



# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

**NASHVILLE, NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Nash-Rocky Mount Board of Education  
Nashville, North Carolina*

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

*Prepared by*  
Susan Blackwell  
and the  
Finance Department



**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**TABLE OF CONTENTS**

---

**INTRODUCTORY SECTION**

Letter of Transmittal	i
Board Members and Principal Officers	iv
Organizational Chart	v
Certificate of Excellence in Financial Reporting – ASBO	vi
Certificate of Achievement for Excellence in Financial Reporting – GFOA	vii

**FINANCIAL SECTION**

<b><u>Exhibit</u></b>		<b><u>Page No.</u></b>
	Independent Auditors' Report .....	1
	<b>Management's Discussion and Analysis</b> .....	3
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position .....	10
2	Statement of Activities .....	11
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds .....	12
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	13
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	14
6	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund and Annually Budgeted Major Special Revenue Funds .....	15
7	Statement of Net Position - Proprietary Fund Type .....	19
8	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund Type .....	20
9	Statement of Cash Flows - Proprietary Fund Type .....	21
	Notes to the Financial Statements .....	22
	Required Supplementary Information:	
	Schedule of the Board's Proportionate Share of the Net Pension Liability .....	43
	Schedule of Board Contributions .....	44
	Individual Fund Schedules:	
	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund .....	46
	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Capital Outlay Fund .....	48
	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Individual Schools Fund .....	49
	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) School Food Service Fund .....	50

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**TABLE OF CONTENTS (continued)**

---

<b><u>Table</u></b>	<b><u>STATISTICAL SECTION</u></b>	<b><u>Page No.</u></b>
<b>1</b>	Financial Perspective for Governmental and Business-type Activities.....	52
<b>2</b>	Net Position by Component.....	54
<b>3</b>	Changes in Net Position.....	56
<b>4</b>	Governmental Funds – Fund Balances .....	58
<b>5</b>	Governmental Funds – Changes in Fund Balances.....	60
<b>6</b>	Operational Expenditures Per Pupil – Expenditures by Function .....	62
<b>7</b>	Proprietary Fund – Food Services Operations – Revenues by Source .....	64
<b>8</b>	Proprietary Fund – Food Services Operations – Expenses by Category .....	66
<b>9</b>	Ratios of Outstanding Debt by Type.....	68
<b>10</b>	Average Daily Membership .....	69
<b>11</b>	Student Statistics .....	70
<b>12</b>	Full-time Equivalent Governmental Employees by Function/Program .....	72
<b>13</b>	Instructional Personnel.....	73
<b>14</b>	School Building Data.....	74
	Nash County, North Carolina	
<b>15</b>	Demographic Statistics .....	76
<b>16</b>	Principal Employers.....	77
<b>17</b>	Principal Property Taxpayers .....	78
<b>18</b>	Property Tax Levies and Current Collections .....	79
	Edgecombe County, North Carolina	
<b>19</b>	Demographic Statistics .....	80
<b>20</b>	Principal Employers.....	81
<b>21</b>	Principal Property Taxpayers .....	82
<b>22</b>	Property Tax Levies and Current Collections .....	83



## **Introductory Section**



## **NASH-ROCKY MOUNT PUBLIC SCHOOL SYSTEM**

**December 28, 2015**

### **Members of the Nash-Rocky Mount Board of Education and Citizens of Nash County, North Carolina and Edgecombe County, North Carolina:**

In compliance with the Public School Laws of North Carolina, the Comprehensive Annual Financial Report of the Nash-Rocky Mount Board of Education (the “Board”), operating as “Nash-Rocky Mount Public 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 the Chief Financial Officer.

The report has been prepared by the Finance Department in accordance with generally accepted accounting principles. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain an 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 Nash-Rocky Mount Board of Education is the level of government having oversight responsibility and control over activities related to public school education in Nash County, North Carolina and a portion of Edgecombe County, North Carolina. For the 2014-2015 fiscal year, the school system served approximately 15,700 students from kindergarten through 12th grade in 17 elementary schools, 6 middle schools, 5 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. While the Board does receive county funding, the counties are not entitled to share in any surplus nor are they required to finance any deficits. The Board, whose members are elected by the citizens of Nash County and Edgecombe 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 Nash-Rocky Mount Board of Education is not included in any other reporting entity.

### **FINANCIAL AND BUDGETARY CONTROL**

In order to meet the challenging learning experiences provided to the students attending Nash-Rocky Mount Public Schools, the Board must use a variety of funding resources, including local, State, federal and private grants while complying with legal requirements of each funding source. In doing so, the Board is unable to summarize all governmental financial transactions and balances into one accounting entity. Instead, the accounting system is divided into separate entities; each referred to as a “fund”. The Board’s funds are divided into governmental and proprietary. Each fund is a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities in accordance with legal requirements, generally accepted accounting principles, special regulations or other limitations. Governmental fund

types include general, special revenue and capital projects. The enterprise fund is a proprietary fund type. The enterprise fund is presented on a full accrual basis, while the other funds are maintained on a modified accrual basis.

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 and are to provide reasonable assurance regarding the safeguarding of assets from unauthorized use or disposition. 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.

North Carolina General Statutes requires all governmental units in the state to adopt a balanced budget by July 1 of each year. The Board has the final approval over the budget and primary accountability for fiscal matters (including any deficits). The Board's annual Budget Resolution authorizes expenditures by purpose on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amounts reflected in the accompanying financial statements represent the final budgets as amended for the fiscal year. The Board also uses a purchase order encumbrance system that records and shows encumbrances outstanding against each line item of expenditures.

### **ECONOMIC CONDITION AND OUTLOOK**

The financial health of the Board is largely dependent upon the economic prospects of the State of North Carolina and of Nash County and Edgecombe County. The State of North Carolina has felt the effects of the nationwide financial crisis since the second half of 2008.

Nash County and Edgecombe County have not experienced economic growth in the past several years and are not anticipating significant growth in the near future.

Nash County has a population of approximately 94,000 with very little growth experienced over the past ten years. Currently, Hospira, Inc. and Nash-Rocky Mount Public Schools are the two largest employers in Nash County.

Edgecombe County has a population of approximately 55,000. Similar to Nash County, Edgecombe has experienced very little growth over the past ten years. Currently, QVC, Inc. and Edgecombe County Public Schools are the 2 largest employers for Edgecombe County.

During the past seven years, the Board has experienced a steady decline in student enrollment of approximately 1.6% per year.

### **MAJOR INITIATIVES**

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

- Provide an aligned, rigorous curriculum designed to prepare globally competitive students
- Maintain safe and orderly school environments throughout the district
- Employ, retain and support distinguished leaders, teachers and personnel
- Provide 21<sup>st</sup> Century technology to enhance instruction and promote innovation
- Exhibit excellence in financial and facility planning, management and stewardship
- Engage families and the community to ensure open communication and opportunities to evaluate organizational effectiveness and customer satisfaction

## **INDEPENDENT AUDIT**

Anderson Smith & Wike PLLC has audited the financial records and transactions of the Nash-Rocky Mount Board of Education for the year ended June 30, 2015. They are a firm of independent certified public accountants. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133 and the State Single Audit Implementation Act. The auditors' report is included in the financial section of this report.

## **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.

## **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 Nash-Rocky Mount 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. Travis Twiford  
Interim Superintendent



Susan Blackwell  
Finance Officer

***Nash-Rocky Mount Board of Education  
Nashville, North Carolina***

***July 1, 2014 - June 30, 2015***

***Board Members***

Evelyn Bulluck, *Chairperson*  
Franklin Lamm, *Vice Chairperson*

Brenda Brown	Wendy Wilson
LaShawnda Washington	William Sharpe
Ann Edge	Richard Jenkins
Reginald Silver	Wayne Doll
Doneva Chavis - Battle	

***Principal Officers***

Dr. Travis Twiford, *Interim Superintendent*  
Dr. Eric Cunningham, *Associate Superintendent*  
Teresa Finch, *Assistant Superintendent*  
Joyce Graves-Hinton, *Assistant Superintendent*  
Robin May, *Assistant Superintendent*

# Organizational Chart

## School Board



Superintendent

Public Relations  
Officer

Associate Superintendent  
Administration and  
Operations

Chief  
Financial Officer

Assistant  
Superintendent  
Instruction

Assistant  
Superintendent  
Student Support

Assistant  
Superintendent  
Human Resources

### Operations

Maintenance

Transportation

Nutrition Services

Facilities

Energy Management

Environmental  
Services

Records  
Management

### Finance

Payroll

Accounts  
Payable

State Federal Grants

Purchasing

Budget  
Development

Fixed Asset/ Cash  
Management

Internal Audit

### Instruction

PK-12  
Instruction

Professional  
Development

Content  
Support

District Transformation

Federal Programs

Principals

AIG/ Fine  
Arts

CTE

Exceptional  
Children's

### Student Support

Discipline/ School Safety

Non-Traditional Programs

Student Assignment

Parent / Community  
Outreach

Student Activities/ Athletics

Nurses

Counselors  
Social Workers

Testing Accountability  
and Program Evaluation

Volunteers

### Human Resources

Personnel

Licensure

Benefits

HRMS

Mentoring

Staff Evaluations

### Technology

Instructional  
Technology

Media /  
Information  
Centers

Tech  
Support

Network  
Management

Chief  
Technology Officer

# Association of School Business Officials International



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

## **Nash-Rocky Mount 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



A handwritten signature in black ink, appearing to read 'Mark C. Pepera', is written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', is written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

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

Presented to

**Nash-Rocky Mount  
Board of Education  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**



Executive Director/CEO





## **Financial Section**



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

To the Nash-Rocky Mount Board of Education  
Nashville, 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 Nash-Rocky Mount 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 Nash-Rocky Mount 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, Restricted 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 43 and 44, 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 Nash-Rocky Mount 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 November 19, 2015 on our consideration of the Nash-Rocky Mount 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 Nash-Rocky Mount Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

November 19, 2015  
Rockingham, North Carolina

## **NASH-ROCKY MOUNT BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

This section of the Nash-Rocky Mount 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 4 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 \$29.1 million and \$997,000, 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 \$2.2 million, or 1.4%. Governmental activities net position increased by \$2.3 million, or 1.5%, and business-type activities net position decreased by \$41,000, or 0.9%.

- Total government-wide net investment in capital assets decreased by \$2.9 million, or 1.8%, from the prior year. Governmental activities net investment in capital assets decreased by \$2.9 million and business-type activities net investment in capital assets increased by \$3,000.
- Total restricted net position increased by \$932,000 during the year. 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 \$25.9 million from the prior year due largely to the \$30.1 million GASB 68 restatement. Net of this restatement, governmental activities unrestricted net position increased by \$4.2 million while business-type activities unrestricted net position decreased by \$44,000 from the prior year.

### ***Overview of the Financial Statements***

The audited financial statements of the Nash-Rocky Mount 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*
- *Required supplemental section that presents budgetary and other schedules for individual 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

## **NASH-ROCKY MOUNT BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

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.

Nash-Rocky Mount 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

# **NASH-ROCKY MOUNT BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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 Restricted 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 Nash-Rocky Mount 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 \$129.1 million as of June 30, 2015 as compared to \$156.9 million as of June 30, 2014, a decrease of \$27.9 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 \$30.1 million. The largest component of net position is net investment in capital assets of \$153.2 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 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
Current assets	\$ 12,644,813	\$ 11,753,843	\$ 4,399,993	\$ 4,589,175	\$ 17,044,806	\$ 16,343,018
Capital assets	152,688,438	155,693,690	465,895	462,541	153,154,333	156,156,231
Total assets	165,333,251	167,447,533	4,865,888	5,051,716	170,199,139	172,499,249
Deferred outflows of resources	6,784,848	-	232,317	-	7,017,165	-
Current liabilities	11,341,397	10,961,818	408,197	346,428	11,749,594	11,308,246
Long-term liabilities	10,374,759	4,169,560	262,219	93,471	10,636,978	4,263,031
Total liabilities	21,716,156	15,131,378	670,416	439,899	22,386,572	15,571,277
Deferred inflows of resources	24,920,237	-	853,284	-	25,773,521	-
Net investment in capital assets	152,688,438	155,549,222	465,895	462,541	153,154,333	156,011,763
Restricted net position	2,834,839	1,903,223	-	-	2,834,839	1,903,223
Unrestricted net position (deficit)	(30,041,571)	(5,136,290)	3,108,610	4,149,276	(26,932,961)	(987,014)
Total net position	\$ 125,481,706	\$ 152,316,155	\$ 3,574,505	\$ 4,611,817	\$ 129,056,211	\$ 156,927,972

The net position of the Board's governmental activities decreased \$26.8 million during the year, from \$152.3 million at June 30, 2014 to \$125.5 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 \$29.1 million. Restricted net position increased primarily due to the receipt of federal Medicaid funding during the year. Unrestricted net position decreased \$24.9 million compared to the prior year, due primarily to implementation of GASB 68. Net investment in capital assets decreased \$2.9 million due to an excess of depreciation expense over capital additions for the year.

**NASH-ROCKY MOUNT BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Net of a reduction of \$997,000 to beginning of year net position for implementation of GASB 68, net position of the Board's business-type activities decreased \$41,000 during the year. This decrease of \$41,000 is the net loss 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	\$ 2,834,339	\$ 2,975,532	\$ 1,454,362	\$ 1,833,838	\$ 4,288,701	\$ 4,809,370
Operating grants and contributions	96,887,259	94,369,299	6,935,465	6,826,240	103,822,724	101,195,539
Capital grants and contributions	144,468	144,468	-	-	144,468	144,468
General revenues:						
Other revenues	33,993,463	31,804,362	26,773	13,075	34,020,236	31,817,437
Total revenues	133,859,529	129,293,661	8,416,600	8,673,153	142,276,129	137,966,814
Expenses:						
Governmental activities:						
Instructional services	101,392,026	100,706,516	-	-	101,392,026	100,706,516
System-wide support services	28,182,239	28,300,808	-	-	28,182,239	28,300,808
Ancillary services	84,718	136,486	-	-	84,718	136,486
Payments to other governments	1,380,554	1,206,625	-	-	1,380,554	1,206,625
Interest on long-term debt	81,767	89,719	-	-	81,767	89,719
Unallocated depreciation	407,642	516,504	-	-	407,642	516,504
Business-type activities:						
School food service	-	-	8,513,310	8,670,876	8,513,310	8,670,876
Total expenses	131,528,946	130,956,658	8,513,310	8,670,876	140,042,256	139,627,534
Excess (deficiency) before transfers	2,330,583	(1,662,997)	(96,710)	2,277	2,233,873	(1,660,720)
Transfers in (out)	(56,105)	(128,693)	56,105	128,693	-	-
Increase (decrease) in net position	2,274,478	(1,791,690)	(40,605)	130,970	2,233,873	(1,660,720)
Beginning net position,						
as previously reported	152,316,155	154,107,845	4,611,817	4,480,847	156,927,972	158,588,692
Restatement	(29,108,927)	-	(996,707)	-	(30,105,634)	-
Beginning net position, as restated	123,207,228	154,107,845	3,615,110	4,480,847	126,822,338	158,588,692
Ending net position	\$ 125,481,706	\$ 152,316,155	\$ 3,574,505	\$ 4,611,817	\$ 129,056,211	\$ 156,927,972

Total governmental activities generated revenues of \$133.9 million while expenses in this category totaled \$131.5 million for the year ended June 30, 2015, resulting in an increase in net position of \$2.3 million (including transfers to business-type activities of \$56,000). Comparatively, revenues were \$129.3 million, expenses totaled \$131.0 million and transfers out were \$129,000 for the year ended June 30, 2014, resulting in a decrease in net position of \$1.8 million. In comparing the two years, revenues

## **NASH-ROCKY MOUNT BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

increased \$4.6 million, or 3.5%, while expenses increased slightly by \$572,000, or 0.4%. The increase in revenues is primarily attributable to a \$2.2 million increase in funding from State Public School Fund.

The Board's primary sources of revenues were funding from the State of North Carolina, the counties of Nash and Edgecombe and city of Rocky Mount, and the United States Government, which respectively comprised 69.5%, 18.0% and 8.1% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 77.1% of our total expenses during the most recent fiscal year. Of the remaining 22.9% of our total expenses, 21.4% was attributable to system-wide support services.

Our business-type activities generated revenues of \$8.4 million while expenses in this category totaled \$8.5 million for the year ended June 30, 2015. For the year, net position decreased by \$41,000 (including transfers in of \$56,000). Comparatively, revenues were \$8.7 million and expenses were also \$8.7 million for the year ended June 30, 2014, resulting in an increase in net position of \$131,000 (including transfers in of \$129,000). The year-over-year decrease in profit was \$172,000 and was primarily attributable to a \$150,000 increase in indirect cost paid to the Restricted Revenue Fund during the year.

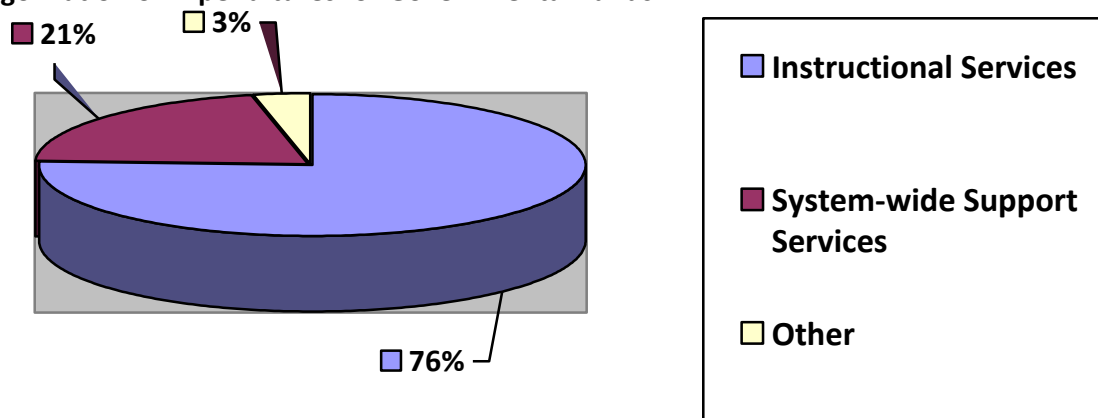
### **Financial Analysis of the Board's Funds**

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

The Board's governmental funds reported a combined fund balance of \$7.7 million at June 30, 2015, an increase of \$552,000 over the \$7.1 million reported at June 30, 2014. The Restricted Revenue and Individual Schools funds both reported increases in fund balance for the year totaling \$842,000 and \$54,000, respectively, while the General and Capital Outlay funds each reported decreases in fund balance of \$218,000 and \$126,000, respectively.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these two funds are expended in the year received. Combined revenues (and expenditures) in these funds increased by \$2.8 million, or 2.8%, in the year ended June 30, 2015 compared to the previous year. The increase in funding was primarily in the State Public School Fund for salary increases approved by the State.

**Categorization of Expenditures for Governmental Funds**



Expenditures presented on modified accrual basis of accounting.

# **NASH-ROCKY MOUNT BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

*Proprietary Fund:* The Board's business-type fund, the School Food Service Fund, reported a decrease in net position of \$41,000 for the fiscal year ended June 30, 2015 compared to an increase of \$131,000 for the same 2014 period. As previously noted, the \$172,000 year-over-year decline in profit was primarily attributable to a \$150,000 increase in indirect cost paid during the 2015 fiscal 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, there were no significant budgetary variances in comparing actual expenditures to the final budget.

For the year, the Board's General Fund reported a decrease in fund balance of \$218,000 compared to an increase of \$226,000 in the 2013-2014 year, resulting in a year-over-year decline of \$444,000. Revenues for the 2015 year increased \$977,000, or 4.3% over the previous year while expenditures increased by \$1.8 million, or 8.4%. Funding increases from Nash and Edgecombe counties and the city of Rocky Mount accounted for the majority of the increase in revenues. An increase in the amount of teacher supplements paid from the General Fund this year was the primary factor contributing to the increase in expenditures.

## **Capital Assets**

Total primary government capital assets were \$153.2 million at June 30, 2015 compared to \$156.2 million at June 30, 2014, a decrease of \$3.0 million, or 1.9%. More detailed information about the Board's capital assets is contained in Note 2 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 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
Capital assets not being depreciated:						
Land	\$ 4,780,964	\$ 4,764,741	\$ -	\$ -	\$ 4,780,964	\$ 4,764,741
Capital assets being depreciated:						
Buildings and improvements	134,946,476	137,387,945	-	-	134,946,476	137,387,945
Equipment and furniture	12,264,045	12,638,331	423,294	403,928	12,687,339	13,042,259
Vehicles	696,953	902,673	42,601	58,613	739,554	961,286
Total	<u>\$ 152,688,438</u>	<u>\$ 155,693,690</u>	<u>\$ 465,895</u>	<u>\$ 462,541</u>	<u>\$ 153,154,333</u>	<u>\$ 156,156,231</u>

## **Debt Outstanding**

During the year, the outstanding balances for installment purchase contracts decreased by \$541,000. The installment purchase contracts relate to the purchases of computer hardware and software. 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 to the financial statements.

**NASH-ROCKY MOUNT BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

***Economic Factors***

The unemployment rate in Nash County at June 30, 2015 was 8.1%. The County's unemployment rate continues to be higher than the N.C. statewide and national unemployment rates which were 6.1% and 5.5%, respectively, at June 30, 2015.

***Requests for Information***

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

Susan Blackwell, Chief Financial Officer  
Nash-Rocky Mount Board of Education  
930 Eastern Avenue  
Nashville, NC 27856

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2015**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 8,288,623	\$ 3,828,819	\$ 12,117,442
Due from other governments	4,012,611	286,537	4,299,148
Receivables	115,709	10,504	126,213
Internal balances	(55,425)	55,425	-
Inventories	283,295	218,708	502,003
Capital assets:			
Land	4,780,964	-	4,780,964
Other capital assets, net of depreciation	147,907,474	465,895	148,373,369
Total capital assets	152,688,438	465,895	153,154,333
Total assets	165,333,251	4,865,888	170,199,139
<b>Deferred Outflows of Resources</b>	6,784,848	232,317	7,017,165
<b>Liabilities</b>			
Accounts payable and accrued expenses	497,035	36,393	533,428
Accrued salaries and wages payable	3,845,351	91,115	3,936,466
Unearned revenue	629,497	27,421	656,918
Accrued interest payable	52,885	-	52,885
Long-term liabilities:			
Net pension liability	6,263,738	214,474	6,478,212
Due within one year	6,316,629	253,268	6,569,897
Due in more than one year	4,111,021	47,745	4,158,766
Total liabilities	21,716,156	670,416	22,386,572
<b>Deferred Inflows of Resources</b>	24,920,237	853,284	25,773,521
<b>Net position</b>			
Net investment in capital assets	152,688,438	465,895	153,154,333
Restricted for:			
Stabilization by State statute	394,554	-	394,554
School capital outlay	561,469	-	561,469
Instructional services	979,418	-	979,418
Individual schools activities	899,398	-	899,398
Unrestricted (deficit)	(30,041,571)	3,108,610	(26,932,961)
Total net position	\$ 125,481,706	\$ 3,574,505	\$ 129,056,211

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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2015**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 58,478,355	\$ -	\$ 49,498,905	\$ -	\$ (8,979,450)	\$ -	\$ (8,979,450)
Special populations	13,971,635	-	13,975,608	-	3,973	-	3,973
Alternative programs	9,315,097	-	10,679,747	-	1,364,650	-	1,364,650
School leadership	8,385,030	-	3,638,112	-	(4,746,918)	-	(4,746,918)
Co-curricular	3,113,847	2,834,339	-	-	(279,508)	-	(279,508)
School-based support	8,128,062	-	6,720,082	-	(1,407,980)	-	(1,407,980)
System-wide support services:							
Support and development	1,481,723	-	921,258	-	(560,465)	-	(560,465)
Special population support and development	564,791	-	517,724	-	(47,067)	-	(47,067)
Alternative programs and services support and development	183,261	-	188,922	-	5,661	-	5,661
Technology support	1,411,945	-	280,525	-	(1,131,420)	-	(1,131,420)
Operational support	20,653,423	-	8,975,104	144,468	(11,533,851)	-	(11,533,851)
Financial and human resource services	1,584,623	-	461,188	-	(1,123,435)	-	(1,123,435)
Accountability	203,316	-	12,190	-	(191,126)	-	(191,126)
System-wide pupil support	92,352	-	-	-	(92,352)	-	(92,352)
Policy, leadership and public relations	2,006,805	-	608,191	-	(1,398,614)	-	(1,398,614)
Ancillary services	84,718	-	43,016	-	(41,702)	-	(41,702)
Payments to other governments	1,380,554	-	366,687	-	(1,013,867)	-	(1,013,867)
Interest on long-term debt	81,767	-	-	-	(81,767)	-	(81,767)
Unallocated depreciation expense**	407,642	-	-	-	(407,642)	-	(407,642)
Total governmental activities	131,528,946	2,834,339	96,887,259	144,468	(31,662,880)	-	(31,662,880)
Business-type activities:							
School food service	8,513,310	1,454,362	6,935,465	-	-	(123,483)	(123,483)
Total primary government	\$ 140,042,256	\$ 4,288,701	\$ 103,822,724	\$ 144,468	(31,662,880)	(123,483)	(31,786,363)
General revenues:							
Unrestricted county appropriations - operating					22,696,472	-	22,696,472
Unrestricted county appropriations - capital					1,565,270	-	1,565,270
Unrestricted State appropriations - operating					7,337,891	-	7,337,891
Unrestricted Federal appropriations - operating					9,647	-	9,647
Unrestricted State appropriations - capital					212,538	-	212,538
Investment earnings, unrestricted					2,632	5,460	8,092
Miscellaneous, unrestricted					2,169,013	21,313	2,190,326
Transfers					(56,105)	56,105	-
Total general revenues and transfers					33,937,358	82,878	34,020,236
Change in net position					2,274,478	(40,605)	2,233,873
Net position - beginning, as previously reported					152,316,155	4,611,817	156,927,972
Restatement					(29,108,927)	(996,707)	(30,105,634)
Net position - beginning, as restated					123,207,228	3,615,110	126,822,338
Net position - ending					\$ 125,481,706	\$ 3,574,505	\$ 129,056,211

\*\*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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2015**

**Exhibit 3**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Restricted Revenue	Capital Outlay	Individual Schools	
<b>Assets</b>							
Cash and cash equivalents	\$ 3,329,021	\$ -	\$ -	\$ 3,750,020	\$ 310,184	\$ 899,398	\$ 8,288,623
Due from other governments	48,457	3,368,744	240,548	103,577	251,285	-	4,012,611
Accounts receivable	16,500	-	-	99,209	-	-	115,709
Inventories	283,295	-	-	-	-	-	283,295
Total assets	<u>\$ 3,677,273</u>	<u>\$ 3,368,744</u>	<u>\$ 240,548</u>	<u>\$ 3,952,806</u>	<u>\$ 561,469</u>	<u>\$ 899,398</u>	<u>\$ 12,700,238</u>
<b>Liabilities and Fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 434,367	\$ -	\$ -	\$ 62,668	\$ -	\$ -	\$ 497,035
Accrued salaries and wages payable	171,007	3,368,744	240,548	65,052	-	-	3,845,351
Due to other funds	55,425	-	-	-	-	-	55,425
Unearned revenue	-	-	-	629,497	-	-	629,497
Total liabilities	<u>660,799</u>	<u>3,368,744</u>	<u>240,548</u>	<u>757,217</u>	<u>-</u>	<u>-</u>	<u>5,027,308</u>
Fund balances:							
Nonspendable:							
Inventories	283,295	-	-	-	-	-	283,295
Restricted:							
Stabilization by State statute	191,768	-	-	202,786	-	-	394,554
School capital outlay	-	-	-	-	561,469	-	561,469
Instructional services	-	-	-	979,418	-	-	979,418
Individual schools	-	-	-	-	-	899,398	899,398
Assigned:							
Subsequent year's expenditures	423,230	-	-	-	-	-	423,230
Special revenues	-	-	-	2,013,385	-	-	2,013,385
Unassigned	2,118,181	-	-	-	-	-	2,118,181
Total fund balances	<u>3,016,474</u>	<u>-</u>	<u>-</u>	<u>3,195,589</u>	<u>561,469</u>	<u>899,398</u>	<u>7,672,930</u>
Total liabilities and fund balances	<u>\$ 3,677,273</u>	<u>\$ 3,368,744</u>	<u>\$ 240,548</u>	<u>\$ 3,952,806</u>	<u>\$ 561,469</u>	<u>\$ 899,398</u>	

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.	152,688,438
Deferred outflows of resources related to pensions	6,784,848
Some liabilities, including those for compensated absences, installment purchases and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	(10,480,535)
Net pension liability	(6,263,738)
Deferred inflows of resources related to pensions	(24,920,237)
Net position of governmental activities	<u>\$ 125,481,706</u>

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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

**Exhibit 4**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Restricted Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 92,106,868	\$ -	\$ 1,136,175	\$ 357,006	\$ -	\$ 93,600,049
Local Counties and City:							
Edgecombe County - local appropriation	2,172,375	-	-	-	-	-	2,172,375
Edgecombe County - other	-	-	-	-	168,380	-	168,380
Nash County - local appropriation	19,720,261	-	-	-	-	-	19,720,261
Nash County - other	-	-	-	-	1,396,890	-	1,396,890
City of Rocky Mount - local appropriation	803,836	-	-	-	-	-	803,836
Total local Counties and City	22,696,472	-	-	-	1,565,270	-	24,261,742
U.S. Government	-	-	10,531,324	368,618	-	-	10,899,942
Other	776,445	-	-	2,813,302	131,727	2,265,453	5,986,927
Total revenues	23,472,917	92,106,868	10,531,324	4,318,095	2,054,003	2,265,453	134,748,660
Expenditures:							
Current:							
Instructional services:							
Regular instructional	3,832,171	50,716,686	486,352	2,023,242	1,400,870	-	58,459,321
Special populations	510,633	11,523,298	2,452,310	49,785	-	-	14,536,026
Alternative programs	81,737	2,775,630	5,815,078	869,505	-	-	9,541,950
School leadership	2,410,395	6,347,081	-	-	-	-	8,757,476
Co-curricular	890,903	-	2,960	-	30,320	2,211,032	3,135,215
School-based support	720,356	7,083,702	306,406	336,608	-	-	8,447,072
System-wide support services:							
Support and development	626,570	340,399	460,866	120,293	-	-	1,548,128
Special population support and development	70,322	214,250	303,474	-	-	-	588,046
Alternative programs and services							
support and development	12	15,583	173,339	-	-	-	188,934
Technology support	205,782	1,256,653	62	-	-	-	1,462,497
Operational support	9,516,831	8,872,209	46,790	47,546	1,398,775	-	19,882,151
Financial and human resource services	1,715,997	344,188	117,000	-	-	-	2,177,185
Accountability	198,945	12,190	-	-	-	-	211,135
System-wide pupil support	96,436	-	-	-	-	-	96,436
Policy, leadership and public relations	1,401,235	662,114	-	-	-	-	2,063,349
Ancillary services	55,799	-	-	28,919	-	-	84,718
Non-programmed charges	1,380,554	-	366,687	-	-	-	1,747,241
Debt service:							
Principal retirement	-	1,797,177	-	-	144,468	-	1,941,645
Interest and fees	-	89,603	-	-	-	-	89,603
Capital outlay	-	-	-	-	606,630	-	606,630
Total expenditures	23,714,678	92,050,763	10,531,324	3,475,898	3,581,063	2,211,032	135,564,758
Revenues over (under) expenditures	(241,761)	56,105	-	842,197	(1,527,060)	54,421	(816,098)
Other financing sources (uses):							
Transfers to other funds	-	(56,105)	-	-	-	-	(56,105)
Installment purchase obligations issued	-	-	-	-	1,400,870	-	1,400,870
Total other financing sources (uses)	-	(56,105)	-	-	1,400,870	-	1,344,765
Net change in fund balance	(241,761)	-	-	842,197	(126,190)	54,421	528,667
Fund balances:							
Beginning of year	3,234,742	-	-	2,353,392	687,659	844,977	7,120,770
Change in reserve for inventories	23,493	-	-	-	-	-	23,493
End of year	\$ 3,016,474	\$ -	\$ -	\$ 3,195,589	\$ 561,469	\$ 899,398	\$ 7,672,930

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

**NASH-ROCKY MOUNT 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	\$ 528,667
Change in fund balance due to change in reserve for inventory	23,493
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.	(3,005,252)
Contributions to the pension plan in the current fiscal year are not included on the	6,784,848
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(22,444)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Gain on disposal of capital assets	22,444
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.	540,775
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.	
Difference in accrued interest payable and interest expensed on fund statements	7,836
Pension expense	(2,075,049)
Compensated absences	<u>(530,840)</u>
Total changes in net position of governmental activities	<u>\$ 2,274,478</u>

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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**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**

**Exhibit 6**

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Local Counties and City	22,728,782	22,728,782	22,696,472	(32,310)
U.S. Government	-	-	-	-
Other	455,000	455,000	776,445	321,445
Total revenues	23,183,782	23,183,782	23,472,917	289,135
Expenditures:				
Current:				
Instructional services	8,337,955	8,587,882	8,446,195	141,687
System-wide support services	14,720,827	14,136,000	13,832,130	303,870
Ancillary services	-	60,000	55,799	4,201
Non-programmed charges	1,100,000	1,385,000	1,380,554	4,446
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	24,158,782	24,168,882	23,714,678	454,204
Revenues over (under) expenditures	(975,000)	(985,100)	(241,761)	743,339
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	975,000	985,100	-	(985,100)
Net change in fund balance	\$ -	\$ -	(241,761)	\$ (241,761)
Fund balances:				
Beginning of year			3,234,742	
Change in reserve for inventories			23,493	
End of year			\$ 3,016,474	

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

**NASH-ROCKY MOUNT 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			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 87,997,711	\$ 93,547,520	\$ 92,106,868	\$ (1,440,652)
Local Counties and City	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	<u>87,997,711</u>	<u>93,547,520</u>	<u>92,106,868</u>	<u>(1,440,652)</u>
Expenditures:				
Current:				
Instructional services	78,280,273	79,837,598	78,446,397	1,391,201
System-wide support services	9,717,438	11,763,142	11,717,586	45,556
Ancillary services	-	-	-	-
Non-programmed charges	-	-	-	-
Debt service:				
Principal retirement	-	1,797,177	1,797,177	-
Interest and fees	-	89,603	89,603	-
Total debt service	-	<u>1,886,780</u>	<u>1,886,780</u>	-
Total expenditures	<u>87,997,711</u>	<u>93,487,520</u>	<u>92,050,763</u>	<u>1,436,757</u>
Revenues over (under) expenditures	-	60,000	56,105	(3,895)
Other financing uses:				
Transfers to other funds	-	(60,000)	(56,105)	3,895
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
Change in reserve for inventories			-	
End of year			<u>\$ -</u>	

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

**NASH-ROCKY MOUNT 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**

	Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Local Counties and City	-	-	-	-
U.S. Government	13,550,708	18,073,652	10,531,324	(7,542,328)
Other	-	-	-	-
Total revenues	<u>13,550,708</u>	<u>18,073,652</u>	<u>10,531,324</u>	<u>(7,542,328)</u>
Expenditures:				
Current:				
Instructional services	10,385,853	13,356,830	9,063,106	4,293,724
System-wide support services	1,072,370	1,320,030	1,101,531	218,499
Ancillary services	2,500	2,500	-	2,500
Non-programmed charges	2,089,985	3,394,292	366,687	3,027,605
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	<u>13,550,708</u>	<u>18,073,652</u>	<u>10,531,324</u>	<u>7,542,328</u>
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
Change in reserve for inventories			-	
End of year			<u>\$ -</u>	

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

**NASH-ROCKY MOUNT 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**

	Restricted Revenue Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ 1,124,063	\$ 1,136,175	\$ 12,112
Local Counties and City	-	-	-	-
U.S. Government	200,000	342,850	368,618	25,768
Other	<u>1,250,000</u>	<u>1,936,009</u>	<u>2,813,302</u>	<u>877,293</u>
Total revenues	<u>1,450,000</u>	<u>3,402,922</u>	<u>4,318,095</u>	<u>915,173</u>
Expenditures:				
Current:				
Instructional services	1,450,000	4,157,140	3,279,140	878,000
System-wide support services	-	210,010	167,839	42,171
Ancillary services	-	45,112	28,919	16,193
Non-programmed charges	-	175	-	175
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	<u>1,450,000</u>	<u>4,412,437</u>	<u>3,475,898</u>	<u>936,539</u>
Revenues over (under) expenditures	-	(1,009,515)	842,197	1,851,712
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	<u>1,009,515</u>	-	<u>(1,009,515)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	842,197	<u>\$ 842,197</u>
Fund balances:				
Beginning of year			2,353,392	
Change in reserve for inventories			-	
End of year			<u>\$ 3,195,589</u>	

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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPE**  
**June 30, 2015**

**Exhibit 7**

	Enterprise Fund Major Fund School Food Service
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 3,828,819
Due from other governments	286,537
Receivables	10,504
Due from other funds	55,425
Inventories	218,708
Total current assets	<u>4,399,993</u>
Noncurrent assets:	
Capital assets:	
Furniture and office equipment, net	<u>465,895</u>
Total assets	<u>4,865,888</u>
<b>Deferred Outflows of Resources</b>	<u>232,317</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	36,393
Accrued salaries and wages payable	91,115
Compensated absences	253,268
Unearned revenue	27,421
Total current liabilities	<u>408,197</u>
Noncurrent liabilities:	
Net pension liability	214,474
Compensated absences	47,745
Total noncurrent liabilities	<u>262,219</u>
Total liabilities	<u>670,416</u>
<b>Deferred Inflows of Resources</b>	<u>853,284</u>
<b>Net position</b>	
Investment in capital assets	465,895
Unrestricted	<u>3,108,610</u>
Total net position	<u>\$ 3,574,505</u>

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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND TYPE**  
**For the Fiscal Year Ended June 30, 2015**

**Exhibit 8**

	Enterprise Fund Major Fund School Food Service
Operating revenues:	
Food sales	\$ 1,454,362
Other	21,313
Total operating revenues	<u>1,475,675</u>
Operating expenses:	
Food cost:	
Purchase of food	2,613,780
Donated commodities	539,092
Salaries and benefits	4,131,001
Indirect costs	620,017
Materials and supplies	327,062
Repairs and maintenance	163,991
Depreciation	64,896
Non-capitalized equipment	91,238
Contracted services	3,510
Other	78,740
Total operating expenses	<u>8,633,327</u>
Operating loss	<u>(7,157,652)</u>
Nonoperating revenues:	
Federal reimbursements	6,381,927
Federal commodities	539,092
State reimbursements	14,446
Indirect costs not paid	120,017
Interest earned	5,460
Total nonoperating revenues	<u>7,060,942</u>
Loss before transfers	(96,710)
Transfers from other funds	<u>56,105</u>
Change in net position	<u>(40,605)</u>
Net position, beginning of year, as previously reported	4,611,817
Restatement	<u>(996,707)</u>
Net position, beginning of year, as restated	<u>3,615,110</u>
Net position, end of year	<u><u>\$ 3,574,505</u></u>

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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE**  
**For the Fiscal Year Ended June 30, 2015**

**Exhibit 9**

	Enterprise Fund
	Major Fund
	School Food Service
Cash flows from operating activities:	
Cash received from customers	\$ 1,451,727
Cash paid for goods and services	(3,728,140)
Cash paid to employees for services	(4,255,882)
Other revenues	21,313
Net cash used by operating activities	<u>(6,510,982)</u>
Cash flows from noncapital financing activities:	
Due from other funds	(19,431)
Federal and State reimbursements	6,366,230
Net cash provided by noncapital financing activities	<u>6,346,799</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(68,250)</u>
Cash flows from investing activities:	
Interest earned on investments	5,460
Net decrease in cash and cash equivalents	<u>(226,973)</u>
Cash and cash equivalents, beginning of year	4,055,792
Cash and cash equivalents, end of year	<u>\$ 3,828,819</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (7,157,652)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	64,896
Pension expense	71,051
Donated commodities	539,092
Salaries paid by special revenue fund	56,105
Indirect costs not paid	120,017
Changes in assets and liabilities:	
Increase in accounts receivable	(7,849)
Decrease in inventories	19,632
Increase in accounts payable and accrued liabilities	30,549
Increase in accrued salaries and wages payable	6,620
Increase in unearned revenue	5,214
(Increase) decrease in deferred outflows of resources for pension plan contributions in current fiscal year	(232,317)
Decrease in compensated absences payable	<u>(26,340)</u>
Total adjustments	646,670
Net cash used by operating activities	<u>\$ (6,510,982)</u>

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$539,092 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 \$120,017 that would be due to the Restricted 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 \$56,105 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.*

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Nash-Rocky Mount 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 Nash-Rocky Mount 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 Nash and Edgecombe Counties, 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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

*Federal Grants Fund.* The Federal Grants Fund includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

*Restricted Revenue Fund.* The Restricted 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 Nash-Rocky Mount 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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
***For the Fiscal Year Ended June 30, 2015***

---

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. The Board has authorized the Superintendent to move moneys from one function to another within a fund without limitation. Amendments are required for any revisions that alter total expenditures of any fund or that change appropriations at the purpose level. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

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 both governmental and business-type 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. In addition, other items that are purchased in large quantities such as student desks and library books are capitalized. The library collections consist of a large number of books with modest values; the composite depreciation method has been used as discussed in GASB 35, paragraphs 163-166. 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.

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

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

	<u>Years</u>
Buildings and improvements	50
Equipment and furniture	3 - 10
Vehicles	6

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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

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]

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

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.

*Committed fund balance* – Portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of Board of Education’s governing body (highest level of decision-making authority) and in certain instances approval by the County’s governing body is required. Any changes or removal of specific purpose requires majority action by the governing bodies that approved the original action.

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

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted. The Board of Education approves the appropriation.

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 and then from general unrestricted revenues.

**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 \$117,808,776 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
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)	\$242,497,488
Less accumulated depreciation	<u>(89,809,050)</u>
Net capital assets	152,688,438
Pension related deferred outflows of resources:	
Contributions made to the pension plan in the current fiscal year	6,784,848

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

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:

Installment purchases	(2,661,972)
Accrued interest payable	(52,885)
Compensated absences	(7,765,678)
Net pension liability	(6,263,738)

Deferred inflows of resources related to pensions:

Differences between expected and actual experience	(1,460,043)
Difference between projected and actual earnings on plan investments	(21,162,881)
Differences between contributions and proportional share of contributions and changes in proportion	<u>(2,297,313)</u>

Total adjustment	<u>\$117,808,776</u>
------------------	----------------------

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 \$1,745,811 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,425,386
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	(4,430,638)
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities	(22,444)
Revenues in the statement of activities that do not provide current financial Resources are not reported as revenues in the funds:	
Gain on disposal of capital assets	22,444
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities – it only affects the government-wide statement of net position	(1,400,870)
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	1,941,645
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	6,784,848
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	(2,075,049)
Difference in accrued interest payable and interest expensed on fund statements	7,836

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	23,493
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	<u>(530,840)</u>
Total adjustment	<u>\$ 1,745,811</u>

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 concentration risk or custodial credit risk for deposits.

At June 30, 2015, the Board had deposits with banks and savings and loans with a carrying amount of \$10,414,886 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$11,394,489 and \$3,584,692, respectively. Of these balances, \$1,183,641 was covered by federal depository insurance and \$13,795,540 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2015, the Board had \$15,006 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Board had \$1,687,550 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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2015 are as follows:

	Due from (to) other funds (Internal Balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ (55,425)	\$ 48,457	\$ 16,500	\$ 9,532
Other governmental activities	-	3,964,154	99,209	4,063,363
Total governmental activities	<u>\$ (55,425)</u>	<u>\$ 4,012,611</u>	<u>\$ 115,709</u>	<u>\$ 4,072,895</u>
Business-type activities:				
School Food Service Fund	<u>\$ 55,425</u>	<u>\$ 286,537</u>	<u>\$ 10,504</u>	<u>\$ 352,466</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 48,457	Edgecombe and Nash County
State Public School Fund	3,368,744	Operating funds from DPI
Federal Grants funds	240,548	Federal grant funds
Restricted Revenue Fund	103,577	Federal and State grants
Capital Outlay Fund	251,285	Edgecombe and Nash County
	<u>\$ 4,012,611</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 286,537</u>	Federal grant funds

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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	\$ 4,764,741	\$ 16,223	\$ -	\$ 4,780,964
Capital assets being depreciated:				
Buildings and improvements	194,261,275	1,169,433	-	195,430,708
Equipment and furniture	27,051,144	33,356	-	27,084,500
Vehicles	15,395,344	206,374	400,402	15,201,316
Total capital assets being depreciated	236,707,763	1,409,163	400,402	237,716,524
Less accumulated depreciation for:				
Buildings and improvements	56,873,330	3,610,902	-	60,484,232
Equipment and furniture	14,412,813	407,642	-	14,820,455
Vehicles	14,492,671	412,094	400,402	14,504,363
Total accumulated depreciation	85,778,814	4,430,638	400,402	89,809,050
Total capital assets being depreciated, net	150,928,949			147,907,474
Governmental activity capital assets, net	\$ 155,693,690			\$ 152,688,438
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 2,138,938	\$ 68,250	\$ -	\$ 2,207,188
Vehicles	286,473	-	-	286,473
Total capital assets being depreciated	2,425,411	68,250	-	2,493,661
Less accumulated depreciation for:				
Equipment and furniture	1,735,010	48,884	-	1,783,894
Vehicles	227,860	16,012	-	243,872
Total accumulated depreciation	1,962,870	64,896	-	2,027,766
School Food Service capital assets, net	\$ 462,541			\$ 465,895

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 3,610,902
System-wide support services	412,094
Unallocated depreciation	407,642
Total	\$ 4,430,638

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

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](http://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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$7,017,165 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 \$6,478,212 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 June 30, 2014 and at June 30, 2013, the Board's proportion was .55% and .60%, respectively.

For the year ended June 30, 2015, the Board recognized pension expense of \$2,146,100. 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	\$ -	\$ 1,510,036
Net difference between projected and actual earnings on pension plan investments	-	21,887,511
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	2,375,974
Board contributions subsequent to the measurement date	<u>7,017,165</u>	<u>-</u>
Total	<u>\$ 7,017,165</u>	<u>\$ 25,773,521</u>

\$7,017,165 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:

Year ended June 30:	
2016	\$ (6,497,211)
2017	(6,497,211)
2018	(6,497,211)
2019	(6,281,888)
2020	-
Thereafter	<u>-</u>
Total	<u>\$ (25,773,521)</u>

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

*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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

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)	\$ 46,505,094	\$ 6,478,212	\$ (27,318,660)

*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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

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 \$4,185,790, \$4,055,596 and \$4,352,205, 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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

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 \$312,600, \$330,456 and \$361,315, 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:

	<u>Vendors and Other</u>
Governmental activities:	
General Fund	\$ 434,367
Other governmental activities	<u>62,668</u>
Total governmental activities	<u>\$ 497,035</u>
Business-type activities:	
School Food Service Fund	<u>\$ 36,393</u>

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

3. Unearned Revenues

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

Governmental activities:	
Grants not yet earned (Restricted Revenue Fund)	<u>\$ 629,497</u>
Business-type activities:	
Prepayments of meals (School Food Service Fund)	<u>\$ 27,421</u>

Unearned revenue in governmental activities consists of grant revenues for which eligibility requirements other than time requirements have not been met.

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	\$ -	\$ 1,510,036
Net difference between projected and actual earnings on pension plan investments	-	21,887,511
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	2,375,974
Board contributions subsequent to the measurement date	<u>7,017,165</u>	<u>-</u>
Total	<u>\$ 7,017,165</u>	<u>\$ 25,773,521</u>

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 \$2,550,000 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. The Board also participates in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Public Instruction. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, business interruption and extra expense. \$10 million per occurrence is provided on increased cost of construction. The Board carries additional flood insurance coverage of \$5 million per location and \$15 million per occurrence purchased through the NC Public School Insurance Fund.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

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

The Board carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage 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 2013 the Board entered into such a financing contract for the purchase of school buses. This contract was paid in full during the year ended June 30, 2015.

The Board entered into an installment purchase contract for the purchase of laptop computers during the fiscal year ended June 30, 2013. The contract requires payments of principal and interest at 2.63% due annually on September 27<sup>th</sup> through 2015.

The Board also entered into an installment purchase contract for the purchase computer hardware and software during the fiscal year ended June 30, 2015. The contract requires payments of principal and interest at 2.65% due annually on October 1<sup>st</sup> through 2018. The future minimum payments of the installment purchases as of June 30, 2015 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2016	\$ 1,886,780
2017	297,150
2018	297,150
2019	<u>297,149</u>
	2,778,229
Less portion representing interest	<u>(116,257)</u>
Total principal obligation	<u>\$ 2,661,972</u>

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal 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:

	<u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>	<u>Current Portion</u>
Governmental activities:					
Installment purchases	\$ 3,202,747	\$ 1,400,870	\$ 1,941,645	\$ 2,661,972	\$ 1,816,267
Net pension liability	35,431,476	-	29,167,738	6,263,738	-
Compensated absences	<u>7,234,838</u>	<u>4,723,570</u>	<u>4,192,730</u>	<u>7,765,678</u>	<u>4,500,362</u>
Total	<u>\$ 45,869,061</u>	<u>\$ 6,124,440</u>	<u>\$ 35,302,113</u>	<u>\$ 16,691,388</u>	<u>\$ 6,316,629</u>
Business-type activities:					
Net pension liability	\$ 1,213,195	\$ -	\$ 998,721	\$ 214,474	\$ -
Compensated absences	<u>327,353</u>	<u>249,090</u>	<u>275,430</u>	<u>301,013</u>	<u>253,268</u>
Total	<u>\$ 1,540,548</u>	<u>\$ 249,090</u>	<u>\$ 1,274,151</u>	<u>\$ 515,487</u>	<u>\$ 253,268</u>

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

7. Commitments

The district entered into an agreement with a vendor commencing February 25, 2013 and expiring June 30, 2018 for digital curriculum licenses and related professional services. Future payments due under this agreement are as follows:

<u>June 30,</u>	<u>Amount</u>
2016	\$ 516,786
2017	516,786
2018	<u>509,786</u>
Total remaining commitment	<u>\$ 1,543,358</u>

C. Interfund Balances and Activity

1. 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	<u>\$ 56,105</u>
---	------------------

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

2. Interfund Balances

The composition of interfund balances as of June 30, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Food Service Fund	General Fund	\$ <u>55,425</u>

The General Fund owed the School Food Service Fund \$55,425 at June 30, 2015 for unpaid student meal charges. This amount is expected to be paid prior to June 30, 2016.

D. Net Position/Fund Balance

1. Net Investment in Capital Assets

The district has \$2,661,972 of installment purchase obligations outstanding at June 30, 2015 for computer hardware and software. This amount has been excluded from the calculation of net investment in capital assets due to these costs not being capitalized.

2. 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	\$ 3,016,474
Less:	
Inventories	(283,295)
Stabilization by State statute	(191,768)
Appropriated Fund Balance in the 2015-2016 budget	<u>(423,230)</u>
Remaining fund balance	\$ <u>2,118,181</u>

3. Encumbrances

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances outstanding at June 30, 2015 were as follows:

General Fund	\$ 126,811
Capital Outlay Fund	371,422

**NOTE 3 - 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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
***For the Fiscal Year Ended June 30, 2015***

---

**NOTE 4 – 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 \$29,108,927 and \$996,707, respectively.

**NASH-ROCKY MOUNT 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)	0.553%	0.604%
Board's proportionate share of the net pension liability (asset)	\$ 6,478,212	\$ 36,644,671
Board's covered-employee payroll	\$ 75,247,837	\$ 81,734,603
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.61%	44.83%
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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS**

---

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 7,017,165	\$ 6,539,037
Contributions in relation to the contractually required contribution	<u>7,017,165</u>	<u>6,539,037</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 76,690,342	\$ 75,247,837
Contributions as a percentage of covered-employee payroll	9.15%	8.69%



**NASH-ROCKY MOUNT 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:			
Local Counties and City:			
Edgecombe County appropriation	\$ 2,105,441	\$ 2,172,375	\$ 66,934
Nash County appropriation	19,720,261	19,720,261	-
City of Rocky Mount appropriation	903,080	803,836	(99,244)
Total Local Counties and City	22,728,782	22,696,472	(32,310)
Other:			
Fines and forfeitures	450,000	773,813	323,813
Interest earned on investment	5,000	2,632	(2,368)
Total other	455,000	776,445	321,445
Total revenues	23,183,782	23,472,917	289,135
Expenditures:			
Current:			
Instructional services:			
Regular instructional	-	3,832,171	-
Special populations	-	510,633	-
Alternative programs	-	81,737	-
School leadership	-	2,410,395	-
Co-curricular	-	890,903	-
School-based support	-	720,356	-
Total instructional services	8,587,882	8,446,195	141,687
System-wide support services:			
Support and development	-	626,570	-
Special population support and development	-	70,322	-
Alternative programs and services			
support and development	-	12	-
Technology support	-	205,782	-
Operational support	-	9,516,831	-
Financial and human resource services	-	1,715,997	-
Accountability	-	198,945	-
System-wide pupil support	-	96,436	-
Policy, leadership and public relations	-	1,401,235	-
Total system-wide support services	14,136,000	13,832,130	303,870

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (Continued)**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2015**

---

	Final Budget	Actual	Variance Positive (Negative)
Expenditures: (Continued)			
Current:			
Ancillary services:			
Nutrition	<u>60,000</u>	<u>55,799</u>	<u>4,201</u>
Non-programmed charges			
Payments to other governments	<u>1,385,000</u>	<u>1,380,554</u>	<u>4,446</u>
Total expenditures	<u>24,168,882</u>	<u>23,714,678</u>	<u>454,204</u>
Revenues over (under) expenditures	(985,100)	(241,761)	743,339
Fund balance appropriated	<u>985,100</u>	<u>-</u>	<u>(985,100)</u>
Net change in fund balance	<u>\$ -</u>	(241,761)	<u>\$ (241,761)</u>
Fund balance:			
Beginning of year		3,234,742	
Change in reserve for inventories		<u>23,493</u>	
End of year		<u>\$ 3,016,474</u>	

**NASH-ROCKY MOUNT 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	\$ 144,468	\$ 144,468	\$ -
Public School Capital Fund - Lottery	400,000	212,538	(187,462)
Total State of North Carolina	544,468	357,006	(187,462)
Local Counties and City:			
Edgecombe County appropriations	145,000	168,380	23,380
Nash County appropriations	1,396,890	1,396,890	-
Total local Counties and City	1,541,890	1,565,270	23,380
Other:			
Miscellaneous	117,023	131,727	14,704
Total revenues	2,203,381	2,054,003	(149,378)
Expenditures:			
Debt service:			
Principal retirement	144,468	144,468	-
Current:			
Instructional services:			
Regular instructional	-	1,400,870	-
Co-curricular	-	30,320	-
Total instructional services	1,596,460	1,431,190	165,270
System-wide support services:			
Operational support:			
Security upgrades - Lottery	-	163,038	-
Mechanical upgrades - Lottery	-	49,500	-
Other operational support	-	1,186,237	-
Total operational support	1,686,707	1,398,775	287,932
Capital outlay	733,915	606,630	127,285
Total expenditures	4,161,550	3,581,063	580,487
Revenues under expenditures	(1,958,169)	(1,527,060)	431,109
Other financing sources:			
Installment purchase obligations issued	1,520,459	1,400,870	(119,589)
Fund balance appropriated	437,710	-	(437,710)
Net change in fund balance	\$ -	(126,190)	\$ (126,190)
Fund balance:			
Beginning of year		687,659	
End of year		\$ 561,469	

**NASH-ROCKY MOUNT 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
Bailey Elementary	\$ 30,374	\$ 29,734	\$ 640	\$ 16,109	\$ 16,749
Baskerville Elementary	3,929	5,405	(1,476)	3,218	1,742
Benvenue Elementary	7,968	7,852	116	12,980	13,096
Cedar Grove Elementary	12,707	13,236	(529)	5,496	4,967
Coopers Elementary	20,659	17,616	3,043	21,068	24,111
Englewood Elementary	11,523	11,449	74	17,178	17,252
Fairview Elementary	18,255	15,873	2,382	1,636	4,018
M.B. Hubbard Elementary	19,761	22,655	(2,894)	9,619	6,725
D.S. Johnson Elementary	12,993	10,991	2,002	3,844	5,846
Middlesex Elementary	36,433	30,470	5,963	5,809	11,772
Nashville Elementary	24,604	23,330	1,274	16,235	17,509
O.R. Pope Elementary	514	9,927	(9,413)	9,413	-
Red Oak Elementary	16,104	12,303	3,801	14,174	17,975
Spring Hope Elementary	38,546	47,200	(8,654)	14,554	5,900
Swift Creek Elementary	9,819	11,577	(1,758)	4,904	3,146
Willford Elementary	1,018	1,333	(315)	2,919	2,604
Winstead Elementary	20,267	20,750	(483)	12,861	12,378
J.W. Parker Middle	27,664	25,360	2,304	6,029	8,333
Edwards Middle	56,309	57,559	(1,250)	22,509	21,259
Nash Central Middle	102,296	97,800	4,496	17,788	22,284
Red Oak Middle	160,538	166,024	(5,486)	36,322	30,836
Rocky Mount Middle	26,149	23,063	3,086	6,190	9,276
Southern Nash Middle	115,236	98,341	16,895	57,439	74,334
Nash Central High	357,968	340,443	17,525	92,240	109,765
Northern Nash Senior	407,180	410,152	(2,972)	144,137	141,165
Rocky Mount High	313,201	318,210	(5,009)	83,356	78,347
Southern Nash Senior	389,792	360,930	28,862	171,360	200,222
Tar River Academy	4,327	3,248	1,079	960	2,039
Nash-Rocky Mount Middle College	19,319	18,201	1,118	34,630	35,748
Totals	<u>\$ 2,265,453</u>	<u>\$ 2,211,032</u>	<u>\$ 54,421</u>	<u>\$ 844,977</u>	<u>\$ 899,398</u>

**NASH-ROCKY MOUNT 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	\$ -	\$ 1,454,362	\$ -
Other	-	21,313	-
Total operating revenues	<u>1,885,307</u>	<u>1,475,675</u>	<u>(409,632)</u>
Operating expenditures:			
Business support services:			
Purchase of food	-	2,594,148	-
Donated commodities	-	539,092	-
Salaries and benefits	-	4,318,607	-
Indirect costs	-	620,017	-
Materials and supplies	-	327,062	-
Repairs and maintenance	-	163,991	-
Non-capitalized equipment	-	91,238	-
Contracted services	-	3,510	-
Other	-	78,740	-
Capital outlay	-	68,250	-
Total operating expenditures	<u>9,477,844</u>	<u>8,804,655</u>	<u>673,189</u>
Operating loss	<u>(7,592,537)</u>	<u>(7,328,980)</u>	<u>263,557</u>
Nonoperating revenues:			
Federal reimbursements and grants	6,510,196	6,381,927	(128,269)
Federal commodities	512,010	539,092	27,082
State reimbursements	21,060	14,446	(6,614)
Indirect costs not paid	-	120,017	120,017
Interest earned	3,756	5,460	1,704
Total nonoperating revenues	<u>7,047,022</u>	<u>7,060,942</u>	<u>13,920</u>
Excess (deficiency) of revenues over expenditures before other financing sources	(545,515)	(268,038)	277,477
Other financing sources:			
Transfers from other funds	-	56,105	56,105
Fund balance appropriated	<u>545,515</u>	<u>-</u>	<u>(545,515)</u>
Net change in fund balance	<u>\$ -</u>	<u>(211,933)</u>	<u>\$ (211,933)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(64,896)	
Contributions to the pension plan in current fiscal year		232,317	
Equipment purchases		68,250	
Decrease in compensated absences payable		26,340	
Decrease in inventories		(19,632)	
Pension expense		(71,051)	
Change in net position (full accrual)		<u>\$ (40,605)</u>	



## **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 Nash County and Edgecombe County, these schedules on the counties' revenue sources are relevant to an understanding of Nash County and Edgecombe County's most significant local revenue source, the property tax.

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

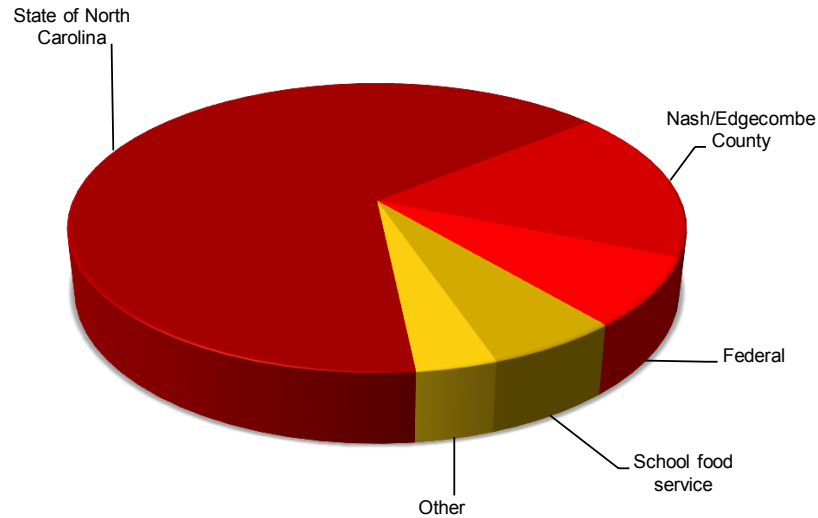
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

#### **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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**Financial Perspective**  
**Governmental and Business-type Activities**  
**For Year Ended June 30, 2015**

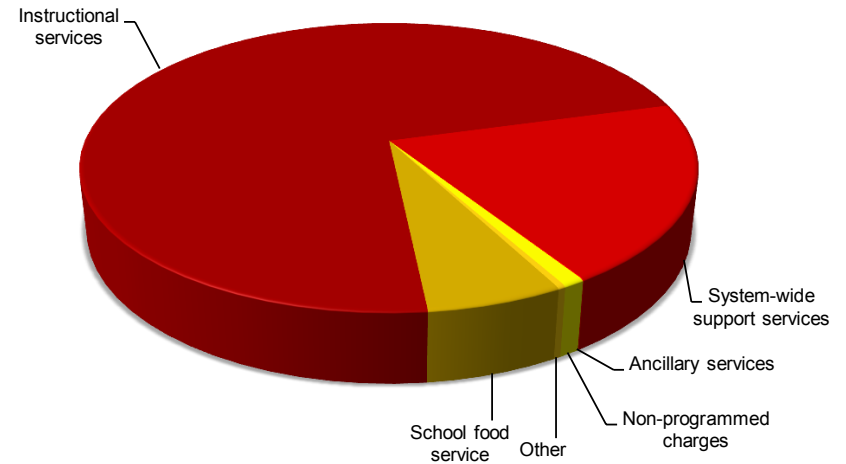
**Revenue Sources**



State of North Carolina	\$ 93,600,049
Nash/Edgecombe County	24,261,742
Federal	10,899,942
School food service	8,416,600
Other	5,097,796

Total revenue sources	<u><u>\$ 142,276,129</u></u>
-----------------------	------------------------------

**Expenses**



Instructional services	\$ 101,392,026
System-wide support services	28,182,239
Ancillary services	84,718
Non-programmed charges	1,380,554
Other	489,409
School food service	8,513,310

Total expenses	<u><u>\$ 140,042,256</u></u>
----------------	------------------------------



# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

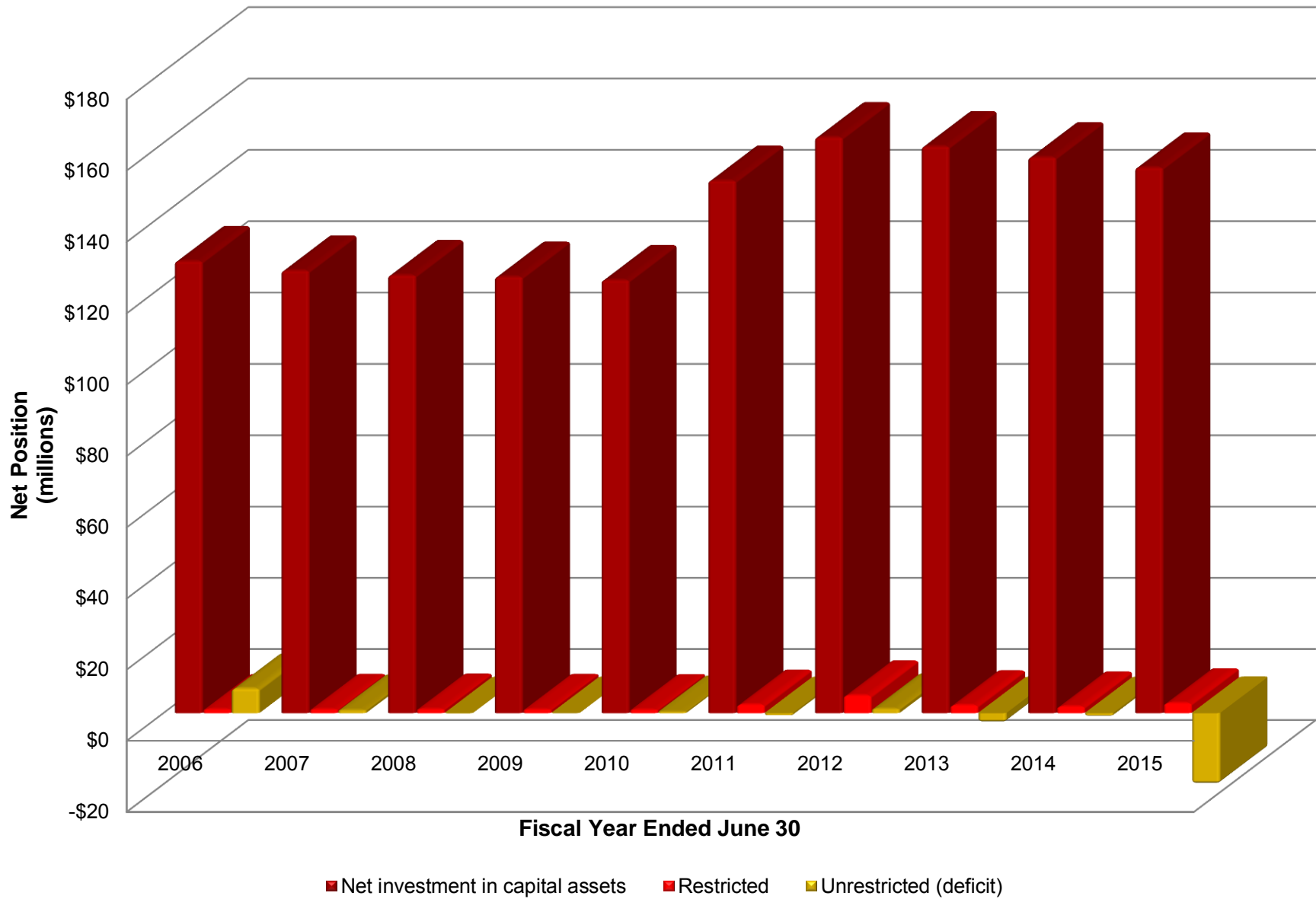
## **Net Position by Component Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 126,737,387	\$ 124,118,865	\$ 122,845,013	\$ 122,417,446	\$ 121,481,107	\$ 149,288,714	\$ 161,153,340	\$ 158,623,125	\$ 155,549,222	\$ 152,688,438
Restricted	1,119,320	1,133,775	1,186,602	1,108,523	1,030,613	2,439,834	5,004,631	2,256,805	1,903,223	2,834,839
Unrestricted (deficit)	4,581,819	(1,399,850)	(2,354,188)	(2,368,156)	(2,264,154)	(4,174,364)	(2,320,998)	(6,772,085)	(5,136,290)	(30,041,571)
	<u>\$ 132,438,526</u>	<u>\$ 123,852,790</u>	<u>\$ 121,677,427</u>	<u>\$ 121,157,813</u>	<u>\$ 120,247,566</u>	<u>\$ 147,554,184</u>	<u>\$ 163,836,973</u>	<u>\$ 154,107,845</u>	<u>\$ 152,316,155</u>	<u>\$ 125,481,706</u>
<b>Business-type activities:</b>										
Investment in capital assets	\$ 162,941	\$ 136,798	\$ 121,200	\$ 114,860	\$ 121,790	\$ 178,148	\$ 472,812	\$ 445,886	\$ 462,541	\$ 465,895
Unrestricted	2,396,193	2,324,600	2,304,706	2,348,951	2,786,367	3,321,686	3,593,798	4,034,961	4,149,276	3,108,610
	<u>\$ 2,559,134</u>	<u>\$ 2,461,398</u>	<u>\$ 2,425,906</u>	<u>\$ 2,463,811</u>	<u>\$ 2,908,157</u>	<u>\$ 3,499,834</u>	<u>\$ 4,066,610</u>	<u>\$ 4,480,847</u>	<u>\$ 4,611,817</u>	<u>\$ 3,574,505</u>
<b>Government-wide:</b>										
Net investment in capital assets	\$ 126,900,328	\$ 124,255,663	\$ 122,966,213	\$ 122,532,306	\$ 121,602,897	\$ 149,466,862	\$ 161,626,152	\$ 159,069,011	\$ 156,011,763	\$ 153,154,333
Restricted	1,119,320	1,133,775	1,186,602	1,108,523	1,030,613	2,439,834	5,004,631	2,256,805	1,903,223	2,834,839
Unrestricted (deficit)	6,978,012	924,750	(49,482)	(19,205)	522,213	(852,678)	1,272,800	(2,737,124)	(987,014)	(26,932,961)
	<u>\$ 134,997,660</u>	<u>\$ 126,314,188</u>	<u>\$ 124,103,333</u>	<u>\$ 123,621,624</u>	<u>\$ 123,155,723</u>	<u>\$ 151,054,018</u>	<u>\$ 167,903,583</u>	<u>\$ 158,588,692</u>	<u>\$ 156,927,972</u>	<u>\$ 129,056,211</u>

Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports

Note: Net position for 2014 and before is 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 the Board's participation in the Statewide Teachers' and State Employees' Retirement System (TSERS).

# Net Position by Component Government-wide



# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

**Changes in Net Position  
Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Expenses</b>										
Governmental activities:										
Instructional services	\$ 99,020,884	\$ 104,421,326	\$ 115,850,057	\$ 117,960,214	\$ 113,504,619	\$ 112,448,817	\$ 110,629,498	\$ 115,863,569	\$ 100,706,516	\$ 101,392,026
System-wide support services	34,812,554	37,939,374	27,742,931	27,140,539	29,659,364	24,990,141	29,013,818	29,933,289	28,300,808	28,182,239
Ancillary services	41,450	59,280	16,302	39,910	105,252	56,158	149,644	78,452	136,486	84,718
Payments to other governments	542,079	681,957	815,938	887,479	2,049,276	739,388	1,067,100	1,088,311	1,206,625	1,380,554
Interest on long-term debt	29,768	19,738	18,955	12,672	2,473	725	258	89,928	89,719	81,767
Unallocated depreciation expense	3,361,730	3,213,969	3,319,344	3,320,032	3,860,562	3,683,725	607,233	590,034	516,504	407,642
Total governmental activities expenses	137,808,465	146,335,644	147,763,527	149,360,846	149,181,546	141,918,954	141,467,551	147,643,583	130,956,658	131,528,946
Business-type activities:										
School food service	8,075,539	8,601,485	8,668,638	8,690,235	8,352,998	8,382,444	8,679,368	8,535,556	8,670,876	8,513,310
Total government-wide expenses	\$ 145,884,004	\$ 154,937,129	\$ 156,432,165	\$ 158,051,081	\$ 157,534,544	\$ 150,301,398	\$ 150,146,919	\$ 156,179,139	\$ 139,627,534	\$ 140,042,256
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instructional services	\$ -	\$ -	\$ -	\$ -	\$ 33,846	\$ 42,844	\$ 2,401,656	\$ 2,530,675	\$ 2,975,532	\$ 2,834,339
Business support	50,392	44,899	58,785	58,349	25,485	26,899	-	-	-	-
Operating grants and contributions	102,536,152	108,356,631	112,381,295	113,708,501	110,345,397	106,536,227	112,319,216	99,665,380	94,369,299	96,887,259
Capital grants and contributions	2,291,577	1,404,335	1,622,820	1,177,102	457,848	444,562	119,237	408,167	144,468	144,468
Total governmental activities program revenues	104,878,121	109,805,865	114,062,900	114,943,952	110,862,576	107,050,532	114,840,109	102,604,222	97,489,299	99,866,066
Business-type activities:										
Charges for services:										
Student meal services	2,578,820	2,649,657	2,757,299	2,679,311	2,478,029	2,281,397	2,176,483	2,041,230	1,833,838	1,454,362
Operating grants and contributions	5,495,225	5,749,165	5,787,750	5,985,973	6,243,323	6,562,472	6,550,741	6,788,220	6,826,240	6,935,465
Capital grants and contributions	-	-	-	-	30,627	-	327,290	-	-	-
Total business-type activities program revenues	8,074,045	8,398,822	8,545,049	8,665,284	8,751,979	8,843,869	9,054,514	8,829,450	8,660,078	8,389,827
Total government-wide program revenues	\$ 112,952,166	\$ 118,204,687	\$ 122,607,949	\$ 123,609,236	\$ 119,614,555	\$ 115,894,401	\$ 123,894,623	\$ 111,433,672	\$ 106,149,377	\$ 108,255,893
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (32,930,344)	\$ (36,529,779)	\$ (33,700,627)	\$ (34,416,894)	\$ (38,318,970)	\$ (34,868,422)	\$ (26,627,442)	\$ (45,039,361)	\$ (33,467,359)	\$ (31,662,880)
Business-type activities	(1,494)	(202,663)	(123,589)	(24,951)	398,981	461,425	375,146	293,894	(10,798)	(123,483)
Total district-wide net (expense) revenue	\$ (32,931,838)	\$ (36,732,442)	\$ (33,824,216)	\$ (34,441,845)	\$ (37,919,989)	\$ (34,406,997)	\$ (26,252,296)	\$ (44,745,467)	\$ (33,478,157)	\$ (31,786,363)

**NASH-ROCKY MOUNT 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
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 22,150,211	\$ 21,771,902	\$ 21,646,892	\$ 22,225,844	\$ 22,758,210	\$ 22,237,618	\$ 22,286,869	\$ 21,993,806	\$ 21,907,431	\$ 22,696,472
Unrestricted county appropriations - capital	3,185,346	2,464,262	2,117,798	2,875,386	4,059,297	29,765,133	14,603,931	3,376,518	1,563,989	1,565,270
Unrestricted State appropriations - operating	3,800,516	4,681,664	5,494,504	5,643,017	7,495,414	8,150,466	955,971	7,582,561	7,053,413	7,337,891
Unrestricted State appropriations - capital	121,045	81,036	6,330	70,075	1,185,034	310,490	2,309,283	524,110	278,310	212,538
Unrestricted Federal appropriations - operating	-	-	-	-	-	-	745,591	7,246	6,438	9,647
Investment earnings, unrestricted	330,349	320,082	263,864	131,083	59,546	36,203	18,251	10,890	5,450	2,632
Insurance settlement proceeds	-	-	-	-	-	-	-	-	-	-
Miscellaneous, unrestricted	1,298,237	1,753,415	1,995,876	2,951,875	1,851,222	1,763,524	2,160,621	1,921,139	989,331	2,169,013
Transfers	-	-	-	-	-	(88,394)	(170,286)	(106,037)	(128,693)	(56,105)
Total governmental activities	30,885,704	31,072,361	31,525,264	33,897,280	37,408,723	62,175,040	42,910,231	35,310,233	31,675,669	33,937,358
Business-type activities:										
Investment earnings, unrestricted	75,177	101,990	82,597	46,510	33,615	27,931	9,208	5,777	5,093	5,460
Miscellaneous, unrestricted	-	2,937	5,500	16,346	11,750	13,927	12,136	8,529	7,982	21,313
Transfers	-	-	-	-	-	88,394	170,286	106,037	128,693	56,105
Total business-type activities	75,177	104,927	88,097	62,856	45,365	130,252	191,630	120,343	141,768	82,878
Total government-wide	\$ 30,960,881	\$ 31,177,288	\$ 31,613,361	\$ 33,960,136	\$ 37,454,088	\$ 62,305,292	\$ 43,101,861	\$ 35,430,576	\$ 31,817,437	\$ 34,020,236
<b>Change in Net Position</b>										
Governmental activities	\$ (2,044,640)	\$ (5,457,418)	\$ (2,175,363)	\$ (519,614)	\$ (910,247)	\$ 27,306,618	\$ 16,282,789	\$ (9,729,128)	\$ (1,791,690)	\$ 2,274,478
Business-type activities	73,683	(97,736)	(35,492)	37,905	444,346	591,677	566,776	414,237	130,970	(40,605)
Total district-wide change in net position	\$ (1,970,957)	\$ (5,555,154)	\$ (2,210,855)	\$ (481,709)	\$ (465,901)	\$ 27,898,295	\$ 16,849,565	\$ (9,314,891)	\$ (1,660,720)	\$ 2,233,873

Source: Nash-Rocky Mount 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.

# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

## **Governmental Funds**

### **Fund Balances**

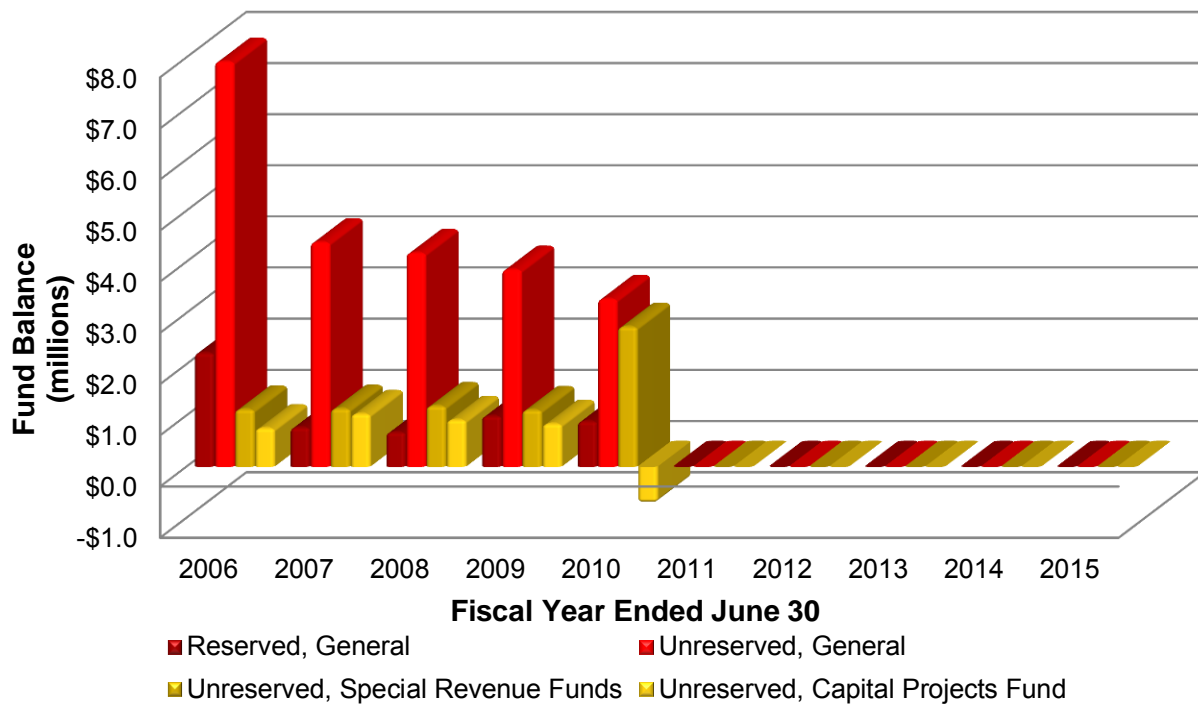
#### **Last Ten Fiscal Years**

Year Ended June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 2,222,060	\$ 765,416	\$ 672,459	\$ 989,396	\$ 887,194	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,920,834	4,385,865	4,176,922	3,850,377	3,275,647	-	-	-	-	-
Nonspendable	-	-	-	-	-	326,251	499,461	651,864	259,802	283,295
Restricted	-	-	-	-	-	273,788	472,428	177,031	80,339	191,768
Assigned	-	-	-	-	-	736,718	1,500,000	-	-	423,230
Unassigned	-	-	-	-	-	1,691,040	2,563,044	2,180,328	2,894,601	2,118,181
Total General Fund	<u>\$ 10,142,894</u>	<u>\$ 5,151,281</u>	<u>\$ 4,849,381</u>	<u>\$ 4,839,773</u>	<u>\$ 4,162,841</u>	<u>\$ 3,027,797</u>	<u>\$ 5,034,933</u>	<u>\$ 3,009,223</u>	<u>\$ 3,234,742</u>	<u>\$ 3,016,474</u>
All other governmental funds:										
Reserved	\$ 577,482	\$ 110,294	\$ 27,603	\$ 164,807	\$ 1,290,854	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	1,119,320	1,133,775	1,186,602	1,108,523	2,733,198	-	-	-	-	-
Capital Projects Fund	753,463	1,032,638	916,169	838,207	(720,835)	-	-	-	-	-
Restricted	-	-	-	-	-	2,230,814	4,532,203	2,079,774	1,822,884	2,643,071
Assigned, reported in:										
Restricted Revenue Fund	-	-	-	-	-	490,098	-	1,914,565	2,063,144	2,013,385
Capital Projects Fund	-	-	-	-	-	250,000	-	-	-	-
Total all other governmental funds	<u>\$ 2,450,265</u>	<u>\$ 2,276,707</u>	<u>\$ 2,130,374</u>	<u>\$ 2,111,537</u>	<u>\$ 3,303,217</u>	<u>\$ 2,970,912</u>	<u>\$ 4,532,203</u>	<u>\$ 3,994,339</u>	<u>\$ 3,886,028</u>	<u>\$ 4,656,456</u>

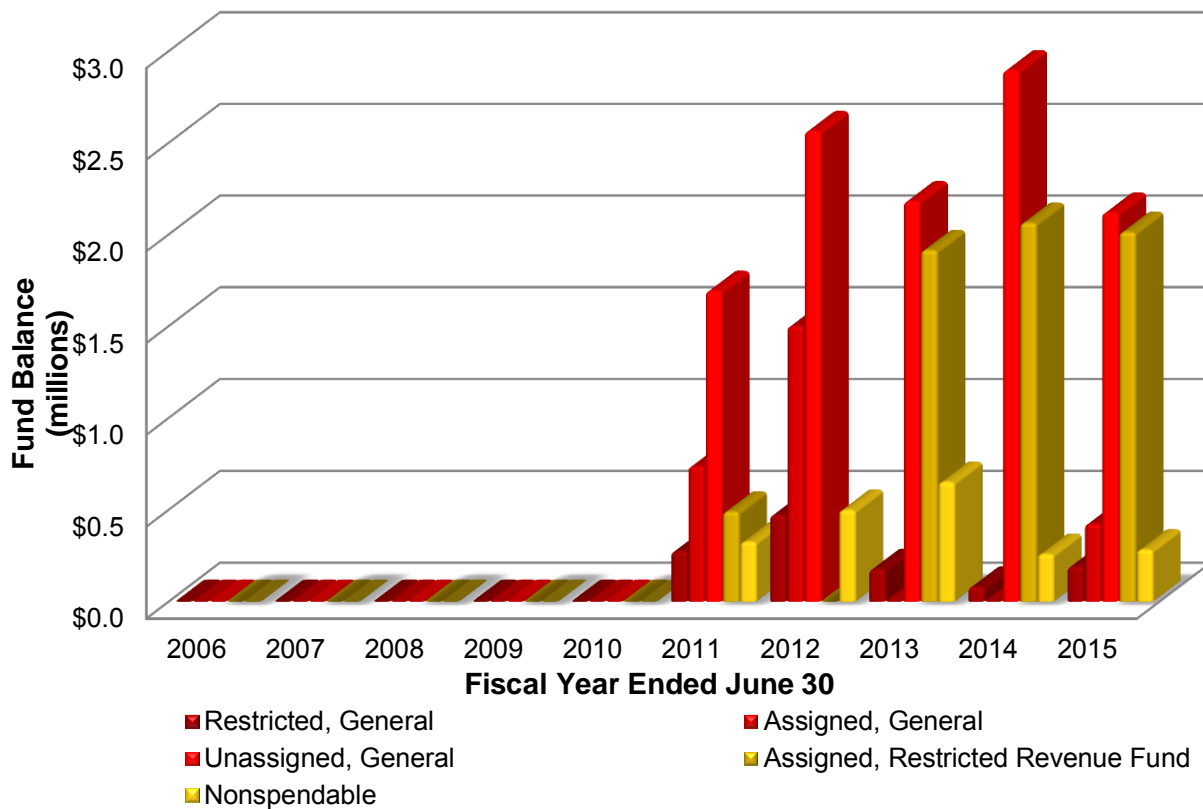
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports

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

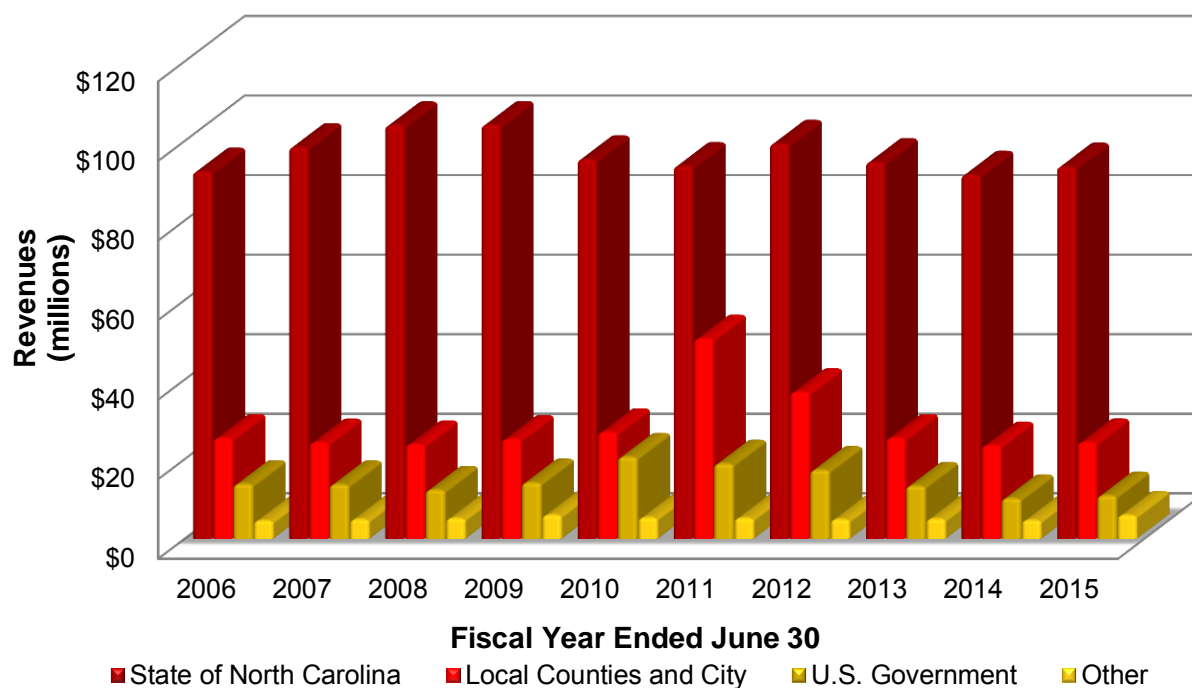


<b>NASH-ROCKY MOUNT BOARD OF EDUCATION</b> <b>Governmental Funds</b> <b>Changes in Fund Balances</b> <b>Last Ten Fiscal Years</b>					
<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Revenues</b>					
State of North Carolina	\$ 92,370,145	\$ 98,515,144	\$ 103,980,804	\$ 104,052,314	\$ 95,453,199
Local Counties and City	25,335,557	24,236,164	23,764,690	25,101,230	26,817,507
U.S. Government	13,792,400	13,693,865	12,342,280	14,163,352	20,617,285
Other	4,622,678	4,915,333	5,203,605	6,020,555	5,383,308
Total revenues	136,120,780	141,360,506	145,291,379	149,337,451	148,271,299
<b>Expenditures</b>					
Instructional services	97,940,618	103,840,268	115,479,719	117,907,747	113,107,047
System-wide support services	32,984,054	35,788,260	25,928,310	26,043,489	26,010,022
Ancillary services	41,450	59,280	16,302	39,910	118,291
Non-programmed charges	724,034	952,238	974,486	1,020,515	2,036,237
Debt service:					
Principal retirement	606,253	1,224,025	936,739	1,319,157	567,094
Interest and other charges	-	-	-	-	-
Capital outlay	3,938,112	6,978,092	2,368,579	4,460,232	5,833,674
Total expenditures	136,234,521	148,842,163	145,704,135	150,791,050	147,672,365
Revenues over (under) expenditures	(113,741)	(7,481,657)	(412,756)	(1,453,599)	598,934
<b>Other financing sources (uses)</b>					
Transfers from (to) other funds	-	-	-	-	-
Installment purchase obligations	-	2,270,214	-	1,415,717	-
Proceeds from sale of asset	-	14,588	-	-	-
Total other financing sources (uses)	-	2,284,802	-	1,415,717	-
Net change in fund balances	\$ (113,741)	\$ (5,196,855)	\$ (412,756)	\$ (37,882)	\$ 598,934
Ratio of debt service expenditures to total non-capital expenditures	0.46%	0.86%	0.65%	0.90%	0.40%
<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Revenues</b>					
State of North Carolina	\$ 93,750,350	\$ 99,343,449	\$ 94,745,122	\$ 91,567,970	\$ 93,600,049
Local Counties and City	50,341,307	36,890,800	25,370,324	23,471,420	24,261,742
U.S. Government	18,907,451	17,319,633	13,340,473	10,206,993	10,899,942
Other	5,256,391	4,930,528	5,079,701	4,732,607	5,986,927
Total revenues	168,255,499	158,484,410	138,535,620	129,978,990	134,748,660
<b>Expenditures</b>					
Instructional services	113,081,682	108,684,872	112,290,102	96,869,358	102,877,060
System-wide support services	26,403,447	28,939,006	29,100,601	28,363,446	28,217,861
Ancillary services	69,197	149,644	78,452	136,486	84,718
Non-programmed charges	1,165,055	1,280,884	1,231,240	1,536,393	1,747,241
Debt service:					
Principal retirement	456,854	131,535	3,193,171	1,615,171	1,941,645
Interest and other charges	-	-	-	118,927	89,603
Capital outlay	28,866,688	15,732,966	3,143,848	701,246	606,630
Total expenditures	170,042,923	154,918,907	149,037,414	129,341,027	135,564,758
Revenues over (under) expenditures	(1,787,424)	3,565,503	(10,501,794)	637,963	(816,098)
<b>Other financing sources (uses)</b>					
Transfers from (to) other funds	(88,394)	(170,286)	(106,037)	(128,693)	(56,105)
Installment purchase obligations	476,942	-	7,891,854	-	1,400,870
Proceeds from sale of asset	-	-	-	-	-
Total other financing sources (uses)	388,548	(170,286)	7,785,817	(128,693)	1,344,765
Net change in fund balances	\$ (1,398,876)	\$ 3,395,217	\$ (2,715,977)	\$ 509,270	\$ 528,667
Ratio of debt service expenditures to total non-capital expenditures	0.32%	0.09%	2.19%	1.35%	1.51%

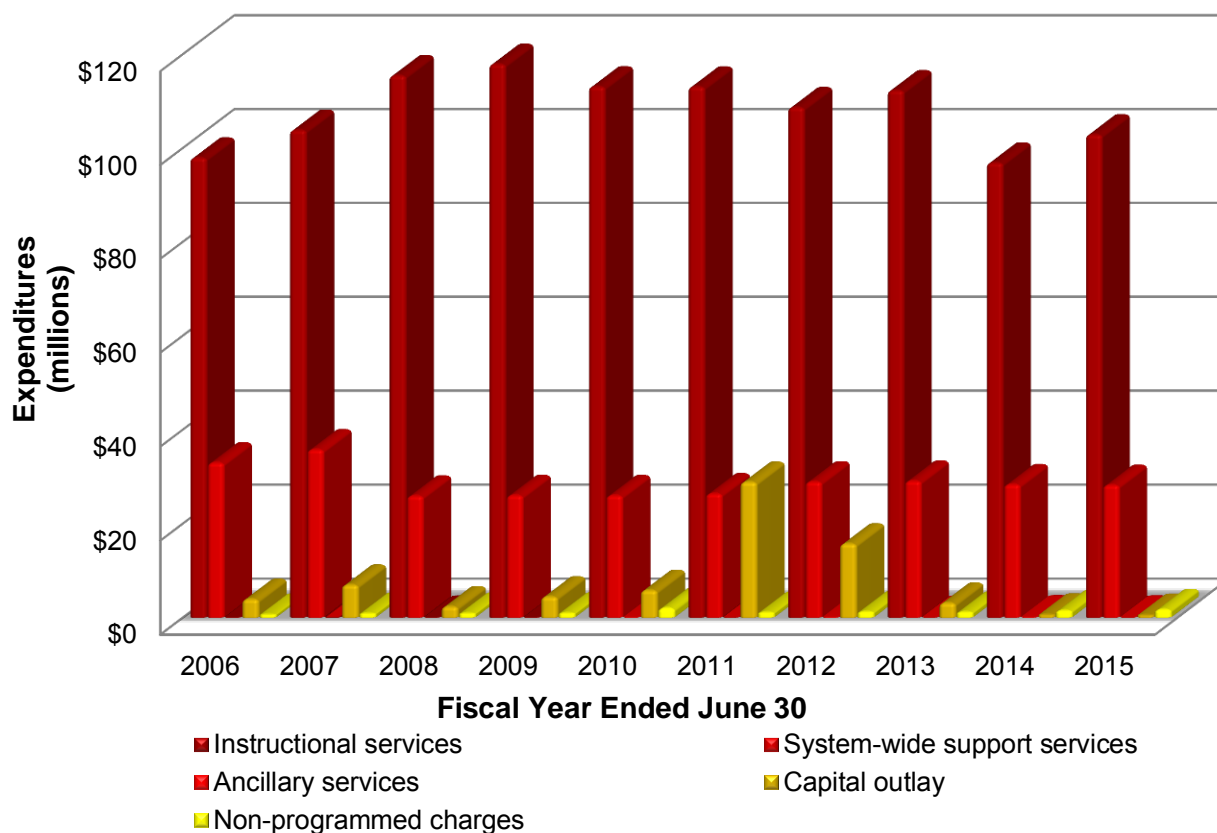
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports

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



# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

## **Operational Expenditures Per Pupil**

### **Expenditures by Function**

#### **Last Ten Fiscal Years**

#### **EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Average Daily Membership	17,927	17,904	17,548	17,412	16,997
Instructional	\$ 5,463	\$ 5,800	\$ 6,581	\$ 6,772	\$ 6,655
System-wide support	1,840	1,999	1,478	1,496	1,530
Ancillary	2	3	1	2	7
Total expenditures per pupil	<u>\$ 7,305</u>	<u>\$ 7,802</u>	<u>\$ 8,060</u>	<u>\$ 8,270</u>	<u>\$ 8,192</u>

#### **EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Average Daily Membership	16,802	16,330	16,181	15,917	15,703
Instructional	\$ 6,730	\$ 6,656	\$ 6,940	\$ 6,086	\$ 6,551
System-wide support	1,571	1,772	1,798	1,782	1,797
Ancillary	4	9	5	9	5
Total expenditures per pupil	<u>\$ 8,305</u>	<u>\$ 8,437</u>	<u>\$ 8,743</u>	<u>\$ 7,877</u>	<u>\$ 8,353</u>

#### **EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Instructional	\$ 2,692	\$ 2,784	\$ 3,008	\$ 3,140	\$ 3,053
System-wide support	907	959	675	694	702
Ancillary	1	1	-	1	3
Total expenditures per pupil	<u>\$ 3,600</u>	<u>\$ 3,744</u>	<u>\$ 3,683</u>	<u>\$ 3,835</u>	<u>\$ 3,758</u>

#### **EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Instructional	\$ 2,982	\$ 2,900	\$ 2,972	\$ 2,553	\$ 2,745
System-wide support	696	772	770	748	753
Ancillary	2	4	2	4	2
Total expenditures per pupil	<u>\$ 3,680</u>	<u>\$ 3,676</u>	<u>\$ 3,744</u>	<u>\$ 3,305</u>	<u>\$ 3,500</u>

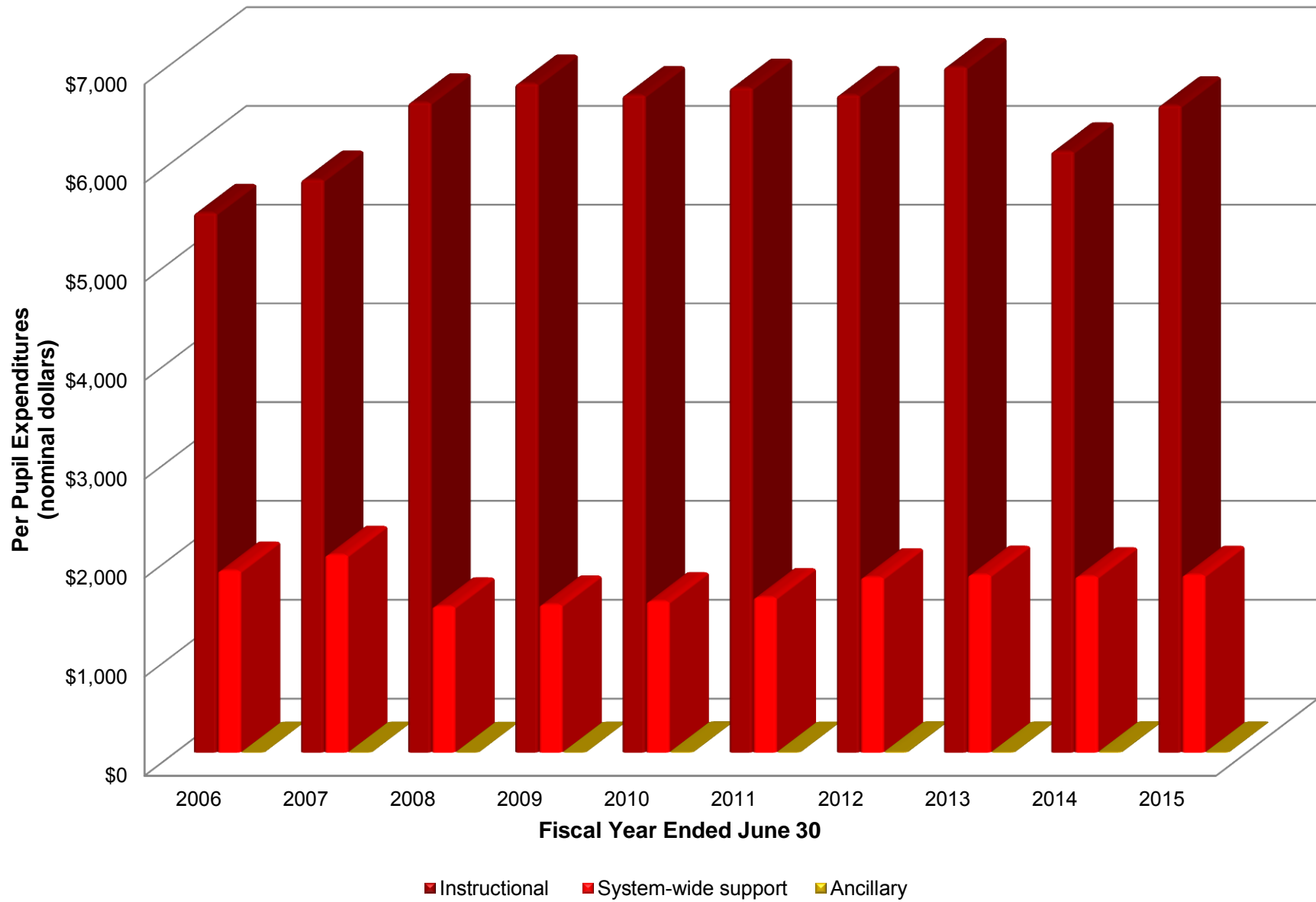
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports.

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



# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

## **Proprietary Fund - Food Services Operations**

### **Revenues by Source**

### **Last Ten Fiscal Years**

#### **EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Food sales	\$ 2,578,820	\$ 2,649,657	\$ 2,757,299	\$ 2,679,311	\$ 2,478,029
Federal reimbursements	4,717,362	4,909,784	5,026,726	5,260,827	5,737,466
Federal commodities	423,845	437,815	484,720	524,889	505,857
Other	429,195	506,493	364,401	263,113	45,365
Total revenues	<u>\$ 8,149,222</u>	<u>\$ 8,503,749</u>	<u>\$ 8,633,146</u>	<u>\$ 8,728,140</u>	<u>\$ 8,766,717</u>

#### **EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Food sales	\$ 2,281,397	\$ 2,176,483	\$ 2,041,230	\$ 1,833,838	\$ 1,454,362
Federal reimbursements	5,960,898	6,042,162	6,233,368	6,251,787	6,381,927
Federal commodities	591,645	494,573	536,251	554,780	539,092
Other	51,787	189,261	208,258	378,277	161,236
Total revenues	<u>\$ 8,885,727</u>	<u>\$ 8,902,479</u>	<u>\$ 9,019,107</u>	<u>\$ 9,018,682</u>	<u>\$ 8,536,617</u>

#### **EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Food sales	\$ 1,270,981	\$ 1,271,721	\$ 1,260,105	\$ 1,242,187	\$ 1,136,893
Federal reimbursements	2,324,969	2,356,485	2,297,249	2,439,035	2,632,288
Federal commodities	208,894	210,132	221,520	243,350	232,082
Other	211,530	243,095	166,534	121,985	20,813
Total revenues	<u>\$ 4,016,374</u>	<u>\$ 4,081,433</u>	<u>\$ 3,945,408</u>	<u>\$ 4,046,557</u>	<u>\$ 4,022,076</u>

#### **EXPRESSED IN CONSTANT DOLLARS**

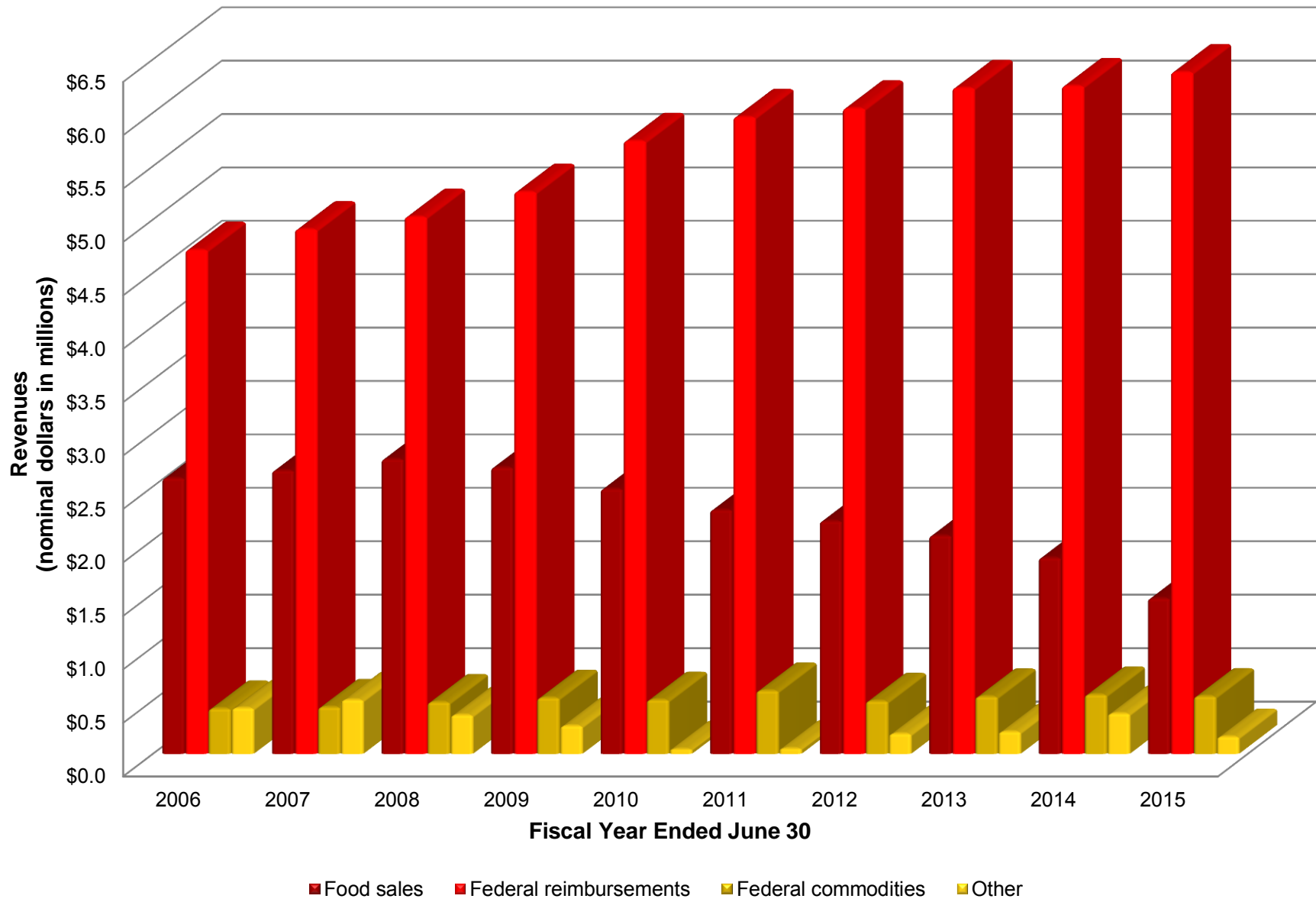
<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Food sales	\$ 1,010,711	\$ 948,450	\$ 874,173	\$ 769,411	\$ 609,443
Federal reimbursements	2,640,814	2,633,003	2,669,491	2,623,021	2,674,313
Federal commodities	262,112	215,521	229,654	232,765	225,904
Other	22,943	82,475	89,188	158,711	67,565
Total revenues	<u>\$ 3,936,580</u>	<u>\$ 3,879,449</u>	<u>\$ 3,862,506</u>	<u>\$ 3,783,908</u>	<u>\$ 3,577,225</u>

Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports.

Note: Other revenue includes interest earned, State reimbursements, and other revenue.

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



# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

## **Proprietary Fund - Food Services Operations**

### **Expenses by Category**

#### **Last Ten Fiscal Years**

#### **EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Purchase of food	\$ 2,963,836	\$ 3,214,076	\$ 3,235,679	\$ 3,341,856	\$ 3,224,514
Donated commodities	423,845	437,815	372,021	366,698	-
Salaries and benefits	3,727,243	4,021,702	4,099,435	4,133,854	4,161,028
Other	960,615	927,892	961,503	847,827	967,456
Total expenses	<u>\$ 8,075,539</u>	<u>\$ 8,601,485</u>	<u>\$ 8,668,638</u>	<u>\$ 8,690,235</u>	<u>\$ 8,352,998</u>

#### **EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Purchase of food	\$ 2,561,341	\$ 2,645,502	\$ 2,731,609	\$ 2,658,573	\$ 2,613,780
Donated commodities	591,645	494,573	536,251	554,780	539,092
Salaries and benefits	4,270,414	4,248,207	4,277,101	4,453,697	4,131,001
Other	959,044	1,444,997	1,165,946	1,349,355	1,349,454
Total expenses	<u>\$ 8,382,444</u>	<u>\$ 8,833,279</u>	<u>\$ 8,710,907</u>	<u>\$ 9,016,405</u>	<u>\$ 8,633,327</u>

#### **EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Purchase of food	\$ 1,460,737	\$ 1,542,618	\$ 1,478,728	\$ 1,549,358	\$ 1,479,372
Donated commodities	208,894	210,132	170,016	170,009	-
Salaries and benefits	1,836,985	1,930,244	1,873,471	1,916,545	1,909,035
Other	473,443	445,348	439,414	393,071	443,858
Total expenses	<u>\$ 3,980,059</u>	<u>\$ 4,128,342</u>	<u>\$ 3,961,629</u>	<u>\$ 4,028,983</u>	<u>\$ 3,832,265</u>

#### **EXPRESSED IN CONSTANT DOLLARS**

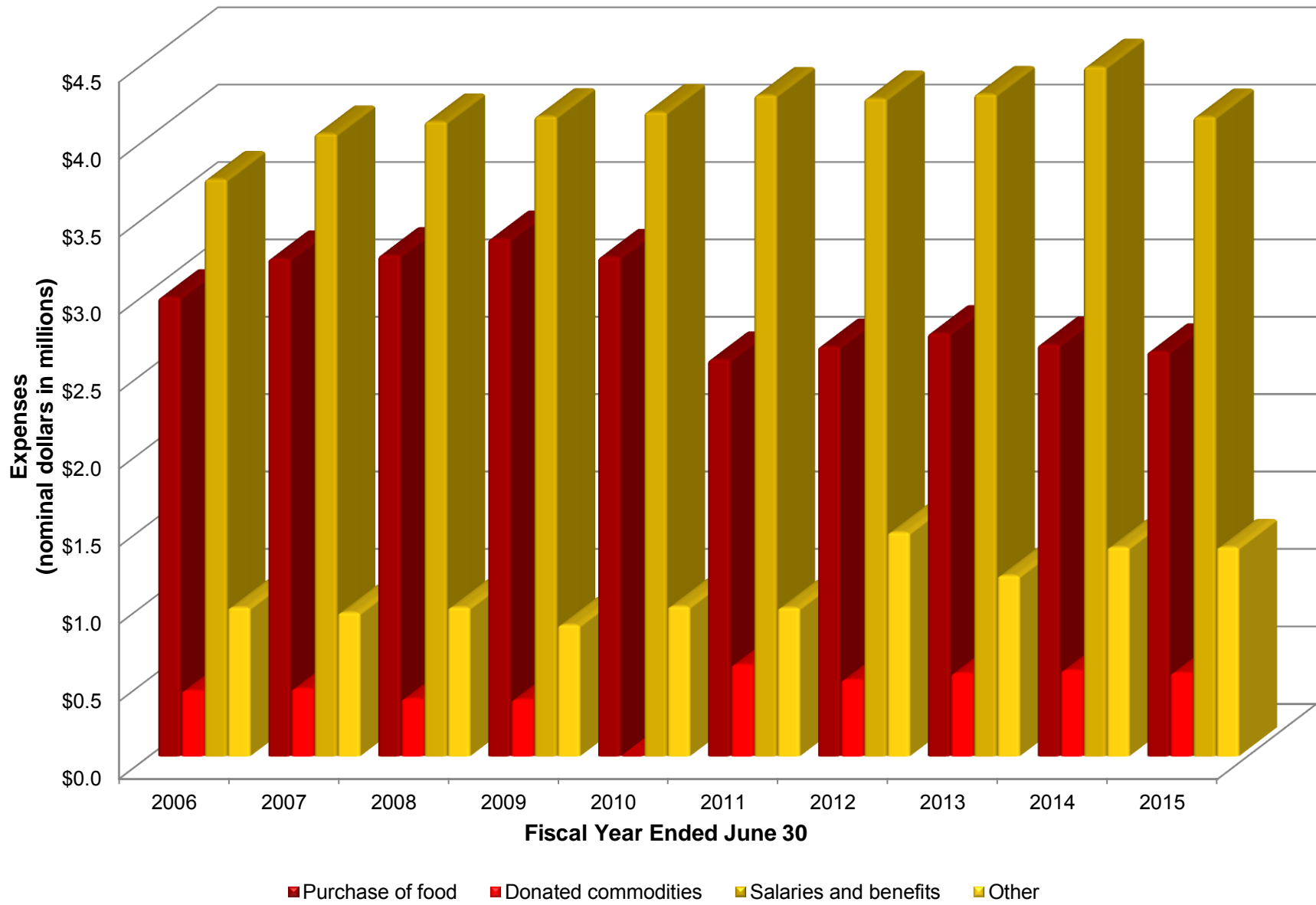
<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Purchase of food	\$ 1,134,733	\$ 1,152,835	\$ 1,169,834	\$ 1,115,440	\$ 1,095,291
Donated commodities	262,112	215,521	229,654	232,765	225,904
Salaries and benefits	1,891,891	1,851,248	1,831,704	1,868,608	1,731,074
Other	424,878	629,689	499,326	566,140	565,482
Total expenses	<u>\$ 3,713,614</u>	<u>\$ 3,849,293</u>	<u>\$ 3,730,518</u>	<u>\$ 3,782,953</u>	<u>\$ 3,617,751</u>

Source: Nash-Rocky Mount 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



# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

## **Ratios of Outstanding Debt by Type Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Installment Purchases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2015	\$ 2,661,972	\$ 2,661,972	N/A	N/A
2014	3,202,747	3,202,747	N/A	\$ 34
2013	4,817,918	4,817,918	0.139%	51
2012	119,235	119,235	0.004%	1
2011	250,512	250,512	0.008%	3
2010	229,701	229,701	0.007%	2
2009	793,954	793,954	0.025%	8
2008	684,268	684,268	0.022%	7
2007	1,601,842	1,601,842	0.053%	17
2006	535,480	535,480	0.019%	6

N/A = Not available

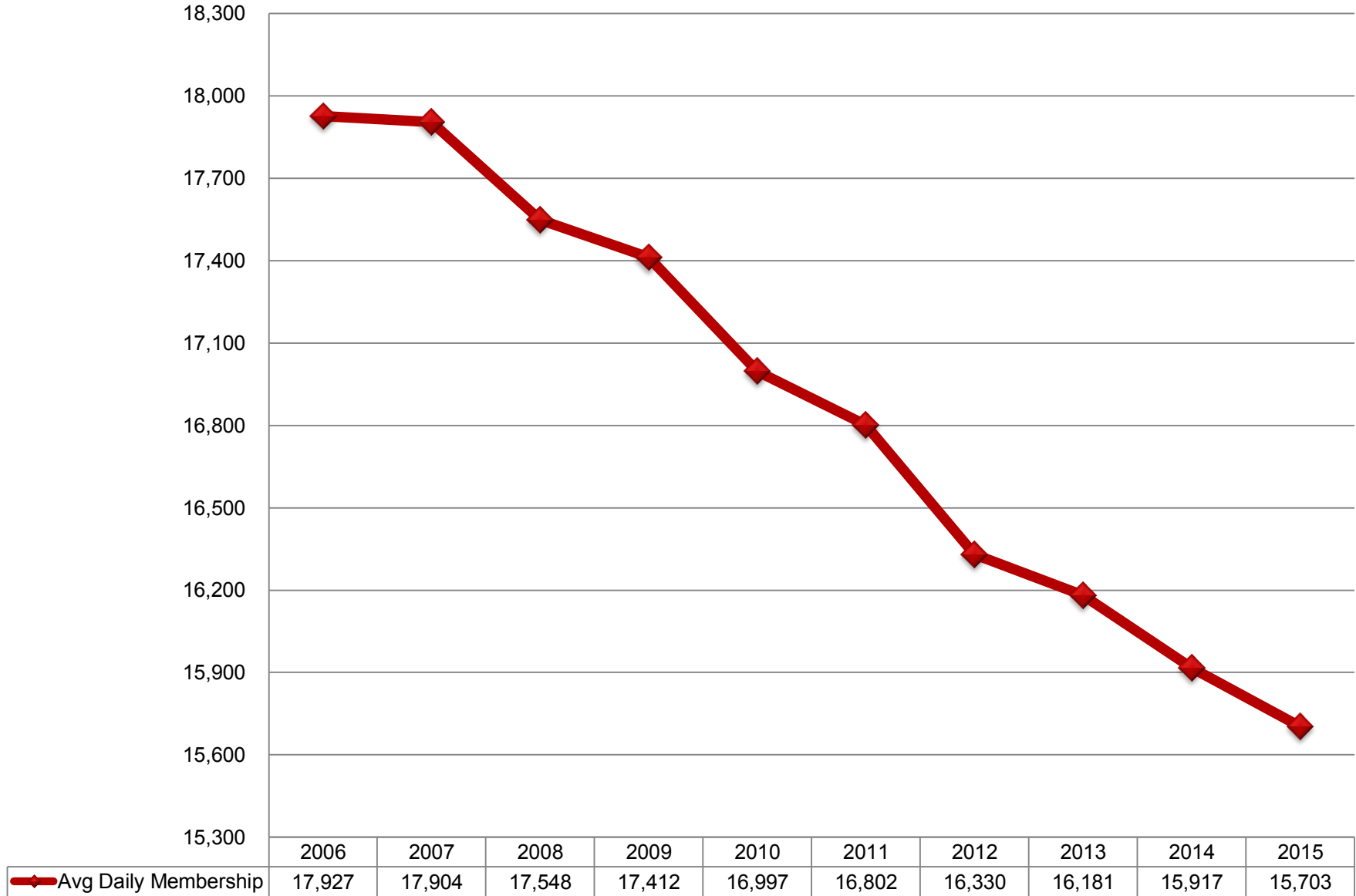
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports.

Note: Nash-Rocky Mount 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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**Average Daily Membership**  
**Last Ten Fiscal Years**



# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

## **Student Statistics Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Teaching Staff</b>	<b>Students</b>	<b>Teacher/ Pupil Ratio</b>	<b>Student Attendance Percentage<sup>(1)</sup></b>	<b>Percentage of Students Receiving Free/Reduced Lunch<sup>(2)</sup></b>
2015	919	15,703	1/17	93.54%	67%
2014	925	15,917	1/17	93.59%	70%
2013	995	16,181	1/16	93.30%	69%
2012	1,072	16,330	1/15	93.83%	69%
2011	1,104	16,802	1/15	94.05%	65%
2010	1,078	16,997	1/16	93.83%	65%
2009	1,154	17,412	1/15	94.01%	56%
2008	1,166	17,548	1/15	94.39%	60%
2007	1,210	17,904	1/15	94.15%	57%
2006	1,224	17,927	1/15	94.44%	58%

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**Student Statistics (continued)**  
**Last Ten Fiscal Years**

Year Ended June 30	Ethnic Distribution Percentage <sup>(3)</sup>				Graduates <sup>(3)</sup>	Percentage of Graduates Continuing Education <sup>(3)</sup>
	White	Black	Hispanic	Other		
2015	33%	51%	11%	5%	N/A	N/A
2014	34%	50%	10%	6%	1,109	86%
2013	35%	50%	10%	5%	1,136	85%
2012	35%	49%	10%	6%	1,059	82%
2011	35%	49%	10%	6%	1,110	83%
2010	35%	55%	8%	2%	1,078	82%
2009	36%	55%	7%	2%	1,049	82%
2008	36%	55%	7%	2%	1,058	84%
2007	37%	55%	6%	2%	1,046	81%
2006	38%	54%	6%	2%	1,022	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 Nash-Rocky Mount Board of Education Student Data.

(3) North Carolina Public Schools Statistical Profile (2006-2015 Editions). Graduate data for 2015 obtained from Nash-Rocky Mount Board of education student data.

Note: This table is a ten year schedule. However, the graduate 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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**Full-time Equivalent Governmental Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Officials, admins, mgrs	18	23	21	22	19	21	22	36	25	27
Principals	29	28	29	29	28	28	27	27	29	28
Asst. Principals, Teaching	-	-	-	-	-	-	-	-	-	-
Asst. Principals, non-teaching	32	34	35	35	35	38	38	34	37	37
Total administrators	79	85	85	86	82	87	87	97	91	92
Elementary teachers	656	619	623	613	569	585	568	500	456	456
Secondary teachers	302	322	294	297	264	268	255	254	237	237
Other teachers	266	269	249	244	245	251	249	241	232	226
Total teachers	1,224	1,210	1,166	1,154	1,078	1,104	1,072	995	925	919
Guidance	63	64	61	61	61	61	59	44	44	42
Psychological	9	8	8	8	9	12	9	9	9	10
Librarian, audiovisual	27	29	31	31	32	31	29	23	24	24
Consultant, supervisor	24	29	31	41	46	40	28	31	30	23
Other professionals	25	40	37	39	38	41	56	47	46	44
Total professionals	1,451	1,465	1,419	1,420	1,346	1,376	1,340	1,246	1,169	1,154
Teacher Assistants	417	417	403	403	382	387	364	352	253	223
Technicians	4	4	4	2	3	6	17	19	16	18
Clerical, secretarial	129	139	132	138	127	131	127	119	122	111
Service workers	272	255	259	266	282	280	282	270	258	163
Skilled crafts	56	54	56	54	54	53	49	45	45	35
Laborers, Unskilled	2	2	3	3	3	3	3	3	3	2
Total employees	2,331	2,336	2,276	2,286	2,197	2,236	2,182	2,054	1,866	1,706

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

# NASH-ROCKY MOUNT BOARD OF EDUCATION

## Instructional Personnel Last Ten Fiscal Years

Year Ended June 30	Teacher Salaries <sup>(1)</sup>			Bachelors Degree <sup>(2)</sup>	Masters Degree <sup>(2)</sup>	Advanced Degree <sup>(2)</sup>	Doctorate Degree <sup>(2)</sup>
	Minimum	Maximum	Average				
2015	\$ 33,000	\$ 62,000	\$ 47,500	676	251	8	-
2014	30,800	65,520	48,160	718	222	4	-
2013	30,800	65,520	48,160	777	217	4	-
2012	30,430	64,750	47,590	813	234	3	-
2011	30,430	64,750	47,590	852	224	3	-
2010	30,430	64,750	47,590	913	222	4	2
2009	30,430	64,750	47,590	907	223	5	2
2008	29,750	64,160	46,955	913	222	4	2
2007	28,510	61,380	44,945	963	387	21	10
2006	25,510	56,470	40,990	970	364	18	6

The above tabulation represents state base salaries, 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
- (d) Local salary supplements

Sources:

(1) North Carolina Public School Salary Schedules (2006-2015)

(2) North Carolina Public Schools Statistical Profile (2006-2014 Editions). Information for 2015 obtained from Nash-Rocky Mount 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.

# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

School Building Data  
June 30, 2015

<b>Site</b>	<b>Year Built</b>	<b>Capacity</b>	<b>Current Membership</b>	<b>Over/(Under) Capacity</b>	<b>Condition</b>
Bailey Elementary	2004	664	630	-5%	Excellent
Baskerville Elementary	1957	427	402	-6%	Good
Benvenue Elementary	1987	668	700	5%	Good
Cedar Grove Elementary	1953	223	196	-12%	Poor
Coopers Elementary	2000	601	622	3%	Excellent
Englewood Elementary	1960	508	495	-3%	Fair
Fairview Elementary	1997	425	403	-5%	Good
Hubbard Elementary	1956	512	477	-7%	Fair
Johnson Elementary	1960	575	292	-49%	Fair
Middlesex Elementary	1960	418	342	-18%	Good
Nashville Elementary	1952	682	731	7%	Good
Red Oak Elementary	1949	335	277	-17%	Poor
Spring Hope Elementary	1954	542	510	-6%	Fair
Swift Creek Elementary	1949	475	241	-49%	Poor
Williford Elementary	1954	581	428	-26%	Fair
Winstead Avenue Elementary	1998	625	555	-11%	Good

# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

**School Building Data (continued)**

**June 30, 2015**

<b>Site</b>	<b>Year Built</b>	<b>Capacity</b>	<b>Current Membership</b>	<b>Over/(Under) Capacity</b>	<b>Condition</b>
Edwards Middle	1962	827	499	-40%	Fair
Nash Central Middle	1965	670	603	-10%	Fair
Parker Middle	1962	557	286	-49%	Fair
Red Oak Middle	1998	850	892	5%	Excellent
Rocky Mount Middle	1953	1,150	430	-63%	Fair
Southern Nash Middle	1955	850	827	-3%	Fair
Nash Central High	2002	1,150	1,019	-11%	Excellent
Northern Nash High	1966	1,150	1,098	-5%	Good
Rocky Mount High	2012	1,390	1,245	-10%	Excellent
Southern Nash High	1968	1,068	1,143	7%	Good
Tar River Academy	1940	95	117	23%	Poor
NRMPS Early College High <sup>(1)</sup>	N/A	N/A	243	N/A	N/A

N/A = Not Applicable

Source: Nash-Rocky Mount Board of Education N. C. Public Schools Facility Needs Report; 2015

Note:

(1) Early College is located at Nash Community College

# **NASH COUNTY, NORTH CAROLINA**

## **Demographic Statistics Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Population estimate (1)	91,588	93,178	94,125	94,743	95,851
Personal income (2)	\$2,819,193,000	\$3,009,145,000	\$3,112,413,000	\$3,179,260,000	\$3,320,254,000
Per capita income (2)	\$30,781	\$32,295	\$33,067	\$33,557	\$34,640
Median age (3)	37.76	37.99	38.21	38.43	38.58
School enrollment (4)	17,927	17,904	17,548	17,412	16,997
Unemployment rate (5)	6.0%	5.7%	7.6%	13.2%	12.2%
<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Population estimate (1)	96,116	95,708	95,093	94,357	N/A
Personal income (2)	\$3,249,373,000	\$3,393,700,000	\$3,475,011,000	N/A	N/A
Per capita income (2)	\$33,807	\$35,459	\$36,543	N/A	N/A
Median age (3)	38.44	38.56	38.67	38.76	38.83
School enrollment (4)	16,802	16,330	16,181	15,917	15,703
Unemployment rate (5)	12.7%	12.6%	12.6%	8.8%	8.1%

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.

# **NASH COUNTY, NORTH CAROLINA**

## **Principal Employers**

**For Years Ended June 30, 2015 and 2006**

Employer	2015			2006		
	Employees <sup>(1)</sup>	Rank	Approximate Percentage of Total County Employment	Employees <sup>(1)</sup>	Rank	Approximate Percentage of Total County Employment
Hospira Inc.	1,000+	1	3%	1,000+	2	2%
Nash-Rocky Mount Schools	1,000+	2	3%	1,000+	1	2%
Nash General Hospital	1,000+	3	3%	1,000+	3	2%
Consolidated Diesel Co.	1,000+	4	3%	1,000+	5	2%
Intercall, Inc.	500-999	5	2%	-	-	-
County of Nash	500-999	6	2%	500-999	6	2%
Universal Leaf North America	500-999	7	2%	-	-	-
Mclane Mid-Atlantic Inc.	500-999	8	2%	-	-	-
Wal-Mart Associates, Inc.	500-999	9	2%	-	-	-
PNC Bank NA	500-999	10	2%	-	-	-
RBC Centura Bank Inc.	-	-	-	1,000+	4	2%
Kaba Ilco Corporation	-	-	-	500-999	7	2%
West Telemarketing, LLP	-	-	-	500-999	8	2%
State of North Carolina	-	-	-	250-499	9	1%
Manpower Temporary Services	-	-	-	250-499	10	1%
			<u>24%</u>			<u>18%</u>
Total County Employment <sup>(2)</sup>	<u>39,739</u>			<u>42,216</u>		

Sources:

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

(2) North Carolina Employment Security Commission

**NASH COUNTY, NORTH CAROLINA**  
**Principal Property Taxpayers**  
**December 31, 2014 and December 31, 2005**

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consolidated Diesel Co.	\$ 215,863,000	1	2.99%	\$ 196,805,000	1	3.48%
Hospira Inc.	204,509,000	2	2.84%	114,368,000	2	2.02%
Universal Leaf North America NC	90,548,000	3	1.26%	105,851,000	3	1.87%
Duke Energy Progress, Inc.	55,732,000	4	0.77%	40,828,000	5	0.72%
Hendon Golden East LLC	33,686,000	5	0.47%	24,516,000	8	0.43%
McLane Mid Atlantic, Inc.	33,465,000	6	0.46%	-	-	-
Carolina Telephone	24,581,000	7	0.34%	-	-	-
Kaba Ilco-Unican Corporation	19,483,000	8	0.27%	21,421,000	9	0.38%
Rocky Mount WEH LP	19,226,000	9	0.27%	-	-	-
Cheesecake Factory Bakery, Inc.	18,572,000	10	0.26%	-	-	-
PNC - RBC Centura Bank, Inc.	-	-	-	43,386,000	4	0.77%
Warren G.W. Farms, Inc.	-	-	-	36,333,000	6	0.64%
Sprint	-	-	-	33,731,000	7	0.60%
Rocky Mount Tectel, LLC	-	-	-	20,931,000	10	0.37%
	<u>\$ 715,665,000</u>		<u>9.93%</u>	<u>\$ 638,170,000</u>		<u>11.28%</u>
Total Assessed Valuation	<u>\$ 7,207,603,000</u>			<u>\$ 5,661,892,000</u>		

Source: Nash County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2015.

**NASH COUNTY, NORTH CAROLINA**  
**Property Tax Levies and Current Collections**  
**Last Ten Fiscal Years**

**EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>
2015	\$ 48,394,000	\$ 47,608,000	98.38%
2014	48,579,724	47,477,353	97.73%
2013	47,082,000	45,192,000	95.99%
2012	46,568,000	44,620,000	95.82%
2011	46,010,000	44,172,000	96.01%
2010	46,000,000	44,205,000	96.10%
2009	42,180,000	40,459,000	95.92%
2008	42,226,000	40,648,000	96.26%
2007	39,669,000	38,698,000	97.55%
2006	37,460,000	36,149,000	96.50%

**EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>
2015	\$ 20,279,251	\$ 19,949,882
2014	20,382,274	19,919,760
2013	20,163,252	19,353,844
2012	20,293,013	19,444,130
2011	20,383,481	19,569,205
2010	21,104,306	20,280,779
2009	19,555,572	18,757,679
2008	19,297,580	18,576,423
2007	19,039,414	18,573,376
2006	18,462,297	17,816,166

Source: Nash County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2015.

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).

# **EDGECOMBE COUNTY, NORTH CAROLINA**

## **Demographic Statistics Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Population estimate (1)	53,034	52,644	51,813	51,800	51,327
Personal income (2)	\$1,352,000,000	\$1,400,594,000	\$1,505,271,000	\$1,502,361,000	\$1,532,713,000
Per capita income (2)	\$25,493	\$26,605	\$29,052	\$29,003	\$29,862
Median age (3)	37.8	38.0	38.3	36.7	38.88
Unemployment rate (4)	8.6%	7.8%	8.3%	14.2%	16.1%
<b>Year Ended June 30</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Population estimate (1)	56,552	56,039	55,574	54,933	N/A
Personal income (2)	\$1,525,337,000	\$1,605,691,000	\$1,609,881,000	N/A	N/A
Per capita income (2)	\$26,972	\$28,653	\$28,968	N/A	N/A
Median age (3)	36.2	39.59	39.82	40.07	40.33
Unemployment rate (4)	15.6%	14.3%	14.5%	11.0%	10.5%

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 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.

# EDGECOMBE COUNTY, NORTH CAROLINA

Principal Employers  
For Years Ended June 30, 2015 and 2006

Employer	2015			2006		
	Employees <sup>(1)</sup>	Rank	Approximate Percentage of Total County Employment	Employees <sup>(1)</sup>	Rank	Approximate Percentage of Total County Employment
QVC, Inc.	1,000+	1	5%	1,000+	2	4%
Edgecombe County Public Schools	1,000+	2	5%	1,000+	1	4%
City of Rocky Mount	1,000+	3	5%	1,000+	3	4%
The Hillshire Brands Company	500-999	4	4%	-	-	-
Edgecombe County	500-999	5	4%	500-999	7	3%
Vidant Medical Center	500-999	6	4%	-	-	-
Edgecombe Community College	250-499	7	2%	-	-	-
Carolina System Technology	250-499	8	2%	250-499	10	2%
Mebtel, Inc.	250-499	9	2%	-	-	-
Meadowbrook Meat Co., Inc.	250-499	10	2%	-	-	-
Barnhill Contracting Co., Inc.	-	-	-	500-999	4	3%
Sara Lee	-	-	-	500-999	5	3%
Mclane Mid-Atlantic, Inc.	-	-	-	500-999	6	3%
East Carolina Health, Inc.	-	-	-	250-499	8	2%
Air System Components Lp	-	-	-	250-499	9	2%
			<u>35%</u>			<u>30%</u>
Total County Employment <sup>(2)</sup>	<u>20,448</u>			<u>22,255</u>		

Sources:

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

(2) North Carolina Employment Security Commission

# EDGECOMBE COUNTY, NORTH CAROLINA

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

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
QVC Rocky Mount, Inc.	\$ 80,148,043	1	2.50%	\$ 71,915,287	1	2.89%
Hillshire Brands	61,386,015	2	1.92%	63,461,613	3	2.55%
Carolina Systems Technology, Inc.	54,413,528	3	1.70%	59,623,706	4	2.40%
Edgecombe Martin Co. EMC	52,880,644	4	1.65%	20,043,954	6	0.81%
Carolina Telephone	49,575,330	5	1.55%	67,184,075	2	2.70%
Superior Essex	41,013,560	6	1.28%	16,427,150	7	0.66%
Edgecombe GENCO LLC	35,141,596	7	1.10%	-	-	-
CSX Transportation	34,415,887	8	1.07%	13,957,580	9	0.56%
Dominion NC Power	26,571,288	9	0.83%	-	-	-
ABB Power T&D Co. Inc.	18,498,823	10	0.58%	-	-	-
Cogentrix	-	-	-	46,748,445	5	1.88%
American Fibers & Yarns	-	-	-	12,835,571	10	0.52%
Carlisle Plastics LP	-	-	-	15,715,109	8	0.63%
	<u>\$454,044,714</u>		<u>14.18%</u>	<u>\$ 387,912,490</u>		<u>15.60%</u>
Total Assessed Valuation	<u>\$ 3,201,656,512</u>			<u>\$ 2,484,604,466</u>		

Source: Edgecombe County, North Carolina Tax Assessor.

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**Property Tax Levies and Current Collections**  
**Last Ten Fiscal Years**

**EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>
2015	N/A	N/A	N/A
2014	27,534,246	25,725,379	93.43%
2013	26,783,642	24,673,245	92.12%
2012	26,636,398	24,658,015	92.57%
2011	27,028,369	25,430,152	94.09%
2010	26,808,512	25,979,749	96.91%
2009	23,320,868	22,869,887	98.07%
2008	23,629,262	23,263,815	98.45%
2007	23,244,190	22,932,067	98.66%
2006	23,151,447	22,891,445	98.88%

**EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>
2015	N/A	N/A
2014	11,552,362	10,793,428
2013	11,470,314	10,566,519
2012	11,607,386	10,745,263
2011	11,974,185	11,266,138
2010	12,299,457	11,919,230
2009	10,812,065	10,602,981
2008	10,798,740	10,631,728
2007	11,156,212	11,006,406
2006	11,410,275	11,282,132

N/A = Not Available

Source: Edgecombe County, North Carolina, Comprehensive Annual Financial Reports.

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: This table is a ten year schedule. However, Edgecombe County's Comprehensive Annual Financial Report for the year ended June 30, 2015 was not available at the time this report was issued. Therefore, June 30, 2015 data will be shown as "N/A" and will be reported for the year ended June 30, 2016, if applicable.



**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**930 EASTERN AVENUE**  
**NASHVILLE, NC 27856**  
**(252)-459-5220**