

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

GUILFORD COUNTY BOARD OF EDUCATION

Greensboro, North Carolina

For the Fiscal Year Ended June 30, 2019



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Guilford County Board of Education

TABLE OF CONTENTS

	INTRODUCTORY SECTION	Page No.
	Letter of Transmittal	i
	Guilford County Board of Education - Board Members and Principal Officials	xi
	Guilford County Schools - Organizational Chart.....	xii
	Certificate of Excellence in Financial Reporting Award - ASBO	xiii
	Certificate of Excellence in Financial Reporting Award - GFOA.....	xiv
	 FINANCIAL SECTION	
	Independent Auditors' Report.....	1
	Management's Discussion and Analysis	4
<u>Exhibit</u>	<i>Basic Financial Statements</i>	
	<i>Government-Wide Financial Statements:</i>	
1	Statement of Net Position	12
2	Statement of Activities	13
	<i>Fund Financial Statements:</i>	
3	Balance Sheet - Governmental Funds	15
4	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
4	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	17
5	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and State Public School Funds	18
6	Statement of Net Position - Proprietary Funds.....	20
7	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	21
8	Statement of Cash Flows - Proprietary Funds	22
9	Statement of Fiduciary Net Position	24
10	Statement of Changes in Fiduciary Net Position.....	25
	Notes to Financial Statements	26

Guilford County Board of Education

TABLE OF CONTENTS

<u>Schedule</u>	<u>FINANCIAL SECTION (CONTINUED)</u>	<u>Page No.</u>
Required Supplementary Information ("RSI")		
RSI-1	Schedule of the Board's Proportionate Share of the Net Pension Liability – Teachers' and State Employees' Retirement System.....	52
RSI-2	Schedule of the Board's Contributions – Teachers' and State Employees' Retirement System	53
RSI-3	Schedule of the Board's Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund	54
RSI-4	Schedule of the Board's Contributions – Retiree Health Benefit Fund	55
RSI-5	Schedule of the Board's Proportionate Share of the Net OPEB Asset – Disability Income Plan of North Carolina.....	56
RSI-6	Schedule of the Board's Contributions – Disability Income Plan of North Carolina	57
Individual and Combining Fund Statements and Schedules		
1	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund	58
2	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Capital Outlay Fund	59
3	Combining Balance Sheet – Nonmajor Governmental Funds.....	60
4	Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	61
5	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds	63
6	Schedule of Revenues, Expenditures and Changes in Fund Balances – Individual Schools Fund.....	64
7	Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP Modified Accrual Basis) – School Food Service Fund	66
8	Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP Modified Accrual Basis) – After School Care Enrichment Services Fund	67
9	Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	68
10	Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	70
<u>Table</u>	<u>STATISTICAL SECTION</u>	
1	Net Position by Component – Last Ten Fiscal Years	72
2	Changes in Net Position – Last Ten Fiscal Years	74
3	Governmental Funds – Fund Balances – Last Ten Fiscal Years	78
4	Governmental Funds – Changes in Fund Balances – Last Ten Fiscal Years	80
5	Governmental Fund Revenues by Source – Last Ten Fiscal Years.....	82
6	Governmental Fund Expenditures by Function – Last Ten Fiscal Years	84
7	Property Tax Levies and Collections for Guilford County – Last Ten Fiscal Years	86
8	Assessed and Estimated Actual Value of Taxable Property for Guilford County – Last Ten Fiscal Years.....	88

Guilford County Board of Education

TABLE OF CONTENTS

<u>Table</u>	STATISTICAL SECTION (CONTINUED)	<u>Page No.</u>
9	Property Tax Rates – All Direct and Overlapping Governments for Guilford County (Per \$100 of Assessed Value) – Last Ten Fiscal Years.....	90
10	Ratio of Outstanding Debt by Type for Guilford County – Last Ten Fiscal Years.....	92
11	Direct and Overlapping Governmental Activities Debt for Guilford County – June 30, 2017	93
12	Principal Taxpayers in Guilford County – Current Year and Nine Years Ago.....	94
13	Legal Debt Margin Information – Guilford County – Last Ten Fiscal Years	95
14	Demographic Statistics for Guilford County – Last Ten Fiscal Years.....	97
15	Principal Employers – Current Year and Nine Years Ago	98
16	Full-Time Equivalent Employees by Function – Last Ten Fiscal Years.....	99
17	Comparative Average Daily Membership – School and Special Programs – Last Ten Fiscal Years	100
18	Operating Statistics – Last Ten Fiscal Years.....	108
19	Instructional Personnel – Last Ten Fiscal Years	110
20	School Building Data – Elementary, Middle, High School and Special Use Facilities – Year Ended June 30, 2017	112
21	Capital Lease and Installment Purchase Payments – Last Ten Fiscal Years.....	117
COMPLIANCE SECTION		
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	118
	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	120
	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	122
<u>Schedule</u>		
11	Schedule of Findings and Questioned Costs	124
12	Corrective Action Plan	127
13	Summary Schedule of Prior Audit Findings.....	128
14	Schedule of Expenditures of Federal and State Awards.....	129

INTRODUCTORY SECTION

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.



LETTER OF TRANSMITTAL

November 15, 2019

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, 2019 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 more than 71,000 students at 125 schools as of the twentieth day of the 2019-20 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.

The district 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 125 schools, 68 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 three 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.

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Guilford County Schools administers all educational programs, employment activities and admissions without discrimination because of race, religion, national or ethnic origin, color, age, military service, disability, marital status, parental status, or gender, except where exemption is appropriate and allowed by law.

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.

In 1997 the North Carolina General Assembly passed legislation creating charter schools, an alternative to traditional public schools. Charter schools receive a per-pupil allocation of local county funds as defined by the legislation. Although county funds to the charter schools pass through the Board, the Board has no authority or responsibility related to the charter schools; therefore, they are not a component unit of the Board.

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 533,670. Our enrollment of approximately 71,000 students (*our Average Daily Membership for 2018-19 was 71,029 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 6.8% in fiscal year 2019 after increases of 1.1%, 9.64%, and 3.98% in fiscal years 2018, 2017, and 2016, respectively. Taxable sales are \$7.94 billion for fiscal year 2019 as compared to \$7.43 billion for fiscal year 2018. Guilford County has a labor force of approximately 252,000. Since 2009, the County's unemployment rate has exceeded both state and national averages. The accompanying graph shows that while Guilford County's year over year unemployment rate has trended downward since 2015, in the most recent year it has increased slightly upward. The County, State, and U.S. unemployment rates as of June 30, 2019 are 4.8%, 4.4%, and 3.8%, respectively. Guilford County's economy has continued to change and diversify. In March 2019, manufacturing accounted for 11.8% 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 55,000 students.

In late 2018, Forbes announced that for the second year in a row, North Carolina ranks No. 1 on its annual listing of "The Best States for Business". In March 2019, Chicago based Digital Third Coast ranked Greensboro 17th nationally in its survey of the best cities for manufacturing, based on growth in manufacturing jobs per 100,000 in population, median income, and median housing costs. Also, in March 2019, the Greensboro-High Point Metropolitan Statistical Area was ranked No. 8 nationally among metros in the 200,000 to 1 million population category by the Atlanta based Site Selection Magazine for the year 2018. The Greensboro-High Point Metropolitan Statistical Area has made the top 10 list every year since 2006.

Guilford County is centrally located in the Carolina Core, a corridor stretching across four mega sites, including two in the County, with 7,500+/- acres of certified land for advanced manufacturing, industrial sites, urban research parks, and mixed-use developments. The Carolina Core project is part of an effort to meet the Piedmont Triad Partnership's goal of attracting more than 50,000 jobs to the included area over the next 20 years

The County has a robust transportation and logistics infrastructure, stemming from access to major interstates, airports, railroads, and seaports. This has attracted a continuing inflow of additional capital and job creation in a wide array of existing and new industries, which positions the region to become a global logistics hub of the East Coast. The Greensboro/High Point/Guilford County Workforce Development Board reported a workforce totaling 252,000 in Guilford County as of June 2019, with 2,885 more people working compared to the same period one year ago. Annual taxable retail sales as of June 2019 were \$7,936,833,387, a 6.78% increase from the prior year.

In May 2019, Amazon confirmed it is building a 1 million-square-foot, \$150 million fulfillment center in Kernersville that will provide 1,000 full-time equivalent jobs. Having signed a 40-year lease, Amazon indicated hiring will start in 2020. The site is located in the Triad Business Park, which adjoins the western border of Guilford County. In addition, Amazon signed a 10-year lease for 38 acres in the Piedmont Corporate Park, located within Guilford County.

In August 2018, it was announced that 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 by 2025. 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 \$15.9 million in tax breaks, utility grants, and training programs. A City of Greensboro report indicates the project will create an approximate \$20 million increase in tax revenue over the next 10 years. An \$8.3 million widening of U.S. 70 to accommodate the distribution center is projected to be completed in early 2022. The nation's biggest employee-owned company, Publix had 38 stores in North Carolina, 42 in Tennessee, and 10 in Virginia as of mid-September 2018, compared with 788 in Florida. In Guilford County, Publix has a High Point retail location and is constructing a new retail facility in Jamestown.

The Piedmont Triad International Airport (PTIA), 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, and overhaul) or OEM (original, equipment manufacturer) such as current PTI tenants HAECO Americas and Honda Aircraft. 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 a new interstate system that will span North Carolina. A third runway added in 2002 at PTIA to accommodate FedEx was considered key in attracting aviation entities Honda Aircraft Co. and HAECO America, creating thousands of jobs.

Greensboro based HAECO Americas, an aircraft maintenance and overhaul company, completed construction of a \$60 million, 250,000 square-foot hangar in April 2018. At full capacity, the \$60 million, 250,000 square foot hangar will employ an additional 500 aircraft technicians and support staff. In April 2019, it was announced HAECO will expand its composite services business from China to North America. The expansion at its PTIA campus will enable HAECO to restore and maintain aircraft built from composite materials.

In May 2019, Honda Aircraft Co. announced a \$15.5 million project to add 82,000 square feet to its Honda Jet campus, with completion scheduled for July 2020. Since 2007, Honda Aircraft Co. has grown its

workforce to more than 1,800 and invested approximately \$160 million into its world headquarters campus near PTIA. Greensboro-based Honda Aircraft Co. led in deliveries in the very light jet category for the second consecutive year, delivering its 100th jet in 2018. Honda Jet has received type certification in Japan, Argentina, India, and Panama. It occupies more than 680,000 square feet at its headquarters and manufacturing campus on a 130-acre site, which includes a customer service center, a research and development center, and a productions facility.

The FedEx Express mid-Atlantic air hub at PTIA expanded its operations in September 2018 with approximately 400 new employees and eight new daily cargo flights. Later in the year, FedEx acknowledged plans for another ground hub to result in an unspecified number of jobs in Whitsett, which is located in the eastern part of the County.

The International Home Furnishings Market, the world's largest wholesale home-furnishings industry trade show, is located in High Point. The market is held twice annually, with an average of 150,000 people attending each year from more than 100 countries, utilizing 12 million square feet of permanent exhibit space in 180 buildings, and displaying furnishings from more than 2,000 exhibitors. Year over year furniture orders were up 7 percent in October 2018.

A recent report from UNC-Chapel Hill and Duke University's Global Value Chains Center indicates the High Point Market remains the State's largest economic event, bringing in an annual \$6.73 billion, and concludes that the market supports 42,427 jobs and generates \$616 million in tax revenue. In January 2019, the International Market Centers announced a three-year \$280 million-dollar investment in its three markets, one of which is the High Point Market.

In June 2019, the High Point City Council approved the annexation and rezoning of land parcels to move forward with construction of the Oasis Center, a 1.3 million square-foot research park with office and retail space, a 140-unit apartment complex to house researchers and employees, and a 110-room hotel. The proposed research campus is anticipated to result in 1,600 new jobs. In February 2019, Aetna announced plans to expand its presence in High Point with a \$2.5 million investment and 300 new jobs. Currently, Aetna's High Point operations employ 1,230. Hanes brand, Inc., based in Winston-Salem, NC, disclosed in November 2018 that it plans to expand with a new distribution center in High Point, creating 200 new hires.

High Point is undergoing a transformation of its downtown. May 2019 marked the inaugural season of its new \$36 million baseball stadium, BB&T Point. Within the vicinity of the baseball stadium there are plans for a park, 120-room hotel, a mixed-use structure with condos, offices, and retail, an apartment facility with underground parking, a children's museum, and the \$20 million Congdon Events Center.

In downtown Greensboro, the new Carroll at Bellemeade mixed-use development overlooking the First National Bank Baseball Field recently opened a 108-room Hyatt Place Hotel and 289 upscale apartments. Located within walking distance is the planned Steven Tanger Center for the Performing Arts. The \$84 million, 3,000 seat Tanger Center is slated to open in March 2020. South of the Carroll at Bellemeade and Tanger Center locations, a separate parking deck with an overhead walkway to a proposed Westin Hotel is planned. In addition, CN Hotels has begun preparations for the construction of a 120-room Hampton Inn & Suites near the governmental plaza.

In May 2019, plans were announced for a \$140 million development in downtown Greensboro including a 20-story office tower, an Aloft hotel, 280 apartments, a parking deck, and retail spaces such as restaurants, a grocery store, and a conference center. Phase I of the project is anticipated to begin in the spring of 2020.

With the relocation of Greensboro based VF Corporation to Denver, Colorado in August 2018, a new Greensboro based spinoff named Kontoor Brands was created. Consisting of Wrangler, Lee, Rock & Republic, and VF Outlet brands, Kontoor employs approximately 950 employees with plans to hire another 170 in its publicly traded Lee jeans brand.

In October 2018, Conduit Global, based in New York, said it was hiring another 400 through 2019 at its McLeansville call center to facilitate its recent expansion. In May 2019, New York City based apparel firm

Centric Brands signed a lease as an anchor tenant in a downtown Greensboro building, estimating it will bring 213 new jobs to the area.

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 General 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. The Board adopts budgets by fund and purpose for all governmental funds and the proprietary funds. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget and in funds provided by the federal, state, and local governments.

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**
- **Best Communities for Music Education** designation from The NAMM Foundation
- **United Way Spirit of North Carolina Award since 2013**
- **First-ever World Kindness District**
- **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 2019 GCS' graduation rate reached a **remarkable 89.1%** higher than four of the five largest districts in NC.
- **Eleven high schools achieved 100% graduation rates in 2019.** An additional eight schools, including seven traditional high schools, had graduation rates above 90%.
- **The STEM Early College at N.C. A&T** was named a **National Blue Ribbon School**.
- **The Early College at Guilford** was ranked **37th in the nation** and **first in the state** by U.S. News & World Report for 2018. **Weaver Academy**, the **STEM Early College at A&T** and **Penn-Griffin School for the Arts** were also in the **top 10 for the state**.
- **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 Middle College at UNCG** received the **2018 GOLD award** as one of America's Best Urban Schools.

TOP EDUCATORS

- 756 National Board Certified Teachers ranking **ninth in the country**
- 73.5% of schools **met or exceeded growth** in 2018-19

SUPERIOR STUDENTS

- At least seven winners in the 2018-19 **National Merit Scholarship** program.
- 44 students selected for 2019 **Governor's School of North Carolina**, the nation's oldest statewide summer residential program for academically gifted students.
- Students, teachers and administrators awarded state recognition by the **North Carolina Association for the Gifted and Talented**.
- Members of the Class of 2019 received the **Morehead-Cain Scholarship, Park Scholarship, Goodnight Scholarship and Duke Trinity Scholarship**.
- 1,200 students participated in **Battle of the Books**, and 2,000 attended the **Summer Arts Institute**.

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, 2019 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, 2019 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, 2019. 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, 2018. 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

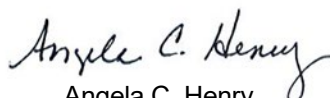
The preparation of this Report could not have been accomplished without the efforts and dedication of the Financial Services staff of Guilford County Schools and the independent audit firm. We would like to express our appreciation to all of the employees who contributed in the development of this Report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

GUILFORD COUNTY BOARD OF EDUCATION

**BOARD MEMBERS
AND
PRINCIPAL OFFICIALS**

BOARD OF EDUCATION

Deena A. Hayes, Chairperson
T. Dianne Bellamy Small, Vice Chairperson
Darlene Garrett
Byron Gladden
Khem Irby
Winston McGregor
Pat Tillman
Anita Sharpe
Linda Welborn

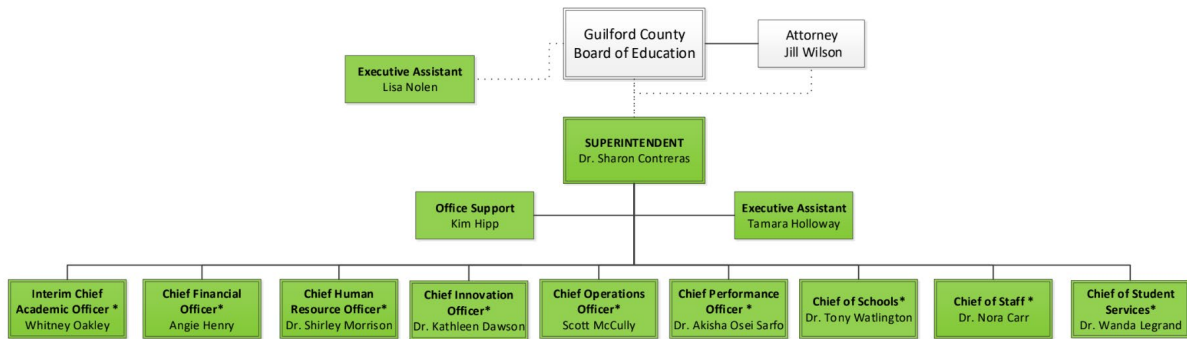
SUPERINTENDENT

Dr. Sharon L. Contreras

SUPERINTENDENT'S CABINET

Dr. Whitney Oakley, Interim 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
Dr. Akisha Osei Sarfo, 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, 2018.**

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



Tom Wohlleber, CSRM
President

Siobhán McMahon, CAE
Chief Operating Officer



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, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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.

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, 2019, 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, 2019, 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

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 through 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 with sufficient evidence to express an 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 November 15, 2019 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

Winston-Salem, North Carolina
November 15, 2019

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, 2019. 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 275 students (or .39%) 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 \$324,314,864.
- Total fund balance in the Board's General Fund increased from \$15.1 million at June 30, 2018 to \$20.5 million at June 30, 2019. The increase in the total fund balance was due primarily to the receipt of the final portion of the insurance proceeds for schools damaged by tornadoes in April 2018 as well as lower than budgeted expenditures.
- Unassigned fund balance is \$7,708,721 as of June 30, 2019. This figure represents 3.80% of our FY19 general fund final budget and 1.12% of our FY19 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 2019-20 county appropriation to the capital outlay fund was \$6,116,528 – 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.

The Guilford County Board of Education and Guilford County Board of County Commissioners received the final results of a school district-wide facilities and boundary optimization study in January 2019.

The two boards split the cost of the study by MGT Consulting Group to examine the district's long- and short-term facility needs. GCS encompasses more than 12 million square feet of building space to serve more than 73,000 pre-K-12 students. Local tax dollars, provided by the county commissioners, are used to maintain and upgrade GCS' 340 schools and buildings, which have an average age of 51 years.

The report suggests a comprehensive plan with an estimated cost of nearly \$1.5 billion that would be phased in over time to address shortcomings while also identifying areas where the district could more efficiently utilize space.

School and district buildings were assessed, scored and ranked based on the overall condition of the facility, educational suitability for 21st century learning, technology infrastructure and site, including age of facility infrastructure, quantity and size of appropriate academic and support spaces, and space utilization compared to short and long term student enrollment projections. These scores then were combined into one rating that was used to rank and prioritize schools by need by level (elementary, middle and secondary).

**Guilford County Board Of Education
Management's Discussion And Analysis
Year Ended June 30, 2019**

Per the study, a high percentage of district schools, particularly at the elementary school level, received unsatisfactory or poor ratings. Schools received some of the lowest scores for educational suitability, which indicates whether the facility and technology support current academic standards and instructional strategies. Facilities for maintenance, transportation and administration also received low ratings.

The consultants estimate that the total cost of building new schools, making needed repairs to aging systems, bringing all schools up to standard, eliminating the backlog of deferred maintenance and providing adequate funds for preventive and ongoing maintenance for school and support facilities will cost more than \$6.9 billion over the next 30 years.

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.

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, deferred outflows, liabilities and deferred inflows. 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, deferred outflows, liabilities and deferred inflows. 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.

**Guilford County Board Of Education
Management's Discussion And Analysis
Year Ended June 30, 2019**

- 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.

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

**Guilford County Board Of Education
Management's Discussion And Analysis
Year Ended June 30, 2019**

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.

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 \$324,314,864 as of June 30, 2019. The largest component of net position is the net investment in capital assets of \$902,784,654.

Information regarding net position is contained in the following two tables. Table 1 is a Condensed Statement of Net Position as of June 30, 2019 and Table 2 is a Condensed Statement of Activities for the year ended June 30, 2019.

Table 1						
Condensed Statement of Net Position as of June 30, 2019 and 2018						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Current assets	\$ 52,109,485	\$ 53,945,138	\$ 11,641,728	\$ 12,445,716	\$ 63,751,213	\$ 66,390,854
Non-current assets	1,717,875	1,671,667	-	-	1,717,875	1,671,667
Capital assets	900,249,942	923,462,798	3,521,753	3,344,011	903,771,695	926,806,809
Total assets	954,077,302	979,079,603	15,163,481	15,789,727	969,240,783	994,869,330
Deferred outflows of resources	198,041,330	159,853,857	5,390,908	4,406,484	203,432,238	164,260,341
Current liabilities	24,617,687	35,833,969	1,012,969	1,115,806	25,630,656	36,949,775
Long-term liabilities	1,025,835,481	1,114,727,346	28,447,223	30,755,508	1,054,282,704	1,145,482,854
Total liabilities	1,050,453,168	1,150,561,315	29,460,192	31,871,314	1,079,913,360	1,182,432,629
Deferred inflows of resources	406,016,822	310,692,279	11,057,703	8,600,354	417,074,525	319,292,633
Net investment in capital assets	899,262,901	921,192,639	3,521,753	3,344,011	902,784,654	924,536,650
Restricted net position	20,957,389	18,261,669	846	21,439	20,958,235	18,283,108
Unrestricted net position	(1,224,571,648)	(1,261,774,442)	(23,486,105)	(23,640,907)	(1,248,057,753)	(1,285,415,349)
Total net position	\$ (304,351,358)	\$ (322,320,134)	\$ (19,963,506)	\$ (20,275,457)	\$ (324,314,864)	\$ (342,595,591)

Note that net position increased by approximately \$18.28 million during the year. Also note that the Board carries capital assets for which Guilford County carries the offsetting debt.

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

**Guilford County Board Of Education
Management's Discussion And Analysis
Year Ended June 30, 2019**

Table 2						
Condensed Statement of Revenues, Expenses, and Changes in Net Position as of June 30, 2019 and 2018						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Revenues:						
Program revenues:						
Charges for services	\$ 10,153,143	\$ 8,388,698	\$ 13,470,393	\$ 13,331,383	\$ 23,623,536	\$ 21,720,081
Operating grants and contributions	489,247,558	476,449,107	35,976,854	36,406,280	525,224,412	512,855,387
Capital grants and contributions	7,884,034	2,145,935	-	-	7,884,034	2,145,935
General revenues:						
Unrestricted county appropriations	212,745,520	224,445,383	-	-	212,745,520	224,445,383
Unrestricted state appropriations	6,225,329	173,426	-	-	6,225,329	173,426
Investment earnings, net	712,487	245,733	107,650	84,357	820,137	330,090
Other revenues	9,089,989	8,958,422	2,281	33,896	9,092,270	3,988,921
						-
Total Revenues	736,058,060	720,806,704	49,557,178	49,855,916	785,615,238	770,662,620
Expenses:						
Governmental activities:						
Instructional programs	537,865,133	567,026,092	-	-	537,865,133	567,026,092
Supporting services	135,159,675	144,333,654	-	-	135,159,675	144,333,654
Ancillary services	303,456	165,892	-	-	303,456	165,892
Non-program charges	16,606,290	17,064,859	-	-	16,606,290	17,064,859
Depreciation	28,109,532	27,657,141	-	-	28,109,532	27,657,141
Business-type activities						
Food service	-	-	43,171,225	45,024,436	43,171,225	45,024,436
Child care	-	-	6,119,200	6,754,743	6,119,200	6,754,743
Total expenses	718,044,086	756,247,638	49,290,425	51,779,179	767,334,511	808,026,817
Revenue in excess of expenditures	18,013,974	(35,440,934)	266,753	(1,923,263)	18,280,727	(37,364,197)
Transfer	(45,198)	-	45,198	-	-	-
Increase in net position	17,968,776	(35,440,934)	311,951	(1,923,263)	18,280,727	(37,364,197)
Net position - beginning	(322,320,134)	(286,879,200)	(20,275,457)	(18,352,194)	(342,595,591)	(305,231,394)
Ending net position	\$ (304,351,358)	\$ (322,320,134)	\$ (19,963,506)	\$ (20,275,457)	\$ (324,314,864)	\$ (342,595,591)

**Guilford County Board Of Education
Management's Discussion And Analysis
Year Ended June 30, 2019**

Table 2 (Condensed Statement of Activities) reflects an increase in net position of \$17,968,776 for governmental activities. Total net position in the business-type activities increased by \$311,951.

Total governmental activities generated revenues of \$736 million while expenses in this category totaled \$718 million for the year ended June 30, 2019. Comparatively, revenues were \$721 million, and expenses totaled \$756 million for the year ended June 30, 2018. The increase in net position for total governmental activities stands at \$18 million at June 30, 2019, compared to a decrease of \$35 million in 2018. Instructional expenses comprised 75.0% of total governmental-type expenses while support services made up 18.8% of those expenses for 2019. County funding comprised 28.9% and 31.1% of total governmental revenue in 2019 and 2018, respectively. Much of the remaining 71% of total governmental revenue for 2019 consists of restricted state and federal money. The increase in net position for business-type activities stands at \$311,951 at June 30, 2019, compared to decrease in net position of \$1.9 million in 2018.

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 \$32.7 million, an increase of approximately \$9.7 million from last year. Most of this increase in the total fund balance was due primarily to the receipt of the final portion of the insurance proceeds for schools damaged by tornadoes in April 2018 as well as lower than budgeted expenditures.

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, 2019, expenses exceeded revenues in the School Food Service Fund by \$581,878. This is less than the previous year when expenses exceeded revenues by \$2.18 million. The difference is a reduction in salaries and benefits.

After School Care Enrichment Services (ACES) was provided to an average enrollment of 3,650 students at 54 elementary school sites in the district during the 2018-19 academic year. The weekly program fee was \$50 in 2018-19 and all ACES programs earned a three or four star license by the North Carolina Division of Child Development and Early Education.

For the year ended June 30, 2019, revenues exceeded expenses in the After School Care Enrichment Services Fund by \$893,829.

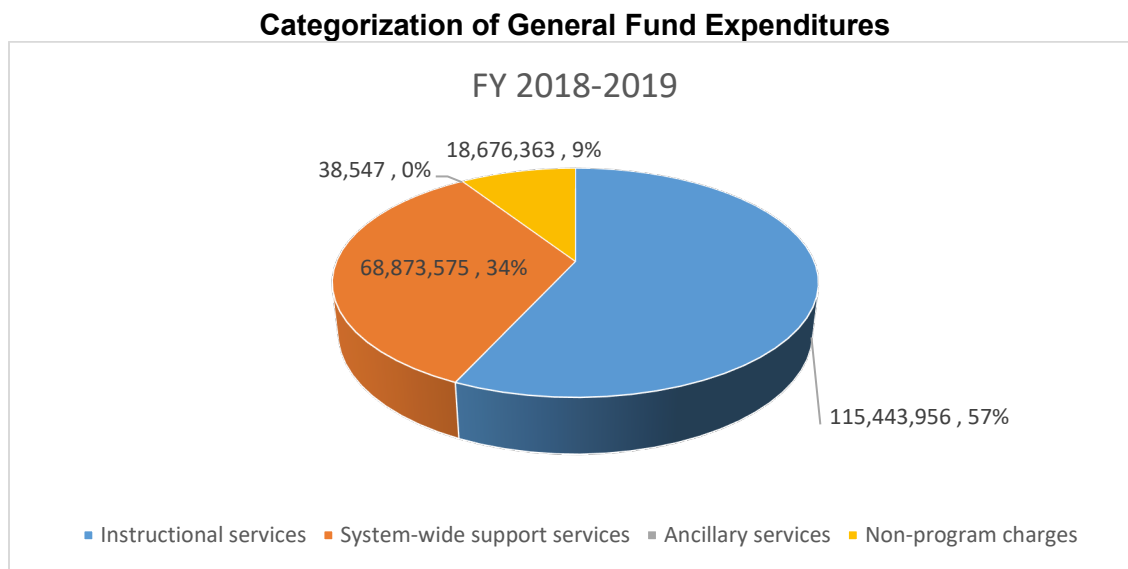
General Fund Budgetary Highlights

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 \$7,243,772 or 3.5% 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, 2018.

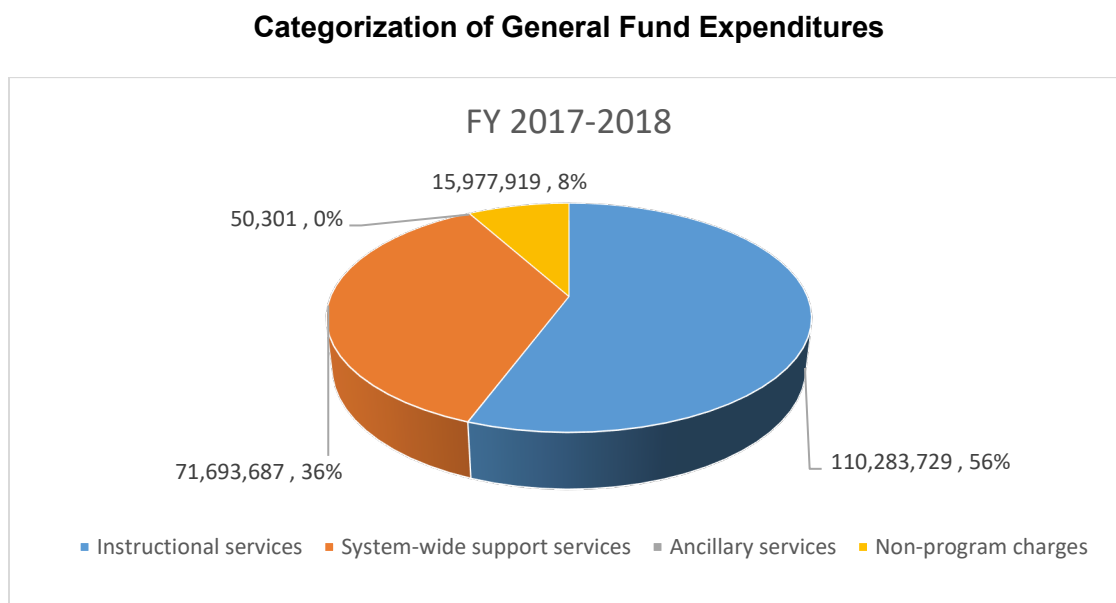
A review of Exhibit 5 (Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General and State Public School Funds) reflects a positive variance in the general fund final budgeted versus actual revenues.

**Guilford County Board Of Education
Management's Discussion And Analysis
Year Ended June 30, 2019**

Exhibit 5 also reflects a \$10.1 million positive variance in the general fund final budget versus actual expenditures. This was primarily made up of \$1 million in instructional services, \$8.1 million in system-wide support services and \$1 million in non-program charges.



(Expenditures presented on modified accrual basis of accounting.)



(Expenditures presented on modified accrual basis of accounting.)

**Guilford County Board Of Education
Management's Discussion And Analysis
Year Ended June 30, 2019**

Capital Assets

Capital assets decreased by \$23,035,114 (or 2.5%) 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.

Table 3						
Summary of Capital Assets as of June 30, 2019 and 2018						
	Governmental Activities		Business-Type Activities		Government-wide	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Land	\$ 26,082,299	\$ 26,082,299	\$ -	\$ -	\$ 26,082,299	\$ 26,082,299
Construction in progress	52,226,543	49,125,353	-	-	52,226,543	49,125,353
Land improvements	16,307,139	16,307,139	-	-	16,307,139	16,307,139
Buildings	778,296,698	804,863,826	84,352	87,192	778,381,050	804,951,018
Furniture and equipment	11,453,690	8,843,815	3,343,376	3,123,364	14,797,066	11,967,179
Vehicles	15,883,573	18,240,366	94,025	133,455	15,977,598	18,373,821
Total	<u>\$ 900,249,942</u>	<u>\$ 923,462,798</u>	<u>\$ 3,521,753</u>	<u>\$ 3,344,011</u>	<u>\$ 903,771,695</u>	<u>\$ 926,806,809</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

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.

GUILFORD COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2019

Exhibit 1

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 47,069,620	\$ 9,671,852	\$ 56,741,472
Receivables:			
Due from other governments	2,411,889	1,112,417	3,524,306
Other	1,680,082	72,126	1,752,208
Net OPEB asset	777,776	846	778,622
Internal balances	170,867	(170,867)	-
Inventories	-	955,354	955,354
Total current assets	52,110,234	11,641,728	63,751,962
Non-current assets:			
Deposits	1,717,875	-	1,717,875
Capital assets:			
Land and construction in progress	118,841,643	-	118,841,643
Other capital assets, net	781,408,299	3,521,753	784,930,052
Total capital assets	900,249,942	3,521,753	903,771,695
Total non-current assets	901,967,817	3,521,753	905,489,570
Total assets	954,078,051	15,163,481	969,241,532
DEFERRED OUTFLOWS OF RESOURCES	198,041,330	5,390,908	203,432,238
LIABILITIES			
Current liabilities:			
Accounts payable	3,344,595	84,352	3,428,947
Accrued salaries and related payables	16,165,116	118,728	16,283,844
Unearned revenues	858,774	438,728	1,297,502
Current portion of long-term obligations	4,249,951	371,161	4,621,112
Total current liabilities	24,618,436	1,012,969	25,631,405
Non-current liabilities:			
Non-current portion of long-term obligations	32,934,765	795,227	33,729,992
Net pension liability	279,237,658	7,631,117	286,868,775
Net OPEB liability	713,663,058	20,020,879	733,683,937
Total liabilities	1,050,453,917	29,460,192	1,079,914,109
DEFERRED INFLOWS OF RESOURCES	406,016,822	11,057,703	417,074,525
NET POSITION			
Net investment in capital assets	899,262,901	3,521,753	902,784,654
Restricted:			
Stabilization by State Statute	13,365,810	-	13,365,810
School capital outlay	1,898,087	-	1,898,087
Individual schools	3,661,747	-	3,661,747
Special programs	1,253,969	-	1,253,969
Net OPEB asset	777,776	846	778,622
Unrestricted (deficit)	(1,224,571,648)	(23,486,105)	(1,248,057,753)
Total net position	\$ (304,351,358)	\$ (19,963,506)	\$ (324,314,864)

The accompanying notes are an integral part of this statement.

GUILFORD COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Exhibit 2

Activities/Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Instructional services:				
Regular instructional	\$ 306,413,196	\$ -	\$ 250,634,820	\$ -
Special populations	91,067,728	-	85,758,434	-
Alternative programs	42,251,945	-	34,926,575	-
School leadership	42,135,569	-	27,977,289	-
Co-curricular	14,428,573	-	7,491	-
School-based support	41,568,122	10,067,512	31,265,738	-
Total instructional services	537,865,133	10,067,512	430,570,347	-
System-wide support services:				
Support and development	4,419,601	-	1,551,675	-
Special population support and development	5,153,779	-	3,032,526	-
Alternative programs and services support and development	2,180,213	-	1,764,838	-
Technology support	7,519,422	-	239,938	-
Operational support	93,303,123	85,631	45,118,523	7,884,034
Financial and human resource	11,054,616	-	2,735,989	-
Accountability	1,948,732	-	83,475	-
System-wide pupil support	2,405,756	-	205,623	-
Policy, leadership and public relations	7,174,433	-	2,610,396	-
Ancillary services	303,456	-	274,773	-
Non-program charges	16,606,290	-	1,059,455	-
Unallocated depreciation expense*	28,109,532	-	-	-
Total system-wide support services	180,178,953	85,631	58,677,211	7,884,034
Total governmental activities	718,044,086	10,153,143	489,247,558	7,884,034
BUSINESS-TYPE ACTIVITIES				
School Food Service	43,171,225	6,457,364	35,976,854	-
After School Care Enrichment Services	6,119,200	7,013,029	-	-
Total business-type activities	49,290,425	13,470,393	35,976,854	-
Total government-wide	\$ 767,334,511	\$ 23,623,536	\$ 525,224,412	\$ 7,884,034

GENERAL REVENUES

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

TRANSFERS

Change in net position

NET POSITION

Beginning of year
End of year

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

The accompanying notes are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (55,778,376)	\$ -	\$ (55,778,376)
(5,309,294)	-	(5,309,294)
(7,325,370)	-	(7,325,370)
(14,158,280)	-	(14,158,280)
(14,421,082)	-	(14,421,082)
(234,872)	-	(234,872)
(97,227,274)	-	(97,227,274)
(2,867,926)	-	(2,867,926)
(2,121,253)	-	(2,121,253)
(415,375)	-	(415,375)
(7,279,484)	-	(7,279,484)
(40,214,935)	-	(40,214,935)
(8,318,627)	-	(8,318,627)
(1,865,257)	-	(1,865,257)
(2,200,133)	-	(2,200,133)
(4,564,037)	-	(4,564,037)
(28,683)	-	(28,683)
(15,546,835)	-	(15,546,835)
(28,109,532)	-	(28,109,532)
(113,532,077)	-	(113,532,077)
(210,759,351)	-	(210,759,351)
-	(737,007)	(737,007)
-	893,829	893,829
-	156,822	156,822
(210,759,351)	156,822	(210,602,529)
202,610,398	-	202,610,398
10,135,122	-	10,135,122
4,641,995	-	4,641,995
1,583,334	-	1,583,334
712,487	107,650	820,137
7,319,189	2,281	7,321,470
1,770,800	-	1,770,800
228,773,325	109,931	228,883,256
(45,198)	45,198	-
17,968,776	311,951	18,280,727
(322,320,134)	(20,275,457)	(342,595,591)
\$ (304,351,358)	\$ (19,963,506)	\$ (324,314,864)

The accompanying notes are an integral part of this statement.

GUILFORD COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019

Exhibit 3

	Major Funds				Non-major Governmental Funds	Total Governmental Funds
	General Fund	State Public School Fund	Individual Schools Fund	Capital Outlay Fund		
ASSETS						
Cash and cash equivalents	\$ 34,628,729	\$ -	\$ 3,925,780	\$ 7,488,304	\$ 1,026,807	\$ 47,069,620
Receivables:						
Due from other governments	-	-	-	-	93,733	93,733
State of North Carolina	-	669,130	-	1,649,026	-	2,318,156
Other	760,211	-	-	4,802	915,069	1,680,082
Due from other funds	182,004	-	18,855	-	216,065	416,924
Self-funded insurance deposits	1,717,875	-	-	-	-	1,717,875
Total assets	<u>\$ 37,288,819</u>	<u>\$ 669,130</u>	<u>\$ 3,944,635</u>	<u>\$ 9,142,132</u>	<u>\$ 2,251,674</u>	<u>\$ 53,296,390</u>
LIABILITIES						
Accounts payable	\$ 1,408,723	\$ -	\$ 100,884	\$ 1,834,988	\$ -	\$ 3,344,595
Accrued salaries and related payables	15,402,253	669,130	-	-	93,733	16,165,116
Unearned revenues	-	-	-	-	858,774	858,774
Due to other funds	-	-	182,004	18,855	45,198	246,057
Total liabilities	<u>16,810,976</u>	<u>669,130</u>	<u>282,888</u>	<u>1,853,843</u>	<u>997,705</u>	<u>20,614,542</u>
FUND BALANCES						
Nonspendable:						
Self-insurance deposits	1,717,875	-	-	-	-	1,717,875
Restricted:						
Stabilization by State Statute	7,975,608	-	-	5,390,202	-	13,365,810
School capital outlay	-	-	-	1,898,087	-	1,898,087
Individual schools	-	-	3,661,747	-	-	3,661,747
Special programs	-	-	-	-	1,253,969	1,253,969
Committed:						
Buses	75,639	-	-	-	-	75,639
Assigned:						
Subsequent year's budget	3,000,000	-	-	-	-	3,000,000
Unassigned	7,708,721	-	-	-	-	7,708,721
Total fund balances	<u>20,477,843</u>	<u>-</u>	<u>3,661,747</u>	<u>7,288,289</u>	<u>1,253,969</u>	<u>32,681,848</u>
Total liabilities and fund balances	<u>\$ 37,288,819</u>	<u>\$ 669,130</u>	<u>\$ 3,944,635</u>	<u>\$ 9,142,132</u>	<u>\$ 2,251,674</u>	<u>\$ 53,296,390</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	\$ 32,681,848
Net OPEB asset	777,776
Net capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	900,249,942
Deferred outflows of resources related to pensions	153,136,443
Deferred outflows related to OPEB	44,904,887
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	(987,041)
Compensated absences payable	(35,087,355)
Net pension liability	(279,237,658)
Net OPEB liability	(713,663,058)
Deferred inflows of resources related to pensions	(11,513,875)
Deferred inflows of resources related to OPEB	(394,502,947)
Claims liabilities for retained risks	(1,110,320)
Total net position - governmental activities	<u>\$ (304,351,358)</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, 2019**

**Exhibit 4
Page 1 of 2**

	Major Funds				Non-major Governmental Funds	Total Governmental Funds
	General Fund	State Public School Fund	Individual Schools Fund	Capital Outlay Fund		
REVENUES						
State of North Carolina	\$ -	\$ 441,066,544	\$ -	\$ 1,583,334	\$ 3,903,329	\$ 446,553,207
Guilford County	202,610,398	-	-	10,135,122	-	212,745,520
U. S. Government agencies	-	-	-	-	48,919,674	48,919,674
Other	4,153,590	-	10,067,512	25,905	11,102,843	25,349,850
Total revenues	206,763,988	441,066,544	10,067,512	11,744,361	63,925,846	733,568,251
EXPENDITURES						
Current:						
Instructional services						
Regular instructional	69,926,173	248,920,015	-	-	2,909,362	321,755,550
Special populations	7,809,322	71,696,849	-	-	16,262,172	95,768,343
Alternative programs	4,935,949	12,582,978	-	-	26,257,432	43,776,359
School leadership	16,145,692	27,001,077	-	-	1,171,041	44,317,810
Co-curricular	4,434,811	7,491	10,146,720	-	186,565	14,775,587
School-based support	12,192,009	28,878,224	-	-	2,410,253	43,480,486
System-wide support services						
Support and development	3,053,506	544,734	-	-	1,067,447	4,665,687
Special population support and development	2,395,380	513,811	-	-	2,520,595	5,429,786
Alternative programs and services support and development	234,954	206,855	-	-	1,855,661	2,297,470
Technology support	7,557,689	239,938	-	-	29,581	7,827,208
Operational support	40,742,080	45,043,488	-	-	5,300,573	91,086,141
Financial and human resources	6,017,754	2,286,105	-	-	2,056,460	10,360,319
Accountability	1,840,260	83,475	-	-	112,077	2,035,812
System-wide pupil support	2,272,166	205,623	-	-	40,114	2,517,903
Policy, leadership, and public relations	4,759,786	2,601,618	-	-	112,133	7,473,537
Ancillary services	38,547	254,263	-	-	22,776	315,586
Non-program charges	18,676,363	-	-	-	1,063,104	19,739,467
Debt service:						
Principal	-	-	-	1,583,334	-	1,583,334
Capital outlay	-	-	-	10,538,376	-	10,538,376
Total expenditures	203,032,441	441,066,544	10,146,720	12,121,710	63,377,346	729,744,761
Revenues over expenditures	3,731,547	-	(79,208)	(377,349)	548,500	3,823,490
OTHER FINANCING SOURCES (USES)						
Installment purchase obligations issued	-	-	-	300,216	-	300,216
Insurance proceeds	1,770,800	-	-	3,852,181	-	5,622,981
Transfer from (to) other funds	(95,243)	-	-	95,243	(45,198)	(45,198)
Total other financing sources (uses)	1,675,557	-	-	4,247,640	(45,198)	5,877,999
Net change in fund balances	5,407,104	-	(79,208)	3,870,291	503,302	9,701,489
FUND BALANCES						
Beginning of year	15,070,739	-	3,740,955	3,417,998	750,667	22,980,359
End of year	\$ 20,477,843	\$ -	\$ 3,661,747	\$ 7,288,289	\$ 1,253,969	\$ 32,681,848

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, 2019**

**Exhibit 4
Page 2 of 2**

**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 \$ 9,701,489

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	\$ (31,458,822)	
Capital outlays	<u>8,247,761</u>	(23,211,061)

Net book value of assets disposed		(1,795)
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Principal payments on long-term debt		1,583,334
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Issuance of installment purchase obligations		(300,216)
--	--	-----------

Decrease in compensated absences payable		1,324,777
--	--	-----------

Decrease in estimated liabilities for retained risks		45,591
--	--	--------

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		50,203,749
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Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities		26,127,399
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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		(60,132,588)
Net OPEB expense		12,628,097

Change in net position of governmental activities		<u><u>\$ 17,968,776</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**

	General Fund				
	Budgeted Amounts		Actual	Variances	
	Original	Final		Final to Original	Actual to Final
REVENUES					
Guilford County	\$ 202,610,398	\$ 202,610,398	\$ 202,610,398	\$ -	\$ -
Other	3,303,424	3,303,424	4,153,590	-	850,166
Total revenues	205,913,822	205,913,822	206,763,988	-	850,166
EXPENDITURES					
Current:					
Instructional services	109,182,360	116,406,972	115,443,956	(7,224,612)	963,016
System-wide support services	77,066,875	77,032,673	68,873,575	34,202	8,159,098
Ancillary services	19,297	72,659	38,547	(53,362)	34,112
Non-program charges	19,650,290	19,650,290	18,676,363	-	973,927
Total expenditures	205,918,822	213,162,594	203,032,441	(7,243,772)	10,130,153
Revenues over (under) expenditures	(5,000)	(7,248,772)	3,731,547	(7,243,772)	10,980,319
OTHER FINANCING SOURCES (USES)					
Insurance proceeds	-	1,770,800	1,770,800	(1,770,800)	-
Transfers to other funds	(125,000)	(220,243)	(95,243)	(95,243)	125,000
	(125,000)	1,550,557	1,675,557	(1,866,043)	125,000
APPROPRIATED FUND BALANCE	130,000	5,698,215	-	5,568,215	(5,698,215)
Net change in fund balance	\$ -	\$ -	5,407,104	\$ -	\$ 5,407,104
FUND BALANCE					
Beginning of year			15,070,739		
End of year			\$ 20,477,843		

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, 2019**

**Exhibit 5
Page 2 of 2**

State Public School Fund				
	Budgeted Amounts		Variances	
	Original	Final	Actual	Final to Original Actual to Final
REVENUES				
State of North Carolina	\$ 428,062,993	\$ 448,033,978	\$ 441,066,544	\$ 19,970,985 \$ (6,967,434)
Total revenues	428,062,993	448,033,978	441,066,544	19,970,985 (6,967,434)
EXPENDITURES				
Current:				
Instructional services	388,304,751	393,798,878	389,086,634	(5,494,127) 4,712,244
System-wide support services	39,692,816	53,962,185	51,725,647	(14,269,369) 2,236,538
Ancillary services	65,426	272,915	254,263	(207,489) 18,652
Total expenditures	428,062,993	448,033,978	441,066,544	(19,970,985) 6,967,434
Net change in fund balance	\$ -	\$ -	-	\$ - \$ -
FUND BALANCE				
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, 2019

	School Food Service Fund	After School Care Enrichment Services Fund	Total Major Enterprise Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 7,104,597	\$ 2,567,255	\$ 9,671,852
Receivables			
Federal government	1,112,417	-	1,112,417
Due from other funds	45,198	-	45,198
Other	39,494	32,632	72,126
Total receivables	1,197,109	32,632	1,229,741
Net OPEB asset	489	357	846
Inventories	955,354	-	955,354
Total current assets	9,257,549	2,600,244	11,857,793
Noncurrent assets			
Capital assets	12,196,011	64,607	12,260,618
Accumulated depreciation	(8,674,258)	(64,607)	(8,738,865)
Net capital assets	3,521,753	-	3,521,753
Total assets	12,779,302	2,600,244	15,379,546
DEFERRED OUTFLOWS OF RESOURCES	4,162,292	1,228,616	5,390,908
LIABILITIES			
Current liabilities			
Accounts payable	84,352	-	84,352
Accrued payroll and related liabilities	88,888	29,840	118,728
Unearned revenues	378,128	60,600	438,728
Due to other funds	216,065	-	216,065
Current portion of long-term obligations	346,277	24,884	371,161
Total current liabilities	1,113,710	115,324	1,229,034
Noncurrent liabilities			
Net pension liability	5,891,530	1,739,587	7,631,117
Net OPEB liability	15,400,509	4,620,370	20,020,879
Noncurrent portion of long-term obligations	603,484	191,743	795,227
Total noncurrent liabilities	21,895,523	6,551,700	28,447,223
Total liabilities	23,009,233	6,667,024	29,676,257
DEFERRED INFLOWS OF RESOURCES	8,541,077	2,516,626	11,057,703
NET POSITION			
Investment in capital assets	3,521,753	-	3,521,753
Restricted for net OPEB asset	489	357	846
Unrestricted	(18,130,958)	(5,355,147)	(23,486,105)
Total net position	\$ (14,608,716)	\$ (5,354,790)	\$ (19,963,506)

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, 2019

	School Food Service Fund	After School Care Enrichment Services Fund	Total Major Enterprise Funds
OPERATING REVENUES			
Food sales	\$ 6,457,364	\$ -	\$ 6,457,364
After school enrichment fees	-	7,013,029	7,013,029
Other	-	-	-
Total operating revenues	<u>6,457,364</u>	<u>7,013,029</u>	<u>13,470,393</u>
OPERATING EXPENSES			
Food costs:			
Purchased food	18,841,003	-	18,841,003
Donated commodities	2,491,248	-	2,491,248
Salaries and benefits	18,051,587	5,376,332	23,427,919
Materials and supplies	323,419	252,698	576,117
Depreciation	587,220	-	587,220
Contracted services	303,933	134	304,067
Indirect costs	1,966,968	150,907	2,117,875
Other	605,847	339,129	944,976
Total operating expenses	<u>43,171,225</u>	<u>6,119,200</u>	<u>49,290,425</u>
Operating income (loss)	<u>(36,713,861)</u>	<u>893,829</u>	<u>(35,820,032)</u>
NONOPERATING REVENUES (EXPENSES)			
Federal reimbursements	33,443,917	-	33,443,917
Federal commodities	2,491,248	-	2,491,248
State reimbursements	41,689	-	41,689
Other	2,281	-	2,281
Interest revenue	107,650	-	107,650
Total nonoperating revenues	<u>36,086,785</u>	<u>-</u>	<u>36,086,785</u>
Transfer from other fund	<u>45,198</u>	<u>-</u>	<u>45,198</u>
Change in net position	(581,878)	893,829	311,951
NET POSITION			
Beginning of year	<u>(14,026,838)</u>	<u>(6,248,619)</u>	<u>(20,275,457)</u>
End of year	<u><u>\$ (14,608,716)</u></u>	<u><u>\$ (5,354,790)</u></u>	<u><u>\$ (19,963,506)</u></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, 2019

Exhibit 8
Page 1 of 2

	<u>School Food Service Fund</u>	<u>After School Care Enrichment Services Fund</u>	<u>Total Major Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 6,505,889	\$ 7,013,029	\$ 13,518,918
Cash paid for goods and services	(22,210,168)	(752,266)	(22,962,434)
Cash paid to employees for services	(18,805,447)	(5,625,503)	(24,430,950)
Net cash provided (used) by operating activities	(34,509,726)	635,260	(33,874,466)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal reimbursements	33,762,884	-	33,762,884
Net advances from (to) other funds	(39,232)	-	(39,232)
Net cash provided by noncapital financing activities	33,723,652	-	33,723,652
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of equipment	(764,962)	-	(764,962)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	107,650	-	107,650
Other	2,281	-	2,281
Net cash provided by financing activities	109,931	-	109,931
Transfer from other funds	45,198	-	45,198
Net increase (decrease) in cash and cash equivalents	(1,395,907)	635,260	(760,647)
CASH AND CASH EQUIVALENTS			
Beginning of year	8,500,504	1,931,995	10,432,499
End of year	\$ 7,104,597	\$ 2,567,255	\$ 9,671,852

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, 2019

Exhibit 8
Page 2 of 2

	<u>School Food Service Fund</u>	<u>After School Care Enrichment Services Fund</u>	<u>Total Major Enterprise Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (36,713,861)	\$ 893,829	\$ (35,820,032)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	587,220	-	587,220
Donated commodities consumed	2,491,248	-	2,491,248
Change in assets, deferred outflows, liabilities and deferred inflows:			
Decrease (increase) in accounts receivable	116,537	(5,731)	110,806
Increase in inventories	(326,104)	-	(326,104)
Decrease in net OPEB asset	16,033	4,560	20,593
Increase in deferred outflows of resources	(766,467)	(217,957)	(984,424)
Decrease in accounts payable	(4,707)	-	(4,707)
Decrease in accrued payroll and related liabilities	(188,360)	(70,201)	(258,561)
Increase in unearned revenues	48,525	-	48,525
Increase in net pension liability	1,044,388	296,991	1,341,379
Decrease in net OPEB liability	(2,785,813)	(792,197)	(3,578,010)
Increase (decrease) in compensated absences payable	13,085	(14,442)	(1,357)
Increase (decrease) in claims liabilities for retained risks	45,276	(3,667)	41,609
Increase in deferred inflows of resources	1,913,274	544,075	2,457,349
Net cash provided (used) by operating activities	<u>\$ (34,509,726)</u>	<u>\$ 635,260</u>	<u>\$ (33,874,466)</u>

**NONCASH OPERATING AND NONCAPITAL FINANCING
ACTIVITIES**

The School Food Service Fund consumed donated commodities with a value of \$2,491,248 during the fiscal year. The use of these commodities is reflected as a nonoperating revenue and an operating expense on Exhibit 7.

The accompanying notes are an integral part of this statement.

GUILFORD COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019

Exhibit 9

	<u>Private- Purpose Trusts</u>
ASSETS	
Cash and cash equivalents	<u>\$ 933,144</u>
Total assets	<u><u>\$ 933,144</u></u>
NET POSITION	
Restricted:	
Expendable for scholarships	\$ 378,810
Nonexpendable	<u>554,334</u>
Total net position	<u><u>\$ 933,144</u></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, 2019

Exhibit 10

	<u>Private- Purpose Trusts</u>
ADDITIONS	
Donations	\$ 250
Interest	<u>19,023</u>
Total additions	19,273
DEDUCTIONS	
Scholarships and other	<u>9,035</u>
Change in net position	10,238
NET POSITION	
Beginning of year	<u>922,906</u>
End of year	<u><u>\$ 933,144</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, 2019

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-four 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, 2019

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, 2019

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.

1. 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.

2. 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.

3. 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, 2019

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.

4. 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.

5. 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.

6. 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, 2019 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.

7. 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, 2019

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.

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, 2019

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 \$(337,033,206) 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)	\$ 1,408,014,042
Less accumulated depreciation	<u>507,764,100</u>
Net capital assets	900,249,942
Net OPEB asset used in governmental activities is not a financial resource and is therefore not reported in the funds	777,776
Pension related deferred outflows of resources	153,136,443
OPEB related deferred outflows of resources	44,904,887
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	(987,041)
Compensated absences	(35,087,355)
Net pension liability	(279,237,658)
Net OPEB liability	(713,663,058)
Claims liabilities for retained risks	(1,110,320)
Deferred inflows of resources related to pensions	(11,513,875)
Deferred inflows of resources related to OPEB	<u>(394,502,947)</u>
Net adjustment	<u>\$ (337,033,206)</u>

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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 \$8,267,287 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	\$ 8,247,761
Depreciation expense, the allocation of those assets over their useful lives, is recorded on the Statement of Activities but not in the fund statements	(31,458,822)
Net book value of assets disposed	(1,795)
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	1,583,334
Issuance of installment purchase obligations	(300,216)
Contributions to the pension plan in the current fiscal year are not recognized as an expense on the Statement of Activities	50,203,749
Contributions to the OPEB plan in the current fiscal year are not recognized as an expenses on the Statement of Activities	26,127,399
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	(60,132,588)
OPEB benefit	12,628,097
Decrease in estimated liabilities for retained risks	45,591
Decrease in compensated absences	<u>1,324,777</u>
Net adjustment	<u>\$ 8,267,287</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
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

2. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

During the fiscal year ended June 30, 2019, the Board reported expenditures within the School Food Service Fund that violated State law [G.S. 115C-441] because they exceeded the amounts appropriated in the budget ordinance. At the legal level of budgetary control, the School Food Service Fund exceeded the amounts appropriated in the budget ordinance by \$951,121. This violation occurred because the Board was not appropriately monitoring expenditures against the budget. See additional detail on Schedule 12 and 13.

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, 2019, the Board had deposits with banks with a carrying amount of \$15,102,022. 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, 2019 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	\$ 5,663,767	N/A	AAAm
Department of State Treasurer Short Term Investment Fund	Fair Value Level 2	<u>36,908,827</u> <u>\$ 42,572,594</u>	Duration of 1.5 years	Unrated

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

3. Accounts Receivable

Receivables at the government-wide level on June 30, 2019 were as follows:

	Due from Other Governments	Other
Governmental activities:		
General Fund	\$ -	\$ 760,211
State Public School Fund	669,130	-
Federal Fund	93,733	-
Individual Schools Fund	-	-
Capital Outlay Fund	1,649,026	4,802
Special revenue funds	-	915,069
	<u>\$ 2,411,889</u>	<u>\$ 1,680,082</u>
Business-type activities:		
School Food Service Program	\$ 1,112,417	\$ 39,494
ACES Program	-	32,632
	<u>\$ 1,112,417</u>	<u>\$ 72,126</u>

Due from other governments consists of the following:

Governmental activities:

State Public School Fund	\$ 669,130
Federal Fund	93,733
Capital Outlay Fund	<u>1,649,026</u>
	<u>\$ 2,411,889</u>

Longevity through NCDPI
Federal funds through NCDPI
Appropriations from county, sales tax

Business-type activities:

School Food Service Program	\$ <u>1,112,417</u>
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USDA reimbursements; sales tax

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

4. Capital Assets

Capital asset activity for the year ended June 30, 2019 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	49,125,353	8,209,325	(5,108,135)	52,226,543
Total capital assets not being depreciated	<u>75,207,652</u>	<u>\$ 8,209,325</u>	<u>\$ (5,108,135)</u>	<u>78,308,842</u>
Capital assets being depreciated:				
Land improvements	40,532,801	\$ -	\$ -	40,532,801
Buildings	1,200,503,037	1,128,413	-	1,201,631,450
Equipment and furniture	23,652,541	3,629,436	(14,001)	27,267,976
Vehicles	59,884,251	388,722	-	60,272,973
Total capital assets being depreciated	<u>1,324,572,630</u>	<u>\$ 5,146,571</u>	<u>\$ (14,001)</u>	<u>1,329,705,200</u>
Less accumulated depreciation for:				
Land improvements	24,255,662	\$ -	\$ -	24,225,662
Buildings	395,639,211	27,695,541	-	423,334,752
Equipment and furniture	14,808,726	1,017,766	(12,206)	15,814,286
Vehicles	41,643,885	2,745,515	-	44,389,400
Total accumulated depreciation	<u>476,347,484</u>	<u>\$ 31,458,822</u>	<u>\$ (12,206)</u>	<u>507,764,100</u>
Total capital assets being depreciated, net	<u>848,255,146</u>			<u>821,941,100</u>
Governmental activity capital assets, net	<u>\$ 923,462,798</u>			<u>\$ 900,249,942</u>
Business-type activities:				
School Food Service Program:				
Capital assets being depreciated:				
Buildings	\$ 127,859	\$ -	\$ -	\$ 127,859
Equipment and furniture	10,983,748	764,962	(68,099)	11,680,611
Vehicles	387,541	-	-	387,541
Total capital assets being depreciated	<u>11,499,148</u>	<u>\$ 764,962</u>	<u>\$ (68,099)</u>	<u>12,196,011</u>
Less accumulated depreciation for:				
Buildings	40,667	\$ 2,840	\$ -	43,507
Equipment and furniture	7,860,384	544,950	(68,099)	8,337,235
Vehicles	254,086	39,430	-	293,516
Total accumulated depreciation	<u>8,155,137</u>	<u>\$ 587,220</u>	<u>\$ (68,099)</u>	<u>8,674,258</u>
School Food Service capital assets, net	<u>3,344,011</u>			<u>3,521,753</u>

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

	<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>\$ 3,344,011</u>			<u>\$ 3,521,753</u>

Depreciation was charged to governmental functions as follows:

Unallocated	\$ 28,109,532
Operation support	2,321,196
Financial and human resource	<u>1,028,094</u>
	<u>\$ 31,458,822</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.

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.

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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, 2019, was 12.29% 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 \$51,459,522 for the year ended June 30, 2019.

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, 2019, the Board reported a liability of \$286,868,775 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2019 and at June 30, 2018, the Board's proportion was 2.881% and 2.943%, respectively.

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

The Board allocates its proportionate share based on each activity's contribution to TSERS. For the year ended June 30, 2019, the Board recognized pension expense for governmental activities and business-type activities of \$60,132,588 and \$1,550,144, respectively. At June 30, 2019, 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>
Change in proportion and differences between Board contributions and proportionate share of contributions	\$ -	\$ 8,959,278
Board contributions subsequent to the measurement date	51,459,522	-
Differences between expected and actual Experience	20,935,874	2,878,920
Changes of assumptions	57,567,185	-
Net difference between projected and actual earnings on pension plan investments	<u>27,338,644</u>	<u>-</u>
Total governmental activities	<u>\$ 157,301,225</u>	<u>\$ 11,838,198</u>

\$51,459,522 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:

2020	\$ 56,431,233
2021	34,820,118
2022	3,254,171
2023	<u>(502,017)</u>
	<u>\$ 94,003,505</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 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	7.0%, net of plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2015.

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

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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 7.0% which was a decrease of .2% from the discount 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 7.0%, 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Board's proportionate share of the net pension liability	\$ 547,107,370	\$ 286,868,775	\$ 68,502,821

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.

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.

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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 \$26,253,149.

At June 30, 2019, Board reported a liability of \$733,683,937 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The total OPEB liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2019 and 2018, the Board's proportion was 2.575% and 2.672%, respectively.

\$26,253,149 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:

2020	\$ (88,491,223)
2021	(88,491,223)
2022	(88,491,223)
2023	(88,412,771)
2024	<u>(34,147,776)</u>
	<u>\$(388,034,216)</u>

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% inflation and productivity factor
Investment rate of return	7.0%, 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	5.0%
Healthcare cost trend rate - administrative	3.0%

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 3.87%. 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 3.87% was used as the discount rate used to measure the total OPEB liability. The 3.87% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2018.

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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 (2.87 percent) or 1-percentage point higher (4.87 percent) than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB liability	\$ 866,854,977	\$ 733,683,937	\$ 626,933,065

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:

	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-6.25%, Medicare Advantage - 4.00%, Administrative - 2.00%)	Healthcare Trend Rates (Medical - 5.00-6.50%, Pharmacy - 5.00-7.25%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% Increase (Medical - 6.00-7.50%, Pharmacy - 6.00-8.25%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 605,270,150	\$ 733,683,937	\$ 902,266,089

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

2. Disability Benefits

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

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

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

Benefits Provided. Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing 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

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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, 2019, 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 \$586,195 for the year ended June 30, 2019.

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, 2019, Board reported an asset of \$778,622 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The total OPEB asset was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2019 and 2018, the Board's proportion was 2.5633% and 2.6146%, respectively.

\$586,195 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:

Year ending June 30:

2020	\$ 505,687
2021	505,609
2022	377,519
2023	291,777
2024	204,523
Thereafter	<u>204,443</u>
	<u>\$ 2,089,558</u>

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

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

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB asset	\$ 596,603	\$ 778,622	\$ 955,233

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2017 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, 2018. 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, 2015.

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	6.0%	4.0%
Totals	100.0%	

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 benefit (expense)	\$ 12,990,873	\$ (37,237)	\$ 12,953,636
OPEB liability (asset)	733,683,937	(778,622)	732,905,315
Proportionate share of the net OPEB liability (asset)	2.575%	2.563%	

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
Deferred of outflows and resources:			
Differences between expected and actual experience	-	1,358,231	1,358,231
Net difference between projected and actual earnings on plan investments	78,904	606,395	685,299
Changes in proportion and differences between Board contributions and proportionate share of contributions	17,092,968	8,141	17,101,109
Board contributions subsequent to the measurement date	26,253,149	586,195	26,839,344
Change of assumptions	<u>-</u>	<u>147,030</u>	<u>147,030</u>
	43,425,021	2,705,992	46,131,013
Deferred inflows of resources:			
Differences between expected and actual experience	50,172,543	-	50,172,543
Changes of assumptions	317,848,820	-	317,848,820
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>37,184,725</u>	<u>30,239</u>	<u>37,214,964</u>
	405,206,088	30,239	405,236,327

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.

4. Accounts Payable

Accounts payable at June 30, 2019 are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>
Governmental activities:		
General Fund	\$ 1,408,723	\$ 15,402,253
State Public School Fund	-	669,130
Individual Schools Fund	100,884	-
Capital Outlay Fund	1,834,988	-
Other governmental funds	<u>-</u>	<u>93,733</u>
Total - governmental activities	<u>\$ 3,344,595</u>	<u>\$ 16,165,116</u>

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

	<u>Vendors</u>	<u>Salaries and Benefits</u>
Business-type activities:		
School Food Service	\$ 84,352	\$ 88,888
ACES Program	<u>-</u>	<u>29,840</u>
Total - business-type activities	<u>\$ 84,352</u>	<u>\$ 118,728</u>

5. 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	\$ 153,136,444	\$ 11,513,875
OPEB deferrals – RHBF	42,251,052	394,472,937
OPEB deferrals – DIPNC	<u>2,653,834</u>	<u>30,010</u>
Total governmental activities	<u>198,041,330</u>	<u>406,016,822</u>
Business-type activities:		
Pension deferrals – TSERS	4,164,781	324,323
OPEB deferrals – RHBF	1,173,969	10,733,151
OPEB deferrals – DIPNC	<u>52,157</u>	<u>229</u>
Total business-type activities	<u>5,390,908</u>	<u>11,057,703</u>
Total deferrals	<u>\$ 203,432,238</u>	<u>\$ 417,074,525</u>

6. Unearned Revenue

The balance in unearned revenues at June 30, 2019 is composed of the following elements:

Governmental activities:	
Grant fund received in advance (Special Revenue Fund)	<u>\$ 858,774</u>
Business-type activities:	
Prepaid meal charges (School Food Service)	\$ 378,128
Prepaid enrollment fees (ACES Program)	<u>60,600</u>
Total - business-type activities	<u>\$ 438,728</u>

7. 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 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.

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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, 2019, the Board's combined balance in the risk financing funds amounted to \$1,717,875, which is recorded in the General Fund as self-funded insurance deposits. Of this balance, \$19,326 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 2018 and 2019 were as follows:

	<u>Beginning Balances</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balances</u>
Governmental activities				
2017 - 2018	\$ 1,940,851	\$ -	\$ 784,940	\$ 1,155,911
2018 - 2019	1,155,911	329,923	375,514	1,110,320
Business-type activities				
2017 - 2018	291,177	475,203	524,524	241,856
2018 - 2019	241,856	418,263	376,647	283,472

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.

8. Construction Commitments

The Board had entered into several planned projects for school construction and improvements as of June 30, 2019. Outstanding commitments as of June 30, 2019 were approximately \$7,114,000. The projects are commitments of 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.

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

9. Contingencies

At June 30, 2019, 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.

10. 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, January 2017 and November 2018, the Board entered into installment purchase contracts to finance the purchase of 26, 30 and 3 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 \$300,000.

The future minimum payments of the installment purchases as of June 30, 2019 are as follows:

Year Ending June 30:

2020	\$ 836,933
2021	75,054
2022	<u>75,054</u>
	<u>\$ 987,041</u>

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, 2019:

	Balance July 1, 2018 As Adjusted	Increases	Decreases	Balance June 30, 2019	Due Within One Year
Governmental activities:					
Installment purchases	\$ 2,270,159	\$ 300,216	\$ 1,583,334	\$ 987,041	\$ 836,933
Net pension liability	227,203,405	52,034,253	-	279,237,658	-
Net OPEB liability	852,459,854	-	138,796,796	713,663,058	-
Compensated absences	36,412,132	-	1,324,777	35,087,355	2,302,698
Claims liability for retained risk	<u>1,155,911</u>	<u>329,923</u>	<u>375,514</u>	<u>1,110,320</u>	<u>1,110,320</u>
	<u>\$1,119,501,461</u>	<u>\$ 52,664,392</u>	<u>\$ 142,080,421</u>	<u>\$ 1,030,085,432</u>	<u>\$ 4,249,951</u>
Business-type activities:					
Net pension liability	\$ 6,289,738	\$ 1,341,379	\$ -	\$ 7,631,117	\$ -
Net OPEB liability	23,598,889	-	3,578,010	20,020,879	-
Compensated absences	884,280	-	1,364	882,916	87,689
Claims liability for retained risks	<u>241,856</u>	<u>418,263</u>	<u>376,647</u>	<u>283,472</u>	<u>283,472</u>
	<u>\$ 31,014,763</u>	<u>\$ 1,759,642</u>	<u>\$ 3,956,021</u>	<u>\$ 28,818,384</u>	<u>\$ 371,161</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, 2019

11. Internal Balances and Activity

Transfers to/from other funds for the year ended June 30, 2019 consist of the following:

From the General Fund to the Capital Outlay Fund for purchase of activity bus	\$ 95,243
From Special Revenue Fund to Child Nutrition Fund for operational support	\$ 45,198

Interfund balances between funds at June 30, 2019 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Special revenue fund	School Food Service Fund	\$ 216,065	Operating costs
School Food Service Fund	Special revenue fund	\$ 45,198	Operating support
General fund	Individual schools fund	\$ 182,004	Operating costs
Individual schools fund	Capital outlay fund	\$ 18,855	Operating costs

12. 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	\$ 20,477,843
Less:	
Non-spendable portion	1,717,875
Restricted portion	7,975,608
Committed	75,639
Appropriated for subsequent year's budget	<u>3,000,000</u>
Fund balance available for appropriation	<u>\$ 7,708,721</u>

13. Encumbrances

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

General Fund	\$ 7,215,397
Capital Outlay Fund	\$ 5,390,202

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

GUILFORD COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

5. Summary Disclosure of Significant Contingencies

During the spring of 2018, a tornado directly impacted the Board of Education causing damage to certain buildings and other properties. Included in the financial statements for the year ended June 30, 2019 are \$2.05 million of operating expenses incurred. The Board also received \$1.77 million in insurance proceeds to assist in offsetting the expenses incurred related to the repair of properties and buildings.

REQUIRED SUPPLEMENTARY INFORMATION

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.

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 Six Fiscal Years *

RSI-1

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability	2.881%	2.943%	2.981%	3.044%	3.052%	3.006%
Board's proportionate share of the net pension liability	286,868,775	\$ 233,493,143	\$ 274,024,215	\$ 112,178,901	\$ 35,777,013	\$ 182,494,831
Board's covered payroll	401,533,835	\$ 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	71.44%	58.62%	70.82%	28.17%	9.21%	47.46%
Plan fiduciary net position as a % of the total pension liability	88.00%	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 Six Fiscal Years *

RSI-2

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 51,459,522	\$ 43,452,648	\$ 39,867,924	\$ 35,522,657	\$ 36,345,227	\$ 33,739,436
Contributions in relation to the contractually required contribution	<u>51,459,522</u>	<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>	<u>\$ -</u>
Board's covered payroll	\$ 432,594,100	\$ 401,533,835	\$ 398,344,948	\$ 386,903,501	\$ 398,154,674	\$ 388,478,717
Contributions as a percentage of covered payroll	11.90%	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 Three Fiscal Years *

RSI-3

	2019	2018	2017
Board's proportion of the net OPEB liability	2.5754%	2.6720%	2.6079%
Board's proportionate share of the net OPEB liability	\$ 733,683,937	\$ 878,058,743	\$ 1,134,540,199
Board's covered payroll	\$ 401,533,835	\$ 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	182.72%	220.43%	293.24%
Plan Fiduciary net position as a percentage of the total OPEB liability	4.40%	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 Three Fiscal Years *

RSI-4

	2019	2018	2017
Contractually required contribution	\$ 26,253,149	\$ 24,386,690	\$ 23,151,311
Contributions in relation to the contractually required contribution	26,253,149	24,386,690	23,151,311
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Board's covered payroll	\$ 432,594,100	\$ 401,533,835	\$ 398,344,948
Contributions as a percentage of the covered payroll	6.07%	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 Three Fiscal Years *

RSI-5

	2019	2018	2017
Board's proportion of the net OPEB asset	2.5633%	2.6146%	2.6759%
Board's proportionate share of the net OPEB asset	\$ 778,622	\$ 1,598,031	\$ 1,661,709
Board's covered payroll	\$ 401,533,835	\$ 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	0.19%	0.40%	0.43%
Plan Fiduciary net position as a percentage of the total OPEB asset	108.47%	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 Three Fiscal Years *

RSI-6

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 586,195	\$ 564,320	\$ 1,513,304
Contributions in relation to the contractually required contribution	<u>586,195</u>	<u>564,320</u>	<u>1,513,304</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 432,594,100	\$ 401,533,835	\$ 398,344,948
Contributions as a percentage of the covered payroll	0.14%	0.14%	0.38%

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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.

THE GENERAL FUND

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].

GUILFORD COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2019

Schedule 1

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Guilford County:			
Appropriation from general revenues	<u>\$ 202,610,398</u>	<u>\$ 202,610,398</u>	<u>\$ -</u>
Total Guilford County	<u>202,610,398</u>	<u>202,610,398</u>	<u>-</u>
Other:			
Fines and forfeitures	3,000,000	3,198,959	198,959
Interest earned on investments	303,424	712,487	409,063
Other	<u>-</u>	<u>242,144</u>	<u>242,144</u>
Total other	<u>3,303,424</u>	<u>4,153,590</u>	<u>850,166</u>
Total revenues	<u>205,913,822</u>	<u>206,763,988</u>	<u>850,166</u>
EXPENDITURES			
Current:			
Instructional services:	116,406,972	115,443,956	963,016
System-wide support services:	77,032,673	68,873,575	8,159,098
Ancillary services	72,659	38,547	34,112
Non-program charges	<u>19,650,290</u>	<u>18,676,363</u>	<u>973,927</u>
Total expenditures	<u>213,162,594</u>	<u>203,032,441</u>	<u>10,130,153</u>
Revenues over (under) expenditures	<u>(7,248,772)</u>	<u>3,731,547</u>	<u>10,980,319</u>
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	1,770,800	1,770,800	-
Transfers to other funds	<u>(220,243)</u>	<u>(95,243)</u>	<u>125,000</u>
Total other financing sources	<u>\$ 1,550,557</u>	<u>1,675,557</u>	<u>125,000</u>
Revenues under expenditures and other financing uses	<u>(5,698,215)</u>	<u>5,407,104</u>	<u>11,105,319</u>
APPROPRIATED FUND BALANCE	<u>5,698,215</u>	<u>-</u>	<u>(5,698,215)</u>
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>5,407,104</u>	<u>\$ 5,407,104</u>
Fund balance, beginning of year		<u>15,070,739</u>	
Fund balance, end of year		<u>\$ 20,477,843</u>	

THE CAPITAL OUTLAY FUND

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

GUILFORD COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL OUTLAY FUND
Year Ended June 30, 2019

Schedule 2

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
State of North Carolina:			
Public School Building Capital Fund	\$ 25,780	\$ -	\$ (25,780)
State appropriations - school buses	1,583,334	1,583,334	-
Total state of North Carolina	1,609,114	1,583,334	(25,780)
Guilford County:			
Appropriation	15,041,172	7,343,486	(7,697,686)
Bond proceeds	14,463,473	2,791,636	(11,671,837)
Total Guilford County	29,504,645	10,135,122	(19,369,523)
Other	3,417,997	25,905	(3,392,092)
Total revenues	34,531,756	11,744,361	(22,787,395)
EXPENDITURES			
Debt service:			
Principal		1,583,334	
Capital outlay:			
Category I projects		9,921,949	
Category II projects		534,908	
Category III projects		81,519	
Total capital outlay		10,538,376	
Total expenditures	36,099,562	12,121,710	23,977,852
Revenues over expenditures	(1,567,806)	(377,349)	1,190,457
OTHER FINANCING SOURCES			
Installment purchase obligations issued	300,216	300,216	-
Insurance proceeds	3,852,181	3,852,181	-
Transfers from other funds	95,243	95,243	-
Total other financing sources	4,247,640	4,247,640	-
Revenues and other financing sources over expenditures	2,679,834	3,870,291	1,190,457
APPROPRIATED FUND BALANCE	(2,679,834)	-	2,679,834
Net change in fund balance	\$ -	3,870,291	\$ 3,870,291
FUND BALANCE			
Beginning of year		3,417,998	
End of year		\$ 7,288,289	

NON-MAJOR GOVERNMENTAL FUNDS

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, 2019

Schedule 3

	Federal Grants	Special Revenue Fund	Total
ASSETS			
Cash	\$ -	\$ 1,026,807	\$ 1,026,807
Receivables:			
Federal government	93,733	-	93,733
Other	-	915,069	915,069
Due from other funds	-	216,065	216,065
Total receivables	93,733	1,131,134	1,224,867
Total assets	<u>\$ 93,733</u>	<u>\$ 2,157,941</u>	<u>\$ 2,251,674</u>
LIABILITIES			
Accrued salaries and related payables	\$ 93,733	\$ -	\$ 93,733
Unearned revenues	-	858,774	858,774
Due to other funds	-	45,198	45,198
Total liabilities	93,733	903,972	997,705
FUND BALANCES			
Restricted:			
Special programs	-	1,253,969	1,253,969
Total liabilities and fund balances	<u>\$ 93,733</u>	<u>\$ 2,157,941</u>	<u>\$ 2,251,674</u>

GUILFORD COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2019

Schedule 4
Page 1 of 2

	Federal Grants	Special Revenue Fund	Total
REVENUES			
State of North Carolina:			
NC Pre-Kindergarten Program	\$ -	\$ 3,903,329	\$ 3,903,329
School Impact	-	-	-
Total State of North Carolina	-	3,903,329	3,903,329
U. S. Government:			
ROTC Grant	-	327,309	327,309
Indian Education Grant	-	40,947	40,947
Art Educators Grant	-	370,410	370,410
Other	48,181,008	-	48,181,008
Total U.S. Government	48,181,008	738,666	48,919,674
Other:			
Medicaid	-	6,115,221	6,115,221
Indirect cost	-	3,284,084	3,284,084
Other	-	1,703,538	1,703,538
Total other	-	11,102,843	11,102,843
Total revenues	48,181,008	15,744,838	63,925,846

GUILFORD COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2019

Schedule 4
Page 2 of 2

	Federal Grants	Special Revenue Fund	Total
EXPENDITURES			
Current:			
Instructional services:			
Regular instructional	\$ 1,714,799	\$ 1,194,563	\$ 2,909,362
Special populations	14,061,585	2,200,587	16,262,172
Alternative programs	22,343,597	3,913,835	26,257,432
School leadership	976,212	194,829	1,171,041
Co-curricular	-	186,565	186,565
School-based support	2,387,514	22,739	2,410,253
Total instructional services	41,483,707	7,713,118	49,196,825
System-wide support services:			
Support and development	1,006,941	60,506	1,067,447
Special population support and development	2,518,715	1,880	2,520,595
Alternative programs and services support and development	1,557,983	297,678	1,855,661
Technology support	-	29,581	29,581
Operational support	75,035	5,225,538	5,300,573
Financial and human resources	449,884	1,606,576	2,056,460
Accountability services	-	112,077	112,077
System-wide support services	-	40,114	40,114
Policy, leadership, and public relations	8,778	103,355	112,133
Total system-wide support services	5,617,336	7,477,305	13,094,641
Ancillary services	20,510	2,266	22,776
Non-program charges	1,059,455	3,649	1,063,104
Total expenditures	48,181,008	15,196,338	63,377,346
Transfer to other funds	-	(45,198)	(45,198)
Net change in fund balances	-	503,302	503,302
FUND BALANCES:			
Beginning of year	-	750,667	750,667
End of year	\$ -	\$ 1,253,969	\$ 1,253,969

GUILFORD COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2019

Schedule 5

	Federal Fund			Special Revenue Fund		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
REVENUES						
State of North Carolina	\$ -	\$ -	\$ -	\$ 3,936,661	\$ 3,903,329	\$ (33,332)
U. S. Government agencies	68,962,487	48,181,008	(20,781,479)	1,681,688	738,666	(943,022)
Other	-	-	-	12,286,461	11,102,843	(1,183,618)
Total revenues	68,962,487	48,181,008	(20,781,479)	17,904,810	15,744,838	(2,159,972)
EXPENDITURES						
Current:						
Instructional services	54,591,460	41,483,707	13,107,753	9,917,498	7,709,950	2,207,548
System-wide support services	8,556,918	5,617,336	2,939,582	8,374,766	7,477,305	897,461
Ancillary services	20,510	20,510	-	10,100	2,266	7,834
Non-program charges	5,793,599	1,059,455	4,734,144	22,472	3,649	18,823
Total expenditures	68,962,487	48,181,008	20,781,479	18,324,836	15,193,170	3,131,666
Revenues over (under) expenditures	-	-	-	(420,026)	551,668	971,694
Transfer to other funds	-	-	-	-	(45,198)	(45,198)
APPROPRIATED FUND BALANCE	-	-	-	420,026	-	(420,026)
Net change in fund balances	\$ -	-	\$ -	\$ -	506,470	\$ 506,470
FUND BALANCES						
Beginning of year		-			750,667	
End of year		\$ -			\$ 1,257,137	

THE INDIVIDUAL SCHOOLS FUND

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.

GUILFORD COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - INDIVIDUAL SCHOOLS FUND
Year Ended June 30, 2019

Schedule 6
Page 1 of 2

	Revenues	Expenditures	Excess (Deficiency) of Revenues Over Expenditures	Fund Balance	
				Beginning of Year	End of Year
ELEMENTARY SCHOOLS					
Alamance Elementary	\$ 78,074	\$ 85,458	\$ (7,384)	\$ 11,787	\$ 4,403
Alderman Elementary	42,491	44,895	(2,404)	10,879	8,475
Allen Jay Elementary	32,943	34,337	(1,394)	38,538	37,144
Archer Elementary	33,041	37,832	(4,791)	12,109	7,318
Bessemer Elementary	9,190	8,982	208	6,631	6,839
Bluford Elementary	6,860	8,266	(1,406)	13,236	11,830
Brightwood Elementary	37,938	38,940	(1,002)	18,069	17,067
Brooks Global Elementary	67,731	69,189	(1,458)	8,097	6,639
Claxton Elementary	91,266	84,083	7,183	15,869	23,052
Colfax Elementary	92,567	81,756	10,811	62,249	73,060
Cone Elementary	11,934	11,652	282	34,581	34,863
Erwin Elementary	17,943	15,215	2,728	6,035	8,763
Fairview Elementary	17,042	21,415	(4,373)	10,029	5,656
Falkener Elementary	29,927	30,092	(165)	6,986	6,821
Florence Elementary	41,505	43,459	(1,954)	25,750	23,796
Foust Elementary	28,530	21,800	6,730	8,885	15,615
Frazier Elementary	22,177	25,507	(3,330)	7,137	3,807
Gibsonville Elementary	27,791	34,801	(7,010)	35,178	28,168
Gillespie Park Elementary	6,119	3,732	2,387	3,039	5,426
General Greene Elementary	86,334	83,584	2,750	30,163	32,913
Guilford Elementary	48,722	49,934	(1,212)	22,176	20,964
Hampton Elementary	15,362	30,592	(15,230)	21,711	6,481
Hunter Elementary	41,176	44,564	(3,388)	27,336	23,948
Irving Park Elementary	41,191	37,638	3,553	41,870	45,423
Jamestown Elementary	19,365	17,003	2,362	14,900	17,262
Jefferson Elementary	81,767	80,474	1,293	22,392	23,685
Jesse Wharton Elementary	61,989	61,935	54	50,533	50,587
Johnson Street Elementary	26,283	27,676	(1,393)	18,706	17,313
Jones Elementary	91,761	90,928	833	49,352	50,185
Joyner Elementary	14,934	16,573	(1,639)	18,036	16,397
Kirkman Park Elementary	12,146	13,840	(1,694)	6,421	4,727
Lindley Elementary	32,938	28,385	4,553	20,120	24,673
Madison Elementary	46,464	47,014	(550)	21,043	20,493
McLeansville Elementary	30,226	24,888	5,338	14,293	19,631
McNair Elementary	20,865	16,517	4,348	2,602	6,950
Millis Road Elementary	110,863	115,819	(4,956)	26,077	21,121
Monticello-Brown Summit Elementary	44,445	88,150	(43,705)	67,153	23,448
Montlieu Avenue Elementary	29,822	37,204	(7,382)	15,938	8,556
Morehead Elementary	41,110	46,913	(5,803)	9,572	3,769
Murphey Elementary	10,065	10,098	(33)	15,982	15,949
Nathanael Greene Elementary	46,310	53,956	(7,646)	157,843	150,197
Northern Elementary	190,233	210,049	(19,816)	101,842	82,026
Northwood Elementary	60,494	60,582	(88)	30,041	29,953
Oak Hill Elementary	21,540	25,600	(4,060)	23,825	19,765
Oak Ridge Elementary	55,955	69,093	(13,138)	33,462	20,324
Oak View Elementary	15,247	16,943	(1,696)	12,819	11,123
Parkview Elementary	5,737	9,465	(3,728)	8,914	5,186
Pearce Elementary	147,442	150,756	(3,314)	27,922	24,608
Peck Elementary	22,606	27,882	(5,276)	5,731	455
Peeler Elementary	7,622	12,497	(4,875)	10,343	5,468
Pilot Elementary	43,786	45,578	(1,792)	6,343	4,551
Pleasant Garden Elementary	69,026	65,257	3,769	57,629	61,398
Rankin Elementary	23,572	33,016	(9,444)	11,541	2,097
Reedy Fork Elementary	13,332	12,770	562	17,646	18,208
Sedalia Elementary	33,130	31,662	1,468	12,967	14,435
Sedgefield Elementary	36,319	29,214	7,105	32,757	39,862
Shadybrook Elementary	30,444	37,217	(6,773)	31,325	24,552
Simkins Elementary	22,884	37,444	(14,560)	17,367	2,807
Southern Elementary	22,165	24,375	(2,210)	8,254	6,044
Southwest Elementary	69,559	58,903	10,656	14,393	25,049
Sternberger Elementary	38,914	41,186	(2,272)	35,471	33,199
Stokesdale Elementary	100,581	82,154	18,427	15,265	33,692
Summerfield Elementary	89,774	89,643	131	29,722	29,853
Sumner Elementary	41,404	45,462	(4,058)	6,717	2,659
Triangle Lake Montessori	36,233	39,725	(3,492)	18,476	14,984
Union Hill Elementary	22,544	27,782	(5,238)	22,043	16,805
Vandalia Elementary	8,316	10,109	(1,793)	5,653	3,860
Washington Elementary	22,204	22,200	4	10,708	10,712
Wiley Elementary	25,431	13,432	11,999	3,691	15,690
Total Elementary Schools	2,925,701	3,055,092	(129,391)	1,622,170	1,492,779

GUILFORD COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - INDIVIDUAL SCHOOLS FUND
Year Ended June 30, 2019

Schedule 6
Page 2 of 2

			Excess (Deficiency) of Revenues Over Expenditures	Fund Balance	
	Revenues	Expenditures		Beginning of Year	End of Year
MIDDLE SCHOOLS					
Allen Jay Middle	\$ 192,018	\$ 188,709	\$ 3,309	\$ 24,213	\$ 27,522
Allen Middle	27,661	44,127	(16,466)	38,969	22,503
Brown Summitt Middle	52,112	45,169	6,943	(1,331)	5,612
Eastern Middle	44,294	33,258	11,036	14,871	25,907
Ferndale Middle	30,499	45,086	(14,587)	23,615	9,028
Hairston Middle	20,143	28,762	(8,619)	12,892	4,273
High School Ahead	-	40,499	(40,499)	40,499	-
Jackson Middle	47,277	33,984	13,293	13,219	26,512
Jamestown Middle	113,031	85,193	27,838	(847)	26,991
Kernodle Middle	78,449	56,950	21,499	8,403	29,902
Kiser Middle	244,148	208,956	35,192	18,918	54,110
Lincoln Academy	191,340	198,234	(6,894)	31,969	25,075
Mendenhall Middle	183,307	196,814	(13,507)	59,028	45,521
Newcomer School	11,798	38,386	(26,588)	38,849	12,261
Northeast Middle	48,834	64,091	(15,257)	28,413	13,156
Northern Middle	197,791	145,609	52,182	26,858	79,040
Northwest Middle	423,885	415,042	8,843	55,928	64,771
Penn-Griffin Middle	102,100	170,740	(68,640)	83,771	15,131
Southeast Middle	73,357	86,352	(12,995)	73,115	60,120
Southern Middle	52,628	37,925	14,703	35,133	49,836
Southwest Middle	228,320	247,462	(19,142)	60,832	41,690
Swann Middle	39,425	100,719	(61,294)	62,248	954
Welborn Middle	26,192	48,559	(22,367)	24,655	2,288
Western Middle	113,022	73,181	39,841	10,902	50,743
Total Middle Schools	2,541,631	2,633,807	(92,176)	785,122	692,946
SENIOR HIGH SCHOOLS					
Andrews High	95,701	91,837	3,864	27,619	31,483
A&T Middle College	6,202	6,757	(555)	4,379	3,824
Bennett Middle College	24,222	17,064	7,158	3,626	10,784
Dudley High	297,915	313,942	(16,027)	91,983	75,956
Eastern High	269,666	191,675	77,991	47,748	125,739
Greensboro Middle College	9,814	10,422	(608)	5,440	4,832
Grimsley High	391,245	390,526	719	99,483	100,202
Guilford Early College	21,405	80,731	(59,326)	74,564	15,238
GTCC MC Greensboro	5,981	9,154	(3,173)	10,407	7,234
GTCC MC High Point	16,269	23,739	(7,470)	22,721	15,251
GTCC MC Jamestown	4,963	8,791	(3,828)	14,620	10,792
Kearns Academy at Central	4,685	4,812	(127)	3,978	3,851
High Point Central High	248,933	238,695	10,238	4,298	14,536
Northeast High	113,130	96,894	16,236	13,464	29,700
Northern High	378,080	365,199	12,881	43,734	56,615
Northwest High	457,963	443,344	14,619	129,629	144,248
Page High	391,854	382,994	8,860	55,268	64,128
Ragsdale High	248,445	219,422	29,023	48,320	77,343
Smith Academy	31,238	33,902	(2,664)	7,181	4,517
Smith High	294,171	270,522	23,649	101,021	124,670
Southeast High	317,697	298,514	19,183	151,279	170,462
Southern High	202,504	201,649	855	85,292	86,147
Southwest High	374,592	381,346	(6,754)	97,777	91,023
STEM Early College @ NC A&T	19,309	28,625	(9,316)	12,343	3,027
UNCG MC	16,756	15,978	778	10,647	11,425
Western High	219,769	206,284	13,485	9,147	22,632
Total High Schools	4,462,509	4,332,818	129,691	1,175,968	1,305,659
SPECIAL SCHOOLS					
Gateway Education Center	1,400	2,494	(1,094)	14,159	13,065
Greene Education Center	4,241	3,478	763	22,456	23,219
Haynes-Inman Education Center	22,899	29,479	(6,580)	9,382	2,802
Herbin-Metz Education Center	4,441	5,867	(1,426)	3,535	2,109
Weaver Education Center	104,690	83,685	21,005	108,163	129,168
Total Special Schools	137,671	125,003	12,668	157,695	170,363
TOTAL	\$ 10,067,512	\$ 10,146,720	\$ (79,208)	\$ 3,740,955	\$ 3,661,747

ENTERPRISE FUNDS

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-four 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.

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, 2019

Schedule 7

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Food sales	<u>\$ 6,179,000</u>	<u>\$ 6,457,364</u>	<u>\$ 278,364</u>
OPERATING EXPENDITURES			
Food costs:			
Purchased food		19,167,107	
Donated commodities		2,491,248	
Salaries and benefits		18,617,087	
Materials and supplies		323,419	
Equipment acquisitions		764,962	
Contracted services		303,933	
Indirect costs		1,966,968	
Other		<u>605,847</u>	
Total operating expenditures	<u>43,289,450</u>	<u>44,240,571</u>	<u>(951,121)</u>
Revenues under expenditures	<u>(37,110,450)</u>	<u>(37,783,207)</u>	<u>(672,757)</u>
NONOPERATING REVENUES			
Federal reimbursements	34,578,450	33,443,917	(1,134,533)
Federal commodities	2,422,000	2,491,248	69,248
State reimbursements	50,000	41,689	(8,311)
Other	-	2,281	2,281
Interest revenue	<u>60,000</u>	<u>107,650</u>	<u>47,650</u>
Total nonoperating revenues	<u>37,110,450</u>	<u>36,086,785</u>	<u>(1,023,665)</u>
Transfer from other fund	<u>-</u>	<u>45,198</u>	<u>45,198</u>
Net change (modified accrual)	<u>\$ -</u>	<u>(1,651,224)</u>	<u>\$ (1,651,224)</u>

**Reconciliation of modified accrual to full
accrual basis:**

Depreciation	(587,220)
Equipment acquisitions	764,962
Decrease in net OPEB asset	(16,033)
Decrease in net OPEB liability	2,785,813
Increase in net pension liability	(1,044,388)
Increase in deferred inflows of resources	(1,913,274)
Increase in deferred outflows of resources	766,467
Increase in compensated absences payable	(13,085)
Increase in inventories	<u>326,104</u>
Change in net position (full accrual)	<u>\$ (581,878)</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, 2019

Schedule 8

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
After school enrichment fees	\$ 7,680,600	\$ 7,013,029	\$ (667,571)
Other	218,255	-	(218,255)
Total operating revenues	7,898,855	7,013,029	(885,826)
OPERATING EXPENDITURES			
Salaries and benefits		5,555,302	
Materials and supplies		252,698	
Contracted services		134	
Indirect costs		150,907	
Other		339,129	
Total operating expenditures	7,898,855	6,298,170	1,600,685
Revenues under expenditures	-	714,859	714,859
APPROPRIATED FUND BALANCE	-	-	-
Net change (modified accrual)	<u>\$ -</u>	714,859	<u>\$ 714,859</u>
Reconciliation of modified accrual to full accrual basis:			
Decrease in net OPEB asset		(4,560)	
Decrease in net OPEB liability		792,197	
Increase in net pension liability		(296,991)	
Increase in deferred inflows of resources		(544,075)	
Increase in deferred outflows of resources		217,957	
Decrease in compensated absences payable		14,442	
Change in net position (full accrual)		<u>\$ 893,829</u>	

FIDUCIARY FUNDS

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.

GUILFORD COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2019

	<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>
ASSETS					
Cash and cash equivalents	\$ 15,641	\$ 109,745	\$ 38,642	\$ 11,726	\$ 21,805
Total assets	<u>\$ 15,641</u>	<u>\$ 109,745</u>	<u>\$ 38,642</u>	<u>\$ 11,726</u>	<u>\$ 21,805</u>
NET POSITION					
Restricted:					
Expendable for scholarships	\$ 5,451	\$ 48,745	\$ 19,772	\$ 5,726	\$ 11,805
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>\$ 15,641</u>	<u>\$ 109,745</u>	<u>\$ 38,642</u>	<u>\$ 11,726</u>	<u>\$ 21,805</u>

Schedule 9

<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>
\$ 21,917	\$ 309,261	\$ 296,289	\$ 30,131	\$ 832	\$ 77,155	\$ 933,144
<u>\$ 21,917</u>	<u>\$ 309,261</u>	<u>\$ 296,289</u>	<u>\$ 30,131</u>	<u>\$ 832</u>	<u>\$ 77,155</u>	<u>\$ 933,144</u>
\$ 13,811	\$ 89,261	\$ 76,121	\$ 30,131	\$ 832	\$ 77,155	\$ 378,810
8,106	220,000	220,168	-	-	-	554,334
<u>\$ 21,917</u>	<u>\$ 309,261</u>	<u>\$ 296,289</u>	<u>\$ 30,131</u>	<u>\$ 832</u>	<u>\$ 77,155</u>	<u>\$ 933,144</u>

GUILFORD COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2019

	<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>
ADDITIONS					
Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	<u>326</u>	<u>2,291</u>	<u>807</u>	<u>245</u>	<u>455</u>
Total additions	326	2,291	807	245	455
DEDUCTIONS					
Scholarships and other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	326	2,291	807	245	455
NET POSITION					
Beginning of year	<u>15,315</u>	<u>107,454</u>	<u>37,835</u>	<u>11,481</u>	<u>21,350</u>
End of year	<u><u>\$ 15,641</u></u>	<u><u>\$ 109,745</u></u>	<u><u>\$ 38,642</u></u>	<u><u>\$ 11,726</u></u>	<u><u>\$ 21,805</u></u>

Nathanael Greene Scholarship	Ora Sublett Scholarship	Hanner Scholarship	Ben L. Smith Scholarship	Dr. Randall S. Brooks, Sr. Preschool Handicapped	Violet G. Hutchins Music Fund	Total
\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250
472	6,458	6,281	3	17	1,668	19,023
722	6,458	6,281	3	17	1,668	19,273
1,000	-	5,000	-	-	3,035	9,035
(278)	6,458	1,281	3	17	(1,367)	10,238
22,195	302,803	295,008	30,128	815	78,522	922,906
<u>\$ 21,917</u>	<u>\$ 309,261</u>	<u>\$ 296,289</u>	<u>\$ 30,131</u>	<u>\$ 832</u>	<u>\$ 77,155</u>	<u>\$ 933,144</u>

STATISTICAL SECTION

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.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 899,262,901	\$ 921,192,639	\$ 925,082,020	\$ 889,705,268
Restricted	20,957,389	18,261,669	7,556,558	9,827,322
Unrestricted	<u>(1,224,571,648)</u>	<u>(1,261,774,442)</u>	<u>(141,199,416)</u>	<u>(127,164,935)</u>
	<u>\$ (304,351,358)</u>	<u>\$ (322,320,134)</u>	<u>\$ 791,439,162</u>	<u>\$ 772,367,655</u>
Business-type activities				
Net investment in capital assets	\$ 3,521,753	\$ 3,344,011	\$ 3,307,657	\$ 3,313,200
Restricted	846	21,439	-	-
Unrestricted	<u>(23,486,105)</u>	<u>(23,640,907)</u>	<u>8,235,661</u>	<u>7,607,325</u>
	<u>\$ (19,963,506)</u>	<u>\$ (20,275,457)</u>	<u>\$ 11,543,318</u>	<u>\$ 10,920,525</u>
Government-wide				
Net investment in capital assets	\$ 902,784,654	\$ 924,536,650	\$ 928,389,677	\$ 893,018,468
Restricted	20,958,235	18,283,108	7,556,558	9,827,322
Unrestricted	<u>(1,248,057,753)</u>	<u>(1,285,415,349)</u>	<u>(132,963,755)</u>	<u>(119,557,610)</u>
	<u>\$ (324,314,864)</u>	<u>\$ (342,595,591)</u>	<u>\$ 802,982,480</u>	<u>\$ 783,288,180</u>

Table 1

2015	2014	2013	2012	2011	2010
\$ 894,910,542	\$ 894,779,291	\$ 880,129,243	\$ 861,541,546	\$ 801,712,783	\$ 760,962,579
7,247,544	5,855,683	5,502,128	6,007,255	7,095,131	3,578,836
(153,663,023)	(27,784,547)	(23,389,504)	(11,368,157)	(18,429,063)	(13,868,529)
<u>\$ 748,495,063</u>	<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>
\$ 3,317,995	\$ 3,033,588	\$ 2,987,060	\$ 2,523,934	\$ 2,688,754	\$ 2,725,278
-	-	-	-	-	-
6,115,750	9,161,480	9,487,042	8,317,426	4,903,097	1,639,179
<u>\$ 9,433,745</u>	<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>
\$ 898,228,537	\$ 897,812,879	\$ 883,116,303	\$ 864,065,480	\$ 804,401,537	\$ 763,687,857
7,247,544	5,855,683	5,502,128	6,007,255	7,095,131	3,578,836
(147,547,273)	(18,623,067)	(13,902,462)	(3,050,731)	(13,525,966)	(12,229,350)
<u>\$ 757,928,808</u>	<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>

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

	2019	2018	2017	2016
Expenses				
Governmental activities:				
Instructional programs	\$ 537,865,133	\$ 567,026,092	\$ 552,656,918	\$ 478,098,740
Support services	135,159,675	144,333,654	137,954,803	131,281,385
Community services	-	-	-	-
Ancillary services	303,456	165,892	302,827	158,689
Non-program charges	16,606,290	17,064,859	16,445,966	13,851,504
Depreciation expense	28,109,532	27,657,141	26,651,888	26,511,087
Total governmental activities	<u>718,044,086</u>	<u>756,247,638</u>	<u>734,012,402</u>	<u>649,901,405</u>
Business-type activities:				
School food service	43,171,225	45,024,436	43,039,897	41,074,138
After School Care Enrichment Program	6,119,200	6,754,743	6,785,034	6,321,745
Total business-type activities	<u>49,290,425</u>	<u>51,779,179</u>	<u>49,824,931</u>	<u>47,395,883</u>
Total government-wide expenses	<u>\$ 767,334,511</u>	<u>\$ 808,026,817</u>	<u>\$ 783,837,333</u>	<u>\$ 697,297,288</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 10,153,143	\$ 8,388,698	\$ 8,891,103	\$ 8,981,290
Operating grants and contributions	489,247,558	476,449,107	479,509,054	450,782,340
Capital grants and contributions	7,884,034	2,145,935	3,073,375	1,120,332
Total governmental activities program revenues	<u>507,284,735</u>	<u>486,983,740</u>	<u>491,473,532</u>	<u>460,883,962</u>
Business-type activities:				
Charges for services:				
School Food Services	6,457,364	6,319,225	6,338,220	6,426,749
After School Care Enrichment Services	7,013,029	7,012,158	6,854,546	6,555,607
Operating grants and contributions	35,976,854	36,406,280	36,991,651	35,788,254
Capital grants and contributions	-	-	180,830	19,000
Total business-type activities program revenues	<u>49,447,247</u>	<u>49,737,663</u>	<u>50,365,247</u>	<u>48,789,610</u>
Total government-wide revenues	<u>\$ 556,731,982</u>	<u>\$ 536,721,403</u>	<u>\$ 541,838,779</u>	<u>\$ 509,673,572</u>
Net (expenses) revenues				
Governmental activities	\$ (210,759,351)	\$ (269,263,898)	\$ (242,538,870)	\$ (189,017,443)
Business-type activities	<u>156,822</u>	<u>(2,041,516)</u>	<u>540,316</u>	<u>1,393,727</u>
Government-wide net expense	<u>\$ (210,602,529)</u>	<u>\$ (271,305,414)</u>	<u>\$ (241,998,554)</u>	<u>\$ (187,623,716)</u>

Table 2
Page 1 of 2

2015	2014	2013	2012	2011	2010
\$ 496,672,358	\$ 514,570,607	\$ 522,772,758	\$ 507,339,721	\$ 496,257,925	\$ 495,000,385
131,013,635	132,531,215	133,818,636	129,427,911	129,385,347	130,103,201
-	-	-	-	-	-
132,925	117,742	125,219	130,491	110,984	248,331
11,833,107	9,553,904	7,585,497	5,861,299	6,530,094	7,865,127
26,055,250	25,077,703	23,659,131	22,064,683	20,656,556	20,141,569
665,707,275	681,851,171	687,961,241	664,824,105	652,940,906	653,358,613
39,699,163	37,899,050	36,116,868	32,326,822	31,245,461	30,701,147
6,065,517	6,248,183	6,134,773	5,809,138	5,798,215	6,091,434
45,764,680	44,147,233	42,251,641	38,135,960	37,043,676	36,792,581
<u>\$ 711,471,955</u>	<u>\$ 725,998,404</u>	<u>\$ 730,212,882</u>	<u>\$ 702,960,065</u>	<u>\$ 689,984,582</u>	<u>\$ 690,151,194</u>
\$ 8,183,692	\$ 8,413,388	\$ 4,098,526	\$ 4,073,274	\$ 3,893,741	\$ 4,012,438
461,132,986	452,751,632	453,237,883	452,428,067	414,477,405	427,772,583
1,918,004	-	-	-	-	-
471,234,682	461,165,020	457,336,409	456,501,341	418,371,146	431,785,021
6,687,428	8,518,064	9,062,468	9,302,859	9,719,536	9,930,699
6,128,020	5,933,253	6,160,145	6,138,061	6,214,786	6,313,825
33,364,767	29,168,263	27,676,203	25,714,852	23,913,577	22,352,473
390,041	73,047	545,903	203,390	399,107	176,678
46,570,256	43,692,627	43,444,719	41,359,162	40,247,006	38,773,675
<u>\$ 517,804,938</u>	<u>\$ 504,857,647</u>	<u>\$ 500,781,128</u>	<u>\$ 497,860,503</u>	<u>\$ 458,618,152</u>	<u>\$ 470,558,696</u>
\$ (194,472,593)	\$ (220,686,151)	\$ (230,624,832)	\$ (208,322,764)	\$ (234,569,760)	\$ (221,573,592)
805,576	(454,606)	1,193,078	3,223,202	3,203,330	1,981,094
<u>\$ (193,667,017)</u>	<u>\$ (221,140,757)</u>	<u>\$ (229,431,754)</u>	<u>\$ (205,099,562)</u>	<u>\$ (231,366,430)</u>	<u>\$ (219,592,498)</u>

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

	2019	2018	2017	2016
General Revenues				
Governmental activities:				
Unrestricted county appropriations - operating	\$ 202,610,398	\$ 195,860,398	\$ 188,360,398	\$ 183,360,398
Unrestricted county appropriations - capital	10,135,122	28,584,985	69,376,845	24,975,538
Unrestricted state appropriations - operating	4,641,995	-	-	-
Unrestricted state appropriations - capital	1,583,334	173,426	-	-
Unrestricted other state revenues - capital	-	-	-	-
Unrestricted federal aid				
Investment earnings, unrestricted	712,487	245,733	123,583	58,585
Insurance recoveries	-	-	-	-
Miscellaneous, unrestricted	7,319,189	8,958,422	3,782,141	4,527,980
Insurance proceeds	1,770,800	-	-	-
Total governmental activities	<u>228,773,325</u>	<u>233,822,964</u>	<u>261,642,967</u>	<u>212,922,501</u>
Business-type activities:				
Investment earnings, unrestricted	107,650	84,357	22,341	12,689
Miscellaneous, unrestricted	2,281	33,896	27,546	47,899
Total business-type activities	<u>109,931</u>	<u>118,253</u>	<u>49,887</u>	<u>60,588</u>
Total government-wide	<u>\$ 228,883,256</u>	<u>\$ 233,941,217</u>	<u>\$ 261,692,854</u>	<u>\$ 212,983,089</u>
Transfers				
Governmental activities	(45,198)	-	(32,466)	(33,199)
Business-type activities	45,198	-	32,466	33,199
Total government-wide	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Changes in Net Position				
Governmental activities	\$ 17,968,776	\$ (35,440,934)	\$ 19,071,631	\$ 23,871,859
Business-type activities	311,951	(1,923,263)	622,669	1,487,514
Total government-wide	<u>\$ 18,280,727</u>	<u>\$ (37,364,197)</u>	<u>\$ 19,694,300</u>	<u>\$ 25,359,373</u>

Note:

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

2015	2014	2013	2012	2011	2010
\$ 179,360,398	\$ 177,130,398	\$ 175,630,398	\$ 175,165,521	\$ 175,165,521	\$ 175,165,521
31,916,421	49,249,098	50,280,592	92,522,410	70,323,031	56,070,853
-	-	-	-	-	-
-	-	-	-	-	-
-	2,092,865	6,400,042	1,214,787	5,002,844	2,722,642
38,889	59,864	138,289	-	19,296,607	-
-	-	-	221,641	303,560	423,112
-	-	-	-	-	-
3,862,581	2,820,250	4,325,608	5,000,198	4,184,162	9,333,841
-	-	-	-	-	-
<u>215,178,289</u>	<u>231,352,475</u>	<u>236,774,929</u>	<u>274,124,557</u>	<u>274,275,725</u>	<u>243,715,969</u>
1,097	626	-	1,624	729	110
<u>126,340</u>	<u>117,182</u>	<u>350,790</u>	<u>24,683</u>	<u>23,335</u>	<u>-</u>
<u>127,437</u>	<u>117,808</u>	<u>350,790</u>	<u>26,307</u>	<u>24,064</u>	<u>110</u>
<u>\$ 215,305,726</u>	<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>
(57,764)	(88,874)	-	-	-	-
<u>57,764</u>	<u>88,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20,647,932	\$ 10,577,450	\$ 6,150,097	\$ 65,801,793	\$ 39,705,965	\$ 22,142,377
<u>990,777</u>	<u>(247,924)</u>	<u>1,543,868</u>	<u>3,249,509</u>	<u>3,227,394</u>	<u>1,981,204</u>
<u>\$ 21,638,709</u>	<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>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:				
Reserved				
Unreserved				
Total general fund				
All other governmental funds:				
Reserved				
Unreserved, reported in				
Special Revenue Funds				
Capital Projects Fund				
Total all governmental funds				
General Fund:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ 968	\$ 968
Self insurance deposits	1,717,875	1,671,667	1,860,509	3,062,590
Restricted:				
Stabilization by state statute	7,975,608	8,775,457	3,224,125	3,459,799
Committed:				
Capital outlay	-	-	-	3,752,693
Activity buses	75,639	95,243	81,152	88,877
Assigned:				
Subsequent year's expenditures	3,000,000	130,000	1,000,000	1,207,241
Unassigned	7,708,721	4,398,372	5,282,181	2,229,326
Total general fund	<u>\$ 20,477,843</u>	<u>\$ 15,070,739</u>	<u>\$ 11,448,935</u>	<u>\$ 13,801,494</u>
All other governmental funds:				
Restricted:				
Capital outlay	\$ 7,288,289	\$ 3,417,998	\$ -	\$ 2,962,932
Individual schools	3,661,747	3,740,955	-	3,404,591
Special programs	1,253,969	750,667	587,371	587,371
Total all governmental funds	<u>\$ 32,681,848</u>	<u>\$ 22,980,359</u>	<u>\$ 12,036,306</u>	<u>\$ 20,756,388</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

2015	2014	2013	2012	2011	2010
					\$ 9,005,601
					5,206,910
					<u>\$ 14,212,511</u>
					\$ 44,496,834
					3,578,836
					(39,543,707)
					<u>\$ 22,744,474</u>
\$ 31,478	\$ 34,539	\$ 28,347	\$ 31,277	\$ 40,097	
3,246,027	4,101,429	4,745,671	4,708,516	5,175,159	
3,114,050	2,015,649	1,749,216	3,006,120	3,189,511	
3,752,693	3,752,693	3,752,693	3,140,468	2,528,243	
79,369	90,404	89,025	636,036	545,094	
-	1,000,000	4,255,166	10,848,978	3,677,810	
2,831,585	3,076,418	2,127,313	3,518,809	6,930,413	
<u>\$ 13,055,202</u>	<u>\$ 14,071,132</u>	<u>\$ 16,747,431</u>	<u>\$ 25,890,204</u>	<u>\$ 22,086,327</u>	
\$ 1,125,061	\$ 725,061	\$ 636,036	\$ -	\$ 716,546	
3,008,433	3,114,973	3,116,876	3,001,135	3,189,074	
587,371	-	-	-	-	
<u>\$ 17,776,067</u>	<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

	2019	2018	2017	2016
Revenues				
State of North Carolina	\$ 446,553,207	\$ 422,414,240	\$ 410,177,534	\$ 390,676,014
Guilford County	212,745,520	224,445,383	257,737,243	208,335,936
U.S. Government	48,919,674	47,177,490	63,745,347	50,219,358
Other	25,349,850	26,769,591	21,354,226	24,575,156
Total revenues	<u>733,568,251</u>	<u>720,806,704</u>	<u>753,014,350</u>	<u>673,806,464</u>
Expenditures				
Current:				
Instructional services	563,874,135	531,036,426	529,451,441	498,976,963
System-wide support services	133,693,863	134,626,581	132,349,902	131,539,095
Ancillary services	315,586	137,816	300,113	163,043
Non-program charges	19,739,467	17,064,859	16,445,965	13,851,504
Capital outlay	10,538,376	29,183,467	82,184,101	27,268,255
Debt service - principal	1,583,334	2,145,935	2,971,225	1,120,332
Debt service - interest	-	-	-	-
Total expenditures	<u>729,744,761</u>	<u>714,195,084</u>	<u>763,702,747</u>	<u>672,919,192</u>
Revenues over (under) expenditures	3,823,490	6,611,620	(10,688,397)	887,272
Other financing sources (uses)				
Transfers in (out)	(45,198)	-	(32,590)	(32,466)
Insurance proceeds	5,622,981	-	-	-
Installment purchase obligations	300,216	-	6,333,337	2,156,025
Proceeds from capital lease	-	-	-	-
Net other financing sources (uses)	<u>5,877,999</u>	<u>-</u>	<u>6,300,747</u>	<u>2,123,559</u>
Other changes in fund balances				
Change in inventories	-	-	(32,590)	(30,510)
Net change in fund balances	<u>\$ 9,701,489</u>	<u>\$ 6,611,620</u>	<u>\$ (4,420,240)</u>	<u>\$ 2,980,321</u>
Ratio of total debt service to noncapital expenditures	<u>0.22%</u>	<u>0.31%</u>	<u>0.40%</u>	<u>0.17%</u>

Note:

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

Table 4

2015	2014	2013	2012	2011	2010
\$ 391,403,934	\$ 380,012,997	\$ 384,338,416	\$ 367,695,516	\$ 355,559,320	\$ 349,355,142
211,276,819	226,379,496	225,910,991	267,687,931	245,488,552	231,236,374
59,970,609	64,004,786	60,978,591	72,099,211	70,739,323	75,363,218
23,761,609	22,120,216	22,247,305	23,207,727	20,859,676	19,546,256
686,412,971	692,517,495	693,475,303	730,690,385	692,646,871	675,500,990
510,274,422	505,182,789	508,714,726	496,287,990	481,523,032	478,797,870
130,450,999	128,858,702	128,903,079	125,252,740	125,013,893	125,973,811
135,870	117,742	125,219	130,491	110,984	248,331
11,833,107	9,553,904	6,949,461	5,861,299	6,558,164	7,865,127
31,981,636	49,276,741	59,870,671	95,418,384	81,158,334	56,314,630
1,918,004	2,065,222	4,718,906	1,153,459	2,571,228	1,601,011
-	-	-	-	-	-
686,594,038	695,055,100	709,282,062	724,104,363	696,935,635	670,800,780
(181,067)	(2,537,605)	(15,806,759)	6,586,022	(4,288,764)	4,700,210
(33,199)	(57,764)	(88,874)	-	-	-
-	-	-	-	-	-
82,229	-	-	-	-	-
-	-	7,507,567	-	3,860,506	-
49,030	(57,764)	7,418,693	-	3,860,506	-
(3,062)	6,192	(2,930)	(8,820)	(2,079)	(23,186)
\$ (135,099)	\$ (2,589,177)	\$ (8,390,996)	\$ 6,577,202	\$ (430,337)	\$ 4,677,024
0.30%	0.32%	0.76%	0.18%	0.40%	0.27%

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

	2019	2018	2017	2016
Source:				
State Public School Fund	\$ 440,164,014	\$ 418,677,210	\$ 406,117,400	\$ 388,534,225
Textbooks	2,485,864	-	-	181,789
Other state allocations	3,903,329	3,563,604	3,744,512	3,848,806
Federal Grant Programs Fund	48,181,008	44,158,033	49,288,288	42,785,647
Other federal grants	6,853,887	4,975,435	17,117,590	11,324,060
County funding:				
General appropriation	209,953,884	199,973,566	198,902,470	188,681,859
Debt proceeds	2,791,636	24,471,817	58,834,773	19,654,077
Public School Building Capital Fund	-	173,426	315,622	3,194
Tuition and fees	57,602	73,863	74,194	67,103
Fines and forfeitures	3,198,959	3,494,469	2,710,036	2,196,512
Interest earned on investments	712,487	245,733	123,583	58,585
Indirect cost allocated	3,284,084	3,455,963	3,756,971	3,732,195
Other local funds	11,981,497	17,543,585	12,028,911	12,738,412
Total revenues	<u>\$ 733,568,251</u>	<u>\$ 720,806,704</u>	<u>\$ 753,014,350</u>	<u>\$ 673,806,464</u>

Note:

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

Table 5

2015	2014	2013	2012	2011	2010
\$ 387,974,989	\$ 375,870,761	\$ 379,013,882	\$ 364,815,519	\$ 347,940,133	\$ 342,146,633
18,945	269,427	154,849	1,048,545	121,161	996,920
3,792,986	3,845,166	3,889,924	3,888,224	5,066,410	5,089,957
46,735,027	51,361,289	52,041,222	65,496,662	64,922,532	66,858,227
17,656,274	15,581,171	11,541,142	9,837,414	7,658,350	8,504,991
192,598,471	184,018,461	190,104,317	189,347,670	179,998,029	179,798,825
18,678,348	42,361,035	35,806,674	78,340,261	65,490,523	51,437,549
-	27,643	1,681,136	61,328	2,431,616	1,121,632
85,379	61,834	49,063	56,921	57,724	56,390
2,380,595	2,296,397	2,706,862	2,938,756	3,697,723	3,703,364
38,889	59,864	138,289	221,641	303,560	423,112
3,413,732	3,590,114	3,295,624	3,066,176	3,716,864	3,590,716
13,039,336	13,174,333	13,052,319	11,571,268	11,242,246	11,772,674
<u>\$ 686,412,971</u>	<u>\$ 692,517,495</u>	<u>\$ 693,475,303</u>	<u>\$ 730,690,385</u>	<u>\$ 692,646,871</u>	<u>\$ 675,500,990</u>

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

Function	Description	2019	2018	2017	2016
INSTRUCTIONAL SERVICES					
5100	Regular instructional	\$ 321,755,550	\$ 302,754,241	\$ 307,539,067	\$ 286,756,895
5200	Special populations	95,768,343	88,550,819	88,011,105	83,915,996
5300	Alternative programs	43,776,359	42,698,066	43,127,344	38,869,176
5400	School leadership	44,317,810	51,192,598	48,058,443	46,510,577
5500	Co-curricular	14,775,587	4,551,158	4,538,260	4,453,199
5800	School-based support	43,480,486	41,289,544	38,177,222	38,471,139
SYSTEM-WIDE SUPPORT SERVICES					
6100	Support and development	4,665,687	5,541,637	7,881,780	7,538,828
6200	Special population support and development	5,429,786	5,013,100	5,701,044	5,387,948
6300	Alternative programs and services support and development	2,297,470	2,417,129	3,218,042	5,761,222
6400	Technology support	7,827,208	8,097,837	8,888,714	8,682,519
6500	Operational support	91,086,141	92,602,743	89,356,514	86,835,782
6600	Financial and human resources	10,360,319	8,679,834	8,429,026	8,559,454
6700	Accountability	2,035,812	2,839,281	1,513,018	1,797,240
6800	System-wide pupil support	2,517,903	2,603,747	1,205,680	1,117,976
6900	Policy, leadership, and public relations	7,473,537	6,831,273	6,156,084	5,881,671
ANCILLARY SERVICES					
7100	Ancillary Services	8,440	790	6,239	4,833
7200	Nutrition services	307,146	137,026	293,874	158,210
7900	Other ancillary services	-	-	-	-
NON-PROGRAM CHARGES					
8100	Payments to other governmental units and transfers of funds	19,739,467	17,064,859	16,445,965	13,827,940
CAPITAL OUTLAY					
9100	Category I Projects	11,505,283	24,643,423	76,075,372	23,468,986
9200	Category II Projects	534,908	2,251,885	2,483,521	449,279
9300	Category III Projects	81,519	4,434,094	6,596,433	4,470,322
Total expenditures		<u>\$ 729,744,761</u>	<u>\$ 714,195,084</u>	<u>\$ 763,702,747</u>	<u>\$ 672,919,192</u>

Note:

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

Table 6

2015	2014	2013	2012	2011	2010
\$ 290,437,534	\$ 287,060,488	\$ 293,012,974	\$ 285,353,955	\$ 275,716,314	\$ 270,803,551
83,015,604	79,924,515	80,205,114	79,011,082	77,467,046	77,546,031
43,832,590	44,571,749	41,110,452	44,134,739	42,177,745	44,187,784
46,276,758	45,619,644	46,082,456	44,351,202	44,000,165	42,996,306
4,257,965	4,305,062	4,405,545	4,415,872	4,189,747	4,225,155
42,453,971	43,701,331	43,898,183	39,021,140	37,972,014	39,039,043
7,873,017	5,836,857	6,145,930	5,356,801	6,009,916	6,760,935
5,064,537	4,050,836	3,905,811	3,836,737	3,742,477	4,007,289
2,542,847	1,343,400	1,327,232	1,767,597	1,185,247	1,313,262
8,481,863	9,164,692	8,094,994	8,145,245	8,230,532	8,269,821
88,755,793	91,726,489	91,854,178	88,297,030	89,004,026	89,394,671
9,050,526	8,393,785	8,219,263	8,533,630	7,616,618	7,292,738
1,617,382	1,614,342	1,563,734	1,611,185	1,812,053	1,925,799
1,029,447	962,770	976,886	965,610	964,620	853,584
6,055,025	5,765,532	6,815,052	6,738,905	6,476,475	6,155,712
11,697	7,343	11,969	51,856	16,540	16,562
124,173	110,399	113,249	78,635	94,444	-
-	-	-	-	-	231,769
11,813,669	9,553,903	6,949,462	5,861,299	6,530,094	7,865,127
25,835,262	46,515,656	44,634,324	87,830,797	73,276,856	52,056,536
2,695,556	2,687,315	2,966,796	7,544,194	4,035,851	4,232,094
5,368,822	2,138,992	16,988,456	1,196,852	6,416,855	1,627,011
<u>\$ 686,594,038</u>	<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>

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

Fiscal Year	Taxes Levied for the Fiscal Year¹	Subsequent Years' Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy	
				Amount	Percent of Original Levy
2010	\$ 339,838,448	\$ (314,763)	\$ 339,523,685	\$ 333,596,483	98.16%
2011	\$ 339,943,072	\$ (298,971)	\$ 339,644,101	\$ 333,063,607	97.98%
2012	\$ 363,248,000	\$ (428,531)	\$ 362,819,469	\$ 355,095,355	97.76%
2013 ⁽²⁾	\$ 365,428,942	\$ (1,367,981)	\$ 364,060,961	\$ 356,582,243	97.58%
2014	\$ 372,017,706	\$ (906,512)	\$ 371,111,194	\$ 366,529,630	98.52%
2015	\$ 371,794,827	\$ (734,152)	\$ 371,060,675	\$ 368,321,489	99.07%
2016	\$ 373,904,683	\$ (135,116)	\$ 373,769,567	\$ 370,755,116	99.16%
2017	\$ 377,874,202	\$ (176,515)	\$ 377,697,687	\$ 374,837,826	99.20%
2018 ⁽²⁾	\$ 386,072,554	\$ (273,082)	\$ 385,799,472	\$ 383,244,006	99.27%
2019	\$ 393,496,631	\$ -	\$ 393,496,631	\$ 390,470,048	99.23%

Notes:

- ¹ Original levy adjusted for discoveries, penalties, discounts allowed and releases as of fiscal year end of the levy.
- ² 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 revalue 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, as well as increased appeals of 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, 2019.

Table 7

Collections in Subsequent Years	Collected within the Fiscal Year of the Levy	
	Amount	Percent of Adjusted Tax Levy
\$ 5,239,099	\$ 338,835,582	99.80%
\$ 5,898,820	\$ 338,962,427	99.80%
\$ 6,811,600	\$ 361,906,955	99.75%
\$ 6,285,822	\$ 362,868,065	99.67%
\$ 3,664,946	\$ 370,194,576	99.75%
\$ 2,155,816	\$ 370,477,305	99.84%
\$ 2,313,179	\$ 373,068,295	99.81%
\$ 1,980,808	\$ 376,818,634	99.77%
\$ 1,272,098	\$ 384,516,104	99.67%
\$ -	\$ 390,470,048	99.23%

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 ¹		Personal Property ²	Public Service Companies' Property ²
	Assessed Taxable Value	Estimated Actual Taxable Value	Assessed Taxable Value	Assessed Taxable Value
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 ³	\$ 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 ³	\$ 40,538,463,183	\$ 40,640,063,341	\$ 8,873,395,357	\$ 1,318,902,194
2019	\$ 40,883,802,365	\$ 43,153,686,262	\$ 9,135,848,611	\$ 1,325,606,744

Notes:

- ¹ 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.
- ² 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.
- ³ 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.
- ⁴ 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, 2019.

Table 8

Total		Ratio of Total Assessed To Total Estimated Actual Taxable Value	Total Direct Tax Rate⁴
Assessed Taxable Value	Estimated Actual Taxable Value		
\$ 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
\$ 51,345,257,720	\$ 53,615,141,617	95.8%	0.7620

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			
	2010	2011	2012	2013
County Direct Rates:				
General Levy ¹ :				
Property taxed at current year's rate	0.7164	0.7182	0.7609	0.7580
Registered motor vehicles at prior year's rate	0.0210	0.0192	0.0203	0.0225
Total general direct rate	0.7374	0.7374	0.7812	0.7805
Fire Protection Districts ²	0.0216	0.0218	0.0228	0.0237
Total direct rate	0.7590	0.7592	0.8040	0.8042
City Rates:				
Burlington ³	0.5904	0.5900	0.5801	0.5800
Greensboro	0.6375	0.6352	0.6349	0.6351
High Point	0.6330	0.6330	0.6613	0.6746
Kernersville ³	0.4975	0.4975	0.4975	0.4975
Town Rates:				
Archdale ⁴	0.2900	0.2900	0.2900	0.2900
Gibsonville ⁴	0.5100	0.5100	0.5100	0.5100
Jamestown	0.3700	0.3895	0.3900	0.3948
Oak Ridge	0.0863	0.0863	0.0863	0.0863
Pleasant Garden	0.0250	0.0250	0.0250	0.0250
Sedalia	0.2000	0.2729	0.2750	0.2750
Summerfield ⁵	0.0018	0.0350	0.0350	0.0350
Whitsett	0.0500	0.0500	0.0500	0.0500
Sedgefield Sanitary District	0.0300	0.0300	0.0300	0.0358

Notes:

¹ 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.

² 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.

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

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

⁵ 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, 2019.

Table 9

2014	2015	2016	2017	2018	2019
0.7471	0.7700	0.7600	0.7550	0.7305	0.7305
0.0229	-	-	-	-	-
0.7700	0.7805	0.7600	0.7550	0.7305	0.7305
0.0238	0.0281	0.0296	0.0297	0.0303	0.0315
0.7938	0.8042	0.7896	0.7847	0.7608	0.7620
0.5800	0.5800	0.5800	0.5800	0.5973	0.5973
0.6350	0.6350	0.6350	0.6352	0.0298	0.6352
0.6750	0.6646	0.6500	0.6475	0.6475	0.6475
0.5273	0.5424	0.5425	0.5700	0.5545	0.5700
0.2900	0.2900	0.2900	0.2900	0.2900	0.2900
0.5100	0.5100	0.5100	0.5100	0.5300	0.5300
0.4434	0.4544	0.4550	0.4550	0.4680	0.4680
0.0863	0.0863	0.0863	0.0863	0.0800	0.0800
0.0250	0.0250	0.0250	0.0250	0.0500	0.0500
0.2750	0.2750	0.2750	0.2750	0.2750	0.2750
0.0350	0.0279	0.0275	0.0275	0.0275	0.0275
0.0500	0.1438	0.1500	0.1500	0.1500	0.1500
0.0360	0.0360	0.0360	0.0360	0.0360	0.0360

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

Table 10

Fiscal Year	General Obligation Bonds Outstanding ¹	Percentage of Estimated Actual Taxable Value of Property ²	Per Capita	Other Governmental Activities Debt		Total Primary Government ¹	Percentage of Personal Income ³	Per Capita ³
				Capital Leases and Installment Financings ¹				
2010	\$ 846,091,651	1.74%	1,747.47	\$ 4,783,962		\$ 850,875,613	4.89%	1,757.35
2011	\$ 806,334,450	1.72%	1,647.07	\$ 4,147,088		\$ 810,481,538	4.57%	1,655.54
2012	\$ 932,027,810	2.12%	1,882.39	\$ 3,571,400		\$ 935,599,210	5.06%	1,889.61
2013	\$ 879,076,323	1.92%	1,755.20	\$ 24,498,508		\$ 903,574,831	4.61%	1,804.12
2014	\$ 824,376,111	1.77%	1,626.65	\$ 23,222,923		\$ 847,599,034	4.32%	1,672.47
2015	\$ 769,783,196	1.62%	1,501.83	\$ 21,947,338		\$ 791,730,534	3.81%	1,544.65
2016	\$ 736,321,847	1.50%	1,422.71	\$ 20,671,754		\$ 756,993,601	3.42%	1,462.65
2017	\$ 861,133,538	1.75%	1,651.80	\$ 19,396,169		\$ 880,529,707	3.75%	1,689.01
2018	\$ 791,334,576	1.56%	1,501.72	\$ 16,845,000		\$ 808,179,576	3.39%	1,533.68
2019	\$ 764,997,176	1.43%	1,433.46	\$ 16,845,000		\$ 781,842,176	3.17%	1,465.03

Notes:

¹ 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.

² See Table 8 for estimated actual taxable value of property data.

³ 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, 2019.

GUILFORD COUNTY BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FOR GUILFORD COUNTY
Year Ended June 30, 2019

Table 11

Jurisdiction	Debt Outstanding¹	Estimated Percentage Applicable^{1,2}	Estimated Share of Direct and Overlapping Debt
Direct:			
Guilford County	\$ 784,735,915	100.00%	<u>\$ 784,735,915</u>
Overlapping:			
City of Greensboro	357,075,142	100.00%	357,075,142
City of High Point	67,045,007	93.76%	62,861,399
Town of Kernersville	28,626,405	4.83%	1,382,655
Town of Gibsonville	3,082,542	49.00%	1,510,446
Town of Jamestown	862,744	100.00%	862,744
City of Burlington	5,503,559	1.97%	108,420
City of Archdale	-	2.95%	<u>-</u>
Total overlapping debt			<u>423,800,806</u>
Total direct and overlapping debt			<u><u>\$ 1,208,536,721</u></u>

Notes:

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

² 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, 2019.

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

Table 12

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Assessed Value	Rank	% of Total Assessed Valuation	Assessed Value	Rank	% of Total Assessed Valuation
Duke Energy Carolinas LLC	488,662,306	1	0.95%	\$ 355,254,996	1	0.79%
Koury Corporation	319,071,421	2	0.62%	276,974,844	2	0.62%
Procter & Gamble Manufacturing Company	278,442,832	3	0.54%	266,004,864	3	0.59%
American Express Travel Related Services Inc.	231,238,195	4	0.45%	203,334,331	4	0.45%
Lincoln National Life Insurance (formerly Jefferson-Pilot)	228,627,388	5	0.45%	-		0.00%
ITG Brands LLC (formerly Lorillard Tobacco Company)	228,478,906	6	0.45%	-		0.00%
CBL LLC	167,052,400	7	0.33%	-		0.00%
Highwoods/Forsyth Limited Partnership	149,745,316	8	0.29%	-		0.00%
International Home Furnishings Center	148,877,500	9	0.29%	184,907,653	7	0.41%
Piedmont Natural Gas	142,851,211	10	0.28%	178,521,431	8	0.40%
TYCO Electronics	-		0.00%	197,557,213	5	0.44%
RF Micro Devices, Inc.	-		0.00%	191,628,364	6	0.43%
BellSouth	-		0.00%	161,182,152	9	0.36%
Liberty Property LP	-		0.00%	143,772,188	10	0.32%
Total Top Ten Principal Taxpayers	<u>\$ 2,383,047,475</u>		<u>4.65%</u>	<u>\$ 2,159,138,036</u>		<u>4.81%</u>

Source:

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2019.

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

	2010	2011	2012	2013
Debt limit	\$ 3,591,341	\$ 3,589,320	\$ 3,628,621	\$ 3,643,633
Total net debt applicable to limit	<u>1,158,903</u>	<u>1,185,811</u>	<u>1,167,675</u>	<u>1,118,988</u>
Legal debt margin	<u>\$ 2,432,438</u>	<u>\$ 2,403,509</u>	<u>\$ 2,460,946</u>	<u>\$ 2,524,645</u>
Total net debt applicable to limit as a percentage of debt limit	<u>32.27%</u>	<u>33.04%</u>	<u>32.18%</u>	<u>30.71%</u>

Source:

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

Table 13

2014	2015	2016	2017	2018	2019
\$ 3,703,834 1,068,470	\$ 3,727,986 979,518	\$ 3,790,823 916,160	\$ 3,856,522 811,332	\$ 4,058,461 725,055	\$ 4,107,621 702,774
<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>\$ 3,404,847</u>
<u>28.85%</u>	<u>26.27%</u>	<u>24.17%</u>	<u>21.04%</u>	<u>17.87%</u>	<u>17.11%</u>

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value of taxable property	<u>\$ 51,345,257,720</u>
Debt limit (8% of total assessed value)	<u>\$ 4,107,620,618</u>
Debt applicable to limit:	
Bonded debt	686,340,000
Limited obligation bonds and obligations under purchase money installment contracts	<u>16,845,000</u>
Gross debt	703,185,000
Less statutory deductions:	
Bonds issued and outstanding for water purposes	<u>410,516</u>
Net amount of debt applicable to debt limit	<u>702,774,484</u>
Legal debt margin	<u>\$ 3,404,846,134</u>

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

Table 14

Fiscal Year	Population¹	Personal Income² (in thousands)	Per Capita Income³	Median Age⁴	Public School Enrollment⁵	Unemployment Rate⁶
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	36.86	71,502	5.9%
2016	517,548	\$ 22,146,914	\$ 42,792	36.89	71,429	5.2%
2017	521,330	\$ 23,477,575	\$ 45,034	37.07	71,396	4.8%
2018	526,953	\$ 23,846,204	\$ 45,253	37.19	71,304	3.9%
2019	553,670	\$ 24,670,497	\$ 46,228	37.30	71,029	4.0%

Notes:

- ¹ Calendar years 2010 through 2016: Bureau of Economic Analysis, U.S. Department of Commerce
Calendar year 2017 through 2018: United States Census Bureau estimates.
- ² Computed as a factor of population times per capita income.
- ³ Calendar years 2010 through 2016: Bureau of Economic Analysis, U.S. Department of Commerce
Calendar year 2017 and 2018: Piedmont Triad Council of Governments estimate.
- ⁴ Fiscal years 2010 through 2019: State Demographer's Office at the NC Office of Budget & Management.
- ⁵ Average daily membership of Guilford County Schools as compiled by North Carolina Department of Public Instruction.
- ⁶ North Carolina Employment Security Commission - Calendar year annual average except for 2019 which is the average adjusted monthly

Source:

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2019.

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

Table 15

Employers¹	Fiscal Year 2019			Fiscal Year 2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cone Health	13,085	1	5.24%	7,776	2	3.60%
Guilford County School System	10,027	2	4.01%	10,394	1	4.81%
United States Postal Service	3,500	3	1.40%	2,800	4	1.30%
City of Greensboro	2,949	4	1.18%	3,024	3	1.40%
Guilford County Government	2,609	5	1.04%	2,648	6	1.23%
The Volvo Group	2,600	6	1.04%	-		0.00%
University of North Carolina at Greensboro	2,430	7	0.97%	2,800	5	1.30%
HAECO Americas	2,200	7	0.88%	-		0.00%
Ralph Lauren Corporation	2,097	9	0.84%	-		0.00%
Unifi Inc.	2,064	10	0.83%	-		0.00%
High Point Regional Health System ²	-			2,400	7	1.11%
Bank of America	-			2,200	8	1.02%
American Express Credit Card Services	-			2,100	9	0.97%
United Parcel Service	-			2,000	10	0.93%
Total County Employment	249,820			215,925		

Notes:

¹ Principal employer data is from the Triad Business Journal and the individual employers. Total County employment is for calendar years 2009 and 2018 from the North Carolina Department of Commerce.

² High Point Regional Health System was acquired by Wake Forest Baptist Health

Source:

Guilford County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2019.

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

Table 16

Fiscal Year	Instructional Programs	Support Services	Total
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
2019	6,186	2,882	9,068

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")									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
ELEMENTARY SCHOOLS										
Alamance Elementary	504	521	486	488	477	824	836	809	800	789
Alderman Elementary	388	414	408	396	374	395	366	377	343	331
Allen Jay Elementary	442	447	426	408	423	424	428	432	429	466
Archer Elementary	421	412	415	407	435	429	448	453	436	399
Bessemer Elementary	476	424	457	479	457	462	408	384	396	373
Bluford Elementary	281	276	280	293	285	290	302	347	331	335
Brightwood Elementary	518	539	556	590	569	573	574	717	718	703
Brooks Global	361	389	413	409	402	406	405	409	393	397
Claxton Elementary	598	608	593	607	578	614	611	626	624	613
Colfax Elementary	628	623	607	603	591	613	704	624	635	650
Cone Elementary	464	476	446	488	462	435	384	402	395	420
Erwin Elementary	213	248	262	290	292	310	300	299	311	299
Fairview Elementary	417	406	389	392	389	401	441	431	410	384
Falkener Elementary	575	566	548	546	543	588	602	552	591	594
Florence Elementary	673	699	693	683	688	704	740	776	856	817
Foust Elementary	346	373	337	345	366	376	377	323	313	339
Frazier Elementary	327	321	316	296	263	282	291	300	334	372
Gibsonville Elementary	502	512	499	463	447	448	459	462	458	437
Gillespie Park Elementary	228	237	240	258	254	240	223	218	226	231
Greene Elementary	518	488	497	504	509	485	502	509	521	465
Guilford Elementary	532	511	528	589	590	609	560	577	548	523
Hampton Elementary	125	291	301	300	253	259	243	264	249	252
Hunter Elementary	506	510	462	468	471	466	434	438	424	408
Irving Park Elementary	586	563	583	626	648	626	629	640	666	710
Jamestown Elementary	426	431	414	408	431	436	495	507	500	528
Jefferson Elementary	710	667	665	624	625	637	686	718	750	713
Jesse Wharton Elementary	531	518	479	490	471	510	540	763	808	876
Johnson Street Global Studies	314	354	317	291	267	249	223	236	243	248
Jones Elementary	678	684	672	676	706	705	688	716	699	690
Joyner Elementary	281	291	293	286	299	326	339	352	374	401
Kirkman Park Elementary	302	305	275	289	275	281	240	252	249	205
Lincoln Academy ¹	63	105	112	169	170	179	185	136	131	121
Lindley Elementary	485	485	498	491	493	457	421	391	408	443
Madison Elementary	226	230	224	224	199	207	216	243	255	271
McLeansville Elementary	322	332	316	369	364	439	421	409	416	389
McNair Elementary	539	522	548	581	598	561	480			
Millis Road Elementary	515	502	435	477	490	490	479	492	493	465
Monticello-Brown Summit Elementary	366	370	379	371	359	367	393	416	440	435
Montlieu Avenue Elementary	581	620	685	669	638	622	524	445	406	418
Morehead Elementary	582	629	650	621	594	572	548	533	521	479
Murphey Elementary	276	278	303	314	293	311	318	338	339	350
Nathanael Greene Elementary	255	260	257	253	247	273	296	326	366	364
Northern Elementary	694	636	598	599	581	598	672	860	838	836
Northwood Elementary	491	530	556	605	585	573	640	595	544	540
Oak Hill Elementary	461	452	465	462	458	420	426	431	415	389
Oak Ridge Elementary	742	743	731	745	708	667	685	682	685	659
Oak View Elementary	477	515	499	496	495	477	478	480	493	495
Parkview Elementary	307	308	344	348	354	332	345	337	390	420
Pearce Elementary	753	740	738	700	681	660	659	732	726	757
Peck Elementary	255	265	301	330	343	338	301	344	367	365
Peeler Elementary	170	296	321	345	339	364	378	376	357	348

Table 17
Page 1 of 4

Average Daily Attendance ("ADA")									
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
480	496	463	467	453	791	799	781	768	755
368	397	389	381	359	375	350	363	329	318
414	420	400	387	397	404	406	414	410	442
400	393	395	389	414	412	431	435	419	382
438	393	419	449	435	438	380	362	373	351
261	260	266	279	270	276	287	333	317	321
485	509	525	564	537	546	545	686	682	666
354	380	403	400	395	398	394	399	383	385
571	581	565	581	553	588	584	603	596	585
599	593	579	579	565	586	673	601	605	620
426	439	417	462	433	407	358	380	370	395
204	241	252	280	281	300	288	289	299	286
390	385	367	372	367	376	415	408	388	366
539	534	511	512	508	554	566	525	562	563
642	668	659	656	659	676	707	748	820	783
325	350	316	328	347	358	356	309	299	321
309	301	297	284	250	270	277	286	319	353
476	487	476	445	425	430	440	446	438	418
214	220	223	242	236	224	210	211	215	218
499	469	478	486	490	471	484	494	501	446
501	483	503	565	563	581	534	554	524	499
116	273	282	288	239	248	232	251	241	242
483	485	433	444	447	444	413	419	405	390
554	536	553	599	615	596	599	613	634	672
406	409	390	389	408	416	472	492	480	504
676	636	633	597	591	609	653	687	713	680
504	496	458	471	454	490	521	738	774	836
297	335	301	277	256	238	214	226	230	239
642	650	638	645	674	675	659	690	670	657
268	274	279	275	287	313	325	341	356	383
280	287	258	273	260	265	227	241	236	193
60	102	108	163	166	173	176	115	126	116
458	460	471	467	465	436	400	375	389	419
214	219	212	215	190	197	206	235	244	260
305	314	301	353	346	420	398	392	395	370
509	496	522	557	572	540	460			
493	481	417	458	470	470	459	474	473	448
340	348	353	350	341	351	374	397	418	415
542	587	647	638	611	595	500	427	391	399
556	604	623	596	573	553	526	518	503	459
260	263	290	302	280	298	305	327	327	338
240	245	242	240	233	261	284	313	348	347
662	609	572	577	556	574	645	831	807	800
458	494	519	570	548	542	603	568	518	511
438	429	439	442	437	400	404	412	394	368
712	716	701	721	684	643	660	660	657	629
451	485	472	469	468	454	457	461	471	472
285	288	322	328	334	314	328	320	369	395
718	710	707	674	653	637	632	707	694	723
239	248	282	313	324	323	286	329	347	340
162	277	304	329	324	352	364	361	343	333

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

	Average Daily Membership ("ADM")									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
ELEMENTARY SCHOOLS (CONTINUED)										
Pilot Elementary	623	611	654	702	724	786	882	869	832	859
Pleasant Garden Elementary	418	433	446	473	486	502	521	514	518	525
Rankin Elementary	715	750	698	768	760	736	759	715	668	617
Reedy Fork Elementary	432	425	395	412	424	439	480	522	521	482
Sedalia Elementary	448	434	431	453	426	430	407	474	452	485
Sedgefield Elementary	506	514	478	522	542	500	498	445	444	441
Shadybrook Elementary	383	404	429	458	495	531	590	594	606	615
Simkins Elementary	582	524	477	507	476					
Southern Elementary	282	297	313	305	306	325	327	328	287	249
Southwest Elementary	916	902	857	808	722	681	715	796	837	814
Sternberger Elementary	412	399	389	361	356	364	353	379	383	346
Stokesdale Elementary	536	535	506	470	461	464	505	525	536	564
Summerfield Elementary	689	650	645	627	565	594	664	691	660	698
Sumner Elementary	632	608	616	639	655	593	575	531	576	553
Triangle Lake Elementary	434	439	462	469	457	476	470	433	405	392
Union Hill Elementary	509	544	499	493	468	484	459	483	456	441
Vandalia Elementary	246	231	238	252	248	264	264	267	264	253
Washington Elementary	338	316	345	343	341	358	354	321	272	258
Wiley Acceleration/Enrichment	279	287	301	308	297	291	249	238	238	244
Total elementary schools	31,811	32,225	31,996	32,531	32,038	32,128	32,415	32,604	32,575	32,348
MIDDLE SCHOOLS										
Allen Jay Preparatory Academy	405	386	391	294	189	100				
Allen Middle	733	685	645	652	705	703	704	692	686	660
Swann Middle 5	243	602	572	611	608	598	620	588	635	233
Brown Summit Middle	1,047	242	241	240	237	242	245	243	236	913
Eastern Middle	723	961	938	887	902	894	972	983	943	757
Ferndale Middle	676	731	664	740	797	856	881	867	833	544
Guilford Middle	-	640	602	645	708	719	750	747	726	98
Hairston Middle	456	649	654	660	727	740	684	626	571	418
High School Ahead Academy	1,117	-	96	98	84	95	96	100	98	1,032
Jackson Middle	124	473	476	497	511	479	440	440	431	95
Jamestown Middle	743	1,101	1,049	1,035	1,097	1,182	1,154	1,135	1,083	989
Johnson Street Global Studies ³	988	123	131	150	138	128	115	114	104	758
Kernodle Middle	600	775	777	753	829	855	971	956	961	580
Kiser Middle	748	877	827	757	784	823	875	947	824	965
Lincoln Academy ³	731	548	591	507	511	536	577	599	567	829
Mendenhall Middle	853	711	739	731	820	862	930	930	983	1,029
Northeast Middle	1,093	706	755	731	768	845	828	864	835	974
Northern Middle	449	870	854	863	889	953	949	934	990	443
Northwest Middle	982	1,043	1,055	976	1,010	988	992	963	971	1,024
Penn-Griffin School for the Arts ³	735	439	436	437	474	478	444	390	434	798
Southeast Middle	1,244	946	959	939	982	1,017	983	1,033	1,018	1,104
Southern Middle	607	755	729	720	713	766	797	845	783	618
Southwest Middle	436	1,190	1,112	1,083	1,132	1,160	1,146	1,103	1,087	543
Welborn Middle	714	348	421	387	428	465	486	508	522	738
Total middle schools	16,447	15,801	15,714	15,393	16,043	16,484	16,639	16,607	16,321	16,142

Average Daily Attendance ("ADA")									
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
588	583	620	671	690	749	839	837	796	819
395	406	422	450	461	479	496	493	492	498
672	706	663	731	721	700	718	685	639	585
405	401	374	394	400	418	457	500	496	457
423	408	407	431	402	412	388	458	431	462
474	489	452	496	512	476	470	427	423	419
362	382	411	441	471	509	568	575	582	589
560	507	461	493	461					
267	280	293	290	288	311	312	312	273	238
882	871	821	779	695	654	688	769	805	782
396	383	375	349	341	351	338	366	369	331
510	512	483	452	440	446	485	507	517	543
656	624	615	606	539	569	638	669	635	669
596	577	585	611	624	563	546	509	550	523
413	420	441	450	438	457	447	418	385	370
478	514	470	471	441	459	435	461	435	416
232	219	224	240	236	252	251	257	255	243
316	302	317	328	326	345	334	307	258	241
254	262	274	285	277	269	234	224	223	228
30,102	30,601	30,340	31,096	30,506	30,707	28,868	31,321	31,134	30,824
387	370	375	284	184	96				
686	649	608	619	668	668	672	657	649	624
236	564	542	582	578	569	589	565	609	588
988	235	234	232	228	235	237	237	228	224
671	909	887	846	854	849	918	925	881	851
617	684	621	695	744	809	823	812	774	704
-	604	572	614	673	684	716	713	689	699
419	596	599	609	675	693	639	590	536	509
1,048	-	91	94	80	88	91	95	91	91
117	437	434	459	470	447	410	416	402	391
705	1,035	985	978	1,031	1,127	1,109	1,086	1,040	981
919	118	124	143	132	124	110	113	104	92
572	737	739	721	790	820	928	920	919	946
699	824	774	712	729	780	826	898	774	711
682	524	569	490	497	518	557	592	545	555
809	664	695	693	766	811	880	884	927	909
1,035	663	704	688	723	797	782	821	786	782
430	826	810	823	842	907	906	901	953	986
923	994	1,000	934	958	944	947	924	927	928
682	417	411	417	463	458	423	392	416	423
1,173	896	910	895	934	970	934	987	965	967
568	701	680	678	672	725	754	803	737	753
408	1,121	1,054	1,031	1,069	1,104	1,094	1,051	1,032	1,046
674	326	392	364	401	439	458	479	492	508
15,448	14,894	14,810	14,601	15,161	15,662	15,803	15,861	15,476	15,268

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

	Average Daily Membership ("ADM")									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
HIGH SCHOOLS										
Andrews High	677	727	829	841	844	834	744	789	860	870
Bennett Middle College High	113	105	99	104	108	112	101	112	114	103
Dudley High	1,302	1,355	1,348	1,351	1,324	1,310	1,340	1,373	1,449	1,493
Eastern High	1,259	1,215	1,185	1,134	1,130	1,163	1,177	1,186	1,215	1,199
Greensboro College Middle College High	123	116	117	119	128	129	120	123	121	118
Grimsley High	1,661	1,694	1,627	1,689	1,676	1,735	1,759	1,700	1,699	1,715
GTCC East Middle College High	141	131	122	120	130	135	137	129	128	125
GTCC Middle College High	228	203	198	176	180	179	168	149	160	158
Guilford Early College High	199	197	198	196	196	193	194	199	194	193
High Point Central High	1,285	1,365	1,405	1,402	1,393	1,354	1,371	1,367	1,294	1,287
High Point Central Academy	125	125	130	141	136	130	137	133	135	124
High Point GTCC Middle College High	142	133	128	121	125	123	125	128	127	126
NC A&T Middle College High	123	121	122	112	103	104	124	109	101	96
Northeast High	920	988	1,037	1,031	1,010	1,013	1,003	1,060	1,097	1,122
Northern High	1,322	1,345	1,377	1,340	1,355	1,343	1,316	1,294	1,245	1,158
Northwest High	2,101	2,068	2,078	2,024	1,978	1,995	1,924	1,889	1,882	1,909
Page High	1,741	1,876	1,971	1,935	2,015	1,962	1,872	1,804	1,806	1,764
Penn-Griffin School for the Arts	164	154	153	196	214	215	196	174	156	107
Ragsdale High	1,350	1,449	1,489	1,495	1,423	1,389	1,367	1,311	1,365	1,386
Smith High	1,245	1,189	1,246	1,220	1,219	1,225	1,205	1,185	1,133	1,160
Smith Academy	183	206	204	210	221	205	203	221	233	200
Southeast High	1,267	1,325	1,312	1,366	1,361	1,407	1,416	1,337	1,287	1,285
Southern High	1,005	1,076	1,045	1,096	1,103	1,155	1,154	1,094	1,051	980
Southwest High	1,569	1,572	1,576	1,514	1,494	1,431	1,420	1,395	1,359	1,364
STEM Early College at NC A&T	180	186	179	190	150	102	49			
UNCG Middle College High	202	202	197	200	199	149	100	49		
Western High	1,168	1,220	1,261	1,291	1,293	1,226	1,225	1,241	1,287	1,344
Total high schools	21,795	22,343	22,633	22,614	22,508	22,318	21,947	21,551	21,498	21,386

Average Daily Attendance ("ADA")									
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
613	666	768	783	781	768	683	726	789	799
110	102	99	102	105	107	98	106	107	98
1,167	1,205	1,199	1,218	1,190	1,156	1,212	1,257	1,335	1,387
1,162	1,125	1,109	1,065	1,066	1,094	1,107	1,109	1,127	1,115
120	115	114	116	126	124	118	120	119	115
1,557	1,586	1,523	1,587	1,576	1,640	1,659	1,617	1,598	1,605
138	128	121	117	124	131	130	125	126	122
223	197	195	171	176	175	164	146	155	155
196	192	196	195	193	190	192	197	191	193
1,171	1,244	1,283	1,297	1,297	1,243	1,293	1,289	1,204	1,208
122	122	128	136	130	125	132	130	127	119
137	129	124	117	120	117	116	122	121	120
121	119	121	109	102	102	123	107	99	93
841	897	942	942	930	911	946	996	1,027	1,055
1,259	1,279	1,310	1,285	1,295	1,290	1,270	1,250	1,195	1,110
2,007	1,977	1,966	1,934	1,874	1,848	1,849	1,821	1,806	1,831
1,628	1,727	1,837	1,809	1,892	1,791	1,768	1,695	1,695	1,657
157	147	144	188	208	206	190	151	146	102
1,265	1,356	1,409	1,416	1,355	1,251	1,296	1,250	1,295	1,317
1,113	1,083	1,122	1,104	1,105	1,098	1,110	1,098	1,047	1,068
177	200	199	203	216	201	198	215	227	193
1,187	1,234	1,223	1,282	1,276	1,274	1,338	1,268	1,219	1,217
934	995	978	1,030	1,035	1,082	1,097	1,042	1,001	920
1,506	1,503	1,505	1,451	1,428	1,365	1,356	1,332	1,291	1,292
178	185	177	188	148	101	48			
200	198	194	197	194	146	97	47		
1,088	1,134	1,180	1,209	1,200	1,132	1,150	1,166	1,206	1,255
20,377	20,845	21,166	21,251	21,142	20,668	20,740	20,382	20,253	20,146

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

	Average Daily Membership ("ADM")									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
SPECIAL SCHOOLS										
Christine Joyner Greene	88	85	84	77	73	65				
Gateway Education Center	57	59	58	58	54	57	70	59	67	132
Guilford Newcomers School	282	283	443	285	302	245	246	215	231	256
Haynes Inman Education Center	75	77	77	76	74	80	72	62	54	
Herbin-Metz Education Center ⁴	88	75	67	67	70	72	128	128	127	128
SCALE	27	35	42	44	48	36	36	34	45	46
Dean B. Pruette SCALE	27	17	25	33	27	18	32	31	35	37
Weaver Education Center	332	304	257	251	265	284	300	296	274	235
Total special schools	976	935	1,053	891	913	857	884	825	833	834
Total ADM	<u>71,029</u>	<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>71,587</u>	<u>71,227</u>	<u>70,710</u>
Total ADA										
ADA/ADM										

Average Daily Attendance ("ADA")									
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
84	81	81	74	69	65				
52	53	51	52	47	51	63	54	60	115
268	270	411	269	282	231	232	203	220	240
70	71	70	70	68	69	66	58	49	
81	69	61	64	65	67	121	124	123	124
24	27	33	36	39	30	30	27	36	36
23	15	21	27	23	16	29	28	28	29
319	286	243	236	252	271	291	287	264	227
921	872	971	828	845	800	832	781	780	771
<u>66.848</u>	<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>94.1%</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>95.5%</u>	<u>95.0%</u>	<u>94.8%</u>

GUILFORD COUNTY BOARD OF EDUCATION
OPERATING STATISTICS
Last Ten Fiscal Years

Fiscal Year	Expenses²	Student Average Daily Membership	Cost Per Pupil	Percentage Change in Per Pupil Cost
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	\$ 662,302,351	71,885	\$ 9,213	1.5%
2013 ²	\$ 625,146,612	71,787	\$ 8,708	-5.5%
2014	\$ 670,108,220	71,502	\$ 9,372	7.6%
2015	\$ 666,210,926	71,429	\$ 9,327	-0.5%
2016	\$ 697,307,205	71,396	\$ 9,767	4.7%
2017	\$ 699,313,001	71,304	\$ 9,807	0.4%
2018	\$ 730,529,603	71,029	\$ 10,285	4.9%

Notes:

¹ 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.

² 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

Teaching Staff	Pupil/ Teacher Ratio	Student Attendance Percentage	Students Receiving Free/Reduced Meals Percentage
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%
4,796	14.9	94.2%	66.8%
4,697	15.2	94.3%	61.8%
4,751	15.0	94.1%	65.7%

1

GUILFORD COUNTY BOARD OF EDUCATION
INSTRUCTIONAL PERSONNEL
Last Ten Fiscal Years

Table 19

Fiscal Year	Teacher Salaries			Education			
	Minimum	Maximum	Average	Bachelors Degree	Masters Degree	Doctorate	Other
2019	\$ 40,000	\$ 74,856	\$ 52,910	59.6%	38.8%	0.8%	0.8%
2018	\$ 39,350	\$ 83,676	\$ 49,605	73.2%	26.2%	0.2%	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%

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

School Name	Loc. No.	Site Acreage	Building Square Footage	2018-2019 Building Capacity
ELEMENTARY SCHOOLS				
Alamance Elem.	304	33.49	95,437	754
Alderman Elem.	307	10.18	55,692	514
Allen Jay Elem.	310	21.46	49,744	490
Archer Elem.	322	8	47,056	548
Bessemer Elem.	328	17.64	68,893	678
Bluford Elem.	331	*	59,451	630
Brightwood Elem.	334	31.98	85,277	844
Brooks Global Studies	337	*	47,572	456
Monticello-Brown Summit Elem.	340	53.72	88,500	862
Claxton Elem.	343	10	56,724	700
Colfax Elem.	346	30.941	107,636	754
Cone Elem.	349	*	66,277	537
Erwin Montessori	361	9	53,800	479
Fairview Elem.	364	4.25	76,058	738
Falkener Elem.	366	*	85,277	844
Florence Elem.	370	14.9	78,712	807
Foust Elem.	373	9.44	50,246	537
Frazier Elem.	376	*	52,084	468
General Greene Elem.	388	12.07	41,242	548
Gibsonville Elem. (new bldg. & gym)	382	33.1	98,133	560
Gillespie Park Elem.	385	16.4	75,744	514
Guilford Elem.	400	33.264	89,639	772
Hampton Elem.	403	16	48,448	502
Hunter Elem.	409	29.48	88,635	632
Irving Park Elem.	412	11.8	58,701	829
Jamestown Elem.	418	15.01	61,724	677
Jefferson Elem.	423	25.744	88,500	862
Jesse Wharton Elem.	424	26.5	88,500	842
Johnson Street Elem. (K-5)	427	8.81	72,120	328
Jones Elem.	430	9	73,545	774
Joyner Elem.	436	15.08	44,320	556
Kirkman Park Elem.	439	8.85	42,589	430
Lincoln Academy (4-5)	448	*	*	120
Lindley Elem.	451	18.71	69,693	456
Madison Elem.	454	32.01	44,434	378
McLeansville Elem.	461	11.47	68,409	548
Millis Road Elem.	466	*	39,018	498
Montlieu Elem.	469	23.23	65,741	796
Morehead Elem.	472	7.82	44,914	368
Murphey Elem.	478	11.32	53,028	525
Nathanael Greene Elem.	481	12.78	52,652	502
Northern Elem.	486	60.5	79,633	772
Northwood Elem.	496	25.26	68,588	691
Oak Hill Elem.	499	7.16	60,820	548
Oak Ridge Elem.	502	31.84	103,891	807

Table 20
Page 1 of 3

2018-2019 20th Day Enrollment	Percentage Over (Under) Capacity	Year Constructed	Years Renovations/ Additions
508	67%	1946	1955, 59, 75, 2011
394	77%	1968	1975, 2002
445	91%	1955	1962, 71, 2002
411	75%	1962	1964
465	69%	1952	1960, 75, 84, 2002
271	43%	1956	1961, 63, 77, 2016, 2017
522	62%	2002	-
363	80%	1951	1952, 76, 2004
373	43%	2000	-
602	86%	1960	1962, 1965, 1974
624	83%	1955	1983, 99, 2002
487	91%	1935	1943, 61, 67, 69, 2002
218	46%	1949	1950, 52, 68, 72, 2002
399	54%	1956	1963, 66, 1999-Addition
590	70%	2002	-
671	83%	1955	1958, 60, 73, 83, 2002, 2006-Addition
343	64%	1965	1966
339	72%	1971	2002-Renovation part
518	95%	1956	1957, 1962, 2002-Addition
497	89%	1950, 2006	-
224	44%	1949	1959, 65, 74, 2003
540	70%	2007	-
129	26%	1964	1965
514	81%	2017	-
584	70%	1952	1958, 60, 61, 68, 2006
426	63%	1930	1940, 59, 61, 82
695	81%	1999	-
531	63%	1998	-
315	96%	1955	1958, 1978
686	89%	1954	1958, 61, 63, 82, 2000
287	52%	1955	1958, 62, 89
302	70%	1961	1973
62	52%	1945	1949, 54, 61, 62, 63, 76, 82, 2002
482	106%	1928	1937, 58, 61, 75, 2003
222	59%	1977	2006
311	57%	1935	1951, 55, 56, 88, 2005, 2012
510	102%	1959	1961, 2002
572	72%	1956	1958, 61, 2002
583	158%	1968	2006
275	52%	1956	1958, 62, 63, 83
260	52%	1923	1935, 37, 41, 55, 56, 60, 77
684	89%	2008	-
490	71%	1956	1958, 59, 61, 91, 2002, 2016
469	86%	1955	1975
738	91%	1923	1924, 74, 2006

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

School Name	Loc. No.	Site Acreage	Building Square Footage	2018-2019 Building Capacity
ELEMENTARY SCHOOLS (CONTINUED)				
Oak View Elem.	505	12.47	68,554	712
Parkview Elem.	511	15.93	80,512	578
Pearce Elem.	491	21.96	89,207	802
Peck Elem.	514	26.13	62,220	498
Peeler Elem.	517	14	49,376	456
Pilot Elem.	522	45	88,500	862
Pleasant Garden Elem.	523	23.36	114,703	829
Rankin Elem.	532	21	91,968	818
Reedy Fork Elem.	530	18.356	86,847	837
McNair Elem.	462	43.97	92,039	724
Sedalia Elem.	535	20.18	65,451	620
Sedgefield Elem.	538	9.67	52,592	488
Shadybrook Elem.	541	25.14	62,210	608
Simkins Elem.	542	30.1	92,812	724
Southern Elem.	553	*	39,052	396
Southwest Elem.	559	*	98,523	906
Sternberger Elem.	568	9.8	50,690	502
Stokesdale Elem.	571	22.19	88,464	572
Summerfield Elem.	574	26.18	96,616	730
Sumner Elem.	577	25	84,920	912
Triangle Lake Montessori	578	24.751	85,277	799
Union Hill Elem.	580	15	92,931	818
Vandalia Elem.	583	10	34,820	350
Washington Elem.	586	7.39	49,723	601
Wiley Elem.	598	8.43	60,198	431
Total Elementary Schools		1,234.22	4,825,302	44,048
MIDDLE SCHOOLS				
Allen Jay Middle - A Preparatory Academy	311	18	90,064	600
Allen Middle	316	41.46	124,909	1,134
Swann Middle	325	16.53	133,348	1,020
Brown Summit Middle	341	8.38	33,937	300
Eastern Middle	460	*	137,550	1,194
Ferndale Middle	367	*	149,372	1,272
Penn-Griffin Middle	391	35	168,696	905
Western Guilford Middle	397	32	157,889	1,284
Hairston Middle	402	79.85	141,332	1,194
Jackson Middle	415	34.67	112,459	1,032
Jamestown Middle	421	79.89	162,154	1,434
Johnson Street Middle (6-8)	427	*	*	192
Kernodle Middle	437	38.96	141,332	1,194
Kiser Middle	442	*	136,435	1,272
Lincoln Academy (6-8)	448	*	95,409	810
Mendenhall Middle	463	40.04	122,540	1,050
Northern Middle	488	*	141,084	1,152
Northeast Middle	487	*	131,034	1,110

Table 20
Page 2 of 3

2018-2019 20th Day Enrollment	Percentage Over (Under) Capacity	Year Constructed	Years Renovations/ Additions
484	68%	1953	1956, 60, 76, 2007
303	52%	1958	1961, 2008
748	93%	2007	-
251	50%	1929	1949, 52, 82, 84, 2006
172	38%	1968	1972, 2006
614	71%	1996	-
417	50%	1940	1952, 59, 82, 90, 2008
706	86%	1924	1952, 56, 83, 99
426	51%	2007	-
536	74%	2013	-
460	74%	1947	1955, 58, 63, 83, 2002, 2006
504	103%	1953	1955, 56, 64, 83, 2002
385	63%	1970	-
563	78%	2013	-
279	70%	1975	1976
921	102%	1979	2000
413	82%	1949	1953, 56, 58, 61, 1976
540	94%	1953	1955, 56, 60, 79, 82, 2007
682	93%	1936	1950, 52, 55, 59, 83, 2011
634	70%	1930	1935, 49, 56, 61, 62, 64, 1978
438	55%	2003	-
503	61%	2009	-
255	73%	1958	1966, 1974
332	55%	1951	1958, 1960, 1963
292	68%	1954	1956, 1961, 2002
31,789			
407	68%	1939	1950, 1960, 69, 76, 83, 2014
744	66%	1968	2011
617	60%	1922	1954, 57, 59, 61, 75, 82
244	81%	1954	1958, 1961
1058	89%	1999	-
722	57%	1931	1937, 48, 82, 2007
617	68%	1930	1940, 49, 52, 55, 56, 59, 79, 84, 2004
1058	82%	2018	2018-Feb
679	57%	2002	-
474	46%	1959	1961, 1965
1128	79%	2010	-
126	66%	1955	1958, 1978
739	62%	2000	-
987	78%	1957	1966, 2002
612	76%	1945	1949, 54, 61, 62, 63, 76, 82, 2002
742	71%	1968	2002
851	74%	2007	-
729	66%	1967	2006

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

School Name	Loc. No.	Site Acreage	Building Square Footage	2018-2019 Building Capacity
MIDDLE SCHOOLS (CONTINUED)				
Northwest Middle	493	*	144,210	912
Southeast Middle	550	*	138,341	998
Southern Middle	313	73.99	143,877	1,194
Southwest Middle	565	*	138,143	1,223
Welborn Middle	592	*	139,188	690
Total Middle Schools		498.77	2,883,303	23,166
HIGH SCHOOLS				
Andrews High	319	52.04	230,224	1,254
Dudley High	355	63.58	282,310	1,919
Eastern High	358	103.57	284,569	1,268
Grimsley High	394	105	228,045	1,905
High Point Central High	406	41.23	311,554	1,217
Kearns Academy	407	*	42,336	240
Northeast High	484	58.64	179,092	1,026
Northern High	489	99.89	270,000	1,370
Northwest High	490	82.98	231,110	1,809
Page High	508	54.45	220,174	1,954
Ragsdale High	529	72.06	367,837	1,513
Smith High	544	55	266,830	1,640
Smith Academy	545	4.3	39,248	270
Southeast High	547	73.65	247,939	1,542
Southern High	556	58.68	198,354	1,057
Southwest High	562	106.19	278,430	1,506
Weaver Ed. Center	589	11.75	110,970	314
Western High	595	62.22	245,373	1,604
Total High Schools		1,105.23	4,034,395	23,408
SPECIAL USE FACILITIES				
Gateway Ed. Center	379	14	98,782	396
Haynes-Inman Education Center	464	*	62,495	228
Herbin-Metz Education Center	457	*	51,385	216
Greene Education Center	458	*	57,266	216
Guilford Newcomers School	398	9.2	29,654	450
Pisgah Church Rd. SCALE Program	533	6.47	18,668	192
Dean B. Pruette SCALE School	534	1.89	27,475	264
Twilight High School		*	8,309	175
Total Special Use Facilities		31.56	354,034	2,137
Total All Facilities		2,869.78	12,097,034	92,759

Notes:

* Site shared with other school(s).

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

2018-2019 20th Day Enrollment	Percentage Over (Under) Capacity	Year Constructed	Years Renovations/ Additions
1,098	120%	1970	2012
985	99%	1969	2011
737	62%	2007	2010
1,252	102%	1992	-
436	63%	1958	1961, 2001
17,042			
711	57%	1967	1973, 2000, 2011
1,382	72%	1928	1935, 1957, 1959, 1961, 1963, 1982, 2005, 2012
1,326	105%	1976/2009	1976, 2009
1,710	90%	1929	1933, 40, 54, 56, 58, 65, 76, 78, 2002, 2011, 2014
1,369	112%	1926	1941, 50, 53, 56, 62, 98, 03, 2013, 2016, 2017
126	53%	1950	1953, 2003
949	92%	1961	1962, 69, 85, 2007
1,353	99%	2008	-
2,129	118%	1962	1965, 1985, 2003, 2012
1,808	93%	1958	1962, 1964, 1976, 2004, 2011
1,412	93%	1959	1965, 1966, 1967, 1969, 1970, 2002, 2012, 2013
1,311	80%	1963	1965, 1968, 1975, 2001, 2017
185	69%	1973	1984, 2007
1,297	84%	1962	1975, 1976, 1980 2005, 2010, 2012, 2015
1,054	100%	1970	1973, 1984, 2006, 2017
1,595	106%	1979	1988, 2007, 2011
333	106%	1980	-
1,192	74%	1968	1973, 1977, 2001, 2017
21,242			
58	15%	1983	1991-Addition, 1999-Renovation part
74	32%	2010	-
85	39%	2013	-
91	42%	2013	-
212	47%	1972	-
9	5%	1955	1971
8	3%	1947	2008-Renovation
-	0%	1955	-
537			
70,610			

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

Table 21

Fiscal Year	Department	Asset Description	Amount
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
2019	Transportation	School Buses	987,041

COMPLIANCE SECTION

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.

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, 2019, and the related notes to the financial statements, which collectively comprises the Board's basic financial statements, and have issued our report thereon dated November 15, 2019.

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

Response to Findings

The Board's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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

**Winston-Salem, North Carolina
November 15, 2019**

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, 2019. 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, 2019.

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

**Winston-Salem, North Carolina
November 15, 2019**

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, 2019. 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, 2019.

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

**Winston-Salem, North Carolina
November 15, 2019**

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

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X 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 X No

Identification of major federal programs:

 CFDA Numbers

 Names of Federal Program or Cluster

10.553, 10.555, 10.559

Child Nutrition Cluster

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

\$ 2,545,645

Auditee qualified as low-risk auditee?

 X Yes No

SECTION I – SUMMARY OF AUDITORS' RESULTS (CONTINUED)

State Awards

Internal control over major state programs:

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

Type of auditors' report issued on compliance for major state programs:

Unmodified

Any findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?

_____ Yes X No

Identification of major state programs:

_____ Program Name
State Public School Fund
State appropriations – school buses
Textbooks

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2019-001

Expenditures in excess of budget for School Food Service Fund

SIGNIFICANT DEFICIENCY

Criteria: General statutes state that all monies received and expended by a local government or public authority should be included in the budget ordinance.

Condition: For the School Food Service Fund, the Board expended \$951,120 more for operating expenditures than appropriated in the annual budget ordinance.

Effect: Monies were spent that had not been appropriated.

Cause: The Board received and expended appropriations that had not been budgeted for in the budget ordinance and a budget amendment was not adopted.

Recommendation: Budget amendments should be adopted when it is known that funds are going to be expended in a different budgetary control level than what was originally adopted prior to expending the funds.

Views of responsible officials and planned corrective actions: Management agrees with this finding. Please refer to schedule 12 for the Corrective Action Plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings reported.

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

No findings reported.



**GUILFORD COUNTY BOARD OF EDUCATION
CORRECTIVE ACTION PLAN
Year Ended June 30, 2019**

Schedule 12

Finding 2019-001

SIGNIFICANT DEFICIENCY

Name of contact person: Cynthia Sevier, Interim Child Nutrition Director

Corrective action: This finding is related to the incorrect adjustment of inventory amounts that were not discovered until after the year-end. Had management been aware of this oversight, the appropriate budgetary procedures would have been followed.

The Board would like to note that while addressing this oversight, management did not expend funds in excess of the total General Fund Budget. Staff has been made aware of this oversight and will review the details of inventory reports and the general ledger to ensure inventory usage is processed accurately and with the appropriate budgetary funds.

Proposed completion date: June 30, 2020



**GUILFORD COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
Year Ended June 30, 2019**

Schedule 13

There were no findings or questioned costs related to our audit of federal and state awards for the fiscal year ended June 30, 2018.

GUILFORD COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2019

Schedule 14
Page 1 of 3

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<i>Federal Grants:</i>			
<u>U. S. Department of Education</u>			
Direct Programs:			
Indian Education Grant	84.060	PRC 310	\$ 40,947
Transition to Teaching	84.350	PRC 347, 350	-
Art Educators Grant	84.U01	PRC 344, 371	370,410
			<u>411,357</u>
Passed through the N. C. Department of Public Instruction:			
Special Education Cluster:			
Grants to the States	84.027	PRC 060, 082 114, 118	15,810,659
Preschool Grants	84.173	PRC 049, 119	341,875
Total Special Education Cluster			<u>16,152,534</u>
Improving American School Act of 1994 (IASA)			
Title I, Part A			
Title I Grants to Local Education Agencies	84.010	PRC 050,100	23,652,674
Title I - Targeted Support and Improvement	84.010A	PRC 115	352,918
School Improvement, Title I	84.010	PRC 105	1,703,867
Total Title I, Part A			<u>25,709,459</u>
Vocational Education - Basic Grants to States	84.048	PRC 017,058	1,331,272
Education for Homeless Children Grant	84.196	PRC 026	5,930
Student Support and Academic Enrichment Program	84.351	PRC 108	1,258,251
English Language Acquisition State Grants	84.365	PRC 104	1,134,886
Supporting Effective Instruction State Grants	84.367	PRC 103	2,526,427
Title III - Language Acquisition - Significant Increase	84.395	PRC 111	42,141
Total U. S. Department of Education			<u>48,572,257</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	20,714,647
School Breakfast Program	10.553	PRC 035	9,808,238
Passed through the N. C. Department of Agriculture:			
Food Distribution Program (non-cash program)	10.555	PRC 035	2,491,248
Passed through the N. C. Department of Health and Human Services:			
Summer Food Service Program for Children	10.559	PRC 035	879,304
Total Child Nutrition Cluster			<u>33,893,437</u>

GUILFORD COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2019

Schedule 14
Page 2 of 3

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
<i>Federal Grants (Continued):</i>			
<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	706,313
Passed through the N. C. Department of Health and Human Services:			
Child and Adult Care Food Program	10.558	PRC 035	1,335,415
Total School Nutrition Program (Note 4)			35,955,273
Total U.S. Department of Agriculture			35,955,273
<u>U. S. Department of Defense</u>			
Direct Program:			
ROTC	12.000	PRC 301	327,309
Total U. S. Department of Defense			327,309
Total Federal Awards			\$ 84,854,839
<i>State Grants:</i>			
<u>N. C. Department of Public Instruction</u>			
Cash assistance:			
State Public School Fund	N/A	xxxx	\$ 413,432,432
Vocational Education			
- State Months of Employment	N/A	PRC 013	21,667,128
- Program Support Funds	N/A	PRC 014	1,170,742
Driver Training	N/A	PRC 012	1,211,973
School Technology Fund	N/A	PRC 015	1,098,405
Non-cash assistance:			
State appropriations - school buses	N/A	PRC 120	1,583,334
Textbooks	N/A	PRC 130, 131	2,485,864
Total N. C. Department of Public Instruction			442,649,878
<u>N. C. Department of Health and Human Services</u>			
Cash assistance:			
NC Pre-Kindergarten Program	N/A	xxxx	3,903,329
<u>N. C. Department of Agriculture</u>			
State Kindergarten Breakfast Funds			41,689
Total State Awards			\$ 446,594,896

**GUILFORD COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2019**

**Schedule 14
Page 3 of 3**

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, 2019. 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.