

COLUMBUS COUNTY BOARD OF EDUCATION
FINANCIAL REPORT
June 30, 2019

Columbus County Board of Education
TABLE OF CONTENTS
June 30, 2019

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditors' Report		1-3
Management's Discussion and Analysis		4-10
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	11
Statement of Activities	2	12
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	13
Reconciliation of the Balance Sheet to the Statement of Net Position	3a	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4a	16
Statement of Revenues, Expenditures, and Changes in Fund Net Assets - Budget and Actual - General and Major Special Revenue Funds	5	17
Statement of Net Position - Proprietary Funds	6	18
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	7	19
Statement of Cash Flows - Proprietary Funds	8	20-21
Statement of Fiduciary Net Position	9	22
Statement of Changes in Fiduciary Net Position	10	23
Notes to the Financial Statements		24-43
Required Supplementary Information		
Schedule of Proportionate Share of the Net Pension Liability - TSERS	A-1	44
Schedule of Contributions - TSERS	A-2	45

Columbus County Board of Education
TABLE OF CONTENTS
June 30, 2019

	<u>Exhibit</u>	<u>Page</u>
Schedule of the Proportionate Share of the Net OPEB Liability - Retiree Health Benefit Fund	A-3	46
Schedule of Board Contributions - Retiree Health Benefit Fund	A-4	47
Schedule of Proportionate Share of the Net OPEB Asset - Disability Income Plan of North Carolina	A-5	48
Schedule of Contribution - Disability Income Plan of North Carolina	A-6	49
Combining and Individual Fund Financial Statements and Schedules:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	B-1	50-52
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - State Public School Fund	B-2	53
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Outlay Fund	B-3	54
Nonmajor Governmental Funds:		
Combining Balance Sheet	C-1	55
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	C-2	56
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Federal Grants Fund	C-3	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Other Restricted Funds	C-4	58-59
Individual Schools:		
Combining Balance Sheet - Individual Schools	C-5	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Individual Schools	C-6	61
Enterprise Fund:		
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) - School Food Service Fund	D-1	62
Combining Balance Sheet - Enterprise Funds Nonmajor	D-2	63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Enterprise Funds - Nonmajor	D-3	64
Combining Statement of Cash Flows - Enterprise Funds - Nonmajor	D-4	65

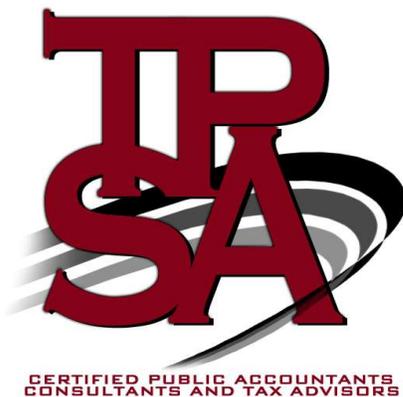
Columbus County Board of Education

TABLE OF CONTENTS

June 30, 2019

	<u>Exhibit</u>	<u>Page</u>
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) - Child Care Service Fund	D-5	66
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>		67-68
Report on Compliance With Requirements Applicable To Each Major Federal Program and Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act		69-70
Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act		71-72
Schedule of Findings and Questioned Costs		73-77
Corrective Action Plan		78-79
Summary Schedule of Prior Audit Findings		80
Schedule of Expenditures of Federal and State Awards		81-83

FINANCIAL SECTION



Independent Auditors' Report

To the Columbus County Board of Education
Whiteville, 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 Columbus County Board of Education, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Columbus County Board of Education'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 Columbus County Board of Education, North Carolina 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 10 and the Schedule of the Proportionate Share of the Net Pension Liability and OPEB Liabilities and the Schedule of Board Contributions on pages 44 through 49, respectively 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 provided us will sufficient evident to express and opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Columbus County Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedules, budgetary schedules and other schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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, other 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 20, 2020 on our consideration of Columbus County Board of Education'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 Columbus County Board of Education's internal control over financial reporting and compliance.

Thompson, Rice, Scott, Adams & Co., P.A.

Whiteville, NC

February 20, 2020

Management's Discussion and Analysis

This section of the Columbus 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 experienced a decrease in enrollment of 156 students from the previous year.
- The Board is working diligently with the Columbus County Board of Commissioners to find ways to fund increases required for the continuing improvement of educational services for Columbus County students.

Overview of the Financial Statements

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

- *Independent Auditor's Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents combining and budgetary statements for non-major governmental funds and budgetary statements for 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 of resources, liabilities, and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets, deferred inflows of resources, 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 are 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, deferred inflows of resources, and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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 Child Care 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.

Columbus County Board of Education has three types of funds:

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

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

Fiduciary fund: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Columbus County Board of Education has one fiduciary fund – the Scholarship Fund, which is a scholarship fund under the control of the administrative unit. 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 Schools as a Whole

Net position is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$44,131,416 as of June 30, 2019. The largest component of net position is unrestricted net position, of (\$91,575,798), which is greater than the total net position because of the implementation of GASB 75.

Following is a summary of the Statement of Net Position:

**Table 1
Condensed Statement of Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	June 30	June 30	June 30	June 30	June 30	June 30
	2019	2018	2019	2018	2019	2018
Current assets	\$ 10,170,639	\$ 8,653,115	\$ 2,160,174	\$ 1,760,855	\$ 12,330,813	\$ 10,413,970
Capital assets	40,719,766	40,685,625	66,216	36,425	40,785,982	40,722,050
Total assets	<u>50,890,405</u>	<u>49,338,740</u>	<u>2,226,390</u>	<u>1,797,280</u>	<u>53,116,795</u>	<u>51,136,020</u>
Deferred outflows of resources	15,296,304	13,106,233	607,334	517,761	15,903,638	13,623,994
Current liabilities	53,777,268	65,254,481	2,070,560	2,454,305	55,847,828	67,708,786
Long-term liabilities	24,636,196	20,928,614	956,785	822,676	25,592,981	21,751,290
Total liabilities	<u>78,413,464</u>	<u>86,183,095</u>	<u>3,027,345</u>	<u>3,276,981</u>	<u>81,440,809</u>	<u>89,460,076</u>
Deferred inflows of resources	30,568,728	22,570,037	1,142,312	844,625	31,711,040	23,414,662
Net investment in capital assets	39,622,853	40,119,287	66,216	36,425	39,689,069	40,155,712
Restricted net position	7,755,313	6,988,738	-	-	7,755,313	6,988,738
Unrestricted net position	<u>(90,173,649)</u>	<u>(93,416,184)</u>	<u>(1,402,149)</u>	<u>(1,842,990)</u>	<u>(91,575,798)</u>	<u>(95,259,174)</u>
Total net position	<u>\$ (42,795,483)</u>	<u>\$ (46,308,159)</u>	<u>\$ (1,335,933)</u>	<u>\$ (1,806,565)</u>	<u>\$ (44,131,416)</u>	<u>\$ (48,114,724)</u>

Both the government-wide and business-type activities experienced an increase in net position. The increase in net position 3.87% was due to increases in assets combined with decreases in current liabilities.

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

Table 2
Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/19	6/30/18	6/30/19	6/30/18	6/30/19	6/30/18
Revenues:						
Program revenues:						
Charges for services	\$ 2,183,752	\$ 2,095,227	\$ 439,867	\$ 360,884	\$ 2,623,619	\$ 2,456,111
Operating grants and contributions	47,865,537	47,139,299	4,319,663	4,548,758	52,185,200	51,688,057
Capital grants and contributions	2,311,489	335,479	-	-	2,311,489	335,479
General revenues:						
Other revenues	8,476,191	7,997,801	-	-	8,476,191	7,997,801
Total revenues	60,836,969	57,567,806	4,759,530	4,909,642	65,596,499	62,477,448
Expenses:						
Governmental activities:						
Instructional programs	44,632,051	49,107,301	-	-	44,632,051	49,107,301
System-wide Support	11,875,682	12,469,978	-	-	11,875,682	12,469,978
Ancillary services	280,996	94,398	-	-	280,996	94,398
Non-programmed charges	524,810	593,289	-	-	524,810	593,289
Interest on long-term debt	-	2,290	-	-	-	2,290
Business-type activities:						
Food service	-	-	4,310,613	4,505,277	4,310,613	4,505,277
Total expenses	57,313,539	62,267,256	4,310,613	4,505,277	61,624,152	66,772,533
Increase (decrease) in net position	3,523,430	(4,699,450)	448,917	404,365	3,972,347	(4,295,085)
Net position, beginning	(46,308,159)	37,342,796	(1,806,565)	736,989	(48,114,724)	38,079,785
Prior Period Adjustment	-	-	10,961	-	10,961	-
Restatement	(10,754)	(78,951,505)	10,754	(2,947,919)	-	(81,899,424)
Net position, beginning, restated	(46,318,913)	(41,608,709)	(1,784,850)	(2,210,930)	(48,103,763)	(43,819,639)
Net position, ending	\$ (42,795,483)	\$ (46,308,159)	\$ (1,335,933)	\$ (1,806,565)	\$ (44,131,416)	\$ (48,114,724)

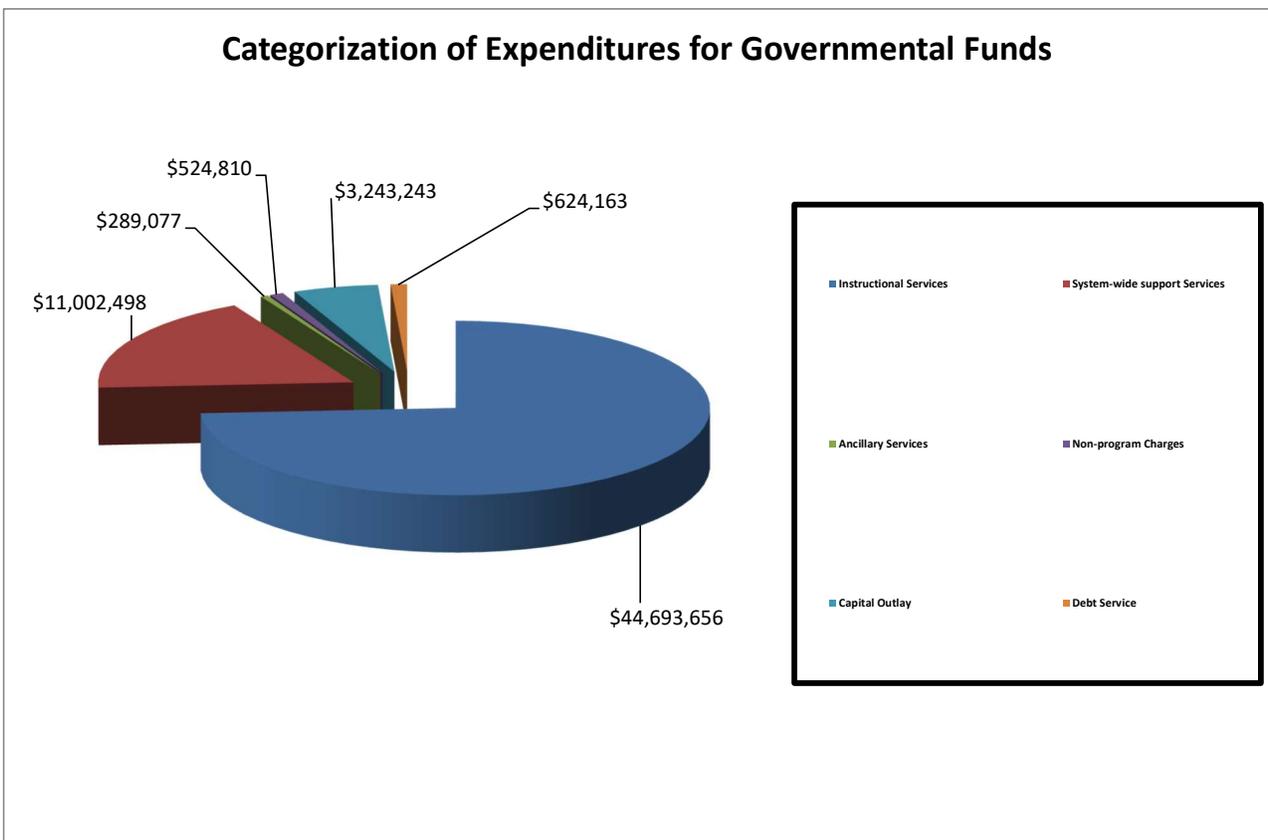
Total governmental activities generated revenues of \$60,836,969 while expenses in this category totaled \$57,313,539. Comparatively, revenues were \$57,567,806 and expenses totaled \$62,267,256 for the year ended June 30, 2018. The increase in net position stands at \$3,523,430, compared with a decrease of \$4,699,450 in 2018. Instructional services comprised 78% of total governmental-type expenses while system-wide support services made up 21% of those expenses for 2019. County funding comprised 11.29% of total governmental revenue. In 2018, County funding was 13.08%. Much of the remaining 88.71% of total governmental revenue for 2019 consists of restricted State and federal money. This money represented 86.92% of total revenue in 2018. Business-type activities generated revenue of \$4,759,530 and had expenses of \$4,310,613. Net position increased in the business-type activities by \$448,917 primarily due to operating activities.

Financial Analysis of the Board's Funds

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

The Board's governmental funds reported a combined fund balance of \$7,897,797, a \$1,614,258 increase over the prior year. The General Fund had expenditures in excess of revenues of \$24,318, the Capital Outlay Fund had revenues in excess of expenditures of \$1,169,556 and the Other Restricted Fund had revenues over expenditures of \$400,591. The individual schools had combined revenues in excess of expenditures in the amount of \$73,468. Expenditures decreased over the prior year, and included \$448,917 in capitalizable assets.

Proprietary Funds: The Board's School Food Service Fund reflected an increase of \$470,632 in net position over last year, and the Child Care Service Fund was closed. Revenues and expenses decreased slightly during the current year. The School participated in a program where all students in grades K-8 received free meals, which resulted in a decline in charged meals but in increase in federal funding.



General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget to account for changes in expenditure expectations. The total General Fund Budget increased \$958,600 during the year.

Capital Assets

Capital assets increased by \$8,677 (or 0.02%) over the previous year. Capitalized costs exceeded depreciation expense for the year.

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**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/19</u>	<u>6/30/18</u>
Land	\$ 3,614,609	\$ 3,614,609	\$ -	\$ -	\$ 3,614,609	\$ 3,614,609
Construction in progress	111,916	89,677	-	-	111,916	89,677
Buildings	73,039,816	71,843,140	-	-	73,039,816	71,843,140
Equipment and furniture	4,827,590	4,805,846	10,961	312,149	4,838,551	5,117,995
Vehicles	10,696,370	9,521,744	-	-	10,696,370	9,521,744
Less accumulated depreciation	(51,570,535)	(49,189,391)	-	(275,724)	(51,570,535)	(49,465,115)
Total	\$ 40,719,766	\$ 40,685,625	\$ 10,961	\$ 36,425	\$ 40,730,727	\$ 40,722,050

Debt Outstanding

During the year the Board’s outstanding debt increased by \$530,575. This was a result of issuing new debt for school buses and paying installment payments for buses. 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.

Economic Factors

The Board anticipates enrollment will decrease slightly over the next several years due to the enrollment in charter schools and will need a relatively steady or increasing stream of income in order to maintain existing facilities and equipment and to update and improve instructional efforts. County funding is a major source of income for the Board; therefore the County’s economic outlook directly affects that of the schools. The following economic factors must be considered when viewing the County’s ability to provide the required level of funding.

- Columbus County has experienced an unemployment rate of approximately 4.6% as compared to the statewide average of 3.7%.
- Two primary elements of the local economy, textiles and agriculture, have experienced significant losses in the past few years, resulting in a bleak economic outlook.
- The County administration is actively cultivating new alternatives to offset the dwindling impact of textiles and agriculture on the local economy. However, these efforts are more long range in nature and are not likely to produce significant improvements in the short term.

Requests for Information

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

Lisa Nowlin, Finance Officer
Columbus County Board of Education
P.O. Box 729
Whiteville, NC 28472
910-642-5168

BASIC FINANCIAL STATEMENTS

**Columbus County Board of Education
Statement of Net Position
June 30, 2019**

Exhibit 1

	Primary Government		
	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,903,706	\$ 1,963,038	\$ 9,866,744
Due from other governments	2,212,415	82,336	2,294,751
Receivables (net)	4,483	-	4,483
Net OPEB asset	54,351	2,029	56,380
Internal balances	(4,316)	1,316	(3,000)
Inventories	-	111,455	111,455
Capital assets (Note 1)			
Land, improvements, and construction in progress	3,726,525	-	3,726,525
Other capital assets, net of depreciation	36,993,241	66,216	37,059,457
Total capital assets	40,719,766	66,216	40,785,982
Total assets	\$ 50,890,405	\$ 2,226,390	\$ 53,116,795
DEFERRED OUTFLOWS OF RESOURCES	\$ 15,296,304	\$ 607,334	\$ 15,903,638
LIABILITIES			
Accounts payable and accrued liabilities	\$ 356,731	\$ 44,356	\$ 401,087
Accrued salaries and wages payable	1,834,159	93,524	1,927,683
Accrued interest payable	-	-	-
Prepaid meals	-	6,530	6,530
Long-term liabilities			
Net pension liability	20,257,286	820,750	21,078,036
Net OPEB liability	51,586,378	1,926,150	53,512,528
Due within one year	519,545	-	519,545
Due in more than one year	3,859,365	136,035	3,995,400
Total liabilities	\$ 78,413,464	\$ 3,027,345	\$ 81,440,809
DEFERRED INFLOWS OF RESOURCES	\$ 30,568,728	\$ 1,142,312	\$ 31,711,040
NET POSITION			
Net Investment in capital assets	\$ 39,622,853	\$ 66,216	\$ 39,689,069
Restricted:			
Individual Schools	1,090,584	-	1,090,584
Stabilization by State Statute	62,128	-	62,128
School Capital Outlay	6,602,601	-	6,602,601
DIPNC OPEB plan	54,351	2,029	56,380
Unrestricted	(90,228,000)	(1,404,178)	(91,632,178)
Total net position	\$ (42,795,483)	\$ (1,335,933)	\$ (44,131,416)

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

**Columbus County Board of Education
Statement of Activities
For the Year Ended June 30, 2019**

Exhibit 2

Functions / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business- Type Activities	Total
Primary government							
Governmental Activities:							-
Instructional programs:							
Regular	\$ 23,667,164	\$ -	\$ 23,322,848	\$ -	\$ (344,316)	\$ -	\$ (344,316)
Special	5,666,163	-	5,481,003	-	(185,160)	-	(185,160)
Alternative programs	5,160,086	-	4,961,013	-	(199,073)	-	(199,073)
School leadership	3,554,664	-	3,428,222	-	(126,442)	-	(126,442)
Co-curricular	2,243,776	1,891,517	-	-	(352,259)	-	(352,259)
School-based support	4,340,198	-	4,019,921	-	(320,277)	-	(320,277)
System-wide support services:							
Support and development	602,549	-	565,693	-	(36,856)	-	(36,856)
Special populations	234,166	-	228,057	-	(6,109)	-	(6,109)
Alternative programs	386,037	-	386,261	-	224	-	224
Technology support	325,986	-	238,004	-	(87,982)	-	(87,982)
Operational support	8,738,134	258,496	4,140,733	2,311,489	(2,027,416)	-	(2,027,416)
Financial and human resource	304,866	-	244,007	-	(60,859)	-	(60,859)
Accountability	76,857	-	76,656	-	(201)	-	(201)
System-wide pupil support	-	-	-	-	-	-	-
Policy, leadership, and public relations	1,207,087	-	442,911	-	(764,176)	-	(764,176)
Ancillary services	280,996	33,739	286,102	-	38,845	-	38,845
Non-programmed charges	524,810	-	44,106	-	(480,704)	-	(480,704)
Debt service:							
Interest on long-term debt	-	-	-	-	-	-	-
Total Governmental activities	<u>57,313,539</u>	<u>2,183,752</u>	<u>47,865,537</u>	<u>2,311,489</u>	<u>(4,952,761)</u>	<u>-</u>	<u>(4,952,761)</u>
Business-type activities:							
School Food Service	4,310,613	439,867	4,319,663	-	-	448,917	448,917
Child Care Service	-	-	-	-	-	-	-
Total business-type activities	<u>4,310,613</u>	<u>439,867</u>	<u>4,319,663</u>	<u>-</u>	<u>-</u>	<u>448,917</u>	<u>448,917</u>
Total primary government	<u>\$ 61,624,152</u>	<u>\$ 2,623,619</u>	<u>\$ 52,185,200</u>	<u>\$ 2,311,489</u>	<u>\$ (4,952,761)</u>	<u>\$ 448,917</u>	<u>\$ (4,503,844)</u>
General revenues:							
Unrestricted county appropriations - operating					5,315,425	-	5,315,425
Unrestricted county appropriations - capital					1,553,596	-	1,553,596
Miscellaneous, unrestricted					571,316	-	571,316
Gain(loss) on disposal					456	-	456
Investment earnings, unrestricted					16,683	-	16,683
Insurance proceeds					1,018,715	-	1,018,715
Total general revenues					<u>8,476,191</u>	<u>-</u>	<u>8,476,191</u>
Change in net position					3,523,430	448,917	3,972,347
Net position - beginning					(46,308,159)	(1,806,565)	(48,114,724)
Prior Period Adjustment (See Note VII)					-	10,961	10,961
Restatement (See Note VI)					(10,754)	10,754	-
Net position - beginning, restated					<u>(46,318,913)</u>	<u>(1,784,850)</u>	<u>(48,103,763)</u>
Net position - ending					<u>\$ (42,795,483)</u>	<u>\$ (1,335,933)</u>	<u>\$ (44,131,416)</u>

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

**Columbus 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	Capital Outlay Fund	Other Governmental Funds	
ASSETS					
Cash and cash equivalents	\$ 181,019	\$ -	\$ 6,495,690	\$ 1,226,997	\$ 7,903,706
Due from other governments	55,707	1,610,790	248,859	297,060	2,212,416
Accounts receivable	-	-	563	3,920	4,483
Inventory	-	-	-	-	-
Due from other funds	6,421	618	18,452	17,977	43,468
Total assets	\$ 243,147	\$ 1,611,408	\$ 6,763,564	\$ 1,545,954	\$ 10,164,073
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 142,817	\$ -	\$ 160,963	\$ 52,951	\$ 356,731
Due to other funds	-	-	-	47,784	47,784
Accrued salaries and wages payable	26,819	1,609,319	-	198,021	1,834,159
Total liabilities	\$ 169,636	\$ 1,609,319	\$ 160,963	\$ 298,756	\$ 2,238,674
Deferred inflows of resources:	\$ -	\$ 2,089	\$ -	\$ 25,511	\$ 27,600
Fund balances:					
Nonspendable:					
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:					
Stabilization by State Statute	62,128	-	-	-	62,128
School Capital Outlay	-	-	6,602,601	-	6,602,601
Individual Schools	-	-	-	1,090,584	1,090,584
Committed:					
Other Restricted Funds	-	-	-	131,103	131,103
Assigned:					
Subsequent Year's Expenditures	-	-	-	-	-
Unassigned	11,383	-	-	-	11,383
Total fund balances	73,511	-	6,602,601	1,221,687	7,897,799
Total liabilities, deferred inflows of resources, and fund balances	\$ 243,147	\$ 1,611,408	\$ 6,763,564	\$ 1,545,954	\$ 10,164,073

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

**Columbus County Board of Education
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2019**

Exhibit 3a

Total fund balance, governmental funds	\$	7,897,799
<p>Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:</p>		
Net OPEB asset		54,351
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		40,719,766
Deferred outflows of resources related to pensions		11,389,617
Deferred outflows of resources related to OPEB		3,906,687
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, and Long-term Compensated Absences), are not due and payable in the current period and are not included in the funds.		(4,378,910)
Net pension liability		(20,257,287)
Net OPEB liability		(51,586,378)
Deferred inflows of resources related to pensions		(615,766)
Deferred inflows of resources related to OPEB		(29,925,362)
Net Position of Governmental Activities	<u>\$</u>	<u>(42,795,483)</u>

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

Columbus County Board of Education
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

Exhibit 4

	Major Funds			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	State Public School Fund	Capital Outlay Fund	Other Governmental Funds	
REVENUES					
State of North Carolina	\$ 19,871	\$ 41,276,784	\$ 2,311,489	\$ 2,098,852	\$ 45,706,996
U.S. Government	-	-	-	4,238,534	4,238,534
Columbus County	5,315,425	-	1,553,596	-	6,869,021
Other	1,140,461	-	17,139	2,864,818	4,022,418
Total	6,475,757	41,276,784	3,882,224	9,202,204	60,836,969
EXPENDITURES					
Current:					
Instructional services:					
Regular	435,872	22,683,428	-	671,298	23,790,598
Special	222,861	4,411,260	-	1,072,644	5,706,765
Alternative programs	8,083	1,352,148	-	3,757,843	5,118,074
School leadership	158,837	3,428,218	-	150	3,587,205
Co-curricular	353,879	-	-	1,818,049	2,171,928
School-based support	247,552	3,375,000	-	696,534	4,319,086
System-wide support services					
Support and development	25,773	468,523	-	98,893	593,189
Special population	5,665	139,304	-	88,754	233,723
Alternative programs	2,459	26,616	-	359,645	388,720
Technology support	82,871	238,004	-	-	320,875
Operational support	3,577,905	4,138,088	-	89,799	7,805,792
Financial and human resources	94,783	244,007	-	-	338,790
Accountability services	3,500	76,656	-	-	80,156
System-wide pupil support Policy, leadership, and public relations	796,876	442,866	-	1,511	1,241,253
Ancillary services	2,455	252,666	-	33,956	289,077
Non-programmed charges	480,704	-	-	44,106	524,810
Debt service:					
Principal	-	-	624,163	-	624,163
Interest and other charges	-	-	-	-	-
Capital outlay					
Real property and buildings	-	-	1,813,820	-	1,813,820
Furniture and equipment	-	-	237,906	-	237,906
Buses and motor vehicles	-	-	1,191,517	-	1,191,517
Total Expenditures	6,500,075	41,276,784	3,867,406	8,733,182	60,377,447
Excess (deficiency) of revenues over expenditures	(24,318)	-	14,818	469,022	459,522
OTHER FINANCING SOURCES					
Transfers from (to) other funds	-	-	-	-	-
Installation purchase obligations issued	-	-	1,154,738	-	1,154,738
Total other financing sources and (uses)	-	-	1,154,738	-	1,154,738
Net change in fund balances	(24,318)	-	1,169,556	469,022	1,614,260
Fund balances - beginning	97,829	-	5,433,045	763,419	6,294,293
Restatement (see Note VI)	-	-	-	(10,754)	(10,754)
Fund balances - ending	\$ 73,511	\$ -	\$ 6,602,601	\$ 1,221,687	\$ 7,897,799

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

Columbus County Board of Education
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Exhibit 4a

Net change in fund balances - total governmental funds: \$ 1,614,260

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation exceeded capital outlay additions in the current period.	34,141
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,839,372
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	2,008,607
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(530,575)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Pension expense	(4,518,853)
Net OPEB expense	1,068,135
Compensated absences	8,343
Total changes in net position of governmental activities	\$ 3,523,430

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

Columbus County Board of Education
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual
June 30, 2019

	General Fund				State Public School Fund			
	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
State of North Carolina	\$ -	\$ -	\$ 19,871	\$ 19,871	\$ 41,083,647	\$ 41,646,557	\$ 41,276,784	\$ (369,773)
Columbus County	5,315,425	5,315,425	5,315,425	-	-	-	-	-
Other	175,000	1,133,600	1,140,461	6,861	-	-	-	-
Total revenues	<u>5,490,425</u>	<u>6,449,025</u>	<u>6,475,757</u>	<u>26,732</u>	<u>41,083,647</u>	<u>41,646,557</u>	<u>41,276,784</u>	<u>(369,773)</u>
EXPENDITURES								
Current:								
Instructional								
Regular	261,893	436,341	435,872	469	22,870,133	22,872,962	22,683,428	189,534
Special	-	222,653	222,861	(208)	4,339,678	4,411,261	4,411,260	1
Alternative programs	5,000	8,118	8,083	35	1,327,550	1,394,959	1,352,148	42,811
School leadership	156,818	159,724	158,837	887	3,330,196	3,513,007	3,428,218	84,789
Co-curricular	379,083	353,879	353,879	-	-	-	-	-
School-based support	7,230	250,577	247,552	3,025	3,231,260	3,375,001	3,375,000	1
System-wide support services:								
Support and development	47,728	26,020	25,773	247	358,264	469,114	468,523	591
Special population	3,688	5,665	5,665	-	143,083	139,304	139,304	-
Alternative programs	-	2,459	2,459	-	-	26,616	26,616	-
Technology support	72,875	82,871	82,871	-	332,748	290,007	238,004	52,003
Operational support	3,368,784	3,559,109	3,577,905	(18,796)	4,152,478	4,138,088	4,138,088	-
Financial and human resources	9,500	92,452	94,783	(2,331)	320,827	244,007	244,007	-
Accountability	-	3,500	3,500	-	78,951	76,699	76,656	43
Policy, leadership, and public relations	650,331	737,254	796,876	(59,622)	544,130	442,866	442,866	-
Ancillary services	2,495	2,495	2,455	40	54,349	252,666	252,666	-
Non-programmed charges	525,000	505,908	480,704	25,204	-	-	-	-
Total Expenditures	<u>5,490,425</u>	<u>6,449,025</u>	<u>6,500,075</u>	<u>(51,050)</u>	<u>41,083,647</u>	<u>41,646,557</u>	<u>41,276,784</u>	<u>369,773</u>
Revenues over (under) expenditures	-	-	(24,318)	(24,318)	-	-	-	-
OTHER FINANCING SOURCES								
Transfers from (to) other funds	-	-	-	-	-	-	-	-
Fund balance appropriated	-	-	-	-	-	-	-	-
Total other financing sources and (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(24,318)</u>	<u>\$ (24,318)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			97,829				-	
Fund balances - ending			<u>\$ 73,511</u>				<u>\$ -</u>	

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

**Columbus County Board of Education
Statement of Net Position
Proprietary Funds
June 30, 2019**

Exhibit 6

	Enterprise Funds		
	Major Fund	Non-Major Fund	
	School Food Service	Child Care Service Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,963,038	\$ -	\$ 1,963,038
Due from other governments	82,336	-	82,336
Receivables (net)	-	-	-
Due from other funds	1,316	-	1,316
OPEB asset	2,029	-	2,029
Inventories	111,455	-	111,455
Total current assets	<u>2,160,174</u>	-	<u>2,160,174</u>
Non-current assets:			
Capital Assets:			
Equipment	364,255	-	364,255
Less accumulated depreciation	(298,039)	-	(298,039)
Total non-current assets	<u>66,216</u>	-	<u>66,216</u>
Total assets	<u>\$ 2,226,390</u>	<u>\$ -</u>	<u>\$ 2,226,390</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 607,334</u>	<u>\$ -</u>	<u>\$ 607,334</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 44,356	\$ -	\$ 44,356
Due to other funds	-	-	-
Accrued salaries and wages payable	93,524	-	93,524
Prepaid meal balance	6,530	-	6,530
Total current liabilities	<u>144,410</u>	-	<u>144,410</u>
Non-current liabilities:			
Net pension liability	820,750	-	820,750
Compensated absences	136,035	-	136,035
Net OPEB liability	1,926,150	-	1,926,150
Total non-current liabilities:	<u>2,882,935</u>	-	<u>2,882,935</u>
Total liabilities	<u>3,027,345</u>	-	<u>3,027,345</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,142,312</u>	<u>-</u>	<u>1,142,312</u>
NET POSITION			
Net investment in capital assets	66,216	-	66,216
DIPNC OPEB plan	2,029	-	2,029
Unrestricted	(1,404,178)	-	(1,404,178)
Total net position	<u>\$ (1,335,933)</u>	<u>\$ -</u>	<u>\$ (1,335,933)</u>

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

Columbus County Board of Education
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

Exhibit 7

	Enterprise Funds		Total
	Major Fund	Non-Major Fund	
	School Food Service	Child Care Service Fund	
OPERATING REVENUES:			
Charges for Services	\$ 337,789	\$ -	\$ 337,789
Miscellaneous local revenues	102,078		102,078
Total operating revenues	<u>439,867</u>	<u>-</u>	<u>439,867</u>
OPERATING EXPENDITURES:			
Business support services:			
Purchase of food	1,433,446	-	1,433,446
Donated commodities	253,911	-	253,911
Salaries and benefits	1,962,204	-	1,962,204
Indirect cost	428,780	-	428,780
Materials and supplies	147,489	-	147,489
Repairs and maintenance	9,944	-	9,944
Contracted services	25,561	-	25,561
Depreciation	22,315	-	22,315
Other	26,963	-	26,963
Total business support services	<u>4,310,613</u>	<u>-</u>	<u>4,310,613</u>
Total operating expenditures	<u>4,310,613</u>	<u>-</u>	<u>4,310,613</u>
Operating income (loss)	(3,870,746)	-	(3,870,746)
NON-OPERATING REVENUES (EXPENSES):			
Federal reimbursements	3,814,968	-	3,814,968
Federal commodities used	256,885	-	256,885
Indirect cost not paid	214,390	-	214,390
Contributed Capital	33,420	-	33,420
Total operating revenues (expenses)	<u>4,319,663</u>	<u>-</u>	<u>4,319,663</u>
Change in net position	448,917	-	448,917
Total net position, beginning	<u>(1,795,811)</u>	<u>(10,754)</u>	<u>(1,806,565)</u>
Prior Period Adjustment (see Note VII)	10,961	-	10,961
Restatement (see Note VI)	-	10,754	10,754
Total net position, beginning, restated	<u>(1,784,850)</u>	<u>-</u>	<u>(1,784,850)</u>
Total net position, ending	<u>\$ (1,335,933)</u>	<u>\$ -</u>	<u>\$ (1,335,933)</u>

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

Columbus County Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

Exhibit 8
Page 1 of 2

	Enterprise Funds		
	Major Fund	Non-Major Fund	
	School Food Service	Child Care Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 338,808	\$ -	\$ 338,808
Cash paid for goods and services	(1,850,729)	-	(1,850,729)
Cash paid to employees for services	(2,045,350)	-	(2,045,350)
Other operating revenues	102,078	-	102,078
Net cash used by operating activities	(3,455,193)	-	(3,455,193)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal reimbursements	3,883,320	-	3,883,320
Contributed capital	33,420	-	33,420
Due to / from other funds	(1,316)	-	(1,316)
Total cash provided by noncapital financing activities	3,915,424	-	3,915,424
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(41,145)	-	(41,145)
Total cash provided (used) by capital and related financing activities	(41,145)	-	(41,145)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	-	-
Net increase/(decrease) in cash and cash equivalents	419,086	-	419,086
Cash and cash equivalents, July 1	1,543,952	-	1,543,952
Cash and cash equivalents, June 30	\$ 1,963,038	\$ -	\$ 1,963,038
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (3,870,746)	\$ -	\$ (3,870,746)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	22,315	-	22,315
Donated commodities consumed	253,911	-	253,911
Indirect costs not paid	214,390	-	214,390
Changes in assets, deferred inflows and outflows of resources, and liabilities:			
(Increase)/decrease in net OPEB asset	2,303	-	2,303
(Increase)/decrease in inventory	(35,844)	-	(35,844)
(Increase)/decrease in deferred outflows	(89,573)	-	(89,573)
Increase/(decrease) in accounts payable	42,908	-	42,908
Increase/(decrease) in accrued liabilities	(846)	-	(846)
Increase/(decrease) in prepaid meals	1,019	-	1,019
Increase/(decrease) in deferred inflows	297,687	-	297,687
Increase/(decrease) in net pension liability	129,059	-	129,059
Increase/(decrease) in net OPEB liability	(426,826)	-	(426,826)
Increase/(decrease) in compensated absences	5,050	-	5,050
Total adjustments	415,553	-	415,553
Net cash used by operating activities	\$ (3,455,193)	\$ -	\$ (3,455,193)

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

**Columbus County Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019**

Exhibit 8
Page 2 of 2

Noncash investing, capital, and financing activities:

Indirect costs of \$214,390 that would be due to the General Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibit 7.

The School Food Service Fund consumed donated commodities with a value of \$256,885 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue. The fund recorded the consumption of \$253,911 worth of donated commodities during the fiscal year as an operating expense. These transactions are reported on Exhibit 7.

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

**Columbus County Board of Education
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2019**

Exhibit 9

	Private Purpose Trust
ASSETS	
Cash and cash equivalents	\$ 9,783
Due from other funds	3,000
Total assets	<u>12,783</u>
LIABILITIES	
Due to other funds	-
Total liabilities	<u>-</u>
NET POSITION	
Assets held in trust for private purpose	<u>\$ 12,783</u>

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

**Columbus County Board of Education
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2019**

Exhibit 10

	Private Purpose Trust
ADDITIONS:	
Contributions and other revenue	\$ 6
Total	<u>6</u>
DEDUCTIONS:	
Scholarship payments	<u>-</u>
Total Expenditures	<u>-</u>
Change in net position	6
Net position, beginning	<u>12,777</u>
Net position, ending	<u><u>\$ 12,783</u></u>

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

Columbus County Board of Education
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies

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

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 upon 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 displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor 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 nonexchange transactions or ancillary activities.

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.

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 Columbus County appropriations, proceeds of Columbus County bonds issued for public school construction, lottery proceeds, as well as certain State assistance.

The Board reports the following major enterprise fund:

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

The Board reports the following fiduciary fund:

Scholarship Fund. The Scholarship Fund is used to account for scholarship money under the control of the board for the benefit of students in the district.

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.

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 sixty days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

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

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, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys (up to \$5,000) from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. All amendments must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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 money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

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. The STIF consists of an internal portion and an external portion in which the board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at amortized cost or at fair value as determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian Level 2 inputs which in this case involves inputs - other than quoted prices - included within Level 1 that are either directyl or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2019 of 1.3 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

2. Cash and Cash Equivalents

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

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventory of the Capital Outlay and Individual Schools Fund consist of the cost associated with building houses that will be sold in the subsequent year. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

Donated assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after July 1, 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. Certain items acquired before July 1, 1950 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Columbus County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board gives the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

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

	<u>Years</u>
Buildings	40
Equipment and furniture	5-10
Vehicles	5
Computer equipment	5

5. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow 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 - a pension related deferral and contributions made to the pension plan in the current fiscal year. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, *Deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has three items that meet this criterion - grants receivable in the General Fund, sales tax refunds receivable in the Special Revenue funds, and pension related deferrals.

6. Long-term obligations

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

7. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2019 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis.

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

8. Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements is 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.

Fund Balance

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

The governmental fund types classify fund balances as follows:

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

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

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- North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislatures in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceeding the budget*. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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.

Committed Fund Balance - portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of Board of Education'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.

Assigned fund balance - portion of fund balance that Columbus County Board of Education intends to use for specific purposes.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. 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.

Columbus County Board of Education has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, board of education funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

8. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between total fund balance of the governmental funds and net position of the governmental activities as reported in the government-wide statement of net position. The net adjustment of (\$50,693,281) consists of several elements as follows:

Description	Amount
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)	\$ 92,290,301
Less Accumulated Depreciation	<u>(51,570,535)</u>
Net Capital Assets	40,719,766
Net OPEB Asset	54,351
Pension related deferred outflows of resources	
Differences between contributions and proportional share of contributions and changes in proportion	76,216
Net difference between projected and actual earnings on pension plan	1,930,522
Differences between expected and actual experience	1,478,390
Changes of assumptions	4,065,117
Contributions made to the pension plan in current fiscal year	3,839,372
OPEB related deferred outflows of resources	3,906,687
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds, leases, and installment financing	(1,096,913)
Compensated absences	(3,281,997)
Net pension liability	(20,257,286)
Net OPEB liability	(51,586,378)
Deferred inflows of resources related to pensions	
OPEB related deferred inflows of resources	(29,925,362)
Differences between expected and actual experience	(203,295)
Differences between contributions and proportional share of contributions and changes in proportion	<u>(412,471)</u>
Total Adjustment	<u>\$ (50,693,281)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$1,909,170 as follows:

Description	Amount
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	\$ (2,435,838)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	2,469,979
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities – it affects only the government-wide statement of net position	(1,154,738)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position in the government-wide statements	624,163
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,839,372
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	2,008,607
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	(4,518,853)
OPEB expense	1,068,135
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	8,343
Total Adjustment	<u>\$ 1,909,170</u>

10. Defined Benefit Pension Plans and OPEB Plans

For purposes of measuring the net pension asset, 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.

II. Stewardship, Compliance, and Accountability

Deficits in Fund Balance or Net Position of Individual Funds

The Board also presented a deficit fund balance of \$1,335,933 in the School Food Service Fund, however, this deficit was the result of a restatement of net position in the prior year related to the implementation of GASB 75.

Expenditures exceeding appropriations

The Board exceeded appropriations for expenditures in the School Bus and Vehicles of the Capital Outlay Fund by \$1,041,517. This was due to not budgeting for school buses financed by DPI. Additionally, General Fund expenditures exceeded appropriations in System Wide Support Services by \$80,502.

III. 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 agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial 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 financial institutions with a carrying amount of \$9,876,527 and with the State Treasurer of \$0. The bank balances with the financial institutions and the State Treasurer were \$9,753,281 and \$1,717,448 respectively. Of these balances, \$511,268 was covered by federal depository insurance and \$9,365,259 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2019, the Board's investment balances were as follows:

The Board had \$548,040 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.4 years at June 30, 2019. The Board has no policy for managing interest rate risk or credit risk.

3. Accounts Receivable.

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

	Due from other funds (Internal Balances)	Due from other governments	Other
Governmental activities:			
General Fund	\$ 6,421	\$ 55,707	\$ -
Other governmental activities	(10,737)	2,156,708	4,483
Total	<u>\$ (4,316)</u>	<u>\$ 2,212,415</u>	<u>\$ 4,483</u>
Business-type activities:			
School Food Service	\$ 1,316	\$ 82,336	\$ -
Child Care Service	-	-	-
Total	<u>\$ 1,316</u>	<u>\$ 82,336</u>	<u>\$ -</u>
Fiduciary activities:			
Scholarship Fund	\$ 3,000	-	-
Total	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>

Due from other governments consists of the following:

Governmental Activities:		
General Fund	\$ 6,861	Fines and Forfeitures from County
General Fund	19,871	Sales tax refund receivable
General Fund	28,974	Various other reimbursements
State Public School Fund	1,609,321	Operating Funds from DPI
State Public School Fund	1,469	Sales tax refund receivable
Federal Grants Fund	109,805	Federal Grants Fund
Federal Grants Fund	20,137	Sales tax refund receivable
Capital Outlay Fund	34,881	Sales tax refund receivable
Capital Outlay Fund	213,978	Allocations and Sales Tax from County
Individual Schools	12,792	Sales tax refund receivable
Other Restricted Funds	67,964	Other local governments
Other Restricted Funds	<u>86,362</u>	Sales tax refund receivable
Total	<u>\$ 2,212,415</u>	
Business-type activities:		
School Food Service Fund	\$ 8,000	Sales tax refund receivable
School Food Service Fund	<u>74,336</u>	USDA
Total	<u>\$ 82,336</u>	

4. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending</u> <u>Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 3,614,609	\$ -	\$ -	\$ -	\$ 3,614,609
Construction in Process	<u>89,677</u>	<u>38,470</u>	<u>(16,231)</u>	<u>-</u>	<u>111,916</u>
Total capital assets not being depr.	<u>3,704,286</u>	<u>38,470</u>	<u>(16,231)</u>	<u>-</u>	<u>3,726,525</u>
Capital assets being depreciated:					
Buildings	71,843,140	1,196,676	-	-	73,039,816
Equipment and furniture	4,805,846	26,438	(4,694)	-	4,827,590
Vehicles	<u>9,521,744</u>	<u>1,224,626</u>	<u>(50,000)</u>	<u>-</u>	<u>10,696,370</u>
Total capital assets being depreciated	<u>86,170,730</u>	<u>2,447,740</u>	<u>(54,694)</u>	<u>-</u>	<u>88,563,776</u>
Less accumulated depreciation for:					
Capital assets being depreciated	<u>49,189,391</u>	<u>2,435,838</u>	<u>(54,694)</u>	<u>-</u>	<u>51,570,535</u>
Total accumulated depreciation	<u>49,189,391</u>	<u>2,435,838</u>	<u>(54,694)</u>	<u>-</u>	<u>51,570,535</u>
Total capital assets being depreciated, net	<u>36,981,339</u>	<u>\$ 11,902</u>	<u>\$ -</u>	<u>\$ -</u>	<u>36,993,241</u>
Governmental activity capital assets, net	<u>\$ 40,685,625</u>				<u>\$ 40,719,766</u>
Depreciation was charged to governmental functions as follows:					
Instructional programs		\$ 2,086,216			
Supporting services		<u>349,622</u>			
Total		<u>\$ 2,435,838</u>			
Business-type activities:					
School Food Service Fund:					
Capital assets being depreciated:					
Furniture and office equipment	\$ <u>312,149</u>	\$ <u>41,145</u>	\$ -	\$ <u>10,961</u>	\$ <u>364,255</u>
Total capital assets being depreciated	<u>312,149</u>	<u>41,145</u>	<u>-</u>	<u>10,961</u>	<u>364,255</u>
Less accumulated depreciation for:					
Capital assets being depreciated	<u>275,724</u>	<u>22,315</u>	<u>-</u>	<u>-</u>	<u>298,039</u>
Total accumulated depreciation	<u>275,724</u>	<u>\$ 22,315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>298,039</u>
Business-type activity capital assets, net	<u>\$ 36,425</u>				<u>\$ 66,216</u>

Construction Commitments

Columbus County Schools had no outstanding construction commitments as of June 30, 2019.

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 12 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 serves 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, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute six percent of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contributions 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 \$3,994,929 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 \$21,078,036 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 asset was determined by an actuarial valuation 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 .2117% and .2239%, respectively.

For the year ended June 30, 2019, the Board recognized pension expense of \$4,701,938. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,538,289	\$ 211,532
Changes of assumptions	4,229,820	-
Net difference between projected and actual earnings on pension plan investments	2,008,740	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	79,304	429,183
Board contributions subsequent to the measurement date	3,994,929	-
Total	<u>\$ 11,851,082</u>	<u>\$ 640,715</u>

\$3,994,929 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ 4,380,754
2021	2,658,340
2022	213,230
2023	(36,886)
2024	-
Thereafter	-
	<u>\$ 7,215,438</u>

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

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
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%
<i>Total</i>	100.0%	

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 7.00%. 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 County'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 7.00 percent, 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Board's proportionate share of the net pension liability (asset)	\$ 40,199,387	\$ 21,078,036	\$ 5,033,329

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

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 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 contributions 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 TSERS, the Consolidate 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 retirees 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.

Contributions. By General Statute, accumulated contributions from employees 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 asset 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 asset 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 HBF, 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 6.27% of covered payroll which amounted to \$2,038,097.

At June 30, 2019, the Board reported a liability of \$53,512,528 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 procedure incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on the projection of the Board's present value of future salary, actuarially determined. At June 30, 2019, the Board proportion was 0.1878%.

\$2,038,097 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, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30:	
2020	\$ (6,614,472)
2021	(6,614,472)
2022	(6,614,472)
2023	(6,608,750)
2024	(2,788,289)
Thereafter	-

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

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

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 project 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.

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	\$ 63,225,593	\$ 53,512,528	\$ 45,726,466

Sensitivity of the Board's Proportionate Share of the net OPEB Liability to Changes in the Healthcare Trend Rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower and 1-percentage-point higher than the current healthcare trend rates:

	1% decrease	Current Trend Rates (6.5% Medical, 7.25% Rx, 3.0% Admin Expense)	1% Increase (4.58%)
Net OPEB liability	\$ 44,146,444	\$ 53,512,528	\$ 65,808,365

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.

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 provided the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for 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 and 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 .14% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$45,508 or 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 separate from the numbers of members currently eligible to receive disability benefits as an other postemployment benefit.

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

At June 30, 2019, the Board reported a liability of \$56,381 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 projections of the Board's present value of future salary, actuarially determined. At June 30, 2019, the Board's proportion was 0.1856%.

\$45,508 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, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2020	\$	40,922
2021		40,915
2022		29,027
2023		22,818
2024		16,500
Thereafter		16,494

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

Inflation	3.00%
Salary increases	3.5% - 8.10%, include 3.5% 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 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 (2.75 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 liability	\$ 43,201	\$ 56,381	\$ 69,025

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, employe group (i.e. teacher, general, law enforcement officer), and health statues (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

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

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

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

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

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

	RHBF	DIPNC	Total
OPEB Expense	\$ 1,114,856	\$ 6,837	\$ 1,121,693
OPEB Liability (Asset)	53,512,528	56,381	53,568,909
Proportionate share of the net OPEB liability (asset)	0.1878%	0.1856%	
Deferred Outflows of Resources			
Difference between expected and actual experience	-	98,350	98,350
Changes of assumptions	-	10,647	10,647
Net difference between projected and actual earnings on plan investments	5,755	43,910	49,665
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,796,516	13,773	1,810,289
Board contributions subsequent to the measurement date	2,038,097	45,508	2,083,605
Deferred Inflows of Resources			
Difference between expected and actual experience	3,659,422	-	3,659,422
Changes of assumptions	23,182,863	-	23,182,863
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,200,440	-	4,200,440

2. Accounts Payable

Accounts payable as June 30, 2019, are as follows:

	Vendors	Salaries and Benefits	Accrued Interest
Governmental Activities:			
General	\$ 142,817	\$ 26,819	\$ -
Other Governmental	213,914	1,807,340	-
Total governmental activities	<u>\$ 356,731</u>	<u>\$ 1,834,159</u>	<u>\$ -</u>
Business-type Activities			
School Food Service	\$ 44,356	\$ 93,524	\$ -
Total business-type activities	<u>\$ 44,356</u>	<u>\$ 93,524</u>	<u>\$ -</u>

3. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Sales tax refunds receivable (special revenue funds)	\$ -	\$ 27,600
Changes of assumptions	4,240,467	23,182,863
Change in proportion and difference between employer contributions and proportionate share of contributions	1,889,593	4,629,623
Contributions subsequent to the measurement date	6,078,534	-
Difference between project and actual earnings on plan investments	2,058,405	-
Difference between expected and actual experience	<u>1,636,639</u>	<u>3,870,954</u>
Totals	<u>\$ 15,903,638</u>	<u>\$ 31,711,040</u>

4. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The State of North Carolina provides workers' compensation for employees to the extent they are paid from State funds. The Trust has an annual aggregate limit for general liability of \$2,550,000, and an annual aggregate limit of \$2,550,000 for errors and omissions. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage. Statutory workers' compensation coverage is purchased through private insurers. Coverage is provided to the extent employees are paid from Federal or local funds. Workers' Compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds. The Board also participates in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk-financing fund administered by the North Carolina Department of Public Instruction, insuring the tangible property assets of the Board. The Fund provides coverage up to \$10 million per occurrence and \$20 million in aggregate annually. Excess reinsurance is purchased through commercial insurers, who participate in property losses in excess of the Fund's self-insured retention of \$10 million. A total limit of \$100 million per occurrence is purchased for covered catastrophic events, \$400 million maximum per occurrence for any one flood or earthquake. The Board does not have a separate flood insurance policy, as their properties are not located in areas susceptible to

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits up to a \$5 million lifetime limit. In addition, employees had the option of receiving health care benefits through one of the health maintenance organizations (HMOs) offering coverage to teachers and State employees. Effective October 1, 2001, HMOs were no longer offered to Board employees. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time of the Board's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

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

5. Contingent Liabilities

At June 30, 2019, the Board was a defendant to various lawsuits. In the opinion of the Board's management and the Board's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Board's financial position.

6. Long-Term Obligations

a. Capital Leases

There were no outstanding capital leases due at June 30, 2019.

b. Operating Leases

The Board entered into several individual contracts with Lenovo to lease Chromebooks. Required payments are \$216,064 per year for three years. Three payments have been made as of June 30, 2019, so there are no remaining payments.

c. Installment Purchase

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). The State has accepted the bid to purchase buses through a special third party financing arrangement by BANC of America Public Capital Corp. In February 2016, the board entered into a direct placement installment purchase contract to finance the purchase of five school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract requires only principal payments of \$104,623 due at the beginning of each contract year.

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). The State has accepted the bid to purchase buses through a special third party financing arrangement by BANC of America Public Capital Corp. In February 2018, the board entered into a direct placement installment purchase contract to finance the purchase of eleven school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract requires only principal payments of \$230,857 due at the beginning of each contract year.

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). The State has accepted the bid to purchase buses through a special third party financing arrangement by BANC of America Public Capital Corp. In February 2019, the board entered into a direct placement installment purchase contract to finance the purchase of 13 school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract requires only principal payments of \$288,684 due at the beginning of each contract year.

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

Year Ending June 30:	Governmental Activities	
	Principal	Interest
2020	\$ 519,545	\$ -
2021	288,684	-
2022	288,684	-
Total	\$ 1,096,913	\$ -

d. 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:

Governmental activities:	Balance	Increases	Decreases	Balance	Current Portion
	July 01, 2018			June 30, 2019	
Direct placement installment purchases	\$ 566,338	\$ 1,154,738	\$ 624,163	\$ 1,096,913	\$ 519,545
Net pension liability	17,071,936	3,185,350	-	20,257,286	-
Net OPEB liability	63,017,665	-	11,431,287	51,586,378	-
Compensated absences	3,290,340	-	8,343	3,281,997	-
Total	\$ 83,946,279	\$ 4,340,088	\$ 12,063,793	\$ 76,222,574	\$ 519,545
Business-type activities:					
Net pension liability	\$ 691,691	\$ 129,059	\$ -	\$ 820,750	\$ -
Net OPEB liability	2,352,976	-	426,826	1,926,150	-
Compensated absences	130,985	5,050	-	136,035	-
Total	\$ 3,175,652	\$ 134,109	\$ 426,826	\$ 2,882,935	\$ -

Compensated absences are typically liquidated by the general and other governmental funds and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2019, consist of the following:

	<u>Amount</u>
From the Other Restricted Fund to the Capital Outlay Fund for sales tax refund reimbursements not made for previous years	\$ 18,452
From the Other Restricted Fund to the State Fund for sales tax refund reimbursements not made for previous years	617
From the Other Restricted Fund to the Federal Grant Fund for sales tax refund reimbursements not made for previous years	5,374
From the Other Restricted Fund to the Scholarship Fund for scholarship funds posted to the wrong account	3,000
From the Other Restricted Fund to the General Fund for sales tax refund reimbursements not made for previous years	6,419
From the Other Restricted Fund to the School Food Service Fund for sales tax refund reimbursements not made for previous years	1,316
From the Other Restricted Fund to Individual School Fund for sales tax refund reimbursements not made for previous years	<u>12,603</u>
Total interfund balances	<u>\$ 47,781</u>

D. 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 of Education funds, Board of Education funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

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

Total fund balance - General Fund	\$ 73,511
Less:	
Inventories	-
Stabilization by State Statute	62,128
Appropriated Fund Balance in 2020 Budget	-
Remaining Fund Balance	<u>\$ 11,383</u>

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

	<u>General Fund</u>	<u>State Public School Fund</u>	<u>Federal Grants Fund</u>	<u>Capital Outlay</u>	<u>Other Restricted Funds</u>
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

V. Significant Effects of Subsequent Events

Fines, Forfeitures and Supplemental School Tax

Based on the following data, the Board has estimated its liability for next year to be \$901.09 per student enrolled in a charter day school. For the fiscal year ended June 30, 2019, the average number of students enrolled in charter schools throughout the state was 559.

Total County Appropriation Revenue 2018-2019	\$ 5,315,425
Total Fines and Forfeitures Revenue 2018-2019	<u>121,746</u>
Total Revenue	<u>\$ 5,437,171</u>
Total ADM for 2018-2019	6,034
Total per-pupil revenue	\$ 901.09

In October 2019 the school board was impacted by a cyber attack that caused substantial damage to the electronic infrastructure of the school district. As of the report date the school has spent approximately \$100,000, and expects that an additional \$900,000 for replacement equipment will be needed to fully recover from the incident.

On February 3, 2020 the school board authorized the closure of 4 schools: Guideway Elementary, Hallsboro Middle, Acme Delco Middle and Career and College Academy at Fair Bluff.

VI. Restatement

Due to several years of expenditures exceeding revenues the After School Care Fund was closed. The outstanding due to/from \$10,750 was absorbed by the Other Restricted Funds and presented as a restatement to fund balance.

VII. Prior Period Adjustment

A prior period adjustment was recorded in the Child Nutrition Fund to record fixed assets that were previously removed from the depreciation schedule, but the assets were not actually retired or disposed of.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

Schedule of Proportionate Share of Net Pension Asset for Local Government Employees' Retirement System

Schedule of Contributions to Local Government Employees' Retirement System

Schedule of Proportionate Share of Net OPEB Liability - Retiree Health Benefit Fund

Schedule of Contributions - Retiree Health Benefit Fund

Schedule of Proportionate Share of Net OPEB Asset - Disability Income Plan of North Carolina

Schedule of Contributions - Disability Income Plan of North Carolina

Columbus County Board of Education
Schedules of 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*

	2019	2018	2017	2016	2015	2014
Board's proportion of the net pension liability (asset)	0.212%	0.224%	0.226%	0.226%	0.220%	0.231%
Board's proportionate share of the net pension liability (asset)	\$ 21,078,036	\$ 17,763,627	\$ 20,764,382	\$ 8,330,759	\$ 2,581,788	\$ 2,648,801
Board's covered payroll	\$ 32,585,498	\$ 32,998,365	\$ 32,201,029	\$ 32,601,590	\$ 30,481,216	\$ 32,047,567
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	64.69%	53.83%	64.48%	25.55%	8.47%	8.27%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	89.51%	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.

Columbus County Board of Education
Schedule of Board Contributions
Teachers' and State Employees' Retirement System
Last Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,994,929	\$ 3,512,717	\$ 3,293,237	\$ 2,946,418	\$ 2,983,045	\$ 2,648,801
Contributions in relation to the contractually required contribution	<u>3,994,929</u>	<u>3,512,717</u>	<u>3,293,237</u>	<u>2,946,418</u>	<u>2,983,045</u>	<u>2,648,801</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Board's covered payroll	\$ 32,505,528	\$ 32,585,498	\$ 32,998,365	\$ 32,201,029	\$ 32,601,590	\$ 30,481,216
Contributions as a percentage of covered payroll	12.29%	10.78%	9.98%	9.15%	9.15%	8.69%

Columbus County Board of Education
Schedule of the Board's Proportionate Share of the Net OPEB Liability
Retiree Health Benefit Fund
Teachers' and State Employees' Retirement System
Last Three Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.1878%	0.1994%	0.1932%
Board's proportionate share of the net OPEB liability (asset)	<u>\$ 53,512,528</u>	<u>\$ 65,370,641</u>	<u>\$ 84,064,050</u>
Board's covered payroll	<u>\$ 32,585,498</u>	<u>\$ 32,998,365</u>	<u>\$ 32,201,029</u>
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	164.22%	198.10%	261.06%
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

**Columbus County Board of Education
 Schedule of Board Contributions
 Retiree Health Benefit Fund
 Teachers' and State Employees' Retirement System
 Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 2,038,097	\$ 1,971,423	\$ 1,914,885	\$ 1,803,258	\$ 1,789,827	\$ 1,645,986	\$ 1,698,521	\$ 1,647,492	\$ 1,651,073	\$ 1,630,437
Contributions in relation to the contractually required contribution	<u>2,038,097</u>	<u>1,971,423</u>	<u>1,914,885</u>	<u>1,803,258</u>	<u>1,789,827</u>	<u>1,645,986</u>	<u>1,698,521</u>	<u>1,647,492</u>	<u>1,651,073</u>	<u>1,630,437</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Board's covered-employee payroll	<u>\$ 32,505,528</u>	<u>\$ 32,585,498</u>	<u>\$ 32,998,365</u>	<u>\$ 32,201,029</u>	<u>\$ 32,601,590</u>	<u>\$ 30,481,216</u>	<u>\$ 32,047,567</u>	<u>\$ 32,949,838</u>	<u>\$ 33,695,364</u>	<u>\$ 35,415,123</u>
Contributions as a percentage of covered-employee payroll	6.27%	6.05%	5.80%	5.60%	5.49%	5.40%	5.30%	5.00%	4.90%	4.60%

**Columbus County Board of Education
Schedule of Proportionate Share of Net OPEB Asset
Disability Income Plan of North Carolina
Teachers' and State Employees' Retirement System
Last Three Fiscal Years***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.1856%	0.1969%	0.2002%
Board's proportionate share of the net OPEB liability (asset)	<u>\$ 56,381</u>	<u>\$ 120,345</u>	<u>\$ 124,343</u>
Board's covered payroll	<u>\$ 32,585,498</u>	<u>\$ 32,998,365</u>	<u>\$ 32,201,029</u>
OPEB liability (asset) as a percentage of its covered payroll	0.1730%	0.3647%	0.3861%
Plan Fiduciary net position as a percentage of the total OPEB liability	108.47%	116.20%	116.06%

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

**Columbus County Board of Education
 Schedule of Board Contributions
 Disability Income Plan of North Carolina
 Teachers' and State Employees' Retirement System
 Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 45,508	\$ 45,620	\$ 125,394	\$ 132,024	\$ 133,667	\$ 134,117	\$ 141,009	\$ 171,339	\$ 175,216	\$ 188,406
Contributions in relation to the contractually required contribution	<u>45,508</u>	<u>45,620</u>	<u>125,394</u>	<u>132,024</u>	<u>133,667</u>	<u>134,117</u>	<u>141,009</u>	<u>171,339</u>	<u>175,216</u>	<u>188,406</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Board's covered payroll	<u>\$ 32,505,528</u>	<u>\$ 32,585,498</u>	<u>\$ 32,998,365</u>	<u>\$ 32,201,029</u>	<u>\$ 32,601,590</u>	<u>\$ 30,481,216</u>	<u>\$ 32,047,567</u>	<u>\$ 32,949,838</u>	<u>\$ 33,695,364</u>	<u>\$ 35,415,123</u>
Contributions as a percentage of covered payroll	0.14%	0.14%	0.38%	0.41%	0.41%	0.44%	0.44%	0.52%	0.52%	0.53%

**Combining and Individual Fund
Statements and Schedules**

**Columbus County Board of Education
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019**

Exhibit B-1

	2019		Positive (Negative) Variance
	Budget	Actual	
REVENUES			
State of North Carolina			
Other	\$ -	\$ 19,871	\$ 19,871
Total	<u>-</u>	<u>19,871</u>	<u>19,871</u>
Columbus County	5,315,425	5,315,425	-
Other:			
Fines and forfeitures	114,885	121,746	6,861
Insurance Proceeds	1,018,715	1,018,715	-
Total	<u>1,133,600</u>	<u>1,140,461</u>	<u>6,861</u>
Total revenues	<u>6,449,025</u>	<u>6,475,757</u>	<u>26,732</u>
EXPENDITURES			
Instructional services:			
Regular Instructional services:			
Regular curricular services		433,205	
CTE curricular services		2,667	
Total	<u>436,341</u>	<u>435,872</u>	<u>469</u>
Special Populations services:			
Children with Disabilities		75,000	
Speech and Language Pathology		130,853	
Pre-K Children with Disabilities		17,008	
Total	<u>222,653</u>	<u>222,861</u>	<u>(208)</u>
Alternative programs and services:			
Alternative Instruction		1,214	
Attendance and Social Work services		4,989	
Remedial and Supplemental K-12		1,880	
Total	<u>8,118</u>	<u>8,083</u>	<u>35</u>
School leadership services	<u>159,724</u>	<u>158,837</u>	<u>887</u>
Co-curricular services	<u>353,879</u>	<u>353,879</u>	<u>-</u>

**Columbus County Board of Education
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019**

Exhibit B-1

	2019		Positive (Negative) Variance
	Budget	Actual	
School-based support services:			
Educational Media services		6,954	
Guidance services		32,119	
Health services		111,398	
Student accounting		797	
Safety and security		88,090	
Instructional technology		7,680	
Parent involvement		514	
Total	<u>250,577</u>	<u>247,552</u>	<u>3,025</u>
Total instructional services	<u>1,431,292</u>	<u>1,427,084</u>	<u>4,208</u>
System-wide support services:			
Support and development services:			
Regular curricular support and development services		21,322	
CTE curricular support and development		4,451	
Total	<u>26,020</u>	<u>25,773</u>	<u>247</u>
Special population support and development	<u>5,665</u>	<u>5,665</u>	<u>-</u>
Alternative Programs and Services Support	<u>2,459</u>	<u>2,459</u>	<u>-</u>
Technology support	<u>82,871</u>	<u>82,871</u>	<u>-</u>
Operational support services:			
Communication services		121,076	
Public Utility and Energy services		1,666,648	
Custodial / Housekeeping services		192,704	
Warehouse and delivery		121,576	
Maintenance services		1,475,901	
Total	<u>3,559,109</u>	<u>3,577,905</u>	<u>(18,796)</u>
Financial and human resource services:			
Financial services		20,076	
Human resource services		74,707	
Total	<u>92,452</u>	<u>94,783</u>	<u>(2,331)</u>

**Columbus County Board of Education
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019**

Exhibit B-1

	2019		Positive (Negative) Variance
	Budget	Actual	
Policy, leadership and public relations			
Board of education		636,961	
Legal services		28,100	
Audit services		20,500	
Leadership services		111,315	
Total	<u>737,254</u>	<u>796,876</u>	<u>(59,622)</u>
Total supporting services	<u>4,509,330</u>	<u>4,589,832</u>	<u>(80,502)</u>
Ancillary services	<u>2,495</u>	<u>2,455</u>	<u>40</u>
Nonprogram charges			
Payments to charter schools	<u>505,908</u>	<u>480,704</u>	<u>25,204</u>
Total	<u>505,908</u>	<u>480,704</u>	<u>25,204</u>
Total expenditures	<u>6,449,025</u>	<u>6,500,075</u>	<u>(51,050)</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(24,318)</u>	<u>(24,318)</u>
OTHER FINANCING SOURCES (USES)			
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>(24,318)</u></u>	<u><u>\$ (24,318)</u></u>
Fund Balance, beginning		<u>97,829</u>	
Fund Balance, ending		<u><u>\$ 73,511</u></u>	

**Columbus County Board of Education
State Public School Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019**

Exhibit B-2

	2019		Positive (Negative) Variance
	Budget	Actual	
REVENUES			
State of North Carolina	\$ 41,646,557	\$ 41,276,784	\$ (369,773)
EXPENDITURES			
Instructional services:			
Regular instructional services:			
Regular curricular services		20,489,264	
CTE curricular services		2,194,164	
Total	<u>22,872,962</u>	<u>22,683,428</u>	<u>189,534</u>
Special Populations			
Children with Disabilities curricular services		3,091,764	
Special populations CTE curricular services		72,728	
Pre-K Children with Disabilities		562,787	
Speech and Language services		222,089	
Audiology services		3,944	
AIG Curricular services		318,057	
Limited English Proficiency services		139,891	
Total	<u>4,411,261</u>	<u>4,411,260</u>	<u>1</u>
Alternative programs and services:			
Alternative Instructional services K-12		395,226	
Attendance and Social Work		338,280	
Remedial and Supplemental		419,319	
Total	<u>1,394,959</u>	<u>1,352,148</u>	<u>42,811</u>
School leadership services	<u>3,513,007</u>	<u>3,428,218</u>	<u>84,789</u>
School-based support services:			
Educational media services		842,092	
Student Accounting		274,857	
Guidance Services		883,525	
Health Support services		341,329	
Safety and Security support services		758,226	
Instructional Technology		274,721	
Total	<u>3,375,001</u>	<u>3,375,000</u>	<u>1</u>
System-wide support services			
Support and development services:			
Regular curricular support and development		327,387	
CTE curricular support and development		141,136	
Total	<u>469,114</u>	<u>468,523</u>	<u>591</u>
Special population support and development services	<u>139,304</u>	<u>139,304</u>	<u>-</u>
Alternative programs and services support and development services	<u>26,616</u>	<u>26,616</u>	<u>-</u>
Technology support services	<u>290,007</u>	<u>238,004</u>	<u>52,003</u>
Operational support services:			
Custodial / Housekeeping services		1,358,147	
Warehouse and delivery services		2,760,363	
Maintenance		19,578	
Total	<u>4,138,088</u>	<u>4,138,088</u>	<u>-</u>
Financial and human resource services	<u>244,007</u>	<u>244,007</u>	<u>-</u>
Accountability services	<u>76,699</u>	<u>76,656</u>	<u>43</u>
Policy, leadership and public relations services			
Leadership services		442,866	
Total	<u>442,866</u>	<u>442,866</u>	<u>-</u>
Ancillary services	<u>252,666</u>	<u>252,666</u>	<u>-</u>
Total Expenditures	<u>41,646,557</u>	<u>41,276,784</u>	<u>369,773</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning		-	
Fund balances - ending		<u>\$ -</u>	

**Columbus County Board of Education
Capital Outlay Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019**

Exhibit B-3

	2019		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
State appropriations - buses	\$ 624,163	\$ 624,163	\$ -
Hurricane Recovery Funds	1,687,326	1,687,326	-
Total State of North Carolina	2,311,489	2,311,489	-
Columbus County:			
County appropriation	505,002	505,002	-
Local government sales tax	1,137,222	1,048,594	(88,628)
Total Columbus County	1,642,224	1,553,596	(88,628)
Interest earned on investments	5,557	16,683	11,126
Sale of Property	57,456	456	(57,000)
Total revenues	4,016,726	3,882,224	(134,502)
EXPENDITURES			
Capital outlay:			
Buildings and real property	2,822,563	1,813,820	1,008,743
Furnishings and equipment	420,000	237,906	182,094
School buses and other vehicles	150,000	1,191,517	(1,041,517)
Debt service:			
Principal payments	624,163	624,163	-
Interest and other charges	-	-	-
Total expenditures	4,016,726	3,867,406	149,320
Excess of revenues over (under) expenditures	-	14,818	14,818
OTHER FINANCING SOURCES (USES)			
Installment purchase obligations issued	-	1,154,738	1,154,738
Total other financing sources and (uses)	-	1,154,738	1,154,738
NET CHANGE IN FUND BALANCE	\$ -	1,169,556	\$ 1,169,556
Fund Balance, Beginning		5,433,045	
Fund Balance, Ending		<u>\$ 6,602,601</u>	

**Columbus County Board of Education
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended June 30, 2019**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Federal Grant Fund	Other Restricted Funds	Individual Schools	
ASSETS				
Cash and cash equivalents	\$ -	\$ 137,535	\$ 1,089,462	\$ 1,226,997
Due from other governments	129,942	154,326	12,792	297,060
Accounts receivable	-	-	3,920	3,920
Due from other funds	5,374	-	12,603	17,977
Total assets	<u>\$ 135,316</u>	<u>\$ 291,861</u>	<u>\$ 1,118,777</u>	<u>\$ 1,545,954</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 24,758	\$ 28,193	\$ 52,951
Due to other funds	-	47,784	-	47,784
Accrued salaries and benefits	109,805	88,216	-	198,021
Total liabilities	<u>\$ 109,805</u>	<u>\$ 160,758</u>	<u>\$ 28,193</u>	<u>\$ 298,756</u>
Deferred Inflows of Resources	<u>\$ 25,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,511</u>
Fund balances:				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Restricted:				
Individual Schools	-	-	1,090,584	1,090,584
Committed:				
Other Restricted Funds	-	131,103	-	131,103
Unassigned	-	-	-	-
Total fund balances	<u>-</u>	<u>131,103</u>	<u>1,090,584</u>	<u>1,221,687</u>
Total liabilities and fund balances	<u>\$ 135,316</u>	<u>\$ 291,861</u>	<u>\$ 1,118,777</u>	<u>\$ 1,545,954</u>

Columbus County Board of Education
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds			Total Nonmajor Special Revenue Funds
	Federal Grant Fund	Other Restricted Fund	Individual Schools	
REVENUES				
State of North Carolina	\$ -	\$ 2,098,852	\$ -	\$ 2,098,852
U.S. Government	4,020,684	217,850	-	4,238,534
Other	-	973,301	1,891,517	2,864,818
Total Revenues	4,020,684	3,290,003	1,891,517	9,202,204
EXPENDITURES				
Current:				
Instructional services:				
Regular Instructional	242,870	428,428	-	671,298
Special Populations	1,069,654	2,990	-	1,072,644
Alternative Programs	1,747,576	2,010,267	-	3,757,843
School Leadership	-	150	-	150
Co-Curricular	-	-	1,818,049	1,818,049
School-Based Support	337,541	358,993	-	696,534
System-wide support services:				
Support and Development	97,118	1,775	-	98,893
Special Populations Support and Development	88,754	-	-	88,754
Alternative programs and Services Support	359,645	-	-	359,645
Operational Support	-	89,799	-	89,799
Policy, Leadership, and Public Relations	-	1,511	-	1,511
Ancillary services	33,420	536	-	33,956
Non-Program Charges	44,106	-	-	44,106
Total Expenditures	4,020,684	2,894,449	1,818,049	8,733,182
Excess (deficiency) of revenues over expenditures	-	395,554	73,468	469,022
OTHER FINANCING SOURCES (USES)				
Installment purchase obligations issued	-	-	-	-
Total other financing sources and (uses)	-	-	-	-
Net change in fund balances	-	395,554	73,468	469,022
Fund balances - beginning	-	(253,697)	1,017,116	763,419
Restatement	-	(10,754)	-	(10,754)
Fund balances - ending	\$ -	\$ 131,103	\$ 1,090,584	\$ 1,221,687

**Columbus County Board of Education
Federal Grant Fund
Schedule of Revenues, Expenditures and
Change in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019**

Exhibit C-3

	2019		Positive (Negative) Variance
	Budget	Actual	
REVENUES			
U.S. Government	\$ 4,850,102	\$ 4,020,684	\$ (829,418)
EXPENDITURES			
Instructional services			
Regular instructional services:			
Regular curricular services		124,028	
CTE curricular services		118,842	
Total	<u>309,872</u>	<u>242,870</u>	<u>67,002</u>
Special Populations services:			
Children with Disabilities		928,438	
Special Populations		400	
Pre-K Children with Disabilities		33,781	
Speech and Language		81,165	
Limited English Proficiency		25,870	
Total	<u>1,146,663</u>	<u>1,069,654</u>	<u>77,009</u>
Alternative programs and services:			
Alternative Instructional Services K-12		32,890	
Attendance and Social Work		7,476	
Remedial and Supplemental K-12		1,659,179	
Extended day / year instruction		48,031	
Total	<u>2,198,318</u>	<u>1,747,576</u>	<u>450,742</u>
School-based support services:			
Guidance Services		26,407	
Health Support Services		166,902	
Instructional Technology		118,778	
Parent Involvement		25,454	
Total	<u>381,968</u>	<u>337,541</u>	<u>44,427</u>
System-wide support services			
Support and development services:			
Regular curricular support and development services		97,118	
Total	<u>103,952</u>	<u>97,118</u>	<u>6,834</u>
Special population support and development services	<u>122,296</u>	<u>88,754</u>	<u>33,542</u>
Alternative programs and services support and development services	<u>359,701</u>	<u>359,645</u>	<u>56</u>
Operational support services:			
Custodial / housekeeping services		-	
Total	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Ancillary services	<u>33,420</u>	<u>33,420</u>	<u>-</u>
Non-programmed charges	<u>188,912</u>	<u>44,106</u>	<u>144,806</u>
Total Expenditures	<u>4,850,102</u>	<u>4,020,684</u>	<u>829,418</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning		<u>-</u>	
Fund balances - ending		<u>\$ -</u>	

Columbus County Board of Education
Other Restricted Funds
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2019

Exhibit C-4

	2019		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
State of North Carolina			
School Nurse Funding	\$ 250,000	\$ 250,000	\$ -
NC Pre-K Program	1,849,833	1,802,052	(47,781)
JCPC	46,800	46,800	-
Total	<u>2,146,633</u>	<u>2,098,852</u>	<u>(47,781)</u>
U.S. Government			
JROTC	148,010	148,010	-
Indian Education	69,840	69,840	-
Total	<u>217,850</u>	<u>217,850</u>	<u>-</u>
Other			
Tuition and fees	33,629	33,739	110
ABC Funds	46,223	77,906	31,683
Contributions and Donations	20,288	20,288	-
Arts Grants	25,161	25,161	-
MAC Reimbursement	4,515	4,515	-
Indirect cost	258,496	258,496	-
Miscellaneous local operating revenues	276,982	306,344	29,362
Other	160,493	246,852	86,359
Total	<u>825,787</u>	<u>973,301</u>	<u>147,514</u>
Total revenues	<u>3,190,270</u>	<u>3,290,003</u>	<u>99,733</u>
EXPENDITURES			
Instructional services:			
Regular instructional services			
Regular curricular services		417,962	
CTE curricular services		10,466	
Total	<u>710,758</u>	<u>428,428</u>	<u>282,330</u>
Special Populations services:			
Special populations CTE curricular services		2,990	
Total	<u>3,769</u>	<u>2,990</u>	<u>779</u>
Alternative Programs and services:			
Attendance and Social Work		1,110	
Pre-K Readiness		2,008,792	
Extended day / year instructional services		365	
Total	<u>2,001,167</u>	<u>2,010,267</u>	<u>(9,100)</u>

Columbus County Board of Education
Other Restricted Funds
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2019

Exhibit C-4

	2019		Variance Positive (Negative)
	Budget	Actual	
School leadership services	150	150	-
School-based support services:			
Educational Media services		2,389	
Guidance services		67,849	
Health services		288,755	
Total	358,494	358,993	(499)
Total instructional programs	3,074,338	2,800,828	273,510
System-wide support services:			
Support and development			
Regular		1,775	
Total	5,425	1,775	3,650
Operational support services:			
Custodial / Housekeeping services		28,184	
Transportation services		61,615	
Total	107,809	89,799	18,010
Policy, leadership and public relations			
Board of education		1,511	
Total	1,472	1,511	(39)
Total supporting services	114,706	93,085	21,621
Ancillary services	1,226	536	690
Total expenditures	3,190,270	2,894,449	295,821
Excess of revenues over (under) expenditures	-	395,554	395,554
NET CHANGE IN FUND BALANCE	\$ -	395,554	\$ 395,554
Fund Balance, Beginning		(253,697)	
Restatement		(10,754)	
Fund Balance, Ending		<u>\$ 131,103</u>	

Combining Balance Sheet and Statement of Revenues,
Expenditures, and Changes in Fund Balance – Individual
Schools

Columbus County Board of Education
Combining Balance Sheet
Individual Schools
June 30, 2019

Exhibit C-5

	Cash and Investments	Accounts Receivable	Due from Other Funds	Total Assets	Accounts Payable	Due to Other Funds	Fund Balance	Total Liabilities & Fund Balance
Acme-Delco Elementary	\$ 41,128	\$ 224	\$ 261	\$ 41,613	\$ -	\$ -	\$ 41,613	\$ 41,613
Acme-Delco Middle	46,986	1,657	404	49,047	4,298	-	44,749	49,047
Cerro Gordo Elementary	24,012	558	736	25,306	-	-	25,306	25,306
Chadborn Elementary	12,417	178	175	12,770	-	-	12,770	12,770
CCCA - Fair Bluff	39,291	21	31	39,343	116	-	39,227	39,343
East Columbus High	52,380	1,511	1,409	55,300	-	-	55,300	55,300
Evergreen Elementary	14,962	185	436	15,583	-	-	15,583	15,583
Guideway Elementary	17,621	427	159	18,207	-	-	18,207	18,207
Hallsboro/Artesia Elementary	2,246	1,001	429	3,676	-	-	3,676	3,676
Hallsboro Middle	76,209	2,663	548	79,420	495	-	78,925	79,420
Old Dock Elementary	41,994	368	482	42,844	-	-	42,844	42,844
South Columbus High	267,979	3,366	3,877	275,222	3,240	-	271,982	275,222
Tabor City Elementary	45,589	294	496	46,379	-	-	46,379	46,379
Tabor City Middle	33,340	313	113	33,766	-	-	33,766	33,766
West Columbus High	229,787	1,666	1,480	232,933	19,879	-	213,054	232,933
Williams Township	29,178	1,294	905	31,377	-	-	31,377	31,377
Nakina Middle School	75,086	808	535	76,429	165	-	76,264	76,429
SE Early College	39,257	178	127	39,562	-	-	39,562	39,562
Total	\$ 1,089,462	\$ 16,712	\$ 12,603	\$ 1,118,777	\$ 28,193	\$ -	\$ 1,090,584	\$ 1,118,777

Columbus County Board of Education
Combining Statement of Revenues, Expenditures And
Changes in Fund Balance -- Individual Schools
For the Fiscal Year Ended June 30, 2019

Exhibit C-6

	<u>Revenues</u>	<u>Transfers and Expenditures</u>	<u>Excess (Deficiency) of Revenues Over Expenditures</u>	<u>Fund Balance June 30, 2019</u>
Acme-Delco Elementary	\$ 35,163	\$ 29,818	\$ 5,345	\$ 41,613
Acme-Delco Middle	30,079	31,156	(1,077)	44,749
Cerro Gordo Elementary	85,252	83,271	1,981	25,306
Chadbourn Elementary	20,667	20,804	(137)	12,770
CCCA - Fair Bluff	27,797	30,456	(2,659)	39,227
East Columbus High	211,324	212,850	(1,526)	55,300
Evergreen Elementary	58,246	59,535	(1,289)	15,583
Guideway Elementary	25,497	23,022	2,475	18,207
Hallsboro/Artesia Elementary	46,084	65,609	(19,525)	3,676
Hallsboro Middle	79,400	87,321	(7,921)	78,925
Old Dock Elementary	47,989	46,584	1,405	42,844
South Columbus High	562,351	498,501	63,850	271,982
Tabor City Elementary	63,001	63,550	(549)	46,379
Tabor City Middle	50,507	53,794	(3,287)	33,766
West Columbus High	319,959	296,835	23,124	213,054
Williams Township	136,378	129,155	7,223	31,377
Nakina Middle	71,682	64,587	7,095	76,264
SE Early College	20,142	21,201	(1,059)	39,562
Total	<u><u>\$ 1,891,517</u></u>	<u><u>\$ 1,818,049</u></u>	<u><u>\$ 73,468</u></u>	<u><u>\$ 1,090,584</u></u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the government's council is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; where the government's council has decided that the periodic determination of net income is appropriate for accountability purposes.

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

Child Care Service Fund -- This fund provides after school care to students within the school system.

**Columbus County Board of Education
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
School Food Service Fund
For the Fiscal Year Ended June 30, 2019**

Exhibit D-1

	2019		Positive (Negative) Variance
	Budget	Actual	
OPERATING REVENUES:			
Food sales	\$ 331,456	\$ 337,789	\$ 6,333
Miscellaneous local revenues	99,918	102,078	2,160
Total operating revenues	<u>431,374</u>	<u>439,867</u>	<u>8,493</u>
OPERATING EXPENDITURES:			
Business support services:			
Purchase of food		1,433,446	
Donated commodities		253,911	
Salaries and benefits		2,049,554	
Indirect cost		428,780	
Materials and supplies		147,489	
Repairs and maintenance		9,944	
Contracted services		25,561	
Other		26,963	
Total business support services	<u>4,630,296</u>	<u>4,375,648</u>	<u>254,648</u>
Capital outlay	10,000	41,145	(31,145)
Total operating expenditures	<u>4,640,296</u>	<u>4,416,793</u>	<u>223,503</u>
Operating income (loss)	(4,208,922)	(3,976,926)	231,996
NON-OPERATING REVENUES:			
Federal reimbursements	3,994,032	3,814,968	(179,064)
Federal commodities used	-	256,885	256,885
Investment earnings	500	-	(500)
Indirect cost not paid	214,390	214,390	-
Contributed Capital	-	33,420	33,420
Total operating revenues (expenditures)	<u>4,208,922</u>	<u>4,319,663</u>	<u>110,741</u>
Excess of revenues over (under) expenditures before other financing sources	-	342,737	342,737
OTHER FINANCING SOURCES (USES)			
Fund balance appropriated	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>342,737</u>	<u>\$ 342,737</u>
Reconciliation from modified accrual to full accrual basis:			
Excess of revenue and other sources over expenditures:			
Reconciling items:			
Depreciation		(22,315)	
Net OPEB Asset		(2,303)	
Deferred Outflows		89,573	
Capital Outlay		41,145	
Net Pension Liability		(129,059)	
Net OPEB Liability		426,826	
Deferred Inflows		(297,687)	
Total Reconciling Items		<u>106,180</u>	
Change in net position (full accrual)		<u>\$ 448,917</u>	

Columbus County Board of Education
Enterprise Fund - Nonmajor
Combining Balance Sheet
For the Year Ended June 30, 2019

	Nonmajor	
	<u>Child Care</u>	<u>Total</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ -	\$ -
Due from other funds	-	-
Total Current Assets	<u>-</u>	<u>-</u>
Capital Assets		
Equipment	-	-
Less Accumulated Depreciation	-	-
Net Capital Assets	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ -	\$ -
Due to other funds	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>
Non-current liabilities:		
Compensated Absences	-	-
Total Non-current liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Net Position		
Net investment in capital assets	-	-
Restricted	-	-
Unrestricted	-	-
Total Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Columbus County Board of Education
Enterprise Fund - Nonmajor
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2019

	Non-Major Fund	
	<u>Child Care</u>	<u>Total</u>
OPERATING REVENUES		
Participant Fees	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>
OPERATING EXPENSES		
Benefits	-	-
Services	-	-
Materials	-	-
Food Purchases	-	-
Other Expenses	-	-
Total Operating Expenses	<u>-</u>	<u>-</u>
OPERATING INCOME (LOSS)	-	-
NON-OPERATING REVENUES		
Other Revenue	-	-
Interest Revenue	-	-
Total Non-Operating Revenues	<u>-</u>	<u>-</u>
Change in net position	<u>-</u>	<u>-</u>
Total net position, beginning	<u>(10,754)</u>	<u>(10,754)</u>
Restatement	<u>10,754</u>	<u>10,754</u>
Total net position, ending	<u>\$ -</u>	<u>\$ -</u>

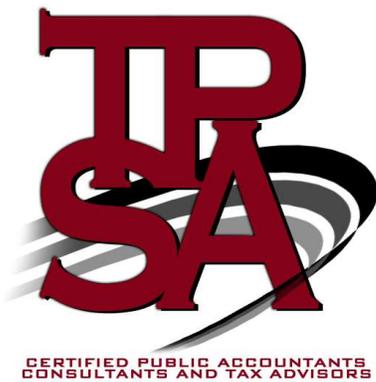
Columbus County Board of Education
Enterprise Funds - Nonmajor
Combining Statement of Cash Flows
For the Year Ended June 30, 2019

	<u>Non-major Fund</u>	
	<u>Child Care</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Participants	\$ -	\$ -
Cash Paid to Employees	-	-
Cash Paid to Suppliers	-	-
Net Cash Provided (Used) by Operating Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING		
Due to / from	-	-
Other Operating Revenues	-	-
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	-	-
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Income (Loss)	<u>\$ -</u>	<u>\$ -</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities		
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	-	-
Increase/(Decrease) in Salaries Payable	-	-
Increase/(Decrease) in Accounts Payable	-	-
Increase/(Decrease) in Compensated Absences	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Net Cash Provided (Used) in Operating Activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Columbus County Board of Education
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Child Care Fund (Non-GAAP)
For the Year Ended June 30, 2019

	2019		Positive (Negative) Variance
	Budget	Actual	
OPERATING REVENUES:			
After School Care Fees	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENDITURES:			
Salaries and Benefits	-	-	-
Total operating expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Operating income (loss)	-	-	-
NON-OPERATING REVENUES:			
Interest	-	-	-
Other revenue	-	-	-
Total Non-operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Reconciliation of modified accrual to full accrual basis:			
Excess of revenue and other sources over expenditures:			
Reconciling items:			
Net OPEB asset		-	
Net OPEB liability		-	
Depreciation		-	
Capital Outlay		-	
Total Reconciling Items		<u>-</u>	
Change in net position (full accrual)		<u>\$ -</u>	

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
Government Auditing Standards**

Independent Auditors' Report

To the Columbus County Board of Education
Whiteville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbus County Board of Education as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprises the Columbus County Board of Education's basic financial statements, and have issued our report thereon dated February 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education'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 of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

Our consideration of internal control was for limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 combination of deficiencies, in internal control such that there is a reasonable probability that a material misstatement of the entity's financial statements will not be prevented, or detect and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of finding and questioned costs [2019-01, 2019-02, 2019-03] to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs [2019-04] to be significant deficiencies.

Compliance and Other Matters

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

Board of Education's Response to Findings

The Board of Education's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thompson, Rice, Scott, Adams & Co., P.A.

Whiteville, NC

February 20, 2020



**Report on Compliance With Requirements Applicable To Each Major Federal Program
And Internal Control Over Compliance In Accordance with OMB Uniform Guidance and the
State Single Audit Implementation Act**

Independent Auditors' Report

To the Columbus County Board of Education
Whiteville, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Columbus County Board of Education's, North Carolina, 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 Columbus County Board of Education's major federal programs for the year ended June 30, 2019. The Columbus County Board of Education'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 Columbus County Board of Education'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, OMB 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 Columbus County Board of Education'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 of the Columbus County Board of Education's compliance.

Opinion on Each Major Federal Program

In our opinion, the Columbus County Board of Education complied, in all material respects, with the types of 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 Columbus County Board of Education 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 Columbus County Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB 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 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 significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-05 that we consider to be significant deficiencies.

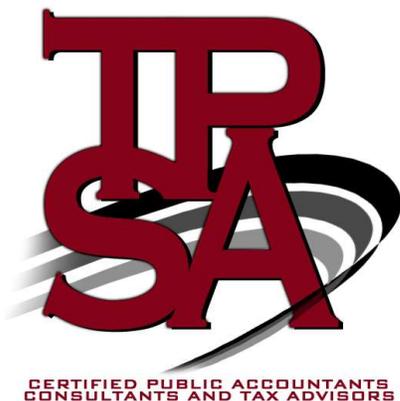
The Board of Education's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The Board's response was not subjected to the auditing procedures applied in the audit of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

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 OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Rice, Scott, Adams & Co., P.A.

Whiteville, NC

February 20, 2020



**Report on Compliance With Requirements Applicable to Each Major State Program And
Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the
State Single Audit Implementation Act**

Independent Auditors' Report

To the Columbus County Board of Education
Whiteville, North Carolina

Report on Compliance for Each Major State Program

We have audited the Columbus County Board of Education'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 the Columbus County Board of Education's major state programs for the year ended June 30, 2019. The Columbus County Board of Education's major state 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 requirement 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 Columbus County Board of Education'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; and applicable sections of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, 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 with governance. 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 Columbus County Board of Education'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 of the Columbus County Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Columbus County Board of Education's complied, in all material respects, with the types of 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 Columbus County Board of Education 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 Columbus County Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program 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 Board 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 significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-06 that we consider to be significant deficiencies.

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

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.

Thompson, Rice, Scott, Adams & Co., P.A.

Whiteville, NC

February 20, 2020

**Columbus County Board of Education
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019**

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant Deficiency(s) identified that are not considered to be material weaknesses X yes none reported

Noncompliance material to financial statements noted X yes no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no

Significant Deficiency(s) identified that are not considered to be material weaknesses X yes none reported

Noncompliance material to federal awards noted yes X no

Type of auditor's 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

84.010	Title I, Part A Cluster Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)
84.027 84.173	Special Education Cluster: Individuals with Disabilities Education Act Education of the Handicapped Preschool Handicapped
84.011	Migrant Education

**Columbus County Board of Education
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019**

Section I. Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee _____ yes _____ no

State Awards

Internal control over major State programs:

Material weakness(es) identified? _____ yes _____ no

Significant Deficiency(s) identified that are not considered
to be material weaknesses _____ yes _____ none reported

Noncompliance material to State awards _____ yes _____ no

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance
with State Single Audit Implementation Act _____ yes _____ no

Identification of major State programs:

Program Name

- State Public School Fund
- NC Pre-Kindergarten Program
- School Bus Appropriation
- Hurricane Florence Recovery Fund

**Columbus County Board of Education
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

Section II. Financial Statement Findings

Finding 2019-01**

MATERIAL WEAKNESS

Deficit Fund Balance

- Criteria: The Board should maintain a positive fund balance in each of its funds.
- Condition: The Board has 1 fund with a negative fund balance: School Food Service Fund (\$1,335,933).
- Effect: When the Board has a fund with a negative fund balance, another fund has to advance the money to cover expenditures.
- Cause: The negative fund balance was generated in the School Food Service Fund as a result of the implementation of GASB 75 (Other Postemployment Benefits) in the prior year.
- Recommendation: The Board should review the programs with fund balance deficits to determine what steps are necessary to correct the negative fund balances.

Views of responsible officials and planned corrective actions:

The Board agrees with this finding.

**This is a repeat finding.

Finding 2019-02**

MATERIAL WEAKNESS

Reconciliation of Records

- Criteria: Records should be reconciled timely.
- Condition: The records (including bank reconciliations and installment accruals) were not timely reconciled. There were several accounts that were not reconciled until several months after the close of the year.
- Effect: Errors and other problems could occur and not be detected by management in a timely manner and could impact management's ability to have accurate information for decisions.
- Cause: There was significant turn over in the finance department (including the finance officer), which resulted in many standard year end procedures not being completed timely.
- Recommendation: Of all of the duties of the finance staff, timely reconciliations of bank statements and general ledger accounts is very important. The Board should implement internal control procedures that will monitor accounts to ensure that accounts are timely reconciled to strengthen internal controls within the Board.

Views of responsible officials and planned corrective actions:

The Board agrees with this finding. Efforts will be made to ensure timely reconciliations in the future.

**This is a repeat finding.

**Columbus County Board of Education
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

Section II. Financial Statement Findings (continued)

Finding 2019-03

MATERIAL WEAKNESS

Pre-Audit and Budget Requirements

Criteria: In accordance with NC General Statute 159.28, if an obligation of the Board is evidence by a contract or agreement requiring the payment of money or by a purchase order for supplies and materials, the contract or purchase order shall be preaudited. The finance officer is responsible for verifying that funds are available to cover the expenditures.

Condition: For the fiscal year ended June 30, 2019, the total expenditures in the school buses and other vehicles line of the capital outlay fund exceeded appropriations as presented. A budget amendment was not made to recorded purchase of buses financed by NC DPI. Additionally, General Fund expenditures exceeded appropriations in System Wide Support Services by \$80,502

Effect: Management may not receive accurate information to base decisions appropriately for planning and budgeting purposes. Additionally, the expenditures were approved without proper preaudit procedures being performed.

Cause: Budget amendments were not made to record additional financing received to purchases buses. Additionally, budget amendments were not made to cover additional expenses in the General Fund.

Recommendation: The Board should closely monitor expenditures to ensure that adequate amendments are approved to cover expenditures prior to funds being spent.

Views of responsible officials and planned corrective actions:

The Board agrees with this finding and will more closely monitor the budget.

Finding 2019-04

Significant Deficiency

Prior Period Adjustment

Criteria: A prior period adjust was required to correct beginning fixed asset values in child nutrition.

Condition: Depreciation schedules were modified to add values for items that were removed in previous years, however the asset(s) weren't actually disposed of.

Effect: The Board does not have an accurate representation of the fixed assets on hand.

Cause: Fixed assets disappear from the schedules as if they were disposed and then reappear in later years creating discrepancies.

Recommendation: The Board should perform a fixed asset audit and needs to reconcile fixed asset schedules at year end.

Views of responsible officials and planned corrective actions:

The Board agrees with this finding and will discuss policies that can be implemented to prevent this from happening in the future.

**Columbus County Board of Education
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

Section III. Federal Award Findings and Questioned Costs

U.S. Department of Education
Program Names: Title 1
CFDA #'s: 84.010, 84.389

Finding 2019-05

SIGNIFICANT DEFICIENCY
Excess Over Appropriations

Criteria: A budget was not adopted timely so all expenditures over carry forward amount had to be reimbursed by the General Fund.

Condition: Columbus County Schools did not adopt a budget until November so Title 1 could not expend more than their carry forward balance. Expenditures for July - November exceeded the carry forward balance and the General Fund had to cover the excess expenses.

Effect: The Board had to reimburse Title 1 for salaries paid that exceeded the carry forward balance.

Cause: Budget was not approved by the Board timely due to changes in finance staff, including the finance officer.

Recommendation: The Board should ensure the budget is adopted in a timely manner.

Views of responsible officials and planned corrective actions:

The Board agrees with this finding. The finance officer and board will work together to ensure the budget is adopted before the beginning of the year.

Section IV. State Award Findings and Questioned Costs

Office of the Governor, Passed through NC Department of Public Instruction
Program Names: NC Pre-Kindergarten

Finding 2019-06

SIGNIFICANT DEFICIENCY
Missing Records

Criteria: Documents necessary for enrollment in the Pre-K program were missing from files.

Condition: Documents necessary to complete enrollment in the Pre-K program were missing from 7 of the 40 files reviewed.

Effect: Inability to verify enrollment information.

Cause: Changes in staff caused documents to be misplaced.

Recommendation: The Board should implement internal control procedures that will ensure all documents are filed appropriately.

Views of responsible officials and planned corrective actions:

The Board agrees with this finding. The Board and staff will discuss policies that can be implemented to prevent this from happening in the future.



COLUMBUS COUNTY SCHOOLS

Accredited by the State Board of Education and the Southern Association of Colleges & Schools

BOARD OF EDUCATION

Randy Coleman
Junior Dew
Worley T. Edwards
Monte Herring
Ronnie Strickland

ADMINISTRATION

DEANNE MEADOWS
Superintendent
JONATHAN WILLIAMS
Assistant Superintendent

Corrective Action Plan For the Year Ended June 30, 2019

Section II. Financial Statement Findings

2019-01 Deficit Fund Balance

Name of contact person: Lisa Nowlin, Finance Officer

Corrective Action: The Board recognizes the importance of maintaining positive fund balances and will make all efforts to get all negative fund balances positive.

Proposed Completion Date: The Board will implement the above procedure immediately.

2019-02 Reconciliation of Records

Name of contact person: Lisa Nowlin, Finance Officer

Corrective Action: The Board recognizes the importance of timely reconciliations and will make all efforts to reconcile all accounts and bank accounts earlier in the future.

Proposed Completion Date: The Board will implement the above procedure immediately.

2019-03 Pre-Audit and Budget Requirements

Name of contact person: Lisa Nowlin, Finance Officer

Corrective Action: The Board will more closely monitor the budget available and make adjustments as necessary.

Proposed Completion Date: The Board will implement the above procedure immediately.

2019-04 Prior Period Adjustment

Name of contact person: Lisa Nowlin, Finance Officer

Corrective Action: The Board will perform a fixed assets inventory and reconcile fixed assets at year end.

Proposed Completion Date: The Board will implement the above procedure immediately.



COLUMBUS COUNTY SCHOOLS

Accredited by the State Board of Education and the Southern Association of Colleges & Schools

BOARD OF EDUCATION

Randy Coleman
Junior Dew
Worley T. Edwards
Monte Herring
Ronnie Strickland

ADMINISTRATION

DEANNE MEADOWS
Superintendent
JONATHAN WILLIAMS
Assistant Superintendent

Section III. Federal Award Findings and Questioned Costs

2019-05 Excess Over Appropriations

Name of contact person: Lisa Nowlin, Finance Officer

Corrective Action: The Board and Finance Officer will work together to ensure budgets are approved timely.

Proposed Completion Date: The Board will implement the above procedure immediately.

Section IV. State Award Findings and Questioned Costs

2019-06 Missing Records

Name of contact person: Kim Edwards, Pre-K Director

Corrective Action: The Board and Staff will discuss policies that can be implemented to prevent this from happening in the future.

Proposed Completion Date: The Board will implement the above procedure immediately.

**Columbus County Board of Education
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019**

2018-01 Deficit Fund Balance

 Repeated as 2019-01

2018-02 Reconciliation of Records

 Repeated as 2019-02

2018-03 Management Override of Controls

 Corrected

2018-04 Benefit Payment

 Corrected

**Columbus County Board of Education
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>2019 Expenditures</u>
Federal Grants:			
<u>U. S. Department of Agriculture</u>			
<u>Food and Nutrition Service</u>			
Food Distribution Cluster:			
Non-Cash Assistance (Commodities):			
Passed-through the N.C. Department of Agriculture:			
Commodity Supplemental Food Program	10.565		\$ <u>253,911</u>
Non-Cash Assistance			253,911
Child Nutrition Cluster			
Cash Assistance:			
Passed-through the N. C. Department of Public Instruction:			
School Breakfast Program	10.553		2,382,733
National School Lunch Program	10.555		1,362,964
Seamless Summer Program	10.555		<u>69,271</u>
Total Cash Assistance			<u>3,814,968</u>
Total Child Nutrition Cluster			<u>3,814,968</u>
Passed-through the N. C. Department of Public Instruction:			
Child Nutrition Discretionary Grants Limited Liability	10.579	PRC 053	<u>33,420</u>
Total U. S. Department of Agriculture			<u>4,102,299</u>
<u>U. S. Department of Education</u>			
<u>Office of Elementary and Secondary Education</u>			
Passed-through the N. C. Department of Public Instruction:			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	PRC 050	<u>1,839,091</u>
Total Title I, Part A Cluster			1,839,091
School Improvement Grants Cluster			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA) - School Improvements	84.010	PRC 105	<u>71,725</u>
Total School Improvement Cluster			71,725
Migrant Education (Title I of IASA)	84.011	PRC 051	251,360
<u>Special Education Cluster:</u>			
Special Education - Grants to States (IDEA, Part B) - Education of the Handicapped	84.027	PRC 060	1,238,946
Special Education - Preschool Grants (IDEA Preschool) - Preschool Handicapped	84.173	PRC 049	28,904
IDEA VI-B Special Needs, Targeted Assistance	84.027	PRC 118	2,067
Preschool Targeted Assistance	84.027	PRC 119	<u>5,384</u>
Total Special Education Cluster			<u>1,275,301</u>

**Columbus County Board of Education
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>2019 Expenditures</u>
Career and Technical Education - Basic Grants to States	84.048	PRC 017	120,422
English Language Acquisition Grants	84.365	PRC 104, 111	35,326
Rural Education	84.358	PRC 109	106,891
Supporting Effective Instruction State Grant	84.367	PRC 103	184,151
Student Support and Academic Enrichment Grant	84.424	PRC 108	102,997
Indian Ed - Formula Grants to Local Educational Agencies	84.060A	PRC 310	69,840
Total U.S. Department of Education			<u>4,057,104</u>
<u>U. S. Department of Defense</u>			
Direct Program:			
ROTC	None	PRC 301	<u>148,010</u>
Total federal assistance			\$ <u>8,307,413</u>
State Grants:			
<u>N. C. Department of Public Instruction</u>			
State Public School Fund			\$ 38,803,511
Driver Training - SPSF		PRC 012	108,059
School Technology Fund - SPSF		PRC 015	81,802
Vocational Education			
-- State Months of Employment		PRC 013	2,191,553
-- Program Support Funds		PRC 014	91,859
Hurricane Florence Disaster Recovery Fund			<u>1,687,326</u>
Total N. C. Department of Public Instruction			<u>42,964,110</u>
<u>Office of the Governor</u>			
Passed through N.C. Department of Public Instruction			
NC Pre-Kindergarten Program		PRC 413	1,802,052
<u>N.C. Department of Health and Human Services</u>			
Division of Public Health			
School Nurse Funding Initiative			250,000
<u>N.C. Department of Public Safety</u>			
Community Based Alternatives			46,800
<u>N. C. Department of Public Instruction</u>			
School Bus Appropriation			<u>624,163</u>
Total State Assistance			<u>45,687,125</u>
Total Federal and State Assistance			\$ <u>53,994,538</u>

**Columbus County Board of Education
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2019**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>2019 Expenditures</u>
--	---	--	-------------------------------------

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Columbus County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this 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 and the State Single Audit Implementation Act. Because the SEFSA presents only a select portion of the operations of the Columbus County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Columbus County Board of Education.

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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

3 Cluster of Programs

The following are clustered by the NC Department of Public Instruction and are treated separately for state audit requirement purposes: School Nutrition Program