

Montgomery County Board of Education

Troy, North Carolina

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

Montgomery County Board of Education
Troy, North Carolina

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015

Prepared by
Mitchell A. Taylor
and the
Finance Department


THE GREAT SEAL OF MONTGOMERY COUNTY
1779
NORTH CAROLINA

MONTGOMERY COUNTY BOARD OF EDUCATION
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Introductory Section

Montgomery County Schools

441 Page Street • P.O. Box 427 • Troy, North Carolina 27371-0427

(910) 576-6511 FAX (910) 576-2044

December 10, 2015

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

In compliance with the Public School Laws of North Carolina, the Comprehensive Annual Financial Report of the Montgomery County Board of Education, operating as "Montgomery County Schools", for the fiscal year ended June 30, 2015, is herewith submitted. Responsibility for accuracy, completeness, and clarity of the report rests with the Superintendent and Chief Financial Officer.

This report was prepared by the Finance Department in accordance with the requirements and guidelines promulgated by the Governmental Accounting Standards Board. We believe the data is accurate in all material respects and is presented in a manner designed to reflect fairly the financial position and results of operations of the Board. Disclosures necessary to enable the reader to gain maximum understanding of the Board's financial activity have been included.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

The Montgomery County Board of Education (Board) is the level of government having oversight responsibility and control over activities related to public school education in Montgomery County, North Carolina. For the 2014-2015 fiscal year, the school system served approximately 4,000 students from kindergarten through 12th grade in 6 elementary schools, 2 middle schools, 2 high schools and 1 alternative school. The school system provides general, special and vocational education services. The school system receives local, State, and federal government funding and must comply with the legal requirements of each funding source entity. While the Board does receive county funding, the county is not entitled to share in any surplus nor is it required to finance any deficits. The Board, whose members are elected by the citizens of Montgomery County, has the authority to designate management, make binding decisions, and significantly influence operations. However, the Board has no tax levying or borrowing authority and is required to maintain accounting records in a uniform State format. The Board has final approval over the budget and primary accountability for fiscal matters. Accordingly, the Montgomery County Board of Education is not included in any other reporting entity.

ECONOMIC CONDITION AND OUTLOOK

The Montgomery County area continues to experience a period of decline in industry and business during this economic downturn. The community is involved and interested in public schools but local financial support has been reduced significantly in the past five years due to the decline in revenues.

Montgomery County has not experienced economic growth in the past several years and is not anticipating growth in the near future. Montgomery County is moving in the direction of developing economic and community revitalization. The county is also focusing on travel and tourism development. Montgomery County is surrounded by the Uwharrie Mountains, national forest and lakes. These areas are statewide attractions and the county's largest asset. Montgomery County is known as a great place to hunt, fish, hike and bike. Water sports are also a big attraction. Much effort is put forth each year in planning for the Uwharrie Mountain Festival which is held in the fall; many people come for the festival and discover all the natural resources the county has to offer.

The Board of County Commissioners slightly increased the local county appropriation by approximately $142,000 from the previous year. Local county appropriations have decreased significantly over the past 6 years. As a result of the decrease in funding, the Board of Education has had to continue to reduce the number of employees in the school system. This decrease in staffing has required internal restructuring within the school system in order to continue providing a high level of service to the students.

Over the past ten years, the Board has experienced a decline in student enrollment of approximately 10.5%. The Board expects student enrollment to level off and remain consistent over the next several years.

Our high schools were built in 1960 and are in need of constant repairs and update in the science and technology areas, but due to the economic condition of the county, funding is not available at this time. Our middle schools were built in 1990 and have recently been reroofed.

MAJOR INITIATIVES

The focus of the school system for the next several years will primarily be in the following areas:

- Promote the ideal of success for all students.
- Promote a child-centered culture of health, rigor, and high expectations.
- Promote the importance of graduation and improve the graduation rate.
- Promote family engagement at all school locations.
- Promote distance learning and college opportunities for students.
- Promote understanding of the demands of the 21st century.
- Promote student engagement and improve student achievement.
- Promote the technology that is available and increase technology and its integration in instruction.
- Promote effectiveness and efficiency of operations to maximize available resources.

The record of accomplishments for the Montgomery County Board of Education continued in fiscal year 2014-2015. Some of these accomplishments include:

- Montgomery Learning Academy (MLA) has been successful in reducing the dropout rate. The alternative school has provided the opportunity of flexible scheduling for students to graduate who otherwise would have dropped out of school. The dropout rate decreased from 2.54 percent to 1.52 percent, within the past six years, which is on par with the current state average of 1.52 percent.

- In response to the need for providing a diploma track for handicapped children who would never meet standard graduation requirements without intense supports in place, the Board of Education has continued to implement an occupational diploma, which clearly delineates skills and credits attained by children with major handicapping conditions. This has helped with their placement in the workplace after graduation.

- In recent years, Montgomery County Schools has demonstrated improvement in performances in the State testing program. Eight of the nine schools participating in the traditional State Accountability Model met or exceeded growth. There is a one-to-one digital initiative in place for

grades 3-12. Via Career and Technical Education, students have access to work-based learning opportunities, internships, apprenticeships, industry recognized credentials and post-secondary course credit. Montgomery County Schools led the region in Career and Technical Education enrollment with 80% of high school students completing Career and Technical Education coursework.

FINANCIAL AND BUDGETARY CONTROLS

The cost of public school education in North Carolina is financed primarily by the State, which establishes minimum programs. Local funds supplement the basic program and are appropriated by the local board of county commissioners. Local boards of education have no tax levying or borrowing authority and are required to maintain accounting records in a uniform State format.

Monthly reports on transactions of State and federal funds and details of disbursements from State funds are submitted to the North Carolina Department of Public Instruction for review. Interim financial reports are presented quarterly to the Board of Education.

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 the issuance of purchase orders or payment of claims. Outstanding purchase orders at the end of the fiscal year related to normal operations are cancelled and renewed in the following fiscal year.

Internal accounting controls are given consideration in developing and improving the Board's accounting system. Internal controls are designed to provide reliability of financial records for preparing financial statements and maintaining accountability for assets. The cost of a control should not exceed the benefits derived, therefore, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

INDEPENDENT AUDIT

Anderson Smith & Wike PLLC, independent certified public accountants, whose opinion is expressed on page one, have audited the financial statements. The Montgomery County Board of Education complies with the requirements of the Single Audit Act for which separate reports are issued.

FINANCIAL REPORTING AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) and the Association of School Business Officials (ASBO) awarded Certificates of Achievement for Excellence in Financial Reporting to the Board for its comprehensive annual financial report for the year ended June 30, 2014. In order to be awarded Certificates of Achievement, the Board published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

Letter of Transmittal *(Continued)*

ACKNOWLEDGEMENTS

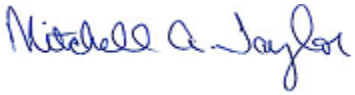
The preparation of this report could not have been accomplished without the dedicated efforts of the finance staff and the Board's independent certified public accounting firm of Anderson Smith & Wike PLLC. We wish to express appreciation to all employees who assisted in the timely closing of the Montgomery County Board of Education's fiscal records as well as the preparation of this report.

We would also like to express appreciation to the members of The Board of Education for their support in planning and conducting the financial affairs of the school system in a responsible and professional manner.

Respectfully submitted,



Dr. Dale Ellis
Superintendent



Mitchell A. Taylor
Chief Financial Officer


THE GREAT SEAL OF MONTGOMERY COUNTY
1779
NORTH CAROLINA

Montgomery County Board of Education
Troy, North Carolina

July 1, 2014 - June 30, 2015

Board Members

Steven DeBerry, *Chairman*
Tommy Blake, *Vice Chairman*

Shirley Threadgill
Bryan Dozier
Ann Long
Sandra Miller
Jesse Hill

Principal Officers

Dr. Dale Ellis, *Superintendent*
Dr. Kevin Lancaster, *Deputy Superintendent*
Dr. Jeff James, *Assistant Superintendent*

MONTGOMERY COUNTY SCHOOL S ADMINISTRATIVE ORGANIZATION CHART — JULY 2015

Board of Education
Clerk to the Board of Education
Pam Cameron

Superintendent
Dr. Dale Ellis
Administrative Assistant
Pam Cameron

Montgomery County Schools will graduate life-ready, globally competitive citizens by engaging in rigorous educational experiences and by building positive relationships and strong partnerships.

Assistant Superintendent Of Learning
Dr. Jeff James
K-12 Curriculum
Federal Programs
State Grants
Local Instructional Initiatives

Federal Program Administrative Assistant
Susan Muse

Chief Financial Officer
Mitch Taylor

Assistant Finance Officer
Lisa Ritter
Benefits Representative
Michelle Brady
Accounts Payable and Federal
Donna Morris

Medicaid Billing
Dr. Pokie Noland

Chief Accountability & Quality Officer
Dr. Takeda LeGrand
SES/Choice

Chief Diversity Officer
Mesha Cameron

Principals
Tim Addis
John Beard
Benjie Brown
Sharon Castelli
Teresa Dunn
(WMS Principal)?
Della Ingram
Donna Kennedy
Donnie Lynthacum
Heather Seawell
Angie Tofflemeyer
School Staffs

Deputy Superintendent
Dr. Kevin Lancaster
Personnel & Auxiliary Services
Athletics
Policies
Driver's Education
Title II/Title IX
Student Assignments/Transfers
Student Services
Appeals
SRO's
Administrative Assistants
Crystal Douglas
Felicia Ward
Aux Services Admin Assist
Susan Muse

Public Information Officer
Katie Hursey

Director of Secondary Education/ CTE Program
Phillip Brown

Director of Curriculum Support
Alisha Ellis
Instructional Facilitators
Media
Elementary
Technology
Training

Director of Elementary Education/ AIG Program
Deidra Steed

Afterschool & PreK Coordinator
Vance Thomas

Director of Exceptional Children
Dr. Pokie Noland
Homebound, Homeless
School Psychologists
Safe and Drug Free Schools
Discipline Data
School Crime and Violence

Adminstrative Assistant
Amy Spencer

Director of Project ACCESS
Beth Lancaster

Home Base Coordinator
Kristy Buchman

Compliance Specialist
DeeDee Miller

Behavior Specialists
Terry Little

Executive Director of Auxiliary Services
Bill Mingin

Administrative Assistant
Shirley Harris
*Energy Specialist
Nelson Furr
**Contracted*

ILT/National Board Support Coordinator
Deidra Steed

Nurses
Susan Brooks
Brenda DeBerry
Tabatha Gibson
Gail Rushing

Assistant Director of Transportation
Russ Brown

Transportation Specialist
William Saunders

Director of Technology
Rodney Neal

Technicians
David Kellis
Matt DeBerry

Instructional Technology Specialist
Wade Auman
School Technology Assistants

Director of Child Nutrition
Terry Jordan
Administrative Assistant
Andrea Voncannon

Director of Business and Community Partnership
Jack Cagle

Receptionist
Shannon Robinson

Student Assistance
Alicia Beard
Karen Dozier

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Montgomery County Board of Education

North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

Montgomery County Board of Education

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards

Mark C. Pepera, MBA, RSBO, SFO
President

John D. Musso, CAE, RSBA
Executive Director


THE GREAT SEAL OF MONTGOMERY COUNTY
1779
NORTH CAROLINA



Financial Section

A S W ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Montgomery County Board of Education
Troy, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montgomery County Board of Education, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montgomery County Board of Education as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, State Public School, Other Special Revenue and Federal Grants funds for the year then ended in conformity 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 3 through 9 and the Schedule of the Board's Proportionate Share of the Net Pension Liability and the Schedule of Board Contributions on pages 40 and 41, 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 Montgomery County Board of Education's basic financial statements. The introductory section, individual nonmajor fund schedule, budgetary schedules, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual nonmajor fund schedule and budgetary schedules 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual nonmajor fund schedule and budgetary schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2015 on our consideration of the Montgomery County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Montgomery County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

September 14, 2015
Rockingham, North Carolina

This section of the Montgomery 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, 2015. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

As discussed in Note 5 to the financial statements, the Board implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. As a result, net position as previously reported at June 30, 2014 for the governmental and business-type activities decreased by $7.6 million and $285,000, respectively. For the fiscal year ended June 30, 2015, the Board's total government-wide net position (not including the decrease in net position due to the GASB 68 restatement) increased by $176,000, or 1.3%. Governmental activities net position increased by $503,000, or 0.5%, and business-type activities net position increased by $149,000, or 21.0%.

- Total government-wide net investment in capital assets decreased by $1.1 million, or 2.8%, from the prior year. Governmental activities net investment in capital assets decreased by $1.1 million, or 2.7%, and business-type activities net investment in capital assets decreased by $36,000, or 17.2%.
- Total restricted net position decreased by $298,000, or 19.2%. Restricted net position is found only in the governmental activities.
- The Board's total government-wide unrestricted net position at June 30, 2015 decreased by $6.2 million from the prior year due largely to the $7.6 million GASB 68 restatement. Net of this restatement, governmental activities unrestricted net position increased by $1.4 million while business-type activities unrestricted net position increased by $99,000 over the prior year.
- Financial reporting awards from Association of School Business Officials International and the Government Finance Officers Association were received for the fourth consecutive year.

Overview of the Financial Statements

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

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Supplementary section that presents a nonmajor fund schedule and budgetary schedules for governmental and enterprise funds*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *Government-wide Statements*. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The statement of net position includes all of the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets, deferred outflows of resources, deferred inflows of resources and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The statement of activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second set of statements included in the basic financial statements is the *Fund Financial Statements,* which are presented for the Board's governmental funds and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary funds are presented on the full accrual basis of accounting.

The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

Government-wide Statements

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Board's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Board's net position and how it has changed. Net position is the difference between the Board's assets and liabilities. This is one way to measure the unit's financial health or position.

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.

- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of its school buildings and other physical assets.

The unit's activities are divided into two categories in the government-wide statements:

- *Governmental activities*: Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding and State and federal aid finance most of these activities.

- *Business-type activities*: The Board charges fees to help it cover the costs of certain services it provides. School food service is included here.

The government-wide statements are shown as Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds - not the unit as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The Board has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants Fund.

Montgomery County Board of Education 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 – 1) how cash and other assets that can readily be converted to cash flow

in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Capital Outlay Fund, the Other Special Revenue Fund and the Federal Grants Fund.

The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

Proprietary fund: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Montgomery County Board of Education's only proprietary fund is an enterprise fund, the School Food Service Fund.

The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

Financial Analysis of the Board as a Whole

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by $35.6 million as of June 30, 2015 as compared to $43.2 million as of June 30, 2014, a decrease of $7.6 million. As previously discussed, this decrease is primarily due to the implementation of GASB 68 during the year which had the effect of reducing beginning of year net position by $7.9 million. The largest component of net position is net investment in capital assets of $38.2 million. Following is a summary of the Statement of Net Position at June 30, 2015 and 2014:

Table 1
Condensed Statement of Net Position
As of June 30, 2015 and 2014

	Governmental Acitivities		Business-type Activities		Total Primary Government	
	6/30/15	6/30/14	6/30/15	6/30/14	6/30/15	6/30/14
Current assets	$ 5,891,487	$ 5,977,170	$ 1,001,593	$ 869,702	$ 6,893,080	$ 6,846,872
Capital assets	38,073,586	39,213,512	174,611	210,990	38,248,197	39,424,502
Total assets	43,965,073	45,190,682	1,176,204	1,080,692	45,141,277	46,271,374
Deferred outflows of resources	2,054,799	-	76,523	-	2,131,322	-
Current liabilities	1,237,370	1,292,610	43,029	41,646	1,280,399	1,334,256
Long-term liabilities	3,407,520	1,648,227	104,628	43,842	3,512,148	1,692,069
Total liabilities	4,644,890	2,940,837	147,657	85,488	4,792,547	3,026,325
Deferred inflows of resources	6,593,891	-	245,563	-	6,839,454	-
Net investment in capital assets	38,073,586	39,130,800	174,611	210,990	38,248,197	39,341,790
Restricted net position	1,250,895	1,548,969	-	-	1,250,895	1,548,969
Unrestricted net position (deficit)	(4,543,390)	1,570,076	684,896	784,214	(3,858,494)	2,354,290
Total net position	$ 34,781,091	$ 42,249,845	$ 859,507	$ 995,204	$ 35,640,598	$ 43,245,049

The net position of the Board's governmental activities decreased $7.5 million during the year to $34.8 million at June 30, 2015, indicating a decline in the financial condition of the Board. The GASB 68 restatement accounted for all of this decrease, reducing beginning of year governmental activities net position by $7.6 million. Restricted net position decreased by $298,000, primarily due to a decrease in receivables which are restricted by State statute. Unrestricted net position decreased $6.1 million compared to the prior year, due primarily to implementation of GASB 68. Net investment in capital assets decreased $1.1 million due to an excess of depreciation expense over capital additions for the year.

Net of a reduction of $285,000 to beginning of year net position for implementation of GASB 68, the net position of the Board's business-type activities increased $149,000 during the year. This increase of $149,000 is the net profit generated by our school food service operations during the 2015 fiscal year. The following table shows the revenues and expenses of the Board for the current and prior fiscal years:

Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/15	6/30/14	6/30/15	6/30/14	6/30/15	6/30/14
Revenues:						
Program revenues:						
Charges for services	$ 1,006,431	$ 1,213,515	$ 573,499	$ 579,848	$ 1,579,930	$ 1,793,363
Operating grants and contributions	31,863,423	28,273,834	2,268,502	2,298,081	34,131,925	30,571,915
Capital grants and contributions	82,714	82,714	-	-	82,714	82,714
General revenues:						
County appropriations	5,214,582	5,072,365	-	-	5,214,582	5,072,365
State appropriations	1,257,331	1,593,835	-	-	1,257,331	1,593,835
Other revenues	608,079	562,040	92	645	608,171	562,685
Total revenues	40,032,560	36,798,303	2,842,093	2,878,574	42,874,653	39,676,877
Expenses:						
Governmental activities:						
Instructional services	29,283,560	29,426,851	-	-	29,283,560	29,426,851
System-wide support services	9,260,014	7,607,257	-	-	9,260,014	7,607,257
Ancillary services	3,635	2,870	-	-	3,635	2,870
Unallocated depreciation	1,223,201	1,277,587	-	-	1,223,201	1,277,587
Business-type activities:						
School food service	-	-	2,779,102	2,864,248	2,779,102	2,864,248
Total expenses	39,770,410	38,314,565	2,779,102	2,864,248	42,549,512	41,178,813
Excess (deficiency) before transfers	262,150	(1,516,262)	62,991	14,326	325,141	(1,501,936)
Transfers in (out)	(86,015)	(84,531)	86,015	84,531	-	-
Increase (decrease) in net position	176,135	(1,600,793)	149,006	98,857	325,141	(1,501,936)
Beginning net position as previously reported	42,249,845	43,850,638	995,204	896,347	43,245,049	44,746,985
Restatement	(7,644,889)	-	(284,703)	-	(7,929,592)	-
Beginning net position, restated	34,604,956	43,850,638	710,501	896,347	35,315,457	44,746,985
Ending net position	$ 34,781,091	$ 42,249,845	$ 859,507	$ 995,204	$ 35,640,598	$ 43,245,049

Total governmental activities generated revenues of $40.0 million while expenses in this category totaled $39.8 million for the year ended June 30, 2015, resulting in an increase in net position of $176,000 (including transfers to business-type activities of $86,000). Comparatively, revenues were $36.8 million, expenses totaled $38.3 million and transfers out were $85,000 for the year ended June 30, 2014, resulting in a decrease in net position of $1.6 million.

In comparing the two years, revenues increased $3.2 million while expenses increased by $1.5 million. The increase in revenues is attributable to a $3.6 million increase in operating grants and contributions, primarily from the State Public School Fund and $1.4 million received in the current year from a new federal grant in the Other Special Revenue Fund. The increase in expenses was for system-wide support services which increased by $1.7 million, primarily due to the enhancement of technology for the district financed with the proceeds of the new $1.4 million federal grant received in the Other Special Revenue Fund.

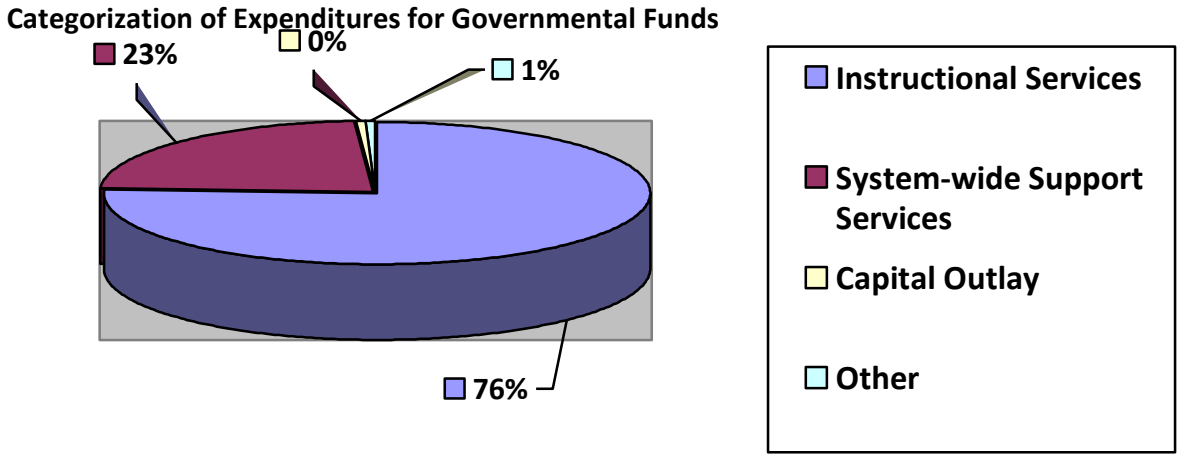
The Board's primary sources of revenues were funding from the State of North Carolina, Montgomery County, and the United States Government, which respectively comprised 68.7%, 13.0% and 12.3% of our total revenues. As would be expected, the major component of our expenditures was instructional services which accounted for 73.6% of our total expenditures during the most recent fiscal year. Of the remaining 26.4% of our total expenditures, 23.3% was attributable to system-wide support services.

Our business-type activities generated revenues of $2.8 million while expenses in this category also totaled $2.8 million for the year ended June 30, 2015. For the year, net position increased by $149,000 (including transfers in of $86,000). Comparatively, revenues and expenses were both $2.9 million for the year ended June 30, 2014, resulting in an increase in net position of $99,000 (including transfers in of $85,000). In comparing the two years, there were no significant changes in revenues or expenses.

Financial Analysis of the Board's Funds

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

The Board's governmental funds reported a combined fund balance of $5.6 million at June 30, 2015, a decrease of $75,000 from the $5.7 million reported at June 30, 2014. The Board's General Fund reported a decrease in fund balance for the year ended June 30, 2015 of $111,000 (including the $25,000 decrease in reserve for inventories in the General Fund). The Other Special Revenue, Capital Outlay and Individual Schools funds each reported increases in fund balance of $8,000, $11,000 and $17,000, respectively. Overall, total governmental fund revenues increased by $3.3 million while total expenditures increased by $3.2 million over the prior year. These increases are primarily attributable to an increase of $1.2 million in State Public School Fund revenues/expenditures and the receipt of $1.4 million from a new federal grant in the Other Special Revenue Fund that was used primarily to enhance student learning through the increased use of technology in the district.



Expenditures presented on modified accrual basis of accounting.

Proprietary Fund: The Board's business-type fund, the School Food Service Fund, reported an increase in net position of $149,000 for the fiscal year ended June 30, 2015 compared to an increase of $99,000 for the same 2014 period, an improvement of $50,000. Overall, revenues and expenses remained comparable from year to year.

General Fund Budgetary Highlights

Over the course of a year, the Board will revise the budget, as necessary, to account for changes in revenue expectations and program allocations. However, during the year ended June 30, 2015, no significant budget revisions were made in the General Fund as revenue and expenditure expectations remained consistent throughout the year. In addition, the timing of some revenues and expenditures is less predictable which leads to differences between the budgeted and actual amounts. Variances between actual expenditures and final budget amounts relate to conservative budgeting practices and cost containment strategies.

Capital Assets

Total primary government capital assets were $38.2 million at June 30, 2015 compared to $39.4 million at June 30, 2014, a decline of 3.0%. More detailed information about the Board's capital assets is contained in Note 2.A.4 to the financial statements. The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2015 and 2014:

Table 3
Summary of Capital Assets
As of June 30, 2015 and 2014

	Governmental Acitivities		Business-type Activities		Total Primary Government	
	6/30/15	6/30/14	6/30/15	6/30/14	6/30/15	6/30/14
Land	$ 568,931	$ 568,931	$ -	$ -	$ 568,931	$ 568,931
Buildings and improvements	36,942,309	38,118,649	-	-	36,942,309	38,118,649
Equipment and furniture	233,981	248,309	174,611	210,990	408,592	459,299
Vehicles	328,365	277,623	-	-	328,365	277,623
Total	$ 38,073,586	$ 39,213,512	$ 174,611	$ 210,990	$ 38,248,197	$ 39,424,502

Debt Outstanding

During the year, the Board's long-term debt decreased from $83,000 at June 30, 2014 to $0 at June 30, 2015. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. More detailed information about the Board's outstanding debt is contained in Note 2.B.6 to the financial statements.

Economic Factors

County funding is a major source of income for the Board; therefore the County's economic outlook directly affects the school district. The following factors have affected the economic outlook of Montgomery County:

- As of June 30, 2015, Montgomery County experienced an unemployment rate of approximately 6.2% as compared to an unemployment rate of approximately 6.8% at June 30, 2014. Montgomery County's unemployment rate is slightly above the June 30, 2015 State of N.C. and national unemployment rates of 6.1% and 5.5%, respectively.

- Due to limited regional growth, the Board expects enrollment to remain consistent for the next year.

Requests for Information

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

Mitch Taylor, Chief Financial Officer
Montgomery County Board of Education
Post Office Box 427
Troy, NC 27371-0427

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 1***
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 5,485,935	$ 841,058	$ 6,326,993
Due from other governments	164,818	102,168	266,986
Receivables	138,133	319	138,452
Inventories	102,601	58,048	160,649
Capital assets:			
Land	568,931	-	568,931
Other capital assets, net of depreciation	37,504,655	174,611	37,679,266
Total capital assets	38,073,586	174,611	38,248,197
Total assets	43,965,073	1,176,204	45,141,277
Deferred Outflows of Resources	2,054,799	76,523	2,131,322
Liabilities			
Accounts payable and accrued expenses	111,569	-	111,569
Accrued salaries and wages payable	164,818	-	164,818
Due to other governments	-	-	-
Unearned revenue	-	6,256	6,256
Long-term liabilities:			
Net pension liability	1,807,844	67,326	1,875,170
Due within one year	960,983	36,773	997,756
Due in more than one year	1,599,676	37,302	1,636,978
Total liabilities	4,644,890	147,657	4,792,547
Deferred Inflows of Resources	6,593,891	245,563	6,839,454
Net position			
Net investment in capital assets	38,073,586	174,611	38,248,197
Restricted for:			
Stabilization by State statute	138,133	-	138,133
School capital outlay	565,122	-	565,122
Instructional services	107,016	-	107,016
Individual schools activities	440,624	-	440,624
Unrestricted (deficit)	(4,543,390)	684,896	(3,858,494)
Total net position	$ 34,781,091	$ 859,507	$ 35,640,598

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 2***
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	$ 16,416,853	$ -	$ 16,331,823	$ -	$ (85,030)	$ -	$ (85,030)
Special populations	3,968,504	-	4,415,905	-	447,401	-	447,401
Alternative programs	3,856,055	-	4,419,305	-	563,250	-	563,250
School leadership	2,245,910	-	1,432,610	-	(813,300)	-	(813,300)
Co-curricular	1,199,651	998,930	-	-	(200,721)	-	(200,721)
School-based support	1,596,587	-	1,403,135	-	(193,452)	-	(193,452)
System-wide support services:							
Support and development	437,277	-	368,670	-	(68,607)	-	(68,607)
Special population support and development	24,501	-	24,507	-	6	-	6
Alternative programs and services support and development	1,805,114	-	127,673	-	(1,677,441)	-	(1,677,441)
Technology support	440,430	-	211,227	-	(229,203)	-	(229,203)
Operational support	4,821,711	-	2,513,958	82,714	(2,225,039)	-	(2,225,039)
Financial and human resource services	998,203	7,501	233,714	-	(756,988)	-	(756,988)
Accountability	98,935	-	101,038	-	2,103	-	2,103
System-wide pupil support	114,432	-	-	-	(114,432)	-	(114,432)
Policy, leadership and public relations	519,411	-	127,067	-	(392,344)	-	(392,344)
Ancillary services	3,635	-	3,635	-	-	-	-
Payments to other governments	-	-	149,156	-	149,156	-	149,156
Unallocated depreciation expense**	1,223,201	-	-	-	(1,223,201)	-	(1,223,201)
Total governmental activities	39,770,410	1,006,431	31,863,423	82,714	(6,817,842)	-	(6,817,842)
Business-type activities:							
School food service	2,779,102	573,499	2,268,502	-	-	62,899	62,899
Total primary government	$ 42,549,512	$ 1,579,930	$ 34,131,925	$ 82,714	(6,817,842)	62,899	(6,754,943)
		General revenues:					
		Unrestricted county appropriations - operating			5,046,769	-	5,046,769
		Unrestricted county appropriations - capital			167,813	-	167,813
		Unrestricted State appropriations - operating			1,257,331	-	1,257,331
		Investment earnings, unrestricted			18,989	92	19,081
		Miscellaneous, unrestricted			589,090	-	589,090
		Transfers			(86,015)	86,015	-
		Total general revenues and transfers			6,993,977	86,107	7,080,084
		Change in net position			176,135	149,006	325,141
		Net position - beginning, as previously reported			42,249,845	995,204	43,245,049
		Restatement			(7,644,889)	(284,703)	(7,929,592)
		Net position - beginning, as restated			34,604,956	710,501	35,315,457
		Net position - ending			$ 34,781,091	$ 859,507	$ 35,640,598

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

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

MONTGOMERY COUNTY BOARD OF EDUCATION **Exhibit 3**
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	Major Funds					Non-major Fund	
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 3,547,783	$ -	$ -	$ 932,406	$ 565,122	$ 440,624	$ 5,485,935
Due from other governments	-	150,908	13,910	-	-	-	164,818
Accounts receivable	112,147	-	-	25,986	-	-	138,133
Inventories	102,601	-	-	-	-	-	102,601
Total assets	$ 3,762,531	$ 150,908	$ 13,910	$ 958,392	$ 565,122	$ 440,624	$ 5,891,487
Liabilities and Fund balances							
Liabilities:							
Accounts payable and accrued liabilities	$ 103,344	$ -	$ -	$ 8,225	$ -	$ -	$ 111,569
Accrued salaries and wages payable	-	150,908	13,910	-	-	-	164,818
Total liabilities	103,344	150,908	13,910	8,225	-	-	276,387
Fund balances:							
Nonspendable:							
Inventories	102,601	-	-	-	-	-	102,601
Restricted:							
Stabilization by State statute	112,147	-	-	25,986	-	-	138,133
School capital outlay	-	-	-	-	565,122	-	565,122
Instructional services	-	-	-	107,016	-	-	107,016
Individual schools	-	-	-	-	-	440,624	440,624
Assigned:							
Special revenues	-	-	-	817,165	-	-	817,165
Unassigned	3,444,439	-	-	-	-	-	3,444,439
Total fund balances	3,659,187	-	-	950,167	565,122	440,624	5,615,100
Total liabilities and fund balances	$ 3,762,531	$ 150,908	$ 13,910	$ 958,392	$ 565,122	$ 440,624	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	38,073,586
Deferred outflows of resources related to pensions	2,054,799
Some liabilities, including those for compensated absences and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	(2,560,659)
Net pension liability	(1,807,844)
Deferred inflows of resources related to pensions	(6,593,891)
Net position of governmental activities	$ 34,781,091

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 4***
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	Major Funds					Non-major Fund	
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	Total Governmental Funds
Revenues:							
State of North Carolina	$ -	$ 26,588,103	$ -	$ 932,462	$ 82,714	$ -	$ 27,603,279
Montgomery County:							
Local current expense	5,046,769	-	-	-	-	-	5,046,769
Other	-	-	-	-	167,813	-	167,813
U.S. Government	-	-	3,376,705	1,583,417	-	-	4,960,122
Other	569,532	-	-	829,116	11,356	998,930	2,408,934
Total revenues	5,616,301	26,588,103	3,376,705	3,344,995	261,883	998,930	40,186,917
Expenditures:							
Current:							
Instructional services:							
Regular instructional	1,277,991	15,365,681	217,358	228,505	-	-	17,089,535
Special populations	35,007	2,928,011	1,110,151	45,938	-	-	4,119,107
Alternative programs	38,770	1,491,933	1,490,627	953,965	-	-	3,975,295
School leadership	591,060	1,755,285	-	-	-	-	2,346,345
Co-curricular	225,794	-	-	-	-	981,964	1,207,758
School-based support	212,930	1,172,960	144,592	130,100	-	-	1,660,582
System-wide support services:							
Support and development	45,496	408,606	2,381	-	-	-	456,483
Special population support and development	-	24,507	-	-	-	-	24,507
Alternative programs and services support and development	125,701	-	127,673	1,564,957	-	-	1,818,331
Technology support	75,671	357,287	21,147	-	-	-	454,105
Operational support	1,991,600	2,373,611	54,332	413,280	-	-	4,832,823
Financial and human resource services	565,038	380,330	59,288	-	-	-	1,004,656
Accountability	2,425	101,038	-	-	-	-	103,463
System-wide pupil support	114,461	-	-	-	-	-	114,461
Policy, leadership and public relations	400,809	139,204	-	-	-	-	540,013
Ancillary services	-	3,635	-	-	-	-	3,635
Non-programmed charges	-	-	149,156	-	-	-	149,156
Debt service:							
Principal retirement	-	-	-	-	82,712	-	82,712
Capital outlay	-	-	-	-	167,813	-	167,813
Total expenditures	5,702,753	26,502,088	3,376,705	3,336,745	250,525	981,964	40,150,780
Revenues over (under) expenditures	(86,452)	86,015	-	8,250	11,358	16,966	36,137
Other financing uses:							
Transfers to other funds	-	(86,015)	-	-	-	-	(86,015)
Net change in fund balance	(86,452)	-	-	8,250	11,358	16,966	(49,878)
Fund balances:							
Beginning of year	3,770,414	-	-	941,917	553,764	423,658	5,689,753
Decrease in reserve for inventories	(24,775)	-	-	-	-	-	(24,775)
End of year	$ 3,659,187	$ -	$ -	$ 950,167	$ 565,122	$ 440,624	$ 5,615,100

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 5***
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	$ (49,878)
Change in fund balance due to change in reserve for inventory	(24,775)
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. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,139,926)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,054,799
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	82,712
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Pension expense	(756,846)
Compensated absences	10,049
Total changes in net position of governmental activities	$ 176,135

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 6***
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State of North Carolina	$ -	$ -	$ -	$ -
Montgomery County	5,068,616	5,083,616	5,046,769	(36,847)
U.S. Government	-	-	-	-
Other	478,970	478,970	569,532	90,562
Total revenues	5,547,586	5,562,586	5,616,301	53,715
Expenditures:				
Current:				
Instructional services	2,715,484	2,728,196	2,381,552	346,644
System-wide support services	3,700,403	3,702,691	3,321,201	381,490
Ancillary services	-	-	-	-
Non-programmed charges	-	-	-	-
Total expenditures	6,415,887	6,430,887	5,702,753	728,134
Revenues over (under) expenditures	(868,301)	(868,301)	(86,452)	781,849
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	868,301	868,301	-	(868,301)
Net change in fund balance	$ -	$ -	(86,452)	$ (86,452)
Fund balances:				
Beginning of year			3,770,414	
Decrease in reserve for inventories			(24,775)	
End of year			$ 3,659,187	

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 6 (continued)***
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State of North Carolina	$ 25,414,815	$ 26,720,876	$ 26,588,103	$ (132,773)
Montgomery County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	25,414,815	26,720,876	26,588,103	(132,773)
Expenditures:				
Current:				
Instructional services	22,201,183	23,122,684	22,713,870	408,814
System-wide support services	3,126,872	3,511,432	3,784,583	(273,151)
Ancillary services	86,760	86,760	3,635	83,125
Non-programmed charges	-	-	-	-
Total expenditures	25,414,815	26,720,876	26,502,088	218,788
Revenues over (under) expenditures	-	-	86,015	86,015
Other financing uses:				
Transfers to other funds	-	-	(86,015)	(86,015)
Fund balance appropriated	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances:				
Beginning of year			-	
Decrease in reserve for inventories			-	
End of year			$ -	

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

GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State of North Carolina	$ -	$ -	$ -	$ -
Montgomery County	-	-	-	-
U.S. Government	1,417,386	4,241,843	3,376,705	(865,138)
Other	-	-	-	-
Total revenues	1,417,386	4,241,843	3,376,705	(865,138)
Expenditures:				
Current:				
Instructional services	1,344,541	3,600,151	2,962,728	637,423
System-wide support services	-	354,542	264,821	89,721
Ancillary services	-	2,717	-	2,717
Non-programmed charges	72,845	284,433	149,156	135,277
Total expenditures	1,417,386	4,241,843	3,376,705	865,138
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances:				
Beginning of year			-	
Decrease in reserve for inventories			-	
End of year			$ -	

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

GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2015

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State of North Carolina	$ 545,922	$ 938,962	$ 932,462	$ (6,500)
Montgomery County	-	-	-	-
U.S. Government	240,478	1,936,483	1,583,417	(353,066)
Other	347,134	907,854	829,116	(78,738)
Total revenues	1,133,534	3,783,299	3,344,995	(438,304)
Expenditures:				
Current:				
Instructional services	1,133,534	1,380,208	1,358,508	21,700
System-wide support services	-	2,403,091	1,978,237	424,854
Ancillary services	-	-	-	-
Non-programmed charges	-	-	-	-
Total expenditures	1,133,534	3,783,299	3,336,745	446,554
Revenues over (under) expenditures	-	-	8,250	8,250
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	$ -	$ -	8,250	$ 8,250
Fund balances:				
Beginning of year			941,917	
Decrease in reserve for inventories			-	
End of year			$ 950,167	

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 7***
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
June 30, 2015

	Enterprise Fund Major Fund School Food Service
Assets	
Current assets:	
Cash and cash equivalents	$ 841,058
Due from other governments	102,168
Receivables	319
Inventories	58,048
Total current assets	1,001,593
Noncurrent assets:	
Capital assets:	
Furniture and office equipment, net	174,611
Total assets	1,176,204
Deferred Outflows of Resources	76,523
Liabilities	
Current liabilities:	
Compensated absences	36,773
Unearned revenue	6,256
Total current liabilities	43,029
Noncurrent liabilities:	
Net pension liability	67,326
Compensated absences	37,302
Total noncurrent liabilities	104,628
Total liabilities	147,657
Deferred Inflows of Resources	245,563
Net position	
Net investment in capital assets	174,611
Unrestricted	684,896
Total net position	$ 859,507

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 8***
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2015

	Enterprise Fund Major Fund School Food Service
Operating revenues:	
Food sales	$ 571,488
Other	2,011
Total operating revenues	573,499
Operating expenses:	
Food cost:	
Purchase of food	1,067,629
Donated commodities	163,167
Salaries and benefits	1,346,093
Indirect costs	239,432
Materials and supplies	104,318
Repairs and maintenance	11,118
Depreciation	39,675
Non-capitalized equipment	2,157
Contracted services	25,449
Other	14,295
Total operating expenses	3,013,333
Operating loss	(2,439,834)
Nonoperating revenues:	
Federal reimbursements	2,095,871
Federal commodities	163,167
State reimbursements	9,464
Indirect costs not paid	234,231
Interest earned	92
Total nonoperating revenues	2,502,825
Income before transfers	62,991
Transfers from other funds	86,015
Change in net position	149,006
Net position, beginning of year, as previously reported	995,204
Restatement	(284,703)
Net position, beginning of year, as restated	710,501
Net position, end of year	$ 859,507

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 9***
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2015

	Enterprise Fund Major Fund School Food Service
Cash flows from operating activities:	
Cash received from customers	$ 577,219
Cash paid for goods and services	(1,231,892)
Cash paid to employees for services	(1,310,991)
Net cash used by operating activities	(1,965,664)
Cash flows from noncapital financing activities:	
Federal and State reimbursements	2,108,009
Cash flows from capital and related financing activities:	
Purchase of capital assets	(3,296)
Cash flows from investing activities:	
Interest earned on investments	92
Net increase in cash and cash equivalents	139,141
Cash and cash equivalents, beginning of year	701,917
Cash and cash equivalents, end of year	$ 841,058
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (2,439,834)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	39,675
Pension expense	28,186
Donated commodities	163,167
Salaries paid by special revenue fund	86,015
Indirect costs not paid	234,231
Changes in assets and liabilities:	
Decrease in accounts receivable	2,991
Decrease in inventories	1,585
Decrease in accounts payable and accrued liabilities	(3,310)
Increase in unearned revenue	729
Increase in deferred outflows of resources for pension plan contributions in current fiscal year	(76,523)
Decrease in compensated absences payable	(2,576)
Total adjustments	474,170
Net cash used by operating activities	$ (1,965,664)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of $163,167 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

Indirect costs of $234,231 that would be due to the Other Special Revenue Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibit 8.

The State Public School Fund paid salaries and benefits of $86,015 to administrative personnel of the School Food Service Fund during the fiscal year. The payment is reflected as an operating transfer in and an operating expense on Exhibit 8.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Montgomery County Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Montgomery County Board of Education (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Montgomery County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements: The fund financial statements provide information about the Board's funds. 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 displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. All expenses are considered to be operating expenses.

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 includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

Other Special Revenue Fund. The Other Special Revenue Fund is used to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal and State grants restricted as to use, federal and State appropriations made directly to local school administrative units, funds received for prekindergarten programs and special programs.

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

The Board reports the following nonmajor governmental funds:

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 Board reports the following major enterprise fund:

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

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.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there 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. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the purpose level for all annually budgeted funds. Any revisions that alter the total expenditures of any fund or require a transfer between purpose codes within a fund must be approved by the Board of Education prior to any expenditures being made. 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.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Equity

1. Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at fair value as determined by quoted market prices. The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. The STIF securities are reported at cost and maintain a constant $1 per share value. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

2. Cash and Cash Equivalents

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

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The 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 and, thus, an equivalent portion of fund balance is classified as nonspendable. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

The Board's capital assets are recorded at original cost. Donated assets are listed at their estimated fair value at the date of donation or forfeiture. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1990 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.

For capital assets utilized in governmental activities, it is the policy of the Board to capitalize those assets costing more than $5,000 with an estimated useful life of two or more years, while for capital assets utilized in business-type activities, it is the policy of the Board to capitalize those assets costing more than $500 with an estimated useful life of two or more years. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives is not capitalized.

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

	Years
Buildings and improvements	20 - 50
Equipment and furniture	3 - 10
Vehicles	6 - 15

Depreciation for assets 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 one item that meets this criterion - contributions made to the pension plan in the current fiscal year. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has one item that meet this criterion – pension related deferrals.

6. Long-term Obligations

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

7. Compensated Absences

The Board follows the State’s policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2015 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years’ records of the current portion of compensated absences.

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

The governmental fund types classify fund balances as follows:

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

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

Restricted fund balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].

Restricted for school capital outlay - portion of fund balance that can only be used for school capital outlay. [G.S. 159-18 through 22]

Restricted for instructional services – grant and other revenues restricted for expenditure for various instructional services, as allowable by the funding source.

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.

Assigned fund balance – portion of fund balance that the Board of Education intends to use for specific purposes. The assignment of fund balance is governed by NC General Statutes. The Board of Education is authorized to approve appropriations of fund balance in accordance with restrictions established by NC General Statutes.

Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that will be used for instructional services, system-wide support services, ancillary services or non-programmed charges, as determined by the Board of Education.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will pay expenditures from restricted revenue sources first, followed by 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

a. 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 *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of $29,165,991 consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	$ 71,613,045
Less accumulated depreciation	(33,539,459)
Net capital assets	38,073,586
Pension related deferred outflows of resources:	
Contributions made to the pension plan in the current fiscal year	2,054,799
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Compensated absences	(2,560,659)
Net pension liability	(1,807,844)
Deferred inflows of resources related to pensions:	
Differences between contributions and proportional share of contributions and changes in proportion	(64,448)
Differences between expected and actual experience	(421,399)
Difference between projected and actual earnings on plan investments	(6,108,044)
Total adjustment	$ 29,165,991

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of $226,013 as follows:

Description	Amount
Change in fund balance due to change in reserve for inventory	$ (24,775)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	195,369
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	(1,335,295)

Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	82,712
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,054,799
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Pension expense	(756,846)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	10,049
Total adjustment	$ 226,013

10. Defined Benefit Pension Plans

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS) and additions to/deductions from TSERS' fiduciary net position have been determined on the same basis as they are reported by TSERS. 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. Investments are reported at fair value.

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2015, the Board had deposits with banks and savings and loans with a carrying amount of $2,367,379 and with the State Treasurer of $0. The bank balances with the financial institutions and the State Treasurer were $2,539,959 and $171,349, respectively. Of these balances, $952,467 was covered by federal depository insurance and $1,758,841 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The Board also had petty cash on hand at year end totaling $100.

2. Investments

At June 30 2015, the Board had $3,959,514 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.5 years at June 30, 2015. 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, 2015 are as follows:

	Due from other governments	Other	Total
Governmental activities:			
General Fund	$ -	$ 112,147	$ 112,147
Other governmental activities	164,818	25,986	190,804
Total governmental activities	$ 164,818	$ 138,133	$ 302,951
Business-type activities:			
School Food Service Fund	$ 102,168	$ 319	$ 102,487

Due from other governments consists of the following:

Governmental activities:		
State Public School Fund	$ 150,908	Operating funds from DPI
Federal Grants Fund	13,910	Federal grant funds
Total	$ 164,818	
Business-type activities:		
School Food Service Fund	$ 102,168	Federal grant funds

4. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 568,931	$ -	$ -	$ 568,931
Capital assets being depreciated:				
Buildings and improvements	65,153,305	-	-	65,153,305
Equipment and furniture	1,055,898	32,533	-	1,088,431
Vehicles	4,639,542	162,836	-	4,802,378
Total capital assets being depreciated	70,848,745	195,369	-	71,044,114
Less accumulated depreciation for:				
Buildings and improvements	27,034,656	1,176,340	-	28,210,996
Equipment and furniture	807,589	46,861	-	854,450
Vehicles	4,361,919	112,094	-	4,474,013
Total accumulated depreciation	32,204,164	1,335,295	-	33,539,459
Total capital assets being depreciated, net	38,644,581			37,504,655
Governmental activity capital assets, net	$ 39,213,512			$ 38,073,586

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	$ 1,328,667	$ 3,296	$ 36,716	$ 1,295,247
Vehicles	23,986	-	-	23,986
Total capital assets being depreciated	1,352,653	3,296	36,716	1,319,233
Less accumulated depreciation for:				
Equipment and furniture	1,117,677	39,675	36,716	1,120,636
Vehicles	23,986	-	-	23,986
Total accumulated depreciation	1,141,663	39,675	36,716	1,144,622
School Food Service capital assets, net	$ 210,990			$ 174,611

Depreciation was charged to governmental functions as follows:

System-wide support services	$ 112,094
Unallocated depreciation	1,223,201
Total	$ 1,335,295

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60 (10 years for members joining on or after August 1, 2011). Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-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 10 years of creditable service for members joining TSERS on or after August 1, 2011), or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2015, was 9.15% 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 $2,131,322 for the year ended June 30, 2015.

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, 2015, the Board reported a liability of $1,875,170 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At both June 30, 2014 and at June 30, 2013, the Board's proportion was .16%.

For the year ended June 30, 2015, the Board recognized pension expense of $785,032. At June 30, 2015, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 437,092
Net difference between projected and actual earnings on pension plan investments	-	6,335,514
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	66,848
Board contributions subsequent to the measurement date	2,132,322	-
Total	$ 2,132,322	$ 6,839,454

$2,132,322 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2016	$ (1,716,844)
2017	(1,716,844)
2018	(1,716,844)
2019	(1,688,922)
2020	-
Thereafter	-
Total	$ (6,839,454)

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 9.10 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding

table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Board's proportionate share of the net pension liability (asset)	$ 13,461,269	$ 1,875,170	$ (7,907,603)

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

Healthcare Benefits

Plan Description. The postemployment healthcare benefits are provided through a cost-sharing multiple-employer defined benefit plan administered by the Executive Administrator and the Board of Trustees of the Comprehensive Major Medical Plan (the Plan). The Executive Administrator and the Board of Trustees of the Plan establishes premium rates except as may be established by the General Assembly in an appropriation act. The Plan's benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3 of the General Statutes and may be amended only by the North Carolina General Assembly. By General Statute, the Plan accumulates contributions from employers and any earnings on those contributions in the Retiree Health Benefit Fund. These assets shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. These contributions are irrevocable. Also by law, these assets are not subject to the claims of creditors of the employers making contributions to the Plan.

The State of North Carolina issues a publicly available financial report that includes financial statements and required supplementary information for the State's Comprehensive Major Medical Plan (also, referred to as the State Health Plan). An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page http://www.ncosc.net/ and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

Funding Policy. The Comprehensive Major Medical Plan is administered by the Executive Administrator and Board of Trustees of the Plan, which establish premium rates except as may be established by the General Assembly in an appropriation act. The healthcare benefits for retired and disabled employees are the same as for active employees, except that the coverage becomes secondary when former

employees become eligible for Medicare. For employees first hired on and after October 1, 2006, future coverage as retired employees 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 and after October 1, 2006 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 total noncontributory premium. For employees hired before October 1, 2006, healthcare benefits are provided to retirees (at no charge to the retirees) who have at least five years of contributing retirement membership prior to disability or retirement. In addition, persons who became surviving spouses of retirees prior to October 1, 1986, receive the same coverage as retirees at the State's expense.

Contributions are determined as a percentage of covered monthly payroll. Annually, the monthly contribution rates to the Plan, 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 fiscal years ended June 30, 2015, 2014 and 2013, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of $1,277,373, $1,194,447 and $1,191,558, respectively. These contributions represented 5.49%, 5.40% and 5.30% of covered payroll, respectively.

Long-term 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. The DIPNC is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System. Long-term disability benefits are payable as another postemployment benefit 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. 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 accumulates contributions from employers and any earnings on those contributions in the Disability Income Plan Trust Fund. The plan does not provide for automatic post-retirement benefit increases.

The State of North Carolina issues a publicly available financial report that includes financial statements and required supplementary information for the DIPNC. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page http://www.ncosc.net/ and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

Funding Policy. An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in the Teachers' and State Employees' Retirement System of North Carolina, 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 receive an unreduced retirement benefit from the Retirement System; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from the Retirement System after (1) reaching the age of 65 and completing five years of creditable service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

For members with five or more years of membership service as of July 31, 2007, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one twelfth of the annual longevity payment to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of $3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled. The monthly benefit shall be further reduced by the amount of any monthly payments from the Department of Veterans Affairs, any other federal agency or any payments made under the provisions of G.S.127A-108, to which the participant or beneficiary may be entitled on account of the same disability. Provided in any event, the benefits payable shall be no less than $10 a month. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS. For members who obtain five years of membership service on or after August 1, 2007, the monthly long-term disability benefit is reduced by the primary Social Security retirement benefit to which the member might be entitled should the member become age 62 during the first 36 months. After 36 months of long-term disability, there will be no further payments from the DIPNC unless the member is approved for and is in receipt of primary Social Security disability benefits. It is payable so long as the member remains disabled and is in receipt of a primary Social Security disability benefit until eligible for an unreduced service retirement benefit. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS.

The Board's contributions are established in the Appropriations Bill by the General Assembly. 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 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. For the fiscal years ended June 30, 2015, 2014, and 2013, the Board paid all annual required contributions to the DIPNC for disability benefits of $95,396, $97,325 and $98,922, respectively. These contributions represented 0.41%, 0.44% and 0.44% of covered payroll, respectively.

2. Accounts Payable

Accounts payable as of June 30, 2015 are as follows:

	Vendors and Other
Governmental activities:	
General Fund	$ 103,344
Other governmental activities	8,225
Total governmental activities	$ 111,569

3. Unearned Revenues

The balance in unearned revenues at year-end is composed of the following elements:

Business-type activities:	
Prepayments of meals (School Food Service Fund)	$ 6,256

4. Deferred Outflows and Inflows of Resources

The balances in deferred outflows and inflows of resources at year-end are composed of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 437,092
Net difference between projected and actual earnings on pension plan investments	-	6,335,514
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	66,848
Board contributions subsequent to the measurement date	2,132,322	-
Total	$ 2,132,322	$ 6,839,454

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 both general liability and errors and omissions of $3,150,000 each. The Trust is reinsured through commercial companies for losses in excess of $150,000 per claim for errors and omissions and general liability coverage. Statutory workers' compensation coverage is purchased through a private insurer for employees to the extent they are paid from federal and local funds. Workers' compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds. Business property insurance is purchased through a private insurer. The policy coverage insures the tangible property assets of the Board. Buildings and contents are insured on an agreed value basis. A limit of $5 million per occurrence is provided on flood and earthquake expense and a limit of $1 million per occurrence is provided on business interruption and extra expense.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits up to a $5 million lifetime limit. 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 are performance bonded through a commercial surety bond. The finance officer is bonded for $50,000. 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 in the prior year, and claims have not exceeded coverage in any of the past three fiscal years.

6. Long-Term Obligations

a. Installment Purchases

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 special third party financing arrangements. During the 2012-2013 fiscal year, the Board entered into such a financing contract for the purchase of school buses. The financing contract requires four equal principal-only payments of $82,713 with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15th dates. This contract was paid in full during the year ended June 30, 2015.

b. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2015:

	July 1, 2014	Increases	Decreases	June 30, 2015	Current Portion
Governmental activities:					
Installment purchases	$ 82,712	$ -	$ 82,712	$ -	$ -
Net pension liability	9,499,492	-	7,691,648	1,807,844	-
Compensated absences	2,570,708	1,528,231	1,538,280	2,560,659	960,983
Total	$ 12,152,912	$ 1,528,231	$ 9,312,640	$ 4,368,503	$ 960,983
Business-type activities:					
Net pension liability	$ 353,772	$ -	$ 286,446	$ 67,326	$ -
Compensated absences	76,651	70,450	73,026	74,075	36,773
Total	$ 430,423	$ 70,450	$ 359,472	$ 141,401	$ 36,773

Compensated absences related to governmental activities are typically liquidated by the General and other governmental funds.

C. Interfund Balances and Activity

Transfers to/from other Funds

Transfers to/from other funds during the year ended June 30, 2015 consisted of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	$ 86,015

D. Fund Balance

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	$	3,659,187
Less:		
Inventories		(102,601)
Stabilization by State statute		(112,147)
Remaining fund balance	$	3,444,439

NOTE 3 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2015 in the Other Special Revenue Fund consists of the following:

Medicaid reimbursement program	$	418,678
Indirect costs allocated		154,156
Private grants and programs		193,075
Other		63,207
Total other revenues	$	829,116

NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

NOTE 5 – CHANGE IN ACCOUNTING PRINCIPLES / RESTATEMENT

The Board implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the Board to record beginning net pension liability and the effects on net position of contributions made by the Board during the measurement period (fiscal year 2014). As a result, net position for the governmental and business-type activities decreased by $7,644,889 and $284,703, respectively.

MONTGOMERY COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS*

	2015	2014
Board's proportion of the net pension liability (asset)	0.160%	0.162%
Board's proportionate share of the net pension liability (asset)	$ 1,875,170	$ 9,853,264
Board's covered-employee payroll	$ 22,136,594	$ 22,658,461
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.47%	43.49%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	90.60%

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

MONTGOMERY COUNTY BOARD OF EDUCATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	2015	2014
Contractually required contribution	$ 2,131,322	$ 1,923,670
Contributions in relation to the contractually required contribution	2,131,322	1,923,670
Contribution deficiency (excess)	$ -	$ -
Board's covered-employee payroll	$ 23,293,136	$ 22,136,594
Contributions as a percentage of covered-employee payroll	9.15%	8.69%

MONTGOMERY COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Montgomery County:			
County appropriation	$ 5,013,616	$ 5,013,616	$ -
Timber receipts	70,000	33,153	(36,847)
Total Montgomery County	5,083,616	5,046,769	(36,847)
Other:			
Fines and forfeitures	200,000	255,149	55,149
Interest earned on investment	-	15,872	15,872
Refunds and reimbursements	250,000	269,541	19,541
Miscellaneous	28,970	28,970	-
Total other	478,970	569,532	90,562
Total revenues	5,562,586	5,616,301	53,715
Expenditures:			
Current:			
Instructional services:			
Regular instructional	-	1,277,991	-
Special populations	-	35,007	-
Alternative programs	-	38,770	-
School leadership	-	591,060	-
Co-curricular	-	225,794	-
School-based support	-	212,930	-
Total instructional services	2,728,196	2,381,552	346,644
System-wide support services:			
Support and development	-	45,496	-
Alternative programs and services support and development	-	125,701	-
Technology support	-	75,671	-
Operational support	-	1,991,600	-
Financial and human resource services	-	565,038	-
Accountability	-	2,425	-
System-wide pupil support	-	114,461	-
Policy, leadership and public relations	-	400,809	-
Total system-wide support services	3,702,691	3,321,201	381,490
Total expenditures	6,430,887	5,702,753	728,134
Revenues over (under) expenditures	(868,301)	(86,452)	781,849
Fund balance appropriated	868,301	-	(868,301)
Net change in fund balance	$ -	(86,452)	$ (86,452)
Fund balance:			
Beginning of year		3,770,414	
Decrease in reserve for inventories		(24,775)	
End of year		$ 3,659,187	

MONTGOMERY COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
For the Fiscal Year Ended June 30, 2015

	Revenues	Expenditures	Net change in fund balance	Fund balances June 30, 2014	Fund balances June 30, 2015
West Montgomery High	$ 275,067	$ 271,782	$ 3,285	$ 79,336	$ 82,621
East Montgomery High	308,238	270,166	38,072	99,071	137,143
West Middle	75,973	80,894	(4,921)	30,780	25,859
East Middle	93,789	86,810	6,979	51,549	58,528
Candor Elementary	17,819	33,384	(15,565)	38,406	22,841
Green Ridge Elementary	42,629	41,725	904	30,228	31,132
Mt. Gilead Elementary	49,851	53,139	(3,288)	18,455	15,167
Page Street Elementary	39,564	42,429	(2,865)	13,654	10,789
Star-Biscoe Elementary	45,530	47,212	(1,682)	32,192	30,510
Troy Elementary	50,470	54,423	(3,953)	29,987	26,034
Totals	$ 998,930	$ 981,964	$ 16,966	$ 423,658	$ 440,624

MONTGOMERY COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	$ 82,714	$ 82,714	$ -
Montgomery County:			
County appropriations	175,000	167,813	(7,187)
Other:			
Interest earned on investments	-	1,666	1,666
Miscellaneous	-	9,690	9,690
Total other	-	11,356	11,356
Total revenues	257,714	261,883	4,169
Expenditures:			
Debt service:			
Principal retirement	328,933	82,712	246,221
Capital outlay:			
Vehicles	175,000	167,813	7,187
Total expenditures	503,933	250,525	253,408
Revenues over (under) expenditures	(246,219)	11,358	257,577
Other financing sources:			
Installment purchase obligations issued	246,219	-	(246,219)
Net change in fund balance	$ -	11,358	$ 11,358
Fund balance:			
Beginning of year		553,764	
End of year		$ 565,122	

MONTGOMERY COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
SCHOOL FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales	$ 579,000	$ 571,488	$ (7,512)
Other	600	2,011	1,411
Total operating revenues	579,600	573,499	(6,101)
Operating expenditures:			
Business support services:			
Purchase of food	-	1,066,044	-
Donated commodities	-	163,167	-
Salaries and benefits	-	1,397,006	-
Indirect costs	-	239,432	-
Materials and supplies	-	104,318	-
Repairs and maintenance	-	11,118	-
Non-capitalized equipment	-	2,157	-
Contracted services	-	25,449	-
Other	-	14,295	-
Capital outlay	-	3,296	-
Total operating expenditures	3,305,450	3,026,282	279,168
Operating loss	(2,725,850)	(2,452,783)	273,067
Nonoperating revenues:			
Federal reimbursements and grants	2,137,750	2,095,871	(41,879)
Federal commodities	163,000	163,167	167
State reimbursements	10,000	9,464	(536)
Indirect costs not paid	260,000	234,231	(25,769)
Interest earned	100	92	(8)
Total nonoperating revenues	2,570,850	2,502,825	(68,025)
Excess (deficiency) of revenues over expenditures before other financing sources and fund balance appropriated	(155,000)	50,042	205,042
Other financing sources:			
Transfers from other funds	85,000	86,015	1,015
Fund balance appropriated	70,000	-	(70,000)
Net change in fund balance	$ -	136,057	$ 136,057
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(39,675)	
Contributions to the pension plan in current fiscal year		76,523	
Equipment purchases		3,296	
Decrease in compensated absences payable		2,576	
Decrease in inventories		(1,585)	
Pension expense		(28,186)	
Change in net position (full accrual)		$ 149,006	


THE GREAT SEAL OF MONTGOMERY COUNTY
1779
NORTH CAROLINA



Statistical Section

STATISTICAL SECTION
(Unaudited)

The Statistical Section of the District's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial outlook.

Sections

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

Revenue Capacity

Since the District's local revenues are primarily provided by Montgomery County, these schedules on the county's revenue sources are relevant to an understanding of Montgomery County's most significant local revenue source, the property tax.

Debt Capacity

Since the District has no tax-levying or debt-issuing authority, the County of Montgomery provides significant funding to the school system. Selected fiscal data from the County of Montgomery has been included to help the reader better understand the school system and its financial operations.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.


THE GREAT SEAL OF MONTGOMERY COUNTY
1779
NORTH CAROLINA

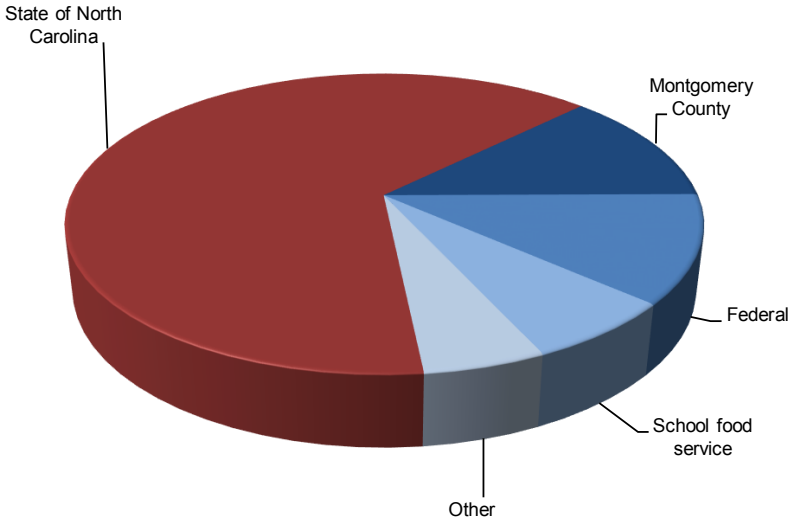
MONTGOMERY COUNTY BOARD OF EDUCATION

Financial Perspective

Governmental and Business-type Activities

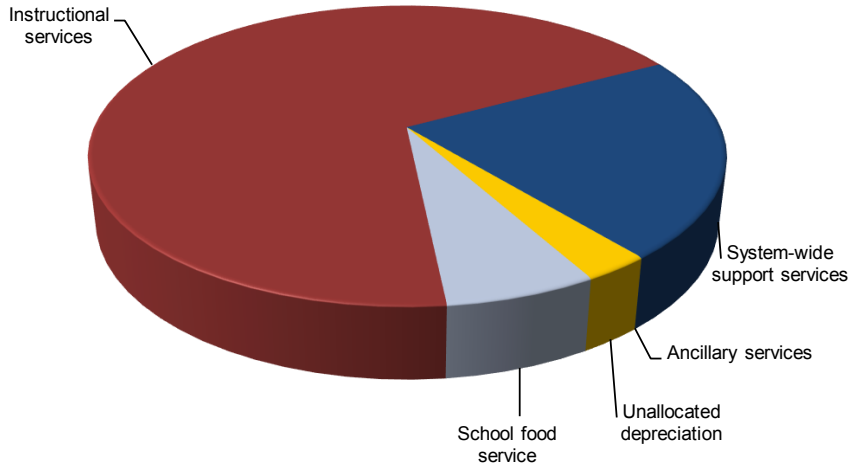
For Year Ended June 30, 2015

Revenue Sources



State of North Carolina	$	27,603,279
Montgomery County		5,214,582
Federal		4,960,122
School food service		2,842,093
Other		2,254,577
Total revenue sources	$	42,874,653

Expenses



Instructional services	$	29,283,560
System-wide support services		9,260,014
Ancillary services		3,635
Unallocated depreciation		1,223,201
School food service		2,779,102
Total expenses	$	42,549,512

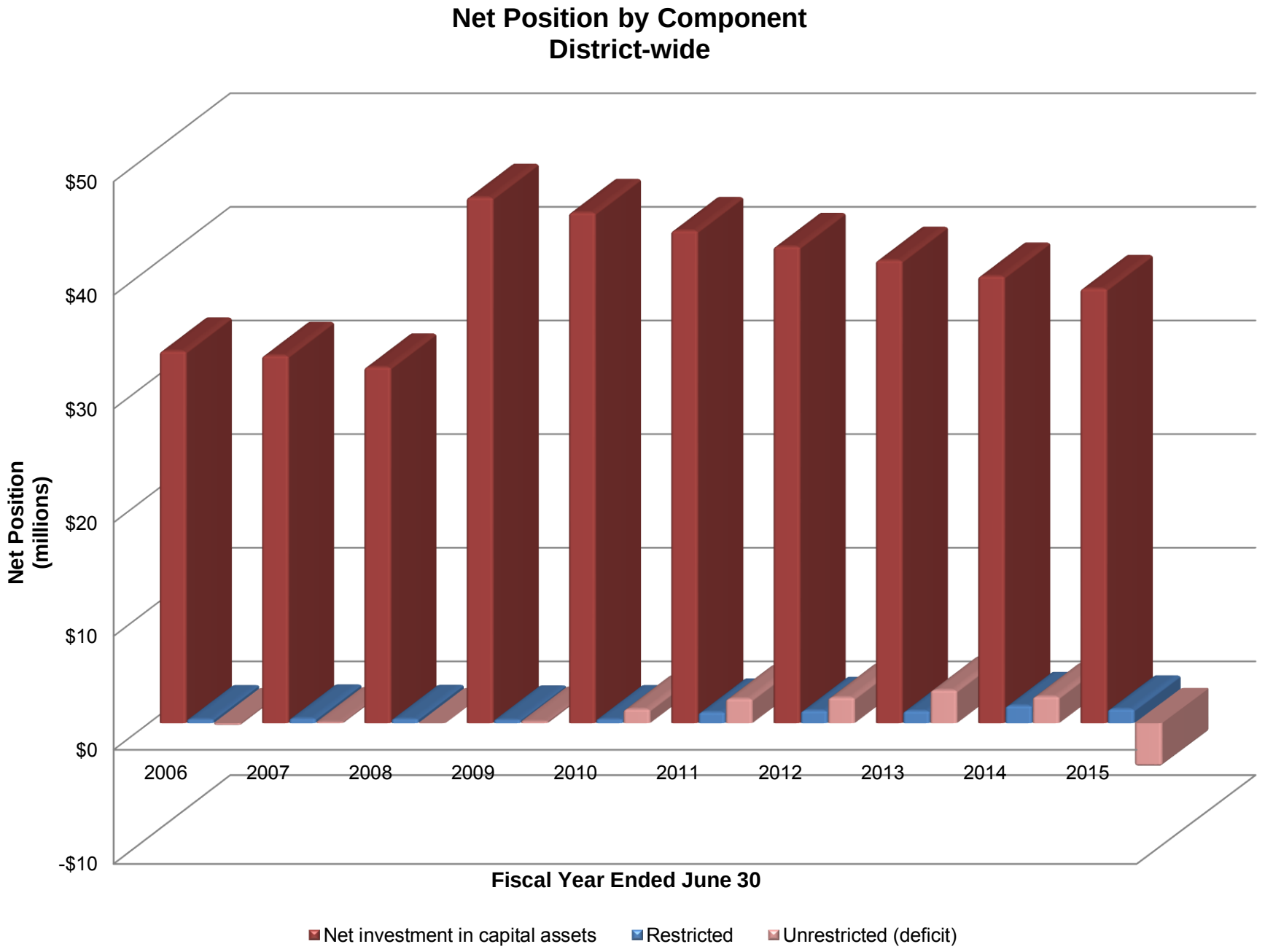
MONTGOMERY COUNTY BOARD OF EDUCATION

Net Position by Component
Last Ten Fiscal Years

Year Ended June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	$ 32,445,538	$ 32,061,829	$ 31,070,129	$ 45,827,826	$ 44,521,519	$ 42,993,751	$ 41,653,655	$ 40,482,359	$ 39,130,800	$ 38,073,586
Restricted	359,366	428,786	385,997	321,480	361,759	978,669	1,114,305	1,088,083	1,548,969	1,250,895
Unrestricted (deficit)	(445,860)	(63,506)	(148,413)	92,647	1,032,646	1,764,084	1,725,117	2,280,196	1,570,076	(4,543,390)
	$ 32,359,044	$ 32,427,109	$ 31,307,713	$ 46,241,953	$ 45,915,924	$ 45,736,504	$ 44,493,077	$ 43,850,638	$ 42,249,845	$ 34,781,091
Business-type activities:										
Invested in capital assets	$ 300,034	$ 294,304	$ 270,130	$ 445,417	$ 420,707	$ 357,661	$ 297,023	$ 252,891	$ 210,990	$ 174,611
Unrestricted	214,973	207,537	138,245	109,589	218,370	401,947	547,833	643,456	784,214	684,896
	$ 515,007	$ 501,841	$ 408,375	$ 555,006	$ 639,077	$ 759,608	$ 844,856	$ 896,347	$ 995,204	$ 859,507
District-wide:										
Net investment in capital assets	$ 32,745,572	$ 32,356,133	$ 31,340,259	$ 46,273,243	$ 44,942,226	$ 43,351,412	$ 41,950,678	$ 40,735,250	$ 39,341,790	$ 38,248,197
Restricted	359,366	428,786	385,997	321,480	361,759	978,669	1,114,305	1,088,083	1,548,969	1,250,895
Unrestricted (deficit)	(230,887)	144,031	(10,168)	202,236	1,251,016	2,166,031	2,272,950	2,923,652	2,354,290	(3,858,494)
	$ 32,874,051	$ 32,928,950	$ 31,716,088	$ 46,796,959	$ 46,555,001	$ 46,496,112	$ 45,337,933	$ 44,746,985	$ 43,245,049	$ 35,640,598

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Net position for 2014 and before are not comparable to 2015 (and after) net position due to the implementation of GASB 68 for the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with its participation in the statewide Teachers' and State Employees' Retirement System (TSERS).


Net Position by Component
District-wide
$50
$40
$30
$20
$10
$0
-$10
Net Position (millions)
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
Fiscal Year Ended June 30
Net investment in capital assets
Restricted
Unrestricted (deficit)

MONTGOMERY COUNTY BOARD OF EDUCATION

Changes in Net Position
Last Ten Fiscal Years

Year Ended June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
Instructional services	$ 27,894,301	$ 29,316,425	$ 33,124,979	$ 33,171,623	$ 32,241,425	$ 29,734,216	$ 29,389,524	$ 29,375,963	$ 29,426,851	$ 29,283,560
System-wide support services	9,701,543	11,603,266	7,717,982	7,842,754	7,654,533	6,723,474	6,782,926	7,433,360	7,607,257	9,260,014
Ancillary services	-	-	1,628	23	69,603	3,626	-	7,748	2,870	3,635
Payments to other governments	1,203	-	(24,906)	14,353	-	-	-	-	-	-
Interest on long-term debt	12,363	10,679	7,927	5,525	2,954	1,148	-	-	-	-
Unallocated depreciation expense	1,072,760	1,074,827	1,085,362	1,255,578	1,371,938	1,373,631	1,243,575	1,242,733	1,277,587	1,223,201
Total governmental activities expenses	38,682,170	42,005,197	41,912,972	42,289,856	41,340,453	37,836,095	37,416,025	38,059,804	38,314,565	39,770,410
Business-type activities:										
School food service	2,811,431	2,874,941	3,016,575	3,142,514	2,767,689	2,777,750	2,921,171	2,919,924	2,864,248	2,779,102
Total district-wide expenses	$ 41,493,601	$ 44,880,138	$ 44,929,547	$ 45,432,370	$ 44,108,142	$ 40,613,845	$ 40,337,196	$ 40,979,728	$ 41,178,813	$ 42,549,512
Program Revenues										
Governmental activities:										
Charges for services:										
Co-curricular services	$ 989,481	$ 1,170,419	$ 1,178,114	$ 891,050	$ 1,057,212	$ 1,049,086	$ 1,089,641	$ 1,030,069	$ 1,195,171	$ 998,930
Other	-	-	-	-	-	-	15,025	16,579	18,344	7,501
Operating grants and contributions	28,325,719	30,539,517	31,076,875	31,544,450	32,160,088	29,433,994	28,694,384	27,933,014	28,273,834	31,863,423
Capital grants and contributions	659,676	1,649,549	213,756	16,038,728	194,711	-	-	165,428	82,714	82,714
Total governmental activities program revenues	29,974,876	33,359,485	32,468,745	48,474,228	33,412,011	30,483,080	29,799,050	29,145,090	29,570,063	32,952,568
Business-type activities:										
Charges for services:										
Student meal services	774,780	892,578	874,566	846,616	711,791	640,632	621,453	603,287	579,848	573,499
Operating grants and contributions	1,816,865	1,856,118	1,951,489	2,040,734	1,952,400	2,175,623	2,290,673	2,285,063	2,298,081	2,268,502
Capital grants and contributions	81,161	39,000	-	223,468	42,513	-	-	-	-	-
Total business-type activities program revenues	2,672,806	2,787,696	2,826,055	3,110,818	2,706,704	2,816,255	2,912,126	2,888,350	2,877,929	2,842,001
Total district-wide program revenues	$ 32,647,682	$ 36,147,181	$ 35,294,800	$ 51,585,046	$ 36,118,715	$ 33,299,335	$ 32,711,176	$ 32,033,440	$ 32,447,992	$ 35,794,569
Net (Expense) Revenue										
Governmental activities	$ (8,707,294)	$ (8,645,712)	$ (9,444,227)	$ 6,184,372	$ (7,928,442)	$ (7,353,015)	$ (7,616,975)	$ (8,914,714)	$ (8,744,502)	$ (6,817,842)
Business-type activities	(138,625)	(87,245)	(190,520)	(31,696)	(60,985)	38,505	(9,045)	(31,574)	13,681	62,899
Total district-wide net (expense) revenue	$ (8,845,919)	$ (8,732,957)	$ (9,634,747)	$ 6,152,676	$ (7,989,427)	$ (7,314,510)	$ (7,626,020)	$ (8,946,288)	$ (8,730,821)	$ (6,754,943)

MONTGOMERY COUNTY BOARD OF EDUCATION
Changes in Net Position (continued)
Last Ten Fiscal Years

Year Ended June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county appropriations - operating	$ 5,399,057	$ 5,860,789	$ 6,034,914	$ 6,322,066	$ 5,627,501	$ 5,000,606	$ 4,803,174	$ 5,953,731	$ 5,072,365	$ 5,046,769
Unrestricted county appropriations - capital	491,787	1,104,470	478,950	505,417	-	-	-	-	-	167,813
Unrestricted State appropriations - operating	946,199	1,222,055	1,284,753	1,298,696	1,301,732	1,462,043	1,374,852	1,855,381	1,593,835	1,257,331
Unrestricted State appropriations - capital	-	-	-	-	189,352	180,598	-	-	-	-
Unrestricted Federal appropriations - capital	-	-	-	-	-	-	-	-	-	-
Investment earnings, unrestricted	44,941	33,229	31,684	29,437	32,270	26,148	18,683	12,052	16,360	18,989
Miscellaneous, unrestricted	410,483	566,308	590,660	772,071	596,325	585,918	260,204	533,280	545,680	589,090
Transfers	(69,284)	(73,074)	(96,130)	(177,819)	(144,767)	(81,718)	(83,365)	(82,169)	(84,531)	(86,015)
Total governmental activities	7,223,183	8,713,777	8,324,831	8,749,868	7,602,413	7,173,595	6,373,548	8,272,275	7,143,709	6,993,977
Business-type activities:										
Investment earnings, unrestricted	1,070	1,005	924	508	289	308	318	194	117	92
Miscellaneous, unrestricted	-	-	-	-	-	-	10,610	702	528	-
Transfers	69,284	73,074	96,130	177,819	144,767	81,718	83,365	82,169	84,531	86,015
Total business-type activities	70,354	74,079	97,054	178,327	145,056	82,026	94,293	83,065	85,176	86,107
Total district-wide	$ 7,293,537	$ 8,787,856	$ 8,421,885	$ 8,928,195	$ 7,747,469	$ 7,255,621	$ 6,467,841	$ 8,355,340	$ 7,228,885	$ 7,080,084
Change in Net Position										
Governmental activities	$ (1,484,111)	$ 68,065	$ (1,119,396)	$ 14,934,240	$ (326,029)	$ (179,420)	$ (1,243,427)	$ (642,439)	$ (1,600,793)	$ 176,135
Business-type activities	(68,271)	(13,166)	(93,466)	146,631	84,071	120,531	85,248	51,491	98,857	149,006
Total district-wide change in net position	$ (1,552,382)	$ 54,899	$ (1,212,862)	$ 15,080,871	$ (241,958)	$ (58,889)	$ (1,158,179)	$ (590,948)	$ (1,501,936)	$ 325,141

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Expenses for 2007 and before are not comparable to 2008 (and after) expenses due to a change in the Uniform Chart of Accounts required to be used by all Local Education Agencies in North Carolina.

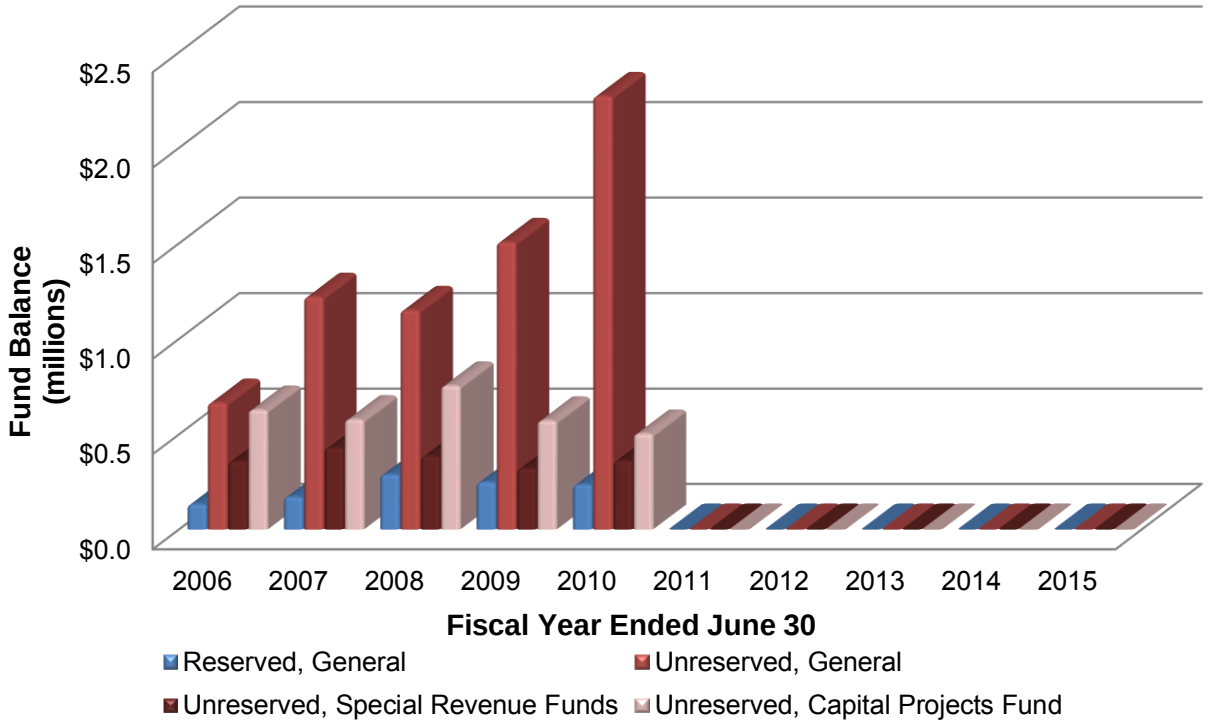
MONTGOMERY COUNTY BOARD OF EDUCATION
Governmental Funds
Fund Balances
Last Ten Fiscal Years

Year Ended June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	$ 134,280	$ 172,295	$ 289,953	$ 249,430	$ 236,600	$ -	$ -	$ -	$ -	$ -
Unreserved	666,208	1,220,809	1,151,679	1,507,673	2,271,411	-	-	-	-	-
Nonspendable	-	-	-	-	-	201,210	242,094	169,839	127,376	102,601
Restricted	-	-	-	-	-	71,865	180,626	46,345	416,041	112,147
Assigned	-	-	-	-	-	3,714,507	3,293,241	922,013	868,301	-
Unassigned	-	-	-	-	-	-	-	3,080,841	2,358,696	3,444,439
Total General Fund	$ 800,488	$ 1,393,104	$ 1,441,632	$ 1,757,103	$ 2,508,011	$ 3,987,582	$ 3,715,961	$ 4,219,038	$ 3,770,414	$ 3,659,187
All other governmental funds:										
Reserved	$ -	$ 44,543	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:									-	-
Special Revenue Funds	359,366	428,786	385,997	321,480	361,759	-	-	-	-	-
Capital Projects Fund	630,171	579,762	756,237	573,271	504,665	-	-	-	-	-
Restricted	-	-	-	-	-	906,804	933,679	1,041,738	1,132,928	1,138,748
Assigned, reported in:										
Other Special Revenue Fund	-	-	-	-	-	-	431,919	592,299	786,411	817,165
Total all other governmental funds	$ 989,537	$ 1,053,091	$ 1,142,234	$ 894,751	$ 866,424	$ 906,804	$ 1,365,598	$ 1,634,037	$ 1,919,339	$ 1,955,913

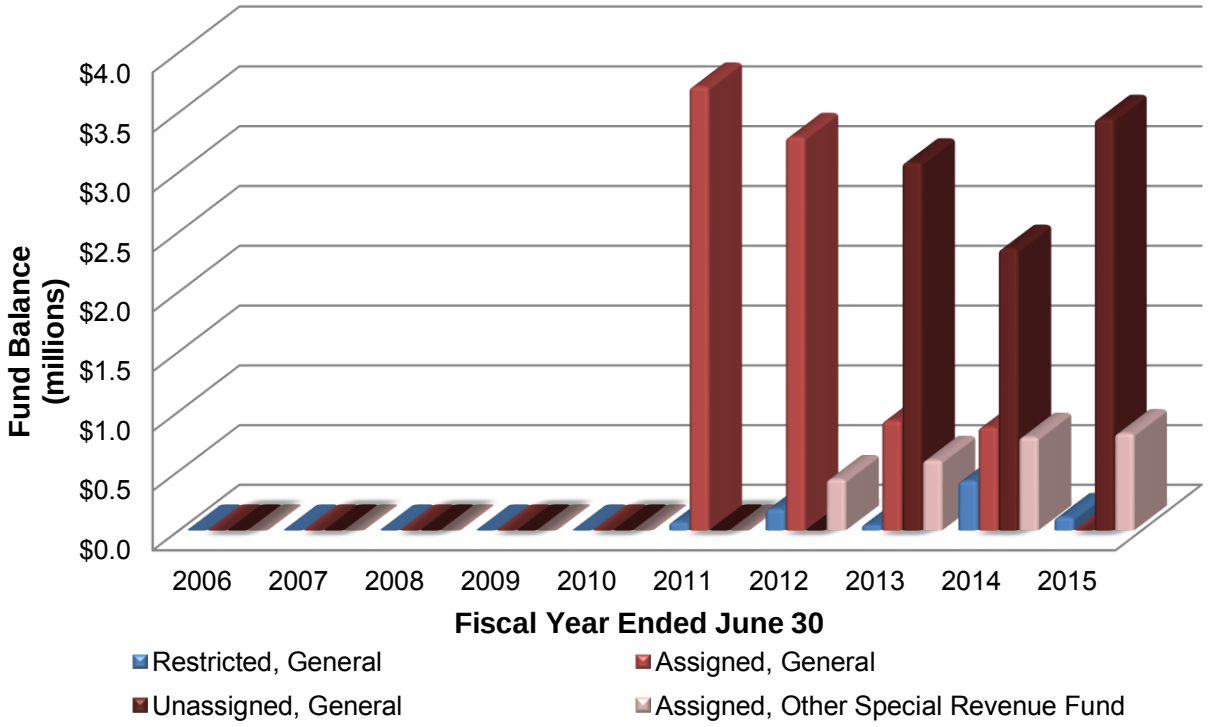
Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Fund balances for 2010 and before are not comparable to 2011 (and after) fund balances due to the implementation of GASB 54 for the year ended June 30, 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

Governmental Funds
Fund Balances - Before GASB 54 Implementation



Governmental Funds
Fund Balances - After GASB 54 Implementation



MONTGOMERY COUNTY BOARD OF EDUCATION
Governmental Funds
Changes in Fund Balances
Last Ten Fiscal Years

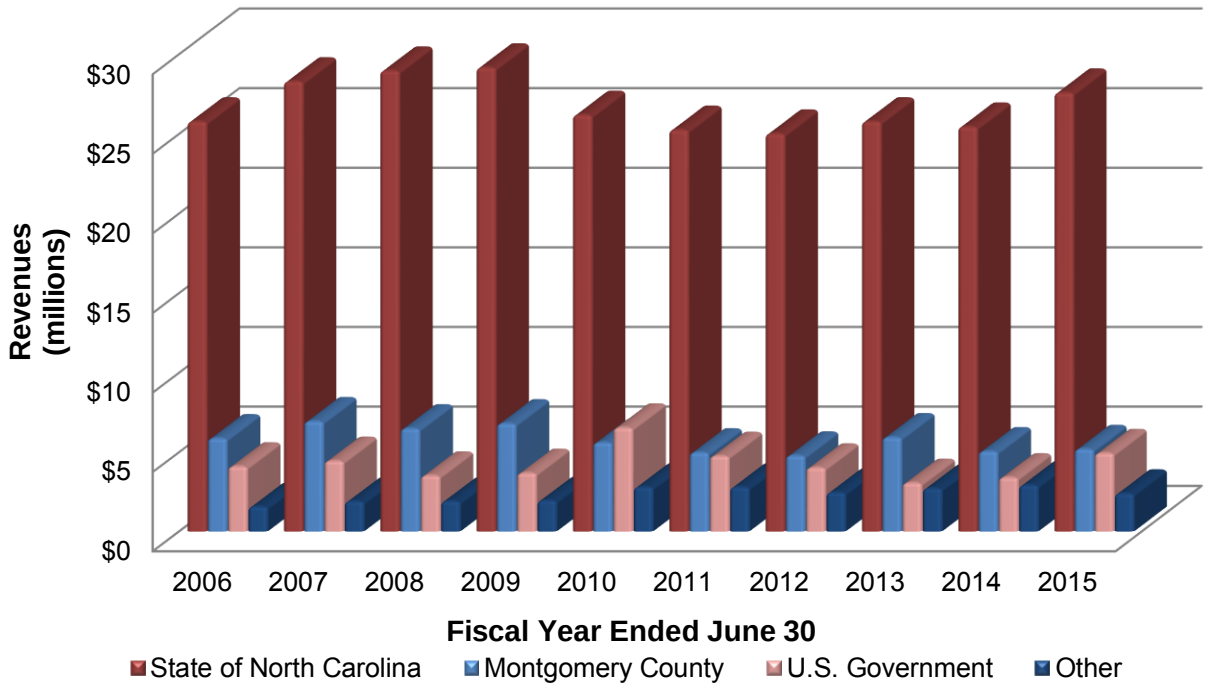
Year Ended June 30	2006	2007	2008	2009	2010
Revenues					
State of North Carolina	$ 25,792,428	$ 28,306,558	$ 28,986,095	$ 29,182,163	$ 26,205,691
Montgomery County	5,890,844	6,965,259	6,513,864	6,827,483	5,627,501
U.S. Government	4,116,875	4,469,050	3,541,046	3,708,444	6,566,412
Other	1,578,681	1,905,228	1,921,427	1,966,686	2,809,563
Total revenues	37,378,828	41,646,095	40,962,432	41,684,776	41,209,167
Expenditures					
Instructional services	27,789,092	29,165,797	32,907,671	33,261,224	32,451,417
System-wide support services	9,154,454	9,670,322	7,277,894	7,035,919	7,372,145
Ancillary services	-	-	1,628	23	69,603
Non-programmed charges	47,688	52,939	47,820	87,214	244,687
Debt service	518,227	295,126	218,732	196,922	41,812
Capital outlay	531,844	2,289,023	376,976	771,461	235,287
Total expenditures	38,041,305	41,473,207	40,830,721	41,352,763	40,414,951
Revenues over (under) expenditures	(662,477)	172,888	131,711	332,013	794,216
Other financing sources (uses)					
Transfers to other funds	(69,284)	(73,074)	(96,130)	(177,819)	(144,767)
Installment purchase obligations	122,225	524,094	-	-	-
Total other financing sources (uses)	52,941	451,020	(96,130)	(177,819)	(144,767)
Net change in fund balances	$ (609,536)	$ 623,908	$ 35,581	$ 154,194	$ 649,449
Ratio of debt service expenditures to total non-capital expenditures	1.40%	0.76%	0.54%	0.49%	0.10%

Year Ended June 30	2011	2012	2013	2014	2015
Revenues					
State of North Carolina	$ 25,267,759	$ 25,028,311	$ 25,793,077	$ 25,464,671	$ 27,603,279
Montgomery County	5,000,606	4,803,174	5,953,731	5,072,365	5,214,582
U.S. Government	4,780,559	4,046,162	3,081,531	3,424,465	4,960,122
Other	2,809,688	2,475,096	2,726,986	2,930,835	2,408,934
Total revenues	37,858,612	36,352,743	37,555,325	36,892,336	40,186,917
Expenditures					
Instructional services	29,592,973	29,315,871	29,181,309	29,358,226	30,398,622
System-wide support services	6,361,283	6,706,894	7,196,406	7,394,497	9,348,842
Ancillary services	3,626	-	7,748	2,870	3,635
Non-programmed charges	119,471	96,574	55,286	90,357	149,156
Debt service	20,247	-	165,428	82,714	82,712
Capital outlay	157,350	3,750	354,062	-	167,813
Total expenditures	36,254,950	36,123,089	36,960,239	36,928,664	40,150,780
Revenues over (under) expenditures	1,603,662	229,654	595,086	(36,328)	36,137
Other financing sources (uses)					
Transfers to other funds	(81,718)	(83,365)	(82,169)	(84,531)	(86,015)
Installment purchase obligations	-	-	330,854	-	-
Total other financing sources (uses)	(81,718)	(83,365)	248,685	(84,531)	(86,015)
Net change in fund balances	$ 1,521,944	$ 146,289	$ 843,771	$ (120,859)	$ (49,878)
Ratio of debt service expenditures to total non-capital expenditures	0.06%	-	0.45%	0.22%	0.21%

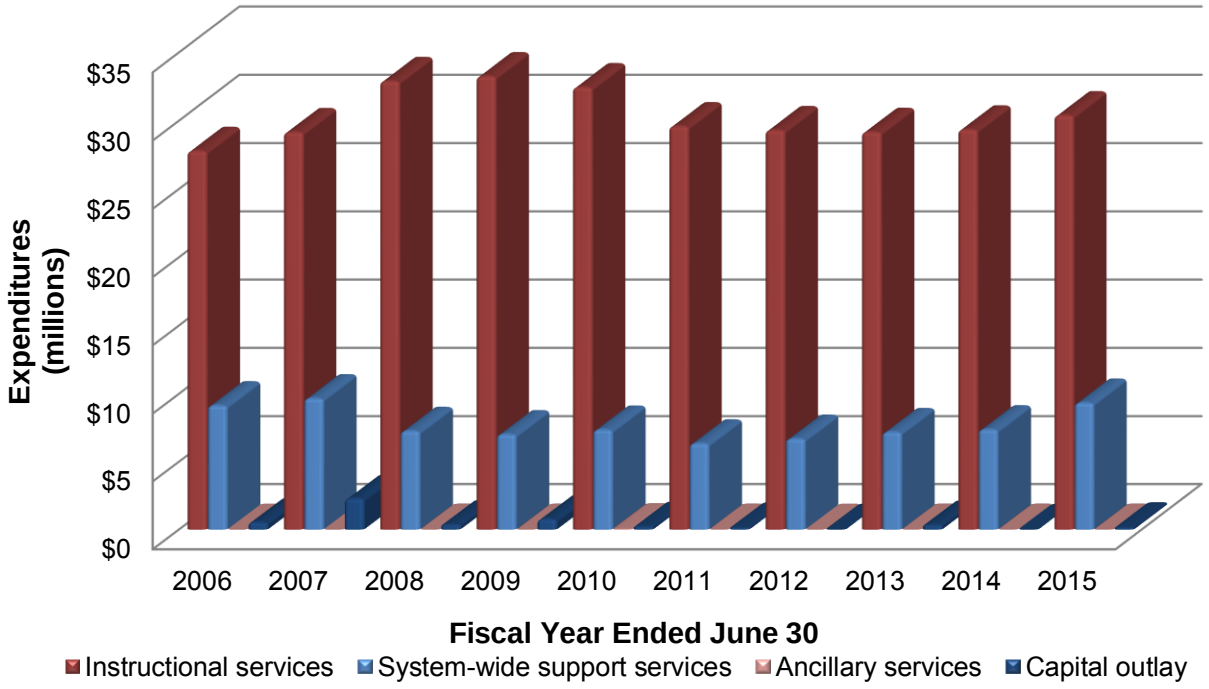
Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Expenditures for 2007 and before are not comparable to 2008 (and after) expenditures due to a change in the Uniform Chart of Accounts required to be used by all Local Education Agencies in North Carolina.

Governmental Funds
Revenues by Source



Governmental Funds
Expenditures by Function



MONTGOMERY COUNTY BOARD OF EDUCATION

Operational Expenditures Per Pupil
Expenditures by Function
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2006	2007	2008	2009	2010
Average Daily Membership	4,477	4,460	4,426	4,330	4,221
Instructional	$ 6,207	$ 6,539	$ 7,435	$ 7,682	$ 7,688
System-wide support	2,045	2,168	1,644	1,625	1,747
Ancillary	-	-	-	-	16
Total expenditures per pupil	$ 8,252	$ 8,707	$ 9,079	$ 9,307	$ 9,451

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2011	2012	2013	2014	2015
Average Daily Membership	4,104	4,137	4,131	4,115	4,008
Instructional	$ 7,211	$ 7,086	$ 7,064	$ 7,134	$ 7,584
System-wide support	1,550	1,621	1,742	1,797	2,333
Ancillary	1	-	2	1	1
Total expenditures per pupil	$ 8,762	$ 8,707	$ 8,808	$ 8,932	$ 9,918

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2006	2007	2008	2009	2010
Instructional	$ 3,059	$ 3,138	$ 3,398	$ 3,562	$ 3,527
System-wide support	1,008	1,041	751	753	802
Ancillary	-	-	-	-	7
Total expenditures per pupil	$ 4,067	$ 4,179	$ 4,149	$ 4,315	$ 4,336

EXPRESSED IN CONSTANT DOLLARS

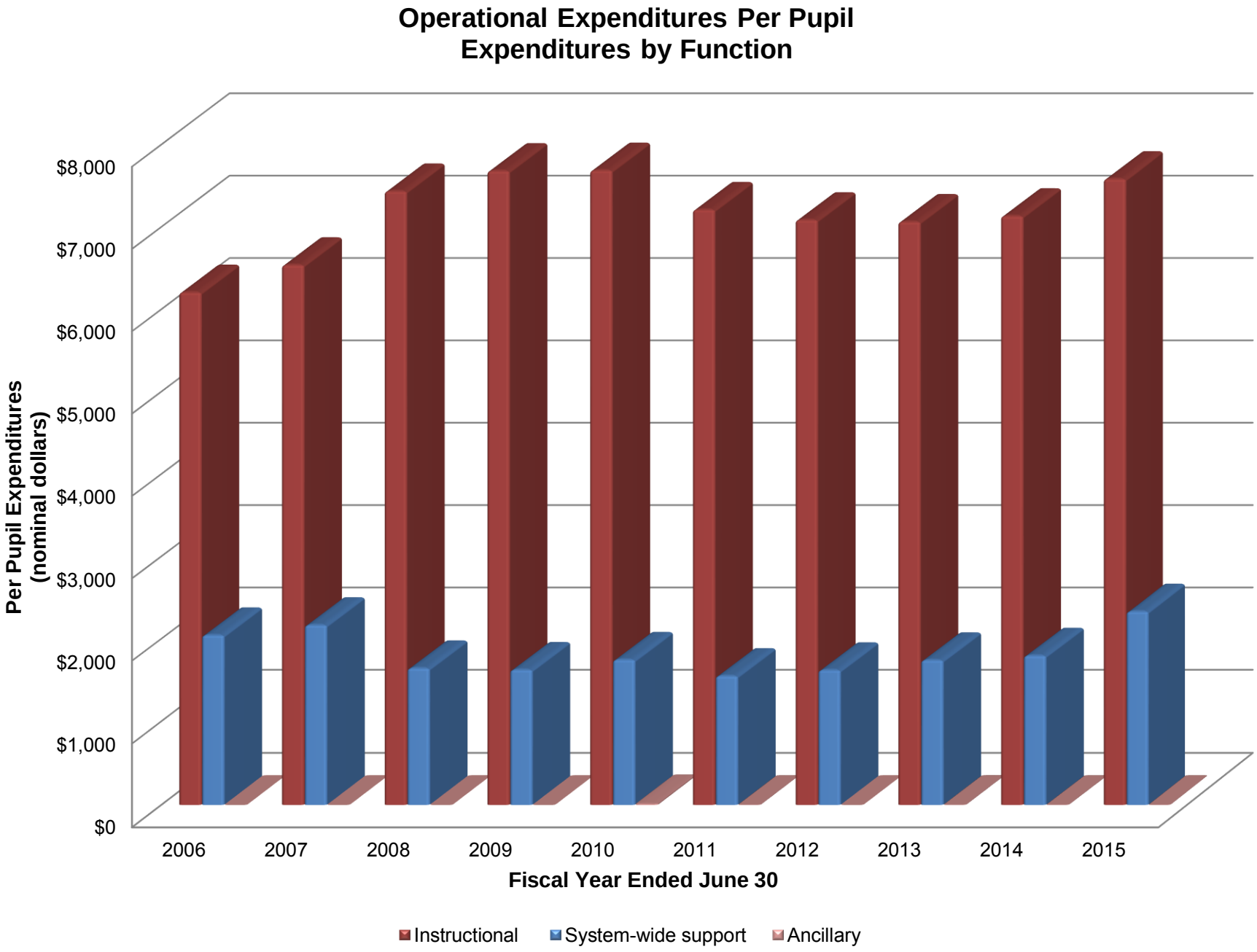
Year Ended June 30	2011	2012	2013	2014	2015
Instructional	$ 3,195	$ 3,088	$ 3,025	$ 2,993	$ 3,178
System-wide support	687	706	746	754	978
Ancillary	-	-	1	-	-
Total expenditures per pupil	$ 3,882	$ 3,794	$ 3,772	$ 3,747	$ 4,156

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: The above operational expenditures per pupil include all governmental funds.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

Note: Expenditures for 2007 and before are not comparable to 2008 (and after) expenditures due to a change in the Uniform Chart of Accounts required to be used by all Local Education Agencies in North Carolina.


Operational Expenditures Per Pupil
Expenditures by Function
Per Pupil Expenditures (nominal dollars)
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
Fiscal Year Ended June 30
Instructional
System-wide support
Ancillary

MONTGOMERY COUNTY BOARD OF EDUCATION

Proprietary Fund - Food Services Operations
Revenues by Source
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2006	2007	2008	2009	2010
Food sales	$ 774,780	$ 892,578	$ 874,566	$ 846,616	$ 711,791
Federal reimbursements	1,570,396	1,612,265	1,616,499	1,696,610	1,811,069
Federal commodities	120,815	131,947	136,604	135,743	135,775
Other	126,724	112,911	199,310	208,889	255,760
Total revenues	$ 2,592,715	$ 2,749,701	$ 2,826,979	$ 2,887,858	$ 2,914,395

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2011	2012	2013	2014	2015
Food sales	$ 640,632	$ 621,453	$ 603,287	$ 579,848	$ 571,488
Federal reimbursements	1,990,796	2,138,828	2,132,682	2,132,265	2,095,871
Federal commodities	175,301	141,435	141,056	156,187	163,167
Other	244,621	251,017	212,479	225,257	245,798
Total revenues	$ 3,051,350	$ 3,152,733	$ 3,089,504	$ 3,093,557	$ 3,076,324

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2006	2007	2008	2009	2010
Food sales	$ 381,853	$ 428,399	$ 399,683	$ 392,510	$ 326,562
Federal reimbursements	773,975	773,818	738,751	786,586	830,899
Federal commodities	59,544	63,329	62,429	62,933	62,292
Other	62,456	54,192	91,086	96,846	117,340
Total revenues	$ 1,277,828	$ 1,319,738	$ 1,291,949	$ 1,338,875	$ 1,337,093

EXPRESSED IN CONSTANT DOLLARS

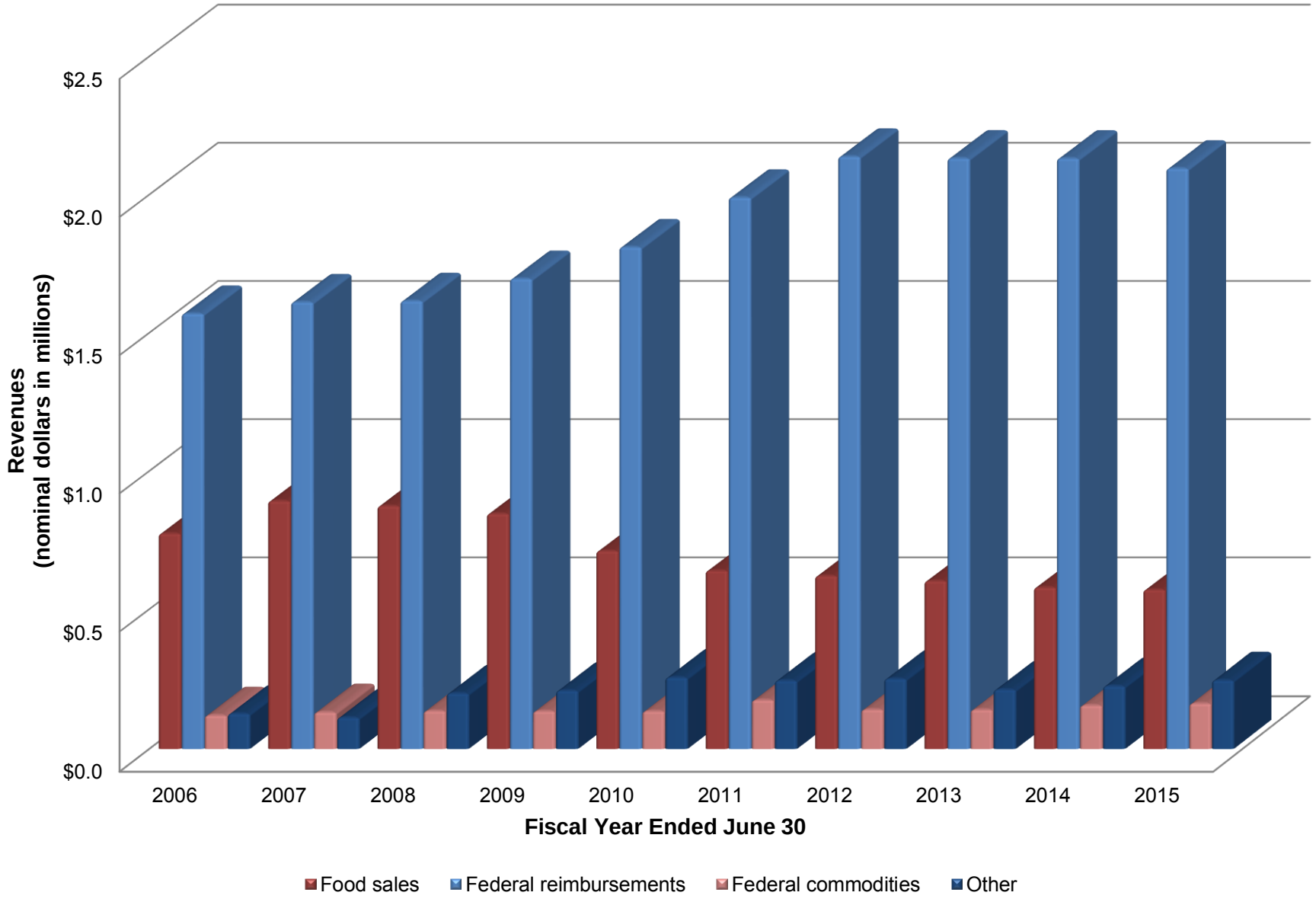
Year Ended June 30	2011	2012	2013	2014	2015
Food sales	$ 283,815	$ 270,812	$ 258,363	$ 243,283	$ 239,479
Federal reimbursements	881,968	932,041	913,339	894,620	878,264
Federal commodities	77,662	61,633	60,408	65,530	68,374
Other	108,373	109,386	90,996	94,510	103,000
Total revenues	$ 1,351,818	$ 1,373,872	$ 1,323,106	$ 1,297,943	$ 1,289,117

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Other revenue includes interest earned, State reimbursements, indirect costs not paid, and other revenues.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

Proprietary Fund - Food Service Operations
Revenues by Source



MONTGOMERY COUNTY BOARD OF EDUCATION

Proprietary Fund - Food Services Operations
Expenses by Category
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2006	2007	2008	2009	2010
Purchase of food	$ 761,912	$ 826,206	$ 910,984	$ 890,076	$ 842,075
Donated commodities	120,815	131,947	136,604	135,743	135,775
Salaries and benefits	1,564,833	1,575,494	1,601,722	1,726,444	1,585,533
Other	363,871	341,294	367,265	390,251	454,221
Total expenses	$ 2,811,431	$ 2,874,941	$ 3,016,575	$ 3,142,514	$ 3,017,604

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2011	2012	2013	2014	2015
Purchase of food	$ 914,506	$ 1,110,686	$ 1,105,871	$ 1,047,932	$ 1,067,629
Donated commodities	175,301	141,435	141,056	156,187	163,167
Salaries and benefits	1,466,704	1,436,553	1,459,415	1,449,578	1,346,093
Other	456,026	462,176	413,840	425,534	436,444
Total expenses	$ 3,012,537	$ 3,150,850	$ 3,120,182	$ 3,079,231	$ 3,013,333

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2006	2007	2008	2009	2010
Purchase of food	$ 375,511	$ 396,543	$ 416,326	$ 412,659	$ 386,335
Donated commodities	59,544	63,329	62,429	62,933	62,292
Salaries and benefits	771,234	756,169	731,998	800,417	727,426
Other	179,335	163,806	167,843	180,929	208,392
Total expenses	$ 1,385,624	$ 1,379,847	$ 1,378,596	$ 1,456,938	$ 1,384,445

EXPRESSED IN CONSTANT DOLLARS

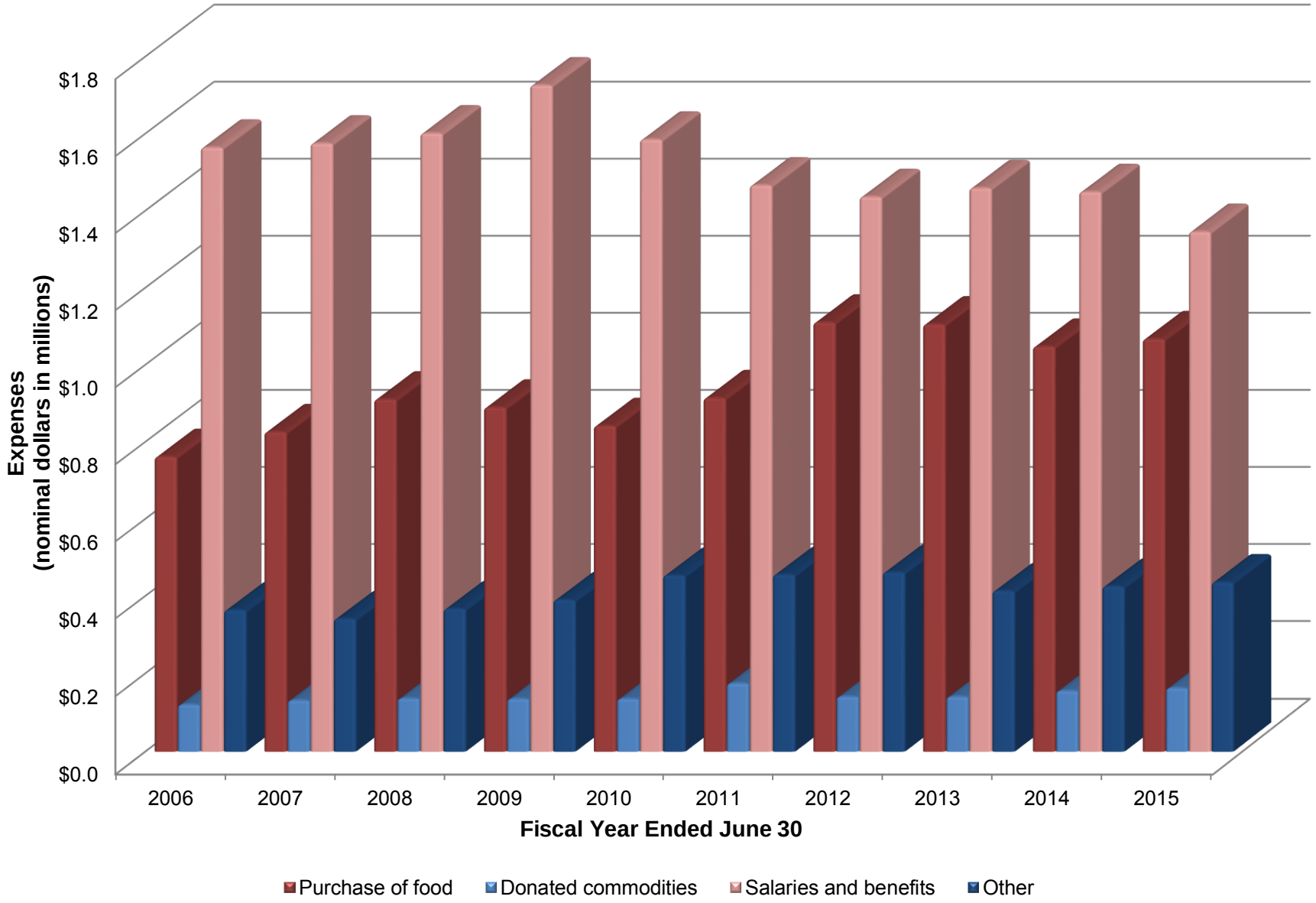
Year Ended June 30	2011	2012	2013	2014	2015
Purchase of food	$ 405,147	$ 484,005	$ 473,598	$ 439,674	$ 447,384
Donated commodities	77,662	61,633	60,408	65,530	68,374
Salaries and benefits	649,783	626,009	625,006	608,190	564,073
Other	202,030	201,403	177,230	178,538	182,890
Total expenses	$ 1,334,622	$ 1,373,050	$ 1,336,242	$ 1,291,932	$ 1,262,721

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Other expense includes indirect costs, materials and supplies, repairs and maintenance, depreciation, and other expenses.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

Proprietary Fund - Food Services Operations
Expenses by Category



MONTGOMERY COUNTY BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year Ended June 30	Installment Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
2015	$ -	$ -	N/A	N/A
2014	82,712	82,712	N/A	$ 3
2013	165,426	165,426	0.019%	6
2012	-	-	-	-
2011	-	-	-	-
2010	19,099	19,099	0.003%	1
2009	57,957	57,957	0.008%	2
2008	249,354	249,354	0.034%	9
2007	460,159	460,159	0.064%	17
2006	220,512	220,512	0.031%	8

N/A = Not available

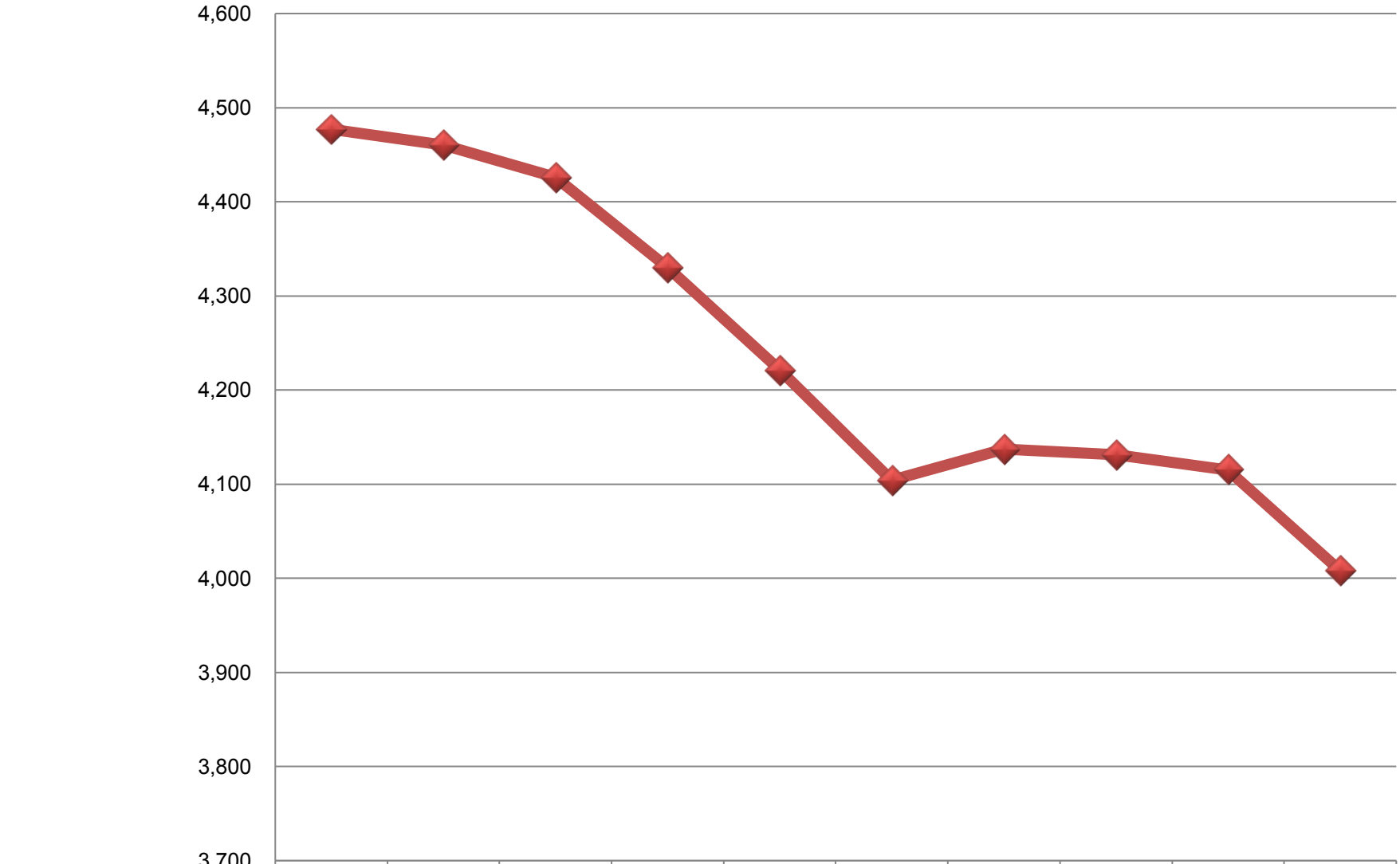
Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Montgomery County School System cannot incur debt without obtaining prior approval from the Board.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2015 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2016, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2014 and June 30, 2015 income based information will be shown above as "N/A", and the June 30, 2014 information will be reported for the year ended June 30, 2016, if applicable.

MONTGOMERY COUNTY BOARD OF EDUCATION
Average Daily Membership
Last Ten Fiscal Years



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Avg Daily Membership	4,477	4,460	4,426	4,330	4,221	4,104	4,137	4,131	4,115	4,008

MONTGOMERY COUNTY BOARD OF EDUCATION

Student Statistics

Last Ten Fiscal Years

Year Ended June 30	Teaching Staff	Students	Teacher/ Pupil Ratio	Student Attendance Percentage[1]	Percentage of Students Receiving Free/Reduced Lunch[2]
2015	278	4,008	1/15	95.68%	74.13%
2014	269	4,115	1/15	96.01%	75.00%
2013	287	4,131	1/14	95.18%	74.00%
2012	296	4,137	1/14	95.55%	74.00%
2011	314	4,104	1/13	94.64%	74.00%
2010	320	4,221	1/13	94.93%	73.20%
2009	338	4,330	1/13	94.97%	68.90%
2008	344	4,426	1/13	95.35%	67.50%
2007	344	4,460	1/13	95.00%	65.50%
2006	321	4,477	1/14	95.40%	66.67%

MONTGOMERY COUNTY BOARD OF EDUCATION

Student Statistics (continued)

Last Ten Fiscal Years

Year Ended June 30	Ethnic Distribution Percentage[3]					Graduates[3]	Percentage of Graduates Continuing Education[3]
	White	Black	Asian	Hispanic	Other		
2015	43%	20%	2%	32%	3%	N/A	N/A
2014	44%	20%	2%	32%	2%	285	73%
2013	45%	20%	2%	31%	2%	270	75%
2012	46%	20%	2%	30%	2%	287	70%
2011	46%	22%	2%	29%	1%	245	67%
2010	45%	22%	2%	28%	3%	234	64%
2009	47%	25%	2%	26%	-	254	69%
2008	47%	26%	2%	25%	-	263	78%
2007	47%	26%	3%	24%	-	261	79%
2006	48%	27%	3%	22%	-	246	80%

N/A = Not Available

Sources:

(1) NC Department of Public Instruction Average Daily Attendance(ADA):Average Daily Membership(ADM) Ratio Reports

(2) NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2015 obtained from Montgomery County Board of Education Student Data.

(3) North Carolina Public Schools Statistical Profile (2006-2015 Editions).

Note: This table is a ten year schedule. However, the graduate and attendance data for the year ended June 30, 2015 could not be obtained from the North Carolina Department of Public Instruction prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

MONTGOMERY COUNTY BOARD OF EDUCATION

Full-time Equivalent Governmental Employees by Function/Program

Last Ten Fiscal Years

Year Ended June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Officials, admins, mgrs	13	8	8	10	9	9	9	9	9	9
Principals	10	10	10	10	10	11	11	11	11	11
Asst. Principals, non-teaching	6	6	6	6	6	5	4	4	5	6
Total administrators	29	24	24	26	25	25	24	24	25	26
Elementary teachers	234	241	241	236	226	220	203	132	184	190
Secondary teachers	87	101	101	102	94	94	93	155	85	88
Other teachers	-	2	2	-	-	-	-	-	-	-
Total teachers	321	344	344	338	320	314	296	287	269	278
Guidance	11	11	11	12	11	11	12	13	11	12
Psychological	1	-	-	-	-	-	1	1	1	1
Librarian, audiovisual	9	9	9	10	10	10	10	10	9	5
Consultant, supervisor	-	10	10	6	7	5	3	4	16	18
Other professionals	29	14	14	14	12	12	14	18	17	18
Total professionals	400	412	412	406	385	377	360	357	348	358
Teacher Assistants	146	148	148	132	111	106	96	92	87	80
Technicians	2	11	11	12	12	13	13	3	2	2
Clerical, secretarial	47	47	47	42	43	44	46	39	40	40
Service workers	101	88	88	91	97	84	77	72	63	56
Skilled crafts	-	20	20	21	16	13	15	16	14	15
Total employees	696	726	726	704	664	637	607	579	554	551

Source: North Carolina Public Schools Statistical Profile (2006-2015 Editions)

MONTGOMERY COUNTY BOARD OF EDUCATION
Instructional Personnel
Last Ten Fiscal Years

Year Ended June 30	Teacher Salaries[1] Minimum	Maximum	Average	Bachelors Degree[2]	Masters Degree[2]	Advanced Degree[2]	Doctorate Degree[2]
2015	$ 35,000	$ 62,260	$ 42,820	218	83	4	-
2014	30,800	63,780	47,290	213	66	2	1
2013	30,800	74,646	41,083	210	82	2	-
2012	30,430	64,750	41,250	235	91	2	1
2011	30,430	64,750	41,250	226	71	3	-
2010	30,430	64,750	41,250	239	75	4	1
2009	30,430	64,750	41,250	238	70	4	1
2008	29,750	64,160	41,000	239	75	4	1
2007	28,510	61,380	39,470	240	108	6	5
2006	26,260	57,400	36,446	261	93	6	2

The above tabulation represents total salaries including both state base and the system-wide local supplement, but does not include the following:

(a) Longevity payments, ranging from 1 1/2% to 4 1/2% of the annual salary, made to each teacher for 10 or more years of service.
(b) Payments of varying amounts for performing extra duties.
(c) Bonus payments

Sources:
(1) Montgomery County Board of Education Payroll Data
(2) North Carolina Public Schools Statistical Profile (2006-2014 Editions). Information for 2015 obtained from Montgomery County Board of Education Personnel Data.

Note: Degree information for 2007 and before are not comparable to 2008 (and after) degree information due to a change in the reporting of degrees awarded. Degrees awarded for 2007 and before were reported based on all instructional personnel, while for 2008 and after they are reported based on classroom teachers only.

MONTGOMERY COUNTY BOARD OF EDUCATION

School Building Data

June 30, 2015

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
Candor Elementary	1979	553	323	-42%	Good
Green Ridge Elementary	2008	700	487	-30%	Excellent
Mount Gilead Elementary	1979	476	312	-34%	Good
Page Street Elementary	2002	401	242	-40%	Good
Star Elementary	1983	444	242	-45%	Good
Troy Elementary	1979	419	256	-39%	Good
East Middle	1990	478	502	5%	Good
West Middle	1990	644	488	-24%	Good
Montgomery Learning Academy	1965	100	34	-66%	Fair
East Montgomery High	1960	665	574	-14%	Fair
West Montgomery High	1960	825	548	-34%	Fair

Source: Montgomery County Board of Education N. C. Public Schools Facility Needs Report; 2015

MONTGOMERY COUNTY, NORTH CAROLINA
Demographic Statistics
Last Ten Fiscal Years

Year Ended June 30	2006	2007	2008	2009	2010
Population estimate (1)	27,262	27,464	27,707	27,745	27,798
Personal income (2)	$704,809,000	$718,262,000	$731,072,000	$731,779,000	$756,549,000
Per capita income (2)	$25,853	$26,153	$26,386	$26,375	$27,216
Median age (3)	37.21	37.38	37.59	37.86	38.01
School enrollment (4)	4,477	4,460	4,426	4,330	4,221
Unemployment rate (5)	7.1%	6.1%	8.1%	13.3%	12.5%
Year Ended June 30	**2011**	**2012**	**2013**	**2014**	**2015**
Population estimate (1)	27,667	27,668	27,571	27,395	N/A
Personal income (2)	$778,693,000	$820,671,000	$853,763,000	N/A	N/A
Per capita income (2)	$28,145	$29,661	$30,966	N/A	N/A
Median age (3)	38.93	39.05	39.16	39.27	39.42
School enrollment (4)	4,104	4,137	4,131	4,115	4,008
Unemployment rate (5)	12.6%	12.5%	10.2%	6.8%	6.2%

N/A = Not Available

Sources:
(1) Based upon estimates issued by the U.S. Census Bureau as of July 1
(2) Bureau of Economic Analysis
(3) Office of State Budget and Management
(4) North Carolina Department of Public Instruction
(5) North Carolina Employment Security Commission

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2015 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2016, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2014 and June 30, 2015 income based information will be shown above as "N/A", and the June 30, 2014 information will be reported for the year ended June 30, 2016, if applicable.

MONTGOMERY COUNTY, NORTH CAROLINA
Principal Employers
For Years Ended June 30, 2015 and 2006

	2015			2006		
Employer	**Employees [1]**	**Rank**	**Approximate Percentage of Total County Employment**	**Employees [1]**	**Rank**	**Approximate Percentage of Total County Employment**
Montgomery County Schools	500 - 999	1	7%	500 - 999	1	7%
McRae Industries	250 - 499	2	3%	-		-
Grede Biscoe	250 - 499	3	3%	-		-
Jordan Lumber & Supply, Inc.	250 - 499	4	3%	250 - 499	5	3%
NC Department of Public Safety	250 - 499	5	3%	250 - 499	4	3%
Klaussner Furniture Industries	250 - 499	6	3%	500 - 999	2	7%
First Bank	250 - 499	7	3%	-		-
Montgomery County	250 - 499	8	3%	100 - 249	8	2%
Family First Home Care LLC	100 - 249	9	2%	-		-
Unilin US MDF	100 - 249	10	2%	100 - 249	10	2%
Citation Coporation	-		-	250 - 499	3	3%
Clayson Knitting Co Inc.	-		-	250 - 499	6	3%
Capel Inc.	-		-	100 - 249	7	2%
Behavioral Healthcare of the Carolinas	-		-	100 - 249	9	2%
			32%			34%
Total County Employment [2]	11,115			11,506		

Sources:

(1) North Carolina Chamber of Commerce - current year data is as of March 31st

(2) North Carolina Employment Security Commission

MONTGOMERY COUNTY, NORTH CAROLINA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year Ended June 30	Governmental Activities: Capitalized Leases	Governmental Activities: Installment Purchases	Governmental Activities: General Obligation Bonds	Business -Type Activities: Installment Purchases	Business -Type Activities: General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	$ 12,521	$ 738,825	$ 19,840,000	$ 10,941,883	$ -	$ 31,533,229	N/A	$ 1,151
2013	37,429	735,202	20,920,000	11,673,348	$ -	33,365,979	3.91%	1,210
2012	69,462	646,856	22,010,000	5,027,312	5,905,760	33,659,390	4.10%	1,217
2011	312,309	824,259	23,110,000	4,793,212	6,014,500	35,054,280	4.50%	1,267
2010	658,904	983,766	24,225,000	4,925,466	6,118,000	36,911,136	4.88%	1,328
2009	780,352	1,135,558	25,338,070	5,068,662	6,262,930	38,585,572	5.27%	1,391
2008	825,136	1,280,008	26,465,220	3,809,898	6,479,280	38,859,542	5.32%	1,403
2007	268,686	1,417,470	17,128,820	69,286	6,746,179	25,630,441	3.57%	933
2006	159,611	1,548,283	2,018,108	102,000	7,008,376	10,836,378	1.54%	397

N/A = Not Available

Source: Montgomery County, North Carolina, Annual Financial Reports.

Note: This table is a ten year schedule. However, the annual financial report for the year ended June 30, 2015 could not be obtained from Montgomery County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2015 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2016, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2014 and June 30, 2015 income based information will be shown above as "N/A", and the June 30, 2014 information will be reported for the year ended June 30, 2016, if applicable.

MONTGOMERY COUNTY, NORTH CAROLINA

Principal Property Taxpayers
December 31, 2014 and December 31, 2005

		2014			2005		
Taxpayer	**Type of Business**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Alcoa Power Generating Inc.	Manufacturing	$ 92,018,500	1	3.36%	$ -		-
Duke Energy Progress Inc.	Utility	53,731,122	2	1.96%	-		-
Jordan Lumber & Supply, Inc.	Manufacturing	37,717,708	3	1.38%	30,343,948	3	1.44%
Unilin U.S. MDF	Manufacturing	33,197,163	4	1.21%	62,387,907	1	2.95%
Wright Foods	Manufacturing	15,289,556	5	0.56%	-		-
Redus NC Land, LLC	Real Estate Dev.	12,963,100	6	0.47%	-		-
Mountaire Farms, Inc.	Manufacturing	12,437,825	7	0.45%	11,521,403	5	0.55%
Troy Lumber Co.	Manufacturing	12,220,986	8	0.45%	10,929,272	7	0.52%
Tillery Tradition, Inc	Real Estate Dev.	11,165,195	9	0.41%	15,317,574	4	0.73%
Randolph EMC	Utility	10,040,999	10	0.37%	-		-
Grede II LLC	Manufacturing	-		-	-		-
Gibralter Packaging Group	Manufacturing	-		-	-		-
Suddekor LLC	Manufacturing	-		-	-		-
Yadkin, Inc.	Manufacturing	-		-	40,837,936	2	1.93%
Lake Badin Associates	Real Estate Dev.	-		-	9,571,543	8	0.45%
Citation Castings, LLC	Manufacturing	-		-	11,059,229	6	0.52%
Uwharrie Point Associates	Real Estate Dev.	-		-	7,212,100	9	0.34%
KEI Acquisition Corp.	Real Estate Dev.	-		-	7,000,700	10	0.33%
		$ 290,782,154		10.62%	$ 206,181,612		9.76%
Total Assessed Valuation		$ 2,742,140,459			$ 2,112,462,034		

Source: Montgomery County Tax Administrator

MONTGOMERY COUNTY, NORTH CAROLINA

Property Tax Levies and Current Collections
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
2015	$ 15,649,679	$ 15,180,161	97.00%
2014	16,287,804	15,811,601	97.08%
2013	16,566,009	15,926,108	96.14%
2012	15,644,079	15,068,885	96.32%
2011	15,568,890	15,024,554	96.50%
2010	14,344,479	13,900,698	96.91%
2009	13,338,194	12,917,249	96.84%
2008	13,029,914	12,575,545	96.51%
2007	12,667,836	12,266,902	96.84%
2006	12,270,030	11,870,344	96.74%

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	Total Tax Levy	Current Tax Collections
2015	$ 6,557,916	$ 6,361,167
2014	6,833,766	6,633,969
2013	7,094,529	6,820,486
2012	6,817,246	6,566,592
2011	6,897,374	6,656,220
2010	6,581,093	6,377,491
2009	6,183,879	5,988,720
2008	5,954,763	5,747,113
2007	6,080,017	5,887,585
2006	6,047,329	5,850,342

N/A = Not Available

Source: Montgomery County Tax Administrator

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

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