

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
PITT COUNTY BOARD OF EDUCATION,
NORTH CAROLINA
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Ethan Lenker, Ed.D.
Superintendent

Prepared by
Debra Baggett
Chief Financial Officer



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INTRODUCTORY SECTION



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<http://www.pitt.k12.nc.us>

December 27, 2019

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

In compliance with local ordinances and the Public Schools Laws of North Carolina, the Comprehensive Annual Financial Report of the Pitt County Board of Education (Board) for the fiscal year ended June 30, 2019, is herewith submitted. These ordinances and statutes require that the Board issue annually a report on its financial position and activity and that an independent firm of certified public accountants will audit this report. Responsibility for the accuracy, completeness, and clarity of this report rests with the Superintendent and the Chief Financial Officer.

Carr, Riggs, & Ingram, following the requirements and guidelines promulgated by the Governmental Accounting Standards Board (GASB), assisted in the preparation of the report. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain the maximum understanding of the Board's financial activity have been included.

In addition, Carr, Riggs, & Ingram, Inc. (Certified Public Accountants) has audited the Board's financial statements for the fiscal year ended June 30, 2019. The goal of the audit was to provide reasonable assurance that the financial statements of Board for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Board's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP).

The independent audit of the financial statements of the Board was part of broader federal and state mandates; which require "Single Audits". These audits are designed to meet the special needs of the federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are included in this document. The Board understands the importance of quality internal control structure and places emphasis on ensuring compliance with grant requirements. The Board's fiscal year end June 30, 2019 Single Audits reported no instances of reportable conditions or material weaknesses within its internal control structure.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Board's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

The Board consists of nine citizens elected on a non-partisan basis, who serve four-year staggered terms. The Superintendent of Schools is appointed by the Board and serves as secretary to the Board. The Board has no tax

levying authority or borrowing authority and is required to maintain accounting records according to a uniform state format. The Board receives local, state, and federal government funding and must comply with the legal requirements of each source entity. North Carolina General Statute 115C-140 empowers the Pitt County Board of Education with general control and supervision of all matters pertaining to the schools in the system.

The school system consists of 37 K-12 schools with varying configurations including 16 K-5 elementary schools, six K-8 schools, seven 6-8 middle schools, and eight high schools. The second month average daily membership for the 2018-2019 school year was 23,358 students. The total operating budget for all governmental activities for the 2018-19 school year was \$246,170,315 with a per-pupil expenditure of \$9,797 including Child Nutrition.

The Board operates a very diverse system with 1,842 National Origin Minority Students enrolled, representing 43 different native languages. Out of these students, 1007 were identified as Limited English Proficient and served in the English as a Second Language Program. The ethnic distribution of students in 2018-19 is: African American – 45.8%; White – 35.8%; Hispanic – 11.9%; Multi racial – 4.5%; Asian – 1.6%; and other – 0.4%.

A principal charged with the responsibility of the total school operations administers each individual school. Appropriate instructional and support personnel based on pupil enrollment staff the schools. The school principal and faculty work cooperatively with instructional specialists and central administrative staff in developing and implementing effective instructional programs.

The graduating class of 2019 was offered \$25,180,056 in scholarships which includes 379 NC Scholars along with East Carolina University Honors College Scholarships, North Carolina State University Park Scholarships, a University of North Carolina-Chapel Hill Morehead-Cain Scholarship, a North Carolina State Goodnight Scholarship, an Academic Merit Scholarship at Meredith College, a Chancellor's Scholarship at the University of North Carolina at Charlotte, a University of South Carolina Scholars Award, a University of Alabama Provost Scholarship, a Clemson University Gateway Scholarship, a University of Miami Presidents Scholarship, a University of Missouri Mark Twain Scholarship, several athletic scholarships, and scholarships for the United States Air Force Academy, United States Military Academy, United States Marine Corps., West Point and the United States Naval Academy among many others.

The system, accredited by the North Carolina Department of Public Instruction and Advance ED, participates in a state performance-based accountability plan. Both district-level and school-based teams (comprised of teachers, parents, and administrators) annually develop School Improvement Plans to meet state guidelines as well as the unique needs of their students.

The quantity and quality of the instructional programs of the school system are directly dependent on the funding provided and on effective management and efficient use of those funds. We recognize the important trust and responsibility we are given in the management of public resources and continue to be vigilant and trustworthy in fulfilling that responsibility. During the last several years the Board has pursued ways to reduce costs and improve efficiency by implementing a more aggressive risk management program and an energy efficiency plan. The Board has managed costs by adjusting formulas for personnel and non-personnel resources supporting schools and departments. We believe that continuation of these financial management practices coupled with effective planning provides fiscal accountability to the public and continued improvement of programs and outcomes for our students.

LOCAL ECONOMIC CONDITION AND OUTLOOK

The information provided in this year's financial report is best understood when it is explained in relation to the local economy.

Local Economy: A snapshot of Pitt County. As a university community with a strong business/manufacturing base, the area is characterized by an expanding, highly productive, multi-skilled labor force, a diversified economic base, a low cost of living, an excellent educational system, a large regional health care complex, abundant cultural and recreational opportunities, financially sound, progressive, and pro-business local government, and a mild climate.

The Pitt County/Greenville area is a leading retail center in eastern North Carolina and ranks as one of only a dozen billion dollar retail markets in NC. The local economy is well diversified with wholesale/retail trade and manufacturing, government and health care/social services accounting for the majority of the total employment. Agriculture is also a strong contributor to the economy; tobacco, corn, soybeans, wheat, peanuts, eggs, livestock, poultry and vegetables are the primary agricultural products. Major employers include: Vidant Medical Center (health care), East Carolina University (education), Pitt County Schools (education), Hyster-Yale (materials handling equipment), City of Greenville (local government), Pitt County (local government), Pitt Community College (education), Alliance One (agriculture), Wal Mart (retail) and DSM Pharmaceuticals (pharmaceuticals).

Access is provided by an east-west Interstate-quality freeway, a north-south four-lane highway, two railroads, and two commercial airports. An international airport is within two hours drive. More than thirty freight carriers, including several special commodity companies, provide regular service.

The area's educational system is the pride of eastern North Carolina. **Pitt County Schools** receives extensive local support, reflected in a wide range of extra-curricular activities, and student performance above state and national averages on standardized achievement tests. **Pitt Community College**, eighth largest in North Carolina's 58 campus community college system, educates and empowers people for success. With a culture of excellence and innovation, the college is a vital partner in the economic and workforce development of our community. **East Carolina University**, the state's third largest institution of higher education, offers undergraduate and graduate degree programs in its professional schools and colleges. The Brody School of Medicine at ECU also offers a four year Medical Doctor degree as well as PhD programs and the University has recently opened a Dental School. The University also operates several service and research centers or institutes to assist local government, business, and industry in resolving technical production problems, developing market strategies, or improving the quality of management skills.

The creation of the Brody School of Medicine at ECU stimulated the emergence of Vidant Health Systems as a regional health care referral center. The medical center serves a 29-county referral area with a multitude of services that include organ transplant, a Level I Trauma Center, air ambulance service, neonatal intensive care and centers for rehabilitation, diabetes, cancer, and cardiac care.

One of the most unique characteristics of the area is the wide assortment of leisure and cultural activities. Parks, rivers, golf courses, historic old Boards, coastal sounds, and the famous beaches of the Outer Banks offer many recreational outlets in addition to organized activities sponsored by local recreation departments. The mild climate allows residents the opportunity to enjoy outdoor recreational activities throughout the year. The presence of the College of Fine Arts at ECU with its schools of Music, Theatre, and Art provides the cultural diversity of a major metropolitan area. Amateur musical, theatrical, and dance groups offer more than 200 free performances annually to fill nights and weekends. World-class, professional entertainers perform regularly in clubs and concert facilities. The Wellington B. Gray Gallery (on campus) and the Greenville Museum of Art house excellent permanent exhibits as well as hosting traveling exhibitions.

Most of all, the quality of the business environment and the quality of life are reflections of the caliber of the people who have chosen to live, serve, work, raise families, or retire here, combining the hardiness and charm of Southerners with the vitality of new ideas brought by newcomers from around the world. Whether they are residents of Ayden, Bethel, Farmville, Grifton, or Greenville, the people of Pitt County fulfill the expectations of their employers, their communities, and their fellow citizens.

Charter Schools and Projected Enrollment. While students from Pitt County have attended charter schools for years, the first charter school opened in Pitt County in 2015-16, enrolling nearly 500 students. The following year the second charter school opened in the County with approximately 175 students. During 2017-18 the North Carolina General Assembly also legislated the opening of 2 Lab Schools within the State. Pitt County Schools partnered with East Carolina University to assist in the opening of the East Carolina University Community School enrolling 117 students, who are housed on the South Greenville Elementary School campus.

Charter school enrollment in Pitt County has stabilized with over 1,100 students living in Pitt County attending charter schools. The County Appropriation dollars of \$1,654 per pupil follow these students to their respective schools, and was budgeted at \$2,025,000 for 2018-19.

The Board of Education is also monitoring growth patterns and projected student population over the upcoming years. An area of concern is a population shift within the District. While the total enrollment should remain nearly constant, a declined enrollment is predicted in the northern side of the County and a comparable increase is projected in the southern side of the County, where schools are already reaching capacity.

Long-term Planning. The Board employs several initiatives to ensure the improvement and maintenance of the system's sites, facilities, and equipment. The preparation of an annual budget, a Long Range Facility Plan, and a Strategic Technology plan are tools employed to secure resources.

The Board completed a "Long Range Education Plan" ("plan") conducted by Smith Sinnett Associates that provided the basis for determining the immediate, short, and long-range facility needs of the school system. Through partnership with the County of Pitt, the Board was successful in having a portion of the immediate and short-term needs funded through Local Obligation Bonds along with supplemental resources from within the system.

Funding under the 2016 phase funded the following projects: 1) The relocation and replacement of the existing transportation facility to include new offices, maintenance bays and parking storage capacity for the current fleet. 2) Restore and renovate restroom facilities ant Belvoir Elementary. 3) Other projects to add STEM labs, renovate restroom facilities, and repair gymnasium floors at various schools throughout the District. As these projects near completion, the Board is also working with the County of Pitt to move forward with the 2020 phase of borrowing that would fund an extensive renovation at AG Cox Middle School to update two wings which were built in 1936 and 1958.

The safety of our students is one of the highest priorities of both the Board of Education and the County Commissioners. Recently the County provided funds for additional security measures such as secure corridors and entryways, and swiper card access to many of our buildings. As these projects near completion, the District continues to seek funding to implement additional security measures such as school bus cameras, internal security cameras and related servers.

Current legislation in the State of North Carolina has mandated smaller class-size in grades Kindergarten through third grade. While the State has approved funding of additional teacher positions to be phased in from 2018-19 through 2021-22, the demand for classroom space and furniture has not been funded. Pitt County Schools will receive approximately 65 additional teacher positions, and will be in need of over 50 classrooms in the upcoming years. Both the Board and the County Commissioners are advocating with State leaders for a State Bond to fund building needs.

An additional concern to the Board of Education is the age of existing school buildings within the District. Fourteen of our thirist six school buildings were constructed prior to 1970. Many sites need half-life renovations with updates to electrical systems, windows, flooring and restrooms.

Together both the Board of Education and the County Commissioners are looking to other funding sources to meet future needs. Lottery receipts allocated to Pitt County Schools by State statute as part of the N.C. Education Lottery and a ¼ cent local sales tax dedicated to education construction are two sources of revenue that will be very influential to funding future school construction projects needed to meet the Board's growing student population.

Pitt County Schools "Strategic Technology Plan" provides a vision to provide all students, teachers, administrators, and staff with equitable access to essential tools to facilitate learning, teaching, monitoring, and communicating in an efficient and productive manner. The plan embraces emerging technologies for their usefulness in engaging learners and helping students evolve as critical thinkers.

MAJOR INITIATIVES

The Board has adopted a mission and vision and adopted system-wide goals to sustain academic growth for Pitt County's elementary, middle, and high school students.

The mission states, "Pitt County Schools will ensure that all students are provided a rigorous and personalized education that prepares them for the ever-changing challenges of the 21st Century."

The vision states, "A system of excellence partnering with family and community to prepare students to function effectively in a rapidly changing world by developing global citizens through academic excellence."

The motto states, "Celebrating every child, challenging every learner."

The Board's system-wide goals are:

- Every student graduates from high school prepared for work, further education, and citizenship.
- Every student has a personalized education.
- Every student has an excellent educator every day.
- Every school has up-to-date financial, business, and technology systems to serve its students, parents and educators.
- Every student is healthy, safe, and responsible.

The goals are a reflection of the Board's top priority to increase academic achievement for all students of Pitt County Schools. The graduation rate serves as an example of this priority. The school system posted an 83.3% four-year cohort graduation rate.

Public schools in North Carolina are assigned a letter grade by the State Board of Education based upon the school's achievement score (80%) and the students' academic growth (20%). With the release of the 2017-2018 accountability results, Pitt County Schools had 35 out of 37 schools receive a passing grade. Additionally, the Pitt County Early College earned a grade of A based upon the results of its first three years since opening.

In addition to State and Local funds, the District seeks Federal grants to assist with new initiatives. In 2016, the District received a multi-year grant in excess of \$16 million to implement new processes to recruit, retain and reward educators through multiple career pathways and performance based compensation. This grant will allow the District to offer many training opportunities to teachers and administrators and provide many benefits to students, staff and our community.

In 2016, the North Carolina State Board of Education (SBE) adopted a new policy for recurring low-performing schools. Restart schools are given charter-like flexibility; however, an application must be submitted to the Department of Public Instruction detailing how operating the school with the same exemptions from statutes and rules as a charter school provides each student with the opportunity for a sound basic education. With this flexibility the school continues to remain under the operation of the local education agency. North Carolina State Board of Education approved 3 applications for Restart schools in Pitt County. The District requested that all 3 schools be designated as a Restart Schools in order to have the flexibility necessary to meet these goals:

- (1) Significantly improve the academic achievement for all students
- (2) Close achievement gaps
- (3) Increase school performance growth scores
- (4) Build capacity among staff and leadership
- (5) Make substantive changes in instructional delivery

Increased academic performance and expansion of programs intended to build 21st century learning skills is of primary focus for the Board's Superintendent, Dr. Ethan Lenker. Dr. Lenker joined Pitt County Schools in August of 2013 and from day one set out to meet with parents, students, employees, elected officials, and members of the

public to tap into the uniqueness of each community and the instructional needs of all students. Over a period encompassing several months a vision of 21st century learning has been established with the creation and expansion of instructional programming intended to meet diverse needs.

FINANCIAL AND BUDGETARY CONTROLS

Accrual Accounting. With the implementation of *GASB Statement No. 34, Basic Financial Statement – and Management’s Discussion and Analysis – for State and Local Governments*, the Board displays information about the government-wide entity as a whole. The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenue, expense, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Fund Accounting. The Board also reports its financial activities through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities. *(See Note 1 in the Notes to Financial Statements for a summary of significant accounting policies and a description of fund types).*

The Board’s financial management staff is responsible for establishing and maintaining an internal control structure through its financial policies designed to ensure that the assets of the school system are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. The Board has implemented an internal auditing function with the employment of a full time internal auditor in order to ensure that financial policies are maintained and adhered to at the individual school and central services levels.

As a recipient of federal, state, and local financial assistance, the school system is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with all applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

The largest component of the Board’s financial operations is the investment in human resources. The Board relies heavily on teachers, teacher assistants, counselors, and various other instructional support positions to meet the instructional needs of all students. The Board employs over 3,000 individuals with the cost of salaries and benefits comprising approximately 75% of the boards operating funds.

The cost of public school education in North Carolina is financed primarily by the State, which establishes minimum programs. Local funds, in varying amounts by district, supplement the basic program and are generated from the general tax levies of the county. Local boards of education have no direct tax levying and limited borrowing authority.

North Carolina state law requires a uniform accounting system for all local school administrative units. Significant modifications were made to the uniform accounting system by the North Carolina Department of Public Instruction (NCDPI) that went into effect at the beginning of the 2007-08 fiscal year. On a monthly basis, the Board submits reports of transactions of state and federal funds and details of disbursements from these funds to NCDPI for review.

North Carolina General Statutes require all governmental units in the state to adopt a balanced budget by July 1 of each year. The Board has the final approval over the budget and primary accountability for fiscal matters (including any deficits). The Board’s annual Budget Resolution authorizes expenditures by purpose, function, and

project on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amount reflected in the accompanying financial statements represents the final budget as amended for the fiscal year. The Board also uses a purchase order encumbrance system that records and shows encumbrances outstanding against each line item of expenditure. Outstanding encumbrances at the end of the fiscal year related to normal operations are considered to be continuing contracts and are transferred at the end of the year to appropriations in future years.

Financial activities throughout the year are controlled in accordance with the **North Carolina School Budget and Fiscal Control Act** which requires a pre-audit procedure to ensure availability of funds prior to issuance of purchase order or payment of claims. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

AWARDS AND ACKNOWLEDGMENTS

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pitt County Board of Education for its CAFR for the fiscal year ended June 30, 2018. The ASBOI awarded a Certificate of Excellence in Financial Reporting to the Pitt County Board of Education for its CAFR for the fiscal year ended June 30, 2018. This was the fourteenth year that the Board received these prestigious awards. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.


These awards are only valid for a period of one year. We believe that our current CAFR continues to meet both GFOA and ASBO requirements and we are submitting it to both organizations to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report in a timely manner could not have been accomplished without the efforts and dedication of the Superintendent's staff, Finance Department, and our independent audit firm. We would like to express our appreciation to all the staff members who helped in the preparation of this report.

Respectfully submitted,



Ethan Lenker, Ed. D.
Superintendent



Debra W. Baggett
Chief Financial Officer



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Government Finance Officers Association

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

Presented to

**Pitt County Board of Education
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Pitt County Board of Education

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

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



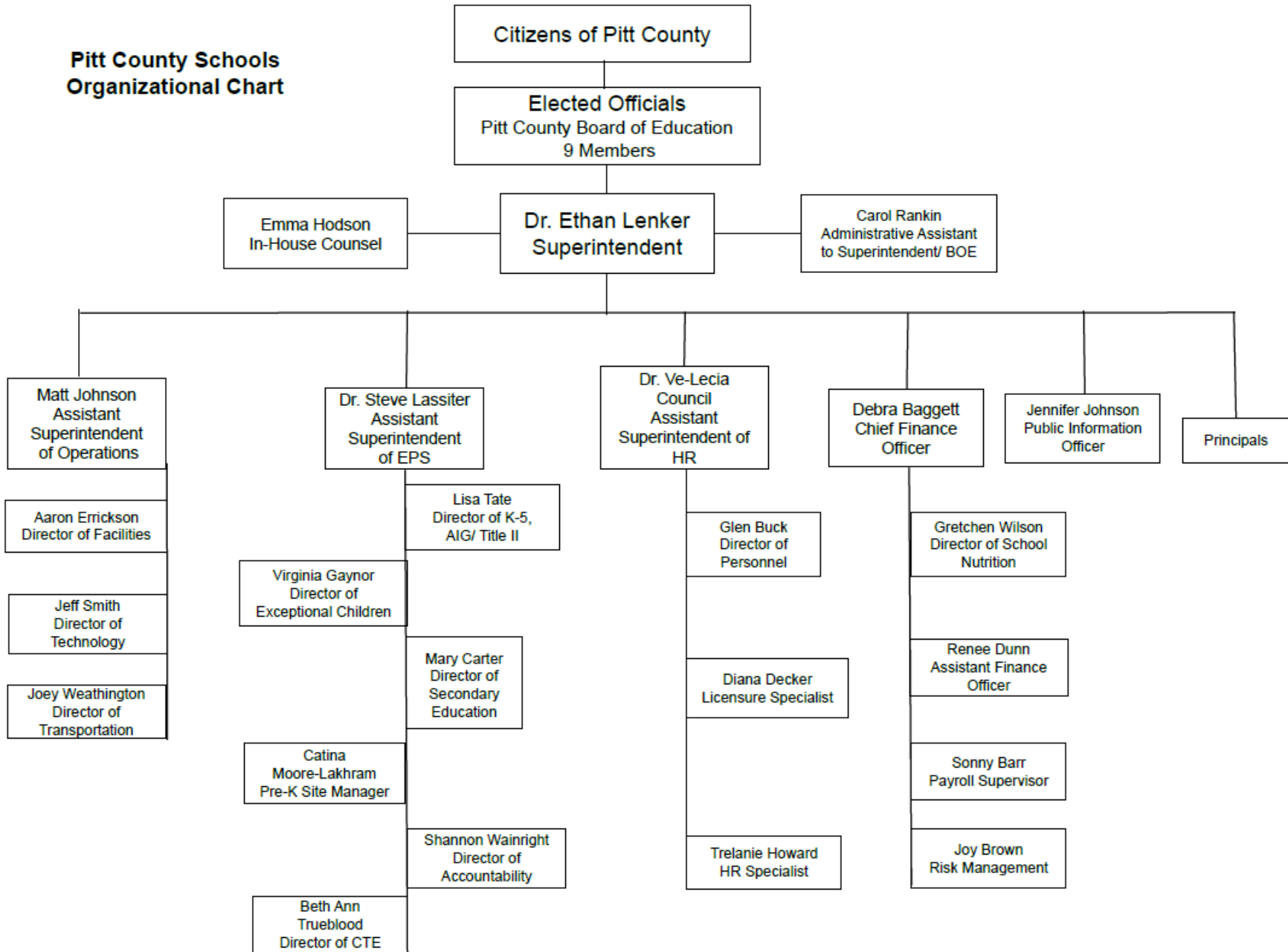
A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director

**Pitt County Schools
Organizational Chart**



2018-2019 Pitt County Board of Education

Board Members



Anna Barrett Smith
Board Chair
District 5



Betsy Flanagan
Board Vice Chair
District 4



Tracy Everette-Lenz
District 1



Amy Cole
District 2



Mary Blount Williams
District 3



Worth Forbes
District 6



Caroline Doherty
District 7



Melinda Fagundus
District 8



Benjie Forrest
District 9



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Pitt County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Pitt County Board of Education, North Carolina, as of and for the year then ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Pitt 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 auditors consider 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, and each major fund of the Pitt County Board of Education, North Carolina as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, State Public School Fund, Federal Grants Fund, and the Special Revenue 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 28 through 40 and the Schedule of the Proportionate Share of the Net Pension and OPEB Liabilities (Assets) and the Schedule of Board Contributions on pages 89 through 94, 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 provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pitt County Board of Education's basic financial statements. The introductory section, individual fund schedules, statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and State awards is presented for purposes of additional analysis 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, and is not a required part of the basic financial statements.

The individual fund budgetary schedules and the 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 individual fund budgetary schedules and the schedule of expenditures of federal and State awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019 on our consideration of Pitt County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to solely 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 Pitt County Board of Education's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

Goldsboro, North Carolina
December 27, 2019



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Management's Discussion and Analysis

Pitt County Board of Education Management's Discussion and Analysis

This section of the Pitt 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

- At the government-wide level, the liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources of the Board for the fiscal year ended June 30, 2019 by \$171,105,970 (net position). Net position consists of \$7,507,007 as restricted for use, \$199,210,925 is for net investment in capital assets and (\$377,823,902) is unrestricted.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,821,722 or 7.02% of total general fund expenditures and 1.20% of total government-wide expenditures.

Overview of the Financial Statements

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

- Independent Auditors' Report
- Management's Discussion and Analysis (required supplementary information)
- Basic Financial Statements
- Required supplemental information:
 - Information relating to the Board's participation in the Teachers' and State Employees Retirement System
 - Information relating to the Board's participation in the Retiree Health Benefit Fund
 - Information relating to the Board's participation in the Disability Income Plan of North Carolina

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. These 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 assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Board. Assets and liabilities are classified in the order of relative liquidity for assets and due dates 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 current year revenues and expenses for the Board. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statement included in the basic financial statements is the Fund Financial Statements, which are presented for the Board's governmental funds and proprietary fund. 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 fund is 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, a reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statement provides information about the Board as an economic unit while the fund financial statements provide information on the financial resources of the Board's major funds.

Pitt County Board of Education Management's Discussion and Analysis

Government-wide Statements

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

These two government-wide statements report the Board's net position and how it has changed. Net position – the difference between the Board's assets and deferred outflows of resources and the liabilities and deferred inflows of resources – is one way to measure the Board's financial health or position.

- Over time, an increase or decrease in the Board's net position is an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall financial health, one needs 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 Board's activities are divided into two categories on 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 cover the costs of certain services it provides. School food service is included here.

The government wide statements are shown on 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 funds or "major" funds and not the district 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 established other funds to control and manage money for a particular purpose or to show that it is accounting for financial resources properly, such as the Federal Grants Fund.

The Board has two 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 flows in and out and the balances remaining 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 determine whether there are more or fewer financial resources that can be spent in the near term 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 them. The

Pitt County Board of Education Management's Discussion and Analysis

Board has several governmental funds: the General Fund, the State Public School Fund, the Federal Grants Fund, the Special Revenue Fund, the Individual Schools Fund, and the Capital Outlay Fund. The governmental fund statements are shown as Exhibits 3 through 5 of this report.

Proprietary fund: Services for which the Board charges a fee are generally reported in the proprietary fund. The proprietary fund statements are reported on the same basis of accounting as the government-wide statements – full accrual. The Board has one proprietary fund – the School Food Service Fund. The proprietary fund statements are shown as Exhibits 6, 7 and 8 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in this document following the financial statements.

Required supplementary information (RSI)

The RSI provides information that relates to the Board's participation in the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of North Carolina (DIPNC). The RSI can be found following the notes to the financial statements beginning on page 89 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes supplementary information concerning the Board's individual fund statements. This information can be found after the notes beginning on page 97 of this report.

Interdependence with Other Entities

The Board depends on the financial resources flowing from, or associated with, the Federal Government, the State of North Carolina, and the County of Pitt. Because of this dependency the Board is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal, State, and County appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and holders of publicly held U.S. Treasury Securities.

Financial Analysis of the Board as a Whole

Net position can be an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$171,105,970 as of June 30, 2019. The largest component of net position is net investment in capital assets of \$199,210,925 which comprises - (116.43)% of the total net position, whereas unrestricted net position was (\$377,823,902).

Pitt County Board of Education Management's Discussion and Analysis

The following table shows the net position for the Board:

**Table 1
Condensed Statement of Net Position**

June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 27,719,685	\$ 27,434,634	\$ 5,859,977	\$ 5,859,816	\$ 33,579,662	\$ 33,294,450
Capital assets	200,675,251	203,825,045	440,318	389,342	201,115,569	204,214,387
Total assets	228,394,936	231,259,679	6,300,295	6,249,158	234,695,231	237,508,837
Deferred outflows of resources	61,319,551	48,310,600	2,011,106	1,667,246	63,330,657	49,977,846
Current liabilities	8,051,263	7,845,513	85,343	76,022	8,136,606	7,921,535
Long-term liabilities	326,338,187	348,118,935	8,563,143	9,115,218	334,901,330	357,234,153
Total liabilities	334,389,450	355,964,448	8,648,486	9,191,240	343,037,936	365,155,688
Deferred inflows of resources	122,973,771	96,317,660	3,120,151	2,433,368	126,093,922	98,751,028
Net investment in capital assets	198,770,607	201,690,551	440,318	389,342	199,210,925	202,079,893
Restricted net position	7,500,438	7,638,711	6,569	12,600	7,507,007	7,651,311
Unrestricted net position (deficit)	(373,919,779)	(382,041,091)	(3,904,123)	(4,110,146)	(377,823,902)	(386,151,237)
Total net position (deficit)	\$ (167,648,734)	\$ (172,711,829)	\$ (3,457,236)	\$ (3,708,204)	\$ (171,105,970)	\$ (176,420,033)

The Board's net position increased during the current fiscal year by \$5,314,063. In part, the increase is the net result of:

- An increase of \$285,212 in current assets
- A decrease of \$3,098,818 in capital assets
- An increase of \$13,352,811 in deferred outflows of resources
- An increase of \$215,071 in current liabilities
- A decrease of \$22,332,823 in long-term liabilities
- An increase of \$27,342,894 in deferred inflows of resources

The decrease in net investment in capital assets of \$2,868,968 is contributed to the following factors:

- The increase of \$3,555,588 in capital outlay and acquisition of other capital assets.
- An annual provision of depreciation expense of \$6,846,399.
- Debt issuance of \$909,274 in long-term debt related to the installment purchases of school buses, and capital lease of buses and a modular classroom.
- Debt service payments of \$1,139,124 related to the installment purchases of school buses and capital lease payments related to buses and a modular classroom.

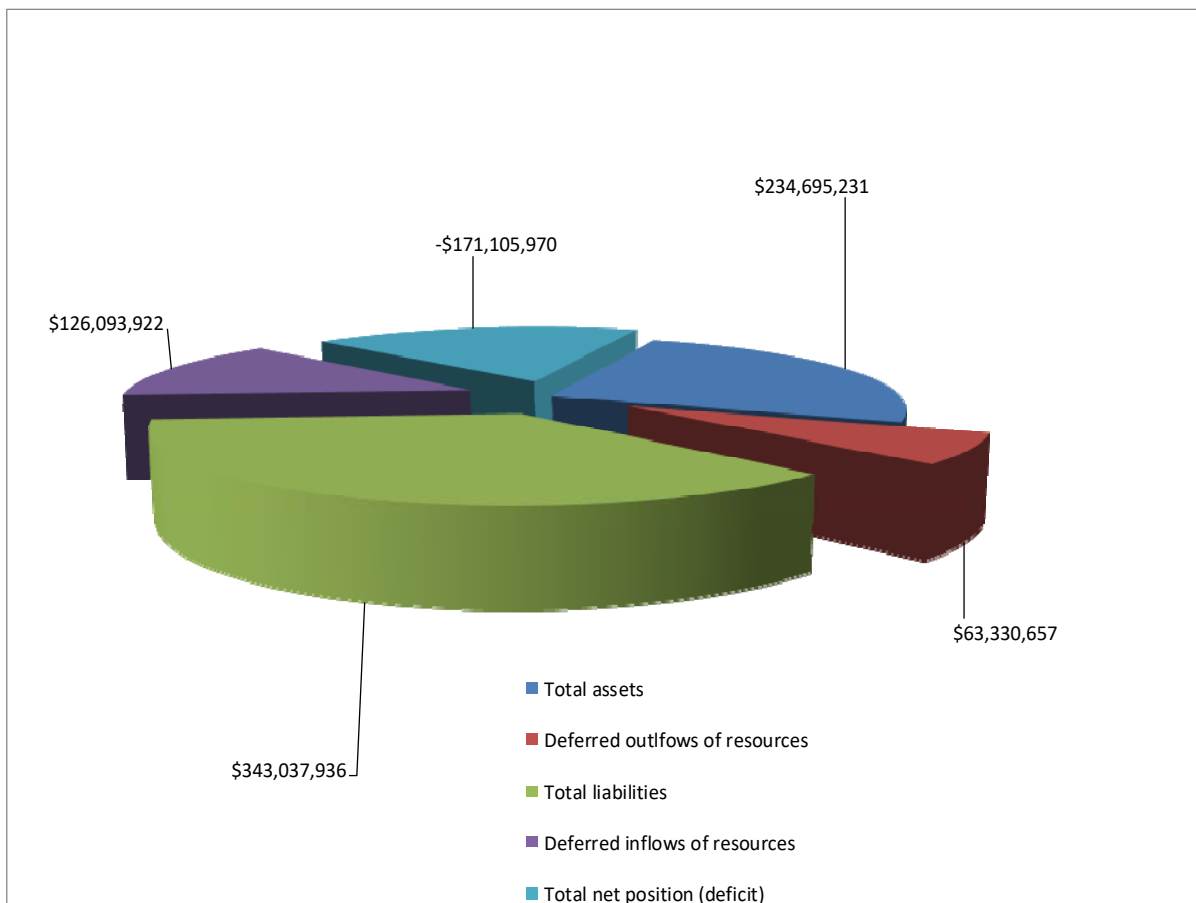
The following factors contributed to the decrease of \$144,304 in restricted net position:

- Net position restricted for individual school use increased \$39,509. Contributions and donations at the individual school level were \$5,784,965 for fiscal year ended June 30, 2019 while co-curricular expenditures at the school level totaled \$5,746,108.
- Net position restricted by grantor requirements in the Special Revenue fund increased \$257,875.
- Net position restricted for future capital projects decreased approximately \$363,536, primarily resulting from plans for the District to purchase and complete a professional development center and to replace fire alarm systems in several schools.

Pitt County Board of Education Management's Discussion and Analysis

- Net position restricted by state statute to cover outstanding encumbrances and accounts receivable increased \$168,032 from June 30, 2018 to June 30, 2019. Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

The following chart shows the net position components at the government-wide level as of June 30, 2019.



Pitt County Board of Education Management's Discussion and Analysis

The following table shows revenue and expenses for the Board:

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

For the Fiscal Years Ended June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 1,223,441	\$ 1,299,271	\$ 1,223,441	\$ 1,299,271
Operating grants and contributions	181,834,387	167,080,945	9,986,460	9,856,435	191,820,847	176,937,380
Capital grants and contributions	3,080,270	3,134,996	-	-	3,080,270	3,134,996
General revenues:						
Other revenues	49,488,545	57,958,114	86,738	51,300	49,575,283	58,009,414
Total revenues	234,403,202	228,174,055	11,296,639	11,207,006	245,699,841	239,381,061
Expenses:						
Governmental activities:						
Instructional services	179,789,552	184,599,923	-	-	179,789,552	184,599,923
System-wide support services	40,384,987	41,691,204	-	-	40,384,987	41,691,204
Ancillary services and non-program	1,481,218	1,343,004	-	-	1,481,218	1,343,004
Repayment of County debt issuance	2,110,661	2,000,000	-	-	2,110,661	2,000,000
Interest Expense	17,423	1,006	-	-	17,423	1,006
Depreciation	5,479,290	5,310,191	-	-	5,479,290	5,310,191
Business-type activities:						
Food service	-	-	11,122,647	10,959,869	11,122,647	10,959,869
Total expense	229,263,131	234,945,328	11,122,647	10,959,869	240,385,778	245,905,197
Excess revenues over (under) expenses before transfers	5,140,071	(6,771,273)	173,992	247,137	5,314,063	(6,524,136)
Transfers in (out)	(76,976)	(72,428)	76,976	72,428	-	-
Increase (decrease) in net position	5,063,095	(6,843,701)	250,968	319,565	5,314,063	(6,524,136)
Net position, beginning previously reported	(172,711,829)	167,967,265	(3,708,204)	4,762,234	(176,420,033)	172,729,499
Cumulative effect of restatements	-	(333,835,393)	-	(8,790,003)	-	-
Net position (deficit), beginning	(172,711,829)	(165,868,128)	(3,708,204)	(4,027,769)	(176,420,033)	(169,895,897)
Net position (deficit), ending	\$ (167,648,734)	\$ (172,711,829)	\$ (3,457,236)	\$ (3,708,204)	\$ (171,105,970)	\$ (176,420,033)

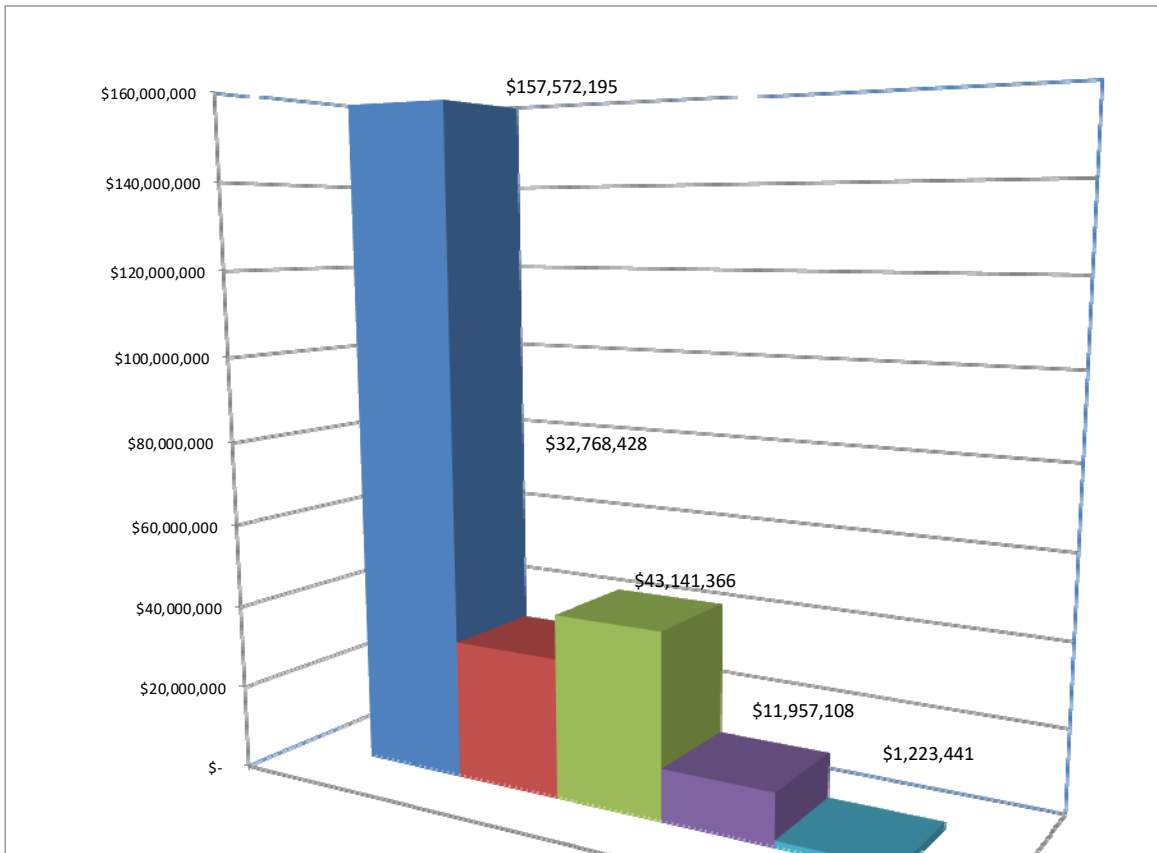
For fiscal years ended June 30, 2019 and 2018, total governmental activities earned revenues of \$234,403,202 and \$228,174,055, respectively, which is a net increase of \$6,229,147. The following factors contributed to the net increase in governmental activities earned revenues from fiscal year ended June 30, 2018 to fiscal year ended June 30, 2019:

- An increase of \$10,971,148 in state and federal assistance.
- A reduction in capital projects funds of \$8,167,117 as major projects neared completion.
- An increase in the Federal Teacher Incentive Fund grant of \$2,008,152.
- An increase in indirect costs of \$302,782 generated mostly from the Federal Teacher Incentive Fund grant.
- An increase in revenues from County appropriations of \$579,462 and fines and forfeitures of \$357,277 generated largely from traffic light fines.

Pitt County Board of Education Management's Discussion and Analysis

For fiscal years ended June 30, 2019 and 2018, business-type activities related to the Board's food service program earned revenue of \$11,296,639 and \$11,207,006, respectively which is an increase of \$89,633. Federal and state reimbursements for meals served to qualifying students increased \$169,408 while food sales decreased \$75,830.

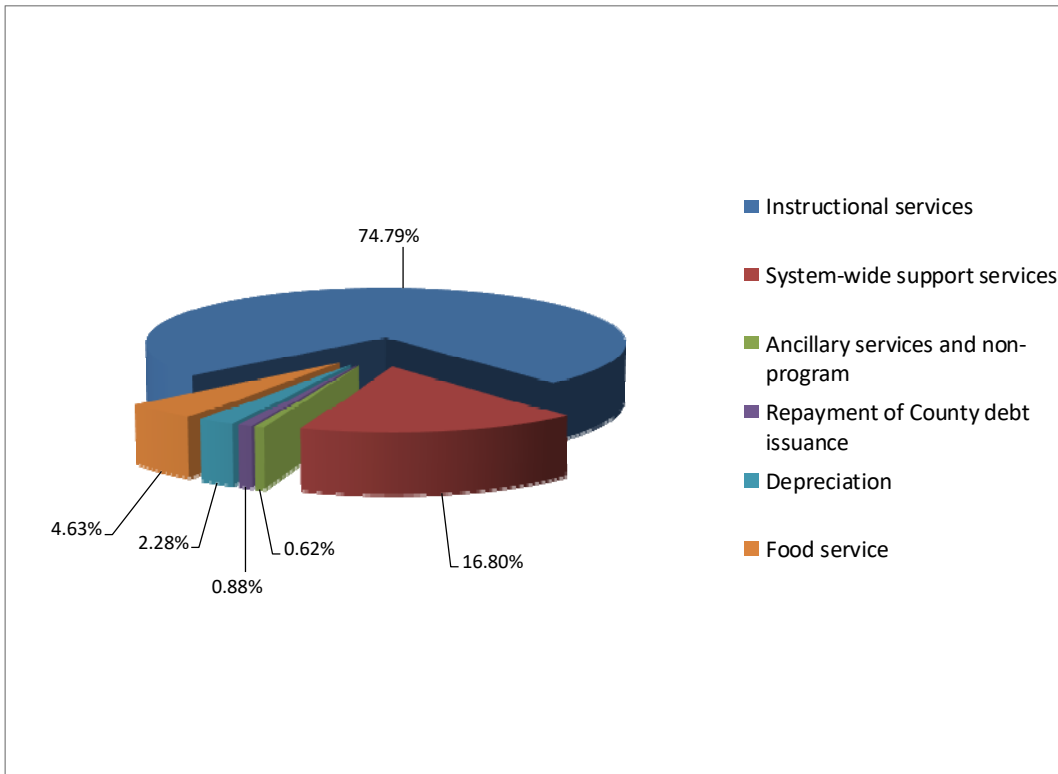
The following chart shows, by revenue source, the government-wide revenues presented on the accrual basis of accounting for fiscal years ended June 30, 2019:



Total governmental activities expenses for fiscal years ended June 30, 2019 and 2018 were \$229,263,131 and \$234,945,328, respectively, which is a decrease of \$5,682,197.

Pitt County Board of Education Management's Discussion and Analysis

The following chart show the percentage composition of governmental activities expenses by expense purpose for fiscal year ended June 30, 2019:



The following factors contributed to the decrease in governmental activities expenses from the fiscal year ended June 30, 2018 to fiscal year ended June 30, 2019:

- Instructional programs expenses decreased \$4,810,371
- System-wide support services decreased \$1,306,217

Instructional programs expense comprised 78.4% of total governmental-type expenses while supporting services made up 17.6% of those expenses for 2019.

Business-type activities expense related to the Board's food service program ended June 30, 2019 and 2018 at \$11,122,647 and \$10,959,869, respectively, which is an increase of \$162,778.

The Board's business-type revenues related to the food service program were above expenses by \$173,992 and \$247,137, respectively, before transfers, for fiscal years ended June 30, 2019 and 2018.

For fiscal years ended June 30, 2019 and 2018, net position of the governmental activities increased by \$5,063,095 and decreased by \$6,843,701, respectively. For fiscal years ended June 30, 2019 and 2018, net position of the business-type activities increased by \$250,968 and \$319,565, respectively.

Pitt County Board of Education Management's Discussion and Analysis

Financial Analysis of the Board's Funds

For fiscal year ended June 30, 2019, the Board's governmental funds reported combined ending fund balances of \$19,385,504 which is an increase of \$326,188 from the prior year. This amount is comprised of ending fund balances in the general fund, special revenue fund, individual schools fund, and the capital outlay fund. The following is an analysis of the change in fund balance of each respective fund and a summary of the factors that impacted the change:

General Fund

The general fund comprised the second largest component of the Board's governmental funds combined fund balances ending the year with a fund balance of \$7,316,210 which is an increase of \$1,678,492 from the prior year.

To better account for financial resources from many granting agencies and to comply with NC case law, the Board has segregated monies between the General Fund Special Revenue Fund.

At June 30, 2019 the ending fund balance of the general fund is comprised of \$2,821,722 which represents unassigned fund balance available for spending at the government's discretion. The general fund's remaining fund balance of \$4,494,488 is comprised of the following:

- \$344,637 that is non-spendable inventories
- \$133,959 that is restricted based on North Carolina state statute.
- \$864,017 which is restricted by grantors to school capital outlay projects.
- \$2,720,815 that has been committed by the Board to fund future school capital projects.
- \$431,060 that is assigned to fund subsequent year's expenditures.

Special Revenue Fund

The special revenue fund was established in the Board's adopted budget ordinance to account for other programs and grants provided by other state, local, and federal sources to the local administrative unit. The special revenue fund is used to account for reimbursements for services and fees, sales tax refunds, gifts and grants restricted to use, and federal appropriations made directly to the local administrative unit. The special revenue fund is also used to account for funds received for pre-kindergarten programs and special programs.

At June 30, 2019 the special revenue fund ended the year with a fund balance of \$7,662,328 which is a decrease of \$807,148 from the fiscal year ended June 30, 2018 and is comprised of the following:

- \$1,252,298 that is restricted based on the requirements of grantors
- \$5,806,261 that is assigned to fund subsequent year's expenditures
- \$603,769 that is restricted based on North Carolina state statute

Individual Schools Fund

For fiscal year ended June 30, 2019 the individual schools fund balance was \$2,023,782 which was restricted for individual school use. The individual schools fund balance increased \$39,509 from fiscal year ended June 30, 2018 due primarily to management vigilance in spending related to contributions and donations at the school level intended to fund co-curricular activities of the Board's students. Individual schools contributions and donations were \$5,784,965 and \$6,064,739, respectively, for fiscal years ended June 30, 2019 and 2018 which is a decrease of \$279,774. Individual schools co-curricular

Pitt County Board of Education Management's Discussion and Analysis

expenditures were \$5,746,108 and \$5,856,980, respectively, for fiscal years ended June 30, 2019 and 2018 which is a decrease of \$110,872.

Capital Fund

The capital fund ending fund balance was \$2,383,184 which was restricted to school capital outlay projects. The capital fund balance decreased \$295,736 from fiscal year ended June 30, 2018 to fiscal year ended June 30, 2019 due primarily to the timing of various capital projects in operation at the end of the fiscal year.

Proprietary Fund

For fiscal year ended June 30, 2019 the Board's business-type net position stood at (\$3,457,236) which is an increase of \$250,968 from the fiscal year ended June 30, 2018, which is primarily related to the implementation of GASB 75. The increased cost of implementing new federal school food standards coupled with an environment of significant increases in the cost of food and food supply products has impacted the food service program's short term ability to maintain the Board's business-type fund balance.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the general fund budget several times at the functional level through formal budget amendment to account for changes in expense utilization. The change in the final amended budget from original at the functional level was due primarily to changes in expectation throughout the year of the required resources needed to serve special education, economically disadvantaged students through community services as well as alternative programs compared to the resources needed to serve regular instructional students.

For fiscal year ended June 30, 2019, actual general fund revenues came in \$57,484 below the final amended budget. The reduction in general fund revenues compared to the final amended budget was the net result of the following:

- Out of county tuition was \$14,250 higher than budgeted.
- Fines and forfeitures, including traffic light revenues, were \$21,514 less than budgeted.
- Miscellaneous revenue and interest income were \$50,220 higher than anticipated, including revenues from East Carolina University for funds associated with the partnership with the East Carolina University Community School.

General fund expenditures ended the fiscal year \$4,382,336 below the final amended budget. The variance in general fund expenditures from the final amended budget represented fund balance committed by the Board to cover various projects during the next fiscal year.

Capital Asset Administration

The Board's capital assets (net of accumulated depreciation) for its governmental and business-type activities stood at approximately \$201,115,569 and \$204,214,389, respectively, as of June 30, 2019 and 2018. This investment in capital assets includes land, buildings, vehicles, and equipment.

Pitt County Board of Education Management's Discussion and Analysis

The following table outlines the Board's capital assets as of June 30, 2019 and 2018:

Table 3
Condensed Summary of Capital Assets (net of depreciation)

June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 5,168,270	\$ 5,168,270	\$ -	\$ -	\$ 5,168,270	\$ 5,168,270
Construction in progress	3,096,428	14,392,382	-	-	3,096,428	14,392,382
Buildings and improvements	187,574,798	178,968,730	-	-	187,574,798	178,968,730
Equipment and furniture	1,130,861	1,270,521	416,571	389,343	1,547,432	1,659,864
Vehicles	3,704,894	4,025,143	23,747	-	3,728,641	4,025,143
Total capital assets	\$ 200,675,251	\$ 203,825,046	\$ 440,318	\$ 389,343	\$ 201,115,569	\$ 204,214,389

For fiscal year ended June 30, 2019 the Board had an overall decrease in net capital assets of from the previous year.

Additional information on the Board's capital assets can be found in the Capital Asset section of footnote II, Detail Notes on All Funds, on pages 70 and 71 of the financial statements.

Debt Outstanding

During the year the Board's long-term liabilities, excluding compensated absences, net OPEB liability and net pension liability, decreased \$22,332,823. The decrease is the net result of payments on long-term debt.

The following table outlines the Board's long-term debt as of June 30, 2019 and 2018:

Table 4
Condensed Summary of Long-term Debt

June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Installment purchases	\$ 1,252,029	\$ 2,134,494	\$ -	\$ -	\$ 1,252,029	\$ 2,134,494
Capital lease	652,615	-	-	-	652,615	-
Compensated absences	12,856,293	12,446,725	229,041	229,572	13,085,334	12,676,297
Net OPEB liability	224,147,357	264,114,880	2,398,920	1,946,667	226,546,277	266,061,547
Net pension liability	87,429,893	69,422,836	5,935,182	6,938,979	93,365,075	76,361,815
Total long-term debt	\$ 326,338,187	\$ 348,118,935	\$ 8,563,143	\$ 9,115,218	\$ 334,901,330	\$ 357,234,153

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. Pitt County Government holds virtually all debt issued for school capital construction.

Additional information on the Board's long-term obligations can be found in the Long-term obligations section of footnote II, Detail Notes on All funds, starting on page 83 of the financial statements.

Economic Factors

The population of Pitt County at 2019 is 178,617 which is an increase of 2193 from 2018. Consistent with the overall growth in the population of Pitt County, the Board's student population has grown over the past ten years. There were several years where the district enrollment dropped due to the opening of charter schools within the county; however, enrollment has increased for the last two years. The Board has enacted policies such as open enrollment in several schools and specialized programming as a means of attracting students to enroll and remain in the District.

Pitt County Board of Education Management's Discussion and Analysis

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 factors have affected the economic outlook of Pitt County:

- The unemployment rate for Pitt County in June 2019 was 5.2%. This is slightly higher than the State of North Carolina's June 2019 rate of 4.1%.
- The County continues to serve as the hub of eastern North Carolina in the healthcare, retail, and education sectors. Moderate growth and expansion are expected in these areas.

The current economic environment will continue to be most challenging for North Carolina legislation with respect to the state budget and the State Public School Fund. Local Educational Agencies (LEAs) are dependent upon state revenue allocations to fund the primary operations of the school system, as set forth within State law. At the current time, the State of North Carolina has not yet passed a budget for 2019-20. LEAs are operating on prior year funding levels with many unknowns, such as projected salary increases and funding for exceptional children's transportation.

Future legislation will be geared towards continuing to recover from the reductions to the education budgets witnessed from 2009 through 2012. The focus will include evaluation of the pay structure for instructional teachers within the State of North Carolina so as to allow the State to recruit and retain great teachers. This will also be a focus at a local level within Pitt County as we strive to not only attract great teachers but also compete with surrounding counties for human resources. Salaries for instructional staff continue to be a top priority for the Board. In December 2019, the Board, in an effort to increase teacher recruitment and retention, voted to increase teacher supplements to 6% from 3.00% - 5.25%.

Current legislation in the State of North Carolina has mandated smaller class-size in Kindergarten through third grade. While the State has approved funding of additional teacher positions to be phased in over a four year period, the demand for classroom space and furniture has not been funded. Pitt County Schools will receive approximately 65 additional teacher positions, and will be in need of over 50 classrooms over the next two years. Both the Board and the County Commissioners are advocating with State leaders for a State Bond to fund building needs.

The ability to attract new business to the local Pitt County area will also be vital to increase skill sets and expand the tax base needed to assist in meeting the instructional need of the Board's students. The increased cost of instructional supplies, equipment and the integration of technology into our learning curriculum stand as challenges that the local budget of all Boards will face for the 2019-20 budget year.

Pitt County Board of Education Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of the Pitt County Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Debra Baggett
Chief Financial Officer
Pitt County Board of Education
1717 West Fifth Street
Greenville, NC 27834
www.pitt.k12.nc.us



Basic Financial Statements



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Pitt County Board of Education, North Carolina
Statement of Net Position
June 30, 2019
Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 11,913,463	\$ 1,444,749	\$ 13,358,212
Investments	8,152,771	3,837,643	11,990,414
Receivables (net)	737,728	20,003	757,731
Due from other governments	6,331,657	79,013	6,410,670
Net OPEB asset	239,429	6,569	245,998
Inventories	344,637	472,000	816,637
Capital assets (See Note I)			
Land and construction in process	8,264,698	-	8,264,698
Other capital assets, net of depreciation	192,410,553	440,318	192,850,871
Total capital assets	200,675,251	440,318	201,115,569
Total assets	228,394,936	6,300,295	234,695,231
DEFERRED OUTFLOWS OF RESOURCES - PENSIONS	47,612,136	1,650,922	49,263,058
DEFERRED OUTFLOWS OF RESOURCES - OPEB	13,707,415	360,184	14,067,599
LIABILITIES			
Accounts payable and accrued liabilities	8,051,263	26,810	8,078,073
Unearned revenues	-	58,533	58,533
Long-term liabilities:			
Net pension liability	87,429,893	2,398,920	89,828,813
Net OPEB liability	224,147,357	5,935,182	230,082,539
Due within one year	4,341,822	57,260	4,399,082
Due in more than one year	10,419,115	171,781	10,590,896
Total liabilities	334,389,450	8,648,486	343,037,936
DEFERRED INFLOWS OF RESOURCES - PENSIONS	2,926,947	-	2,926,947
DEFERRED INFLOWS OF RESOURCES - OPEB	120,003,335	3,120,151	123,123,486
DEFERRED INFLOWS OF RESOURCES	43,489	-	43,489
NET POSITION			
Net investment in capital assets	198,770,607	440,318	199,210,925
Restricted for:			
Individual schools	2,023,782	-	2,023,782
Requirements by grantors	1,252,298	-	1,252,298
School capital outlay	3,247,201	-	3,247,201
DIPNC OPEB plan	239,429	6,569	245,998
Stabilization by state statute	737,728	-	737,728
Unrestricted (deficit)	(373,919,779)	(3,904,123)	(377,823,902)
Total net position (deficit)	\$ (167,648,734)	\$ (3,457,236)	\$ (171,105,970)

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2019
Exhibit 2

Functions	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Instructional programs				
Regular	\$ 98,437,069	\$ -	\$ 89,935,516	\$ -
Special	28,099,202	-	26,596,596	-
Alternative programs	21,899,972	-	21,960,493	-
School leadership	13,655,756	-	7,551,300	-
Co-curricular	6,803,371	-	5,784,965	-
School based support	10,894,182	-	10,251,577	-
Supporting services				
Support and development	2,531,893	-	2,100,960	-
Special populations	566,255	-	433,498	-
Alternative programs	717,747	-	578,474	-
Technology support	1,452,046	-	426,800	-
Operational support	29,154,773	-	13,977,865	969,609
Financial and human resources	4,112,161	-	536,226	-
Accountability services	42,582	-	-	-
System wide pupil support	250,598	-	8,100	-
Leadership services	1,556,932	-	736,899	-
Ancillary services	999,981	-	119,331	-
Non-program charges	481,237	-	835,787	-
On-behalf payment to County for for repayment of debt	2,110,661	-	-	2,110,661
Interest on long-term debt	17,423	-	-	-
Unallocated depreciation expense (excludes amounts directly allocated)	5,479,290	-	-	-
Total governmental activities	229,263,131	-	181,834,387	3,080,270
Business-type activities:				
School food services	11,122,647	1,223,441	9,986,460	-
Total business-type activities	11,122,647	1,223,441	9,986,460	-
Total board of education	\$ 240,385,778	\$ 1,223,441	\$ 191,820,847	\$ 3,080,270

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2019
Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Functions	Governmental Activities	Business-type Activities	Total
Primary Government:			
Governmental activities:			
Instructional programs			
Regular	\$ (8,501,553)	\$ -	\$ (8,501,553)
Special	(1,502,606)	-	(1,502,606)
Alternative programs	60,521	-	60,521
School leadership	(6,104,456)	-	(6,104,456)
Co-curricular	(1,018,406)	-	(1,018,406)
School based support	(642,605)	-	(642,605)
Supporting services			
Support and development	(430,933)	-	(430,933)
Special populations	(132,757)	-	(132,757)
Alternative programs	(139,273)	-	(139,273)
Technology support	(1,025,246)	-	(1,025,246)
Operational support	(14,207,299)	-	(14,207,299)
Financial and human resources	(3,575,935)	-	(3,575,935)
Accountability services	(42,582)	-	(42,582)
System wide pupil support	(242,498)	-	(242,498)
Leadership services	(820,033)	-	(820,033)
Ancillary services	(880,650)	-	(880,650)
Non-program charges	354,550	-	354,550
On-behalf payment to County for for repayment of debt	-	-	-
Interest on long-term debt	(17,423)	-	(17,423)
Unallocated depreciation expense (excludes amounts directly allocated)	(5,479,290)	-	(5,479,290)
Total governmental activities	(44,348,474)	-	(44,348,474)
Business-type activities:			
School food services	-	87,254	87,254
Total business-type activities	-	87,254	87,254
Total board of education	(44,348,474)	87,254	(44,261,220)
General revenues:			
Unrestricted county appropriation - operating	39,550,269	-	39,550,269
Unrestricted county appropriation - capital	3,591,097	-	3,591,097
Unrestricted State appropriation - operating	215,893	-	215,893
Interest earnings, unrestricted	197,400	86,738	284,138
Unrestricted Federal grants	85,604	-	85,604
Miscellaneous, unrestricted	5,848,282	-	5,848,282
Transfers	(76,976)	76,976	-
Total general revenues and transfers	49,411,569	163,714	49,575,283
Change in net position	5,063,095	250,968	5,314,063
Net position, beginning	(172,711,829)	(3,708,204)	(176,420,033)
Net position (deficit), ending	\$ (167,648,734)	\$ (3,457,236)	\$ (171,105,970)

The accompanying notes are an integral part of these financial statements.



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Pitt County Board of Education, North Carolina
Balance Sheet –Governmental Funds
June 30, 2019
Exhibit 3

	General	State Public School	Federal Grants	Special Revenue	Individual Schools	Capital Outlay	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 6,893,461	\$ 293,861	\$ -	\$ 2,093,353	\$ 1,993,785	\$ 639,808	\$ 11,914,268
Investments	1,325,571	-	-	5,060,814	29,997	1,736,389	8,152,771
Accounts receivable	133,959	-	-	603,769	-	-	737,728
Inventories	344,637	-	-	-	-	-	344,637
Due from other governments	-	5,597,506	533,838	193,321	-	6,992	6,331,657
Total assets	\$ 8,697,628	\$ 5,891,367	\$ 533,838	\$ 7,951,257	\$ 2,023,782	\$ 2,383,189	\$ 27,481,061
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 704,546	\$ -	\$ -	\$ 65,782	\$ -	\$ 5	\$ 770,333
Temporary bank overdraft	-	-	805	-	-	-	805
Accrued salaries and wages payable	676,872	5,875,763	505,148	223,147	-	-	7,280,930
Total liabilities	1,381,418	5,875,763	505,953	288,929	-	5	8,052,068
Deferred inflows of resources	-	15,604	27,885	-	-	-	43,489
Fund balances:							
Nonspendable:							
Inventories	344,637	-	-	-	-	-	344,637
Restricted:							
Stabilization by State Statute	133,959	-	-	603,769	-	-	737,728
Requirements by Grantors	-	-	-	1,252,298	-	-	1,252,298
School capital outlay	864,017	-	-	-	-	2,383,184	3,247,201
Individual schools	-	-	-	-	2,023,782	-	2,023,782
Committed:							
Capital projects	2,720,815	-	-	-	-	-	2,720,815
Assigned:							
Subsequent years expenditures	431,060	-	-	5,806,261	-	-	6,237,321
Unassigned:	2,821,722	-	-	-	-	-	2,821,722
Total fund balances	7,316,210	-	-	7,662,328	2,023,782	2,383,184	19,385,504
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,697,628	\$ 5,891,367	\$ 533,838	\$ 7,951,257	\$ 2,023,782	\$ 2,383,189	\$ 27,481,061

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position:

Amounts reported for governmental activities in the Statement of Net Position (Exhibit I) are different because:	\$ 19,385,504
Fund balance - governmental funds	\$ 19,385,504
Net OPEB asset	239,429
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	200,675,251
Deferred outflows related to pensions	47,612,136
Deferred outflows related to OPEB	13,707,415
Some liabilities, including notes payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	(14,760,937)
Net pension liability	(87,429,893)
Net OPEB liability	(224,147,357)
Deferred inflows of resources related to pensions	(2,926,947)
Deferred inflows of resources related to OPEB	(120,003,335)
Net position of governmental activities	\$ (167,648,734)

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
For the Fiscal Year Ended June 30, 2019
Exhibit 4

	State Public		Special	Individual	Total		
	General	School	Federal Grants	Revenue	Schools	Capital Outlay	Governmental Funds
REVENUES							
State aid	\$ -	\$ 151,278,725	\$ -	\$ 3,206,515	\$ -	\$ 3,080,270	\$ 157,565,510
Federal aid	-	-	17,326,937	5,461,716	-	-	22,788,653
Local aid	39,550,269	-	-	-	-	3,591,097	43,141,366
Other local sources	-	-	-	619,204	-	167,487	786,691
Contributions and donations	-	-	-	-	5,784,965	-	5,784,965
Interest earnings	32,502	-	-	110,229	652	54,017	197,400
Fines and forfeitures	2,028,486	-	-	-	-	-	2,028,486
Indirect costs	-	-	-	1,420,600	-	-	1,420,600
Sales tax	-	-	39,723	193,321	-	6,992	240,036
Tuition and fees	14,250	-	-	827,790	-	-	842,040
Miscellaneous	233,978	-	-	336,174	-	-	570,152
Total revenues	41,859,485	151,278,725	17,366,660	12,175,549	5,785,617	6,899,863	235,365,899
EXPENDITURES							
Current:							
Instructional programs							
Regular	12,327,262	85,950,248	983,526	3,009,072	-	47,501	102,317,609
Special	1,124,504	21,101,508	5,495,088	1,465,907	-	-	29,187,007
Alternative programs	428,142	9,827,989	9,240,743	3,125,563	-	-	22,622,437
School leadership	5,682,625	7,550,303	997	998,552	-	-	14,232,477
Co-curricular	1,085,333	-	-	286	5,746,108	-	6,831,727
School based support	724,704	9,901,592	349,985	307,449	-	-	11,283,730
System wide support services							
Support and development	826,039	216,482	259,467	1,249,078	-	-	2,551,066
Special populations	6,889	242,900	190,598	133,711	-	-	574,098
Alternative programs	143,867	48,621	437,165	98,779	-	-	728,432
Technology support	1,029,367	426,800	-	-	-	-	1,456,167
Operational support	12,043,962	14,920,412	13,978	146,412	-	7,631	27,132,395
Financial and human resources	3,704,073	227,540	-	130,602	-	5,394	4,067,609
Accountability Services	43,739	-	-	-	-	-	43,739
System wide pupil support	160,409	8,100	-	80,000	-	-	248,509
Leadership services	832,821	736,899	-	-	-	-	1,569,720
Ancillary services							
Community	5,608	-	-	948,312	-	-	953,920
Nutritional	-	42,355	-	-	-	-	42,355
Non-program charges	-	-	395,113	457,903	-	-	853,016
On-behalf payment to County for repayment of debt	-	-	-	-	-	2,110,661	2,110,661
Debt Service:							
Principal	-	-	-	-	-	1,139,124	1,139,124
Interest	-	-	-	-	-	17,423	17,423
Capital outlay:							
Real property and buildings	-	-	-	-	-	3,839,359	3,839,359
Furniture and equipment	-	-	-	-	-	1,069,445	1,069,445
Buses and motor vehicles	-	-	-	-	-	166,205	166,205
Total expenditures	40,169,344	151,201,749	17,366,660	12,151,626	5,746,108	8,402,743	235,038,230
Excess revenues over (under) expenditures	1,690,141	76,976	-	23,923	39,509	(1,502,880)	327,669
OTHER FINANCING SOURCES (USES)							
Installment purchase obligations issued	-	-	-	-	-	87,144	87,144
Transfers from (to) other funds	-	(76,976)	-	(1,120,000)	-	1,120,000	(76,976)
Total other financing sources (uses)	-	(76,976)	-	(1,120,000)	-	1,207,144	10,168
Net change in fund balances	1,690,141	-	-	(1,096,077)	39,509	(295,736)	337,837
Fund balances - beginning, previously reported	5,637,718	-	-	8,758,405	1,984,273	2,678,920	19,059,316
Decrease in reserve for inventories	(11,649)	-	-	-	-	-	(11,649)
Fund balances - ending	\$ 7,316,210	\$ -	\$ -	\$ 7,662,328	\$ 2,023,782	\$ 2,383,184	\$ 19,385,504

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to Statement of Activities
For the Fiscal Year Ended June 30, 2019
Exhibit 4 (continued)

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net changes in fund balances - total governmental funds	\$ 337,837
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	3,555,588
Depreciation expense	(6,705,382)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	15,701,984
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	8,189,558
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.	(909,274)
Some expenses reported in the Statement of Activities (Exhibit 2) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Pension expense	(19,105,199)
OPEB revenues	3,280,076
Debt service	1,139,124
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	(11,649)
Compensated absences	(409,568)
Total changes in net position of governmental activities	\$ 5,063,095

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and
Actual
For the Fiscal Year Ended June 30, 2019
Exhibit 5

General Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ -	\$ -	\$ -	\$ -
Federal aid	-	-	-	-
Local aid	39,550,269	39,550,269	39,550,269	-
Other local sources	-	-	-	-
Interest earnings	-	-	32,502	32,502
Fines and forfeitures	2,050,000	2,050,000	2,028,486	(21,514)
Indirect costs	-	-	-	-
Sales tax	-	-	-	-
Tuition and fees	-	-	14,250	14,250
Miscellaneous	316,700	316,700	233,978	(82,722)
Total revenues	41,916,969	41,916,969	41,859,485	(57,484)
EXPENDITURES				
Current:				
Instructional programs				
Regular	14,641,199	14,135,063	12,327,262	1,807,801
Special	834,886	1,205,068	1,124,504	80,564
Alternative programs	474,110	496,414	428,142	68,272
School leadership	6,265,754	5,708,857	5,682,625	26,232
Co-curricular	1,134,605	1,121,605	1,085,333	36,272
School based support	704,135	852,537	724,704	127,833
System wide support services				
Support and development	795,279	848,293	826,039	22,254
Special populations	5,387	7,097	6,889	208
Alternative program	171,377	155,638	143,867	11,771
Technology support	998,005	1,049,605	1,029,367	20,238
Operational support	14,024,817	13,978,777	12,043,962	1,934,815
Financial and human resources	2,938,211	3,658,746	3,704,073	(45,327)
Accountability services	-	49,795	43,739	6,056
System wide pupil support	631,482	405,232	160,409	244,823
Leadership services	959,747	912,267	832,821	79,446
Ancillary services				
Community	23,440	24,170	5,608	18,562
Nutritional	6,730	-	-	-
Non-program charges	-	-	-	-
Total expenditures	44,609,164	44,609,164	40,169,344	4,439,820
Revenues over expenditures	(2,692,195)	(2,692,195)	1,690,141	4,382,336
Other financing sources (uses)				
Transfers to other funds	-	-	-	-
Fund balance appropriated	2,692,195	2,692,195	-	(2,692,195)
Total other financing sources (uses)	2,692,195	2,692,195	-	(2,692,195)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	1,690,141	\$ 1,690,141
Fund balances - beginning, previously reported			5,637,718	
Decrease in reserve for inventories			(11,649)	
Fund balances - ending			<u>\$ 7,316,210</u>	

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and
Actual
For the Fiscal Year Ended June 30, 2019
Exhibit 5

State Public School Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ 151,776,999	\$ 159,229,386	\$ 151,278,725	\$ (7,950,661)
Federal aid	-	-	-	-
Local aid	-	-	-	-
Other local sources	-	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Indirect costs	-	-	-	-
Sales tax	-	-	-	-
Tuition and fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	151,776,999	159,229,386	151,278,725	(7,950,661)
EXPENDITURES				
Current:				
Instructional programs				
Regular	86,516,380	90,785,138	85,950,248	4,834,890
Special	23,165,113	21,947,324	21,101,508	845,816
Alternative programs	10,400,715	10,552,026	9,827,989	724,037
School leadership	7,290,764	7,770,338	7,550,303	220,035
Co-curricular	-	-	-	-
School based support	9,594,506	10,452,771	9,901,592	551,179
System wide support services				
Support and development	409,800	397,095	216,482	180,613
Special populations	259,441	263,023	242,900	20,123
Alternative program	68,287	70,087	48,621	21,466
Technology support	169,326	430,777	426,800	3,977
Operational support	12,638,180	15,383,009	14,920,412	462,597
Financial and human resources	434,755	249,807	227,540	22,267
Accountability services	100	100	-	100
System wide pupil support	3,175	8,800	8,100	700
Leadership services	677,933	750,794	736,899	13,895
Ancillary services				
Community	56,415	20,350	-	20,350
Nutritional	22,750	70,024	42,355	27,669
Non-program charges	-	-	-	-
Total expenditures	151,707,640	159,151,463	151,201,749	7,949,714
Revenues over expenditures	69,359	77,923	76,976	(947)
Other financing sources (uses)				
Transfers to other funds	(69,359)	(77,923)	(76,976)	947
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	(69,359)	(77,923)	(76,976)	947
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	-	\$ -
Fund balances - beginning			-	
Fund balances - ending			-	

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and
Actual
For the Fiscal Year Ended June 30, 2019
Exhibit 5

Federal Grants Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ -	\$ -	\$ -	\$ -
Federal aid	21,750,958	22,073,488	17,326,937	(4,746,551)
Local aid	-	-	-	-
Other local sources	-	-	-	-
Interest earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Indirect costs	-	-	-	-
Sales tax	36,976	39,723	39,723	-
Tuition and fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	21,787,934	22,113,211	17,366,660	(4,746,551)
EXPENDITURES				
Current:				
Instructional programs				
Regular	1,033,447	1,111,065	983,526	127,539
Special	7,132,675	7,347,516	5,495,088	1,852,428
Alternative programs	11,288,613	11,358,390	9,240,743	2,117,647
School leadership	-	-	997	(997)
Co-curricular	-	-	-	-
School based support	698,634	739,368	349,985	389,383
System wide support services				
Support and development	324,560	321,807	259,467	62,340
Special populations	198,520	194,189	190,598	3,591
Alternative program	536,936	457,942	437,165	20,777
Technology support	-	-	-	-
Operational support	70,037	59,404	13,978	45,426
Financial and human resources	-	-	-	-
Accountability services	-	-	-	-
System wide pupil support	-	-	-	-
Leadership services	-	-	-	-
Ancillary services				
Community	-	-	-	-
Nutritional	-	-	-	-
Non-program charges	504,512	523,530	395,113	128,417
Total expenditures	21,787,934	22,113,211	17,366,660	4,746,551
Revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	-	\$ -
Fund balances - beginning			-	
Fund balances - ending			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and
Actual
For the Fiscal Year Ended June 30, 2019
Exhibit 5

Special Revenue Fund				
Budgeted Amounts				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
State aid	\$ 3,043,286	\$ 3,170,509	\$ 3,206,515	\$ 36,006
Federal aid	7,587,144	7,829,894	5,461,716	(2,368,178)
Local aid	-	-	-	-
Other local sources	412,761	558,906	619,204	60,298
Interest earnings	-	-	110,229	110,229
Fines and forfeitures	-	-	-	-
Indirect costs	1,230,000	1,230,000	1,420,600	190,600
Sales tax	200,000	200,000	193,321	(6,679)
Tuition and fees	835,000	835,000	827,790	(7,210)
Miscellaneous	475,000	475,201	336,174	(139,027)
Total revenues	13,783,191	14,299,510	12,175,549	(2,123,961)
EXPENDITURES				
Current:				
Instructional programs				
Regular	9,499,392	8,615,692	3,009,072	5,606,620
Special	1,329,073	1,549,438	1,465,907	83,531
Alternative programs	3,720,899	3,764,169	3,125,563	638,606
School leadership	944,500	1,009,600	998,552	11,048
Co-curricular	-	31,398	286	31,112
School based support	559,805	464,423	307,449	156,974
System wide support services				
Support and development	945,089	1,452,690	1,249,078	203,612
Special populations	124,799	137,687	133,711	3,976
Alternative program	94,630	99,755	98,779	976
Technology support	-	-	-	-
Operational support	142,126	153,166	146,412	6,754
Financial and human resources	351,458	316,225	130,602	185,623
Accountability services	-	-	-	-
System wide pupil support	-	80,000	80,000	-
Leadership services	-	-	-	-
Ancillary services				
Community	1,075,345	1,075,345	948,312	127,033
Nutritional	-	-	-	-
Non-program charges	862,039	863,690	457,903	-
Total expenditures	19,649,155	19,613,278	12,151,626	7,055,865
Revenues over expenditures	(5,865,964)	(5,313,768)	23,923	5,337,691
Other financing sources (uses)				
Transfers to other funds	(1,120,000)	(1,120,000)	(1,120,000)	-
Fund balance appropriated	6,985,964	6,433,768	-	(6,433,768)
Total other financing sources (uses)	5,865,964	5,313,768	(1,120,000)	(6,433,768)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	(1,096,077)	\$ (1,096,077)
Fund balances - beginning			8,758,405	
Fund balances - ending			<u>\$ 7,662,328</u>	

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
Statement of Net Position
Proprietary Fund
June 30, 2019
Exhibit 6

	School Food Service
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,444,749
Investments	3,837,643
Accounts receivables	20,003
Due from other governments	79,013
OPEB asset	6,569
Inventories	472,000
Total current assets	5,859,977
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	440,318
Total noncurrent assets	440,318
Total assets	6,300,295
DEFERRED OUTFLOWS OF RESOURCES - PENSIONS	1,650,922
DEFERRED OUTFLOWS OF RESOURCES - OPEB	360,184
LIABILITIES	
Current liabilities:	
Accounts payable	26,810
Compensated absences payable, current	57,260
Unavailable revenues	58,533
Total current liabilities	142,603
Noncurrent liabilities:	
Net pension liability	2,398,920
Net OPEB liability	5,935,182
Compensated absences payable, noncurrent	171,781
Total noncurrent liabilities	8,505,883
Total liabilities	8,648,486
DEFERRED INFLOWS OF RESOURCES - OPEB	3,120,151
NET POSITION	
Investment in capital assets	440,318
DIPNC OPEB plan	6,569
Unrestricted (deficit)	(3,904,123)
Total net position (deficit)	\$ (3,457,236)

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
Statement of Revenue, Expenses and Changes in Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2019
Exhibit 7

School Food Service	
OPERATING REVENUES	
Food sales	\$ 1,223,441
Total operating revenues	1,223,441
OPERATING EXPENSES	
Purchase of food	5,203,426
Salaries and benefits	4,892,741
Indirect costs	567,584
Purchased services	113,792
Repairs and maintenance	57,838
Materials and supplies	146,249
Depreciation	141,017
Total operating expenses	11,122,647
Operating loss	(9,899,206)
NONOPERATING REVENUES (EXPENSES)	
Federal reimbursements	9,260,623
Federal commodities	719,152
State reimbursements	6,685
Investment earnings	86,738
Total nonoperating revenues	10,073,198
Income before transfers	173,992
Transfers in (out)	
State Public School Fund	76,976
Total transfers	76,976
Change in net position	250,968
Total net position (deficit) - beginning	(3,708,204)
Total net position (deficit) - ending	\$ (3,457,236)

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2019
Exhibit 8

	School Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	\$ 1,211,742
Cash paid for goods and services	(5,446,101)
Cash paid to employees for services	(5,018,886)
Net cash used in operating activities	(9,253,245)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal and state reimbursements	9,526,330
Net cash provided by noncapital financing activities	9,526,330
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(191,992)
Net cash used in capital and related financing activities	(191,992)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(83,415)
Interest on investments	86,738
Net cash provided by investing activities	3,323
Net increase in cash and cash equivalents	84,416
Cash and cash equivalents, July 1	1,360,333
Cash and cash equivalents, June 30	\$ 1,444,749

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2019
Exhibit 8

Reconciliation of operating loss to net cash used in operating activities:

Operating loss	\$	(9,899,206)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation		141,017
Donated commodities consumed		719,152
Salaries paid by special revenue fund		76,976
Change in assets, deferred outflows of resources and liabilities:		
(Increase) Decrease in due from other governments		(11,699)
(Increase) Decrease in net OPEB asset		6,031
(Increase) Decrease in inventory		(85,685)
Increase (Decrease) in accounts payable		5,346
Increase (Decrease) in net OPEB liability		(1,003,797)
Increase (Decrease) in compensated absences		(531)
Increase (Decrease) in unavailable revenues		3,975
Increase (Decrease) in net pension liability		452,253
(Increase) Decrease in deferred outflows - pensions		(345,038)
(Increase) Decrease in deferred outflows - OPEB		1,178
Increase (Decrease) in deferred inflows - pensions		(21,743)
Increase (Decrease) in deferred inflows - OPEB		708,526
Net cash used in operating activities	\$	(9,253,245)

Noncash operating activities and noncapital financing activities:

The General Fund paid salaries and benefits of \$76,976 to administrative personnel of the School Food Service Fund during the fiscal year. The payment is reflected as an transfer in and an operating expense on Exhibit 7.

The School Food Service Fund received donated commodities with a value of \$719,152 during the fiscal year. The receipt of the commodities is recognized as a non-operating revenue. The Fund recorded the consumption of \$719,152 worth of donated commodities during the fiscal year as an operating expense. These transactions are reported on Exhibit 7.

The accompanying notes are an integral part of these financial statements.

Pitt County Board of Education, North Carolina

Notes to Financial Statements

I. Summary of Significant Accounting Policies

The accounting policies of Pitt County Board of Education, North Carolina 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 Pitt County Board of Education, North Carolina (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 Pitt 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 present information about the Board. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities on revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Pitt County Board of Education, North Carolina Notes to Financial Statements

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.

Federal Grants Fund. The Federal Grants Fund is used to account for various programs and grants, which the federal government provided to the local administrative unit.

Special Revenue Fund. The Special Revenue Fund is used to account for other programs and grants provided by other State, Local, and Federal sources to the local administrative unit. The Special Revenue Fund is used to account for reimbursements for services and fees, sales tax refunds, gifts and grants restricted to use, and Federal appropriations made directly to the local administrative unit. The Special Revenue Fund is also used to account for funds received for pre-kindergarten programs and special programs.

Individual Schools Fund. The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs. The Individual Schools Fund is reported as a special revenue fund.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by the proprietary fund) and is reported as a capital projects fund. It is mandated by State law [G.S.115C-426]. Capital projects are funded by Pitt County appropriations, restricted sales tax moneys, proceeds of Pitt 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 Child Nutrition Fund is used to account for the food service program within the school system and is reported as an enterprise fund.

C. Measurement Focus and Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary 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.

Pitt County Board of Education, North Carolina Notes to Financial Statements

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. These 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 is 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. Per State law no budget is required 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 purpose dimension level for all annually budgeted funds. The Board has authorized the Superintendent to move monies from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change purpose appropriations. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The actual and budgetary expenditure data on Exhibit 5 is presented at the functional level to provide greater details and information.

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.

The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an

Pitt County Board of Education, North Carolina Notes to Financial Statements

external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT) is a SEC-registered money market mutual fund allowable by G.S 159-3(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 Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. Ownership 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 using Level 2 inputs which in this case involves inputs – other than quoted prices – included within Level 1 that are either directly 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 external participants of the fund.

2. Cash and Cash Equivalents

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

3. Inventories

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

4. Capital Assets

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

Pitt County Board of Education, North Carolina Notes to Financial Statements

It is the policy of the Board to capitalize all capital assets costing more than \$3,000 with an estimated useful life of two or more years. In addition, other items that are purchased and used in large quantities such as student desks are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Pitt 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 give the school system 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	50
Improvements	10
Equipment and furniture	3 - 12
Vehicles	6

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

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 several items that meet this criterion – pension and OPEB related deferrals and contributions made to the plans subsequent to the measurement date. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has several items that meet this criterion - sales tax refunds receivable in the State Public School and Federal Grants funds and pension and OPEB 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. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2019 is recorded in the

Pitt County Board of Education, North Carolina Notes to Financial Statements

government-wide and proprietary fund financial statements on a FIFO basis. An estimate of the current portion of compensated absences based on prior years' records has been made.

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

8. Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements 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 on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Non-spendable 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 - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].

Restricted for Requirements by Grantors – portion of fund balance that can only be used for the specific purposes as specified by the grantors.

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 the Board of Education's governing body (highest level of decision-

Pitt County Board of Education, North Carolina Notes to Financial Statements

making authority) and in certain instances approval by the County's governing body is required. Any changes or removal of specific purpose requires majority vote by quorum of the governing bodies that approved the original action.

Committed for Capital Projects – portion of fund balance committed by the Board that can only be used for future capital projects.

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

Individual Schools – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The Board body approves the appropriation; however, per Board policy 3.101, the budget ordinance authorizes the Superintendent to transfer the appropriations between sub-functions and objects or expenditures within a function.

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 Board body approves the appropriation; however, per Board policy 3.101, the budget ordinance authorizes the Superintendent to transfer the appropriations between sub-functions and objects or expenditures within a function.

Unassigned fund balance – portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The general fund is the only fund that reports a positive unassigned fund balance.

The Board has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Chief Financial Officer will use resources in the following hierarchy in conjunction with and within the confines of all applicable state, federal, and local fiscal policies, laws, and regulations: state funds, federal funds, special revenue 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.

9. 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 \$(187,034,238) consists of several elements as follows:

Pitt County Board of Education, North Carolina Notes to Financial Statements

Description	Amount
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds (total capital assets on government-wide statements in the governmental column (Exhibit 1)).	\$ 317,600,376
Less accumulated depreciation	(116,925,125)
Net capital assets	200,675,251
Net OPEB asset	239,429
Pension related deferred outflows of resources	47,612,136
OPEB related deferred outflows of resources	13,707,415
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 statement	
Installment financing	(1,252,029)
Capital lease	(652,615)
Compensated absences	(12,856,293)
Net pension liability	(87,429,893)
Net OPEB liability	(224,147,357)
Pension related deferred inflows of resources	(2,926,947)
OPEB related deferred inflows of resources	(120,003,335)
Total adjustments	\$ (187,034,238)

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Funds 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 \$4,725,258 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 3,555,588
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.	(6,705,382)
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	(909,274)
Principal payments on debt owed are recorded as a use of funds on the fund statement; it has no effect on the statement of activities - it affects only the government-wide statement of net position	1,139,124
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	15,701,984
Contributions to the OPEB plan in the current fiscal year are not included on the statement of activities	8,189,558
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expense in the fund statements.	
Pension expense	(19,105,199)
OPEB expense	3,280,076
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	(11,649)
Compensated absences are accrued in the government-wide statements but not the fund statements because they do not use current resources	(409,568)
Total adjustments	\$ 4,725,258

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10. Defined Benefit Pension Plan and OPEB Plans

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

11. Adoption of New Financial Accounting Standards

The following is a listing of GASB Statements recently issued and adopted by the Board:

GASB Statement No. 83, Certain Asset Retirement Obligations ("GASB 83"), requires that a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. GASB 83 will be effective for the fiscal years beginning after June 15, 2018. Currently, this new standard has minimal effect on the Board's financial statements.

GASB Statement No. 85, Omnibus 2017 ("GASB 85"), seeks to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB 85 will be effective for the fiscal years beginning after June 15, 2017. Currently, this new standard has minimal effect on the Board's financial statements.

GASB Statement No. 86, Certain Debt Extinguishment Issues ("GASB 86"), seeks to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. GASB 86 will be effective for the fiscal years beginning after June 15, 2017. Currently, this new standard has minimal effect on the Board's financial statements.

GASB Statement No. 88, Certain Disclosures Related to Debt ("GASB 88"), seeks to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential

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information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. GASB 88 will be effective for the fiscal years beginning after June 15, 2018. Currently, this new standard has minimal effect on the Board's financial statements.

12. Future Accounting Pronouncements

The following is a listing of GASB Statements recently issued and being reviewed by the Board:

GASB Statement No. 84, *Fiduciary Activities* ("GASB 84"), seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2018. The Board is reviewing this standard to determine the effect on the Board's financial statements.

GASB Statement No. 87, *Leases* ("GASB 87"), seeks to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 will be effective for the fiscal years beginning after December 15, 2019. The Board is reviewing this standard to determine the effect on the Board's financial statements.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* ("GASB 90"), seeks to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate

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organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Board is reviewing this standard to determine the effect on the Board's financial statements.

GASB Statement No. 91, Conduit Debt Obligations ("GASB 91"), seeks to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The Board is reviewing this standard to determine the effect on the Board's financial statements.

II. 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 the adequacy of their pooled collateral covering uninsured deposits to the State Treasurer. 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 banks and savings and loans with a carrying amount of \$13,065,156 and with the State Treasurer of \$293,056. The bank balances with the financial institutions

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and the State Treasurer were \$13,467,544 and \$1,298,609, respectively. Of these balances, \$1,309,066 was covered by federal depository insurance and \$13,457,087 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:

Investment Type	Valuation Measurement		Maturity	Rating
	Method	Fair Value		
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 3,068,768	N/A	AAAm
NC Capital Management Trust - Term Portfolio	Fair Value - Level 1	7,176,589	Duration of .11 years	Unrated
Department of State Treasurer Short Term Investment Fund (STIF)	Fair Value - Level 2	1,745,057	Duration of 1.3 years	Unrated
		<u>\$ 11,990,414</u>		

All investments are measured using the market approach. Debt classified in Level 1 of the fair value hierarchy is valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued using prices that are either directly or indirectly observable for an asset or liability. 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 governments	Other	Total
Governmental activities:			
General	\$ -	\$ 133,959	\$ 133,959
Other governmental activities	6,331,657	603,769	6,935,426
Total governmental activities	<u>\$ 6,331,657</u>	<u>\$ 737,728</u>	<u>\$ 7,069,385</u>
Business-type activities			
Food Service Fund	\$ 79,013	\$ 20,003	\$ 99,016
Total business-type activities	<u>\$ 79,013</u>	<u>\$ 20,003</u>	<u>\$ 99,016</u>

Due from other governments consists of the following:

State Public School	\$ 5,597,506	Operating fund from DPI
Federal Grants	533,838	Operating fund from DPI
Special Revenue	193,321	Miscellaneous revenues from state and county
Capital Outlay	6,992	Miscellaneous revenues from the state
Total	<u>\$ 6,331,657</u>	
Food Service Fund	<u>\$ 79,013</u>	Federal reimbursements

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4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,168,270	\$ -	\$ -	\$ 5,168,270
Construction in progress	14,392,382	1,371,800	12,667,754	3,096,428
Total capital assets not being depreciated	19,560,652	1,371,800	12,667,754	8,264,698
Capital assets being depreciated:				
Buildings and improvements	266,070,140	13,875,058	-	279,945,198
Equipment and furniture	8,551,292	279,840	39,968	8,791,164
Vehicles	21,140,341	696,643	1,237,668	20,599,316
Total capital assets being depreciated	295,761,773	14,851,541	1,277,636	309,335,678
Less accumulated depreciation for:				
Buildings and improvements	87,101,410	5,268,990	-	92,370,400
Equipment and furniture	7,280,771	419,500	39,968	7,660,303
Vehicles	17,115,198	1,016,892	1,237,668	16,894,422
Total accumulated depreciation	111,497,379	6,705,382	1,277,636	116,925,125
Total capital assets being depreciated, net	184,264,394			192,410,553
Governmental activities capital assets, net	\$ 203,825,046			\$ 200,675,251

Depreciation expense was charged to governmental functions as follows:

Regular instructional	\$ 69,053
Special instructional	19,698
Alternative programs	15,268
School leadership	9,605
Co-curricular	4,611
School based support services	7,615
Support and development services	69,784
Special populations	15,704
Alternative programs	19,926
Technology support	39,833
Operational support services	742,204
Financial and human resources services	111,269
Accountability services	1,197
System-wide pupil support	6,798
Leadership services	42,940
Community services	27,253
Non-programmed charges	23,334
Unallocated depreciation	5,479,290
Total	\$ 6,705,382

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	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 3,979,648	\$ 167,213	\$ -	\$ 4,146,861
Vehicles	96,632	24,779	-	121,411
Total capital assets being depreciated	4,076,280	191,992	-	4,268,272
Less accumulated depreciation for:				
Equipment	3,590,305	139,985	-	3,730,290
Vehicles	96,632	1,032	-	97,664
Total accumulated depreciation	3,686,937	141,017	-	3,827,954
Business-type activities capital assets, net	\$ 389,343			\$ 440,318

5. Construction Commitments

Pitt County has active construction projects as of June 30, 2019. The projects include construction of schools and a new transportation facility for the benefit of Pitt County Board of Education. At year-end, the County's commitments with contractors for school construction are as follows :

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Belvoir	\$ 60,677	\$ 150,000
Transportation	3,035,751	137,505
	<u>\$ 3,096,428</u>	<u>\$ 287,505</u>

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest

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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 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2019, was 12.29% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$16,096,344 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 \$89,828,813 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating

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TSERS employers, actuarially determined. At June 30, 2018 and at June 30, 2017, the Board's proportion was 0.902% and 0.899%, respectively.

For the year ended June 30, 2019, the Board recognized pension expense of \$19,585,033. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 6,555,767	\$ 901,492
Change in assumptions	18,026,332	-
Net difference between projected and actual earnings on pension plan investments	8,560,701	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,914	2,025,455
Employer contributions subsequent to the measurement date	16,096,344	-
Total	\$ 49,263,058	\$ 2,926,947

\$16,096,344 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 Ending June 30,	
2020	\$ 18,043,837
2021	11,094,898
2022	1,258,231
2023	(157,199)
Total	\$ 30,239,767

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 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.

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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%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 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 Board's proportionate share of the net pension liability 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 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:

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	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Board's proportionate share of the net pension liability (asset)	\$ 171,318,770	\$ 89,828,813	\$ 21,450,669

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 Postemployment 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 local governments also participate.

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

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

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

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University

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Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.27% of covered payroll which amounted to \$8,211,882.

At June 30, 2018, Board reported a liability of \$230,082,539 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The total OPEB liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2018, the Board's proportion was 0.808%.

\$8,211,882 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:

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Year Ending June 30,	
2020	\$ (27,049,470)
2021	(27,049,470)
2022	(27,049,470)
2023	(27,024,867)
2024	(9,912,451)
Thereafter	-
Total	\$ (118,085,728)

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

Inflation	2.75%
Salary increases	3.5 - 8.10%, including 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 projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.87% was used as the discount rate used to measure the total OPEB liability. The 3.87% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2017.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 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	\$ 271,844,842	\$ 230,082,539	\$ 196,605,574

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

Pitt County Board of Education, North Carolina
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Healthcare Trend Rates

	1% decrease (Medical - 4.00 - 5.50%, Pharmacy - 4.00 - 6.25%, Medicare Advantage - 3.00 - 4.00%, Administrative - 2.00%)	1% increase (Medical - 5.00 - 6.50%, Pharmacy - 5.00 - 7.25%, Medicare Advantage - 4.00 - 5.00%, Administrative - 3.00%)	1% increase (Medical - 6.00 - 7.50%, Pharmacy - 6.00 - 8.25%, Medicare Advantage - 5.00 - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 189,812,105	\$ 230,082,539	\$ 282,949,731

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

2. Disability Benefits

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

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

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

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

Pitt County Board of Education, North Carolina
Notes to Financial Statements

receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2019, employers made a statutory contribution of 0.14% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$183,359 for the year ended June 30, 2019.

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

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

At June 30, 2019, Board reported an asset of \$245,998 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The total OPEB asset was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board’s proportion of the net OPEB asset was based on a projection of the Board’s present value of future salary, actuarially determined. At June 30, 2018, the Board’s proportion was 0.810%.

\$183,359 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a increase of the net OPEB asset 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 Ending June 30,	
2020	\$ 153,947
2021	153,922
2022	115,789
2023	88,700
2024	61,133
Thereafter	61,109
Total	\$ 634,600

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

Pitt County Board of Education, North Carolina
Notes to Financial Statements

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, 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 (2.75percent) or 1-percentage point higher (4.75 percent) than the current discount rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB asset	\$ 188,490	\$ 245,998	\$ 301,163

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

Pitt County Board of Education, North Carolina
Notes to Financial Statements

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%
Opportunistic Fixed Income	7.0%	6.0%
Inflation Sensitive	6.0%	4.0%
Total	100%	

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

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

	RHBF	DIPNC	Total
OPEB (Revenue) Expense	\$ (3,368,492)	\$ 6,035	\$ (3,362,457)
OPEB Liability (Asset)	230,082,539	(245,998)	229,836,541
Proportionate share of the net OPEB liability (asset)	0.808%	0.810%	
Deferred of Outflows of Resources			
Differences between expected and actual experience	-	429,118	429,118
Changes of assumptions	-	46,452	46,452
Net difference between projected and actual earnings on plan investments	24,744	191,584	216,328
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,980,460	-	4,980,460
Board contributions subsequent to the measurement date	8,211,882	183,359	8,395,241
Total Deferred of Outflows of Resources - OPEB	\$ 13,217,086	\$ 850,513	\$ 14,067,599
Deferred of Inflows of Resources			
Differences between expected and actual experience	\$ 15,734,059	\$ -	\$ 15,734,059
Changes of assumptions	99,677,068	-	99,677,068
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	7,679,805	32,554	7,712,359
Total Deferred of Inflows of Resources - OPEB	\$ 123,090,932	\$ 32,554	\$ 123,123,486

Pitt County Board of Education, North Carolina
Notes to Financial Statements

2. Accounts Payable

Accounts payable as of June 30, 2019, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental activities:			
General	\$ 704,546	\$ 676,872	\$ 1,381,418
Other governmental activities	65,787	6,604,058	6,669,845
Total governmental activities	\$ 770,333	\$ 7,280,930	\$ 8,051,263
Business-type activities:			
Food Service Fund	\$ 26,810	-	\$ 26,810
Total business-type activities	\$ 26,810	\$ -	\$ 26,810

3. Unearned Revenues

The balance in unearned revenues as of June 30, 2019 for business-type activities is composed of the following:

	Unearned Revenue
Business-type activities:	
Prepaid meals	\$ 58,533
Total	\$ 58,533

4. Deferred Outflows and Inflows of Resources

The balance in deferred outflows and inflows of resources as of June 30, 2019 is composed of the following elements:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Governmental activities		
Sales tax refunds receivable (State Public School Fund)	\$ -	\$ 15,604
Sales tax refunds receivable (Federal Grants Fund)	-	27,885
Total	\$ -	\$ 43,489

5. 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 Trust has an annual aggregate limit for general liability of \$2,550,000 and an annual aggregate limit of \$2,550,000 for errors

Pitt County Board of Education, North Carolina Notes to Financial Statements

and omissions claims. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability. Workers' Compensation coverage is purchased up to the statutory limits for employees to the extent they are paid from Federal and Local funds. The State of North Carolina provides workers' compensation for employees to the extent they 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. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on Flood, Earthquake, Business Interruption and Extra Expense. \$10 million per occurrence is provided on Increased Cost of Construction.

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. 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 \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$175,000.

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

6. 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.

The Board entered into a lease with the County of Pitt at the beginning of the 2004-2005 fiscal year. The lease covers the central office space. The agreement is for one year with payments due monthly. Monthly payments will remain constant at \$28,333, yielding an annual lease expense of \$340,000 for the office space. The lease can be renewed annually at the discretion of the Board. Rent expense for the year ended June 30, 2019 was \$340,000.

7. Long-Term Obligations

A. Installment Purchase

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on

Pitt County Board of Education, North Carolina
Notes to Financial Statements

financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built and Blue Bird Buses through a special third party financing arrangement by Banc of America Public Capital Corp at total payments less than the purchase price. In the fiscal years listed below the Board entered in a direct placement installment purchase contract to finance the purchase of the school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contract requires only principal payments shown below for the contract year.

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

	Initial contract year			Totals
	FYE 2017	FYE 2018	FYE 2019	
Total buses purchased	31	12	1	44
Total purchase price	\$ 2,668,482	\$ 1,039,107	\$ 87,144	\$ 3,794,733
Total payments 2019-2020	667,122	259,776	21,785	948,683
Total payments 2020-2021	-	259,776	21,785	281,561
Total payments 2021-2022	-	-	21,785	21,785
Total remaining payments	\$ 667,122	\$ 519,552	\$ 65,355	\$ 1,252,029

B. Capital Leases

During the fiscal year ended June 30, 2019, the Board entered into an agreement to lease a modular classroom complex. The lease agreement qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of the inception. The agreement requires 60 monthly payments of \$5,913 and title passes to the Board at the end of the lease term.

During the fiscal year ended June 30, 2019, the Board entered into two agreement to lease activity buses. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The first agreement requires four annual payments of \$69,302. The second agreement requires four annual payments of \$70,136. For both of these leases, title passes to the Board at the end of the lease term.

The following is an analysis of the assets recorded under capital leases at June 30, 2019:

Classes of Property	Cost	Accumulated Depreciation	Net Book Value
Buildings	\$ 382,176	\$ 5,096	\$ 377,080
Vehicles	530,498	51,576	478,922
Total	\$ 912,674	\$ 56,672	\$ 856,002

Pitt County Board of Education, North Carolina
Notes to Financial Statements

Future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2019 is as follows:

Year Ending June 30,		
2020	\$	210,689
2021		210,689
2022		210,689
2023		71,251
2024		23,750
Total minimum lease payments		727,068
Less: amount representing interest		74,453
Present value of the minimum lease payments	\$	652,615

C. 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:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental activities:					
Installment purchases	\$ 2,134,494	\$ 87,144	\$ 969,609	\$ 1,252,029	\$ 948,683
Capital leases	-	822,130	169,515	652,615	179,064
Net pension liability	69,422,836	18,007,057	-	87,429,893	-
Net OPEB liability	264,114,880	-	39,967,523	224,147,357	-
Compensated absences	12,446,725	10,734,137	10,324,569	12,856,293	3,214,073
Total	\$ 348,118,935	\$ 29,650,468	\$ 51,431,216	\$ 326,338,187	\$ 4,341,820
Business-type activities:					
Compensated absences	\$ 229,572	\$ 257,874	\$ 258,405	\$ 229,041	\$ 57,260
Net pension liability	1,946,667	452,253	-	2,398,920	-
Net OPEB liability	6,938,979	-	1,003,797	5,935,182	-
Total	\$ 9,115,218	\$ 710,127	\$ 1,262,202	\$ 8,563,143	\$ 57,260

Compensated absences, net pension liabilities, and net OPEB liabilities are typically liquidated by the General and other governmental funds.

D. Lease Income

The Board's leasing operations consists principally of a land rental agreement with American Tower for the use of the Board's property to erect a cellular tower. The rental agreement outlines payments through a ten year term beginning July 1, 2014 and commencing June 30, 2024. The Board also began leasing a modular unit to East Carolina University, whereby the University will pay one half of the monthly debt service payment of \$2,969 to the Board. In addition the University will reimburse the Board 75% of cost of utilities. This agreement consists of 60 payments through the fiscal year 2024. The following table outlines the future minimum lease income to be received by the Board:

Pitt County Board of Education, North Carolina
Notes to Financial Statements

Year Ending June 30,	Cell Tower	Modular Unit	Total
2020	\$ 18,000	\$ 35,626	\$ 53,626
2021	18,000	35,626	53,626
2022	18,000	35,626	53,626
2023	18,000	35,626	53,626
2024	18,000	11,875	29,875
Total	\$ 90,000	\$ 154,379	\$ 244,379

In addition to the rent, the agreement with American Tower includes a one-time payment to the Board in the amount of \$100,000 upon erection of the cellular tower. Upon commencement of the lease at June 30, 2024 American Tower will have the right to extend the agreement for each of two five year Renewal Terms.

E. Inter-fund Balances and Activity

The following inter-fund transfers represent transfers from the State Public School Fund and the General Fund to the School Food Service Fund for administrative costs:

Fund	Transfer from	Transfer to	Net
State fund	\$ 76,976	\$ -	\$ 76,976
School food service fund	-	76,976	(76,976)
Special revenue fund	1,120,000		1,120,000
Capital projects fund	-	1,120,000	(1,120,000)
Total	\$ 1,196,976	\$ 1,196,976	\$ -

F. Fund Balance

The Board has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Assistant Superintendent of Finance will use resources in the following hierarchy in conjunction with and within the confines of all applicable state, federal, and local fiscal policies, laws, and regulations: state funds, federal funds, special revenue 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.

Pitt County Board of Education, North Carolina
Notes to Financial Statements

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	\$	7,316,210
Less:		
Inventories		344,637
Stabilization by state statute:		
Accounts receivable		133,959
Total stabilization by state statute		133,959
Restricted for school capital projects		864,017
Committed for capital projects		2,720,815
Assigned for:		
Subsequent years expenditures		431,060
Total assigned fund balance		431,060
Remaining Fund Balance- Unassigned	\$	2,821,722

III. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

IV. Significant Effects of Subsequent Events

Management has evaluated subsequent events through December 27, 2019, the date on which the financial statements were available to be issued.



Required Supplementary Information

Pitt County Board of Education, North Carolina
Schedule of Proportionate Share of Net Pension Liability for
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)	0.902%	0.899%	0.916%	0.921%	0.903%	0.837%
Board's proportionate share of the net pension liability (asset)	\$ 89,828,813	\$ 71,369,503	\$ 84,161,369	\$ 33,936,251	\$ 10,587,079	\$ 9,758,714
Board's covered payroll	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875	\$ 118,144,306	\$ 112,418,528	\$ 113,334,124
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	73.05%	59.19%	71.97%	28.72%	9.42%	8.61%
Plan fiduciary net position as a percentage of the total pension liability	92.01%	89.51%	87.32%	94.64%	98.24%	90.60%

This schedule is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

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

**Pitt County Board of Education, North Carolina
Schedule of the Board Contributions to
Teachers' and State Employees' Retirement System
Last Six Fiscal Years**

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 16,096,344	\$ 13,317,872	\$ 11,811,200	\$ 10,699,353	\$ 10,810,204	\$ 9,758,714
Contributions in relation to the contractually required contribution	<u>16,096,344</u>	<u>13,317,872</u>	<u>11,811,200</u>	<u>10,699,353</u>	<u>10,810,204</u>	<u>9,758,714</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 130,294,426	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875	\$ 118,144,306	\$ 112,418,528
Contributions as a percentage of covered payroll	12.35%	10.83%	9.80%	9.15%	9.15%	8.68%

This schedule is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

Pitt County Board of Education, North Carolina
Schedule of Proportionate Share of Net OPEB Liability
Retiree Health Benefit Fund
Last Three Fiscal Years*

	2019	2018	2017
Board's proportion of the net OPEB liability	0.808%	0.827%	0.807%
Board's proportionate share of the net OPEB liability	\$ 230,082,539	\$ 271,053,859	\$ 351,275,528
Board's covered payroll	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	187.11%	224.79%	300.41%
Plan fiduciary net position as a percentage of the total OPEB liability	4.40%	3.52%	2.41%

This schedule is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

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

Pitt County Board of Education, North Carolina
Schedule of Board Contributions to
Retiree Health Benefit Fund
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 8,211,882	\$ 7,474,316	\$ 7,258,932	\$ 6,548,241	\$ 6,511,772	\$ 6,079,794	\$ 6,006,709	\$ 5,622,148	\$ 5,722,419	\$ 5,230,135
Contributions in relation to the contractually required contribution	<u>8,211,882</u>	<u>7,474,316</u>	<u>7,258,932</u>	<u>6,548,241</u>	<u>6,511,772</u>	<u>6,079,794</u>	<u>6,006,709</u>	<u>5,622,148</u>	<u>5,722,419</u>	<u>5,230,135</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 130,294,426	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875	\$ 118,144,306	\$ 112,418,528	\$ 113,334,091	\$ 112,442,885	\$ 116,784,038	\$ 116,225,192
Contributions as a percentage of covered payroll	6.30%	6.08%	6.02%	5.60%	5.51%	5.41%	5.30%	5.00%	4.90%	4.50%

Pitt County Board of Education, North Carolina
Schedule of Proportionate Share of Net OPEB Asset
Disability Income Plan of North Carolina
Last Three Fiscal Years*

	2019	2018	2017
Board's proportion of the net OPEB asset	0.810%	0.805%	0.828%
Board's proportionate share of the net OPEB asset	\$ 245,998	\$ 492,181	\$ 513,915
Board's covered payroll	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.20%	0.41%	0.44%
Plan fiduciary net position as a percentage of the total OPEB asset	116.47%	116.23%	116.06%

This schedule is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

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

Pitt County Board of Education, North Carolina
Schedule of the Board Contributions to
Disability Income Plan of North Carolina
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 183,359	\$ 172,959	\$ 651,133	\$ 479,425	\$ 486,307	\$ 495,391	\$ 498,670	\$ 584,703	\$ 607,277	\$ 604,371
Contributions in relation to the contractually required contribution	183,359	172,959	651,133	479,425	486,307	495,391	498,670	584,703	607,277	604,371
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 130,294,426	\$ 122,969,623	\$ 120,580,267	\$ 116,932,875	\$ 118,144,306	\$ 112,418,528	\$ 113,334,091	\$ 112,442,885	\$ 116,784,038	\$ 116,225,192
Contributions as a percentage of covered payroll	0.14%	0.14%	0.54%	0.41%	0.41%	0.44%	0.44%	0.52%	0.52%	0.52%



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Individual Fund Schedules

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

Schedule 1
Page 1 of 3

	2019 Budget	2019 Actual	Variance	2018 Actual
Revenues				
Pitt County:				
Appropriation from general revenues	\$ 39,550,269	\$ 39,550,269	\$ -	\$ 38,970,807
Total	39,550,269	39,550,269	-	38,970,807
Other				
Fines and forfeitures	2,050,000	2,028,486	(21,514)	1,671,208
Interest	-	32,502	32,502	15,995
Miscellaneous	316,700	248,228	(68,472)	183,937
Total	2,366,700	2,309,216	(57,484)	1,871,140
Total revenues	41,916,969	41,859,485	(57,484)	40,841,947
Expenditures				
Instructional programs				
Regular				
Salaries and employee benefits		7,584,789		8,040,583
Purchased services		2,480,676		2,362,818
Supplies and materials		2,261,797		1,954,568
Total	14,135,063	12,327,262	1,807,801	12,357,969
Special				
Salaries and employee benefits		1,105,280		913,594
Supplies and materials		19,224		-
Total	1,205,068	1,124,504	80,564	913,594
Alternative programs				
Salaries and employee benefits		428,142		374,288
Supplies and materials		-		177
Total	496,414	428,142	68,272	374,465
School leadership				
Salaries and employee benefits		5,502,382		5,075,084
Purchased services		124,166		125,031
Supplies and materials		56,077		62,575
Total	5,708,857	5,682,625	26,232	5,262,690
Co-curricular				
Salaries and employee benefits		721,449		672,002
Purchased services		363,884		358,081
Total	1,121,605	1,085,333	36,272	1,030,083

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

Schedule 1
Page 2 of 3

	2019 Budget	2019 Actual	Variance	2018 Actual
School based support				
Salaries and employee benefits		501,052		632,209
Purchased services		166,977		128,121
Supplies and materials		56,675		22,161
Total	852,537	724,704	127,833	782,491
Total instructional programs	23,519,544	21,372,570	2,146,974	20,721,292
System wide support services				
Support and development				
Salaries and employee benefits		682,084		669,406
Purchased services		142,671		65,144
Supplies and materials		1,284		149
Total	848,293	826,039	22,254	734,699
Special populations				
Salaries and employee benefits		6,889		6,659
Total	7,097	6,889	208	6,659
Alternative programs				
Salaries and employee benefits		143,867		170,076
Total	155,638	143,867	11,771	170,076
Technology support				
Salaries and employee benefits		908,891		831,119
Purchased services		119,723		130,432
Supplies and materials		753		50
Total	1,049,605	1,029,367	20,238	961,601
Operational support				
Salaries and employee benefits		3,325,223		3,235,060
Purchased services		5,240,342		6,065,114
Supplies and materials		3,478,397		3,478,462
Total	13,978,777	12,043,962	1,934,815	12,778,636
Financial and human resources				
Salaries and employee benefits		1,578,812		1,335,202
Purchased services		2,030,467		1,656,393
Supplies and materials		94,794		90,214
Total	3,658,746	3,704,073	(45,327)	3,081,809
Accountability				
Salaries and employee benefits		43,739		-
Total	49,795	43,739	6,056	-
System wide pupil support				
Salaries and employee benefits		106,118		319,630
Supplies and materials		54,291		-
Total	405,232	160,409	244,823	319,630

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

Schedule 1
Page 3 of 3

	2019 Budget	2019 Actual	Variance	2018 Actual
Leadership services				
Salaries and employee benefits		555,876		494,038
Purchased services		243,110		340,960
Supplies and materials		33,835		142,072
Total	912,267	832,821	79,446	977,070
Total system wide support services	21,065,450	18,791,166	2,274,284	19,030,180
Ancillary services				
Community services				
Salaries and employee benefits		5,608		26,855
Total ancillary services	24,170	5,608	18,562	26,855
Total expenditures	44,609,164	40,169,344	4,439,820	39,778,327
Revenues over (under) expenditures	(2,692,195)	1,690,141	4,382,336	1,063,620
Other financing sources				
Fund balance appropriated	2,692,195	-	(2,692,195)	-
Total other financing sources (uses)	2,692,195	-	(2,692,195)	-
Net change in fund balance	<u>\$ -</u>	1,690,141	<u>\$ 1,690,141</u>	1,063,620
Fund balances - beginning, previously reported		5,637,718		4,217,812
Cumulative effect in change of accounting method		-		734,092
Decrease in reserve for inventories		(11,649)		(377,806)
Fund balances - ending		<u>\$ 7,316,210</u>		<u>\$ 5,637,718</u>

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

Schedule 2
Page 1 of 2

	2019 Budget	2019 Actual	Variance	2018 Actual
Revenues				
US Government				
ROTC	\$ 350,000	\$ 324,416	\$ (25,584)	\$ 320,770
GEAR Up	-	85,604	85,604	77,391
TIF Grant	6,437,144	3,960,949	(2,476,195)	1,952,797
Medicaid Administration Outreach Program	1,042,750	1,090,747	47,997	1,029,286
Total	7,829,894	5,461,716	(2,368,178)	3,380,244
State of North Carolina:				
NC Pre-K Program	2,950,185	2,990,622	40,437	2,905,309
Reimbursements	220,324	215,893	(4,431)	140,632
Total	3,170,509	3,206,515	36,006	3,045,941
Other				
Sales tax	200,000	193,321	(6,679)	179,688
Tuition and fees	835,000	827,790	(7,210)	816,449
Interest	-	110,229	110,229	79,443
Indirect costs	1,230,000	1,420,600	190,600	1,117,819
Other local sources	558,906	619,204	60,298	612,936
Miscellaneous	475,201	336,174	(139,027)	320,280
Total	3,299,107	3,507,318	208,211	3,126,615
Total revenues	14,299,510	12,175,549	(2,123,961)	9,552,800
Expenditures				
Instructional programs				
Regular				
Salaries and employee benefits		2,577,665		1,134,646
Purchased services		23,897		21,196
Supplies and materials		407,510		118,369
Total	8,615,692	3,009,072	5,606,620	1,274,211
Special				
Salaries and employee benefits		226,401		304,066
Purchased services		1,041,666		906,452
Supplies and materials		197,840		258,728
Total	1,549,438	1,465,907	83,531	1,469,246
Alternative programs				
Salaries and employee benefits		2,058,075		1,894,491
Purchased services		985,734		914,856
Supplies and materials		81,754		96,944
Total	3,764,169	3,125,563	638,606	2,906,291
School leadership				
Salaries and employee benefits		997,882		602,512
Salaries and employee benefits		670		-
Total	1,009,600	998,552	11,048	602,512
Co-Curricular				
Contracted services		286		-
Total	31,398	286	31,112	-
School based support				
Salaries and employee benefits		266,692		132,550
Purchased services		24,257		24,867
Supplies and materials		16,500		-
Total	464,423	307,449	156,974	157,417

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)

Schedule 2
Page 2 of 2

	2019 Budget	2019 Actual	Variance	2018 Actual
Total instructional programs	15,434,720	8,906,829	6,527,891	6,409,677
System wide support services				
Support and development				
Salaries and employee benefits		806,283		626,938
Purchased services		441,418		445,253
Supplies and materials		1,377		2,005
Total	1,452,690	1,249,078	203,612	1,074,196
Special populations				
Salaries and employee benefits		113,270		104,485
Purchased services		20,441		19,066
Total	137,687	133,711	3,976	123,551
Alternative Programs				
Salaries and employee benefits		98,779		97,399
Total	99,755	98,779	976	97,399
Operational support				
Salaries and employee benefits		25,512		2,347
Purchased services		120,900		36,051
Total	153,166	146,412	6,754	38,398
Financial and human resources				
Salaries and employee benefits		130,602		139,189
Total	316,225	130,602	185,623	139,189
System-wide pupil support				
Supplies and materials		80,000		-
Total	80,000	80,000	-	-
Total system wide support services	2,239,523	1,838,582	400,941	1,472,733
Ancillary services				
Community services				
Salaries and employee benefits		625,898		680,530
Purchased services		211,552		201,904
Supplies and materials		110,862		73,625
Total	1,075,345	948,312	127,033	956,059
Non-Programmed charges				
Indirect costs		457,903		213,596
Total	863,690	457,903	405,787	213,596
Total ancillary services	1,939,035	1,406,215	532,820	1,169,655
Total expenditures	19,613,278	12,151,626	7,461,652	9,052,065
Revenues over (under) expenditures	(5,313,768)	23,923	5,337,691	500,735
Other financing sources (uses)				
Transfers to other funds	(1,120,000)	(1,120,000)	-	(600,000)
Fund balance appropriated	6,433,768	-	(6,433,768)	-
Total other financing sources (uses)	5,313,768	(1,120,000)	(6,433,768)	(600,000)
Net change in fund balance	<u>\$ -</u>	(1,096,077)	<u>\$ (1,096,077)</u>	(99,265)
Fund balances - beginning		<u>8,758,405</u>		<u>8,857,670</u>
Fund balances - ending		<u>\$ 7,662,328</u>		<u>\$ 8,758,405</u>

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Capital Outlay Fund
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)
Schedule 3

	2019 Budget	2019 Actual	Variance	2018 Actual
REVENUES				
State of North Carolina				
Public School Building Capital Fund- lottery	\$ 2,200,000	\$ 2,110,661	\$ (89,339)	\$ 2,000,000
State appropriations - buses	1,140,000	969,609	(170,391)	1,134,996
Pitt County, North Carolina				
Appropriation from County	2,375,426	2,371,800	(3,626)	10,538,917
Restricted portion of sales tax	1,727,734	1,219,297	(508,437)	1,252,838
Other revenues				
Unrestricted portion of sales tax	-	6,992	6,992	7,837
Other local revenue	275,000	167,487	(107,513)	-
Investment earnings	20,000	54,017	34,017	18,748
Total revenues	7,738,160	6,899,863	(838,297)	14,953,336
EXPENDITURES				
Capital outlay				
Instructional program				
Regular		47,501		-
System wide support services				
Operational support		7,631		-
Financial & human resources		5,394		3,520
Improvements to existing sites		3,839,359		10,671,656
Furniture and equipment		1,069,445		719,012
Buses and motor vehicles		166,205		1,039,107
On-behalf payment to County for repayment of debt		2,110,661		2,000,000
Total	11,566,956	7,246,196	4,320,760	14,433,295
Debt service				
Principal		1,139,124		1,218,062
Interest		17,423		1,006
Total debt service	1,340,000	1,156,547	183,453	1,219,068
Total expenditures	12,906,956	8,402,743	4,504,213	15,652,363
Excess of revenues over expenditures	(5,168,796)	(1,502,880)	3,665,916	(699,027)
Other financing sources				
Installment purchase obligations issued	2,000,000	87,144	(1,912,856)	1,039,107
Transfers from other funds	1,120,000	1,120,000	-	600,000
Appropriated fund balance	2,048,796	-	(2,048,796)	-
Total other financing sources	5,168,796	1,207,144	(3,961,652)	1,639,107
Net change in fund balance	<u>\$ -</u>	(295,736)	<u>\$ (295,736)</u>	940,080
Fund balances - beginning		<u>2,678,920</u>		<u>1,738,840</u>
Fund balances - ending		<u>\$ 2,383,184</u>		<u>\$ 2,678,920</u>

Pitt County Board of Education, North Carolina
Schedule of Revenues, Expenditures – Budget and Actual – Food Service Fund
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018)
Schedule 4

	2019 Budget	2019 Actual	Variance	2018 Actual
Operating revenues, food sales	\$ 3,369,351	\$ 1,223,441	\$ (2,145,910)	\$ 1,299,271
Operating expenses				
Nutritional services				
Purchase of food	6,018,788	5,289,111	729,677	4,782,165
Salaries and benefits	5,974,683	5,095,862	878,821	7,325,809
Indirect cost	886,531	567,584	318,947	535,583
Purchased services	202,705	113,792	88,913	35,975
Repairs and maintenance	90,796	57,838	32,958	56,863
Materials and supplies	114,998	20,930	94,068	44,040
Equipment purchases	511,499	317,311	194,188	217,679
Total operating expenses	13,800,000	11,462,428	2,337,572	12,998,114
Operating loss	(10,430,649)	(10,238,987)	191,662	(11,698,843)
Nonoperating revenues				
Federal reimbursements	9,465,825	9,260,623	205,202	9,087,874
Federal commodities	779,937	719,152	60,785	758,535
State reimbursements	14,471	6,685	7,786	10,026
Investment earnings	28,250	86,738	(58,488)	51,300
Total nonoperating revenues	10,288,483	10,073,198	(215,285)	9,907,735
Excess of revenues over (under) expenses before other financing sources	(142,166)	(165,789)	(23,623)	(1,791,108)
Other financing sources:				
Transfers in	142,166	76,976	(65,190)	72,428
Excess of revenues and other sources over (under) expenditures	<u>\$ -</u>	(88,813)	<u>\$ (88,813)</u>	(1,718,680)
Reconciliation of modified accrual to full accrual basis:				
Reconciling items:				
Depreciation		(141,017)		(126,703)
Increase (decrease) in net OPEB asset		(6,031)		(556)
(Increase) decrease in net pension liability		(452,253)		327,472
(Increase) decrease in net OPEB liability		1,003,797		2,050,819
Increase (decrease) in deferred outflows - pension		345,038		(473,030)
(Increase) decrease in deferred inflows - pension		21,743		18,790
Increase (decrease) in deferred outflows - OPEB		(1,178)		-
(Increase) decrease in deferred inflows - OPEB		(708,526)		-
Capital outlay		191,992		197,667
Increase (decrease) in inventory		85,685		44,082
(Increase) decrease in compensated absences payable		531		(296)
Change in net position (full accrual)		\$ 250,968		\$ 319,565



STATISTICAL SECTION



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Pitt County Board of Education, North Carolina Statistical Section

<u>Financial Trends:</u>	<u>Table</u>
These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.	
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Sources – Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) of the Pitt County Board of Education and Pitt County, North Carolina

Pitt County Board of Education, North Carolina
Net Position by Component – Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited
Table 1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Government Activities										
Net investment in capital assets	\$ 198,747,785	\$ 212,609,147	\$ 211,406,654	\$ 205,455,036	\$ 199,405,257	\$ 194,348,779	\$ 191,040,719	\$ 197,290,630	\$ 201,690,551	\$ 198,770,607
Restricted	1,797,592	1,754,522	3,405,377	5,571,803	4,894,713	4,166,144	4,778,356	5,504,675	7,638,711	7,500,438
Unrestricted	4,208,013	2,034,524	1,498,148	(1,020,175)	(577,373)	(30,398,260)	(32,150,243)	(34,828,040)	(382,041,091)	(373,919,779)
Total governmental activities net position	\$ 204,753,390	\$ 216,398,193	\$ 216,310,179	\$ 210,006,664	\$ 203,722,597	\$ 168,116,663	\$ 163,668,832	\$ 167,967,265	\$ (172,711,829)	\$ (167,648,734)
Business-type activities										
Net investment in capital assets	\$ 237,031	\$ 163,925	\$ 263,965	\$ 347,130	\$ 389,330	\$ 352,833	\$ 427,325	\$ 318,378	\$ 389,342	\$ 440,318
Restricted	-	-	-	-	-	-	-	-	12,600	6,569
Unrestricted	2,941,669	4,009,157	4,679,973	4,898,123	4,827,806	3,632,695	3,995,768	4,443,856	(4,110,146)	(3,904,123)
Total business-type activities net position	\$ 3,178,700	\$ 4,173,082	\$ 4,943,938	\$ 5,245,253	\$ 5,217,136	\$ 3,985,528	\$ 4,423,093	\$ 4,762,234	\$ (3,708,204)	\$ (3,457,236)
Primary government										
Net investment in capital assets	\$ 198,984,816	\$ 212,773,072	\$ 211,670,619	\$ 205,802,166	\$ 199,794,587	\$ 194,701,612	\$ 191,468,044	\$ 197,609,008	\$ 202,079,893	\$ 199,210,925
Restricted	1,797,592	1,754,522	3,405,377	5,571,803	4,894,713	4,166,144	4,778,356	5,504,675	7,651,311	7,507,007
Unrestricted	7,149,682	6,043,681	6,178,121	3,877,948	4,250,433	(26,765,565)	(28,154,475)	(30,384,184)	(386,151,237)	(377,823,902)
Total primary government net position	\$ 207,932,090	\$ 220,571,275	\$ 221,254,117	\$ 215,251,917	\$ 208,939,733	\$ 172,102,191	\$ 168,091,925	\$ 172,729,499	\$ (176,420,033)	\$ (171,105,970)

Pitt County, North Carolina
Net Position by Component – Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited
Table 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Government Activities										
Net investment in capital assets	\$ 26,867,920	\$ 3,313,440	\$ (2,393,761)	\$ 2,947,086	\$ 8,363,163	\$ 7,404,524	\$ 17,210,123	\$ 82,314,633	\$ 95,084,397	\$ 94,736,490
Restricted	178,243	15,413,852	10,949,019	12,335,800	17,176,068	14,785,094	16,678,816	15,971,134	16,908,623	20,035,629
Unrestricted	7,602,000	(12,273,362)	(5,966,584)	9,777,730	7,074,844	14,440,586	14,575,156	(59,397,402)	(109,730,455)	(99,870,347)
Total governmental activities net position	\$ 34,648,163	\$ 6,453,930	\$ 2,588,674	\$ 25,060,616	\$ 32,614,075	\$ 36,630,204	\$ 48,464,095	\$ 38,888,365	\$ 2,262,565	\$ 14,901,772
Business-type activities										
Net investment in capital assets	\$ 2,821,429	\$ 2,870,867	\$ 2,901,091	\$ 3,563,524	\$ 3,770,246	\$ 3,740,050	\$ 4,187,094	\$ 4,170,609	\$ 5,851,954	\$ 5,628,944
Unrestricted	878,331	1,639,256	2,444,272	2,895,804	2,500,256	2,355,498	2,255,919	1,797,584	(1,132,958)	(2,499,644)
Total business-type activities net position	\$ 3,699,760	\$ 4,510,123	\$ 5,345,363	\$ 6,459,328	\$ 6,270,502	\$ 6,095,548	\$ 6,443,013	\$ 5,968,193	\$ 4,718,996	\$ 3,129,300
Primary government										
Net investment in capital assets	\$ 29,689,349	\$ 6,184,307	\$ 507,330	\$ 6,510,610	\$ 12,133,409	\$ 11,144,574	\$ 21,397,217	\$ 86,485,242	\$ 100,936,351	\$ 100,365,434
Restricted	178,243	15,413,852	10,949,019	12,335,800	17,176,068	14,785,094	16,678,816	15,971,134	16,908,623	20,035,629
Unrestricted	8,480,331	(10,634,106)	(3,522,312)	12,673,534	9,575,100	16,796,084	16,831,075	(57,599,818)	(110,863,413)	(102,369,991)
Total primary government net position	\$ 38,347,923	\$ 10,964,053	\$ 7,934,037	\$ 31,519,944	\$ 38,884,577	\$ 42,725,752	\$ 54,907,108	\$ 44,856,558	\$ 6,981,561	\$ 18,031,072

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2019

Pitt County Board of Education, North Carolina
Changes in Net Position – Last Ten Fiscal Years (Accrual Basis of Accounting)

Unaudited
Table 3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
Instructional programs	\$ 152,921,870	\$ 158,517,720	\$ 159,555,412	\$ 164,210,102	\$ 159,653,060	\$ 155,131,854	\$ 158,877,916	\$ 169,406,325	\$ 184,599,923	\$ 179,789,552
Supporting services	34,034,337	40,857,370	34,452,351	33,702,640	34,959,103	32,156,564	35,116,216	35,943,020	41,691,204	40,384,987
Community services	1,618,644	1,376,439	1,486,095	1,331,656	1,259,186	1,090,587	1,099,274	1,331,209	1,113,119	999,981
Repayment of debt issuance	-	-	1,183,917	1,520,868	1,520,868	2,174,016	1,600,000	1,600,000	2,000,000	2,110,661
Non-programmed charges	-	-	-	-	-	-	379,965	283,694	229,885	481,237
Interest expense	-	-	-	-	-	-	1,134	2,001	1,006	17,423
Unallocated depreciation expense	6,040,696	5,959,459	1,995,344	1,920,258	1,056,326	1,025,378	5,310,942	5,527,730	5,310,191	5,479,290
Total governmental activities expenses	194,615,547	206,710,988	198,673,119	202,685,524	198,448,543	191,578,399	202,385,447	214,093,979	234,945,328	229,263,131
Business-type activities:										
School food service	9,750,731	10,281,031	10,382,852	11,242,514	11,589,796	11,280,624	11,432,648	10,772,726	10,959,869	11,122,647
Total business-type activities	9,750,731	10,281,031	10,382,852	11,242,514	11,589,796	11,280,624	11,432,648	10,772,726	10,959,869	11,122,647
Total primary government expenses	\$ 204,366,278	\$ 216,992,019	\$ 209,055,971	\$ 213,928,038	\$ 210,038,339	\$ 202,859,023	\$ 213,818,095	\$ 224,866,705	\$ 245,905,197	\$ 240,385,778
Program Revenues										
Governmental activities:										
Charges for services:										
Instructional programs	\$ 1,554,438	\$ 1,726,004	\$ 1,733,459	\$ 1,822,983	\$ 1,862,420	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	150,188,772	151,658,750	152,115,418	153,175,541	149,552,150	158,918,373	158,180,232	156,981,476	167,080,945	181,834,387
Capital grants and contributions	1,010,240	1,358,220	1,571,664	2,414,292	1,795,949	-	3,448,614	2,558,123	3,134,996	3,080,270
Total governmental activities program revenues	152,753,450	154,742,974	155,420,541	157,412,816	153,210,519	158,918,373	161,628,846	159,539,599	170,215,941	184,914,657
Business-type activities:										
Charges for services	3,769,046	3,372,698	3,041,394	2,949,144	2,760,616	2,089,961	1,788,677	1,481,042	1,299,271	1,223,441
Operating grants and contributions	7,125,708	7,784,220	7,990,300	8,460,927	8,665,961	9,069,675	9,563,820	9,529,955	9,856,435	9,986,460
Total business-type activities program revenues	10,894,754	11,156,918	11,031,694	11,410,071	11,426,577	11,159,636	11,352,497	11,010,997	11,155,706	11,209,901
Total primary government program revenues	\$ 163,648,204	\$ 165,899,892	\$ 166,452,235	\$ 168,822,887	\$ 164,637,096	\$ 170,078,009	\$ 172,981,343	\$ 170,550,596	\$ 181,371,647	\$ 196,124,558
Net (Expense)/Revenue										
Governmental activities	\$ (41,862,097)	\$ (51,968,014)	\$ (43,252,578)	\$ (45,272,708)	\$ (45,238,024)	\$ (32,660,026)	\$ (40,756,601)	\$ (54,554,380)	\$ (64,729,387)	\$ (44,348,474)
Business-type activities	1,144,023	875,887	648,842	167,557	(163,219)	(120,988)	(80,151)	238,271	195,837	87,254
Total primary government net expense	\$ (40,718,074)	\$ (51,092,127)	\$ (42,603,736)	\$ (45,105,151)	\$ (45,401,243)	\$ (32,781,014)	\$ (40,836,752)	\$ (54,316,109)	\$ (64,533,550)	\$ (44,261,220)

Pitt County Board of Education, North Carolina
Changes in Net Position – Last Ten Fiscal Years (Accrual Basis of Accounting)

Unaudited
Table 3

General Revenues and Other Changes in Net Position										
Governmental activities:										
General Revenues:										
State of North Carolina	\$ 2,422,494	\$ 6,676,196	\$ 612,973	\$ 1,126,016	\$ 479,380	\$ 2,653,262	\$ 2,016,258	\$ 2,802,758	\$ 140,632	\$ 215,893
Pitt County	52,447,034	55,427,237	41,412,747	35,796,133	36,743,669	37,182,996	38,921,377	50,476,365	50,762,562	43,141,366
Federal grants	-	-	-	-	-	-	-	1,497,052	2,030,188	85,604
Investment earnings	144,066	94,431	65,264	39,668	38,815	40,836	60,026	81,233	114,578	197,400
Other	1,286,887	1,526,206	1,188,902	2,125,412	1,810,662	1,206,341	2,966,880	4,060,896	4,910,154	5,848,282
Transfers	(48,467)	(111,253)	(115,322)	(118,036)	(118,569)	(120,547)	(69,078)	(65,491)	(72,428)	(76,976)
Total governmental activities	56,252,014	63,612,817	43,164,564	38,969,193	38,953,957	40,962,888	43,895,463	58,852,813	57,885,686	49,411,569
Business-type activities:										
General Revenues:										
Investment earnings	4,985	7,242	6,692	15,722	16,532	19,757	25,181	35,379	51,300	86,738
Transfers	48,467	111,253	115,322	118,036	118,569	120,547	69,078	65,491	72,428	76,976
Total business-type activities:	53,452	118,495	122,014	133,758	135,101	140,304	94,259	100,870	123,728	163,714
Total primary government revenues	\$ 56,305,466	\$ 63,731,312	\$ 43,286,578	\$ 39,102,951	\$ 39,089,058	\$ 41,103,192	\$ 43,989,722	\$ 58,953,683	\$ 58,009,414	\$ 49,575,283
Change in Net Position										
Governmental activities	\$ 14,389,917	\$ 11,644,803	\$ (88,014)	\$ (6,303,515)	\$ (6,284,067)	\$ 8,302,862	\$ 3,138,862	\$ 4,298,433	\$ (6,843,701)	\$ 5,063,095
Business-type activities	1,197,475	994,382	770,856	301,315	(28,118)	19,316	14,108	339,141	319,565	250,968
Total primary government	\$ 15,587,392	\$ 12,639,185	\$ 682,842	\$ (6,002,200)	\$ (6,312,185)	\$ 8,322,178	\$ 3,152,970	\$ 4,637,574	\$ (6,524,136)	\$ 5,314,063

Pitt County, North Carolina
Changes in Net Position – Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited
Table 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 16,704,353	\$ 16,768,759	\$ 19,876,656	\$ 16,297,756	\$ 18,833,804	\$ 16,508,916	\$ 15,016,731	\$ 13,681,634	\$ 19,638,344	\$ 20,985,890
Public safety	37,623,678	32,913,064	43,251,794	42,976,133	39,562,880	40,105,903	42,525,254	48,042,994	44,749,789	48,637,520
Economic and physical development	7,633,411	6,728,810	9,625,223	10,116,946	7,068,054	3,630,825	54,011	16,552,198	18,516,340	9,091,992
Environmental protection	267,785	245,159	230,549	200,253	216,114	186,589	285,467	282,750	247,086	319,329
Human Services	44,209,437	41,740,952	40,545,062	38,623,179	36,848,621	40,654,477	44,531,856	47,835,102	39,694,998	39,757,063
Cultural and recreation	718,401	698,384	618,966	590,667	606,785	679,571	664,949	822,133	745,971	735,016
Education	51,034,996	53,506,480	38,098,594	33,948,819	45,338,884	46,080,991	49,421,608	53,841,094	45,124,628	50,055,019
Interest on long term debt	5,870,905	6,967,304	9,001,235	6,952,420	8,605,897	7,251,638	6,444,049	4,915,136	6,584,012	5,535,726
Total governmental activities	164,062,966	159,568,912	161,248,079	149,706,173	157,081,039	155,098,910	158,943,925	185,973,041	175,301,168	175,117,555
Business-type activities:										
Solid Waste	6,809,686	7,348,253	8,361,494	7,763,554	8,357,565	8,462,330	8,239,791	9,626,750	9,567,945	11,017,190
Total business-type activities	6,809,686	7,348,253	8,361,494	7,763,554	8,357,565	8,462,330	8,239,791	9,626,750	9,567,945	11,017,190
Total primary government expenses	\$ 170,872,652	\$ 166,917,165	\$ 169,609,573	\$ 157,469,727	\$ 165,438,604	\$ 163,561,240	\$ 167,183,716	\$ 195,599,791	\$ 184,869,113	\$ 186,134,745
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,838,490	\$ 5,308,955	\$ 5,903,519	\$ 5,635,527	\$ 4,971,244	\$ 4,546,258	\$ 6,208,910	\$ 6,058,408	\$ 5,241,296	\$ 5,747,291
Public safety	8,631,804	9,341,259	10,237,128	9,987,128	6,607,559	7,307,031	7,606,744	6,681,784	7,841,621	7,075,521
Economic and physical development	165,475	584,174	183,709	168,709	59,294	569,379	47,827	64,955	76,913	112,248
Environmental protection	101,973	73,019	50,504	38,004	65,453	-	97,089	92,189	73,988	121,651
Human Services	6,698,097	6,323,684	5,694,120	5,169,120	4,946,415	2,345,008	4,574,034	5,663,557	5,682,654	5,928,238
Operating grants and contributions:										
General government	7,348	20,334	3,269	8,501	1,410	149,781	(5)	21,836	315,232	316,582
Public safety	100,592	56,387	263,750	228,750	2,230,832	674,984	2,156,752	2,207,523	2,677,977	2,511,588
Economic and physical development	5,218,265	4,367,361	3,764,654	3,514,654	3,759,697	4,659,192	2,679,943	3,486,757	3,827,227	4,108,630
Human Services	23,191,163	21,147,178	21,157,852	20,505,352	20,465,760	28,041,057	24,299,521	25,512,425	17,486,874	17,670,380
Education	1,183,917	5,083,917	725,706	600,706	-	-	-	-	245,412	85,134
Capital grants and contributions:										
General government	268,300	207,368	-	-	-	-	-	75,160	-	-
Public safety	157,578	2,177	37,758	16,758	190,314	-	-	-	-	-
Economic and physical development	107,686	307,686	51,725	40,680	303,311	1,318,696	1,215,545	2,668,269	4,040,588	2,088,793
Environmental protection	769,744	126,903	96,977	65,977	-	-	-	-	-	-
Education	64,383	358,751	1,548,346	1,418,346	1,533,622	-	1,623,271	2,625,917	2,783,252	2,209,661
Social services	-	-	-	-	19,049	-	-	-	-	-
Total governmental activities program revenues	52,504,815	53,309,153	49,719,017	47,398,212	45,153,960	49,611,386	50,509,631	55,158,780	50,293,034	47,975,717
Business-type activities:										

Pitt County, North Carolina
Changes in Net Position – Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited
Table 4

Capital grants and contributions - Solid Waste	-	12,248	755,856	700,247	79,728	13,411	16,811	34,620	26,297	11,128
Total business-type activities program revenues	8,023,307	8,157,731	9,217,400	8,966,635	8,474,041	8,557,259	8,781,765	9,104,842	9,172,175	9,807,865
Total primary government program revenues	\$ 60,528,122	\$ 61,466,884	\$ 58,936,417	\$ 56,364,847	\$ 53,628,001	\$ 58,168,645	\$ 59,291,396	\$ 64,263,622	\$ 59,465,209	\$ 57,783,582
Net (Expense)/Revenue										
Governmental activities	\$ (111,558,151)	\$ (106,259,759)	\$ (111,529,062)	\$ (102,307,961)	\$ (111,927,079)	\$ (105,487,524)	\$ (108,434,294)	\$ (130,814,261)	\$ (125,008,134)	\$ (127,141,838)
Business-type activities	1,213,621	809,478	855,906	1,203,081	116,476	94,929	541,974	(521,908)	(395,770)	(1,209,325)
Total primary government net expense	\$ (110,344,530)	\$ (105,450,281)	\$ (110,673,156)	\$ (101,104,880)	\$ (111,810,603)	\$ (105,392,595)	\$ (107,892,320)	\$ (131,336,169)	\$ (125,403,904)	\$ (128,351,163)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 78,618,324	\$ 79,984,365	\$ 82,303,935	\$ 81,542,495	\$ 84,456,744	\$ 84,354,263	\$ 86,795,644	\$ 90,552,468	\$ 93,081,325	\$ 95,377,311
Local option sales tax	14,166,657	14,704,181	14,321,819	15,401,125	23,118,577	26,698,824	28,843,710	30,412,717	31,316,187	34,320,168
Payment in lieu of taxes and other taxes	11,109,775	10,655,050	10,876,593	11,493,571	2,118,654	2,186,843	2,220,734	2,264,174	3,103,121	2,413,962
Interest earned on investments	362,113	138,986	140,704	89,550	2,036,371	1,648,230	2,013,878	985,633	1,233,001	7,184,375
Loss on disposal of capital assets	-	(27,417,055)	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	102,980	132,691	(1,323,725)	485,228
Gain on Bond Defeasance	-	-	-	-	7,423,910	-	-	-	-	-
Total governmental activities	104,256,869	78,065,527	107,643,051	108,526,741	119,154,256	114,888,160	119,976,946	124,347,683	127,409,909	139,781,044
Business-type activities:										
Investment earnings	4,203	885	89	18,889	20,980	14,295	44,598	43,652	42,552	104,857
Transfers	-	-	-	-	-	-	(102,980)	(132,691)	1,323,725	(485,228)
Total business-type activities:	4,203	885	89	18,889	20,980	14,295	(58,382)	(89,039)	1,366,277	(380,371)
Total primary government revenues	\$ 104,261,072	\$ 78,066,412	\$ 107,643,140	\$ 108,545,630	\$ 119,175,236	\$ 114,902,455	\$ 119,918,564	\$ 124,258,644	\$ 128,776,186	\$ 139,400,673
Change in Net Position										
Governmental activities	\$ (7,301,282)	\$ (28,194,232)	\$ (3,886,011)	\$ 6,218,780	\$ 7,227,177	\$ 9,400,636	\$ 11,542,652	\$ (6,466,578)	\$ 2,401,775	\$ 12,639,206
Business-type activities	1,217,824	810,363	855,995	1,221,970	137,456	109,224	483,592	(610,947)	970,507	(1,589,696)
Total primary government	\$ (6,083,458)	\$ (27,383,869)	\$ (3,030,016)	\$ 7,440,750	\$ 7,364,633	\$ 9,509,860	\$ 12,026,244	\$ (7,077,525)	\$ 3,372,282	\$ 11,049,510

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2019

Pitt County Board of Education, North Carolina
Fund Balances, Governmental Funds – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 5

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted	\$ 2,872,643	\$ 2,273,981	\$ 1,142,341	\$ 1,196,971	\$ 645,616	\$ 102,880	\$ 529,270	\$ 544,865	\$ 1,374,046	\$ 997,976
Nonspendable	-	-	-	-	-	-	-	-	356,286	344,637
Committed	2,720,307	2,850,000	2,982,500	1,680,399	1,606,500	1,185,496	1,543,000	1,623,000	1,562,313	2,720,815
Assigned	813,845	1,376,636	652,851	740,355	1,681,577	726,513	575,016	645,336	620,297	431,060
Unassigned	4,454,686	3,138,492	1,347,530	1,983,912	514,122	1,820,397	792,821	1,404,611	1,724,776	2,821,722
Total general funds	\$ 10,861,481	\$ 9,639,109	\$ 6,125,222	\$ 5,601,637	\$ 4,447,815	\$ 3,835,286	\$ 3,440,107	\$ 4,217,812	\$ 5,637,718	\$ 7,316,210
All Other Governmental Funds										
Restricted										
State statute	\$ 10,413	\$ 10,271	\$ 577,196	\$ 591,688	\$ 870,998	\$ 217,586	\$ 300,842	\$ 348,573	\$ 127,467	\$ 603,769
Grantor requirements	-	-	1,550,425	1,203,244	763,881	1,145,034	1,093,983	1,096,276	994,423	1,252,298
Individual schools	1,797,592	1,754,522	1,672,751	1,597,121	1,565,392	1,656,872	1,745,546	1,776,121	1,984,273	2,023,782
Capital outlay	1,013,507	1,149,213	1,430,986	982,779	1,048,826	1,025,113	1,108,715	1,738,840	2,678,920	2,383,184
Assigned										
Subsequent years expenditure	-	-	3,032,749	5,572,273	6,846,425	7,496,578	6,787,191	5,752,070	7,636,515	5,806,261
Unassigned	-	-	-	-	-	-	-	1,660,751	-	-
Total all other governmental funds	\$ 2,821,512	\$ 2,914,006	\$ 8,264,107	\$ 9,947,105	\$ 11,095,522	\$ 11,541,183	\$ 11,036,277	\$ 12,372,631	\$ 13,421,598	\$ 12,069,294
Total governmental funds	\$ 13,682,993	\$ 12,553,115	\$ 14,389,329	\$ 15,548,742	\$ 15,543,337	\$ 15,376,469	\$ 14,476,384	\$ 16,590,443	\$ 19,059,316	\$ 19,385,504

Pitt County, North Carolina
Fund Balances, Governmental Funds – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 6

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 5,948,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	24,967,310	-	-	-	-	-	-	-	-	-
Nonspendable- prepaid items	-	127,233	96,021	150,981	194,008	171,896	289,553	253,963	119,578	116,179
Restricted	-	6,310,217	6,990,076	7,872,485	9,064,048	9,826,214	11,351,974	5,960,868	10,328,244	14,466,785
Assigned	-	4,215,000	2,288,000	2,288,000	2,786,466	2,871,466	2,871,466	5,855,639	4,234,581	4,610,192
Unassigned	-	11,254,925	14,846,239	16,997,017	23,805,248	26,585,766	26,604,345	25,143,213	26,232,157	23,612,026
Total general fund	\$ 30,916,108	\$ 21,907,375	\$ 24,220,336	\$ 27,308,483	\$ 35,849,770	\$ 39,455,342	\$ 41,117,338	\$ 37,213,683	\$ 40,914,560	\$ 42,805,182
All Other Governmental Funds										
Reserved	\$ 1,937,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Undesignated/(deficit)										
Special revenue funds	2,041,415	-	-	-	-	-	-	-	-	-
Debt service funds	41,635	-	-	-	-	-	-	-	-	-
Capital projects fund	(159,711)	-	-	-	-	-	-	-	-	-
Nonspendable- prepaid items	-	93,315	114,571	139,920	84,668	153,579	183,018	147,785	160,295	163,340
Restricted	-	30,735,482	11,867,990	14,297,247	9,921,816	8,004,372	8,667,226	24,447,486	11,376,139	11,947,618
Committed	-	11,623,127	12,407,122	7,427,612	9,822,537	7,460,390	24,130,049	15,447,427	14,886,566	16,870,161
Assigned	-	1,434,962	1,789,875	1,505,723	1,647,750	1,411,986	1,364,137	1,604,679	1,031,037	567,844
Unassigned	-	(1,130,273)	(975,612)	(265,605)	(2,191,980)	(246,910)	(1,089,227)	(62,063)	(1,303,665)	(4,129,782)
Total all other governmental funds	3,860,986	42,756,613	25,203,946	23,104,897	19,284,791	16,783,417	33,255,203	41,585,314	26,150,372	25,419,181
Total governmental funds	\$ 34,777,094	\$ 64,663,988	\$ 49,424,282	\$ 50,413,380	\$ 55,134,561	\$ 56,238,759	\$ 74,372,541	\$ 78,798,997	\$ 67,064,932	\$ 68,224,363

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2019

Note: The County of Pitt Fiscal Year 2011 reflects implementation of GASB Statement No. 54, prior years have not been restated.

Pitt County Board of Education, North Carolina
Governmental Fund Revenues – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 7

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Federal sources:										
Federal grants, sales tax, and other	\$ 25,669,331	\$ 27,482,928	\$ 23,469,782	\$ 21,744,137	\$ 17,774,145	\$ 18,646,711	\$ 19,873,595	\$ 16,973,341	\$ 20,057,241	\$ 22,788,653
Total federal sources	25,669,331	27,482,928	23,469,782	21,744,137	17,774,145	18,646,711	19,873,595	16,973,341	20,057,241	22,788,653
State sources:										
State Public School Fund, and sales tax	115,410,905	115,810,969	119,738,228	123,170,760	123,106,477	129,530,622	130,494,970	135,769,148	140,957,518	151,278,725
Public School Building Lottery Fund	1,183,917	5,083,917	1,183,917	1,520,868	1,520,868	1,600,000	1,600,000	1,600,000	2,000,000	2,000,000
State Grants and other	4,188,352	4,553,294	3,085,209	3,692,428	2,915,735	3,161,672	3,061,767	3,760,881	4,180,937	4,286,785
Total state sources	120,783,174	125,448,180	124,007,354	128,384,056	127,543,080	134,292,294	135,156,737	141,130,029	147,138,455	157,565,510
Local sources:										
Pitt County	35,740,314	36,475,616	35,395,102	34,938,837	36,226,571	37,182,996	38,222,086	50,476,365	50,762,562	43,141,366
Pitt County Certificates of Participation	15,821,062	18,269,372	5,382,277	17,582	-	-	-	-	-	-
Interest earnings	144,066	94,431	65,264	39,668	38,815	40,841	60,026	81,233	114,578	197,400
Contributions and donations	7,318,870	6,828,191	6,695,065	6,556,842	6,643,427	6,095,524	6,245,918	5,752,427	6,064,739	5,784,965
Fines and forfeitures	885,658	682,249	635,368	839,714	517,098	594,746	567,290	568,429	1,671,208	2,028,486
Sales tax	228,337	296,602	271,920	279,750	248,690	171,853	223,666	234,529	218,074	240,036
Indirect cost revenues	381,698	642,187	592,243	793,803	977,807	1,066,979	1,137,206	826,133	1,117,819	1,420,600
Tuition and fees	1,172,740	1,083,817	1,141,216	1,029,180	884,613	833,911	868,013	822,328	823,199	842,040
Other	1,290,379	1,526,206	1,188,902	2,125,412	1,810,662	1,568,921	1,638,849	1,593,089	1,110,403	1,356,843
Total local sources	62,983,124	65,898,671	51,367,357	46,620,788	47,347,683	47,555,771	48,963,054	60,354,533	61,882,582	55,011,736
Total revenues	\$ 209,435,629	\$ 218,829,779	\$ 198,844,493	\$ 196,748,981	\$ 192,664,908	\$ 200,494,776	\$ 203,993,386	\$ 218,457,903	\$ 229,078,278	\$ 235,365,899

Pitt County, North Carolina
Governmental Fund Revenues – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 8

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Taxes:										
Property	\$ 78,631,905	\$ 78,827,130	\$ 82,355,998	\$ 81,339,280	\$ 85,735,784	\$ 84,891,802	\$ 86,949,292	\$ 90,613,945	\$ 93,148,258	\$ 95,409,222
Sales	22,632,862	14,428,378	14,380,502	15,677,039	13,809,165	16,638,841	17,635,460	18,831,700	19,034,077	21,056,307
Other	2,643,570	10,930,853	10,817,910	11,217,657	11,428,066	12,246,826	13,428,984	13,845,191	15,385,231	15,677,823
Total taxes	103,908,337	104,186,361	107,554,410	108,233,976	110,973,015	113,777,469	118,013,736	123,290,836	127,567,566	132,143,352
Intergovernmental	36,282,989	38,191,288	33,859,590	32,355,138	32,239,169	36,042,326	35,140,590	39,455,051	35,520,979	33,862,995
Sales & Services / Permits & Fees	11,274,744	11,933,673	12,270,529	11,976,737	10,832,855	11,204,558	11,588,782	10,937,435	11,810,949	11,132,162
Interest	359,591	262,393	140,633	83,754	451,726	110,704	304,345	458,660	877,645	1,489,327
Miscellaneous	2,868,190	1,754,585	2,154,058	1,566,417	1,679,320	1,891,679	2,331,536	4,199,918	2,336,373	2,306,918
Total revenues	\$ 154,693,851	\$ 156,328,300	\$ 155,979,220	\$ 154,216,022	\$ 156,176,085	\$ 163,026,736	\$ 167,378,989	\$ 178,341,900	\$ 178,113,512	\$ 180,934,754

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2019

Pitt County Board of Education, North Carolina
Governmental Fund Expenditures and Net Change in Fund Balances
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 9

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instructional programs:	\$ 152,629,359	\$ 156,793,395	\$ 154,060,936	\$ 158,240,026	\$ 154,673,342	\$ 162,239,824	\$ 166,113,909	\$ 166,294,634	\$ 173,169,725	\$ 186,474,987
Support services:	34,176,694	34,899,106	33,036,357	32,221,018	33,394,240	33,044,895	33,509,105	34,281,112	37,493,870	38,371,735
Ancillary services:	1,618,540	1,368,803	1,436,753	1,278,433	1,213,309	1,117,409	1,103,977	994,584	1,037,697	996,275
Non-programmed charges	381,698	362,735	144,066	248,936	381,863	422,898	396,507	276,859	582,236	853,016
On-behalf payment to County for repayment of debt	-	-	1,183,917	1,520,868	1,520,868	1,600,000	1,600,000	1,600,000	2,000,000	2,110,661
Debt service:										
Principal	1,010,240	1,358,220	387,747	893,424	275,081	563,319	478,272	1,040,194	1,218,062	1,139,124
Interest	-	-	-	-	-	-	1,134	2,001	1,006	17,423
Capital outlay:										
Real property and buildings	17,968,855	24,725,467	5,948,237	623,948	409,807	856,709	986,536	11,263,024	10,671,656	3,839,359
Furniture and equipment	232,603	340,678	694,944	323,693	577,331	696,043	634,950	484,397	719,012	1,069,445
Buses and motor vehicles	528,734	1,022,477	1,011,361	121,186	194,856	906,163	501,032	2,710,037	1,039,107	166,205
Total expenditures	208,546,723	220,870,881	197,904,318	195,471,532	192,640,697	201,447,260	205,325,422	218,946,842	227,932,371	235,038,230
Excess of revenue over (under) expenditures	888,906	(2,041,102)	940,175	1,277,449	24,211	(952,484)	(1,332,036)	(488,939)	1,145,907	327,669
Other Financing Sources (Uses)										
Installment purchase obligations issued	528,510	1,022,477	1,011,361	-	88,953	906,163	501,032	2,668,488	1,039,107	87,144
Other transfers in (out)	(48,467)	(111,253)	(115,322)	(118,036)	(118,569)	(120,547)	(69,078)	(65,491)	(72,428)	(76,976)
Net change in fund balances	\$ 1,368,949	\$ (1,129,878)	\$ 1,836,214	\$ 1,159,413	\$ (5,405)	\$ (166,868)	\$ (900,082)	\$ 2,114,058	\$ 2,112,586	\$ 337,837
Debt service as a percentage of noncapital expenditures	0.53%	0.70%	0.20%	0.46%	0.14%	0.28%	0.24%	0.51%	0.57%	0.50%

Pitt County, North Carolina
Governmental Fund Expenditures and Net Change in Fund Balances
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited
Table 10

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	\$ 13,629,713	\$ 13,455,312	\$ 12,712,923	\$ 12,178,377	\$ 14,855,647	\$ 12,914,832	\$ 12,398,418	\$ 13,732,350	\$ 15,541,812	\$ 14,472,409
Public Safety	35,958,562	37,264,598	41,181,005	39,894,354	37,939,525	38,790,924	40,489,226	45,837,911	47,285,798	45,798,091
Environmental Protection	252,499	229,879	217,076	200,253	216,114	248,599	260,578	256,163	271,431	284,118
Economic Development	7,416,836	6,648,224	8,998,731	9,469,340	6,916,650	5,485,544	5,009,774	19,902,032	18,963,496	9,568,287
Human Services	42,612,499	40,327,489	39,276,818	37,486,478	37,911,830	40,505,222	43,744,551	46,210,880	38,962,154	38,846,194
Culture and Recreation	718,401	698,384	618,966	590,667	606,785	679,571	664,949	822,133	745,971	735,016
Education	58,320,263	65,996,318	55,350,580	40,720,188	42,996,018	45,001,927	47,669,432	57,094,539	50,937,215	49,047,015
Debt Service:										
Principal	9,228,295	9,388,490	9,949,728	10,656,994	11,372,680	10,611,931	12,069,612	10,993,356	15,069,231	14,090,238
Interest	6,181,091	7,052,042	9,786,979	7,105,713	6,967,738	8,018,483	6,258,736	6,703,806	5,390,349	6,085,159
Total expenditures	174,318,159	181,060,736	178,092,806	158,302,364	159,782,987	162,257,033	168,565,276	201,553,170	193,167,457	178,926,527
Excess of revenue over (under) expenditures	(19,624,308)	(24,732,436)	(22,113,586)	(4,086,342)	(3,606,902)	769,703	(1,186,287)	(23,211,270)	(15,053,945)	2,008,227
Other Financing Sources (Uses)										
Transfers in	(16,667,575)	(8,110,548)	(10,070,906)	(18,911,293)	(18,948,152)	(22,912,919)	(23,179,553)	(26,469,826)	(27,951,538)	(21,499,990)
Transfers out	15,856,415	7,341,348	9,079,761	17,960,898	18,237,483	21,776,816	21,101,953	25,681,106	27,391,418	20,351,799
Insurance Proceeds	-	-	-	-	20,489	139,235	-	15,363	-	(605)
Payment to bondholders, bond redemption	-	-	-	-	(54,372,710)	-	-	-	-	-
Payment to refunding escrow agent	-	(5,040,000)	-	-	-	-	-	-	-	-
Payment to escrow agent, debt refunding pmt	-	-	(21,230,000)	-	-	(39,421,164)	-	(55,709,200)	-	-
Payment from escrow agent	-	-	-	-	61,796,620	-	-	-	-	-
Debt Obligation issued	36,344,145	33,994,490	26,711,977	6,025,835	1,594,353	35,135,000	19,250,000	63,690,000	3,880,000	300,000
Installment Debt Issued	-	-	-	-	-	893,828	877,242	10,177,000	-	-
Premium received from issuance of debt	47,563	-	2,383,047	-	-	4,723,699	979,187	10,253,283	-	-
Total other financing sources (uses)	35,580,548	28,185,290	6,873,879	5,075,440	8,328,083	334,495	19,028,829	27,637,726	3,319,880	(848,796)
Net change in fund balances	\$ 15,956,240	\$ 3,452,854	\$ (15,239,707)	\$ 989,098	\$ 4,721,181	\$ 1,104,198	\$ 17,842,542	\$ 4,426,456	\$ (11,734,065)	\$ 1,159,431
Debt service as a percentage of noncapital expenditures	8.84%	9.08%	11.08%	11.22%	11.48%	11.48%	10.87%	8.78%	10.59%	11.28%

Pitt County, North Carolina
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
Unaudited
Table 11

Fiscal Year	Real Property				Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
	Residential Property	Commercial Property	Industrial Property	Present-use Value						
2010	9,346,427,845	-	-	-	2,470,662,313	109,460,104	11,926,550,262	0.66500	12,045,815,765	99.0%
2011	9,652,528,904	-	-	-	2,045,396,018	105,153,588	11,803,078,510	0.66500	11,921,109,295	99.0%
2012	9,554,186,028	-	-	-	2,091,154,625	104,488,137	11,749,828,790	0.68000	11,867,327,078	99.0%
2013	9,113,031,060	-	-	-	2,266,724,289	104,234,635	11,483,989,984	0.68000	11,598,829,884	99.0%
2014	9,206,945,276	-	-	-	2,643,301,152	101,041,838	11,951,288,266	0.68000	12,070,801,149	99.0%
2015	9,410,339,621	-	-	-	2,285,610,536	103,039,401	11,798,989,558	0.68000	11,916,979,454	99.0%
2016	9,449,775,738	-	-	-	2,454,881,901	170,452,100	12,075,109,739	0.68600	12,195,860,836	99.0%
2017	9,727,381,342	-	-	-	2,437,716,258	152,480,080	12,317,577,680	0.69600	12,440,753,457	99.0%
2018	9,761,433,643	-	-	-	2,550,757,485	180,058,529	12,492,249,657	0.69600	12,617,172,154	99.0%
2019	10,110,870,674	-	-	-	2,704,582,036	102,150,893	12,917,603,603	0.72100	13,046,779,639	99.0%

Source: Pitt County Annual County Report of Valuation and Property Tax Levies

Pitt County, North Carolina
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years
Unaudited
Table 12

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pitt County	\$ 0.6650	\$ 0.6650	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6860	\$ 0.6960	\$ 0.6960	\$ 0.7210
<u>Municipality Rates:</u>										
Town of Ayden	0.5000	0.5000	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400
Town of Bethel	0.5900	0.5900	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600
Town of Falkland	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4600	0.4600
Town of Farmville	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900
Town of Fountain	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.5875	0.5875	0.5875	0.5875
City of Greenville	0.5200	0.5200	0.5200	0.5200	0.5200	0.5300	0.5200	0.5200	0.5200	0.5200
Town of Grifton	0.6000	0.6000	0.6000	0.6000	0.6000	0.6300	0.6300	0.6300	0.6300	0.6300
Town of Grimesland	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
Village of Simpson	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Town of Winterville	0.4500	0.4500	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750
<u>Fire Districts:</u>										
Ayden Fire District	0.0300	0.0425	0.0475	0.0475	0.0475	0.0599	0.0599	0.0724	0.0799	0.0799
Bell Arthur Fire District	0.0500	0.0500	0.0500	0.0885	0.0885	0.0885	0.0885	0.0885	0.0885	0.0885
Belvoir Fire District	-	-	0.0189	0.0189	0.0225	0.0225	0.0225	0.0225	0.0225	0.0250
Bethel Fire District	-	-	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675	0.0675
Black Jack Fire District	0.0540	0.0540	0.0640	0.0740	0.0740	0.0740	0.0740	0.0740	0.0740	0.0790
Clarks Neck Fire District	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450
Eastern Pines Fire District	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0775
Falkland Fire District	0.0600	0.0600	0.0600	0.0600	0.0600	0.0800	0.0800	0.0800	0.0800	0.0800
Farmville Fire District	0.0360	0.0365	0.0389	0.0389	0.0389	0.0400	0.0500	0.0500	0.0600	0.0600
Fountain Fire District	0.0500	0.0500	0.0500	0.0500	0.0675	0.0675	0.0875	0.0875	0.0875	0.0875
Garndersville Fire District	0.0750	0.0800	0.0800	0.0940	0.0940	0.0940	0.0940	0.0940	0.0940	0.0940
Grifton Fire District	0.0499	0.0499	0.0599	0.0599	0.0599	0.0599	0.0599	0.0599	0.0649	0.0649
Grimesland Fire District	0.0650	0.0700	0.0700	0.0700	0.0700	0.0700	0.0750	0.0750	0.0750	0.0750
Pactolus Fire District	0.0425	0.0425	0.0425	0.0425	0.0625	0.0625	0.0625	0.0625	0.0925	0.0925
Red Oak Fire District	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Sharp Point Fire District	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Simpson Fire District	0.0500	0.0500	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650
Staton House Fire District	0.0200	0.0215	0.0250	0.0275	0.0275	0.0275	0.0290	0.0290	0.0290	0.0290
Stokes Fire District	0.0500	0.0500	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Winterville Fire District	0.0250	0.0250	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0624
EMS District	0.0440	0.0440	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460

Source: Pitt County Tax Assessor

Note: Tax rates are based on \$100 per assessed valuation for Pitt County and all overlapping governments.

Pitt County, North Carolina
Principal Property Tax Payers – Current and Four Prior Years
Unaudited
Table 13

Taxpayer	Type of Business	Fiscal Year 2019			Fiscal Year 2018			Fiscal Year 2017			Fiscal Year 2016			Fiscal Year 2015		
		Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Patheon Manufacturing Services, LLC	Manufacturer	\$ 438,841,687	1	3.40%	\$ 281,066,878	1	2.18%	\$ 262,435,545	1	2.10%	\$ 249,654,598	1	2.12%	\$ 222,254,063	1	1.88%
DSM Dyneema, LLC	Manufacturer	159,204,045	2	1.23%	168,966,357	2	1.31%	175,263,183	2	1.40%	181,014,354	2	1.53%	187,370,888	2	1.59%
DSM Biomedical, Inc.	Manufacturer															
Carolina Telephone	Communications										36,161,505	10	0.31%	41,254,220	6	0.35%
Asmo	Manufacturer	83,029,035	3	0.64%	78,797,637	3	0.61%	81,378,706	4	0.65%	80,326,401	4	0.68%	77,101,007	4	0.65%
Weyerhaeuser Company	Manufacturer	69,207,040	6	0.54%	52,938,672	6	0.41%	51,898,139	6	0.42%	49,090,486	7	0.42%	49,828,654	5	0.42%
RPI Greenville Mall, LP	Mall	45,601,022	8	0.35%	44,614,187	8	0.35%	44,614,187	8	0.36%	44,614,187	8	0.38%	40,428,933	7	0.34%
Copper Beach Townhome Comm	Apartments	38,466,338	10	0.30%	38,203,386	9	0.30%	37,505,180	9	0.30%	37,505,180	9	0.32%	34,605,790	8	0.29%
PL Greenville LP (Bellamy)	Apartments												29,073,633	10	0.25%	
Attends Healthcare	Manufacturer	75,890,952	5	0.59%	77,671,652	4	0.60%	85,746,840	3	0.69%	89,078,952	3	0.75%	90,970,829	3	0.77%
USCOC of Greater NC LLC	Communications															
Wal Mart Real Estate Business Trust	Retail	45,728,077	7	0.35%	46,565,229	7	0.36%	46,951,953	7	0.38%	50,710,681	6	0.43%	29,272,633	9	0.25%
Pep Core NCC LLC (I&II)	Apartments							57,603,990	5	0.46%	57,603,990	5	0.49%			
Pep ECU LLC	Apartments				34,059,395	10	0.26%	34,038,022	10	0.27%						
Taft Ward ECU Campus Edge Apts LLC	Apartments	41,937,241	9	0.32%												
Mayne Pharma	Manufacturer	76,048,960	5	0.59%	74,228,030	5	0.57%									
Totals		\$ 1,073,954,397		7.68%	\$ 897,111,423		7.68%	\$ 877,435,745		7.42%	\$ 875,760,334		6.80%	\$ 802,160,650		6.79%

Source: Pitt County Tax Assessor

Note: The principal property tax payers is presented for the current period and the prior five years. Information prior to this timeframe is not available.

Pitt County, North Carolina
Property Tax Levies and Collections – Last Ten Fiscal Years
Unaudited
Table 14

Fiscal Year	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy				Collections for Prior Years	Total Amount Collected	Total Percentage Collected
	(Original Levy)	Adjustments	Total Adjusted Levy	Total Amount	Percentage of Original Levy	Percentage of Adjusted Levy			
2010	76,839,904	67,981	76,907,885	73,447,355	95.58%	95.50%	2,207,767	75,650,122	98.45%
2011	77,149,471	(1,265,750)	75,883,721	72,098,919	93.45%	95.01%	2,341,016	74,439,935	96.49%
2012	78,720,265	(282,444)	78,437,821	74,447,693	94.57%	94.91%	2,615,285	77,062,978	97.89%
2013	77,910,953	(685,609)	77,225,344	73,415,329	94.23%	95.07%	2,116,475	75,531,804	96.95%
2014	81,273,137	(437,679)	80,835,458	78,657,337	96.78%	97.31%	2,018,752	80,668,314	99.26%
2015	80,239,327	(610,817)	79,628,510	77,964,973	97.17%	97.91%	1,668,821	79,633,794	99.25%
2016	82,109,809	93,722	82,203,531	80,665,237	98.24%	98.13%	1,099,227	81,764,464	99.58%
2017	84,725,527	1,076,224	85,801,751	84,305,375	99.50%	98.26%	983,837	85,289,212	100.67%
2018	86,936,284	977,361	87,913,645	86,442,625	99.43%	98.33%	607,959	87,050,584	100.13%
2019	89,902,231	(479,496)	89,422,735	88,888,299	98.87%	99.40%	1,020,512	89,000,307	99.00%

Source: Audited financial reports of Pitt County Government and Pitt County's Tax Assessor and Tax Collector.

Note: The presentation of this schedule includes data from the county-wide property tax levy only. Levy pertaining to the Industrial Development Commission (component unit) is reported in the original levy but reflected separately in the Financial Statements.

Pitt County, North Carolina
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years
Unaudited
Table 15

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Per Capita	Percentage of Personal Income
	General Obligation Bonds	COPs	LOBs	QSCBs	Notes Payable	General Obligation Bonds	Revenue Bonds	Installment Loans			
2010	-	151,335,000	-	-	3,946,052	200,000	-	-	155,481,052	980	2.88%
2011	-	105,330,000	59,835,000	5,962,500	3,953,949	-	-	-	175,081,449	1,034	3.12%
2012	-	98,860,000	57,450,000	5,602,353	8,691,345	-	-	-	170,603,698	1,002	2.77%
2013	-	92,715,000	54,705,000	5,252,206	11,761,922	-	-	-	164,434,128	953	2.76%
2014	-	86,225,000	51,965,000	4,902,059	13,089,040	-	-	-	156,181,099	898	2.52%
2015	-	43,210,000	84,365,000	4,551,912	12,140,084	-	-	-	144,266,996	827	2.21%
2016	19,250,000	37,875,000	80,310,000	4,201,765	10,687,861	-	-	-	152,324,626	868	2.27%
2017	18,235,000	17,590,000	109,270,000	3,851,618	14,851,652	-	-	-	163,798,270	931	2.29%
2018	17,220,000	15,240,000	102,455,000	3,501,471	15,253,063	-	-	750,000	154,419,534	875	2.38%
2019	16,205,000	13,830,000	94,785,000	3,151,324	12,050,230	-	-	607,742	140,629,296	868	N/A

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2019

Note: N/A = not available

Pitt County, North Carolina
Ratios of Net General Bonded Debt Outstanding – Last Ten Fiscal Years
Unaudited
Table 16

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
2010	200,000	-	200,000	0.00%	0.0017%	1
2011	-	-	-	0.00%	0.0000%	0
2012	-	-	-	0.00%	0.0000%	0
2013	-	-	-	0.00%	0.0000%	0
2014	-	-	-	0.00%	0.0000%	0
2015	-	-	-	0.00%	0.0000%	0
2016	19,250,000	-	19,250,000	0.29%	0.1594%	110
2017	18,235,000	-	18,235,000	0.26%	0.1476%	104
2018	17,220,000	-	17,220,000	0.24%	0.1378%	98
2019	16,205,000	-	16,205,000	N/A	0.0000%	91

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2019

Note: N/A = not available

Pitt County, North Carolina
Legal Debt Margin Information – Last Ten Fiscal Years
(dollars in thousands)
Unaudited
Table 17

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value of Property	\$ 11,926,550	\$ 11,803,079	\$ 11,749,829	\$ 11,483,990	\$ 11,951,288	\$ 11,798,990	\$ 12,075,110	\$ 12,317,578	\$ 12,492,250	\$ 12,917,604
Debt Limit, 8% of Assessed Value (Statutory Limitation)	954,124	944,246	939,986	918,719	956,103	943,919	966,009	985,406	999,380	1,033,408
Amount of Debt Applicable to Limit										
Gross debt	155,481	175,071	170,604	164,434	156,181	144,267	152,325	163,798	154,420	154,931
Less: Amount available for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Debt outstanding serviced by Enterprise Fund (solid waste)	200	-	-	-	-	-	-	-	750	608
Revenue bonds	151,335	105,330	98,860	92,715	86,225	43,210	37,875	17,590	15,240	13,830
Total net debt applicable to limit	3,946	69,741	71,744	71,719	69,956	101,057	114,450	146,208	138,430	140,493
Legal Debt Margin	<u>\$ 950,178</u>	<u>\$ 874,505</u>	<u>\$ 868,242</u>	<u>\$ 847,000</u>	<u>\$ 886,147</u>	<u>\$ 842,862</u>	<u>\$ 851,559</u>	<u>\$ 839,198</u>	<u>\$ 860,950</u>	<u>\$ 892,915</u>
Total net debt applicable to the limit as a percentage of debt limit	0.41%	7.39%	7.63%	7.81%	7.32%	10.71%	11.85%	14.84%	13.85%	13.60%

Source: County of Pitt Comprehensive Annual Financial Report for the year ended June 30, 2019

Pitt County Board of Education, North Carolina
Outstanding Debt – Installment Purchase Agreements Future Minimum Payments
Unaudited
Table 18

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement with State approved vendors at total payments less than the purchase price. The future minimum payments of all installment purchases as of June 30, 2019 are as follows:

	Initial contract year			Totals
	FYE 2017	FYE 2018	FYE 2019	
Total buses purchased	31	12	1	44
Total purchase price	\$ 2,668,482	\$ 1,039,107	\$ 87,144	\$ 3,794,733
Total payments 2016-2017	667,120	-	-	667,120
Total payments 2017-2018	667,120	259,778	-	926,898
Total payments 2018-2019	667,120	259,777	21,789	948,686
Total payments 2019-2020	667,122	259,776	21,785	948,683
Total payments 2020-2021	-	259,776	21,785	281,561
Total payments 2021-2022	-	-	21,785	21,785
Total payments	\$ 2,668,482	\$ 1,039,107	\$ 87,144	\$ 3,794,733

Pitt County Board of Education, North Carolina
Long-Term Debt Obligations – Installment Purchase and Capital Lease Agreements – Last Ten Fiscal Years
Unaudited
Table 19

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Installment purchases:										
Beginning balance	\$ 1,592,967	\$ 1,111,237	\$ 775,494	\$ 1,399,108	\$ 505,684	\$ 319,556	\$ 414,325	\$ 520,024	\$ 2,230,383	\$ 2,134,494
Increase	528,510	1,022,477	1,011,361	-	88,953	574,016	501,033	2,668,482	1,039,107	909,274
Decrease	(1,010,240)	(1,358,220)	(387,747)	(893,424)	(275,081)	(479,247)	(395,334)	(958,123)	(1,134,996)	(1,139,124)
Ending Balance	\$ 1,111,237	\$ 775,494	\$ 1,399,108	\$ 505,684	\$ 319,556	\$ 414,325	\$ 520,024	\$ 2,230,383	\$ 2,134,494	\$ 1,904,644
Debt outstanding as % of personal income	0.656%	0.455%	0.811%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: N/A = Information not yet available

Pitt County, North Carolina
Principal Employers – Most Current Year and Nine Years Ago
Unaudited
Table 20

	2018-2019 (1)			2009-2010 (2)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Vidant Medical Center	6,406	1	6.79%	7,373	1	10.28%
East Carolina University	5,672	2	6.01%	5,253	2	7.32%
Pitt County Schools	3,699	3	3.92%	3,111	3	4.34%
Patheon, Inc.	1,261	4	1.34%	1,100	5	1.53%
Hyster-Yale	1,226	5	1.30%	900	4	1.25%
City of Greenville	1,180	6	1.25%	743	9	1.04%
County of Pitt	1,071	7	1.14%	968	6	1.35%
Alliance One	850	8	0.90%	850	7	1.18%
Pitt Community College	805	9	0.85%	861	8	1.20%
ASMO	722	10	0.77%			
The Roberts Company				500	10	0.70%

Source: (1) Pitt County Industrial Development Commission
(2) 2010 Pitt County CAFR Financial Services Department

Pitt County Board of Education, North Carolina
Full-Time-Equivalent Board Employees by Type – Last Ten Fiscal Years

Unaudited
Table 21

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Percent Change 2010-2019
Supervisory											
Senior Administrators	19	13	15	17	16	16	15	16	16	18	-5.26%
Principals	33	33	33	34	33	32	35	36	36	37	12.12%
Assistant Principals	41	41	39	42	46	48	44	44	48	44	7.32%
Total Supervisory	93	87	87	93	95	96	94	96	100	99	6.45%
Instruction											
Elementary Teachers	704	715	736	733	748	745	732	726	730	772	9.66%
Secondary Teachers	372	370	369	361	353	357	362	365	351	364	-2.15%
Other Teachers	477	472	443	455	445	460	467	451	420	398	-16.56%
Teacher Assistants	459	465	399	425	414	409	392	366	352	354	-22.88%
Total Instructional	2,012	2,022	1,947	1,974	1,960	1,971	1,953	1,908	1,853	1,888	-6.16%
Student Services											
Guidance	67	64	64	65	69	68	68	69	65	68	1.49%
Psychological	24	15	13	14	10	7	8	10	10	8	-66.67%
Librarians	36	35	34	35	33	34	35	35	35	33	-8.33%
Other Professionals	78	82	81	82	83	76	74	82	67	89	14.10%
Total Student Services	205	196	192	196	195	185	185	196	177	198	-3.41%
Support and Administration											
Technicians	13	10	10	14	14	14	14	14	13	15	15.38%
Clerical, Secretarial	153	160	157	162	158	162	158	161	160	162	5.88%
Service Workers	429	316	299	310	301	329	325	313	289	293	-31.70%
Skilled Crafts	42	42	42	45	43	42	43	39	38	38	-9.52%
Laborers, Unskilled	23	22	20	20	23	21	19	17	15	13	-43.48%
Total Support and Admin	660	550	528	551	539	568	559	544	515	521	-21.06%
Total	2,970	2,855	2,754	2,814	2,789	2,820	2,791	2,744	2,645	2,706	-8.89%

Source: North Carolina Public Schools, Statistical Profile
Pitt County Board of Education Finance department

Pitt County, North Carolina
Full-Time-Equivalent County Government Employees by Function – Last Ten Fiscal Years
Unaudited
Table 22

Function/Program	Full-time Equivalent Employees as of June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	143.50	138.00	128.60	123.00	123.00	122.00	121.50	121.50	121.00	121.00
Public safety	399.75	426.50	383.50	382.50	389.00	393.25	406.38	409.37	413.75	420.50
Social services	234.00	229.00	233.30	226.30	258.00	259.00	271.50	276.50	283.50	291.50
Economic and physical development	21.35	20.35	39.35	30.60	30.60	24.35	23.98	22.98	24.85	25.85
Environmental protection	21.75	21.75	22.25	25.25	26.25	26.25	27.00	27.00	27.00	28.00
Health	137.90	138.90	130.55	120.65	119.65	121.65	125.40	128.65	127.40	130.20
Veteran's Services	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Total	960.25	976.50	939.55	910.30	948.50	949.50	978.76	989.00	1,000.50	1,020.05

Source: Pitt County Financial Services Department

Note: This schedule represents number of persons employed as of June 30 of each year.
 Full time personnel work 2,080 hours per year (less vacation and sick leave).

Pitt County Board of Education, North Carolina
Pupils in Membership by Ethnic Origin and Sex – Last Ten Fiscal Years
Unaudited
Table 23

Year Ended June 30,	American Indian			Hawaiian Pacific			Asian			Hispanic			Black			White			Multi-Racial			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
2010	18	25	43	6	2	8	167	151	318	904	829	1,733	5,687	5,616	11,303	4,616	4,342	8,958	332	338	670	11,730	11,303	23,033
2011	24	25	49	7	2	9	182	156	338	939	855	1,794	5,768	5,596	11,364	4,732	4,315	9,047	337	337	674	11,989	11,286	23,275
2012	28	27	55	7	1	8	158	144	302	1,083	1,060	2,143	5,722	5,565	11,287	4,735	4,222	8,957	320	311	631	12,053	11,330	23,383
2013	27	21	48	5	3	8	153	155	308	1,183	1,126	2,309	5,730	5,503	11,233	4,687	4,201	8,888	349	355	704	12,134	11,364	23,498
2014	24	25	49	15	3	18	174	165	339	1,328	1,227	2,555	5,731	5,619	11,350	4,571	4,188	8,759	400	404	804	12,243	11,631	23,874
2015	25	26	51	7	6	13	156	186	342	1,310	1,246	2,556	5,815	5,610	11,425	4,581	4,069	8,650	417	387	804	12,311	11,530	23,841
2016	23	26	49	5	6	11	168	180	348	1,337	1,272	2,609	5,744	5,571	11,315	4,402	3,924	8,326	428	388	816	12,107	11,367	23,474
2017	25	26	51	11	7	18	173	180	353	1,396	1,323	2,719	5,628	5,403	11,031	4,405	3,969	8,374	472	414	886	12,110	11,322	23,432
2018	25	24	49	12	11	23	178	183	361	1,406	1,306	2,712	5,541	5,403	10,944	4,452	3,969	8,421	518	442	960	12,132	11,338	23,470
2019	29	19	48	15	10	25	182	168	350	1,505	1,391	2,896	5,245	5,101	10,346	4,371	3,960	8,331	802	711	1,513	12,149	11,360	23,509

Source: North Carolina Public Schools, Statistical Profile
Pitt County Board of Education Student Services department

Note: This schedule represents school membership reported by race/ethnic origin as of the end of the first school month which is the only month this data is collected. These figures should not be confused with average daily membership (ADM).

Pitt County Board of Education, North Carolina
Teacher Salaries – Last Ten Fiscal Years
Unaudited
Table 24

<u>Fiscal Year</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
2010	30,430	67,250	40,698
2011	30,430	67,250	40,698
2012	30,430	67,250	40,698
2013	30,800	68,050	41,186
2014	30,800	68,050	41,681
2015	33,000	69,452	43,342
2016	35,000	66,000	44,299
2017	35,000	67,716	47,143
2018	35,000	65,006	49,594
2019	35,000	63,530	47,028

Source: Pitt County Board of Education Finance department
State of North Carolina teacher salary schedule

Note: Teacher salary information presented above does not include
North Carolina longevity for years of service or locally paid
teacher supplement

Pitt County, North Carolina
Demographic and Economic Statistics – Last Ten Calendar Years
Unaudited
Table 25

Calendar Year	Population (a)	Personal Income (thousands of dollars) (b)	Per Capita Personal Income (b)	Public School Enrollment(c)	Unemployment Rate (d)
2010	158,575	5,400,169	32,001	22,342	10.1%
2011	169,378	5,620,218	32,841	22,750	10.8%
2012	170,263	6,167,597	35,743	22,825	9.6%
2013	172,569	5,965,589	34,216	22,981	6.5%
2014	173,938	6,209,314	35,410	23,369	6.3%
2015	174,424	6,513,624	37,042	23,613	5.7%
2016	175,532	6,724,276	37,943	23,239	5.3%
2017	175,885	7,143,838	39,900	23,224	4.1%
2018	176,424	7,143,838	39,900	23,461	4.2%
2019	178,440	N/A	N/A	23,301	3.9%

Sources: (a) Provided by the North Carolina Office of State Budget and Management.
(b) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year
(c) N.C. Department of Public Instruction, Final Month Average Daily Membership
(d) N. C. Employment Security Commission, Annual Average for prior calendar year.

Note: N/A = Information not yet available

Pitt County Board of Education, North Carolina
Operating Statistics – Last Ten Fiscal Years
Unaudited
Table 26

Fiscal Year	Final ADM(a)	Percentage Change in Final ADM	Operating Expenditures	Cost per Pupil	State Average(b)	Teaching Staff(b)	Pupil-Teacher Ratio	Students Receiving Free or Reduced Meals	Transportation of Pupils- Public School Buses Number of Student Riders(b)	Transportation of Pupils- Public School Buses Number of Miles Transported(b)
2010	22,342	-2.26%	192,231,749	8,604	8,451	1,553	14.39	11,692	12,508	2,417,624
2011	22,750	1.83%	198,192,029	8,712	8,414	1,557	14.61	13,612	12,656	2,613,766
2012	22,825	0.33%	192,671,875	8,441	8,436	1,548	14.74	13,908	12,712	2,706,317
2013	22,981	0.68%	197,491,879	8,594	8,514	1,549	14.84	13,828	12,739	2,687,564
2014	23,369	1.69%	194,852,475	8,338	8,605	1,546	15.12	14,020	12,803	2,714,440
2015	23,613	1.04%	208,668,969	8,837	8,776	1,562	15.12	13,945	12,848	2,701,919
2016	23,239	-1.58%	213,035,552	9,167	8,776	1,548	15.01	14,848	12,794	2,964,147
2017	23,224	-0.06%	204,910,197	8,823	9,172	1,542	15.06	15,039	12,688	2,859,759
2018	23,259	0.15%	213,189,099	9,166	9,478	1,501	15.50	12,507	12,992	2,902,807
2019	23,228	-0.13%	223,889,379	9,639	10,179	1,534	15.14	13,094	12,958	2,843,701

Source: (a) North Carolina Public Schools, Statistical Report final ADM
Pitt County Board of Education Student Services department
(b) North Carolina Public Schools, Statistical Profile
Pitt County Board of Education Finance department

Note: Operating expenditures exclude individual schools and capital outlay

Pitt County Board of Education, North Carolina
Governmental and Proprietary Funds Expenditures by Function – Last Ten Fiscal Years
Unaudited
Table 27

Fiscal Year Ended June 30	Instructional Programs	Supporting Services	Ancillary Services	Non- Programmed Charges	Capital Outlay	Child Nutrition	Debt Service	Total
2010	145,293,846	34,176,694	1,618,540	381,698	18,730,192	9,750,731	1,010,240	210,961,941
2011	149,922,134	34,899,106	1,368,803	362,735	26,088,622	10,281,031	1,358,220	224,280,651
2012	147,284,100	33,036,357	1,436,753	144,066	7,654,542	10,382,852	387,747	200,326,417
2013	151,607,554	32,221,018	1,278,433	248,936	1,068,827	11,242,514	893,424	198,560,706
2014	147,998,186	33,394,240	1,213,309	381,863	1,181,994	11,589,796	275,081	196,034,469
2015	162,239,824	33,044,895	1,117,409	422,898	2,458,915	11,280,624	563,319	211,127,884
2016	166,113,909	33,509,105	1,103,977	396,507	2,122,518	11,432,648	479,406	215,158,070
2017	160,572,515	34,281,112	994,584	276,859	14,457,458	10,772,726	1,042,195	222,397,449
2018	167,312,745	37,493,870	1,037,697	582,236	12,429,775	10,959,869	1,219,068	231,035,260
2019	180,728,879	38,371,735	996,275	853,016	5,075,009	11,122,647	1,156,547	238,304,108

Note: Excludes individual schools and on behalf payments to the County

Pitt County Board of Education, North Carolina
Food Service Revenues – Last Ten Fiscal Years
Unaudited
Table 28

Fiscal Year	Operating Revenue	Nonoperating Revenue				Total Revenues	Revenue per Pupil
	Food Sales	Federal Reimbursements	Federal Commodities	State Reimbursements	Investment Earnings		
2010	3,769,046	6,581,554	486,218	57,936	4,985	10,899,739	488
2011	3,372,698	7,072,537	650,429	61,254	7,242	11,164,160	491
2012	3,041,394	7,459,459	519,103	11,738	6,692	11,038,386	484
2013	2,949,144	7,884,280	562,321	14,326	15,722	11,425,793	497
2014	2,760,616	8,032,470	618,432	15,059	16,532	11,443,109	490
2015	2,089,961	8,433,372	622,830	13,473	19,757	11,179,393	473
2016	1,788,677	8,834,777	715,499	13,544	25,181	11,377,678	490
2017	1,481,042	8,765,225	754,017	10,713	35,379	11,046,376	476
2018	1,299,271	9,087,874	758,535	10,026	51,300	11,207,006	478
2019	1,223,441	9,260,623	719,152	6,685	86,738	11,296,639	485

Source: Pitt County Board of Education Finance department

Pitt County Board of Education, North Carolina
Food Service Revenues Rates – For the Current Fiscal Year
Unaudited
Table 29

Revenue Source	Rates per Person										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Student Meals											
Breakfast Paid	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Breakfast Reduced	0.30	0.30	0.30	0.30	0.30	-	-	-	-	-	-
Lunch Paid	2.00	2.00	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.35
Lunch Reduced	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Catered Meals											
Entree excluding prime rib	6.00 - 8.50	6.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50	7.00 - 8.50
Prime rib entrée	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50	10.50 - 12.50
Entrée accompaniments (choice of two)	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Dessert (choice of one)	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Beverage	1.00	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25
Catered Reception and Snack Menu											
Heavy Hors D'oervres	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sweet and salty	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Fruit and vegetables	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Beverage	0.50	0.50	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25
Catered Breakfast											
Entrée	3.50 - 4.50	3.50 - 4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Accompaniments (choice of two)	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Pastries	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Beverage	0.60	0.60	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25	.50 - 1.25

Source: Pitt County Schools Food Service department

Pitt County Board of Education, North Carolina
School Building Information – For the Current Fiscal Year
Unaudited
Table 30

School	Square Feet(a)	Modular Classrooms	Capacity	Enrollment(b)	% of Capacity
Elementary					
Ayden	71,022	0	654	642	98.17%
Belvoir	51,952	1	591	401	67.85
Bethel	76,635	0	456	288	63.16
Chicod	158,437	1	988	913	92.41
Creekside	76,127	6	569	637	111.95
Eastern	86,120	2	654	717	109.63
Elmhurst	51,559	0	430	441	102.56
Falkland	49,473	4	404	244	60.40
G.R. Whitfield	80,243	1	540	474	87.78
Grifton	70,987	3	626	414	66.13
H.B. Sugg	85,989	0	434	393	90.55
Northwest	133,899	6	831	778	93.62
Pactolus	85,254	0	534	376	70.41
Ridgewood	91,404	2	650	522	80.31
Lakeforest	88,471	2	643	801	124.57
Sadie Saulter	70,454	0	336	311	0.00
Sam Bundy	35,857	0	429	425	99.07
South Greenville	52,366	1	363	299	82.37
Stokes	47,639	0	394	239	60.66
Wahl-Coates	63,240	4	490	401	81.84
W.H. Robinson	80,265	0	687	643	93.60
Wintergreen Intermediate	97,157	1	816	797	97.67
Wintergreen Primary	101,944	3	642	754	117.45
Middle					
A.G. Cox	100,823	6	800	819	102.38
Ayden	63,758	0	384	412	107.29
C.M. Eppes	86,724	1	648	627	96.76
E.B. Aycock	110,207	0	782	753	96.29
Farmville	80,120	0	715	633	88.53
Hope	109,644	0	774	849	109.69
Wellcome	73,736	0	466	416	89.27
High School					
Ayden Grifton	148,152	4	803	626	77.96
D.H. Conley	230,793	1	1,434	1,625	113.32
Early College	-	0	192	311	161.98
Farmville Central	158,615	0	985	782	79.39
J.H. Rose	273,703	0	1,799	1,435	79.77
Innovation Early College	-	0	54	106	196.30
North Pitt	162,053	1	1,333	759	56.94
South Central	256,701	0	1,720	1,567	91.10
	<u>3,661,523</u>	<u>50</u>	<u>26,050</u>	<u>23,630</u>	<u>90.71</u>

Source:

(a) Hite Associates architecture

(b) 2018-19 School Year Day 20 Enrollment Numbers



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COMPLIANCE SECTION



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**INDEPENDENT AUDITORS' 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**

To the Board of Education
Pitt County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Pitt 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 comprises the Pitt County Board of Education's basic financial statements, and have issued our report thereon dated December 27, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pitt County Board of Education's financial statements are free from 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*.

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.

Car, Riggs & Ingram, L.L.C.

Goldsboro, North Carolina
December 27, 2019



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB UNIFORM GUIDANCE AND THE STATE
SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of Education
Pitt County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Pitt County Board of Education, North Carolina's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Pitt County Board of Education's major federal programs for the year ended June 30, 2019. The Pitt County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Pitt 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, the 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 Pitt 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 Pitt County Board of Education's compliance.

Opinion on Each Major Federal Program

In our opinion, the Pitt 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 Pitt 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 Pitt 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Pitt County Board of Education's internal control over compliance.

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

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

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

Carri Riggs & Ingram, L.L.C.

Goldsboro, North Carolina
December 27, 2019



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To the Board of Education
Pitt County, North Carolina

Report on Compliance for Each Major State Program

We have audited the Pitt County Board of Education, North Carolina'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 Pitt County Board of Education's major state programs for the year ended June 30, 2019. The Pitt County Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Pitt 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 U.S. *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, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Pitt 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 Pitt County Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Pitt 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 state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Pitt 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 Pitt 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 the Pitt County Board of Education's internal control over compliance.

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

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

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

Carr, Riggs & Ingram, L.L.C.

Goldsboro, North Carolina
December 27, 2019

**Pitt County Board of Education, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal 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?	No
Significant deficiency(s) identified that are not considered to be material weaknesses?	None noted
Noncompliance material to financial statements noted?	No

Federal Awards:

Type of auditor's report issued on compliance for major federal programs:	Unmodified
Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified that are not considered to be material weaknesses?	None noted
Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR Part 200.516(a)	No

Identification of major federal programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.010	Title I Grants to Local Education Agencies
84.424	Student Support and Academic Enrichment Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$983,053
Auditee qualified as low-risk auditee?	Yes

**Pitt County Board of Education, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019**

State Awards

Internal control over major State programs:

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

Material weakness(es) identified? No

Significant deficiency(s) identified that are not considered to be
material weaknesses? None noted

Any audit findings disclosed that are required to be reported in
accordance with the State Single Audit Implementation Act No

Identification of major State programs

Name of State Program

State Public School Fund

CTE - State Months of Employment

NC Pre-Kindergarten Program

Pitt County Board of Education, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section II Financial Statement Findings

None Reported

Section III Federal Awards Findings and Questioned Costs

None Reported

Section IV State Awards Findings and Questioned Costs

None Reported

**Pitt County Board of Education, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2019**

Section II Financial Statement Findings

None Reported

Section III Federal Awards Findings and Questioned Costs

None Reported

Section IV State Awards Findings and Questioned Costs

None Reported

**Pitt County Board of Education, North Carolina
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2019**

Section II Financial Statement Findings

None Reported

Section III Federal Awards Findings and Questioned Costs

None Reported

Section IV State Awards Findings and Questioned Costs

None Reported

Pitt County Board of Education, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019
Page 1 of 3

<i>Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Pitt County Board of Education Expenditures</i>	<i>Subrecipient Expenditures</i>
<u>FEDERAL AWARDS:</u>				
<u>United States Department of Agriculture</u>				
<u>Child Nutrition Cluster</u>				
Non-cash assistance:				
National School Lunch Program	10.555	N.C. Department of Agriculture, PRC 035	\$ 719,152	\$ -
Total non-cash assistance			<u>719,152</u>	<u>-</u>
Child Nutrition Cluster:				
National School Lunch Program	10.555	N.C. Department of Public Instruction, PRC 035	9,005,013	-
Summer Food Service Program for Children	10.559	N.C. Department of Public Instruction, PRC 050	204,088	-
Total Child Nutrition Cluster			<u>9,209,101</u>	<u>-</u>
Fresh Fruit and Vegetable Program				
Fresh Fruit and Vegetable Program	10.582	N.C. Department of Public Instruction, PRC 035	51,522	-
Total United States Department of Agriculture			<u>9,979,775</u>	<u>-</u>
<u>United States Department of Defense</u>				
Reserve Officer Training Corps	12.U01		324,416	-
Total United States Department of Defense			<u>324,416</u>	<u>-</u>
<u>United States Department of Education</u>				
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	84.010	N.C. Department of Public Instruction, PRC 105	959,417	-
Title I Grants to Local Educational Agencies	84.010	N.C. Department of Public Instruction, PRC 050	8,900,587	-
Total Title I Grants to Local Educational Agencies			<u>9,860,004</u>	<u>-</u>
<u>Special Education Cluster</u>				
Special Education_Grants to States				
Special Education_Grants to States	84.173	N.C. Department of Public Instruction, PRC 049	150,037	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 119	2,875	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 118	21,335	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 060	5,088,625	-
Special Education_Grants to States	84.027	N.C. Department of Public Instruction, PRC 114	412,744	-
Total Special Education_Grants to States			<u>5,675,616</u>	<u>-</u>
Total Special Education Cluster			<u>5,675,616</u>	<u>-</u>
Career and Technical Education -- Basic Grants to States				
Career and Technical Education -- Basic Grants to States	84.048	N.C. Department of Public Instruction, PRC 017	417,041	-
Special Education - State Personnel Development				
Special Education - State Personnel Development	84.323	N.C. Department of Public Instruction, PRC 082	20,756	-

Pitt County Board of Education, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019
Page 2 of 3

<i>Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Pitt County Board of Education Expenditures</i>	<i>Subrecipient Expenditures</i>
FEDERAL AWARDS:				
Gaining Early Awareness and Readiness for Undergraduate Programs				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		85,604	-
English Language Acquisition State Grants				
English Language Acquisition State Grants	84.365	N.C. Department of Public Instruction, PRC 111	6,896	-
English Language Acquisition State Grants	84.365	N.C. Department of Public Instruction, PRC 104	128,070	-
Total English Language Acquisition State Grants			134,966	-
Improving Teacher Quality State Grants				
Improving Teacher Quality State Grants	84.367	N.C. Department of Public Instruction, PRC 103	826,224	-
Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)				
Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)	84.374		3,960,949	-
Student Support and Academics Enrichment Program	84.424	N.C. Department of Public Instruction, PRC 108	392,330	-
Total United States Department of Education			21,373,490	-
United States Department of Health and Human Services				
Medicaid Cluster				
Medical Assistance Program				
Medical Assistance Program - Medicaid Cluster	93.778	N.C. Department of Health and Human Services, PRC 305	1,090,747	-
Total United States Department of Health and Human Services			1,090,747	-
Total Expenditures of Federal Awards			32,768,428	-
STATE AWARDS:				
Cash assistance:				
North Carolina Department of Public Instruction				
State Public School Fund		XXXX	142,539,622	-
Driver Training - SPSF		PRC 012	430,037	-
School Technology Fund - SPSF		PRC 015	782,080	-
Vocational Education				
- State Months of Employment		PRC 013	7,213,628	-
- Program Support Funds		PRC 014	313,358	-
Total State Public School Fund			151,278,725	-
Security Equipment Grant		XXXX	50,000	-
Distinguished School Award		XXXX	12,500	-
Total North Carolina Department of Public Instruction			151,341,225	-
Passed-through Pitt County:				
Public School Building Capital Fund		PRC 074	2,110,661	-
Reimbursement for kindergarten breakfast		XXXX	6,685	-

Pitt County Board of Education, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019
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<i>Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Pitt County Board of Education Expenditures</i>	<i>Subrecipient Expenditures</i>
STATE AWARDS:				
<u>North Carolina Department of Health and Human Services</u>				
NC Pre-Kindergarten Program		XXXX	2,990,622	979,549
Autism Grant		XXXX	150,940	-
<u>North Carolina Department of Agriculture</u>				
Education Grant		XXXX	2,453	-
Non-cash assistance:				
<u>North Carolina Department of Public Instruction</u>				
School Buses Appropriation		PRC 120	969,609	-
Total Expenditures of State Awards			157,572,195	979,549
Total Expenditures of Federal and State Awards			\$ 190,340,623	\$ 979,549

Pitt County Board of Education, North Carolina
Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019

Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Pitt 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 Schedule presents only a selected portion of the operations of Pitt County Board of Education, it is not intended to and does not present the financial position, changes in net position, or cash flows of Pitt County Board of Education.

Summary of Significant Accounting Policies

Basis of Accounting: 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 reimbursement.

Indirect Cost Rate: Pitt County Board of Education has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Loans: Pitt County Board of Education did not expend federal or State awards related to loans or loan guarantees during the fiscal year ended June 30, 2019.

Noncash Assistance: Pitt County Board of Education did receive commodities for the fiscal year ended June 30, 2019 from the US Department of Agriculture CFDA# 10.565 in the amount of \$719,152. The value of noncash assistance is the fair value of the noncash items as established by the grantor.

Federally Funded Insurance: Pitt County Board of Education has no federally funded insurance.

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

- School Nutrition Cluster