,671,667	-	-	-	-	1,671,667
Restricted:						
Stabilization by State Statute	8,775,457	-	-	-	-	8,775,457
School capital outlay	-	-	-	3,417,998	-	3,417,998
Individual schools	-	-	3,740,955	-	-	3,740,955
Special programs	-	-	-	-	750,667	750,667
Committed:						
Buses	95,243	-	-	-	-	95,243
Assigned:						
Subsequent year's budget	130,000	-	-	-	-	130,000
Unassigned	4,398,372	-	-	-	-	4,398,372
Total fund balances	<u>15,070,739</u>	<u>-</u>	<u>3,740,955</u>	<u>3,417,998</u>	<u>750,667</u>	<u>22,980,359</u>
Total liabilities and fund balances	<u>\$ 29,249,724</u>	<u>\$ 10,015,942</u>	<u>\$ 4,182,406</u>	<u>\$ 7,594,080</u>	<u>\$ 3,405,229</u>	<u>\$ 54,447,381</u>

**Reconciliation of the Balance Sheet to the Statement of Net Position**

**Amounts reported for governmental activities in The Statement of Net Position are different because:**

Total fund balances - governmental funds	\$ 22,980,359
Net OPEB asset	1,576,592
Net capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	923,462,798
Deferred outflows of resources related to pensions	113,998,831
Deferred outflows related to OPEB	45,855,026
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of the following:	
Installment purchases	(2,270,159)
Compensated absences payable	(36,412,132)
Net pension liability	(227,203,405)
Net OPEB liability	(852,459,854)
Deferred inflows of resources related to pensions	(14,444,227)
Deferred inflows of resources related to OPEB	(296,248,052)
Claims liabilities for retained risks	(1,155,911)
Total net position - governmental activities	<u>\$ (322,320,134)</u>

The accompanying notes are an integral part of this statement.

**GUILFORD COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended June 30, 2018**

	Major Funds				Non-major Governmental Funds	Total Governmental Funds
	General Fund	State Public School Fund	Individual Schools Fund	Capital Outlay Fund		
<b>REVENUES</b>						
State of North Carolina	\$ -	\$ 416,531,275	\$ -	\$ 2,319,361	\$ 3,563,604	\$ 422,414,240
Guilford County	195,860,398	-	-	28,584,985	-	224,445,383
U. S. Government agencies	-	-	-	-	47,177,490	47,177,490
Other	5,848,194	-	10,275,856	3,115,697	7,529,844	26,769,591
Total revenues	<u>201,708,592</u>	<u>416,531,275</u>	<u>10,275,856</u>	<u>34,020,043</u>	<u>58,270,938</u>	<u>720,806,704</u>
<b>EXPENDITURES</b>						
Current:						
Instructional services	110,283,729	364,370,534	10,221,129	-	46,161,034	531,036,426
System-wide support services	71,693,687	52,094,108	-	-	10,838,786	134,626,581
Ancillary services	50,301	66,633	-	-	20,882	137,816
Non-program charges	15,977,919	-	-	-	1,086,940	17,064,859
Debt service:						
Principal	-	-	-	2,145,935	-	2,145,935
Capital outlay	-	-	-	29,183,467	-	29,183,467
Total expenditures	<u>198,005,636</u>	<u>416,531,275</u>	<u>10,221,129</u>	<u>31,329,402</u>	<u>58,107,642</u>	<u>714,195,084</u>
Revenues over expenditures	<u>3,702,956</u>	<u>-</u>	<u>54,727</u>	<u>2,690,641</u>	<u>163,296</u>	<u>6,611,620</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer from (to) other funds	(81,152)	-	-	81,152	-	-
Total other financing sources (uses)	<u>(81,152)</u>	<u>-</u>	<u>-</u>	<u>81,152</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,621,804	-	54,727	2,771,793	163,296	6,611,620
<b>FUND BALANCES</b>						
Beginning of year	11,448,935	-	3,686,228	646,205	587,371	16,368,739
End of year	<u>\$ 15,070,739</u>	<u>\$ -</u>	<u>\$ 3,740,955</u>	<u>\$ 3,417,998</u>	<u>\$ 750,667</u>	<u>\$ 22,980,359</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended June 30, 2018**

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**Reconciliation of the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances to the government-wide Statement of Activities:**

**Net change in fund balances - governmental funds** \$ 6,611,620

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation exceeded capital outlays for the year:

Depreciation expense	\$ (31,748,337)	
Capital outlays	<u>25,791,850</u>	(5,956,487)

Net book value of assets disposed		(101,651)
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Principal payments on long-term debt		2,145,935
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Decrease in compensated absences payable		431,707
--	--	---------

Decrease in estimated liabilities for retained risks		784,940
--	--	---------

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		42,282,139
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Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities		24,286,521
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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		(58,704,032)
Net OPEB expense		(47,221,626)

<b>Change in net position of governmental activities</b>		<u><u>\$ (35,440,934)</u></u>
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The accompanying notes are an integral part of this statement.

**GUILFORD COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
GENERAL AND STATE PUBLIC SCHOOL FUNDS  
Year Ended June 30, 2018**

	<b>General Fund</b>				
	<b>Budgeted Amounts</b>			<b>Variances</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final to Original</b>	<b>Actual to Final</b>
<b>REVENUES</b>					
Guilford County	\$ 195,860,398	\$ 195,860,398	\$ 195,860,398	\$ -	\$ -
Other	3,703,424	3,703,424	5,848,194	-	2,144,770
Total revenues	<u>199,563,822</u>	<u>199,563,822</u>	<u>201,708,592</u>	<u>-</u>	<u>2,144,770</u>
<b>EXPENDITURES</b>					
Current:					
Instructional services	105,945,707	113,207,662	110,283,729	(7,261,955)	2,923,933
System-wide support services	75,986,095	73,058,205	71,693,687	2,927,890	1,364,518
Ancillary services	24,276	62,900	50,301	(38,624)	12,599
Non-program charges	18,607,744	16,232,742	15,977,919	2,375,002	254,823
Total expenditures	<u>200,563,822</u>	<u>202,561,509</u>	<u>198,005,636</u>	<u>(1,997,687)</u>	<u>4,555,873</u>
Revenues over (under) expenditures	(1,000,000)	(2,997,687)	3,702,956	(1,997,687)	6,700,643
<b>OTHER FINANCING USES</b>					
Transfers to other funds	-	(81,152)	(81,152)	(81,152)	-
<b>APPROPRIATED FUND BALANCE</b>	<u>1,000,000</u>	<u>3,078,839</u>	<u>-</u>	<u>2,078,839</u>	<u>(3,078,839)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,621,804	<u>\$ -</u>	<u>\$ 3,621,804</u>
<b>FUND BALANCE</b>					
Beginning of year			<u>11,448,935</u>		
End of year			<u>\$ 15,070,739</u>		

The accompanying notes are an integral part of this statement.

**GUILFORD COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
GENERAL AND STATE PUBLIC SCHOOL FUNDS  
Year Ended June 30, 2018**

	<b>State Public School Fund</b>				
	<b>Budgeted Amounts</b>			<b>Variances</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final to Original</b>	<b>Actual to Final</b>
<b>REVENUES</b>					
State of North Carolina	\$ 404,135,654	\$ 427,590,906	\$ 416,531,275	\$ 23,455,252	\$ (11,059,631)
Total revenues	404,135,654	427,590,906	416,531,275	23,455,252	(11,059,631)
<b>EXPENDITURES</b>					
Current:					
Instructional services	366,173,879	374,740,467	364,370,534	(8,566,588)	10,369,933
System-wide support services	37,896,349	52,772,991	52,094,108	(14,876,642)	678,883
Ancillary services	65,426	77,448	66,633	(12,022)	10,815
Total expenditures	404,135,654	427,590,906	416,531,275	(23,455,252)	11,059,631
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
<b>FUND BALANCE</b>					
Beginning of year			-		
End of year			\$ -		

The accompanying notes are an integral part of this statement.

**GUILFORD COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**June 30, 2018**

	<u>School Food Service Fund</u>	<u>After School Care Enrichment Services Fund</u>	<u>Total Major Enterprise Funds</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 8,500,504	\$ 1,931,995	\$ 10,432,499
Receivables			
Federal government	1,364,086	-	1,364,086
State of North Carolina	25,609	5,675	31,284
Due from other funds	38,280	-	38,280
Other	156,031	21,226	177,257
Total receivables	1,584,006	26,901	1,610,907
Net OPEB asset	16,522	4,917	21,439
Inventories	629,250	-	629,250
Total current assets	10,730,282	1,963,813	12,694,095
Noncurrent assets			
Capital assets	11,499,148	64,607	11,563,755
Accumulated depreciation	(8,155,137)	(64,607)	(8,219,744)
Net capital assets	3,344,011	-	3,344,011
Total assets	14,074,293	1,963,813	16,038,106
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,395,825</b>	<b>1,010,659</b>	<b>4,406,484</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	89,059	-	89,059
Accrued payroll and related liabilities	277,248	100,041	377,289
Unearned revenues	329,603	60,600	390,203
Due to other funds	248,379	-	248,379
Current portion of long-term obligations	232,851	26,404	259,255
Total current liabilities	1,177,140	187,045	1,364,185
Noncurrent liabilities			
Net pension liability	4,847,142	1,442,596	6,289,738
Net OPEB liability	18,186,322	5,412,567	23,598,889
Noncurrent portion of long-term obligations	658,549	208,332	866,881
Total noncurrent liabilities	23,692,013	7,063,495	30,755,508
Total liabilities	24,869,153	7,250,540	32,119,693
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>6,627,803</b>	<b>1,972,551</b>	<b>8,600,354</b>
<b>NET POSITION</b>			
Investment in capital assets	3,344,011	-	3,344,011
Restricted for net OPEB asset	16,522	4,917	21,439
Unrestricted	(17,387,371)	(6,253,536)	(23,640,907)
Total net position	\$ (14,026,838)	\$ (6,248,619)	\$ (20,275,457)

The accompanying notes are an integral part of this statement.

**GUILFORD COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
Year Ended June 30, 2018**

	<u>School Food Service Fund</u>	<u>After School Care Enrichment Services Fund</u>	<u>Total Major Enterprise Funds</u>
<b>OPERATING REVENUES</b>			
Food sales	\$ 6,319,225	\$ -	\$ 6,319,225
After school enrichment fees	-	7,007,174	7,007,174
Other	-	4,984	4,984
Total operating revenues	<u>6,319,225</u>	<u>7,012,158</u>	<u>13,331,383</u>
<b>OPERATING EXPENSES</b>			
Food costs:			
Purchased food	18,563,238	-	18,563,238
Donated commodities	2,567,188	-	2,567,188
Salaries and benefits	19,648,483	6,275,028	25,923,511
Materials and supplies	137,208	246,225	383,433
Depreciation	571,423	-	571,423
Contracted services	543,296	555	543,851
Indirect costs	2,142,995	174,561	2,317,556
Other	850,605	58,374	908,979
Total operating expenses	<u>45,024,436</u>	<u>6,754,743</u>	<u>51,779,179</u>
Operating income (loss)	<u>(38,705,211)</u>	<u>257,415</u>	<u>(38,447,796)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Federal reimbursements	33,865,975	-	33,865,975
Federal commodities	2,567,188	-	2,567,188
Other	33,896	-	33,896
Loss on disposal of equipment	(26,883)	-	(26,883)
Interest revenue	84,357	-	84,357
Total nonoperating revenues	<u>36,524,533</u>	<u>-</u>	<u>36,524,533</u>
Change in net position	(2,180,678)	257,415	(1,923,263)
<b>NET POSITION</b>			
Beginning of year, as reported	11,192,613	350,705	11,543,318
Restatement	(23,038,773)	(6,856,739)	(29,895,512)
Beginning of year, as adjusted	<u>(11,846,160)</u>	<u>(6,506,034)</u>	<u>(18,352,194)</u>
End of year	<u>\$ (14,026,838)</u>	<u>\$ (6,248,619)</u>	<u>\$ (20,275,457)</u>

The accompanying notes are an integral part of this statement.



**GUILFORD COUNTY BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS  
Year Ended June 30, 2018**

	<u>School Food Service Fund</u>	<u>After School Care Enrichment Services Fund</u>	<u>Total Major Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 6,192,087	\$ 7,040,314	\$ 13,232,401
Cash paid for goods and services	(22,318,581)	(479,715)	(22,798,296)
Cash paid to employees for services	(18,750,741)	(5,959,097)	(24,709,838)
Other receipts	33,896	-	33,896
Net cash provided (used) by operating activities	<u>(34,843,339)</u>	<u>601,502</u>	<u>(34,241,837)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Federal reimbursements	33,856,247	-	33,856,247
Net advances from (to) other funds	(5,690)	-	(5,690)
Net cash provided by noncapital financing activities	<u>33,850,557</u>	<u>-</u>	<u>33,850,557</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of equipment	(634,661)	-	(634,661)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	84,357	-	84,357
Net increase in cash and cash equivalents	(1,543,086)	601,502	(935,894)
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning of year	10,043,590	1,330,493	11,374,083
End of year	<u>\$ 8,500,504</u>	<u>\$ 1,931,995</u>	<u>\$ 10,438,189</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS  
Year Ended June 30, 2018**

	<u>School Food Service Fund</u>	<u>After School Care Enrichment Services Fund</u>	<u>Total Major Enterprise Funds</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (38,705,211)	\$ 257,415	\$ (38,447,796)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	571,423	-	571,423
Other receipts	33,896	-	33,896
Donated commodities consumed	2,567,188	-	2,567,188
Change in assets, deferred outflows, liabilities and deferred inflows:			
Decrease (increase) in accounts receivable	(147,256)	17,041	(130,215)
Decrease in inventories	56,785	-	56,785
Decrease in net OPEB asset	7,159	3,675	10,834
Increase in deferred outflows of resources	(11,842)	(51,585)	(63,427)
Decrease in accounts payable	(58,636)	-	(58,636)
Increase in accrued payroll and related liabilities	311	36,809	37,120
Increase in unearned revenues	20,118	11,115	31,233
Increase in due to other funds	(21,218)	-	(21,218)
Decrease in net pension liability	(672,709)	(188,706)	(861,415)
Decrease in net OPEB liability	(4,667,472)	(1,341,499)	(6,008,971)
Increase in compensated absences payable	(12,163)	(5,235)	(17,398)
Increase in claims liabilities for retained risks	(58,170)	8,849	(49,321)
Increase in deferred inflows of resources	6,254,458	1,853,623	8,108,081
Net cash provided (used) by operating activities	<u>\$ (34,843,339)</u>	<u>\$ 601,502</u>	<u>\$ (34,241,837)</u>

**NONCASH OPERATING AND NONCAPITAL FINANCING  
ACTIVITIES**

The School Food Service Fund consumed donated commodities with a value of \$2,567,188 during the fiscal year. The use of these commodities is reflected as a nonoperating revenue and an operating expense on Exhibit 7.

Capital assets with a net remaining book value of \$26,883 were disposed during the year.

The accompanying notes are an integral part of this statement.

**GUILFORD COUNTY BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2018**

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	<u>Private- Purpose Trusts</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 922,906
Total assets	<u>\$ 922,906</u>
<b>NET POSITION</b>	
Restricted:	
Expendable for scholarships	\$ 368,572
Nonexpendable	<u>554,334</u>
Total net position	<u>\$ 922,906</u>

The accompanying notes are an integral part of this statement.

**GUILFORD COUNTY BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
Year Ended June 30, 2018**

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	<b>Private- Purpose Trusts</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Donations	\$          250
Interest	<u>         10,681</u>
Total additions	10,931
<b>DEDUCTIONS</b>	
Scholarships and other	<u>         20,153</u>
Change in net position	(9,222)
<b>NET POSITION</b>	
Beginning of year	<u>         932,128</u>
End of year	<u><u>         \$  922,906</u></u>

The accompanying notes are an integral part of this statement.

## **Notes to Financial Statements**

### **1. Summary of Significant Accounting Policies**

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

#### **A. Reporting Entity**

The Guilford County Board of Education (the "Board") is a Local Education Agency empowered by Chapter 115C of the North Carolina General Statutes ("NCGS" or "G.S.") with the responsibility to oversee and control all activities related to public school education in Guilford County, North Carolina. The Board receives local, State, and federal government funding and must adhere to the legal requirements of each funding entity.

The Board is governed by an eleven-member governing body elected by the citizens of Guilford County (the "County"). The County provides approximately 31% of the total funding for the Board and has the authority to control how its funding is spent. However, beyond this, the County does not have legal authority over the Board's budget. Accordingly, the Board is not considered to be a component unit of the County.

#### **B. 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 on revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**Fund Financial Statements:** The fund financial statements provide information about the Board's funds, 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 of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. 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 non-exchange transactions or ancillary activities. Operating expenses for the proprietary funds include all costs of operations such as costs of sales, salaries and benefits, materials and supplies, depreciation, contracted services, indirect costs, loss on disposal of capital assets and other miscellaneous operating expenses. Any expenses not meeting this definition are reported as nonoperating expenses.

**GUILFORD COUNTY BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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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 behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses and instructional needs. The Individual Schools Fund is reported as a special revenue fund. The Board has elected to report this fund as a major 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) and is reported as a capital project fund. It is mandated by State law [G. S. 115C-426]. Capital projects are funded by Guilford County appropriations, restricted sales tax monies, proceeds from Guilford County bonds issued for public school construction, lottery proceeds, as well as certain state assistance. The Board has elected to report this fund as a major fund.

The Board reports the following major enterprise funds:

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

*After School Care Enrichment Services Fund ("ACES").* This fund is used to account for the Board's After School Care Enrichment Program which provides services at fifty-five of the Board's elementary schools. The Board has elected to report this fund as a major fund.

The Board reports the following fiduciary fund:

*Private-Purpose Trusts.* Private-Purpose Trust Funds are accounted for in a manner similar to proprietary funds. The Board has eleven such funds: the E. P. Pearce, Jr. Scholarship Trust Fund, the Elizabeth Hanner Holt Scholarship Trust Fund, the Bill Vielkanowitz Scholarship Fund, the Southeast High School Scholarship Fund, the A. B. Hunter Scholarship Fund, the Nathanael Greene Scholarship Fund, the Ora Sublett Scholarship Fund, the Hanner Scholarship Fund, the Ben L. Smith Scholarship Fund, the Dr. Randall S. Brooks, Sr. Preschool Handicapped Fund, and the Violet G. Hutchens Music Fund. The Ben L. Smith Scholarship Fund, funded by private contributions, was established by the Board to recognize and honor professional staff members and to help make possible further study for worthy staff members. The Dr. Randall S. Brooks, Sr. Preschool Handicapped Fund is funded by private contributions and is to be used to purchase items and provide services that are not covered by federal and state monies for students in the preschool handicapped program. The Violet G. Hutchens Music Fund, funded by private contributions, is to be used for musical training and the purchase of musical instruments and supplies at Johnson Street Elementary, Oak Hill Elementary, Ferndale Middle, and High Point Central High School. Nonexpendable principal assets in the eight remaining Scholarship Funds of \$10,190, \$61,000, \$18,870, \$6,000, \$10,000, \$8,106, \$220,000 and \$220,168, respectively, are maintained in these funds, the earnings of which are used to fund scholarship grants for graduating seniors.

***C. 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.

**GUILFORD COUNTY BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018**

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**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. Payments made under capital leases are also reported as expenditures.

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.

***D. Budgetary Data***

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools' special revenue funds and trust funds, as required by North Carolina General Statutes. Per State law no budget is required for individual school funds. All appropriations lapse at fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the purpose level for all annually budgeted funds. The Finance Officer, with the approval of the Superintendent, is authorized by the governing board to transfer monies not to exceed 10% between functions of the same fund. Such transfers must be reported to the governing board at its next regular meeting. Transfers in excess of this amount or transfers between funds require governing board approval. Amendments which alter the county appropriation or transfer monies to or from the Capital Outlay Fund also require the approval of the Guilford County Board of Commissioners.

A budget calendar is included in G. S. 115C, Article 31, and prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date each is required to be completed.

- |               |  |
|---------------|--|
| May 1         | The Superintendent must submit the budget request along with a copy of the budget message to the Board of Education not later than May 1.  |
| May 15        | The Board of Education should make changes, if necessary, to the budget request as submitted by the Superintendent and forward an approved budget request to the Board of County Commissioners not later than May 15, unless the County Commissioners have established a later date. |
| July 1        | The Board of County Commissioners must complete its actions on the school budget not later than July 1, unless a later date is agreed upon between the Board of Education and the County Commissioners.  |
| Month of July | The Board of Education must adopt its balanced budget resolution after the Board of County Commissioners has decided upon the amount of appropriations to be provided by the County or after the appeal procedures as set forth in state law [G.S. 115C-431].                        |

**GUILFORD COUNTY BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018**

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***E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Equity***

**1. Deposits and Investments**

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

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), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short-Term Investment Fund (STIF).

The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the Board participates. Investments are restricted by State law 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. The STIF securities are reported at cost and maintain a constant \$1 per share value. Under the authority of G. S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

**2. Cash and Cash Equivalents**

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. All cash and investments with original maturities of three months or less are considered cash and cash equivalents.

**3. Inventories**

The inventories of the Board are valued at cost using the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable materials and supplies which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources; thus, an equivalent portion of fund balance is reserved. Proprietary fund inventories consist of food and supplies and are recorded as expenses when consumed.

**4. Capital Assets**

Donated assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

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 which are purchased and used in large quantities such as student desks, including library books and materials are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.



**GUILFORD COUNTY BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018**

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

	<u>Years</u>
Buildings	50
Land improvements	20
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 separately as "unallocated depreciation" on the Statement of Activities.

**5. Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net 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 position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion – pension and Other Post Employment Benefits ("OPEB") related deferrals and contributions made to the pension and OPEB plans in the current fiscal year. The Statement of Net Position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has pension and OPEB related deferrals that meet this criterion.

**6. Long-Term Liabilities**

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

**7. Compensated Absences**

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. 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, 2018 is recorded in the government-wide and proprietary fund financial statements on the FIFO basis. An estimate of the current portion of compensated absences based on prior years' records has been made.

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

**8. Net Position/Fund Balances**

Net Position

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

**GUILFORD COUNTY BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018**

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Fund Balances

In the governmental fund financial statements, fund balances are composed of five classifications designed to disclose the hierarchy of constraints placed on how each fund's fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

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

Self-insurance deposits - portion of fund balance that is not an available resource because it represents the year-end balance of deposits on hand with the Local Government Excess Liability Fund, Inc. and the Local Government Property Insurance Deductible Fund, Inc. to provide reserves for the Board's retained risks.

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

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

Restricted for Special Programs - revenue sources restricted for expenditures for certain special programs of the Board that are not accounted for in other special revenue funds pursuant to G.S. 115C-426(c).

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

Buses - portion of fund balance that the Board has approved to use for activity bus purchases.

*Assigned Fund Balance* – portion of fund balance that the Guilford County Board of Education intends to use for specific purposes.

Subsequent year's budget - portion of fund balance that is appropriated in the next year's budget. The governing body approves the appropriation.

*Unassigned Fund Balance* – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that can report a positive unassigned fund balance.

***F. Reconciliation of Government-wide and Fund Financial Statements***

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

**GUILFORD COUNTY BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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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 \$(345,300,493) consists of the following elements:

<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)	\$ 1,399,780,282
Less accumulated depreciation	<u>476,317,484</u>
Net capital assets	923,462,798
Net OPEB asset used in governmental activities is not a financial resource and is therefore not reported in the funds	1,576,592
Deferred outflows of resources are not available to satisfy current obligations in the fund statements; however, they are considered a consumption of net position that applies to a future period and are included in the Statement of Net Position:	
Contributions made to the pension plan during the current fiscal year	42,282,139
Other pension related deferrals	71,716,692
Contributions made to the OPEB plan during the current fiscal year	24,286,521
Other OPEB related deferrals	21,568,505
Liabilities that are not due and payable in the current period, and therefore do not require current resources to pay, are not recorded in the funds:	
Installment purchases	(2,270,159)
Compensated absences	(36,412,132)
Net pension liability	(227,203,405)
Net OPEB liability	(852,459,854)
Claims liabilities for retained risks	(1,155,911)
Deferred inflows of resources are not available to satisfy current obligations in the fund statements; however, they are considered an acquisition of net position that applies to a future period and are included in the Statement of Net Position:	
Pension related deferrals	(14,444,227)
OPEB related deferrals	<u>(296,248,052)</u>
Net adjustment	<u>\$ (345,300,493)</u>

**GUILFORD COUNTY BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

2. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities.

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position – governmental activities as reported in the government-wide Statement of Activities. The net adjustment of \$(42,052,554) consists of the following elements:

<u>Description</u>	<u>Amount</u>
Capital expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 25,791,850
Depreciation expense, the allocation of those assets over their useful lives, is recorded on the Statement of Activities but not in the fund statements	(31,748,337)
Net book value of assets disposed	(101,651)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the Statement of Net Position in the government-wide statements	2,145,935
Contributions to the pension plan in the current fiscal year are not recognized as an expense on the Statement of Activities	42,282,139
Contributions to the OPEB plan in the current fiscal year are not recognized as an expenses on the Statement of Activities	24,286,521
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	(58,704,032)
OPEB expense	(47,221,626)
Decrease in estimated liabilities for retained risks	784,940
Decrease in compensated absences	<u>431,707</u>
Net adjustment	<u>\$ (42,052,554)</u>

***G. Defined Benefit Pension Plans 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.

**GUILFORD COUNTY BOARD OF EDUCATION  
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**2. Stewardship, Compliance, and Accountability**

**A. Excess of Expenditures over Appropriations**

The School Food Service Fund exceeded its 2017-18 budget in employee salary and benefits. The over budget was due largely to unanticipated substitute costs; a new practice of allowing staff to utilize annual leave on student days; and having staff work at community feeding sites while students were out of school due to tornado damage in April 2018. The Board of Education forgave days missed by students but asked that staff be provided the opportunity to make up the hours missed by attending professional development or being assigned additional duties. Also, several long term workers' compensation claims reached settlement and final payouts were made in 2017-18. Management will amend procedures to limit substitute costs, review requests for annual leave as well as routine monitoring of salary and benefit costs by school nutrition staff and district finance staff.

**3. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agent 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 the escrow agent.

Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2018, the Board had deposits with banks with a carrying amount of \$20,568,498. The bank balances with financial institutions and the State Treasurer were \$23,646,519 and \$11,660,537, respectively. Of the bank balance, \$3,944,173 was covered by federal depository insurance and \$31,362,883 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

**2. Investments**

Investment balances on June 30, 2018 were as follows:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust – Cash Portfolio	Amortized Cost	\$ 8,486,545	N/A	AAAm
Department of State Treasurer Short Term Investment Fund	Fair Value Level 2	15,698,074	Duration of 1.5 years	Unrated
		<u>\$ 24,184,619</u>		

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3. Accounts Receivable

Receivables at the government-wide level on June 30, 2018 were as follows:

	<u>Due from Other Governments</u>	<u>Other</u>
Governmental activities:		
General Fund	\$ -	\$ 2,933,597
State Public School Fund	10,015,942	-
Individual Schools Fund	-	328,027
Capital Outlay Fund	4,059,147	7,106
Special revenue funds	<u>913,230</u>	<u>503,686</u>
	<u>\$ 14,988,319</u>	<u>\$ 3,772,416</u>
Business-type activities:		
School Food Service Program	\$ 1,389,695	\$ 156,031
ACES Program	<u>5,675</u>	<u>21,226</u>
	<u>\$ 1,395,370</u>	<u>\$ 177,257</u>

Due from other governments consists of the following:

Governmental activities:		
Capital Outlay Fund	\$ 4,059,147	Appropriations from county, sales tax
State Public School Fund	10,015,942	Longevity from NCDPI; sales tax
Special revenue funds	<u>913,230</u>	Federal funds through NCDPI; sales tax
	<u>\$ 14,988,319</u>	
Business-type activities:		
School Food Service Program	\$ 1,389,695	USDA reimbursements; sales tax
ACES Program	<u>5,675</u>	Sales tax
	<u>\$ 1,395,370</u>	

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**4. Capital Assets**

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 26,082,299	\$ -	\$ -	\$ 26,082,299
Construction in progress	<u>76,952,858</u>	<u>25,085,996</u>	<u>(52,913,501)</u>	<u>49,125,353</u>
Total capital assets not being depreciated	<u>103,035,157</u>	<u>\$ 25,085,996</u>	<u>\$ (52,913,501)</u>	<u>75,207,652</u>
Capital assets being depreciated:				
Land improvements	39,775,318	\$ 757,483	\$ -	40,532,801
Buildings	1,149,310,689	51,192,348	-	1,200,503,037
Equipment and furniture	22,123,330	1,651,524	(122,313)	23,652,541
Vehicles	<u>60,130,562</u>	<u>18,000</u>	<u>(264,311)</u>	<u>59,884,251</u>
Total capital assets being depreciated	<u>1,271,339,899</u>	<u>\$ 53,619,355</u>	<u>\$ (386,624)</u>	<u>1,324,572,630</u>
Less accumulated depreciation for:				
Land improvements	22,571,496	\$ 1,654,166	\$ -	24,225,662
Buildings	369,636,235	26,002,976	-	395,639,211
Equipment and furniture	13,787,414	1,143,625	(122,313)	14,808,726
Vehicles	<u>38,858,975</u>	<u>2,947,570</u>	<u>(162,660)</u>	<u>41,643,885</u>
Total accumulated depreciation	<u>444,854,120</u>	<u>\$ 31,748,337</u>	<u>\$ (284,973)</u>	<u>476,317,484</u>
Total capital assets being depreciated, net	<u>826,485,779</u>			<u>848,255,146</u>
Governmental activity capital assets, net	<u>\$ 929,520,936</u>			<u>\$ 923,462,798</u>
Business-type activities:				
School Food Service Program:				
Capital assets being depreciated:				
Buildings	\$ 127,859	\$ -	\$ -	\$ 127,859
Equipment and furniture	10,724,607	614,348	355,207	10,983,748
Vehicles	<u>367,228</u>	<u>20,313</u>	<u>-</u>	<u>387,541</u>
Total capital assets being depreciated	<u>11,219,694</u>	<u>\$ 634,661</u>	<u>\$ 355,207</u>	<u>11,499,148</u>
Less accumulated depreciation for:				
Buildings	37,826	\$ 2,841	\$ -	40,667
Equipment and furniture	7,663,646	525,061	328,323	7,860,384
Vehicles	<u>210,565</u>	<u>43,521</u>	<u>-</u>	<u>254,086</u>
Total accumulated depreciation	<u>7,912,037</u>	<u>\$ 571,423</u>	<u>\$ 328,323</u>	<u>8,155,137</u>
School Food Service capital assets, net	<u>3,307,657</u>			<u>3,344,011</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
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	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities (continued):				
ACES Program:				
Capital assets being depreciated:				
Vehicles	\$ 64,607	\$ -	\$ -	\$ 64,607
Less accumulated depreciation for:				
Vehicles	<u>64,607</u>	<u>-</u>	<u>-</u>	<u>64,607</u>
ACES Program capital assets, net	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ 3,307,657</u>			<u>\$ 3,344,011</u>

Depreciation was charged to governmental functions as follows:

Unallocated	\$ 27,657,141
Operation support	2,947,571
Financial and human resource	<u>1,143,625</u>
	<u>\$ 31,748,337</u>

**B. Liabilities**

**1. Pension Plan and Other Postemployment Obligations**

**a. Teachers' and State Employees' Retirement System**

*Plan Description.* The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the state of North Carolina. TSERS membership is comprised of employees of the state (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Teachers' and State Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the state of North Carolina. The state's CAFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), 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 (or 10 years of creditable service for members joining TSERS on or after August 1, 2011). 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 (10 years for members joining on or after August 1, 2011). 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-employment benefit increases. Increases are contingent upon actuarial gains of the plan.



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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 10 years of creditable service for members joining TSERS on or after August 1, 2011), 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, 2018, was 10.78% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$43,452,648 for the year ended June 30, 2018.

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

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*** At June 30, 2018, the Board reported a liability of \$233,493,143 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017 and at June 30, 2016, the Board's proportion was 2.943% and 2.981%, respectively.

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The Board allocates its proportionate share based on each activity's contribution to TSERS. For the year ended June 30, 2018, the Board recognized pension expense for governmental activities and business-type activities of \$58,704,032 and \$1,723,803, respectively. At June 30, 2018, 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>
Governmental activities:		
Change in proportion and differences between Board contributions and proportionate share of contributions	\$ 148,305	\$ 7,011,217
Board contributions subsequent to the measurement date	42,282,139	-
Differences between expected and actual Experience	4,925,349	7,433,010
Changes of assumptions	35,894,711	-
Net difference between projected and actual earnings on pension plan investments	<u>30,748,327</u>	<u>-</u>
Total governmental activities	<u>113,998,832</u>	<u>14,444,227</u>
Business-type activities:		
Change in proportion and differences between Board contributions and proportionate share of contributions	4,106	194,094
Board contributions subsequent to the measurement date	1,170,508	-
Differences between expected and actual Experience	136,350	205,770
Changes of assumptions	993,684	-
Net difference between projected and actual earnings on pension plan investments	<u>851,215</u>	<u>-</u>
Total business-type activities	<u>3,155,863</u>	<u>399,864</u>
Total pension deferrals	<u>\$ 117,154,694</u>	<u>\$ 14,844,090</u>

\$43,452,648 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2019	\$ 10,154,623
2020	41,720,874
2021	19,628,938
2022	(12,646,479)
2023	-

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.5 to 8.10%, including inflation and productivity factor
Investment rate of return	7.20%, net of plan investment expense, including inflation

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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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

<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 3.05%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.20% which was the same rate used in the prior year. 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 7.25%, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

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	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Board's proportionate share of the net pension liability	\$ 480,625,541	\$ 233,493,143	\$ 26,427,695

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the state of North Carolina.

**(b) Other Post-Employment Benefits ("OPEB")**

1. Healthcare Benefits

*Plan description.* The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer, the State Superintendent, and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan. The financial statements and other required disclosures for the plan are presented in the State of North Carolina's CAFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

*Benefits provided.* Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are 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.

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

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

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.05% of covered payroll which amounted to \$24,386,690.

At June 30, 2018, Board reported a liability of \$876,058,743 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. The total OPEB liability was then rolled forward to the measurement date of June 30, 2017 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 December 31, 2016, the Board's proportion was 2.672%.

\$24,386,690 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, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2019	\$ (56,623,674)
2020	(56,623,674)
2021	(56,623,674)
2022	(56,623,674)
2023	(56,542,278)
Thereafter	-

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

Inflation	2.75%
Salary increases	3.50 to 8.10%, including 3.5 percent inflation and productivity factor
Investment rate of return	7.20%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate - medical	5.00 to 6.50%
Healthcare cost trend rate - prescription drug	5.00 to 7.25%
Healthcare cost trend rate - Medicare advantage	4.00 to 5.00%
Healthcare cost trend rate - administrative	3.00%

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*Discount rate.* The discount rate used to measure the total OPEB liability for the RHBF was 3.58%. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.58% was used as the discount rate used to measure the total OPEB liability. The 3.58% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2017.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage point higher (4.58 percent) than the current discount rate:

	<u>1% Decrease (2.58%)</u>	<u>Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Net OPEB liability	\$ 1,045,087,763	\$ 876,058,743	\$ 741,994,744

*Sensitivity of the Board's proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rates.* The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage point higher (4.58 percent) than the current discount rate:

	<u>1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-6.25%, Medicare Advantage - 3.00-4.00%, Administrative - 2.00%)</u>	<u>Healthcare Trend Rates (Medical - 5.00-6.50%, Pharmacy - 5.00-7.25%, Medicare Advantage - 4.00-5.00%, Administrative - 3.00%)</u>	<u>1% Increase (Medical - 6.00-7.50%, Pharmacy - 6.00-8.25%, Medicare Advantage - 5.00-6.00%, Administrative - 4.00%)</u>
Net OPEB liability	\$ 715,659,312	\$ 876,058,743	\$ 1,089,250,093

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

**2. Disability Benefits**

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

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

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

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 NOTES TO FINANCIAL STATEMENTS  
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*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.

*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, 2018, employers made a statutory contribution of 0.14% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$564,320 for the year ended June 30, 2018.

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 OPEB.

***OPEB Assets, OPEB Expense, and Deferred Outflows and Inflows of Resources of Related to OPEB***

At June 30, 2018, Board reported an asset of \$1,598,031 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016. The total OPEB asset was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At December 31, 2016, the Board's proportion was 2.6146%.

\$564,320 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ending June 30:</b>	
2019	\$ 218,546
2020	218,546
2021	218,467
2022	87,510

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

Inflation	3.00%
Salary increases	3.50 to 8.10%, including inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan expense, including inflation

**GUILFORD COUNTY BOARD OF EDUCATION  
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*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 asset, as well as what the Board's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower (2.75 percent) or 1 percentage point higher (4.75 percent) than the current discount rate:

	<u>1% Decrease (2.75%)</u>	<u>Discount Rate (3.75%)</u>	<u>1% Increase (4.75%)</u>
Net OPEB asset	\$ (1,358,562)	\$ (1,598,031)	\$ (1,838,050)

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2016 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, 2017. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<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%
Opportunistic Fixed Income	7.0%	6.0%
Inflation Sensitive	<u>6.0%</u>	4.0%
Totals	<u>100.0%</u>	

***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	\$ 47,706,828	\$ 833,913	\$ 48,540,741
OPEB liability (asset)	878,058,743	(1,598,031)	876,460,712



**GUILFORD COUNTY BOARD OF EDUCATION  
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	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
Proportionate share of the net OPEB liability (asset)	.04467%	2.615%	
Deferred of outflows and resources:			
Differences between expected and actual experience	-	438,151	438,151
Net difference between projected and actual earnings on plan investments	-	350,275	350,275
Changes in proportion and differences between Board contributions and proportionate share of contributions	21,366,210	-	21,366,210
Board contributions subsequent to the measurement date	24,386,690	564,320	24,951,010
Deferred inflows of resources:			
Differences between expected and actual experience	62,815,023	-	62,815,023
Changes of assumptions	241,262,578	-	241,262,578
Net difference between projected and actual earnings on plan investments	325,581	-	325,581
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	45,358	45,358

**3. Death Benefits**

*Plan Description.* The Board provides disability benefits and death benefits, in accordance with state statutes, to certain employees. Death benefits are provided through the Benefit Plan for members of the Teachers' and State Employees' Retirement System (Death Benefit Plan).

*Funding Policy.* A multiple-employer state-administered cost-sharing plan funded on a one-year term cost basis. Employees who die in active service after one year of contributing membership service in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's highest salary for 12 consecutive months during the 24 months prior to his/her death, with a minimum benefit of \$25,000 and a maximum of \$50,000.

**2. Accounts Payable**

Accounts payable at June 30, 2018 are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>
Governmental activities:		
General Fund	\$ 2,350,996	\$ 11,827,989
State Public School Fund	-	9,999,143
Individual Schools Fund	72,563	-
Capital Outlay Fund	4,176,082	-
Other governmental funds	-	915,273
	<u>        </u>	<u>        </u>
Total - governmental activities	<u>\$ 6,599,641</u>	<u>\$ 22,742,405</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
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	<u>Vendors</u>	<u>Salaries and Benefits</u>
Business-type activities:		
School Food Service	\$ 89,059	\$ 277,248
ACES Program	-	100,041
	<u>          </u>	<u>          </u>
Total - business-type activities	<u>\$ 89,059</u>	<u>\$ 377,289</u>

**3. Deferred Outflows and Inflows of Resources**

The balance in deferred outflows and inflows of resources at year-end is composed of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Governmental activities:		
Pension deferrals – TSERS	\$ 113,998,832	\$ 14,444,227
OPEB deferrals – RHBF	44,520,428	296,203,302
OPEB deferrals – DIPNC	<u>1,334,597</u>	<u>44,750</u>
Total governmental activities	<u>159,853,857</u>	<u>310,692,279</u>
Business-type activities:		
Pension deferrals – TSERS	3,155,863	399,864
OPEB deferrals – RHBF	1,232,471	8,199,881
OPEB deferrals – DIPNC	<u>18,150</u>	<u>609</u>
Total business-type activities	<u>4,406,484</u>	<u>8,600,354</u>
Total deferrals	<u>\$ 164,260,341</u>	<u>\$ 319,292,633</u>

**4. Unearned Revenue**

The balance in unearned revenues at June 30, 2018 is composed of the following elements:

Sales tax refund receivable (Federal Grants and State Public School Fund)	\$ 119,903
Grants not yet earned (Special Revenue Fund)	<u>1,597,905</u>
Total - governmental activities	<u>\$ 1,717,808</u>
Prepaid meal charges (School Food Service)	\$ 329,603
Prepaid enrollment fees (ACES Program)	<u>60,600</u>
Total - business-type activities	<u>\$ 390,203</u>

**5. Risk Management**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board protects itself from potential loss through a combination of the purchase of commercial insurance for primary and/or excess liability coverage and self-funded risk retention. Self-funded risks are primarily for employee workers' compensation. The Board maintains general liability insurance coverage of \$1 million per occurrence with a \$3 million annual aggregate, and errors and omissions coverage of \$2 million per occurrence including defense cost. The Board also maintains property

**GUILFORD COUNTY BOARD OF EDUCATION  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2018**

insurance with a combined blanket limit of \$2 billion. Flood and earthquake occurrence limit is \$10 million each with a \$10 million each aggregate. The property catastrophe limit is \$450 million arising under one or more coverage's in any one occurrence.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan (the Plan), a self-funded risk financing pool of the state administered by Blue Cross and Blue Shield of North Carolina. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

The Board is self-insured for workers' compensation claims for employees paid from local and federal funds and carries excess workers' compensation coverage for claims over \$400,000. The state of North Carolina provides workers' compensation coverage for employees to the extent they are paid from state funds.

In accordance with NCGS 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer and superintendent are each bonded for \$250,000. Remaining employees that have access to funds are bonded under a blanket bond for \$100,000 with an additional \$25,000 for forgery.

The Board is a member of the Local Government Excess Liability Fund, Inc. and the Local Government Property Insurance Deductible Fund, Inc., which are nonprofit corporations established by units of local government in Guilford County to administer the self-funding of liability coverage for certain retained risks that are not otherwise covered by purchased insurance. These nonprofit corporations administer various risk financing funds on behalf of its member governments.

Participation in these funds does not transfer risk of loss from the member government to the Fund. Fund balances are segregated by member and, in the event of loss, are available for claims payment by the respective member, on either a loan or withdrawal basis, depending on the provisions of the specific fund. As of June 30, 2018, the Board's combined balance in the risk financing funds amounted to \$1,671,667, which is recorded in the General Fund as self-funded insurance deposits. Of this balance, \$18,765 is in discretionary funds that do not require the Board to reimburse the fund for claims paid. The remainder of the deposits is in revolving funds that require the Board to repay the Fund in subsequent years for claims paid by the Fund.

Changes in the claims liability for retained risks in 2017 and 2018 were as follows:

	<u>Beginning Balances</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balances</u>
Governmental activities				
2016 - 2017	\$ 1,638,096	\$ 611,358	\$ 308,603	\$ 1,940,851
2017 - 2018	1,940,851	-	784,940	1,155,911
Business-type activities				
2016 - 2017	222,131	449,955	380,909	291,177
2017 - 2018	291,177	475,203	524,524	241,856

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

**6. Construction Commitments**

The Board had entered into several planned projects for school construction and improvements as of June 30, 2018. Outstanding commitments as of June 30, 2018 were approximately \$16,981,000. The projects are commitments of

**GUILFORD COUNTY BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
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the Capital Outlay Fund, which will be funded from the proceeds of county-issued bonds, restricted local option sales taxes, as well as other general county revenues and various state revenues.

**7. Contingencies**

At June 30, 2018, the Board was a defendant to various lawsuits and claims. In the opinion of the Board's management and the Board's legal counsel, the ultimate effect of these other lawsuits and claims will not have a material adverse effect on the Board's financial position.

**8. Long-Term Obligations**

**a. Installment Purchase**

The Board is authorized to finance the purchase of school buses under G. S. 115C-528(a). Session Law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G. S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangements by Banc of America Public Capital Corp. In April 2015 and January 2017, the Board entered into installment purchase contracts to finance the purchase of 26 and 30 school buses, respectively. The financing contracts require four principal-only payments: one due upon acceptance of the buses and the remaining three payments are due annually. The value of the buses capitalized during the year was approximately \$6.3 million.

The future minimum payments of the installment purchases as of June 30, 2018 are as follows:

**Year Ending June 30:**

2019	\$	1,594,745
2020	\$	675,414

**b. Long-Term Obligation Activity**

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2018:

	<u>Balance July 1, 2017 As Adjusted</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Governmental activities:					
Installment purchases	\$ 4,416,094	\$ -	\$ 2,145,935	\$ 2,270,159	\$ 1,594,745
Net pension liability	266,873,062	-	39,669,657	227,203,405	-
Net OPEB liability	1,104,932,339	-	252,472,485	852,459,854	-
Compensated absences	36,843,839	1,747,663	2,179,370	36,412,132	2,179,370
Claims liability for retained risk	<u>1,940,851</u>	<u>-</u>	<u>784,940</u>	<u>1,155,911</u>	<u>1,000,000</u>
	<u>\$1,415,006,185</u>	<u>\$ 1,747,663</u>	<u>\$ 297,252,387</u>	<u>\$ 1,119,501,461</u>	<u>\$ 4,774,115</u>
Business-type activities:					
Net pension liability	\$ 7,151,153	\$ -	\$ 861,415	\$ 6,289,738	\$ -
Net OPEB liability	29,607,860	-	6,008,971	23,598,889	-
Compensated absences	901,678	-	17,398	884,280	17,399
Claims liability for retained risks	<u>291,177</u>	<u>475,203</u>	<u>524,524</u>	<u>241,856</u>	<u>241,856</u>
	<u>\$ 37,951,868</u>	<u>\$ 475,203</u>	<u>\$ 7,412,308</u>	<u>\$ 31,014,763</u>	<u>\$ 259,255</u>

Compensated absences for governmental activities are generally liquidated by the general and other governmental funds.

**GUILFORD COUNTY BOARD OF EDUCATION  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2018**

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**9. Internal Balances and Activity**

Transfers to/from other funds for the year ended June 30, 2018 consist of the following:

From the General Fund to the Capital Outlay Fund for purchase of activity bus \$ 81,152

Interfund balances between funds at June 30, 2018 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Individual Schools Fund	\$ 368,888	Operating costs
Special revenue fund	School Food Service Fund	\$ 248,379	Operating costs
School Food Service Fund	Special revenue fund	\$ 38,280	Charged meals

**10. Fund Balance**

The Board of Education has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: federal funds, state funds, local non-Board funds, Board 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.

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	\$ 15,070,739
Less:	
Non-spendable portion	1,671,667
Restricted portion	<u>8,775,457</u>
Fund balance available for appropriation	<u>\$ 4,623,615</u>

**11. Encumbrances**

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

General Fund	\$ 5,472,972
Capital Outlay Fund	\$ 16,195,373

**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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**GUILFORD COUNTY BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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**5. Change In Accounting Principles/Restatement**

The Board implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the fiscal year ending June 30, 2018. The implementation of the statement required the Board to record beginning net OPEB asset and liability and the effects on net position of contributions made by the Board during the measurement period (fiscal year 2017). As a result, net position decreased as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position:		
Beginning of year	\$ 791,439,162	\$ 11,543,318
Restatement	<u>(1,078,318,362)</u>	<u>(29,895,512)</u>
Beginning of year, as adjusted	<u>\$ (286,879,200)</u>	<u>\$ (18,352,194)</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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Required Supplementary Information (“RSI”) is not a required part of the basic financial statements but is information required by the Governmental Accounting Standards Board. This section includes the following RSI regarding the Board’s participation in the North Carolina Teachers’ and State Employees’ Retirement System (“TSERS”), Retiree Health Benefit Fund (RHBF) and Disability Income Plan of North Carolina (DIPNC):

- Schedule of the Board’s Proportionate Share of the Net Pension Liability - Teachers’ and State Employees’ Retirement System
- Schedule of the Board’s Contributions - Teachers’ and State Employees’ Retirement System
- Schedule of the Board’s Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund
- Schedule of the Board’s Contributions – Retiree Health Benefit Fund
- Schedule of the Board’s Proportionate Share of the Net OPEB Asset – Disability Income Plan of North Carolina
- Schedule of Board Contributions – Disability Income Plan of North Carolina

Management’s Discussion and Analysis is also RSI. It is presented immediately before the basic financial statements.

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**GUILFORD COUNTY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF THE  
 BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
 Last Five Fiscal Years \***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability	2.943%	2.981%	3.044%	3.052%	3.006%
Board's proportionate share of the net pension liability	\$ 233,493,143	\$ 274,024,215	\$ 112,178,901	\$ 35,777,013	\$ 182,494,831
Board's covered payroll	\$ 398,344,948	\$ 386,903,501	\$ 398,154,674	\$ 388,478,717	\$ 384,490,511
Board's proportionate share of the net pension liability as a % of its covered payroll	58.62%	70.82%	28.17%	9.21%	47.46%
Plan fiduciary net position as a % of the total pension liability	87.32%	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. This schedule will build to a 10 year schedule as information becomes available.

**GUILFORD COUNTY BOARD OF EDUCATION  
 SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF BOARD CONTRIBUTIONS  
 TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
 Last Five Fiscal Years \***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 43,452,648	\$ 39,867,924	\$ 35,522,657	\$ 36,345,227	\$ 33,739,436
Contributions in relation to the contractually required contribution	<u>43,452,648</u>	<u>39,867,924</u>	<u>35,522,657</u>	<u>36,345,227</u>	<u>33,739,436</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 401,533,835	\$ 398,344,948	\$ 386,903,501	\$ 398,154,674	\$ 388,478,717
Contributions as a percentage of covered payroll	10.82%	10.01%	9.18%	9.13%	8.69%

\* This schedule will build to a 10 year schedule as information becomes available.

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF  
NET OPEB LIABILITY  
RETIREE HEALTH BENEFIT FUND  
Last Two Fiscal Years \***

	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability	2.6720%	2.6079%
Board's proportionate share of the net OPEB liability	\$ 876,058,743	\$ 1,134,540,199
Board's covered payroll	\$ 398,344,948	\$ 386,903,501
Board's proportionate share of the net OPEB liability as a % of the net OPEB liability as a percentage of its covered payroll	219.92%	293.24%
Plan Fiduciary net position as a percentage of the total OPEB liability	3.52%	2.41%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.  
This schedule will build to a 10 year schedule as information becomes available.

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
RETIREE HEALTH BENEFIT FUND  
Last Two Fiscal Years \***

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 24,386,690	\$ 23,151,311
Contributions in relation to the contractually required contribution	<u>24,386,690</u>	<u>23,151,311</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 401,533,835	\$ 398,344,948
Contributions as a percentage of the covered payroll	6.07%	5.81%

\* This schedule will build to a 10 year schedule as information becomes available.

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF  
NET OPEB ASSET  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
Last Two Fiscal Years \***

	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset	2.6146%	2.6759%
Board's proportionate share of the net OPEB asset	\$ 1,598,031	\$ 1,661,709
Board's covered payroll	\$ 398,344,948	\$ 386,903,501
Board's proportionate share of the net OPEB asset as a % of the net OPEB asset as a percentage of its covered payroll	0.40%	0.43%
Plan Fiduciary net position as a percentage of the total OPEB asset	116.23%	116.06%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.  
This schedule will build to a 10 year schedule as information becomes available.

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
Last Two Fiscal Years \***

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 564,320	\$ 1,513,304
Contributions in relation to the contractually required contribution	<u>564,320</u>	<u>1,513,304</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 401,533,835	\$ 398,344,948
Contributions as a percentage of the covered payroll	0.14%	0.38%

\* This schedule will build to a 10 year schedule as information becomes available.

## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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The following section contains combining statements for the Board's non-major governmental funds and fiduciary funds. Budgetary schedules are presented to demonstrate legal compliance with all funds required (by state law) to adopt an annual budget. A schedule of the Board's individual schools shows details of each schools revenues and expenditures.

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## **THE GENERAL FUND**

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The General Fund is the main operating fund of Guilford County Board of Education (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 also referred to as the "Local Current Expense Fund," which is mandated by state law [G. S. 115C-426].

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**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Guilford County:			
Appropriation from general revenues	\$ 195,860,398	\$ 195,860,398	\$ -
Total Guilford County	<u>195,860,398</u>	<u>195,860,398</u>	<u>-</u>
Other:			
Fines and forfeitures	3,000,000	3,494,469	494,469
Interest earned on investments	303,424	245,733	(57,691)
Tuition and fees	-	2,295	2,295
Other	400,000	2,105,697	1,705,697
Total other	<u>3,703,424</u>	<u>5,848,194</u>	<u>2,144,770</u>
Total revenues	<u>199,563,822</u>	<u>201,708,592</u>	<u>2,144,770</u>
<b>EXPENDITURES</b>			
Current:			
Instructional services:			
Regular instructional	68,566,816	68,133,914	432,902
Special populations	7,897,531	7,486,390	411,141
Alternative programs	5,146,320	4,178,087	968,233
School leadership	17,391,605	17,169,728	221,877
Co-curricular	4,629,046	4,267,077	361,969
School-based support	9,576,344	9,048,533	527,811
Total instructional services	<u>113,207,662</u>	<u>110,283,729</u>	<u>2,923,933</u>
System-wide support services:			
Support and development	2,742,560	2,695,539	47,021
Special population support and development	1,730,008	1,736,063	(6,055)
Alternative programs and services support and development	274,068	166,363	107,705
Technology support	7,364,098	7,120,980	243,118
Operational support	46,378,963	46,397,320	(18,357)
Financial and human resources	5,494,430	4,785,188	709,242
Accountability	2,519,369	2,505,981	13,388
System-wide pupil support	2,321,008	2,352,439	(31,431)
Policy, leadership, and public relations	4,233,701	3,933,814	299,887
Total system-wide support services	<u>73,058,205</u>	<u>71,693,687</u>	<u>1,364,518</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>			
Current:			
Ancillary services	\$ 152,050	\$ 50,299	\$ 101,751
Non-program charges	<u>16,232,742</u>	<u>15,977,919</u>	<u>254,823</u>
Total expenditures	<u>202,561,509</u>	<u>198,005,636</u>	<u>4,555,873</u>
Revenues over (under) expenditures	(2,997,687)	3,702,956	6,700,643
<b>OTHER FINANCING USES</b>			
Transfers to other funds	<u>(81,152)</u>	<u>(81,152)</u>	<u>-</u>
Revenues over (under) expenditures and other financing uses	(3,078,839)	3,621,804	6,700,643
<b>APPROPRIATED FUND BALANCE</b>	<u>3,078,839</u>	<u>-</u>	<u>(3,078,839)</u>
Net change in fund balance	<u>\$ -</u>	3,621,804	<u>\$ 3,621,804</u>
<b>FUND BALANCE</b>			
Beginning of year		<u>11,448,935</u>	
End of year		<u>\$ 15,070,739</u>	

## **THE CAPITAL OUTLAY FUND**

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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 county appropriations, restricted sales tax monies, proceeds from county bonds issued for public school construction as well as certain other state assistance.

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**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL -  
CAPITAL OUTLAY FUND  
Year Ended June 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
State of North Carolina:			
Public School Building Capital Fund	\$ 308,099	\$ 173,426	\$ (134,673)
State appropriations - school buses	<u>2,145,935</u>	<u>2,145,935</u>	<u>-</u>
Total state of North Carolina	<u>2,454,034</u>	<u>2,319,361</u>	<u>(134,673)</u>
Guilford County:			
Appropriation	13,139,552	4,113,168	(9,026,384)
Bond proceeds	<u>38,841,186</u>	<u>24,471,817</u>	<u>(14,369,369)</u>
Total Guilford County	<u>51,980,738</u>	<u>28,584,985</u>	<u>(23,395,753)</u>
Other	<u>37,000</u>	<u>3,115,697</u>	<u>3,078,697</u>
Total revenues	<u>54,471,772</u>	<u>34,020,043</u>	<u>(20,451,729)</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal		<u>2,145,935</u>	
Capital outlay:			
Category I projects		23,074,738	
Category II projects		2,483,521	
Category III projects		<u>3,625,208</u>	
Total capital outlay		<u>29,183,467</u>	
Total expenditures	<u>55,199,128</u>	<u>31,329,402</u>	<u>23,869,726</u>
Revenues over (under) expenditures	<u>(727,356)</u>	<u>2,690,641</u>	<u>3,417,997</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	<u>81,152</u>	<u>81,152</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	(646,204)	2,771,793	3,417,997
<b>APPROPRIATED FUND BALANCE</b>	<u>646,204</u>	<u>-</u>	<u>(646,204)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,771,793</u>	<u>\$ 2,771,793</u>
<b>FUND BALANCE</b>			
Beginning of year		<u>646,205</u>	
End of year		<u>\$ 3,417,998</u>	



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## **NON-MAJOR GOVERNMENTAL FUNDS**

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Non-major governmental funds are combined and presented in the aggregate as “non-major” or “other” governmental funds. The following section contains the following other governmental funds:

- The Federal Grants Fund – This special revenue fund accounts for appropriations for the expenditures of federal categorical grants made available through the North Carolina Department of Public Instruction.
  - The Other Special Revenue Fund – This special revenue fund accounts for specific revenue sources made directly to the Board and restricted for special programs that are not accounted for in the General Fund or other special revenue funds pursuant to state law (G.S. 115C-426(c)).
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**GUILFORD COUNTY BOARD OF EDUCATION  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2018**

	<u>Federal Grants</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 1,739,934	\$ 1,739,934
Receivables:			
Federal government	913,230	-	913,230
Other	-	503,686	503,686
Due from other funds	-	248,379	248,379
Total receivables	<u>913,230</u>	<u>752,065</u>	<u>1,665,295</u>
Total assets	<u>\$ 913,230</u>	<u>\$ 2,491,999</u>	<u>\$ 3,405,229</u>
<b>LIABILITIES</b>			
Accrued salaries and related payables	\$ 810,126	\$ 105,147	\$ 915,273
Unearned revenues	103,104	1,597,905	1,701,009
Due to other funds	-	38,280	38,280
Total liabilities	<u>913,230</u>	<u>1,741,332</u>	<u>2,654,562</u>
<b>FUND BALANCES</b>			
Restricted:			
Special programs	-	750,667	750,667
Total liabilities and fund balances	<u>\$ 913,230</u>	<u>\$ 2,491,999</u>	<u>\$ 3,405,229</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2018**

	<u>Federal Grants</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b>REVENUES</b>			
State of North Carolina:			
NC Pre-Kindergarten Program	\$ -	\$ 3,563,604	\$ 3,563,604
School Impact	-	-	-
Total State of North Carolina	<u>-</u>	<u>3,563,604</u>	<u>3,563,604</u>
U. S. Government:			
ROTC Grant	-	355,796	355,796
Indian Education Grant	-	37,962	37,962
PACE Project	-	2,383,287	2,383,287
Transition to Teaching	-	14,589	14,589
Art Educators	-	227,823	227,823
Other	44,158,033	-	44,158,033
Total U.S. Government	<u>44,158,033</u>	<u>3,019,457</u>	<u>47,177,490</u>
Other:			
Medicaid	-	1,955,978	1,955,978
Indirect cost	-	3,455,963	3,455,963
Other	-	2,117,903	2,117,903
Total other	<u>-</u>	<u>7,529,844</u>	<u>7,529,844</u>
Total revenues	<u>44,158,033</u>	<u>14,112,905</u>	<u>58,270,938</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2018**

	<u>Federal Grants</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b>EXPENDITURES</b>			
Current:			
Instructional services:			
Regular instructional	\$ 1,153,802	\$ 2,605,007	\$ 3,758,809
Special populations	11,965,421	579,663	12,545,084
Alternative programs	22,085,297	3,920,163	26,005,460
School leadership	41,311	530,730	572,041
Co-curricular	-	280,763	280,763
School-based support	2,930,121	68,756	2,998,877
	<u>38,175,952</u>	<u>7,985,082</u>	<u>46,161,034</u>
Total instructional services			
System-wide support services:			
Support and development	1,465,590	606,225	2,071,815
Special population support and development	1,444,813	-	1,444,813
Alternative programs and services support and development	1,776,613	294,420	2,071,033
Technology support	-	270,342	270,342
Operational support	266,554	3,033,497	3,300,051
Financial and human resources	-	1,374,866	1,374,866
Accountability services	5,750	213,380	219,130
System-wide support services	-	9,990	9,990
Policy, leadership, and public relations	-	76,746	76,746
	<u>4,959,320</u>	<u>5,879,466</u>	<u>10,838,786</u>
Total system-wide support services			
Ancillary services	20,108	774	20,882
Non-program charges	1,002,653	84,287	1,086,940
	<u>44,158,033</u>	<u>13,949,609</u>	<u>58,107,642</u>
Total expenditures			
Net change in fund balances	-	163,296	163,296
<b>FUND BALANCES:</b>			
Beginning of year	-	587,371	587,371
End of year	<u>\$ -</u>	<u>\$ 750,667</u>	<u>\$ 750,667</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND  
ACTUAL - NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2018**

	FEDERAL FUND			SPECIAL REVENUE FUND		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
<b>REVENUES</b>						
State of North Carolina	\$ -	\$ -	\$ -	\$ 3,744,280	\$ 3,563,604	\$ (180,676)
U. S. Government agencies	62,566,372	44,158,033	(18,408,339)	3,303,021	3,019,457	(283,564)
Other	-	-	-	8,486,938	7,529,844	(957,094)
Total revenues	<u>62,566,372</u>	<u>44,158,033</u>	<u>(18,408,339)</u>	<u>15,534,239</u>	<u>14,112,905</u>	<u>(1,421,334)</u>
<b>EXPENDITURES</b>						
Current:						
Instructional services						
Regular instructional	1,894,763	1,153,802	740,961	3,406,969	2,605,007	801,962
Special populations	14,479,650	11,965,421	2,514,229	583,320	579,663	3,657
Alternative programs	29,395,540	22,085,297	7,310,243	4,068,147	3,920,163	147,984
School leadership	87,267	41,311	45,956	552,439	530,730	21,709
Co-curricular	-	-	-	240,250	280,763	(40,513)
School-based support	3,968,489	2,930,121	1,038,368	169,902	68,756	101,146
System-wide support services						
Support and development	1,522,874	1,465,590	57,284	610,619	606,225	4,394
Special population support and development	2,828,598	1,444,813	1,383,785	-	-	-
Alternative program and service support and development	1,846,140	1,776,613	69,527	309,946	294,420	15,526
Technology support	-	-	-	331,398	270,342	61,056
Operational support	934,898	266,554	668,344	3,299,133	3,033,497	265,636
Financial and human resource	-	-	-	1,690,885	1,374,866	316,019
Accountability services	5,750	5,750	-	228,600	213,380	15,220
System-wide support services	-	-	-	70,451	9,990	60,461
Policy, leadership, and public relations	-	-	-	446,360	76,746	369,614
Ancillary services	20,108	20,108	-	895	774	121
Non-program charges	5,582,295	1,002,653	4,579,642	112,296	84,287	28,009
Total expenditures	<u>62,566,372</u>	<u>44,158,033</u>	<u>18,408,339</u>	<u>16,121,610</u>	<u>13,949,609</u>	<u>2,172,001</u>
Revenues over (under) expenditures	-	-	-	(587,371)	163,296	750,667
<b>APPROPRIATED FUND BALANCE</b>	-	-	-	587,371	-	(587,371)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>163,296</u>	<u>\$ 163,296</u>
<b>FUND BALANCES</b>						
Beginning of year		-			587,371	
End of year		<u>\$ -</u>			<u>\$ 750,667</u>	

## **THE INDIVIDUAL SCHOOLS FUND**

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The Individual Schools Fund is a special revenue fund that reports the revenues and expenditures of the activities at each school in the system. The primary revenue sources include funds held on 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.

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**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - INDIVIDUAL SCHOOLS FUND  
Year Ended June 30, 2018**

	Revenues				Total
	Fundraising Activities, Net of Cost	Athletics	Clubs and Organizations	Contributions and Other	
<b>ELEMENTARY SCHOOLS</b>					
Alamance Elementary	\$ 21,319.00	\$ -	\$ 6,802.00	\$ 47,526.00	\$ 75,647
Alderman Elementary	11,197	300	-	22,961	34,458
Allen Jay Elementary	2,364	-	-	18,360	20,724
Archer Elementary	1,157	-	-	39,261	40,418
Bessemer Elementary	922	-	-	13,100	14,022
Bluford Elementary	1,630	-	-	17,402	19,032
Brightwood Elementary	8,677	-	230	26,710	35,617
Brooks Global Elementary	6,383	-	-	66,731	73,114
Claxton Elementary	3,504	-	2,453	82,436	88,393
Colfax Elementary	1,992	-	-	71,517	73,509
Cone Elementary	6,946	100	64	11,071	18,181
Erwin Elementary	3,341	-	-	27,054	30,395
Fairview Elementary	672	-	380	45,597	46,649
Falkener Elementary	4,514	-	-	41,812	46,326
Florence Elementary	6,034	-	600	48,871	55,505
Foust Elementary	1,046	-	-	28,920	29,966
Frazier Elementary	5,740	-	-	11,815	17,555
Gibsonville Elementary	16,922	-	-	38,107	55,029
Gillespie Park Elementary	1,903	-	-	4,641	6,544
General Greene Elementary	5,587	-	-	60,449	66,036
Guilford Elementary	15,164	-	811	33,458	49,433
Hampton Elementary	864	-	-	20,516	21,380
Hunter Elementary	10,200	-	-	47,234	57,434
Irving Park Elementary	3,056	-	-	32,021	35,077
Jamestown Elementary	3,166	-	-	21,142	24,308
Jefferson Elementary	7,878	-	1,136	52,655	61,669
Jesse Wharton Elementary	19,410	100	-	57,559	77,069
Johnson Street Elementary	2,040	-	1,854	23,481	27,375
Jones Elementary	14,660	-	-	92,431	107,091
Joyner Elementary	3,664	-	-	5,023	8,687
Kirkman Park Elementary	1,188	-	-	35,637	36,825
Lindley Elementary	2,867	-	-	23,037	25,904
Madison Elementary	13,586	-	-	29,477	43,063
McLeansville Elementary	4,117	-	-	20,716	24,833
McNair Elementary	6,963	-	101	25,813	32,877
Millis Road Elementary	3,173	-	-	101,711	104,884
Monticello-Brown Summit Elementary	17,380	-	-	21,327	38,707
Montlieu Avenue Elementary	3,940	-	-	48,585	52,525
Morehead Elementary	14,282	-	-	40,767	55,049
Murphey Elementary	336	-	-	21,002	21,338
Nathanael Greene Elementary	7,034	-	7,041	35,365	49,440
Northern Elementary	6,505	-	-	134,277	140,782
Northwood Elementary	2,395	-	2,259	27,079	31,733
Oak Hill Elementary	3,266	-	1,000	19,901	24,167
Oak Ridge Elementary	12,441	-	-	46,103	58,544
Oak View Elementary	1,155	-	-	14,809	15,964
Parkview Elementary	2,361	-	140	2,243	4,744
Pearce Elementary	5,405	-	7,803	127,798	141,006
Peck Elementary	1,917	-	-	6,039	7,956
Peeler Elementary	5,260	-	1,955	32,515	39,730
Pilot Elementary	4,434	-	-	33,899	38,333
Pleasant Garden Elementary	10,406	-	817	63,287	74,510
Rankin Elementary	3,591	-	-	18,160	21,751
Reedy Fork Elementary	840	-	-	16,138	16,978
Sedalia Elementary	4,688	-	1,131	17,645	23,464
Sedgefield Elementary	2,228	-	-	22,113	24,341
Shadybrook Elementary	9,459	-	-	23,081	32,540
Simkins Elementary	19,164	-	831	27,011	47,006
Southern Elementary	5,755	-	631	16,773	23,159
Southwest Elementary	6,620	-	742	108,056	115,418
Sternberger Elementary	7,618	-	1,000	37,098	45,716
Stokesdale Elementary	11,652	-	-	69,621	81,273
Summerfield Elementary	17,621	-	-	79,651	97,272
Sumner Elementary	1,857	-	1,773	41,490	45,120
Triangle Lake Montessori	5,537	-	558	30,246	36,341
Union Hill Elementary	18,624	-	-	56,616	75,240
Vandalia Elementary	4,320	-	-	25,806	30,126
Washington Elementary	3,441	-	-	19,278	22,719
Wiley Elementary	725	-	-	18,882	19,607
<b>Total Elementary Schools</b>	<b>446,103</b>	<b>500</b>	<b>42,112</b>	<b>2,648,913</b>	<b>3,137,628</b>



**Schedule 6**  
**Page 1 of 2**

Expenditures					Excess	Fund Balance	
Instructional Costs	Athletics	Clubs and Organizations	Other	Total	(Deficiency) of Revenues Over Expenditures	Beginning of Year	End of Year
\$ 5,972	\$ -	\$ 8,198	\$ 66,157	\$ 80,327	\$ (4,680)	\$ 16,467	\$ 11,787
2,957	300	1,029	32,939	37,225	(2,767)	13,646	10,879
4,637	-	-	11,519	16,156	4,568	33,970	38,538
10,696	-	-	26,338	37,034	3,384	8,725	12,109
5,564	-	125	6,655	12,344	1,678	4,953	6,631
1,571	-	-	15,240	16,811	2,221	11,015	13,236
2,346	-	2,110	34,722	39,178	(3,561)	21,630	18,069
4,118	-	-	73,574	77,692	(4,578)	12,675	8,097
5,306	-	2,946	74,737	82,989	5,404	10,465	15,869
3,275	-	-	66,962	70,237	3,272	58,977	62,249
4,092	100	617	15,258	20,067	(1,886)	36,467	34,581
6,093	-	30	23,012	29,135	1,260	4,775	6,035
35,457	-	319	9,462	45,238	1,411	8,618	10,029
10,458	-	-	33,916	44,374	1,952	5,034	6,986
3,163	-	2,109	55,239	60,511	(5,006)	30,756	25,750
19,727	-	-	8,974	28,701	1,265	7,620	8,885
1,379	-	-	14,406	15,785	1,770	5,367	7,137
967	-	-	45,588	46,555	8,474	26,704	35,178
581	-	-	7,573	8,154	(1,610)	4,649	3,039
172	-	-	72,868	73,040	(7,004)	37,167	30,163
6,063	-	193	45,898	52,154	(2,721)	24,897	22,176
5,387	-	-	5,775	11,162	10,218	11,493	21,711
28,527	-	-	25,428	53,955	3,479	23,857	27,336
4,620	-	-	35,887	40,507	(5,430)	47,300	41,870
754	-	-	22,177	22,931	1,377	13,523	14,900
10,135	-	824	61,633	72,592	(10,923)	33,315	22,392
8,897	100	-	62,822	71,819	5,250	45,283	50,533
6,456	-	1,945	17,089	25,490	1,885	16,821	18,706
13,000	-	-	85,168	98,168	8,923	40,429	49,352
681	-	117	9,604	10,402	(1,715)	19,751	18,036
4,656	175	-	32,750	37,581	(756)	7,177	6,421
1,216	-	-	24,136	25,352	552	19,568	20,120
4,716	-	-	34,419	39,135	3,928	17,115	21,043
4,457	-	-	18,306	22,763	2,070	12,223	14,293
11	-	133	34,021	34,165	(1,288)	3,890	2,602
2,498	-	-	98,445	100,943	3,941	22,136	26,077
7,778	-	-	27,453	35,231	3,476	63,677	67,153
35,669	-	-	23,889	59,558	(7,033)	22,971	15,938
4,500	-	-	50,993	55,493	(444)	10,016	9,572
8,641	-	238	19,841	28,720	(7,382)	23,364	15,982
15,823	-	7,674	37,164	60,661	(11,221)	169,064	157,843
4,917	-	901	122,229	128,047	12,735	89,107	101,842
13,891	-	2,304	12,891	29,086	2,647	27,394	30,041
2,299	-	2,612	15,469	20,380	3,787	20,038	23,825
13,679	-	-	63,223	76,902	(18,358)	51,820	33,462
4,340	-	-	10,563	14,903	1,061	11,758	12,819
194	-	-	6,246	6,440	(1,696)	10,610	8,914
3,354	-	6,205	135,528	145,087	(4,081)	32,003	27,922
3,093	-	-	5,035	8,128	(172)	5,903	5,731
966	-	1,802	31,457	34,225	5,505	4,838	10,343
2,384	-	-	33,114	35,498	2,835	3,508	6,343
12,407	300	787	51,541	65,035	9,475	48,154	57,629
5,223	-	-	13,940	19,163	2,588	8,953	11,541
3,634	-	-	13,502	17,136	(158)	17,804	17,646
3,720	-	503	17,729	21,952	1,512	11,455	12,967
10,191	-	75	9,645	19,911	4,430	28,327	32,757
58	-	-	26,775	26,833	5,707	25,618	31,325
5,537	-	964	36,342	42,843	4,163	13,204	17,367
846	-	120	21,391	22,357	802	7,452	8,254
15,163	-	75	105,292	120,530	(5,112)	19,505	14,393
948	-	-	41,320	42,268	3,448	32,023	35,471
-	-	-	69,466	69,466	11,807	3,458	15,265
3,718	-	-	90,505	94,223	3,049	26,673	29,722
12,666	-	1,695	32,242	46,603	(1,483)	8,200	6,717
945	-	721	30,436	32,102	4,239	14,237	18,476
30,646	-	-	35,280	65,926	9,314	12,729	22,043
2,374	-	-	25,831	28,205	1,921	3,732	5,653
3,592	-	-	20,929	24,521	(1,802)	12,510	10,708
3,859	-	-	15,064	18,923	684	3,007	3,691
467,660	975	47,371	2,561,022	3,077,028	60,600	1,561,570	1,622,170

**GUILFORD COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - INDIVIDUAL SCHOOLS FUND**  
**Year Ended June 30, 2018**

	Revenues				
	Fundraising Activities, Net of Cost	Athletics	Clubs and Organizations	Contributions and Other	Total
<b>MIDDLE SCHOOLS</b>					
Allen Jay Middle	\$ 7,378	\$ 20,515	\$ 680	\$ 157,973	\$ 186,546
Allen Middle	2,126	6,660	1,604	32,595	42,985
Brown Summitt Middle	1,753	-	767	26,985	29,505
Eastern Middle	5,326	14,624	3,560	14,056	37,566
Ferndale Middle	5,902	17,237	705	12,438	36,282
Hairston Middle	5,616	9,794	249	21,274	36,933
High School Ahead	-	-	-	-	-
Jackson Middle	1,904	12,449	5,086	13,961	33,400
Jamestown Middle	2,963	25,791	1,558	119,814	150,126
Kernodle Middle	11,845	28,931	7,861	62,015	110,652
Kiser Middle	13,254	27,951	10,291	118,700	170,196
Lincoln Academy	6,189	19,445	13,965	176,583	216,182
Mendenhall Middle	11,206	25,497	1,931	107,245	145,879
Newcomer School	1,150	-	-	9,473	10,623
Northeast Middle	2,469	26,892	837	33,226	63,424
Northern Middle	9,855	25,537	24,499	142,964	202,855
Northwest Middle	34,761	30,522	7,427	270,400	343,110
Penn-Griffin Middle	3,826	17,972	14,465	107,180	143,443
Southeast Middle	10,189	34,221	14,228	89,393	148,031
Southern Middle	3,603	8,246	3,416	41,566	56,831
Southwest Middle	9,636	26,365	557	117,882	154,440
Swann Middle	1,871	8,437	200	39,783	50,291
Welborn Middle	1,308	9,078	10,214	16,052	36,652
Western Middle	23,288	11,755	300	60,297	95,640
<b>Total Middle Schools</b>	<b>177,418</b>	<b>407,919</b>	<b>124,400</b>	<b>1,791,855</b>	<b>2,501,592</b>
<b>SENIOR HIGH SCHOOLS</b>					
Andrews High	3,048	82,438	15,626	23,979	125,091
A&T Middle College	-	-	1,734	5,047	6,781
Bennett Middle College	180	-	2,111	14,375	16,666
Dudley High	27,354	153,849	77,924	51,901	311,028
Eastern High	11,340	150,551	42,621	35,614	240,126
Greensboro Middle College	1,038	-	2,887	13,641	17,566
Grimsley High	28,288	203,166	73,321	96,606	401,381
Guilford Early College	1,229	-	8,993	20,267	30,489
GTCC MC Greensboro	2,531	-	1,416	17,915	21,862
GTCC MC High Point	144	-	11,286	11,860	23,290
GTCC MC Jamestown	3,700	-	1,225	5,214	10,139
Kearns Academy at Central	1,602	-	2,794	2,745	7,141
High Point Central High	38,142	119,501	34,731	74,219	266,593
Northeast High	7,913	77,231	21,625	21,549	128,318
Northern High	6,026	225,958	52,634	93,613	378,231
Northwest High	47,229	234,348	84,638	108,101	474,316
Page High	48,482	238,342	99,421	45,847	432,092
Ragsdale High	19,412	135,183	59,876	41,075	255,546
Smith Academy	430	-	24,348	10,341	35,119
Smith High	3,799	141,076	11,028	15,573	171,476
Southeast High	30,612	161,550	56,865	38,417	287,444
Southern High	9,820	73,995	69,683	113,760	267,258
Southwest High	30,116	178,541	52,061	120,838	381,556
STEM Early College @ NC A&T	-	-	4,429	17,998	22,427
UNCG MC	3,165	-	3,588	4,897	11,650
Western High	5,608	131,823	31,513	37,813	206,757
<b>Total High Schools</b>	<b>331,208</b>	<b>2,307,552</b>	<b>848,378</b>	<b>1,043,205</b>	<b>4,530,343</b>
<b>SPECIAL SCHOOLS</b>					
Gateway Education Center	535	-	-	1,580	2,115
Greene Education Center	-	-	-	3,686	3,686
Haynes-Inman Education Center	852	-	-	9,934	10,786
Herbin-Metz Education Center	129	-	-	1,246	1,375
Weaver Education Center	5,446	-	51,353	31,532	88,331
<b>Total Special Schools</b>	<b>6,962</b>	<b>-</b>	<b>51,353</b>	<b>47,978</b>	<b>106,293</b>
<b>TOTAL</b>	<b>\$ 961,691</b>	<b>\$ 2,715,971</b>	<b>\$ 1,066,243</b>	<b>\$ 5,531,951</b>	<b>\$ 10,275,856</b>

**Schedule 6**  
**Page 2 of 2**

Expenditures					Excess	Fund Balance	
Instructional Costs	Athletics	Clubs and Organizations	Other	Total	(Deficiency) of Revenues Over Expenditures	Beginning of Year	End of Year
\$ 3,016	\$ 15,739	\$ 1,865	\$ 156,096	\$ 176,716	\$ 9,830	\$ 14,383	\$ 24,213
2,922	7,988	1,791	27,188	39,889	3,096	35,873	38,969
4,444	-	432	31,186	36,062	(6,557)	5,226	(1,331)
7,394	14,474	3,861	9,407	35,136	2,430	12,441	14,871
6,287	15,039	1,729	16,029	39,084	(2,802)	26,417	23,615
6,873	11,131	491	17,612	36,107	826	12,066	12,892
-	-	-	1,611	1,611	(1,611)	42,110	40,499
4,153	12,982	5,824	8,681	31,640	1,760	11,459	13,219
2,225	26,899	1,362	122,098	152,584	(2,458)	1,611	(847)
11,025	29,363	7,344	73,067	120,799	(10,147)	18,550	8,403
27,722	43,458	16,642	90,311	178,133	(7,937)	26,855	18,918
22,000	21,159	13,513	166,086	222,758	(6,576)	38,545	31,969
6,181	20,859	1,670	103,389	132,099	13,780	45,248	59,028
5,800	-	-	9,722	15,522	(4,899)	33,312	28,413
866	20,643	673	37,259	59,441	3,983	34,866	38,849
24,122	22,173	25,583	121,099	192,977	9,878	16,980	26,858
39,023	18,644	7,085	250,256	315,008	28,102	27,826	55,928
31,911	14,499	16,421	89,617	152,448	(9,005)	92,776	83,771
23,783	36,002	11,660	82,069	153,514	(5,483)	78,598	73,115
5,906	13,639	3,935	41,159	64,639	(7,808)	42,941	35,133
31,739	27,176	1,197	89,230	149,342	5,098	55,734	60,832
7,821	8,575	440	29,938	46,774	3,517	58,731	62,248
1,637	9,405	11,390	13,676	36,108	544	24,111	24,655
25,642	15,490	398	53,064	94,594	1,046	9,856	10,902
<u>302,492</u>	<u>405,337</u>	<u>135,306</u>	<u>1,639,850</u>	<u>2,482,985</u>	<u>18,607</u>	<u>766,515</u>	<u>785,122</u>
1,621	104,278	20,879	27,519	154,297	(29,206)	56,825	27,619
-	-	1,111	2,156	3,267	3,514	865	4,379
395	-	1,578	21,025	22,998	(6,332)	9,958	3,626
19,149	171,109	66,650	48,550	305,458	5,570	86,413	91,983
14,408	159,505	41,902	24,421	240,236	(110)	47,858	47,748
94	-	1,008	14,338	15,440	2,126	3,314	5,440
35,312	238,152	98,524	88,987	460,975	(59,594)	159,077	99,483
1,486	-	8,488	18,169	28,143	2,346	72,218	74,564
1,913	-	1,253	15,494	18,660	3,202	7,205	10,407
2,960	-	10,854	5,102	18,916	4,374	18,347	22,721
-	-	1,120	9,256	10,376	(237)	14,857	14,620
1,772	-	6,018	2,901	10,691	(3,550)	7,528	3,978
3,096	143,013	51,165	69,423	266,697	(104)	4,402	4,298
9,048	87,750	20,405	19,495	136,698	(8,380)	21,844	13,464
12,519	237,192	45,539	94,536	389,786	(11,555)	55,289	43,734
15,935	221,589	83,595	122,494	443,613	30,703	98,926	129,629
3,933	283,182	82,350	87,699	457,164	(25,072)	80,340	55,268
4,348	123,666	61,801	44,366	234,181	21,365	26,955	48,320
4,683	-	26,621	6,035	37,339	(2,220)	9,401	7,181
2,805	134,466	13,935	17,125	168,331	3,145	97,876	101,021
5,726	140,534	54,811	38,236	239,307	48,137	103,142	151,279
71,426	74,133	87,232	28,540	261,331	5,927	79,365	85,292
62,691	199,424	48,502	85,458	396,075	(14,519)	112,296	97,777
1,400	-	3,284	21,111	25,795	(3,368)	15,711	12,343
463	-	3,082	8,870	12,415	(765)	11,412	10,647
3,867	133,292	24,334	48,088	209,581	(2,824)	11,971	9,147
<u>281,050</u>	<u>2,451,285</u>	<u>866,041</u>	<u>969,394</u>	<u>4,567,770</u>	<u>(37,427)</u>	<u>1,213,395</u>	<u>1,175,968</u>
226	-	-	4,803	5,029	(2,914)	17,073	14,159
2,888	-	-	468	3,356	330	22,126	22,456
26	-	-	7,322	7,348	3,438	5,944	9,382
-	-	-	3,504	3,504	(2,129)	5,664	3,535
17,005	-	44,298	12,806	74,109	14,222	93,941	108,163
<u>20,145</u>	<u>-</u>	<u>44,298</u>	<u>28,903</u>	<u>93,346</u>	<u>12,947</u>	<u>144,748</u>	<u>157,695</u>
<u>\$ 1,071,347</u>	<u>\$ 2,857,597</u>	<u>\$ 1,093,016</u>	<u>\$ 5,199,169</u>	<u>\$ 10,221,129</u>	<u>\$ 54,727</u>	<u>\$ 3,686,228</u>	<u>\$ 3,740,955</u>



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# ENTERPRISE FUNDS

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Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Enterprise fund accounting is designed to highlight the extent to which fees and charges are sufficient to cover the costs of providing goods and services. It is often used for subsidized activities to highlight the cost of the subsidy.

The Guilford County Board of Education (the “Board”) has two Enterprise Funds. The following section contains budgetary schedules for these funds to demonstrate legal compliance with state law (G.S. 115C-425 and 115C-450).

## *MAJOR ENTERPRISE FUNDS*

**School Food Service Fund** – This fund accounts for the Board’s school food service program within the school system. It is subsidized by cash assistance and non-cash commodities provided by the U.S. Department of Agriculture.

**After School Care Enrichment Services Fund (“ACES”)** – This fund accounts for the Board’s After School Care Enrichment Program which provides services at fifty-five of the Board’s elementary schools. All ACES programs were licensed by the North Carolina Division of Child Development and Early Education (“NC-DCDEE”) and all but one was eligible to accept Department of Social Services child care vouchers.

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**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP MODIFIED ACCRUAL BASIS) -  
SCHOOL FOOD SERVICE FUND  
Year Ended June 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Food sales	\$ 6,265,000	\$ 6,319,225	\$ 54,225
<b>OPERATING EXPENDITURES</b>			
Food costs:			
Purchased food		18,506,453	
Donated commodities		2,567,188	
Salaries and benefits		18,751,052	
Materials and supplies		137,208	
Equipment acquisitions		634,661	
Contracted services		543,296	
Indirect costs		2,142,995	
Other		850,605	
Total operating expenditures	<u>41,872,322</u>	<u>44,133,458</u>	<u>(2,261,136)</u>
Revenues under expenditures	<u>(35,607,322)</u>	<u>(37,814,233)</u>	<u>(2,206,911)</u>
<b>NONOPERATING REVENUES</b>			
Federal reimbursements	33,040,000	33,865,975	825,975
Federal commodities	2,551,822	2,567,188	15,366
Other	-	33,896	33,896
Interest revenue	15,500	84,357	68,857
Total nonoperating revenues	<u>35,607,322</u>	<u>36,551,416</u>	<u>944,094</u>
Net change (modified accrual)	<u>\$ -</u>	<u>(1,262,817)</u>	<u>\$ (1,262,817)</u>
<b>Reconciliation of modified accrual to full accrual basis:</b>			
Depreciation		(571,423)	
Equipment acquisitions		634,661	
Decrease in net OPEB asset		(7,159)	
Decrease in net OPEB liability		4,667,472	
Decrease in net pension liability		672,709	
Increase in deferred inflows of resources		(6,254,458)	
Increase in deferred outflows of resources		11,842	
Net book value of assets disposed		(26,883)	
Decrease in compensated absences payable		12,163	
Decrease in inventories		(56,785)	
Change in net position (full accrual)		<u>\$ (2,180,678)</u>	

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP MODIFIED ACCRUAL BASIS) -  
AFTER SCHOOL CARE ENRICHMENT SERVICES FUND  
Year Ended June 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
After school enrichment fees	\$ 6,800,000	\$ 7,007,174	\$ 207,174
Other	87,500	4,984	(82,516)
	<u>6,887,500</u>	<u>7,012,158</u>	<u>124,658</u>
<b>OPERATING EXPENDITURES</b>			
Salaries and benefits		5,996,163	
Materials and supplies		246,225	
Contracted services		555	
Indirect costs		174,561	
Other		58,374	
	<u>7,203,221</u>	<u>6,475,878</u>	<u>727,343</u>
Revenues under expenditures	(315,721)	536,280	852,001
<b>APPROPRIATED FUND BALANCE</b>			
	<u>315,721</u>	<u>-</u>	<u>(315,721)</u>
Net change (modified accrual)	<u>\$ -</u>	536,280	<u>\$ 536,280</u>
<b>Reconciliation of modified accrual to full accrual basis:</b>			
Decrease in net OPEB asset		(3,675)	
Decrease in net OPEB liability		1,341,499	
Decrease in net pension liability		188,706	
Increase in deferred inflows of resources		(1,862,215)	
Decrease in deferred outflows of resources		51,585	
Increase in compensated absences payable		5,235	
		<u>257,415</u>	
Change in net position (full accrual)		<u>\$ 257,415</u>	



## **FIDUCIARY FUNDS**

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The Guilford County Board of Education (the “Board”) has fiduciary responsibilities for various scholarships and programs that benefit the students attending the individual schools. These activities are reported in private-purpose trust funds. The following section reports the combining statements for all the Board’s private-purpose trust funds.

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**GUILFORD COUNTY BOARD OF EDUCATION  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 June 30, 2018**

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	<u>E. P. Pearce, Jr. Scholarship</u>	<u>Elizabeth Hanner Holt Scholarship</u>	<u>Bill Vielkanowitz Scholarship</u>	<u>Southeast High School Scholarship</u>	<u>A. B. Hunter Scholarship</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 15,315	\$ 107,454	\$ 37,835	\$ 11,481	\$ 21,350
Total assets	<u>\$ 15,315</u>	<u>\$ 107,454</u>	<u>\$ 37,835</u>	<u>\$ 11,481</u>	<u>\$ 21,350</u>
<b>NET POSITION</b>					
Restricted:					
Expendable for scholarships	\$ 5,125	\$ 46,454	\$ 18,965	\$ 5,481	\$ 11,350
Nonexpendable	<u>10,190</u>	<u>61,000</u>	<u>18,870</u>	<u>6,000</u>	<u>10,000</u>
Total net position	<u>\$ 15,315</u>	<u>\$ 107,454</u>	<u>\$ 37,835</u>	<u>\$ 11,481</u>	<u>\$ 21,350</u>

Schedule 9

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<u>Nathanael Greene Scholarship</u>	<u>Ora Sublett Scholarship</u>	<u>Hanner Scholarship</u>	<u>Ben L. Smith Scholarship</u>	<u>Dr. Randall S. Brooks, Sr. Preschool Handicapped</u>	<u>Violet G. Hutchens Music Fund</u>	<u>Total</u>
\$ 22,195	\$ 302,803	\$ 295,008	\$ 30,128	\$ 815	\$ 78,522	\$ 922,906
<u>\$ 22,195</u>	<u>\$ 302,803</u>	<u>\$ 295,008</u>	<u>\$ 30,128</u>	<u>\$ 815</u>	<u>\$ 78,522</u>	<u>\$ 922,906</u>
\$ 14,089 8,106	\$ 82,803 220,000	\$ 74,840 220,168	\$ 30,128 -	\$ 815 -	\$ 78,522 -	\$ 368,572 554,334
<u>\$ 22,195</u>	<u>\$ 302,803</u>	<u>\$ 295,008</u>	<u>\$ 30,128</u>	<u>\$ 815</u>	<u>\$ 78,522</u>	<u>\$ 922,906</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 Year Ended June 30, 2018**

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	<u>E. P. Pearce, Jr. Scholarship</u>	<u>Elizabeth Hanner Holt Scholarship</u>	<u>Bill Vielkanowitz Scholarship</u>	<u>Southeast High School Scholarship</u>	<u>A. B. Hunter Scholarship</u>
<b>ADDITIONS</b>					
Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	180	1,261	444	135	251
Total additions	180	1,261	444	135	251
<b>DEDUCTIONS</b>					
Scholarships and other	-	-	-	-	-
Change in net position	180	1,261	444	135	251
<b>NET POSITION</b>					
Beginning of year	<u>15,135</u>	<u>106,193</u>	<u>37,391</u>	<u>11,346</u>	<u>21,099</u>
End of year	<u>\$ 15,315</u>	<u>\$ 107,454</u>	<u>\$ 37,835</u>	<u>\$ 11,481</u>	<u>\$ 21,350</u>

Schedule 10

<u>Nathanael Greene Scholarship</u>	<u>Ora Sublett Scholarship</u>	<u>Hanner Scholarship</u>	<u>Ben L. Smith Scholarship</u>	<u>Dr. Randall S. Brooks, Sr. Preschool Handicapped</u>	<u>Violet G. Hutchins Music Fund</u>	<u>Total</u>
\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250
260	3,607	3,515	3	10	1,015	10,681
510	3,607	3,515	3	10	1,015	10,931
-	5,000	5,000	-	-	10,153	20,153
510	(1,393)	(1,485)	3	10	(9,138)	(9,222)
21,685	304,196	296,493	30,125	805	87,660	932,128
<u>\$ 22,195</u>	<u>\$ 302,803</u>	<u>\$ 295,008</u>	<u>\$ 30,128</u>	<u>\$ 815</u>	<u>\$ 78,522</u>	<u>\$ 922,906</u>



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# STATISTICAL SECTION

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This section of Guilford County Board of Education's (the "Board") Comprehensive Annual Financial Report ("CAFR") presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the Board's over all financial outlook.

- **Financial Trends**

These schedules contain trend information, for the past ten fiscal years, to help the reader understand how the Board's financial performance and operations have changed over time.

- **Revenue Capacity**

These schedules contain information, for the past ten fiscal years, to help the reader assess the Board's significant revenue sources. Since the Board has no tax-levying authority, Guilford County (the "County") provides significant funding to the Board. Selected fiscal data from the County have been included to help the reader better understand and factors affecting the County's ability to generate ad valorem (property) tax revenues.

- **Debt Capacity**

Since the Board has no debt-issuing authority, the County provides significant funding to the Board. Selected fiscal data from the County have been included to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

- **Demographic and Economic Information**

These schedules offer demographic and economic indicators in the County to help the reader understand the environment within which the Board's financial activities take place.

- **Operating Information**

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports from both the County and the Board for the relevant year.

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**GUILFORD COUNTY BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 921,192,639	\$ 925,082,020	\$ 889,705,268	\$ 894,910,542
Restricted	18,261,669	7,556,558	9,827,322	7,247,544
Unrestricted	<u>(1,261,774,442)</u>	<u>(141,199,416)</u>	<u>(127,164,935)</u>	<u>(153,663,023)</u>
	<u>\$ (322,320,134)</u>	<u>\$ 791,439,162</u>	<u>\$ 772,367,655</u>	<u>\$ 748,495,063</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 3,344,011	\$ 3,307,657	\$ 3,313,200	\$ 3,317,995
Restricted	21,439	-	-	-
Unrestricted	<u>(23,640,907)</u>	<u>8,235,661</u>	<u>7,607,325</u>	<u>6,115,750</u>
	<u>\$ (20,275,457)</u>	<u>\$ 11,543,318</u>	<u>\$ 10,920,525</u>	<u>\$ 9,433,745</u>
<b>Government-wide</b>				
Net investment in capital assets	\$ 924,536,650	\$ 928,389,677	\$ 893,018,468	\$ 898,228,537
Restricted	18,283,108	7,556,558	9,827,322	7,247,544
Unrestricted	<u>(1,285,415,349)</u>	<u>(132,963,755)</u>	<u>(119,557,610)</u>	<u>(147,547,273)</u>
	<u>\$ (342,595,591)</u>	<u>\$ 802,982,480</u>	<u>\$ 783,288,180</u>	<u>\$ 757,928,808</u>



Table 1

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ 894,779,291	\$ 880,129,243	\$ 861,541,546	\$ 801,712,783	\$ 760,962,579	\$ 742,493,625
5,855,683	5,502,128	6,007,255	7,095,131	3,578,836	3,484,716
(27,784,547)	(23,389,504)	(11,368,157)	(18,429,063)	(13,868,529)	(17,447,832)
<u>\$ 872,850,427</u>	<u>\$ 862,241,867</u>	<u>\$ 856,180,644</u>	<u>\$ 790,378,851</u>	<u>\$ 750,672,886</u>	<u>\$ 728,530,509</u>
\$ 3,033,588	\$ 2,987,060	\$ 2,523,934	\$ 2,688,754	\$ 2,725,278	\$ 3,009,745
-	-	-	-	-	-
9,161,480	9,487,042	8,317,426	4,903,097	1,639,179	(626,492)
<u>\$ 12,195,068</u>	<u>\$ 12,474,102</u>	<u>\$ 10,841,360</u>	<u>\$ 7,591,851</u>	<u>\$ 4,364,457</u>	<u>\$ 2,383,253</u>
\$ 897,812,879	\$ 883,116,303	\$ 864,065,480	\$ 804,401,537	\$ 763,687,857	\$ 745,503,370
5,855,683	5,502,128	6,007,255	7,095,131	3,578,836	3,484,716
(18,623,067)	(13,902,462)	(3,050,731)	(13,525,966)	(12,229,350)	(18,074,324)
<u>\$ 885,045,495</u>	<u>\$ 874,715,969</u>	<u>\$ 867,022,004</u>	<u>\$ 797,970,702</u>	<u>\$ 755,037,343</u>	<u>\$ 730,913,762</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
CHANGES IN NET POSITION  
Last Ten Fiscal Years**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Expenses</b>				
Governmental activities:				
Instructional programs	\$ 567,026,092	\$ 552,656,918	\$ 478,098,740	\$ 496,672,358
Support services	144,333,654	137,954,803	131,281,385	131,013,635
Community services	-	-	-	-
Ancillary services	165,892	302,827	158,689	132,925
Non-program charges	17,064,859	16,445,966	13,851,504	11,833,107
Depreciation expense	27,657,141	26,651,888	26,511,087	26,055,250
Total governmental activities	<u>756,247,638</u>	<u>734,012,402</u>	<u>649,901,405</u>	<u>665,707,275</u>
Business-type activities:				
School food service	45,024,436	43,039,897	41,074,138	39,699,163
After School Care Enrichment Program	6,754,743	6,785,034	6,321,745	6,065,517
Total business-type activities	<u>51,779,179</u>	<u>49,824,931</u>	<u>47,395,883</u>	<u>45,764,680</u>
Total government-wide expenses	<u>\$ 808,026,817</u>	<u>\$ 783,837,333</u>	<u>\$ 697,297,288</u>	<u>\$ 711,471,955</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Athletics	\$ 2,715,971	\$ 2,941,186	\$ 2,897,076	\$ 2,480,372
Other	5,672,727	5,949,917	6,084,214	5,703,320
Operating grants and contributions	476,449,107	479,509,054	450,782,340	461,132,986
Capital grants and contributions	2,145,935	3,073,375	1,120,332	1,918,004
Total governmental activities program revenues	<u>486,983,740</u>	<u>491,473,532</u>	<u>460,883,962</u>	<u>471,234,682</u>
Business-type activities:				
Charges for services:				
School Food Services	6,319,225	6,338,220	6,426,749	6,687,428
After School Care Enrichment Services	7,012,158	6,854,546	6,555,607	6,128,020
Operating grants and contributions	36,406,280	36,991,651	35,788,254	33,364,767
Capital grants and contributions	-	180,830	19,000	390,041
Total business-type activities program revenues	<u>49,737,663</u>	<u>50,365,247</u>	<u>48,789,610</u>	<u>46,570,256</u>
Total government-wide revenues	<u>\$ 536,721,403</u>	<u>\$ 541,838,779</u>	<u>\$ 509,673,572</u>	<u>\$ 517,804,938</u>
<b>Net (expenses) revenues</b>				
Governmental activities	\$ (269,263,898)	\$ (242,538,870)	\$ (189,017,443)	\$ (194,472,593)
Business-type activities	(2,041,516)	540,316	1,393,727	805,576
Government-wide net expense	<u>\$ (271,305,414)</u>	<u>\$ (241,998,554)</u>	<u>\$ (187,623,716)</u>	<u>\$ (193,667,017)</u>

2014	2013	2012	2011	2010	2009
\$ 514,570,607	\$ 522,772,758	\$ 507,339,721	\$ 496,257,925	\$ 495,000,385	\$ 500,295,334
132,531,215	133,818,636	129,427,911	129,385,347	130,103,201	132,947,980
-	-	-	-	-	-
117,742	125,219	130,491	110,984	248,331	127,852
9,553,904	7,585,497	5,861,299	6,530,094	7,865,127	5,905,810
25,077,703	23,659,131	22,064,683	20,656,556	20,141,569	18,763,312
681,851,171	687,961,241	664,824,105	652,940,906	653,358,613	658,040,288
37,899,050	36,116,868	32,326,822	31,245,461	30,701,147	33,521,249
6,248,183	6,134,773	5,809,138	5,798,215	6,091,434	6,580,507
44,147,233	42,251,641	38,135,960	37,043,676	36,792,581	40,101,756
\$ 725,998,404	\$ 730,212,882	\$ 702,960,065	\$ 689,984,582	\$ 690,151,194	\$ 698,142,044
\$ 2,624,895	\$ 2,515,459	\$ 2,424,246	\$ 2,376,717	\$ 2,403,771	\$ 2,217,240
5,788,493	1,583,067	1,649,028	1,517,024	1,608,667	1,458,233
452,751,632	453,237,883	452,428,067	414,477,405	427,772,583	442,394,490
-	-	-	-	-	-
461,165,020	457,336,409	456,501,341	418,371,146	431,785,021	446,069,963
8,518,064	9,062,468	9,302,859	9,719,536	9,930,699	10,429,704
5,933,253	6,160,145	6,138,061	6,214,786	6,313,825	6,580,507
29,168,263	27,676,203	25,714,852	23,913,577	22,352,473	22,518,803
73,047	545,903	203,390	399,107	176,678	613,970
43,692,627	43,444,719	41,359,162	40,247,006	38,773,675	40,142,984
\$ 504,857,647	\$ 500,781,128	\$ 497,860,503	\$ 458,618,152	\$ 470,558,696	\$ 486,212,947
\$ (220,686,151)	\$ (230,624,832)	\$ (208,322,764)	\$ (234,569,760)	\$ (221,573,592)	\$ (211,970,325)
(454,606)	1,193,078	3,223,202	3,203,330	1,981,094	41,228
\$ (221,140,757)	\$ (229,431,754)	\$ (205,099,562)	\$ (231,366,430)	\$ (219,592,498)	\$ (211,929,097)

**GUILFORD COUNTY BOARD OF EDUCATION  
CHANGES IN NET POSITION  
Last Ten Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Revenues</b>				
Governmental activities:				
Unrestricted county appropriations - operating	\$ 195,860,398	\$ 188,360,398	\$ 183,360,398	\$ 179,360,398
Unrestricted county appropriations - capital	28,584,985	69,376,845	24,975,538	31,916,421
Unrestricted state appropriations - capital	173,426	-	-	-
Unrestricted other state revenues - capital	-	-	-	-
Unrestricted federal aid				
Investment earnings, unrestricted	245,733	123,583	58,585	38,889
Insurance recoveries	-	-	-	-
Miscellaneous, unrestricted	8,958,422	3,782,141	4,527,980	3,862,581
Total governmental activities	<u>233,822,964</u>	<u>261,642,967</u>	<u>212,922,501</u>	<u>215,178,289</u>
Business-type activities:				
Investment earnings, unrestricted	84,357	22,341	12,689	1,097
Miscellaneous, unrestricted	33,896	27,546	47,899	126,340
Total business-type activities	<u>118,253</u>	<u>49,887</u>	<u>60,588</u>	<u>127,437</u>
Total government-wide	<u>\$ 233,941,217</u>	<u>\$ 261,692,854</u>	<u>\$ 212,983,089</u>	<u>\$ 215,305,726</u>
<b>Transfers</b>				
Governmental activities	-	(32,466)	(33,199)	(57,764)
Business-type activities	-	32,466	33,199	57,764
Total government-wide	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Changes in Net Position</b>				
Governmental activities	\$ (35,440,934)	\$ 19,071,631	\$ 23,871,859	\$ 20,647,932
Business-type activities	(1,923,263)	622,669	1,487,514	990,777
Total government-wide	<u>\$ (37,364,197)</u>	<u>\$ 19,694,300</u>	<u>\$ 25,359,373</u>	<u>\$ 21,638,709</u>

**Note:**

This amount includes Indirect Cost Revenue. In prior years, Indirect Cost Revenue was accounted for in Operating Grants and Contributions.

2014	2013	2012	2011	2010	2009
\$ 177,130,398	\$ 175,630,398	\$ 175,165,521	\$ 175,165,521	\$ 175,165,521	\$ 178,188,290
49,249,098	50,280,592	92,522,410	70,323,031	56,070,853	58,028,992
-	-	-	-	-	146,514
2,092,865	6,400,042	1,214,787	5,002,844	2,722,642	8,054,296
59,864	138,289	221,641	19,296,607	-	-
-	-	-	303,560	423,112	753,739
2,820,250	4,325,608	5,000,198	-	-	2,178,000
231,352,475	236,774,929	274,124,557	4,184,162	9,333,841	1,991,455
626	-	1,624	729	110	7,305
117,182	350,790	24,683	23,335	-	-
117,808	350,790	26,307	24,064	110	7,305
<u>\$ 231,470,283</u>	<u>\$ 237,125,719</u>	<u>\$ 274,150,864</u>	<u>\$ 274,299,789</u>	<u>\$ 243,716,079</u>	<u>\$ 249,348,591</u>
(88,874)	-	-	-	-	-
88,874	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,577,450	\$ 6,150,097	\$ 65,801,793	\$ 39,705,965	\$ 22,142,377	\$ 37,370,961
(247,924)	1,543,868	3,249,509	3,227,394	1,981,204	48,533
<u>\$ 10,329,526</u>	<u>\$ 7,693,965</u>	<u>\$ 69,051,302</u>	<u>\$ 42,933,359</u>	<u>\$ 24,123,581</u>	<u>\$ 37,419,494</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS - FUND BALANCES  
Last Ten Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Fund:</b>				
Reserved				
Unreserved				
Total general fund				
<b>All other governmental funds:</b>				
Reserved				
Unreserved, reported in				
Special Revenue Funds				
Capital Projects Fund				
Total all governmental funds				
<b>General Fund:</b>				
Nonspendable:				
Inventories	\$ -	\$ 968	\$ 968	\$ 31,478
Self insurance deposits	1,671,667	1,860,509	3,062,590	3,246,027
Restricted:				
Stabilization by state statute	8,775,457	3,224,125	3,459,799	3,114,050
Committed:				
Capital outlay	-	-	3,752,693	3,752,693
Activity buses	95,243	81,152	88,877	79,369
Assigned:				
Subsequent year's expenditures	130,000	1,000,000	1,207,241	-
Unassigned	4,398,372	5,282,181	2,229,326	2,831,585
Total general fund	<u>\$ 15,070,739</u>	<u>\$ 11,448,935</u>	<u>\$ 13,801,494</u>	<u>\$ 13,055,202</u>
<b>All other governmental funds:</b>				
Restricted:				
Capital outlay	\$ 3,417,998	\$ -	\$ 2,962,932	\$ 1,125,061
Individual schools	3,740,955	-	3,404,591	3,008,433
Special programs	750,667	587,371	587,371	587,371
Total all governmental funds	<u>\$ 22,980,359</u>	<u>\$ 12,036,306</u>	<u>\$ 20,756,388</u>	<u>\$ 17,776,067</u>

**Note:**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, is required to be implemented for financial statements for periods beginning after June 15, 2010.

Table 3

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
				\$ 9,005,601	\$ 9,989,982
				5,206,910	1,686,668
				<u>\$ 14,212,511</u>	<u>\$ 11,676,650</u>
				\$ 44,496,834	\$ 45,371,219
				3,578,836	3,484,716
				<u>(39,543,707)</u>	<u>(42,465,135)</u>
				<u>\$ 22,744,474</u>	<u>\$ 18,067,450</u>
\$ 34,539	\$ 28,347	\$ 31,277	\$ 40,097		
4,101,429	4,745,671	4,708,516	5,175,159		
2,015,649	1,749,216	3,006,120	3,189,511		
3,752,693	3,752,693	3,140,468	2,528,243		
90,404	89,025	636,036	545,094		
1,000,000	4,255,166	10,848,978	3,677,810		
3,076,418	2,127,313	3,518,809	6,930,413		
<u>\$ 14,071,132</u>	<u>\$ 16,747,431</u>	<u>\$ 25,890,204</u>	<u>\$ 22,086,327</u>		
\$ 725,061	\$ 636,036	\$ -	\$ 716,546		
3,114,973	3,116,876	3,001,135	3,189,074		
-	-	-	-		
<u>\$ 17,911,166</u>	<u>\$ 20,500,343</u>	<u>\$ 28,891,339</u>	<u>\$ 25,991,947</u>		

**GUILFORD COUNTY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS - CHANGES IN FUND BALANCES  
Last Ten Fiscal Years**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>				
State of North Carolina	\$ 422,414,240	\$ 410,177,534	\$ 390,676,014	\$ 391,403,934
Guilford County	224,445,383	257,737,243	208,335,936	211,276,819
U.S. Government	47,177,490	63,745,347	50,219,358	59,970,609
Other	26,769,591	21,354,226	24,575,156	23,761,609
Total revenues	<u>720,806,704</u>	<u>753,014,350</u>	<u>673,806,464</u>	<u>686,412,971</u>
<b>Expenditures</b>				
Current:				
Instructional services	531,036,426	529,451,441	498,976,963	510,274,422
System-wide support services	134,626,581	132,349,902	131,539,095	130,450,999
Ancillary services	137,816	300,113	163,043	135,870
Non-program charges	17,064,859	16,445,965	13,851,504	11,833,107
Intergovernmental	-	-	-	-
Capital outlay	29,183,467	82,184,101	27,268,255	31,981,636
Debt service - principal	2,145,935	2,971,225	1,120,332	1,918,004
Debt service - interest	-	-	-	-
Total expenditures	<u>714,195,084</u>	<u>763,702,747</u>	<u>672,919,192</u>	<u>686,594,038</u>
Revenues over (under) expenditures	6,611,620	(10,688,397)	887,272	(181,067)
<b>Other financing sources (uses)</b>				
Transfers in (out)	-	(32,590)	(32,466)	(33,199)
Insurance recoveries	-	-	-	-
Installment purchase obligations	-	6,333,337	2,156,025	82,229
Proceeds from capital lease	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>6,300,747</u>	<u>2,123,559</u>	<u>49,030</u>
<b>Other changes in fund balances</b>				
Change in inventories	<u>-</u>	<u>(32,590)</u>	<u>(30,510)</u>	<u>(3,062)</u>
<b>Net change in fund balances</b>	<u>\$ 6,611,620</u>	<u>\$ (4,420,240)</u>	<u>\$ 2,980,321</u>	<u>\$ (135,099)</u>
<b>Ratio of total debt service to noncapital expenditures</b>	<u>0.33%</u>	<u>0.40%</u>	<u>0.17%</u>	<u>0.30%</u>

**Note:**

The above governmental funds includes General, Special Revenue and Capital Project Funds.



Table 4

2014	2013	2012	2011	2010	2009
\$ 380,012,997	\$ 384,338,416	\$ 367,695,516	\$ 355,559,320	\$ 349,355,142	\$ 389,494,015
226,379,496	225,910,991	267,687,931	245,488,552	231,236,374	233,194,513
64,004,786	60,978,591	72,099,211	70,739,323	75,363,218	52,846,340
22,120,216	22,247,305	23,207,727	20,859,676	19,546,256	17,698,381
692,517,495	693,475,303	730,690,385	692,646,871	675,500,990	693,233,249
505,182,789	508,714,726	496,287,990	481,523,032	478,797,870	491,306,413
128,858,702	128,903,079	125,252,740	125,013,893	125,973,811	128,644,820
117,742	125,219	130,491	110,984	248,331	127,852
9,553,904	6,949,461	5,861,299	6,558,164	7,865,127	5,905,810
-	-	-	-	-	-
49,276,741	59,870,671	95,418,384	81,158,334	56,314,630	66,973,091
2,065,222	4,718,906	1,153,459	2,571,228	1,601,011	3,971,287
-	-	-	-	-	-
695,055,100	709,282,062	724,104,363	696,935,635	670,800,780	696,929,273
(2,537,605)	(15,806,759)	6,586,022	(4,288,764)	4,700,210	(3,696,024)
(57,764)	(88,874)	-	-	-	-
-	-	-	-	-	2,178,000
-	-	-	-	-	4,803,027
-	7,507,567	-	3,860,506	-	-
(57,764)	7,418,693	-	3,860,506	-	6,981,027
6,192	(2,930)	(8,820)	(2,079)	(23,186)	(17,685)
\$ (2,589,177)	\$ (8,390,996)	\$ 6,577,202	\$ (430,337)	\$ 4,677,024	\$ 3,267,318
0.32%	0.76%	0.18%	0.40%	0.27%	0.72%

**GUILFORD COUNTY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS - REVENUES BY SOURCE  
Last Ten Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Source:</b>				
State Public School Fund	\$ 418,677,210	\$ 406,117,400	\$ 388,534,225	\$ 387,974,989
Textbooks	-	-	181,789	18,945
Other state allocations	3,563,604	3,744,512	3,848,806	3,792,986
Federal Grant Programs Fund	44,158,033	49,288,288	42,785,647	46,735,027
Other federal grants	4,975,435	17,117,590	11,324,060	17,656,274
County funding:				
General appropriation	199,973,566	198,902,470	188,681,859	192,598,471
Debt proceeds	24,471,817	58,834,773	19,654,077	18,678,348
Public School Building Capital Fund	173,426	315,622	3,194	-
Tuition and fees	2,295	-	67,103	85,379
Fines and forfeitures	3,494,469	2,710,036	2,196,512	2,380,595
Interest earned on investments	245,733	123,583	58,585	38,889
Indirect cost allocated	3,455,963	3,756,971	3,732,195	3,413,732
Other local funds	17,615,153	12,103,105	12,738,412	13,039,336
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>\$ 720,806,704</u>	<u>\$ 753,014,350</u>	<u>\$ 673,806,464</u>	<u>\$ 686,412,971</u>

**Note:**

The above governmental funds includes General, Special Revenue and Capital Project Funds.

Table 5

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ 375,870,761	\$ 379,013,882	\$ 364,815,519	\$ 347,940,133	\$ 342,146,633	\$ 377,066,394
269,427	154,849	1,048,545	121,161	996,920	2,784,073
3,845,166	3,889,924	3,888,224	5,066,410	5,089,957	5,436,634
51,361,289	52,041,222	65,496,662	64,922,532	66,858,227	43,899,298
15,581,171	11,541,142	9,837,414	7,658,350	8,504,991	8,947,042
184,018,461	190,104,317	189,347,670	179,998,029	179,798,825	181,686,368
42,361,035	35,806,674	78,340,261	65,490,523	51,437,549	51,508,145
27,643	1,681,136	61,328	2,431,616	1,121,632	4,206,914
61,834	49,063	56,921	57,724	56,390	38,939
2,296,397	2,706,862	2,938,756	3,697,723	3,703,364	3,635,194
59,864	138,289	221,641	303,560	423,112	753,739
3,590,114	3,295,624	3,066,176	3,716,864	3,590,716	1,746,849
13,174,333	13,052,319	11,571,268	11,242,246	11,772,674	11,523,660
<b>\$ 692,517,495</b>	<b>\$ 693,475,303</b>	<b>\$ 730,690,385</b>	<b>\$ 692,646,871</b>	<b>\$ 675,500,990</b>	<b>\$ 693,233,249</b>

**GUILFORD COUNTY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS - EXPENDITURES BY FUNCTION  
Last Ten Fiscal Years**

<b>Function</b>	<b>Description</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>INSTRUCTIONAL SERVICES</b>					
5100	Regular instructional	\$ 302,754,241	\$ 307,539,067	\$ 286,756,895	\$ 290,437,534
5200	Special populations	88,550,819	88,011,105	83,915,996	83,015,604
5300	Alternative programs	42,698,066	43,127,344	38,869,176	43,832,590
5400	School leadership	51,192,598	48,058,443	46,510,577	46,276,758
5500	Co-curricular	4,551,158	4,538,260	4,453,199	4,257,965
5800	School-based support	41,289,544	38,177,222	38,471,139	42,453,971
<b>SYSTEM-WIDE SUPPORT SERVICES</b>					
6100	Support and development	5,541,637	7,881,780	7,538,828	7,873,017
6200	Special population support and development	5,013,100	5,701,044	5,387,948	5,064,537
6300	Alternative programs and services support and development	2,417,129	3,218,042	5,761,222	2,542,847
6400	Technology support	8,097,837	8,888,714	8,682,519	8,481,863
6500	Operational support	92,602,743	89,356,514	86,835,782	88,755,793
6600	Financial and human resources	8,679,834	8,429,026	8,559,454	9,050,526
6700	Accountability	2,839,281	1,513,018	1,797,240	1,617,382
6800	System-wide pupil support	2,603,747	1,205,680	1,117,976	1,029,447
6900	Policy, leadership, and public relations	6,831,273	6,156,084	5,881,671	6,055,025
<b>ANCILLARY SERVICES</b>					
7100	Ancillary Services	790	6,239	4,833	11,697
7200	Nutrition services	137,026	293,874	158,210	124,173
7900	Other ancillary services	-	-	-	-
<b>NON-PROGRAM CHARGES</b>					
8100	Payments to other governmental units and transfers of funds	17,064,859	16,445,965	13,827,940	11,813,669
<b>CAPITAL OUTLAY</b>					
9100	Category I Projects	24,643,423	76,075,372	23,468,986	25,835,262
9200	Category II Projects	2,251,885	2,483,521	449,279	2,695,556
9300	Category III Projects	4,434,094	6,596,433	4,470,322	5,368,822
	Total expenditures	<u>\$ 714,195,084</u>	<u>\$ 763,702,747</u>	<u>\$ 672,919,192</u>	<u>\$ 686,594,038</u>

**Note:**

The above governmental funds includes General, Special Revenue and Capital Project Funds.

Table 6

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ 287,060,488	\$ 293,012,974	\$ 285,353,955	\$ 275,716,314	\$ 270,803,551	\$ 284,351,755
79,924,515	80,205,114	79,011,082	77,467,046	77,546,031	80,199,487
44,571,749	41,110,452	44,134,739	42,177,745	44,187,784	39,277,080
45,619,644	46,082,456	44,351,202	44,000,165	42,996,306	43,604,877
4,305,062	4,405,545	4,415,872	4,189,747	4,225,155	4,119,570
43,701,331	43,898,183	39,021,140	37,972,014	39,039,043	39,753,646
5,836,857	6,145,930	5,356,801	6,009,916	6,760,935	9,366,313
4,050,836	3,905,811	3,836,737	3,742,477	4,007,289	4,203,222
1,343,400	1,327,232	1,767,597	1,185,247	1,313,262	1,059,916
9,164,692	8,094,994	8,145,245	8,230,532	8,269,821	9,640,889
91,726,489	91,854,178	88,297,030	89,004,026	89,394,671	89,925,822
8,393,785	8,219,263	8,533,630	7,616,618	7,292,738	7,346,982
1,614,342	1,563,734	1,611,185	1,812,053	1,925,799	2,074,900
962,770	976,886	965,610	964,620	853,584	720,349
5,765,532	6,815,052	6,738,905	6,476,475	6,155,712	4,306,427
7,343	11,969	51,856	16,540	16,562	18,657
110,399	113,249	78,635	94,444	-	-
-	-	-	-	231,769	109,196
9,553,903	6,949,462	5,861,299	6,530,094	7,865,127	5,905,808
46,515,656	44,634,324	87,830,797	73,276,856	52,056,536	55,524,796
2,687,315	2,966,796	7,544,194	4,035,851	4,232,094	6,273,530
2,138,992	16,988,456	1,196,852	6,416,855	1,627,011	9,146,052
<u>\$ 695,055,100</u>	<u>\$ 709,282,060</u>	<u>\$ 724,104,363</u>	<u>\$ 696,935,635</u>	<u>\$ 670,800,780</u>	<u>\$ 696,929,274</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS FOR GUILFORD COUNTY  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year<sup>1</sup></b>	<b>Subsequent Years' Adjustments</b>	<b>Total Adjusted Levy</b>	<b>Collected within the Fiscal Year of the Levy</b>	
				<b>Amount</b>	<b>Percent of Original Levy</b>
2009	\$ 336,841,767	\$ (307,751)	\$ 336,534,016	\$ 330,670,794	98.17%
2010	\$ 339,838,448	\$ (310,666)	\$ 339,527,782	\$ 333,596,483	98.16%
2011	\$ 339,943,072	\$ (294,181)	\$ 339,648,891	\$ 333,063,607	97.98%
2012	\$ 363,248,000	\$ (421,068)	\$ 362,826,932	\$ 355,095,355	97.76%
2013 <sup>2</sup>	\$ 365,428,942	\$ (1,362,159)	\$ 364,066,783	\$ 356,582,243	97.58%
2014	\$ 372,017,706	\$ (899,217)	\$ 371,118,489	\$ 366,529,630	98.52%
2015	\$ 371,794,827	\$ (728,434)	\$ 371,066,393	\$ 368,321,489	99.07%
2016	\$ 373,904,683	\$ (113,902)	\$ 373,790,781	\$ 370,755,116	99.16%
2017	\$ 377,874,202	\$ (153,403)	\$ 377,720,799	\$ 374,837,826	99.20%
2018	\$ 386,072,554	\$ -	\$ 386,072,554	\$ 383,244,006	99.27%

**Notes:**

- <sup>1</sup> Original levy adjusted for discoveries, penalties, discounts allowed and releases as of fiscal year end of the levy.
- <sup>2</sup> A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The latest revaluation is reflected in the increased real property values in fiscal year 2013 which generally result in appeals of these revalued amounts and thus, larger adjustments due to releases based on these appeals.

**Source:**

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2018.

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<b>Collections in Subsequent Years</b>	<b>Collected within the Fiscal Year of the Levy</b>	
	<b>Amount</b>	<b>Percent of Adjusted Tax Levy</b>
\$ 5,100,902	\$ 335,771,696	99.77%
\$ 5,205,628	\$ 338,802,111	99.79%
\$ 5,859,746	\$ 338,923,353	99.79%
\$ 6,742,325	\$ 361,837,680	99.73%
\$ 6,203,469	\$ 362,785,712	99.65%
\$ 3,558,571	\$ 370,088,201	99.72%
\$ 2,011,057	\$ 370,332,546	99.80%
\$ 2,073,879	\$ 372,828,995	99.74%
\$ 1,582,643	\$ 376,420,469	99.66%
\$ -	\$ 383,244,006	99.27%

**GUILFORD COUNTY BOARD OF EDUCATION  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 FOR GUILFORD COUNTY  
 Last Ten Fiscal Years**

Fiscal Year	Total Real Property <sup>1</sup>		Personal Property <sup>2</sup>	Public Service Companies' Property <sup>2</sup>
	Assessed Taxable Value	Estimated Actual Taxable Value	Assessed Taxable Value	Assessed Taxable Value
2009	\$ 35,994,252,248	\$ 39,295,035,205	\$ 7,459,633,640	\$ 1,134,193,063
2010	\$ 36,596,181,356	\$ 40,193,499,567	\$ 7,223,197,327	\$ 1,072,382,177
2011	\$ 36,814,403,214	\$ 38,743,846,784	\$ 7,017,828,595	\$ 1,034,274,005
2012	\$ 37,039,761,422	\$ 35,711,301,024	\$ 7,304,372,150	\$ 1,013,624,243
2013 <sup>3</sup>	\$ 36,867,575,947	\$ 37,030,510,192	\$ 7,610,406,089	\$ 1,067,428,654
2014	\$ 36,986,215,133	\$ 37,224,451,623	\$ 8,246,115,049	\$ 1,065,598,325
2015	\$ 37,288,572,740	\$ 38,185,942,386	\$ 8,207,816,947	\$ 1,103,440,544
2016	\$ 37,661,151,234	\$ 39,365,685,412	\$ 8,497,141,229	\$ 1,226,988,869
2017	\$ 38,131,768,965	\$ 39,001,502,470	\$ 8,823,734,260	\$ 1,251,027,428
2018 <sup>3</sup>	\$ 40,538,463,183	\$ 40,640,063,341	\$ 8,873,395,357	\$ 1,318,902,194

**Notes:**

- <sup>1</sup> Estimated actual taxable value of real property is calculated by dividing taxable assessed value by a real estate assessment sales ratio study percentage by county obtained from the North Carolina Department of Revenue Tax Research Division.
- <sup>2</sup> Personal property is appraised each year and assessed at 100% of appraised value. Public service companies' property includes real and personal property of utilities, railroads and airlines, etc. These assessments are made by the North Carolina Department of Revenue with no distinction between real and personal property.
- <sup>3</sup> A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The Guilford County Board of Commissioners has adopted a policy to re-evaluate property every five years. The most recent revaluation in 2018 is reflected in the increased real property values. The previous revaluation is reflected in the decreased real property values in fiscal year 2013 from a down market.
- <sup>4</sup> Per \$100 of assess value. See Table 9 for details of the County's total direct rate, a weighted average rate.

**Source:**

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2018.



Table 8

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<b>Total</b>		<b>Ratio of Total Assessed To Total Estimated Actual Taxable Value</b>	<b>Total Direct Tax Rate<sup>4</sup></b>
<b>Assessed Taxable Value</b>	<b>Estimated Actual Taxable Value</b>		
\$ 44,588,078,951	\$ 47,888,861,908	93.1%	0.7130
\$ 44,891,760,860	\$ 48,489,079,071	92.6%	0.7575
\$ 44,866,505,814	\$ 46,795,949,384	95.9%	0.7590
\$ 45,357,757,815	\$ 44,029,297,417	103.0%	0.7592
\$ 45,545,410,690	\$ 45,708,344,935	99.6%	0.8040
\$ 46,297,928,507	\$ 46,536,164,997	99.5%	0.8042
\$ 46,599,830,231	\$ 47,497,199,877	98.1%	0.7938
\$ 47,385,281,332	\$ 49,089,815,510	96.5%	0.7981
\$ 48,206,530,653	\$ 49,076,264,158	98.2%	0.7896
\$ 50,730,760,734	\$ 50,832,360,892	99.8%	0.7608

**GUILFORD COUNTY BOARD OF EDUCATION  
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS  
FOR GUILFORD COUNTY (PER \$100 OF ASSESSED VALUE)  
Last Ten Fiscal Years**

	Fiscal Year Taxes are Payable			
	2009	2010	2011	2012
<b>County Direct Rates:</b>				
General Levy <sup>1</sup> :				
Property taxed at current year's rate	0.7148	0.7164	0.7182	0.7609
Registered motor vehicles at prior year's rate	0.0212	0.0210	0.0192	0.0203
Total general direct rate	0.7360	0.7374	0.7374	0.7812
Fire Protection Districts <sup>2</sup>	0.0215	0.0216	0.0218	0.0228
Total direct rate	0.7575	0.7590	0.7592	0.8040
<b>City Rates:</b>				
Burlington <sup>3</sup>	0.6250	0.5904	0.5900	0.5801
Greensboro	0.6374	0.6375	0.6352	0.6349
High Point	0.6330	0.6330	0.6330	0.6613
Kernersville <sup>3</sup>	0.5500	0.4975	0.4975	0.4975
<b>Town Rates:</b>				
Archdale <sup>4</sup>	0.2900	0.2900	0.2900	0.2900
Gibsonville <sup>4</sup>	0.5150	0.5100	0.5100	0.5100
Jamestown	0.3693	0.3700	0.3895	0.3900
Oak Ridge	0.0863	0.0863	0.0863	0.0863
Pleasant Garden	0.0260	0.0250	0.0250	0.0250
Sedalia	0.2000	0.2000	0.2729	0.2750
Summerfield <sup>5</sup>	0.0351	0.0018	0.0350	0.0350
Whitsett	0.0500	0.0500	0.0500	0.0500
Sedgefield Sanitary District	0.0300	0.0300	0.0300	0.0300

**Notes:**

<sup>1</sup> All taxable property is subject to a county-wide tax. The general County direct rate differs from the county-wide rate approved by the Board of Commissioners each fiscal year because direct rates are a weighted average rate. The most significant differences are from certain registered motor vehicles levied at prior year tax rates in accordance with North Carolina General Statutes.

<sup>2</sup> Most property in unincorporated areas is subject to one of thirty-six special fire district taxes. The fire protection districts' direct rate is a combined rate as the impact of each individual fire district is considered insignificant. The direct rate is much lower than the individual rates approved by the Board of Commissioners each fiscal year because direct rates are a weighted average rate and are impacted by assessed taxable values outside the fire protection districts' boundaries.

<sup>3</sup> Burlington's and Kernersville's total direct rates are computed only with regard to assessed taxable value in Guilford County.

<sup>4</sup> The difference between the Archdale and Gibsonville total direct rates and the reported city-wide rates are considered insignificant.

<sup>5</sup> For FY 2011, city-wide rates are reported, as data to compute total direct rates is not available.

**Source:**

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2018.

Table 9

2013	2014	2015	2016	2017	2018
0.7580	0.7471	0.7700	0.7600	0.7550	0.7305
0.0225	0.0229	-	-	-	-
0.7805	0.7700	0.7805	0.7600	0.7550	0.7305
0.0237	0.0238	0.0281	0.0296	0.0297	0.0303
<u>0.8042</u>	<u>0.7938</u>	<u>0.8042</u>	<u>0.7896</u>	<u>0.7847</u>	<u>0.7608</u>
0.5800	0.5800	0.5800	0.5800	0.5800	0.5973
0.6351	0.6350	0.6350	0.6350	0.6352	0.0298
0.6746	0.6750	0.6646	0.6500	0.6475	0.6475
0.4975	0.5273	0.5424	0.5425	0.5700	0.5545
0.2900	0.2900	0.2900	0.2900	0.2900	0.2900
0.5100	0.5100	0.5100	0.5100	0.5100	0.5300
0.3948	0.4434	0.4544	0.4550	0.4550	0.4680
0.0863	0.0863	0.0863	0.0863	0.0863	0.0800
0.0250	0.0250	0.0250	0.0250	0.0250	0.0500
0.2750	0.2750	0.2750	0.2750	0.2750	0.2750
0.0350	0.0350	0.0279	0.0275	0.0275	0.0275
0.0500	0.0500	0.1438	0.1500	0.1500	0.1500
0.0358	0.0360	0.0360	0.0360	0.0360	0.0360



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**GUILFORD COUNTY BOARD OF EDUCATION  
RATIO OF OUTSTANDING DEBT BY TYPE FOR GUILFORD COUNTY  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds Outstanding<sup>1</sup></b>	<b>Percentage of Estimated Actual Taxable Value of Property<sup>2</sup></b>	<b>Per Capita</b>	<b>Other Governmental Activities Debt Capital Leases and Installment Financings<sup>1</sup></b>	<b>Total Primary Government<sup>1</sup></b>	<b>Percentage of Personal Income<sup>3</sup></b>	<b>Per Capita<sup>3</sup></b>
2009	\$ 709,758,171	1.48%	1,485.44	\$ 4,783,962	\$ 714,542,133	3.92%	1,495.46
2010	\$ 846,091,651	1.74%	1,747.47	\$ 4,147,088	\$ 850,238,739	4.89%	1,756.04
2011	\$ 806,334,450	1.72%	1,647.07	\$ 3,571,400	\$ 809,905,850	4.57%	1,654.36
2012	\$ 932,027,810	2.12%	1,882.39	\$ 24,498,508	\$ 956,526,318	5.17%	1,931.87
2013	\$ 879,076,323	1.92%	1,755.20	\$ 23,222,923	\$ 902,299,246	4.60%	1,801.57
2014	\$ 824,376,111	1.77%	1,626.65	\$ 21,947,338	\$ 846,323,449	4.31%	1,669.96
2015	\$ 769,783,196	1.62%	1,501.83	\$ 20,671,754	\$ 790,454,950	3.80%	1,542.16
2016	\$ 736,321,847	1.50%	1,422.71	\$ 19,396,169	\$ 755,718,016	3.41%	1,460.19
2017	\$ 861,133,538	1.75%	1,651.80	\$ 18,120,585	\$ 879,254,123	3.87%	1,686.56
2018	\$ 791,334,576	1.56%	1,501.72	\$ 16,845,000	\$ 808,179,576	3.43%	1,533.68

**Notes:**

<sup>1</sup> Details regarding the County's outstanding debt can be found in the notes to the Guilford County financial statements and includes unamortized bond issuance premiums less unamortized swap termination fees. Amounts for fiscal year 2011 and prior do not include bond refunding charges as a result of GASB 63.

<sup>2</sup> See Table 8 for estimated actual taxable value of property data.

<sup>3</sup> See Table 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**Source:**

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2018.

**GUILFORD COUNTY BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
FOR GUILFORD COUNTY  
Year Ended June 30, 2018**

Jurisdiction	Debt Outstanding <sup>1</sup>	Estimated Percentage Applicable <sup>1,2</sup>	Estimated Share of Direct and Overlapping Debt
Direct:			
Guilford County	\$ 811,866,946	100.00%	\$ 811,866,946
Overlapping:			
City of Greensboro	276,531,562	100.00%	276,531,562
City of High Point	69,090,000	94.03%	64,965,327
Town of Kernersville	26,538,623	5.02%	1,332,239
Town of Gibsonville	2,677,278	48.78%	1,305,976
Town of Jamestown	1,033,941	100.00%	1,033,941
City of Burlington	5,923,461	1.82%	107,807
City of Archdale	1,412,280	3.10%	43,781
Total overlapping debt			345,320,633
Total direct and overlapping debt			\$ 1,157,187,579

**Notes:**

<sup>1</sup> Debt and assessed valuation information were obtained from each municipality. Debt includes all bonded debt and installment purchase obligations for governmental activities.

<sup>2</sup> The percentage of overlap is based on assessed property values.

**Source:**

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2018.

**GUILFORD COUNTY BOARD OF EDUCATION  
PRINCIPAL TAXPAYERS IN GUILFORD COUNTY  
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Assessed Value	Rank	% of Total Assessed Valuation	Assessed Value	Rank	% of Total Assessed Valuation
Duke Energy Carolinas LLC	\$ 458,680,660	1	0.90%	\$ 341,721,051	1	0.77%
Procter & Gamble Manufacturing Co.	311,310,940	2	0.61%	163,788,275	9	0.37%
ITG Brands LLC (formerly Lorillard Tobacco Company)	239,718,440	3	0.47%	270,378,566	3	0.61%
Koury Corporation	225,859,553	4	0.45%	277,192,223	2	0.62%
Lincoln National Life Insurance (formerly Jefferson-Pilot)	211,945,928	5	0.42%	-		0.00%
American Express Travel Related Services Co.	211,397,426	6	0.42%	-		0.00%
CBL LLC	165,890,300	7	0.33%	212,855,431	5	0.48%
Honda Aircraft Co	148,220,214	8	0.29%	-		0.00%
Piedmont Natural Gas	145,655,194	9	0.29%	-		0.00%
International Home Furnishings Center	145,471,700	10	0.29%	184,884,223	7	0.41%
RF Micro Devices, Inc.	-		0.00%	214,973,534	4	0.48%
TYCO Electronics	-		0.00%	186,261,055	6	0.42%
BellSouth	-		0.00%	166,939,858	8	0.37%
Liberty Property LP	-		0.00%	137,927,077	10	0.31%
<b>Total Top Ten Principal Taxpayers</b>	<b>\$ 2,264,150,355</b>		<b>4.47%</b>	<b>\$ 2,156,921,293</b>		<b>4.84%</b>

**Source:**

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2018.

**GUILFORD COUNTY BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
FOR GUILFORD COUNTY (IN THOUSANDS)  
Last Ten Fiscal Years**

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	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 3,567,046	\$ 3,591,341	\$ 3,589,320	\$ 3,628,621
Total net debt applicable to limit	<u>1,204,916</u>	<u>1,158,903</u>	<u>1,185,811</u>	<u>1,167,675</u>
Legal debt margin	<u>\$ 2,362,130</u>	<u>\$ 2,432,438</u>	<u>\$ 2,403,509</u>	<u>\$ 2,460,946</u>
Total net debt applicable to limit as a percentage of debt limit	<u>33.78%</u>	<u>32.27%</u>	<u>33.04%</u>	<u>32.18%</u>

**Source:**

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2018.



<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 3,643,633	\$ 3,703,834	\$ 3,727,986	\$ 3,790,823	\$ 3,856,522	\$ 4,058,461
1,118,988	1,068,470	979,518	916,160	811,332	725,055
<u>\$ 2,524,645</u>	<u>\$ 2,635,364</u>	<u>\$ 2,748,468</u>	<u>\$ 2,874,663</u>	<u>\$ 3,045,190</u>	<u>\$ 3,333,406</u>
<u>30.71%</u>	<u>28.85%</u>	<u>26.27%</u>	<u>24.17%</u>	<u>21.04%</u>	<u>17.87%</u>

#### Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value of taxable property	<u>\$ 50,730,760,734</u>
Debt limit (8% of total assessed value)	<u>\$ 4,058,460,859</u>
Debt applicable to limit:	
Bonded debt	708,735,000
Limited obligation bonds and obligations under purchase money installment contracts	<u>16,845,000</u>
Gross debt	725,580,000
Less statutory deductions:	
Bonds issued and outstanding for water purposes	<u>524,867</u>
Net amount of debt applicable to debt limit	<u>725,055,133</u>
Legal debt margin	<u>\$ 3,333,405,726</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
DEMOGRAPHIC STATISTICS FOR GUILFORD COUNTY  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup> (in thousands)</b>	<b>Per Capita Income<sup>3</sup></b>	<b>Median Age<sup>4</sup></b>	<b>Public School Enrollment<sup>5</sup></b>	<b>Unemployment Rate<sup>6</sup></b>
2009	477,809	\$ 18,214,557	\$ 38,121	36.33	70,968	10.6%
2010	484,180	\$ 17,394,167	\$ 35,925	36.39	70,710	10.9%
2011	489,557	\$ 17,740,567	\$ 36,238	36.51	71,227	10.3%
2012	495,129	\$ 18,505,446	\$ 37,375	36.54	71,587	9.3%
2013	500,841	\$ 19,609,929	\$ 39,154	36.63	71,885	8.0%
2014	506,794	\$ 19,630,159	\$ 38,734	36.75	71,787	6.6%
2015	512,562	\$ 20,799,766	\$ 40,580	36.87	71,502	5.9%
2016	517,548	\$ 22,146,914	\$ 42,792	37.03	71,429	5.2%
2017	521,330	\$ 22,707,049	\$ 43,556	37.22	71,396	4.8%
2018	526,953	\$ 23,535,302	\$ 44,663	37.40	71,304	4.4%

**Notes:**

- <sup>1</sup> Calendar years 2008 through 2016: Bureau of Economic Analysis, U.S. Department of Commerce  
Calendar year 2017: United States Census Bureau estimates.
- <sup>2</sup> Computed as a factor of population times per capita income.
- <sup>3</sup> Calendar years 2008 through 2016: Bureau of Economic Analysis, U.S. Department of Commerce  
Calendar year 2017: Piedmont Triad Council of Governments estimate.
- <sup>4</sup> Fiscal years 2009 through 2018: North Carolina Office of State Planning estimates.
- <sup>5</sup> Average daily membership of Guilford County Schools as compiled by North Carolina Department of Public Instruction.
- <sup>6</sup> North Carolina Employment Security Commission-Calendar year annual average except for 2016 which is the average adjusted monthly rate for January through June.

**Source:**

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2018.

**GUILFORD COUNTY BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS IN GUILFORD COUNTY  
Current Year and Nine Years Ago**

Employers <sup>1</sup>	Fiscal Year 2018			Fiscal Year 2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Guilford County School System	10,027	1	4.05%	9,386	1	4.02%
Cone Health	8,875	2	3.58%	7,440	2	3.19%
City of Greensboro	2,913	3	1.18%	2,958	3	1.27%
Guilford County Government	2,652	4	1.07%	2,648	6	1.14%
High Point Regional Health System	2,600	5	1.05%	1,863	10	0.80%
University of North Carolina at Greensboro	2,379	6	0.96%	2,800	4	1.20%
United States Postal Service	2,300	7	0.93%	2,800	5	1.20%
Ralph Lauren Corporation	2,201	8	0.89%	-		0.00%
The Volvo Group	2,200	9	0.89%	-		0.00%
Unifi Inc.	2,153	10	0.87%	-		0.00%
Bank of America				2,200	7	0.94%
American Express Credit Card Services				2,100	8	0.90%
United Parcel Service (UPS)				2,000	9	0.86%
Total County Employment <sup>2</sup>	247,698			233,211		

**Notes:**

<sup>1</sup> Principal employer data is from the Triad Business Journal and individual employers.

<sup>2</sup> Total County employment is for calendar years 2008 and 2017 from the North Carolina Department of Commerce.

**Source:**

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2018.



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**GUILFORD COUNTY BOARD OF EDUCATION  
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
Last Ten Fiscal Years**

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<u>Fiscal Year</u>	<u>Instructional Programs</u>	<u>Support Services</u>	<u>Total</u>
2009	6,662	3,005	9,667
2010	6,437	3,088	9,525
2011	6,494	3,051	9,545
2012	6,494	3,046	9,540
2013	6,537	2,949	9,486
2014	6,518	2,986	9,504
2015	6,377	3,013	9,390
2016	6,296	2,932	9,228
2017	6,242	2,935	9,177
2018	6,073	2,935	9,008

**Source:** *Statistical Profile* published by the State Board of Education, North Carolina Department of Public Instruction.

**GUILFORD COUNTY BOARD OF EDUCATION  
 COMPARATIVE AVERAGE DAILY MEMBERSHIP - SCHOOLS AND  
 SPECIAL PROGRAMS  
 Last Ten Fiscal Years**

	Average Daily Membership ("ADM")									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>ELEMENTARY SCHOOLS</b>										
Alamance Elementary	521	486	488	477	824	836	809	800	789	829
Alderman Elementary	414	408	396	374	395	366	377	343	331	351
Allen Jay Elementary	447	426	408	423	424	428	432	429	466	487
Archer Elementary	412	415	407	435	429	448	453	436	399	390
Bessemer Elementary	424	457	479	457	462	408	384	396	373	406
Bluford Elementary	276	280	293	285	290	302	347	331	335	358
Brightwood Elementary	539	556	590	569	573	574	717	718	703	722
Brooks Global	389	413	409	402	406	405	409	393	397	393
Claxton Elementary	608	593	607	578	614	611	626	624	613	681
Colfax Elementary	623	607	603	591	613	704	624	635	650	641
Cone Elementary	476	446	488	462	435	384	402	395	420	480
Erwin Elementary	248	262	290	292	310	300	299	311	299	282
Fairview Elementary	406	389	392	389	401	441	431	410	384	455
Falkener Elementary	566	548	546	543	588	602	552	591	594	573
Florence Elementary	699	693	683	688	704	740	776	856	817	835
Foust Elementary	373	337	345	366	376	377	323	313	339	326
Frazier Elementary	321	316	296	263	282	291	300	334	372	348
Gibsonville Elementary	512	499	463	447	448	459	462	458	437	462
Gillespie Park Elementary	237	240	258	254	240	223	218	226	231	266
Greene Elementary	488	497	504	509	485	502	509	521	465	480
Guilford Elementary	511	528	589	590	609	560	577	548	523	569
Hampton Elementary	291	301	300	253	259	243	264	249	252	265
Hunter Elementary	510	462	468	471	466	434	438	424	408	434
Irving Park Elementary	563	583	626	648	626	629	640	666	710	691
Jamestown Elementary	431	414	408	431	436	495	507	500	528	558
Jefferson Elementary	667	665	624	625	637	686	718	750	713	748
Jesse Wharton Elementary	518	479	490	471	510	540	763	808	876	883
Johnson Street Global Studies	354	317	291	267	249	223	236	243	248	272
Jones Elementary	684	672	676	706	705	688	716	699	690	682
Joyner Elementary	291	293	286	299	326	339	352	374	401	382
Kirkman Park Elementary	305	275	289	275	281	240	252	249	205	175
Lincoln Academy <sup>1</sup>	105	112	169	170	179	185	136	131	121	101
Lindley Elementary	485	498	491	493	457	421	391	408	443	403
Madison Elementary	230	224	224	199	207	216	243	255	271	252
McLeansville Elementary	332	316	369	364	439	421	409	416	389	416
McNair Elementary	522	548	581	598	561	480				
Millis Road Elementary	502	435	477	490	490	479	492	493	465	465
Monticello-Brown Summit Elementary	370	379	371	359	367	393	416	440	435	506
Montlieu Avenue Elementary	620	685	669	638	622	524	445	406	418	458
Morehead Elementary	629	650	621	594	572	548	533	521	479	478
Murphey Elementary	278	303	314	293	311	318	338	339	350	377
Nathanael Greene Elementary	260	257	253	247	273	296	326	366	364	377
Northern Elementary	636	598	599	581	598	672	860	838	836	834
Northwood Elementary	530	556	605	585	573	640	595	544	540	503
Oak Hill Elementary	452	465	462	458	420	426	431	415	389	377
Oak Ridge Elementary	743	731	745	708	667	685	682	685	659	740
Oak View Elementary	515	499	496	495	477	478	480	493	495	516
Parkview Elementary	308	344	348	354	332	345	337	390	420	473
Pearce Elementary	740	738	700	681	660	659	732	726	757	754
Peck Elementary	265	301	330	343	338	301	344	367	365	372
Peeler Elementary	296	321	345	339	364	378	376	357	348	337

Average Daily Attendance ("ADA")

2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
496	463	467	453	791	799	781	768	755	795
397	389	381	359	375	350	363	329	318	337
420	400	387	397	404	406	414	410	442	464
393	395	389	414	412	431	435	419	382	376
393	419	449	435	438	380	362	373	351	384
260	266	279	270	276	287	333	317	321	342
509	525	564	537	546	545	686	682	666	696
380	403	400	395	398	394	399	383	385	382
581	565	581	553	588	584	603	596	585	653
593	579	579	565	586	673	601	605	620	615
439	417	462	433	407	358	380	370	395	450
241	252	280	281	300	288	289	299	286	270
385	367	372	367	376	415	408	388	366	435
534	511	512	508	554	566	525	562	563	542
668	659	656	659	676	707	748	820	783	802
350	316	328	347	358	356	309	299	321	311
301	297	284	250	270	277	286	319	353	337
487	476	445	425	430	440	446	438	418	439
220	223	242	236	224	210	211	215	218	253
469	478	486	490	471	484	494	501	446	462
483	503	565	563	581	534	554	524	499	548
273	282	288	239	248	232	251	241	242	255
485	433	444	447	444	413	419	405	390	415
536	553	599	615	596	599	613	634	672	658
409	390	389	408	416	472	492	480	504	536
636	633	597	591	609	653	687	713	680	715
496	458	471	454	490	521	738	774	836	845
335	301	277	256	238	214	226	230	239	265
650	638	645	674	675	659	690	670	657	655
274	279	275	287	313	325	341	356	383	365
287	258	273	260	265	227	241	236	193	168
102	108	163	166	173	176	115	126	116	98
460	471	467	465	436	400	375	389	419	383
219	212	215	190	197	206	235	244	260	243
314	301	353	346	420	398	392	395	370	398
496	522	557	572	540	460				
481	417	458	470	470	459	474	473	448	448
348	353	350	341	351	374	397	418	415	485
587	647	638	611	595	500	427	391	399	438
604	623	596	573	553	526	518	503	459	462
263	290	302	280	298	305	327	327	338	365
245	242	240	233	261	284	313	348	347	360
609	572	577	556	574	645	831	807	800	802
494	519	570	548	542	603	568	518	511	480
429	439	442	437	400	404	412	394	368	360
716	701	721	684	643	660	660	657	629	710
485	472	469	468	454	457	461	471	472	493
288	322	328	334	314	328	320	369	395	447
710	707	674	653	637	632	707	694	723	726
248	282	313	324	323	286	329	347	340	353
277	304	329	324	352	364	361	343	333	323

**GUILFORD COUNTY BOARD OF EDUCATION  
COMPARATIVE AVERAGE DAILY MEMBERSHIP - SCHOOLS AND  
SPECIAL PROGRAMS  
Last Ten Fiscal Years**

	<b>Average Daily Membership ("ADM")</b>									
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>ELEMENTARY SCHOOLS (CONTINUED)</b>										
Pilot Elementary	611	654	702	724	786	882	869	832	859	879
Pleasant Garden Elementary	433	446	473	486	502	521	514	518	525	552
Rankin Elementary	750	698	768	760	736	759	715	668	617	635
Reedy Fork Elementary	425	395	412	424	439	480	522	521	482	442
Sedalia Elementary	434	431	453	426	430	407	474	452	485	460
Sedgefield Elementary	514	478	522	542	500	498	445	444	441	475
Shadybrook Elementary	404	429	458	495	531	590	594	606	615	622
Simkins Elementary	524	477	507	476						
Southern Elementary	297	313	305	306	325	327	328	287	249	285
Southwest Elementary	902	857	808	722	681	715	796	837	814	798
Sternberger Elementary	399	389	361	356	364	353	379	383	346	331
Stokesdale Elementary	535	506	470	461	464	505	525	536	564	566
Summerfield Elementary	650	645	627	565	594	664	691	660	698	678
Sumner Elementary	608	616	639	655	593	575	531	576	553	570
Triangle Lake Elementary	439	462	469	457	476	470	433	405	392	371
Union Hill Elementary	544	499	493	468	484	459	483	456	441	307
Vandalia Elementary	231	238	252	248	264	264	267	264	253	252
Washington Elementary	316	345	343	341	358	354	321	272	258	234
Wiley Acceleration/Enrichment	287	301	308	297	291	249	238	238	244	270
Total elementary schools	<u>32,225</u>	<u>31,996</u>	<u>32,531</u>	<u>32,038</u>	<u>32,128</u>	<u>32,415</u>	<u>32,604</u>	<u>32,575</u>	<u>32,348</u>	<u>32,890</u>
<b>MIDDLE SCHOOLS</b>										
Allen Jay Preparatory Academy	386	391	294	189	100					
Allen Middle	685	645	652	705	703	704	692	686	660	700
Swann Middle 5	602	572	611	608	598	620	588	635	618	655
Brown Summit Middle	242	241	240	237	242	245	243	236	233	224
Eastern Middle	961	938	887	902	894	972	983	943	913	887
Ferndale Middle	731	664	740	797	856	881	867	833	757	708
Guilford Middle	640	602	645	708	719	750	747	726	738	725
Hairston Middle	649	654	660	727	740	684	626	571	544	598
High School Ahead Academy	-	96	98	84	95	96	100	98	98	97
Jackson Middle	473	476	497	511	479	440	440	431	418	434
Jamestown Middle	1,101	1,049	1,035	1,097	1,182	1,154	1,135	1,083	1,032	1,052
Johnson Street Global Studies <sup>3</sup>	123	131	150	138	128	115	114	104	95	91
Kernodle Middle	775	777	753	829	855	971	956	961	989	970
Kiser Middle	877	827	757	784	823	875	947	824	758	704
Lincoln Academy <sup>3</sup>	548	591	507	511	536	577	599	567	580	592
Mendenhall Middle	711	739	731	820	862	930	930	983	965	933
Northeast Middle	706	755	731	768	845	828	864	835	829	841
Northern Middle	870	854	863	889	953	949	934	990	1,029	1,012
Northwest Middle	1,043	1,055	976	1,010	988	992	963	971	974	917
Penn-Griffin School for the Arts <sup>3</sup>	439	436	437	474	478	444	390	434	443	426
Southeast Middle	946	959	939	982	1,017	983	1,033	1,018	1,024	1,004
Southern Middle	755	729	720	713	766	797	845	783	798	763
Southwest Middle	1,190	1,112	1,083	1,132	1,160	1,146	1,103	1,087	1,104	1,088
Welborn Middle	348	421	387	428	465	486	508	522	543	576
Total middle schools	<u>15,801</u>	<u>15,714</u>	<u>15,393</u>	<u>16,043</u>	<u>16,484</u>	<u>16,639</u>	<u>16,607</u>	<u>16,321</u>	<u>16,142</u>	<u>15,997</u>



**Average Daily Attendance ("ADA")**

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
583	620	671	690	749	839	837	796	819	844
406	422	450	461	479	496	493	492	498	525
706	663	731	721	700	718	685	639	585	604
401	374	394	400	418	457	500	496	457	423
408	407	431	402	412	388	458	431	462	441
489	452	496	512	476	470	427	423	419	451
382	411	441	471	509	568	575	582	589	595
507	461	493	461						
280	293	290	288	311	312	312	273	238	270
871	821	779	695	654	688	769	805	782	768
383	375	349	341	351	338	366	369	331	321
512	483	452	440	446	485	507	517	543	541
624	615	606	539	569	638	669	635	669	651
577	585	611	624	563	546	509	550	523	546
420	441	450	438	457	447	418	385	370	353
514	470	471	441	459	435	461	435	416	292
219	224	240	236	252	251	257	255	243	244
302	317	328	326	345	334	307	258	241	220
262	274	285	277	269	234	224	223	228	251
<u>30,601</u>	<u>30,340</u>	<u>31,096</u>	<u>30,506</u>	<u>30,707</u>	<u>28,868</u>	<u>31,321</u>	<u>31,134</u>	<u>30,824</u>	<u>31,484</u>
370	375	284	184	96					
649	608	619	668	668	672	657	649	624	662
564	542	582	578	569	589	565	609	588	628
235	234	232	228	235	237	237	228	224	217
909	887	846	854	849	918	925	881	851	826
684	621	695	744	809	823	812	774	704	663
604	572	614	673	684	716	713	689	699	690
596	599	609	675	693	639	590	536	509	559
-	91	94	80	88	91	95	91	91	87
437	434	459	470	447	410	416	402	391	408
1,035	985	978	1,031	1,127	1,109	1,086	1,040	981	1,009
118	124	143	132	124	110	113	104	92	88
737	739	721	790	820	928	920	919	946	932
824	774	712	729	780	826	898	774	711	662
524	569	490	497	518	557	592	545	555	574
664	695	693	766	811	880	884	927	909	880
663	704	688	723	797	782	821	786	782	798
826	810	823	842	907	906	901	953	986	975
994	1,000	934	958	944	947	924	927	928	875
417	411	417	463	458	423	392	416	423	405
896	910	895	934	970	934	987	965	967	950
701	680	678	672	725	754	803	737	753	722
1,121	1,054	1,031	1,069	1,104	1,094	1,051	1,032	1,046	1,034
326	392	364	401	439	458	479	492	508	541
<u>14,894</u>	<u>14,810</u>	<u>14,601</u>	<u>15,161</u>	<u>15,662</u>	<u>15,803</u>	<u>15,861</u>	<u>15,476</u>	<u>15,268</u>	<u>15,185</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
 COMPARATIVE AVERAGE DAILY MEMBERSHIP - SCHOOLS AND  
 SPECIAL PROGRAMS  
 Last Ten Fiscal Years**

	Average Daily Membership ("ADM")									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>HIGH SCHOOLS</b>										
Andrews High	727	829	841	844	834	744	789	860	870	860
Bennett Middle College High	105	99	104	108	112	101	112	114	103	102
Dudley High	1,355	1,348	1,351	1,324	1,310	1,340	1,373	1,449	1,493	1,479
Eastern High	1,215	1,185	1,134	1,130	1,163	1,177	1,186	1,215	1,199	1,138
Greensboro College Middle College High	116	117	119	128	129	120	123	121	118	118
Grimsley High	1,694	1,627	1,689	1,676	1,735	1,759	1,700	1,699	1,715	1,785
GTCC East Middle College High	131	122	120	130	135	137	129	128	125	124
GTCC Middle College High	203	198	176	180	179	168	149	160	158	148
Guilford Early College High	197	198	196	196	193	194	199	194	193	193
High Point Central High	1,365	1,405	1,402	1,393	1,354	1,371	1,367	1,294	1,287	1,255
High Point Central Academy	125	130	141	136	130	137	133	135	124	97
High Point GTCC Middle College High	133	128	121	125	123	125	128	127	126	125
NC A&T Middle College High	121	122	112	103	104	124	109	101	96	94
Northeast High	988	1,037	1,031	1,010	1,013	1,003	1,060	1,097	1,122	1,151
Northern High	1,345	1,377	1,340	1,355	1,343	1,316	1,294	1,245	1,158	848
Northwest High	2,068	2,078	2,024	1,978	1,995	1,924	1,889	1,882	1,909	2,081
Page High	1,876	1,971	1,935	2,015	1,962	1,872	1,804	1,806	1,764	1,756
Penn-Griffin School for the Arts	154	153	196	214	215	196	174	156	107	88
Ragsdale High	1,449	1,489	1,495	1,423	1,389	1,367	1,311	1,365	1,386	1,469
Smith High	1,189	1,246	1,220	1,219	1,225	1,205	1,185	1,133	1,160	1,176
Smith Academy	206	204	210	221	205	203	221	233	200	199
Southeast High	1,325	1,312	1,366	1,361	1,407	1,416	1,337	1,287	1,285	1,281
Southern High	1,076	1,045	1,096	1,103	1,155	1,154	1,094	1,051	980	962
Southwest High	1,572	1,576	1,514	1,494	1,431	1,420	1,395	1,359	1,364	1,395
STEM Early College at NC A&T	186	179	190	150	102	49				
UNCG Middle College High	202	197	200	199	149	100	49			
Western High	1,220	1,261	1,291	1,293	1,226	1,225	1,241	1,287	1,344	1,339
Total high schools	22,343	22,633	22,614	22,508	22,318	21,947	21,386	21,498	21,386	21,263

Average Daily Attendance ("ADA")

2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
666	768	783	781	768	683	726	789	799	803
102	99	102	105	107	98	106	107	98	99
1,205	1,199	1,218	1,190	1,156	1,212	1,257	1,335	1,387	1,404
1,125	1,109	1,065	1,066	1,094	1,107	1,109	1,127	1,115	1,076
115	114	116	126	124	118	120	119	115	116
1,586	1,523	1,587	1,576	1,640	1,659	1,617	1,598	1,605	1,691
128	121	117	124	131	130	125	126	122	121
197	195	171	176	175	164	146	155	155	143
192	196	195	193	190	192	197	191	193	191
1,244	1,283	1,297	1,297	1,243	1,293	1,289	1,204	1,208	1,186
122	128	136	130	125	132	130	127	119	95
129	124	117	120	117	116	122	121	120	117
119	121	109	102	102	123	107	99	93	92
897	942	942	930	911	946	996	1,027	1,055	1,085
1,279	1,310	1,285	1,295	1,290	1,270	1,250	1,195	1,110	829
1,977	1,966	1,934	1,874	1,848	1,849	1,821	1,806	1,831	1,995
1,727	1,837	1,809	1,892	1,791	1,768	1,695	1,695	1,657	1,668
147	144	188	208	206	190	151	146	102	84
1,356	1,409	1,416	1,355	1,251	1,296	1,250	1,295	1,317	1,400
1,083	1,122	1,104	1,105	1,098	1,110	1,098	1,047	1,068	1,095
200	199	203	216	201	198	215	227	193	191
1,234	1,223	1,282	1,276	1,274	1,338	1,268	1,219	1,217	1,228
995	978	1,030	1,035	1,082	1,097	1,042	1,001	920	913
1,503	1,505	1,451	1,428	1,365	1,356	1,332	1,291	1,292	1,334
185	177	188	148	101	48				
198	194	197	194	146	97	47			
1,134	1,180	1,209	1,200	1,132	1,150	1,166	1,206	1,255	1,271
20,845	21,166	21,251	21,142	20,668	20,740	20,382	20,253	20,146	20,227

**GUILFORD COUNTY BOARD OF EDUCATION  
 COMPARATIVE AVERAGE DAILY MEMBERSHIP - SCHOOLS AND  
 SPECIAL PROGRAMS  
 Last Ten Fiscal Years**

	Average Daily Membership ("ADM")									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>SPECIAL SCHOOLS</b>										
Christine Joyner Greene	85	84	77	73	65					
Gateway Education Center	59	58	58	54	57	70	59	67	132	134
Guilford Newcomers School	283	443	285	302	245	246	215	231	256	239
Haynes Inman Education Center	77	77	76	74	80	72	62	54		
Herbin-Metz Education Center <sup>4</sup>	75	67	67	70	72	128	128	127	128	131
SCALE	35	42	44	48	36	36	34	45	46	44
Dean B. Pruette SCALE	17	25	33	27	18	32	31	35	37	44
Weaver Education Center	304	257	251	265	284	300	296	274	235	226
Total special schools	935	1,053	891	913	857	884	825	833	834	818
Total ADM	<u>71,304</u>	<u>71,396</u>	<u>71,429</u>	<u>71,502</u>	<u>71,787</u>	<u>71,885</u>	<u>71,422</u>	<u>71,227</u>	<u>70,710</u>	<u>70,968</u>
Total ADA										
ADA/ADM										

**Notes:**

- 1 Grades three through five.
- 2 Grades four and five.
- 3 Grades six through eight.
- 4 Formerly Haynes Inman Education Center.
- 5 Formerly Aycock Middle School.

**Average Daily Attendance ("ADA")**

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
81	81	74	69	65					
53	51	52	47	51	63	54	60	115	120
270	411	269	282	231	232	203	220	240	225
71	70	70	68	69	66	58	49		
69	61	64	65	67	121	124	123	124	126
27	33	36	39	30	30	27	36	36	32
15	21	27	23	16	29	28	28	29	36
286	243	236	252	271	291	287	264	227	220
872	971	828	845	800	832	781	780	771	759
<u>67.212</u>	<u>67.287</u>	<u>67.776</u>	<u>67.654</u>	<u>67.837</u>	<u>66.243</u>	<u>68.345</u>	<u>67.643</u>	<u>67.009</u>	<u>67.655</u>
<u>94.3%</u>	<u>94.2%</u>	<u>94.9%</u>	<u>94.6%</u>	<u>94.5%</u>	<u>92.2%</u>	<u>95.7%</u>	<u>95.0%</u>	<u>94.8%</u>	<u>95.3%</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
OPERATING STATISTICS  
Last Ten Fiscal Years**

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<b>Fiscal Year</b>	<b>Expenses<sup>2</sup></b>	<b>Student Average Daily Membership</b>	<b>Cost Per Pupil</b>	<b>Percentage Change in Per Pupil Cost</b>
2009	\$ 646,414,267	70,968	\$ 9,109	1.1%
2010	\$ 629,411,147	70,710	\$ 8,901	-2.3%
2011	\$ 628,164,361	71,115	\$ 8,833	-0.8%
2012	\$ 649,737,830	71,587	\$ 9,076	2.8%
2013 <sup>2</sup>	\$ 662,302,351	71,885	\$ 9,213	1.5%
2014	\$ 625,146,612	71,787	\$ 8,708	-5.5%
2015	\$ 670,108,220	71,502	\$ 9,372	7.6%
2016	\$ 666,210,926	71,429	\$ 9,327	-0.5%
2017	\$ 697,307,205	71,396	\$ 9,767	4.7%
2018	\$ 699,313,001	71,304	\$ 9,807	0.4%

**Notes:**

- <sup>1</sup> In 2014-15, Guilford County Schools elected to participate in the Community Eligibility Provision (CEP). CEP is a provision from the Healthy, Hunger-Free Kids Act of 2010 that allows schools and local educational agencies (LEAs) with high poverty rates to provide free breakfast and lunch to all students. CEP eliminates the burden of collecting household applications to determine eligibility for school meals, relying instead on information from other means-tested programs such as the Supplemental Nutrition Assistance Program and Temporary Assistance for Needy Families. Calculation of the Free and Reduced Lunch Percentage under the CEP model is as follows: (Number of low income students per CEP data X 1.6%)/Total Student Enrollment.
- <sup>2</sup> Expenses do not include unallocated depreciation expense, After School Care Enrichment Services, or individual school funds.

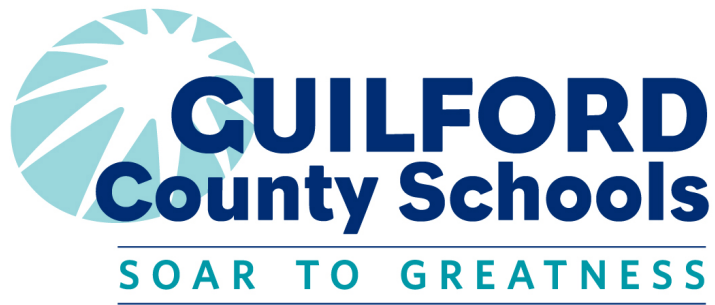
**Source:**

*Statistical Profile* published by the State Board of Education, North Carolina Department of Public Instruction.

Table 18

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<b>Teaching Staff</b>	<b>Pupil/Teacher Ratio</b>	<b>Student Attendance Percentage</b>	<b>Students Receiving Free/Reduced Meals Percentage</b>
4,844	14.7	95.3%	48.6%
4,976	14.2	94.8%	49.4%
4,897	14.5	95.0%	53.0%
4,920	14.6	95.7%	53.6%
4,943	14.5	92.2%	56.6%
4,994	14.4	94.5%	57.5%
4,982	14.4	94.6%	59.4%
4,881	14.6	94.9%	66.8% <sup>1</sup>
4,796	14.9	94.2%	66.8%
4,697	15.2	94.3%	61.8%



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**GUILFORD COUNTY BOARD OF EDUCATION  
INSTRUCTIONAL PERSONNEL  
Last Ten Fiscal Years**

Fiscal Year	Teacher Salaries			Education			
	Minimum	Maximum	Average	Bachelors Degree	Masters Degree	Doctorate	Other
2018	\$ 39,350	\$ 83,676	\$ 49,605	64.5%	34.3%	0.8%	0.4%
2017	\$ 39,350	\$ 80,046	\$ 48,768	72.1%	27.2%	0.2%	0.5%
2016	\$ 39,350	\$ 80,046	\$ 47,487	88.8%	10.7%	0.1%	0.4%
2015	\$ 37,350	\$ 71,490	\$ 47,054	69.2%	29.3%	0.2%	1.3%
2014	\$ 35,150	\$ 76,100	\$ 44,870	67.9%	30.6%	0.2%	1.3%
2013	\$ 35,150	\$ 76,100	\$ 43,025	71.5%	26.9%	0.1%	1.5%
2012	\$ 34,730	\$ 75,250	\$ 44,095	72.9%	25.5%	0.2%	1.4%
2011	\$ 34,730	\$ 75,250	\$ 44,031	74.5%	22.8%	0.3%	2.4%
2010	\$ 34,730	\$ 75,250	\$ 45,344	74.0%	24.2%	0.2%	1.6%
2009	\$ 34,730	\$ 75,250	\$ 42,880	74.5%	22.8%	0.3%	2.4%

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHOOL BUILDING DATA - ELEMENTARY, MIDDLE,  
HIGH SCHOOLS AND SPECIAL USE FACILITIES  
Last Ten Fiscal Years**

<b>School Name</b>	<b>Loc. No.</b>	<b>Site Acreage</b>	<b>Building Square Footage</b>	<b>2017-2018 Building Capacity</b>
<b>ELEMENTARY SCHOOLS</b>				
Alamance Elem.	304	33.49	95,437	790
Alderman Elem.	307	10.18	55,692	513
Allen Jay Elem.	310	21.46	49,744	491
Archer Elem.	322	8	47,056	548
Bessemer Elem.	328	17.64	68,893	714
Bluford Elem.	331	*	59,451	563
Brightwood Elem.	334	31.98	85,277	802
Brooks Global Studies	337	*	47,572	456
Monticello-Brown Summit Elem.	340	53.72	88,500	850
Claxton Elem.	343	10	56,724	700
Colfax Elem.	346	30.941	107,636	772
Cone Elem.	349	*	66,277	532
Erwin Montessori	361	9	53,800	479
Fairview Elem.	364	4.25	76,058	774
Falkener Elem.	366	*	85,277	802
Florence Elem.	370	14.9	78,712	799
Foust Elem.	373	9.44	50,246	537
Frazier Elem.	376	*	52,084	486
General Greene Elem.	388	12.07	41,242	608
Gibsonville Elem. (new bldg. & gym)	382	33.1	98,133	578
Gillespie Park Elem.	385	16.4	75,744	532
Guilford Elem.	400	33.264	89,639	808
Hampton Elem.	403	16	48,448	538
Hunter Elem.	409	29.48	88,635	686
Irving Park Elem.	412	11.8	58,701	829
Jamestown Elem.	418	15.01	61,724	677
Jefferson Elem.	423	25.744	88,500	850
Jesse Wharton Elem.	424	26.5	88,500	850
Johnson Street Elem. (K-5)	427	8.81	72,120	328
Jones Elem.	430	9	73,545	858
Joyner Elem.	436	15.08	44,320	579
Kirkman Park Elem.	439	8.85	42,589	515
Lincoln Academy (4-5)	448	*	*	120
Lindley Elem.	451	18.71	69,693	500
Madison Elem.	454	32.01	44,434	408
McLeansville Elem.	461	11.47	68,409	555
Millis Road Elem.	466	*	39,018	488
Montlieu Elem.	469	23.23	65,741	836
Morehead Elem.	472	7.82	44,914	368
Murphey Elem.	478	11.32	53,028	327
Nathanael Greene Elem.	481	12.78	52,652	502
Northern Elem.	486	60.5	79,633	790
Northwood Elem.	496	25.26	68,588	709
Oak Hill Elem.	499	7.16	60,820	578
Oak Ridge Elem.	502	31.84	103,891	825

<b>2017-2018 20th Day Enrollment</b>	<b>Percentage Over (Under) Capacity</b>	<b>Year Constructed</b>	<b>Years Renovations/ Additions</b>
526	67%	1946	1955, 59, 75, 2011
417	81%	1968	1975, 2002
443	90%	1955	1962, 71, 2002
408	74%	1962	1964
415	58%	1952	1960, 75, 84, 2002
276	49%	1956	1961, 63, 77, 2016, 2017
535	67%	2002	-
393	86%	1951	1952, 76, 2004
365	43%	2000	-
600	86%	1960	1962, 1965, 1974
610	79%	1955	1983, 99, 2002
466	88%	1935	1943, 61, 67, 69, 2002
252	53%	1949	1950, 52, 68, 72, 2002
406	52%	1956	1963, 66, 1999-Addition
575	72%	2002	-
699	87%	1955	1958, 60, 73, 83, 2002, 2006-Addition
363	68%	1965	1966
318	65%	1971	2002-Renovation part
488	80%	1956	1957, 1962, 2002-Addition
505	87%	1950, 2006	-
234	44%	1949	1959, 65, 74, 2003
518	64%	2007	-
297	55%	1964	1965
527	77%	2017	
574	69%	1952	1958, 60, 61, 68, 2006
423	62%	1930	1940, 59, 61, 82
655	77%	1999	-
514	60%	1998	-
356	109%	1955	1958, 1978
684	80%	1954	1958, 61, 63, 82, 2000
282	49%	1955	1958, 62, 89
318	62%	1961	1973
108	90%	1945	1949, 54, 61, 62, 63, 76, 82, 2002
481	96%	1928	1937, 58, 61, 75, 2003
227	56%	1977	2006
327	59%	1935	1951, 55, 56, 88, 2005, 2012
479	98%	1959	1961, 2002
625	75%	1956	1958, 61, 2002
620	168%	1968	2006
284	87%	1956	1958, 62, 63, 83
261	52%	1923	1935, 37, 41, 55, 56, 60, 77
632	80%	2008	-
532	75%	1956	1958, 59, 61, 91, 2002, 2016
458	79%	1955	1975
737	89%	1923	1924, 74, 2006

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHOOL BUILDING DATA - ELEMENTARY, MIDDLE,  
HIGH SCHOOLS AND SPECIAL USE FACILITIES  
Last Ten Fiscal Years**

<b>School Name</b>	<b>Loc. No.</b>	<b>Site Acreage</b>	<b>Building Square Footage</b>	<b>2017-2018 Building Capacity</b>
<b>ELEMENTARY SCHOOLS (CONTINUED)</b>				
Oak View Elem.	505	12.47	68,554	700
Parkview Elem.	511	15.93	80,512	596
Pearce Elem.	491	21.96	89,207	850
Peck Elem.	514	26.13	62,220	534
Peeler Elem.	517	14	49,376	502
Pilot Elem.	522	45	88,500	838
Pleasant Garden Elem.	523	23.36	114,703	836
Rankin Elem.	532	21	91,968	818
Reedy Fork Elem.	530	18.356	86,847	862
McNair Elem.	462	43.97	92,039	783
Sedalia Elem.	535	20.18	65,451	626
Sedgefield Elem.	538	9.67	52,592	524
Shadybrook Elem.	541	25.14	62,210	578
Simkins Elem.	542	30.1	92,812	790
Southern Elem.	553	*	39,052	396
Southwest Elem.	559	*	98,523	917
Sternberger Elem.	568	9.8	50,690	498
Stokesdale Elem.	571	22.19	88,464	590
Summerfield Elem.	574	26.18	96,616	796
Sumner Elem.	577	25	84,920	912
Triangle Lake Montessori	578	24.751	85,277	802
Union Hill Elem.	580	15	92,931	854
Vandalia Elem.	583	10	34,820	340
Washington Elem.	586	7.39	49,723	601
Wiley Elem.	598	8.43	60,198	449
<b>Total Elementary Schools</b>		<b>476.01</b>	<b>1,878,205</b>	<b>16,992</b>
<b>MIDDLE SCHOOLS</b>				
Allen Jay Middle - A Preparatory Academy	311	18	90,064	609
Allen Middle	316	41.46	124,909	1,143
Swann Middle	325	16.53	133,348	986
Brown Summit Middle	341	8.38	33,937	290
Eastern Middle	460	*	137,550	1,155
Ferndale Middle	367	*	149,372	1,213
Penn-Griffin Middle	391	35	168,696	900
Western Guilford Middle	397	32	157,889	1,242
Hairston Middle	402	79.85	141,332	1,155
Jackson Middle	415	34.67	112,459	998
Jamestown Middle	421	79.89	162,154	1,387
Johnson Street Middle (6-8)	427	*	*	215
Kernodle Middle	437	38.96	141,332	1,155
Kiser Middle	442	*	136,435	1,155
Lincoln Academy (6-8)	448	*	95,409	783
Mendenhall Middle	463	40.04	122,540	1,015
Northern Middle	488	*	141,084	1,114
Northeast Middle	487	*	131,034	1,073

<b>2017-2018 20th Day Enrollment</b>	<b>Percentage Over (Under) Capacity</b>	<b>Year Constructed</b>	<b>Years Renovations/ Additions</b>
507	72%	1953	1956, 60, 76, 2007
322	54%	1958	1961, 2008
736	87%	2007	-
257	48%	1929	1949, 52, 82, 84, 2006
291	58%	1968	1972, 2006
608	73%	1996	-
438	52%	1940	1952, 59, 82, 90, 2008
735	90%	1924	1952, 56, 83, 99
424	49%	2007	-
524	67%	2013	-
430	69%	1947	1955, 58, 63, 83, 2002, 2006
507	97%	1953	1955, 56, 64, 83, 2002
409	71%	1970	-
519	66%	2013	-
297	75%	1975	1976
900	98%	1979	2000
398	80%	1949	1953, 56, 58, 61, 1976
536	91%	1953	1955, 56, 60, 79, 82, 2007
643	81%	1936	1950, 52, 55, 59, 83, 2011
602	66%	1930	1935, 49, 56, 61, 62, 64, 1978
444	55%	2003	-
540	63%	2009	-
241	71%	1958	1966, 1974
324	54%	1951	1958, 1960, 1963
299	67%	1954	1956, 1961, 2002
<b>31,697</b>			
395	65%	1939	1950, 1960, 69, 76, 83, 2014
681	60%	1968	2011
610	62%	1922	1954, 57, 59, 61, 75, 82
243	84%	1954	1958, 1961
1274	110%	1999	-
735	61%	1931	1937, 48, 82, 2007
600	67%	1930	1940, 49, 52, 55, 56, 59, 79, 84, 2004
637	51%	2018	2018-Feb
654	57%	2002	-
485	49%	1959	1961, 1965
1095	79%	2010	-
125	58%	1955	1958, 1978
779	67%	2000	-
868	75%	1957	1966, 2002
557	71%	1945	1949, 54, 61, 62, 63, 76, 82, 2002
709	70%	1968	2002
860	77%	2007	-
706	66%	1967	2006

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHOOL BUILDING DATA - ELEMENTARY, MIDDLE,  
HIGH SCHOOLS AND SPECIAL USE FACILITIES  
Last Ten Fiscal Years**

<b>School Name</b>	<b>Loc. No.</b>	<b>Site Acreage</b>	<b>Building Square Footage</b>	<b>2017-2018 Building Capacity</b>
<b>MIDDLE SCHOOLS (CONTINUED)</b>				
Northwest Middle	493	*	144,210	870
Southeast Middle	550	*	138,341	969
Southern Middle	313	73.99	143,877	1,155
Southwest Middle	565	*	138,143	1,167
Welborn Middle	592	*	139,188	1,102
<b>Total Middle Schools</b>		<b>498.77</b>	<b>2,883,303</b>	<b>22,851</b>
<b>HIGH SCHOOLS</b>				
Andrews High	319	52.04	230,224	1,149
Dudley High	355	63.58	282,310	1,824
Eastern High	358	103.57	284,569	1,412
Grimsley High	394	105	228,045	1,962
High Point Central High	406	41.23	311,554	1,494
Kearns Academy	407	*	42,336	252
Northeast High	484	58.64	179,092	1,049
Northern High	489	99.89	270,000	1,412
Northwest High	490	82.98	231,110	1,863
Page High	508	54.45	220,174	1,962
Ragsdale High	529	72.06	367,837	1,580
Smith High	544	55	266,830	1,741
Smith Academy	545	4.3	39,248	335
Southeast High	547	73.65	247,939	1,454
Southern High	556	58.68	198,354	1,109
Southwest High	562	106.19	278,430	1,595
Weaver Ed. Center	589	11.75	110,970	320
Western High	595	62.22	245,373	1,602
<b>Total High Schools</b>		<b>1,105.23</b>	<b>4,034,395</b>	<b>24,115</b>
<b>SPECIAL USE FACILITIES</b>				
Gateway Ed. Center	379	14	98,782	372
Haynes-Inman Education Center	464	*	62,495	264
Herbin-Metz Education Center	457	*	51,385	204
Greene Education Center	458	*	57,266	204
Guilford Newcomers School	398	9.2	29,654	243
Pisgah Church Rd. SCALE Program	533	6.47	18,668	192
Dean B. Pruette SCALE School	534	1.89	27,475	192
Twilight High School		*	8,309	175
<b>Total Special Use Facilities</b>		<b>31.56</b>	<b>354,034</b>	<b>1,846</b>
<b>Total All Facilities</b>		<b>2,111.57</b>	<b>9,149,937</b>	<b>65,804</b>

**Notes:**

\* Site shared with other school(s).

<sup>1</sup> Does not include square footage for any mobile units or any square footage leased by Guilford County Schools.

<b>2017-2018 20th Day Enrollment</b>	<b>Percentage Over (Under) Capacity</b>	<b>Year Constructed</b>	<b>Years Renovations/ Additions</b>
1,044	120%	1970	2012
946	98%	1969	2011
752	65%	2007	2010
1,196	102%	1992	-
347	31%	1958	1961, 2001
<b>16,298</b>			
780	68%	1967	1973, 2000, 2011
1,433	79%	1928	1935, 1957, 1959, 1961, 1963, 1982, 2005, 2012
1,274	90%	1976/2009	1976, 2009
1,732	88%	1929	1933, 40, 54, 56, 58, 65, 76, 78, 2002, 2011, 2014
1,461	98%	1926	1941, 50, 53, 56, 62, 98, 03, 2013, 2016, 2017
129	51%	1950	1953, 2003
1,025	98%	1961	1962, 69, 85, 2007
1,370	97%	2008	-
2,103	113%	1962	1965, 1985, 2003, 2012
1,930	98%	1958	1962, 1964, 1976, 2004, 2011
1,494	95%	1959	1965, 1966, 1967, 1969, 1970, 2002, 2012, 2013
1,282	74%	1963	1965, 1968, 1975, 2001, 2017
210	63%	1973	1984, 2007
1,353	93%	1962	1975, 1976, 1980, 2005, 2010, 2012, 2015
1,095	99%	1970	1973, 1984, 2006, 2017
1,606	101%	1979	1988, 2007, 2011
307	96%	1980	-
1,255	78%	1968	1973, 1977, 2001, 2017
<b>21,839</b>			
59	16%	1983	1991-Addition, 1999-Renovation part
76	29%	2010	-
74	36%	2013	-
87	43%	2013	-
266	109%	1972	-
14	7%	1955	1971
7	4%	1947	2008-Renovation
-	0%	1955	-
<b>583</b>			
<b>70,417</b>			

**GUILFORD COUNTY BOARD OF EDUCATION  
CAPITAL LEASE AND INSTALLMENT PURCHASE PAYMENTS  
Last Ten Fiscal Years**

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<u>Fiscal Year</u>	<u>Department</u>	<u>Asset Description</u>	<u>Amount</u>
2009	Transportation	School Buses	\$ 3,971,287
2010	Transportation	School Buses	1,601,011
2011	Transportation	School Buses	2,571,228
2012	Transportation	School Buses	1,153,459
2013	Transportation	School Buses	3,942,108
2014	Transportation	School Buses	1,876,886
2015	Transportation	School Buses	41,111
2016	Transportation	School Buses	1,076,804
2017	Transportation	School Buses	4,438,916
2018	Transportation	School Buses	2,270,159



## COMPLIANCE SECTION

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This section of Guilford County Board of Education's (the "Board") Comprehensive Annual Financial Report (CAFR) presents various reports and schedules as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and the *State Single Audit Implementation Act*. It also contains the Independent Auditors' Reports on compliance and controls as required by the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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# **Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

## **Independent Auditors' Report**

Guilford County Board of Education  
Greensboro, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of Guilford County Board of Education (the "Board"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises the Board's basic financial statements, and have issued our report thereon dated December 17, 2018.

### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.



***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the financial statements of the Board are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, management has disclosed one instance of noncompliance in the notes to the financial statements.

***Purpose of this Report***

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

*Dixon Hughes Goodman LLP*

**Asheville, North Carolina  
December 17, 2018**

# **Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with Uniform Guidance and the State Single Audit Implementation Act**

## **Independent Auditors' Report**

Guilford County Board of Education  
Greensboro, North Carolina

### **Report on Compliance for Each Major Federal Program**

We have audited the Guilford County Board of Education's (the "Board") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2018. The Board's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Board's compliance.



***Opinion on Each Major Federal Program***

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

**Report on Internal Control over Compliance**

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Dixon Hughes Goodman LLP*

**Asheville, North Carolina  
December 17, 2018**

## **Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control over Compliance in Accordance with Applicable Sections of the Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditors' Report**

Guilford County Board of Education  
Greensboro, North Carolina

#### **Report on Compliance for Each Major State Program**

We have audited the Board's compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018. The Board's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Board's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of the audit requirements of Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



***Opinion on Each Major State Program***

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

**Report on Internal Control over Compliance**

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Board's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Dixon Hughes Goodman LLP*

**Asheville, North Carolina  
December 17, 2018**



**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major federal programs:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes  No

Identification of major federal programs:

CFDA Numbers

Names of Federal Program or Cluster

84.027  
 84.173  
 84.416  
 84.367

Special Education Cluster:  
 Grants to the States (IDEA, Part B)  
 Preschool Grants (IDEA Preschool)  
 ARRA – PACE Project (“Race to the Top”)  
 Supporting Effective Instruction State Grants

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 2,508,320

Auditee qualified as low-risk auditee?

Yes  No



**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF  
FEDERAL AND STATE AWARDS  
Year Ended June 30, 2018**

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<b><i>Federal Grants:</i></b>			
<u>U. S. Department of Education</u>			
Direct Programs:			
Indian Education Grant	84.060	PRC 310	\$ 37,962
Transition to Teaching	84.350	PRC 347, 350	14,589
Art Educators Grant	84.U01	PRC 344	227,823
ARRA - PACE Project ("Race to the Top")	84.416	PRC 345	2,383,287
			<u>2,663,661</u>
Passed through the N. C. Department of Public Instruction:			
Special Education Cluster:			
Grants to the States	84.027	PRC 060, 082 114, 118	12,796,235
Preschool Grants	84.173	PRC 049, 119	334,599
Total Special Education Cluster			<u>13,130,834</u>
Improving American School Act of 1994 (IASA) Title I, Part A			
Title I Grants to Local Education Agencies	84.010	PRC 050,100	24,939,696
School Improvement, Title I	84.010	PRC 105	1,809,033
Total Title I, Part A			<u>26,748,729</u>
Vocational Education - Basic Grants to States	84.048	PRC 017,058	1,045,130
Education for Homeless Children Grant	84.196	PRC 026	8,371
Arts in Education National Program	84.351	PRC 108	72,839
English Language Acquisition State Grants	84.365	PRC 104	1,036,574
Supporting Effective Instruction State Grants	84.367	PRC 103	2,040,474
Title III - Language Acquisition - Significant Increase	84.395	PRC 111	54,974
Total U. S. Department of Education			<u>44,137,925</u>
<u>U. S. Department of Agriculture</u>			
School Nutrition Program (Note 4):			
Child Nutrition Cluster:			
Passed through the N. C. Department of Public Instruction:			
National School Lunch Program	10.555	PRC 035	31,735,011
School Breakfast Program	10.553	PRC 035	44,084
Passed through the N. C. Department of Agriculture:			
Food Distribution Program (non-cash program)	10.555	PRC 035	2,567,188
Passed through the N. C. Department of Health and Human Services:			
Summer Food Service Program for Children	10.559	PRC 035	832,956
Total Child Nutrition Cluster			<u>35,179,239</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF  
FEDERAL AND STATE AWARDS  
Year Ended June 30, 2018**

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<b><i>Federal Grants (Continued):</i></b>			
<u>U. S. Department of Agriculture</u>			
Passed through the N. C. Department of Public Instruction:			
Equipment Assistance Grant	10.579	PRC 053	\$ 20,108
Fresh Fruit and Vegetable Program	10.582	PRC 035	596,397
Passed through the N. C. Department of Health and Human Services:			
Child and Adult Care Food Program	10.558	PRC 035	<u>657,527</u>
Total School Nutrition Program (Note 4)			<u>36,453,271</u>
Total U.S. Department of Agriculture			<u>36,453,271</u>
<u>U. S. Department of Defense</u>			
Direct Program:			
ROTC	12.000	PRC 301	<u>355,796</u>
Total Federal Awards			<u>\$ 83,610,653</u>
<b><i>State Grants:</i></b>			
<u>N. C. Department of Public Instruction</u>			
Cash assistance:			
State Public School Fund	N/A	xxxx	\$ 391,607,020
Vocational Education			
- State Months of Employment	N/A	PRC 013	20,674,983
- Program Support Funds	N/A	PRC 014	1,285,599
Driver Training	N/A	PRC 012	1,330,199
School Technology Fund	N/A	PRC 015	943,026
Public School Building Capital Fund	N/A	PRC 074	173,426
Non-cash assistance:			
Textbooks	N/A	PRC 130	<u>690,448</u>
Total N. C. Department of Public Instruction			<u>416,704,701</u>
<u>N. C. Department of Health and Human Services</u>			
Cash assistance:			
NC Pre-Kindergarten Program	N/A	xxxx	<u>3,563,604</u>
Total State Awards			<u>\$ 420,268,305</u>

**GUILFORD COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF  
FEDERAL AND STATE AWARDS  
Year Ended June 30, 2018**

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**Notes to the Schedule of Expenditures of Federal and State Awards**

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards ("SEFSA") includes the federal and state grant activity of the Guilford County Board of Education (the "Board") under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in the SEFSA is presented in accordance with the requirements of Title 2 *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the net position, changes in net position, or cash flows of the Board.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or cost principles contained in the Uniform Guidance as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Program Cluster

The School Nutrition Program is clustered by the N.C. Department of Public Instruction and is treated separately for state audit requirement purposes.



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