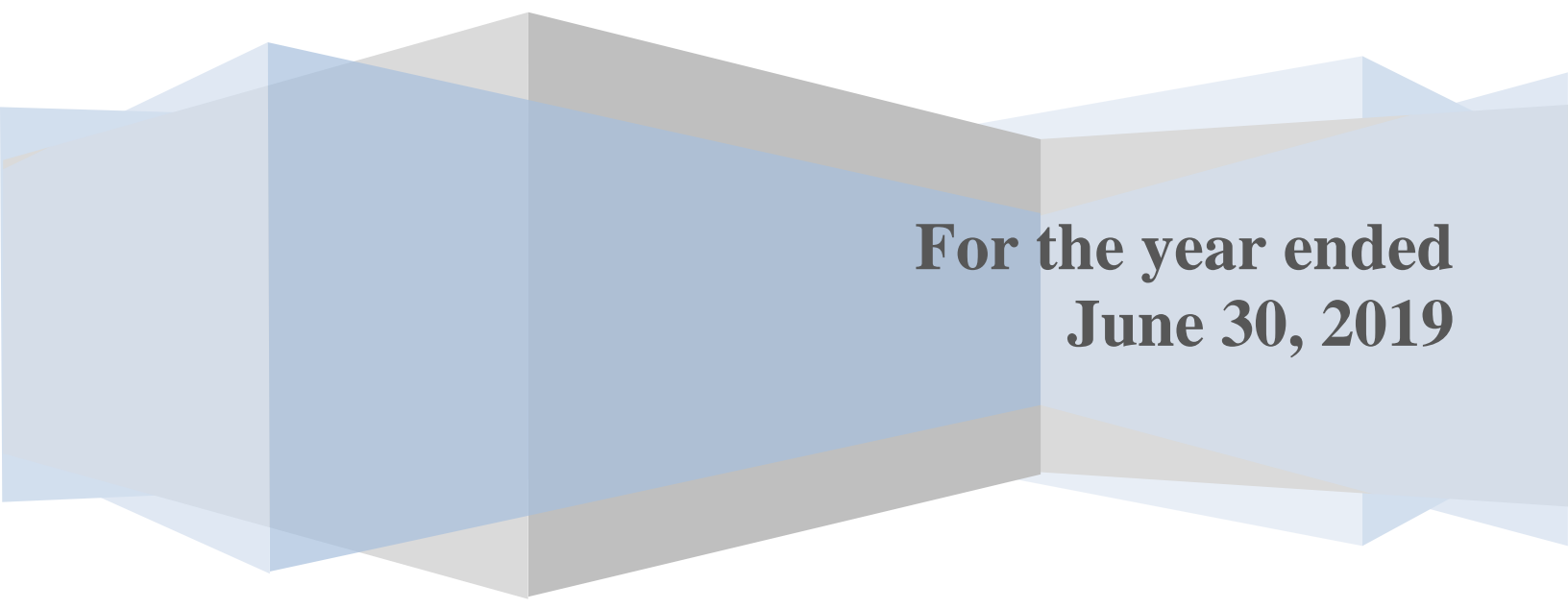


Wayne County Board of Education Audit Report Summary



**For the year ended
June 30, 2019**

Services Performed

- Annual audit of financial statements
- Compliance audit in accordance with OMB Uniform Guidance and the State Single Audit Implementation Act
- Assistance with the preparation of the Financial Statements
- Report to management on observations and recommendations for improvements
- Consultation on accounting matters as requested

Auditor Independence

Auditor independence is assessed in accordance with Government Auditing Standards. Government Auditing Standards, 2011 Revision (2011 Yellowbook) states that an audit organization or the individual auditor must be independent. Independence includes both independence of mind and independence in appearance. No events have occurred to impair our independence during the current year audit.

Opinions

Basic Financial Statements

We expressed an **unmodified opinion** on the fair presentation of the basic financial statements.

Major Programs

We expressed **unmodified opinions** based on compliance requirements that could have a direct and material effect on the major federal and State programs:

Federal:

Title I – Grants to Local Education
School Improvement Cluster

State:

State Public School Fund
Career and Technical Education – State: Months of Employment
School Technology Fund
NC Pre-Kindergarten Program
Buses (noncash)

Required Supplementary Information

Required Supplementary Information consists of:

- Management Discussion and Analysis
- Schedule of the Board's Proportionate Share of the Net Pension Liability
- Schedule of the Board's Proportionate Share of the Net OPEB Asset/Liability – Retiree Health Benefit Fund
- Schedule of the Board's Proportionate Share of the Net OPEB Asset/Liability – Disability Income of North Carolina
- Schedules of Board Contributions



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Opinions (Continued):

We applied certain limited procedures on the required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Individual Fund Schedules

We were engaged to report on the individual fund schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Deficiencies and Recommendations:

Material Weakness

None noted

Significant Deficiencies

Finding 2019-001: Budget over Actual

Other Finding:

Finding 2019-002: State Public School Fund – payroll allocation

Other Recommendations:

Journal Entries – We recommend that management implement procedures to ensure journal entries are approved by an individual separate from the individual recording the manual adjustment to ensure proper segregation of duties is maintained.

Accounts Receivable – We recommend that management implement procedures to ensure reconciliations of receivables are performed on a timely basis to ensure proper reporting of receivable balance.



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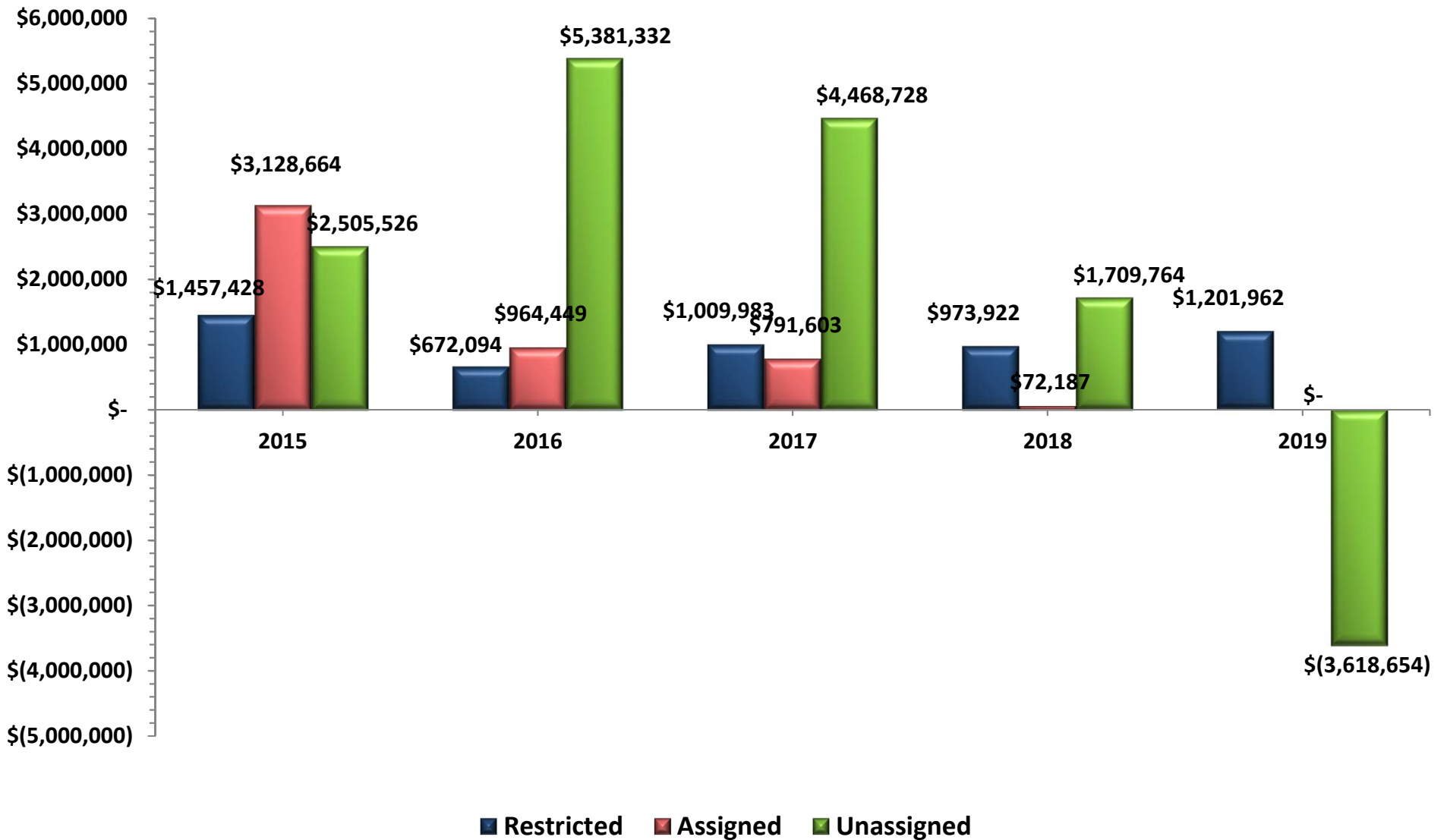
WAYNE COUNTY BOARD OF EDUCATION
TRENDS
JUNE 30, 2019

WAYNE COUNTY BOARD OF EDUCATION

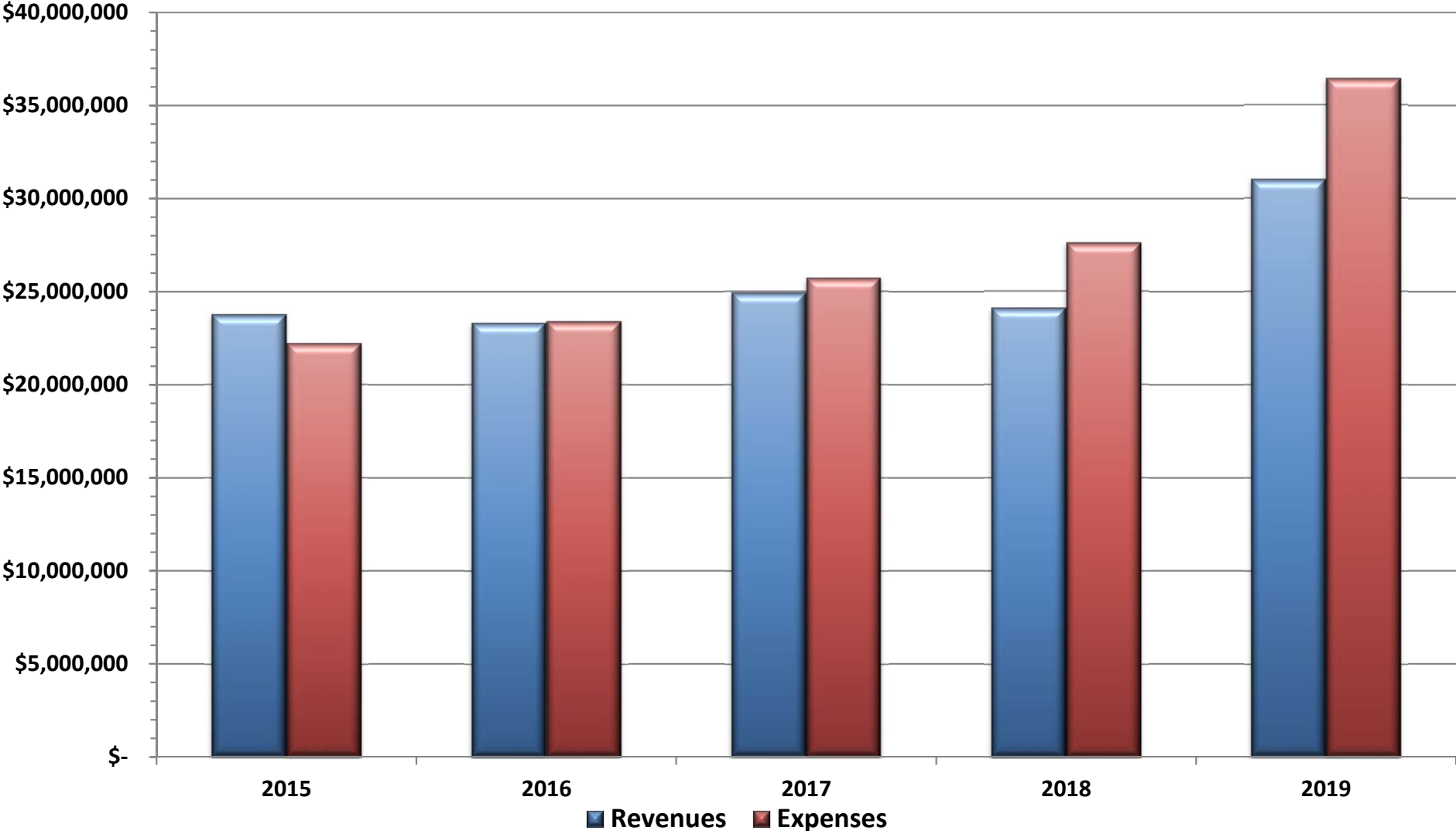
GENERAL FUND

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Fund Balance					
Restricted	\$ 1,457,428	\$ 672,094	\$ 1,009,983	\$ 973,922	\$ 1,201,962
Assigned	\$ 3,128,664	\$ 964,449	\$ 791,603	\$ 72,187	\$ -
Unassigned	\$ 2,505,526	\$ 5,381,332	\$ 4,468,728	\$ 1,709,764	\$ (3,618,654)
	<u>\$ 7,091,618</u>	<u>\$ 7,017,875</u>	<u>\$ 6,270,314</u>	<u>\$ 2,755,873</u>	<u>\$ (2,416,692)</u>
	2015	2016	2017	2018	2019
Revenues	\$ 23,759,391	\$ 23,319,501	\$ 24,943,935	\$ 24,109,025	\$ 31,036,580
Expenses	\$ 22,205,598	\$ 23,393,244	\$ 25,722,158	\$ 27,600,420	\$ 36,430,640
Excess (Deficit)	<u>\$ 1,553,793</u>	<u>\$ (73,743)</u>	<u>\$ (778,223)</u>	<u>\$ (3,491,395)</u>	<u>\$ (5,394,060)</u>

WAYNE COUNTY BOARD OF EDUCATION Fund Balance - General Fund



**WAYNE COUNTY BOARD OF EDUCATION
Revenues and Expenses - General Fund**



WAYNE COUNTY BOARD OF EDUCATION, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances

	General Fund							
	2019	% Change	2018		2017		2016	% Change
REVENUES:								
State of North Carolina	\$ 1,017,503	0.570%	\$ 1,011,738	0.532%	\$ 1,006,385	1.365%	\$ 992,831	2.485%
Wayne County	19,835,580	0.099%	19,816,052	1.540%	19,515,456	-0.626%	19,638,349	1.004%
U.S. Government	1,755,356	50.257%	1,168,232	-50.694%	2,369,354	71.292%	1,383,225	26.903%
Other	1,836,977	-13.063%	2,113,003	2.936%	2,052,740	57.287%	1,305,096	40.754%
Total revenues	24,445,416	1.395%	24,109,025	-3.347%	24,943,935	6.966%	23,319,501	4.828%
EXPENDITURES:								
Instructional services:								
Regular instructional	7,258,203	-1.684%	7,382,489	48.978%	4,955,423	-10.748%	5,552,175	30.727%
Special populations	1,251,068	31.235%	953,307	-60.638%	2,421,894	161.502%	926,147	35.083%
Alternative programs	1,500,140	6.110%	1,413,763	4.014%	1,359,206	11.397%	1,220,146	22.948%
School leadership	1,023,760	91.169%	535,525	-0.596%	538,738	4.340%	516,329	98.277%
Co-curricular	1,046,473	1.532%	1,030,684	7.724%	956,785	18.794%	805,417	29.929%
School-based support	805,219	7.805%	746,925	22.678%	608,848	-13.611%	704,777	14.252%
System-wide support services:								
Support and development	1,077,298	96.306%	548,786	54.797%	354,519	29.482%	273,798	293.465%
Special population support and development	15,782	-86.732%	118,951	2318.195%	4,919	-28.461%	6,876	129.523%
Alternative programs, services support and development	4,383		-	-100.000%	16,195	-32.605%	24,030	-81.760%
Technology support	516,802	445.668%	94,710	172.531%	34,752	-794.623%	(5,003)	-10429.842%
Operational support	10,977,140	-1.954%	11,195,858	2.687%	10,902,938	6.537%	10,233,917	7.262%
Financial and human resource	782,150	14.382%	683,806	16.938%	584,760	97.437%	296,176	164.083%
Accountability services	15,287		-		-		-	
System-wide pupil support	-		-	0.000%	-	-100.000%	3,987	-100.000%
Policy, leadership and public relations	1,492,754	66.773%	895,082	21.837%	734,657	-14.795%	862,224	73.128%
Ancillary services	-		-	-100.000%	3,887	-29.468%	5,511	-100.000%
Non-programmed charges	1,208,627	18.509%	1,019,865	4.271%	978,088	6.827%	915,581	32.007%
Debt service:								
Principal	6,871,709	1091.226%	576,860	-11.808%	654,096	28.596%	508,645	1250.983%
Interest	410,036	1.542%	403,809	-5.598%	427,753	-2.356%	438,076	-6.401%
Capital outlay:								
Buildings	-		-		-		-	
Furniture and equipment	84,711		-	-100.000%	15,000	-85.637%	104,435	-18.886%
Buses and motor vehicles	86,565		-		169,700		-	
	-		-		-		-	
Total expenditures	36,428,107	31.984%	27,600,420	7.302%	25,722,158	9.955%	23,393,244	28.790%
Revenues over (under) expenditures	(11,982,691)	243.206%	(3,491,395)	348.637%	(778,223)	955.318%	(73,743)	24692.443%
OTHER FINANCING SOURCES (USES):								
Refinance of long-term debt	6,456,991		-		-		-	
Insurance proceeds	134,173		-		-		-	
Disposal of capitalized assets	-		-		-		-	
Transfers from General Fund	(2,533)		-		-		-	
Transfers to County for debt repayment	-		-		-		-	
Total other financing sources (uses)	6,588,631		-		-		-	
Net change in fund balance	(5,394,060)		(3,491,395)		(778,223)		(73,743)	
FUND BALANCES:								
Beginning of year	2,755,873		6,280,314		7,017,875		7,091,618	
Increase in reserve for inventories	221,495		(33,046)		40,662		-	
End of year	\$ (2,416,692)		\$ 2,755,873		\$ 6,280,314		\$ 7,017,875	

WAYNE COUNTY BOARD OF EDUCATION

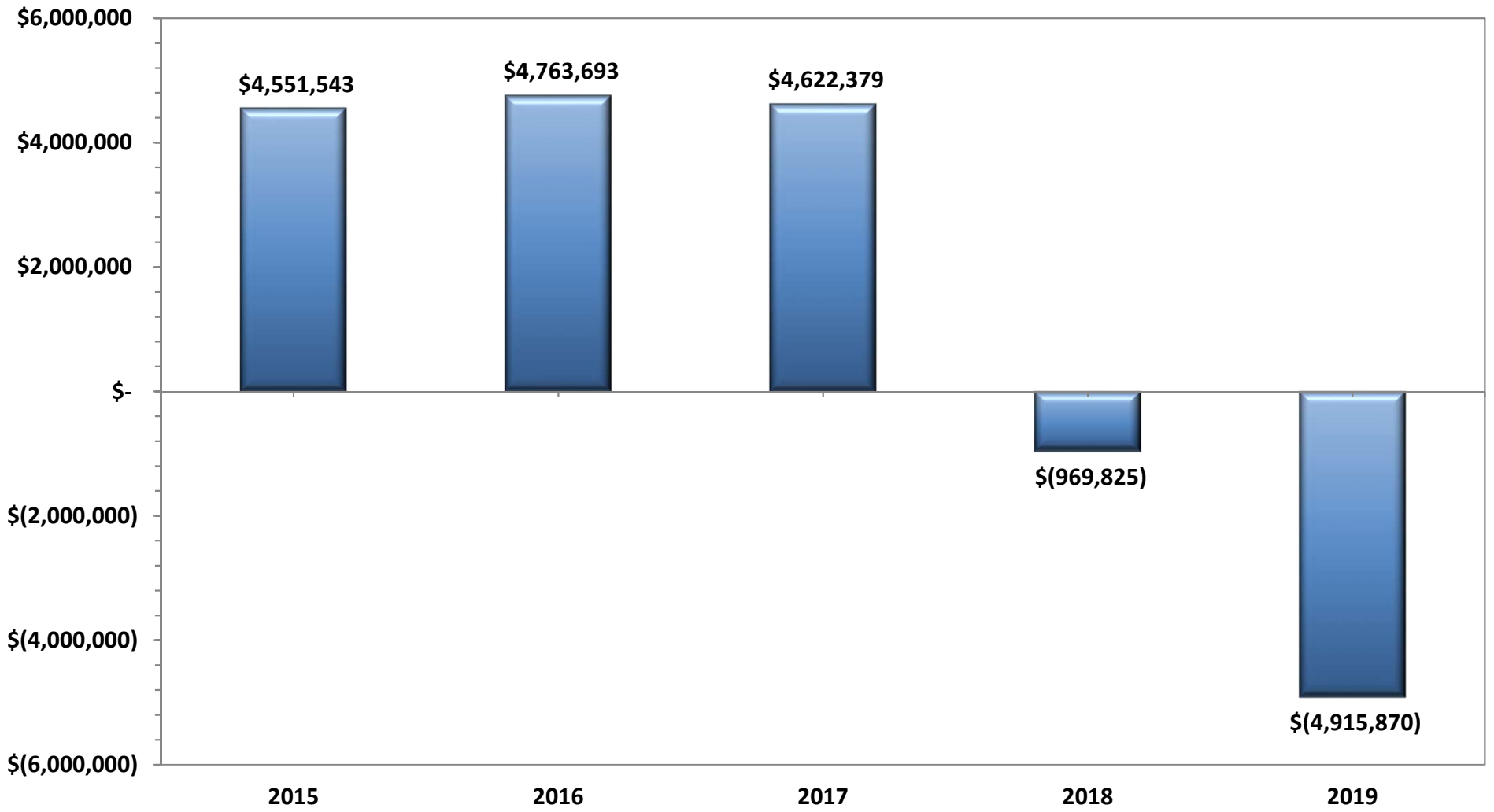
State and Federal Revenues

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
State Funding	\$ 111,569,039	\$ 113,023,758	\$ 116,953,059	\$ 119,161,999	\$ 125,182,586
Federal Funding	<u>13,885,599</u>	<u>14,345,260</u>	<u>13,801,723</u>	<u>12,864,555</u>	<u>14,921,146</u>
Total	<u>\$ 125,454,638</u>	<u>\$ 127,369,018</u>	<u>\$ 130,754,782</u>	<u>\$ 132,026,554</u>	<u>\$ 140,103,732</u>

WAYNE COUNTY BOARD OF EDUCATION
SCHOOL FOOD SERVICE FUND

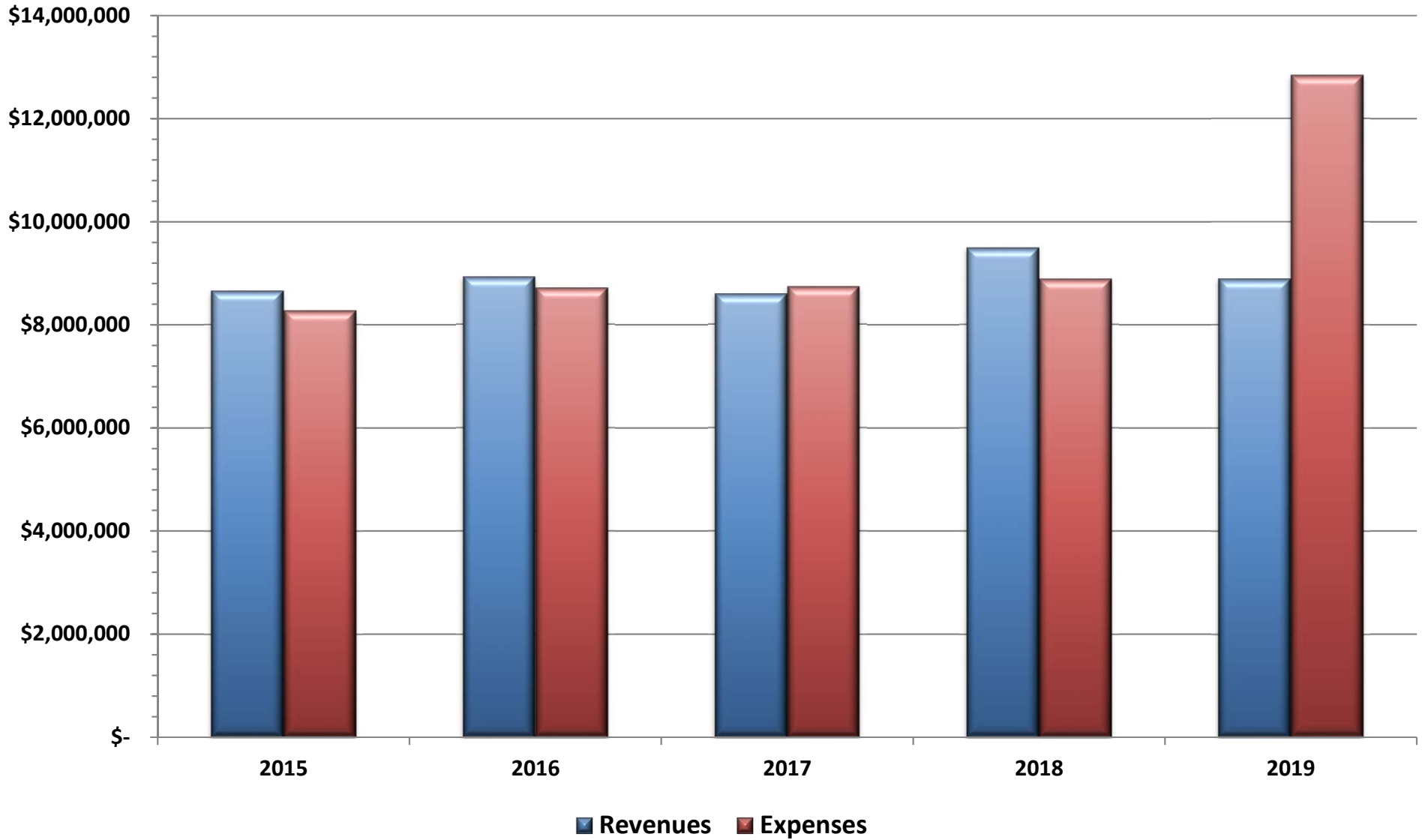
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Net Position	\$ 4,551,543	\$ 4,763,693	\$ 4,622,379	\$ (969,825)	\$ (4,915,870)
	2015	2016	2017	2018	2019
Revenues	\$ 8,660,360	\$ 8,925,181	\$ 8,595,414	\$ 9,490,660	\$ 8,899,605
Expenses	\$ 8,276,717	\$ 8,713,031	\$ 8,736,728	\$ 8,890,357	\$ 12,845,650
	\$ 383,643	\$ 212,150	\$ (141,314)	\$ 600,303	\$ (3,946,045)

**WAYNE COUNTY BOARD OF EDUCATION
Net Position - School Food Service Fund**



WAYNE COUNTY BOARD OF EDUCATION

Revenues and Expenses - School Food Service Fund



CONCLUSION

Contact:

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Rives & Associates, LLP

Certified Public Accountants and Business Consultants