



BERTIE COUNTY

106 DUNDEE STREET
POST OFFICE BOX 530
WINDSOR, NORTH CAROLINA
27983
(252) 794-5300
FAX: (252) 794-5327
WWW.CO.BERTIE.NC.US

BOARD OF COMMISSIONERS

JOHN TRENT, Chairman
ERNESTINE (BYRD) BAZEMORE, Vice Chairman
RONALD "RON" WESSON
TAMMY A. LEE
STEWART WHITE

October 7, 2016

Ms. Sharon Edmundson, Director
Fiscal Management Section—State and Local Government Finance Division
Department of State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604

Mr. Philip Price, Chief Financial Officer
Financial and Business Services
Department of Public Instruction
6334 Mail Service Center
Raleigh, NC 27699-6334

Re: Bertie County Schools fiscal review

Dear Ms. Edmundson and Mr. Price:

At its regular meeting on October 6, the Board of Commissioners reviewed and discussed recent financial information received from the Bertie County Board of Education, which it finds very troubling and disconcerting.

On August 24, the Board of Commissioners heard a report from the Board of Education Chairman, Vice Chairman, and the Interim Superintendent regarding a projected budget shortfall of approximately \$500,000 for the fiscal year 2016-2017.

As of the date of this correspondence, the County Finance Officer has not received the budget resolution from the school system as required under NCGS 115C-432(d) and would provide a more complete overview of the budget.

The Board of Commissioners held a work session on September 14, to discuss the school system's budget shortfall and reviewed various conditions under which the governing body may appropriate monthly operating subsidies to assist the Board of Education to include, but not limited to the consolidation of campuses, and the joint use, operation and ownership of the school bus maintenance facility and bulk fuel depot for gasoline and diesel fuel and was offered as a partnership agreement proposal.

Page Two

The Board of Commissioners and the Board of Education met in a joint meeting on September 26, and the governing body learned that in addition to the projected \$500,000 budget short fall for the current year, auditors had determined that the estimated current fund balance for the school system is approximately \$85,000. The reported fund balance for the fiscal year ended June 30, 2015 is \$643,139.

The Board of Commissioners has invested significant local funds to support the school system and of the FY 2016-2017 total General Fund budget of \$26,165,085 there is an appropriation of \$5,556,348 for Bertie County Schools. \$3,003,000 is provided for school current expense funding, and \$375,000 is appropriated for school capital outlay. School debt service obligations total \$1,968,348 per year and \$210,000 is set aside for school capital reserve.

Enrollment as of September 10, 2016 reported by the Board of Education is 2,193 which reflects a reduction of 447 students from the ADM planning allotment of 2,640 received in April of this year.

The governing body is very concerned that there must be immediate action taken to address this fiscal predicament, and ensure that safeguards are established to prevent the situation from worsening.

The governing body has been advised by the County's budget officer that NCGS 115C-429(d) provides that there is no duty on the Board of Commissioners to fund a deficit incurred by the local school administrative unit through failure of the unit to comply with provisions of this Article.

By unanimous vote, the Board of Commissioners approved a motion directing the County Attorney to contact the school system's legal counsel, seeking an immediate presentation by the audit firm reviewing the fiscal year ended June 30, 2016. The governing body's motion also included preparation of correspondence to the NC Local Government Commission and the Department of Public Instruction, seeking your guidance, oversight and review of the Bertie County Board of Education's fiscal operation.

The Board of Commissioners seeks to be effective stewards of the public trust and to provide for the protection of the public treasury for Bertie County tax dollars, and to this end, we respectfully request your immediate attention to this matter.

Sincerely yours,

John Trent
Chairman