



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

**NASHVILLE, NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended  
June 30, 2016**

*Prepared by*  
Susan Blackwell  
and the  
Finance Department



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



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

**January 24, 2017**

### **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, 2016, 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 2015-2016 fiscal year, the school system served approximately 15,400 students from kindergarten through 12th grade in 16 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). 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. 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 54,000. Similar to Nash County, Edgecombe has experienced very little growth over the past ten years. Currently, QVC, Inc. and Edgecombe Tarboro Board of Education are the two largest employers for Edgecombe County.

During the past five years, the Board has experienced a steady decline in student enrollment of approximately 1.7% 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, 2016. 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 Uniform Guidance 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, 2015. 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. Shelton Jefferies  
Superintendent



Susan Blackwell  
Finance Officer

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

***July 1, 2015 - June 30, 2016***

***Board Members***

Reginald Silver, *Chairperson*  
William Sharpe, *Vice Chairperson*

Brenda Brown	Wendy Wilson
LaShawnda Washington	Franklin Lamm
Ann Edge	Richard Jenkins
Evelyn Bulluck	Wayne Doll
Doneva Chavis - Battle	

***Principal Officers***

Dr. Shelton Jefferies, *Superintendent*  
Brian Miller, *Chief of Staff*  
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, 2015.**

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



**Brenda R. Burkett, CPA, CSBA, SFO**  
President

**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, 2015**

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, 2016 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, 2016, 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 42 and 43, 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 October 31, 2016 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*

October 31, 2016  
Rockingham, North Carolina

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

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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, 2016. This information should be read in conjunction with the audited financial statements included in this report.

### ***Financial Highlights***

For the fiscal year ended June 30, 2016, the Board's total government-wide net position increased by \$4.1 million, or 3.1%. Governmental activities net position increased by \$3.8 million, or 3.0%, and business-type activities net position increased by \$260,000, or 7.3%.

- Total government-wide net investment in capital assets decreased by \$2.6 million, or 1.7%, from the prior year. Governmental activities net investment in capital assets decreased by \$2.6 million and business-type activities net investment in capital assets increased by \$12,000.
- Total restricted net position increased by \$119,000 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, 2016 increased by \$6.7 million over the prior year. Governmental activities unrestricted net position increased by \$6.5 million while business-type activities unrestricted net position increased by \$248,000 over 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 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

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

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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 plus deferred outflows of resources and liabilities plus deferred inflows of resources. 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 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.

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

*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 \$133.1 million as of June 30, 2016 as compared to \$129.1 million as of June 30, 2015, an increase of \$4.0 million. The largest component of net position is net investment in capital assets of \$150.6 million. Following is a summary of the Statement of Net Position at June 30, 2016 and 2015:

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2016 and 2015**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/16	6/30/15	6/30/16	6/30/15	6/30/16	6/30/15
Current assets	\$ 11,520,544	\$ 12,644,813	\$ 4,385,363	\$ 4,399,993	\$ 15,905,907	\$ 17,044,806
Capital assets	150,112,321	152,688,438	477,800	465,895	150,590,121	153,154,333
Total assets	<u>161,632,865</u>	<u>165,333,251</u>	<u>4,863,163</u>	<u>4,865,888</u>	<u>166,496,028</u>	<u>170,199,139</u>
Deferred outflows of resources	6,855,807	6,784,848	230,738	232,317	7,086,545	7,017,165
Current liabilities	10,309,029	11,341,397	355,923	408,197	10,664,952	11,749,594
Long-term liabilities	22,662,349	10,374,759	693,235	262,219	23,355,584	10,636,978
Total liabilities	<u>32,971,378</u>	<u>21,716,156</u>	<u>1,049,158</u>	<u>670,416</u>	<u>34,020,536</u>	<u>22,386,572</u>
Deferred inflows of resources	6,259,867	24,920,237	210,681	853,284	6,470,548	25,773,521
Net investment in capital assets	150,112,321	152,688,438	477,800	465,895	150,590,121	153,154,333
Restricted net position	2,716,110	2,834,839	-	-	2,716,110	2,834,839
Unrestricted net position (deficit)	<u>(23,571,004)</u>	<u>(30,041,571)</u>	<u>3,356,262</u>	<u>3,108,610</u>	<u>(20,214,742)</u>	<u>(26,932,961)</u>
Total net position	<u>\$ 129,257,427</u>	<u>\$ 125,481,706</u>	<u>\$ 3,834,062</u>	<u>\$ 3,574,505</u>	<u>\$ 133,091,489</u>	<u>\$ 129,056,211</u>

The net position of the Board's governmental activities increased \$3.8 million during the year, from \$125.5 million at June 30, 2015 to \$129.3 million at June 30, 2016, indicating an improvement in the financial condition of the Board. Restricted net position decreased \$119,000 while unrestricted net position increased \$6.5 million over to the prior year. Net investment in capital assets decreased \$2.6 million due to an excess of depreciation expense over capital additions for the year.

Net position of the Board's business-type activities increased \$260,000 during the year. This increase is the net profit generated by our school food service operations during the 2016 fiscal year. The following table shows the revenues and expenses of the Board for the current and prior fiscal years:

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

**Table 2**  
**Condensed Statement of Activities**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/16	6/30/15	6/30/16	6/30/15	6/30/16	6/30/15
Revenues:						
Program revenues:						
Charges for services	\$ 2,936,684	\$ 2,834,339	\$ 1,301,647	\$ 1,454,362	\$ 4,238,331	\$ 4,288,701
Operating grants and contributions	99,325,983	96,887,259	7,581,702	6,935,465	106,907,685	103,822,724
Capital grants and contributions	-	144,468	-	-	-	144,468
General revenues:						
County appropriations	23,993,747	24,261,742	-	-	23,993,747	24,261,742
State appropriations	7,067,810	7,550,429	-	-	7,067,810	7,550,429
Federal appropriations	21,774	9,647	-	-	21,774	9,647
Other revenues	1,416,503	2,171,645	27,924	26,773	1,444,427	2,198,418
Total revenues	<u>134,762,501</u>	<u>133,859,529</u>	<u>8,911,273</u>	<u>8,416,600</u>	<u>143,673,774</u>	<u>142,276,129</u>
Expenses:						
Governmental activities:						
Instructional services	102,759,938	101,392,026	-	-	102,759,938	101,392,026
System-wide support services	26,304,738	28,182,239	-	-	26,304,738	28,182,239
Ancillary services	60,151	84,718	-	-	60,151	84,718
Payments to other governments	1,367,360	1,380,554	-	-	1,367,360	1,380,554
Interest on long-term debt	34,631	81,767	-	-	34,631	81,767
Unallocated depreciation	402,837	407,642	-	-	402,837	407,642
Business-type activities:						
School food service	-	-	8,708,841	8,513,310	8,708,841	8,513,310
Total expenses	<u>130,929,655</u>	<u>131,528,946</u>	<u>8,708,841</u>	<u>8,513,310</u>	<u>139,638,496</u>	<u>140,042,256</u>
Excess (deficiency) before transfers	3,832,846	2,330,583	202,432	(96,710)	4,035,278	2,233,873
Transfers in (out)	(57,125)	(56,105)	57,125	56,105	-	-
Increase (decrease) in net position	<u>3,775,721</u>	<u>2,274,478</u>	<u>259,557</u>	<u>(40,605)</u>	<u>4,035,278</u>	<u>2,233,873</u>
Beginning net position,						
as previously reported	125,481,706	152,316,155	3,574,505	4,611,817	129,056,211	156,927,972
Restatement	-	(29,108,927)	-	(996,707)	-	(30,105,634)
Beginning net position, as restated	<u>125,481,706</u>	<u>123,207,228</u>	<u>3,574,505</u>	<u>3,615,110</u>	<u>129,056,211</u>	<u>126,822,338</u>
Ending net position	<u>\$ 129,257,427</u>	<u>\$ 125,481,706</u>	<u>\$ 3,834,062</u>	<u>\$ 3,574,505</u>	<u>\$ 133,091,489</u>	<u>\$ 129,056,211</u>

Total governmental activities generated revenues of \$134.8 million while expenses in this category totaled \$130.9 million for the year ended June 30, 2016, resulting in an increase in net position of \$3.8 million (including transfers to business-type activities of \$57,000). Comparatively, revenues were \$133.9 million, expenses totaled \$131.5 million and transfers out were \$56,000 for the year ended June 30, 2015, resulting in an increase in net position of \$2.3 million. In comparing the two years, revenues increased \$903,000, or 0.7%, while expenses decreased slightly by \$599,000, or 0.5%. Overall, revenues and expenses were both very comparable to the prior year.

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

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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 68.7%, 17.7% and 9.5% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 78.5% of our total expenses during the most recent fiscal year. Of the remaining 21.5% of our total expenses, 20.1% was attributable to system-wide support services.

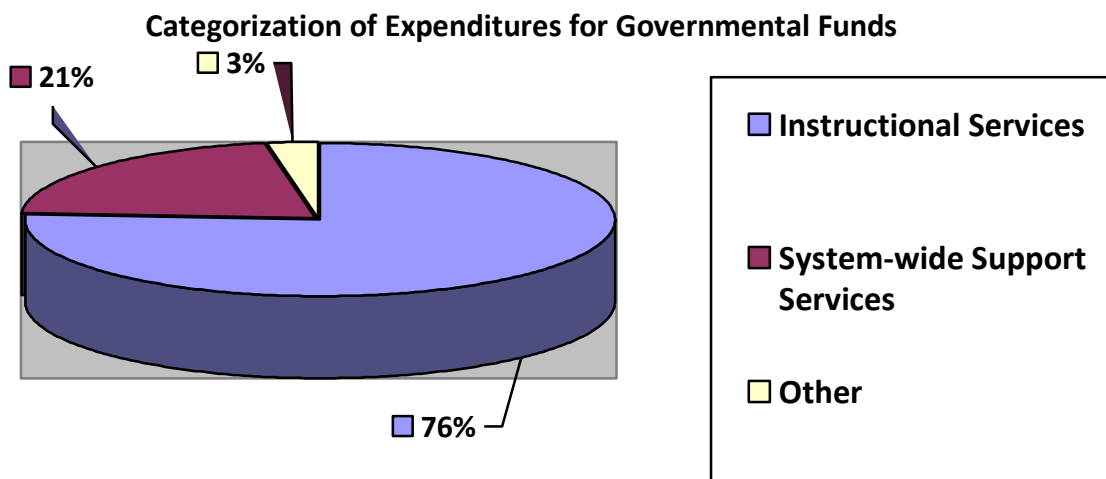
Our business-type activities generated revenues of \$8.9 million while expenses in this category totaled \$8.7 million for the year ended June 30, 2016. For the year, net position increased by \$260,000 (including transfers in of \$57,000). Comparatively, revenues were \$8.4 million and expenses were \$8.5 million for the year ended June 30, 2015, resulting in a decrease in net position of \$41,000 (including transfers in of \$56,000). The year-over-year increase in profit of \$300,000 was primarily attributable to a \$585,000 increase in federal reimbursements received during the 2015-2016 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 \$6.4 million at June 30, 2016, a decrease of \$1.3 million from the \$7.7 million reported at June 30, 2015. The General, Restricted Revenue, Capital Outlay and Individual Schools funds each reported decreases in fund balance for the year.

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 \$1.4 million, or 1.4%, in the year ended June 30, 2016 compared to the previous year.



Expenditures presented on modified accrual basis of accounting.

*Proprietary Fund:* The Board's business-type fund, the School Food Service Fund, reported an increase in net position of \$260,000 for the fiscal year ended June 30, 2016 compared to a decrease of \$41,000 for the same 2015 period. See the discussion above under "*Financial Analysis of the Board as a Whole*" for further details regarding the year-over-year change in operating results for the School Food Service Fund.

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

## **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. During the year ended June 30, 2016, budget revisions were made in the General Fund totaling \$1.3 million, primarily for increases in system-wide support services and non-programmed charges. These increased expenditures were budgeted to be paid from appropriated fund balance. 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 \$868,000 compared to a decrease of \$218,000 in the 2014-2015 year, resulting in a year-over-year decline of \$650,000. Revenues for the 2016 year decreased \$537,000, or 2.3% from the previous year while expenditures increased slightly by \$90,000, or 0.4%. A funding decrease of \$677,000 from the city of Rocky Mount accounted for the majority of the decrease in revenues.

## **Capital Assets**

Total primary government capital assets were \$150.6 million at June 30, 2016 compared to \$153.2 million at June 30, 2015, a decrease of \$2.6 million, or 1.7%. 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, 2016 and 2015.

**Table 3  
Summary of Capital Assets  
As of June 30, 2016 and 2015**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/16	6/30/15	6/30/16	6/30/15	6/30/16	6/30/15
Capital assets not being depreciated:						
Land	\$ 4,780,964	\$ 4,780,964	\$ -	\$ -	\$ 4,780,964	\$ 4,780,964
Capital assets being depreciated:						
Buildings and improvements	132,688,441	134,946,476	-	-	132,688,441	134,946,476
Equipment and furniture	11,915,308	12,264,045	451,211	423,294	12,366,519	12,687,339
Vehicles	727,608	696,953	26,589	42,601	754,197	739,554
Total	<u>\$ 150,112,321</u>	<u>\$ 152,688,438</u>	<u>\$ 477,800</u>	<u>\$ 465,895</u>	<u>\$ 150,590,121</u>	<u>\$ 153,154,333</u>

## **Debt Outstanding**

During the year, the outstanding balances for installment purchase contracts decreased by \$1.8 million. 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.

## **Economic Factors**

The unemployment rate in Nash County at June 30, 2016 was 6.8%. The County's unemployment rate continues to be higher than the N.C. statewide and national unemployment rates which were both 5.1% at June 30, 2016.

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

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***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, 2016**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 7,181,324	\$ 3,911,383	\$ 11,092,707
Due from other governments	3,966,983	250,565	4,217,548
Receivables	87,532	9,260	96,792
Inventories	284,705	214,155	498,860
Capital assets:			
Land	4,780,964	-	4,780,964
Other capital assets, net of depreciation	145,331,357	477,800	145,809,157
Total capital assets	150,112,321	477,800	150,590,121
Total assets	161,632,865	4,863,163	166,496,028
<b>Deferred Outflows of Resources</b>	6,855,807	230,738	7,086,545
<b>Liabilities</b>			
Accounts payable and accrued expenses	698,797	3,439	702,236
Accrued salaries and wages payable	3,846,295	93,481	3,939,776
Unearned revenue	585,067	20,418	605,485
Accrued interest payable	17,004	-	17,004
Long-term liabilities:			
Net pension liability	19,397,583	652,842	20,050,425
Due within one year	5,161,866	238,585	5,400,451
Due in more than one year	3,264,766	40,393	3,305,159
Total liabilities	32,971,378	1,049,158	34,020,536
<b>Deferred Inflows of Resources</b>	6,259,867	210,681	6,470,548
<b>Net position</b>			
Net investment in capital assets	150,112,321	477,800	150,590,121
Restricted for:			
Stabilization by State statute	245,943	-	245,943
School capital outlay	549,243	-	549,243
Instructional services	1,046,414	-	1,046,414
Individual schools activities	874,510	-	874,510
Unrestricted (deficit)	(23,571,004)	3,356,262	(20,214,742)
Total net position	\$ 129,257,427	\$ 3,834,062	\$ 133,091,489

*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, 2016**

**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	\$ 58,756,162	\$ -	\$ 50,891,093	\$ -	\$ (7,865,069)	\$ -	\$ (7,865,069)
Special populations	14,627,935	-	14,390,417	-	(237,518)	-	(237,518)
Alternative programs	9,660,778	-	11,128,340	-	1,467,562	-	1,467,562
School leadership	8,526,473	-	4,135,293	-	(4,391,180)	-	(4,391,180)
Co-curricular	3,293,575	2,936,684	-	-	(356,891)	-	(356,891)
School-based support	7,895,015	-	6,718,913	-	(1,176,102)	-	(1,176,102)
System-wide support services:							
Support and development	1,299,253	-	916,761	-	(382,492)	-	(382,492)
Special population support and development	628,720	-	544,057	-	(84,663)	-	(84,663)
Alternative programs and services support and development	251,341	-	259,336	-	7,995	-	7,995
Technology support	1,813,286	-	531,599	-	(1,281,687)	-	(1,281,687)
Operational support	18,436,782	-	8,388,798	-	(10,047,984)	-	(10,047,984)
Financial and human resource services	1,614,316	-	477,092	-	(1,137,224)	-	(1,137,224)
Accountability	174,490	-	-	-	(174,490)	-	(174,490)
System-wide pupil support	113,598	-	-	-	(113,598)	-	(113,598)
Policy, leadership and public relations	1,972,952	-	596,502	-	(1,376,450)	-	(1,376,450)
Ancillary services	60,151	-	808	-	(59,343)	-	(59,343)
Payments to other governments	1,367,360	-	346,974	-	(1,020,386)	-	(1,020,386)
Interest on long-term debt	34,631	-	-	-	(34,631)	-	(34,631)
Unallocated depreciation expense**	402,837	-	-	-	(402,837)	-	(402,837)
Total governmental activities	130,929,655	2,936,684	99,325,983	-	(28,666,988)	-	(28,666,988)
Business-type activities:							
School food service	8,708,841	1,301,647	7,581,702	-	-	174,508	174,508
Total primary government	\$ 139,638,496	\$ 4,238,331	\$ 106,907,685	\$ -	(28,666,988)	174,508	(28,492,480)
General revenues:							
Unrestricted county appropriations - operating					22,413,096	-	22,413,096
Unrestricted county appropriations - capital					1,580,651	-	1,580,651
Unrestricted State appropriations - operating					6,480,348	-	6,480,348
Unrestricted Federal appropriations - operating					21,774	-	21,774
Unrestricted State appropriations - capital					587,462	-	587,462
Investment earnings, unrestricted					3,928	8,146	12,074
Miscellaneous, unrestricted					1,412,575	19,778	1,432,353
Transfers					(57,125)	57,125	-
Total general revenues and transfers					32,442,709	85,049	32,527,758
Change in net position					3,775,721	259,557	4,035,278
Net position - beginning					125,481,706	3,574,505	129,056,211
Net position - ending					\$ 129,257,427	\$ 3,834,062	\$ 133,091,489

\*\*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, 2016**

**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	\$ 2,424,953	\$ -	\$ -	\$ 3,397,613	\$ 484,248	\$ 874,510	\$ 7,181,324
Due from other governments	54,399	3,470,957	279,253	32,241	130,133	-	3,966,983
Accounts receivable	40,493	-	-	47,039	-	-	87,532
Inventories	284,705	-	-	-	-	-	284,705
Total assets	<u>\$ 2,804,550</u>	<u>\$ 3,470,957</u>	<u>\$ 279,253</u>	<u>\$ 3,476,893</u>	<u>\$ 614,381</u>	<u>\$ 874,510</u>	<u>\$ 11,520,544</u>
<b>Liabilities and Fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 618,592	\$ -	\$ -	\$ 15,067	\$ 65,138	\$ -	\$ 698,797
Accrued salaries and wages payable	35,965	3,470,957	279,253	60,120	-	-	3,846,295
Unearned revenue	-	-	-	585,067	-	-	585,067
Total liabilities	<u>654,557</u>	<u>3,470,957</u>	<u>279,253</u>	<u>660,254</u>	<u>65,138</u>	<u>-</u>	<u>5,130,159</u>
Fund balances:							
Nonspendable:							
Inventories	284,705	-	-	-	-	-	284,705
Restricted:							
Stabilization by State statute	166,663	-	-	79,280	-	-	245,943
School capital outlay	-	-	-	-	549,243	-	549,243
Instructional services	-	-	-	1,046,414	-	-	1,046,414
Individual schools	-	-	-	-	-	874,510	874,510
Assigned:							
Subsequent year's expenditures	946,567	-	-	-	-	-	946,567
Special revenues	-	-	-	1,690,945	-	-	1,690,945
Unassigned	752,058	-	-	-	-	-	752,058
Total fund balances	<u>2,149,993</u>	<u>-</u>	<u>-</u>	<u>2,816,639</u>	<u>549,243</u>	<u>874,510</u>	<u>6,390,385</u>
Total liabilities and fund balances	<u>\$ 2,804,550</u>	<u>\$ 3,470,957</u>	<u>\$ 279,253</u>	<u>\$ 3,476,893</u>	<u>\$ 614,381</u>	<u>\$ 874,510</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.	150,112,321
Deferred outflows of resources related to pensions	6,855,807
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.	(8,443,636)
Net pension liability	(19,397,583)
Deferred inflows of resources related to pensions	(6,259,867)
Net position of governmental activities	<u>\$ 129,257,427</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, 2016**

**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	\$ -	\$ 91,516,802	\$ -	\$ 1,145,099	\$ 587,462	\$ -	\$ 93,249,363
Local Counties and City:							
Edgecombe County - local appropriation	2,265,585	-	-	-	-	-	2,265,585
Edgecombe County - other	-	-	-	-	183,761	-	183,761
Nash County - local appropriation	20,020,261	-	-	-	-	-	20,020,261
Nash County - other	-	-	-	-	1,396,890	-	1,396,890
City of Rocky Mount - local appropriation	127,250	-	-	-	-	-	127,250
Total local Counties and City	22,413,096	-	-	-	1,580,651	-	23,993,747
U.S. Government	-	-	12,542,596	384,820	-	-	12,927,416
Other	523,215	-	-	2,709,987	16,373	2,318,552	5,568,127
Total revenues	22,936,311	91,516,802	12,542,596	4,239,906	2,184,486	2,318,552	135,738,653
Expenditures:							
Current:							
Instructional services:							
Regular instructional	4,056,534	51,132,472	294,912	2,595,220	11,317	-	58,090,455
Special populations	435,737	10,780,070	3,610,347	563,863	-	-	15,390,017
Alternative programs	124,219	2,394,290	6,558,874	912,791	-	-	9,990,174
School leadership	2,184,710	6,839,076	-	-	-	-	9,023,786
Co-curricular	977,341	-	3,463	-	14,448	2,343,440	3,338,692
School-based support	549,048	7,146,600	250,683	380,028	-	-	8,326,359
System-wide support services:							
Support and development	467,520	332,480	468,261	119,290	-	-	1,387,551
Special population support and development	116,047	161,639	382,418	-	-	-	660,104
Alternative programs and services							
support and development	17	13,731	245,605	-	-	-	259,353
Technology support	234,836	1,446,976	201,207	-	-	-	1,883,019
Operational support	9,733,349	8,291,021	40,652	47,664	1,965,078	-	20,077,764
Financial and human resource services	1,836,914	337,892	139,200	-	-	-	2,314,006
Accountability	185,056	-	-	-	-	-	185,056
System-wide pupil support	119,081	-	-	-	-	-	119,081
Policy, leadership and public relations	1,357,090	695,843	-	-	-	-	2,052,933
Ancillary services	59,343	808	-	-	-	-	60,151
Non-programmed charges	1,367,360	-	346,974	-	-	-	1,714,334
Debt service:							
Principal retirement	-	1,816,267	-	-	-	-	1,816,267
Interest and fees	-	70,512	-	-	-	-	70,512
Capital outlay	-	-	-	-	205,869	-	205,869
Total expenditures	23,804,202	91,459,677	12,542,596	4,618,856	2,196,712	2,343,440	136,965,483
Revenues over (under) expenditures	(867,891)	57,125	-	(378,950)	(12,226)	(24,888)	(1,226,830)
Other financing uses:							
Transfers to other funds	-	(57,125)	-	-	-	-	(57,125)
Net change in fund balance	(867,891)	-	-	(378,950)	(12,226)	(24,888)	(1,283,955)
Fund balances:							
Beginning of year	3,016,474	-	-	3,195,589	561,469	899,398	7,672,930
Change in reserve for inventories	1,410	-	-	-	-	-	1,410
End of year	\$ 2,149,993	\$ -	\$ -	\$ 2,816,639	\$ 549,243	\$ 874,510	\$ 6,390,385

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, 2016**

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

Net changes in fund balances - total governmental funds	\$ (1,283,955)
---	----------------

Change in fund balance due to change in reserve for inventory	1,410
---	-------

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.

	(2,576,117)
--	-------------

Contributions to the pension plan in the current fiscal year are not included on the	6,855,807
--	-----------

Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.

	(29,178)
--	----------

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	29,178
------------------------------------	--------

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.

	1,816,267
--	-----------

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	35,881
Pension expense	(1,258,323)
Compensated absences	<u>184,751</u>

Total changes in net position of governmental activities	<u>\$ 3,775,721</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, 2016**

**Exhibit 6**

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Local Counties and City	22,319,885	22,319,885	22,413,096	93,211
U.S. Government	-	-	-	-
Other	455,000	455,000	523,215	68,215
Total revenues	22,774,885	22,774,885	22,936,311	161,426
Expenditures:				
Current:				
Instructional services	8,514,308	8,663,075	8,327,589	335,486
System-wide support services	13,583,807	14,371,851	14,049,910	321,941
Ancillary services	-	75,000	59,343	15,657
Non-programmed charges	1,100,000	1,400,000	1,367,360	32,640
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	23,198,115	24,509,926	23,804,202	705,724
Revenues over (under) expenditures	(423,230)	(1,735,041)	(867,891)	867,150
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	423,230	1,735,041	-	(1,735,041)
Net change in fund balance	\$ -	\$ -	(867,891)	\$ (867,891)
Fund balances:				
Beginning of year			3,016,474	
Change in reserve for inventories			1,410	
End of year			\$ 2,149,993	

*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, 2016**

	State Public School Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 86,741,026	\$ 93,741,943	\$ 91,516,802	\$ (2,225,141)
Local Counties and City	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	<u>86,741,026</u>	<u>93,741,943</u>	<u>91,516,802</u>	<u>(2,225,141)</u>
Expenditures:				
Current:				
Instructional services	76,951,330	79,238,815	78,292,508	946,307
System-wide support services	9,789,696	12,524,455	11,279,582	1,244,873
Ancillary services	-	808	808	-
Non-programmed charges	-	-	-	-
Debt service:				
Principal retirement	-	1,816,267	1,816,267	-
Interest and fees	-	70,512	70,512	-
Total debt service	-	<u>1,886,779</u>	<u>1,886,779</u>	-
Total expenditures	<u>86,741,026</u>	<u>93,650,857</u>	<u>91,459,677</u>	<u>2,191,180</u>
Revenues over (under) expenditures	-	91,086	57,125	(33,961)
Other financing uses:				
Transfers to other funds	-	(91,086)	(57,125)	33,961
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, 2016**

	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	12,685,095	18,533,649	12,542,596	(5,991,053)
Other	-	-	-	-
Total revenues	<u>12,685,095</u>	<u>18,533,649</u>	<u>12,542,596</u>	<u>(5,991,053)</u>
Expenditures:				
Current:				
Instructional services	9,600,502	12,801,543	10,718,279	2,083,264
System-wide support services	1,219,576	1,679,214	1,477,343	201,871
Ancillary services	-	2,500	-	2,500
Non-programmed charges	1,865,017	4,050,392	346,974	3,703,418
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	<u>12,685,095</u>	<u>18,533,649</u>	<u>12,542,596</u>	<u>5,991,053</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, 2016**

	Restricted Revenue Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ 1,058,712	\$ 1,145,099	\$ 86,387
Local Counties and City	-	-	-	-
U.S. Government	200,000	342,850	384,820	41,970
Other	<u>2,133,000</u>	<u>2,217,040</u>	<u>2,709,987</u>	<u>492,947</u>
Total revenues	<u>2,333,000</u>	<u>3,618,602</u>	<u>4,239,906</u>	<u>621,304</u>
Expenditures:				
Current:				
Instructional services	2,333,000	5,124,668	4,451,902	672,766
System-wide support services	-	227,621	166,954	60,667
Ancillary services	-	-	-	-
Non-programmed charges	-	175	-	175
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	<u>2,333,000</u>	<u>5,352,464</u>	<u>4,618,856</u>	<u>733,608</u>
Revenues over (under) expenditures	-	(1,733,862)	(378,950)	1,354,912
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	<u>1,733,862</u>	-	<u>(1,733,862)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(378,950)	<u>\$ (378,950)</u>
Fund balances:				
Beginning of year			3,195,589	
Change in reserve for inventories			-	
End of year			<u>\$ 2,816,639</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, 2016**

**Exhibit 7**

	Enterprise Fund Major Fund School Food Service
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 3,911,383
Due from other governments	250,565
Receivables	9,260
Inventories	214,155
Total current assets	<u>4,385,363</u>
Noncurrent assets:	
Capital assets:	
Furniture and office equipment, net	<u>477,800</u>
Total assets	<u>4,863,163</u>
<b>Deferred Outflows of Resources</b>	<u>230,738</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	3,439
Accrued salaries and wages payable	93,481
Compensated absences	238,585
Unearned revenue	20,418
Total current liabilities	<u>355,923</u>
Noncurrent liabilities:	
Net pension liability	652,842
Compensated absences	40,393
Total noncurrent liabilities	<u>693,235</u>
Total liabilities	<u>1,049,158</u>
<b>Deferred Inflows of Resources</b>	<u>210,681</u>
<b>Net position</b>	
Investment in capital assets	477,800
Unrestricted	3,356,262
Total net position	<u>\$ 3,834,062</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, 2016**

**Exhibit 8**

	Enterprise Fund Major Fund School Food Service
Operating revenues:	
Food sales	\$ 1,301,647
Other	19,778
Total operating revenues	<u>1,321,425</u>
Operating expenses:	
Food cost:	
Purchase of food	2,651,863
Donated commodities	604,425
Salaries and benefits	4,197,006
Indirect costs	666,148
Materials and supplies	309,997
Repairs and maintenance	200,048
Depreciation	71,531
Contracted services	4,160
Other	69,811
Total operating expenses	<u>8,774,989</u>
Operating loss	<u>(7,453,564)</u>
Nonoperating revenues:	
Federal reimbursements	6,967,122
Federal commodities	604,425
State reimbursements	10,155
Indirect costs not paid	66,148
Interest earned	8,146
Total nonoperating revenues	<u>7,655,996</u>
Income before transfers	202,432
Transfers from other funds	<u>57,125</u>
Change in net position	259,557
Net position, beginning of year	<u>3,574,505</u>
Net position, end of year	<u><u>\$ 3,834,062</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, 2016**

**Exhibit 9**

	Enterprise Fund
	Major Fund
	School Food Service
Cash flows from operating activities:	
Cash received from customers	\$ 1,295,888
Cash paid for goods and services	(3,864,280)
Cash paid to employees for services	(4,362,206)
Other revenues	19,778
Net cash used by operating activities	<u>(6,910,820)</u>
Cash flows from noncapital financing activities:	
Due from other funds	55,425
Federal and State reimbursements	7,013,249
Net cash provided by noncapital financing activities	<u>7,068,674</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(83,436)</u>
Cash flows from investing activities:	
Interest earned on investments	<u>8,146</u>
Net increase in cash and cash equivalents	82,564
Cash and cash equivalents, beginning of year	<u>3,828,819</u>
Cash and cash equivalents, end of year	<u>\$ 3,911,383</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (7,453,564)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	71,531
Donated commodities	604,425
Salaries paid by special revenue fund	57,125
Indirect costs not paid	66,148
Changes in assets and liabilities:	
Decrease in accounts receivable	1,244
Decrease in inventories	4,553
Decrease in accounts payable and accrued liabilities	(32,954)
Increase in accrued salaries and wages payable	2,366
Decrease in unearned revenue	(7,003)
Increase in net pension liability	438,368
Decrease in deferred outflows	1,579
Decrease in deferred inflows	(642,603)
Decrease in compensated absences payable	<u>(22,035)</u>
Total adjustments	<u>542,744</u>
Net cash used by operating activities	<u>\$ (6,910,820)</u>

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$604,425 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 \$66,148 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 \$57,125 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, 2016**

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**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. Interfund services provided and used are not eliminated in the process of consolidation.

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, 2016**

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*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, 2016**

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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 amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. 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, 2016**

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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

Donated assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 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



**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2016**

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reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has one item that meet this criterion – pension related deferrals.

6. Long-term Obligations

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

7. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2016 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, 2016**

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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 \$122,867,042 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)	\$243,932,845
Less accumulated depreciation	<u>(93,820,524)</u>
Net capital assets	150,112,321
Pension related deferred outflows of resources:	
Contributions made to the pension plan in the current fiscal year	6,855,807

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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	(845,705)
Accrued interest payable	(17,004)
Compensated absences	(7,580,927)
Net pension liability	(19,397,583)

Deferred inflows of resources related to pensions:

Differences between expected and actual experience	(2,205,505)
Difference between projected and actual earnings on plan investments	(2,101,564)
Differences between contributions and proportional share of contributions and changes in proportion	(1,952,798)

Total adjustment \$122,867,042

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 \$5,059,676 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	\$ 1,805,267
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	(4,381,384)
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities	(29,178)
Gain on disposal of capital assets is recorded as revenue in the statement of activities but does not provide current financial resources and is not reported as revenue in the fund statements	29,178
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	1,816,267
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	6,855,807
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	(1,258,323)
Difference in accrued interest payable and interest expensed on fund statements	35,881
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	1,410
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	184,751
Total adjustment	<u>\$ 5,059,676</u>

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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, 2016, the Board had deposits with banks and savings and loans with a carrying amount of \$9,393,084 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$9,979,657 and \$1,376,338, respectively. Of these balances, \$1,194,357 was covered by federal depository insurance and \$10,161,638 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2016, the Board had \$1,699,623 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, 2016. The Board has no investment balances in the NCCMT as of June 30, 2016. The Board has no policy for managing interest rate risk or credit risk. All investments are measured using the market approach. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

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3. Accounts Receivable

Receivables at the government-wide level at June 30, 2016 are as follows:

	Due from other governments	Other	Total
Governmental activities:			
General Fund	\$ 54,399	\$ 40,493	\$ 94,892
Other governmental activities	<u>3,912,584</u>	<u>47,039</u>	<u>3,959,623</u>
Total governmental activities	<u>\$ 3,966,983</u>	<u>\$ 87,532</u>	<u>\$ 4,054,515</u>
Business-type activities:			
School Food Service Fund	<u>\$ 250,565</u>	<u>\$ 9,260</u>	<u>\$ 259,825</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 54,399	Edgecombe and Nash County
State Public School Fund	3,470,957	Operating funds from DPI
Federal Grants funds	279,253	Federal grant funds
Restricted Revenue Fund	32,241	Federal and State grants
Capital Outlay Fund	<u>130,133</u>	Edgecombe and Nash County
	<u>\$ 3,966,983</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 250,565</u>	Federal grant funds

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4. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,780,964	\$ -	\$ -	\$ 4,780,964
Capital assets being depreciated:				
Buildings and improvements	195,430,708	1,384,907	-	196,815,615
Equipment and furniture	27,084,500	54,100	79,013	27,059,587
Vehicles	15,201,316	366,260	290,897	15,276,679
Total capital assets being depreciated	<u>237,716,524</u>	<u>1,805,267</u>	<u>369,910</u>	<u>239,151,881</u>
Less accumulated depreciation for:				
Buildings and improvements	60,484,232	3,642,942	-	64,127,174
Equipment and furniture	14,820,455	402,837	79,013	15,144,279
Vehicles	14,504,363	335,605	290,897	14,549,071
Total accumulated depreciation	<u>89,809,050</u>	<u>4,381,384</u>	<u>369,910</u>	<u>93,820,524</u>
Total capital assets being depreciated, net	<u>147,907,474</u>			<u>145,331,357</u>
Governmental activity capital assets, net	<u>\$ 152,688,438</u>			<u>\$ 150,112,321</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 2,207,188	\$ 83,436	\$ -	\$ 2,290,624
Vehicles	286,473	-	-	286,473
Total capital assets being depreciated	<u>2,493,661</u>	<u>83,436</u>	<u>-</u>	<u>2,577,097</u>
Less accumulated depreciation for:				
Equipment and furniture	1,783,894	55,519	-	1,839,413
Vehicles	243,872	16,012	-	259,884
Total accumulated depreciation	<u>2,027,766</u>	<u>71,531</u>	<u>-</u>	<u>2,099,297</u>
School Food Service capital assets, net	<u>\$ 465,895</u>			<u>\$ 477,800</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 3,642,942
System-wide support services	335,605
Unallocated depreciation	<u>402,837</u>
Total	<u>\$ 4,381,384</u>

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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, 2016, was 9.15% of covered payroll, actuarially determined as an amount that, when combined with employee

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contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$7,086,545 for the year ended June 30, 2016.

*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, 2016, the Board reported a liability of \$20,050,425 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015 and at June 30, 2014, the Board's proportion was .54% and .55%, respectively.

For the year ended June 30, 2016, the Board recognized pension expense of \$1,286,405. At June 30, 2016, 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	\$ -	\$ 2,279,733
Net difference between projected and actual earnings on pension plan investments	-	2,172,294
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	2,018,521
Board contributions subsequent to the measurement date	7,086,545	-
Total	<u>\$ 7,086,545</u>	<u>\$ 6,470,548</u>

\$7,086,545 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ (3,312,241)
2018	(3,312,241)
2019	(3,098,204)
2020	3,252,138
2021	-
Thereafter	-
Total	<u>\$ (6,470,548)</u>



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*Actuarial Assumptions.* The total pension liability in the December 31, 2014 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, 2014 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 2014 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.

*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

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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)	\$ 60,346,247	\$ 20,050,425	\$ (14,145,226)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

**b. Other Postemployment Benefits**

**Healthcare Benefits**

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

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

*Funding Policy.* The Comprehensive Major Medical Plan is administered by the Executive Administrator and Board of Trustees of the Plan, which establish premium rates except as may be established by the General Assembly in an appropriation act. The healthcare benefits for retired and disabled employees are the same as for active employees, except that the coverage becomes secondary when former employees become eligible for Medicare. For employees first hired on and after October 1, 2006, future coverage as retired employees is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on and after October 1, 2006 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium. For employees hired before October 1, 2006, healthcare benefits are provided to retirees (at no charge to the retirees) who have at least five years of

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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, 2016, 2015 and 2014, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of \$4,317,941, \$4,185,790 and \$4,055,596, respectively. These contributions represented 5.60%, 5.49% and 5.40% of covered payroll, respectively.

Long-term Disability Benefits

*Plan Description.* Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan. The DIPNC is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System. Long-term disability benefits are payable as another postemployment benefit from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The Plan accumulates contributions from employers and any earnings on those contributions in the Disability Income Plan Trust Fund. The plan does not provide for automatic post-retirement benefit increases.

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

*Funding Policy.* An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in the Teachers' and State Employees' Retirement System of North Carolina, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from the Retirement System; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from the Retirement System after (1) reaching the age of 65 and completing five years of creditable service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

For members with five or more years of membership service as of July 31, 2007, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one twelfth of the annual longevity payment to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which

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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, 2016, 2015 and 2014, the Board paid all annual required contributions to the DIPNC for disability benefits of \$316,135, \$312,600 and \$330,456, respectively. These contributions represented 0.41%, 0.41% and 0.44% of covered payroll, respectively.

## 2. Accounts Payable

Accounts payable as of June 30, 2016 are as follows:

	<u>Vendors and Other</u>
Governmental activities:	
General Fund	\$ 618,592
Other governmental activities	<u>80,205</u>
Total governmental activities	<u>\$ 698,797</u>
Business-type activities:	
School Food Service Fund	<u>\$ 3,439</u>

## 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>\$ 585,067</u>
Business-type activities:	
Prepayments of meals (School Food Service Fund)	<u>\$ 20,418</u>

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

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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	\$ -	\$ 2,279,733
Net difference between projected and actual earnings on pension plan investments	-	2,172,294
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	2,018,521
Board contributions subsequent to the measurement date	<u>7,086,545</u>	<u>-</u>
Total	<u>\$ 7,086,545</u>	<u>\$ 6,470,548</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.

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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2016**

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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 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. This contract was paid in full during the year ended June 30, 2016.

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 purchase as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2017	\$ 297,150
2018	297,150
2019	<u>297,149</u>
	891,449
Less portion representing interest	<u>(45,744)</u>
Total principal obligation	<u>\$ 845,705</u>

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, 2016:

	<u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>	<u>Current Portion</u>
Governmental activities:					
Installment purchases	\$ 2,661,972	\$ -	\$ 1,816,267	\$ 845,705	\$ 274,478
Net pension liability	6,263,738	13,133,845	-	19,397,583	-
Compensated absences	<u>7,765,678</u>	<u>4,821,745</u>	<u>5,006,496</u>	<u>7,580,927</u>	<u>4,887,388</u>
Total	<u>\$ 16,691,388</u>	<u>\$ 17,955,590</u>	<u>\$ 6,822,763</u>	<u>\$ 27,824,215</u>	<u>\$ 5,161,866</u>
Business-type activities:					
Net pension liability	\$ 214,474	\$ 438,368	\$ -	\$ 652,842	\$ -
Compensated absences	<u>301,013</u>	<u>235,395</u>	<u>257,430</u>	<u>278,978</u>	<u>238,585</u>
Total	<u>\$ 515,487</u>	<u>\$ 673,763</u>	<u>\$ 257,430</u>	<u>\$ 931,820</u>	<u>\$ 238,585</u>

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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2016**

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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>
2017	\$ 516,786
2018	<u>509,786</u>
Total remaining commitment	<u>\$ 1,026,572</u>

C. Interfund Balances and Activity

Transfers to/from other Funds

Transfers to/from other funds during the year ended June 30, 2016 consisted of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 57,125</u>
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D. Net Position/Fund Balance

1. Net Investment in Capital Assets

The district has \$845,705 of installment purchase obligations outstanding at June 30, 2016 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	\$ 2,149,993
Less:	
Inventories	(284,705)
Stabilization by State statute	(166,663)
Appropriated Fund Balance in the 2016-2017 budget	<u>(946,567)</u>
Remaining fund balance	<u>\$ 752,058</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, 2016 were as follows:

General Fund	\$ 71,771
Capital Outlay Fund	184,181

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
***For the Fiscal Year Ended June 30, 2016***

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

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	2016	2015	2014
Board's proportion of the net pension liability (asset)	0.544%	0.553%	0.604%
Board's proportionate share of the net pension liability (asset)	\$ 20,050,425	\$ 6,478,212	\$ 36,644,671
Board's covered-employee payroll	\$ 76,690,342	\$ 75,247,837	\$ 81,734,603
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	26.14%	8.61%	44.83%
Plan fiduciary net position as a percentage of the total pension liability	94.64%	98.24%	90.60%

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

Note: This is a ten year schedule. However, GASB 68 was not adopted until the fiscal year ended June 30, 2015. Therefore, there are only three years of data presented.

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

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 7,086,545	\$ 7,017,165	\$ 6,539,037
Contributions in relation to the contractually required contribution	<u>7,086,545</u>	<u>7,017,165</u>	<u>6,539,037</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 77,448,579	\$ 76,690,342	\$ 75,247,837
Contributions as a percentage of covered-employee payroll	9.15%	9.15%	8.69%

Note: This is a ten year schedule. However, GASB 68 was not adopted until the fiscal year ended June 30, 2015. Therefore, there are only three years of data presented.

**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, 2016**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Local Counties and City:			
Edgecombe County appropriation	\$ 2,172,375	\$ 2,265,585	\$ 93,210
Nash County appropriation	20,020,261	20,020,261	-
City of Rocky Mount appropriation	127,249	127,250	1
Total Local Counties and City	22,319,885	22,413,096	93,211
Other:			
Fines and forfeitures	450,000	519,287	69,287
Interest earned on investment	5,000	3,928	(1,072)
Total other	455,000	523,215	68,215
Total revenues	22,774,885	22,936,311	161,426
Expenditures:			
Current:			
Instructional services:			
Regular instructional	-	4,056,534	-
Special populations	-	435,737	-
Alternative programs	-	124,219	-
School leadership	-	2,184,710	-
Co-curricular	-	977,341	-
School-based support	-	549,048	-
Total instructional services	8,663,075	8,327,589	335,486
System-wide support services:			
Support and development	-	467,520	-
Special population support and development	-	116,047	-
Alternative programs and services support and development	-	17	-
Technology support	-	234,836	-
Operational support	-	9,733,349	-
Financial and human resource services	-	1,836,914	-
Accountability	-	185,056	-
System-wide pupil support	-	119,081	-
Policy, leadership and public relations	-	1,357,090	-
Total system-wide support services	14,371,851	14,049,910	321,941

**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, 2016**

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	Final Budget	Actual	Variance Positive (Negative)
Expenditures: (Continued)			
Current:			
Ancillary services:			
Nutrition	<u>75,000</u>	<u>59,343</u>	<u>15,657</u>
Non-programmed charges			
Payments to other governments	<u>1,400,000</u>	<u>1,367,360</u>	<u>32,640</u>
Total expenditures	<u>24,509,926</u>	<u>23,804,202</u>	<u>705,724</u>
Revenues over (under) expenditures	(1,735,041)	(867,891)	867,150
Fund balance appropriated	<u>1,735,041</u>	<u>-</u>	<u>(1,735,041)</u>
Net change in fund balance	<u>\$ -</u>	(867,891)	<u>\$ (867,891)</u>
Fund balance:			
Beginning of year		3,016,474	
Change in reserve for inventories		<u>1,410</u>	
End of year		<u>\$ 2,149,993</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, 2016**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ -	\$ -	\$ -
Public School Capital Fund - Lottery	588,960	587,462	(1,498)
Total State of North Carolina	588,960	587,462	(1,498)
Local Counties and City:			
Edgecombe County appropriations	145,000	183,761	38,761
Nash County appropriations	1,396,890	1,396,890	-
Total local Counties and City	1,541,890	1,580,651	38,761
Other:			
Miscellaneous	-	16,373	16,373
Total revenues	2,130,850	2,184,486	53,636
Expenditures:			
Current:			
Instructional services:			
Regular instructional	-	11,317	-
Co-curricular	-	14,448	-
Total instructional services	100,146	25,765	74,381
System-wide support services:			
Operational support:			
Various projects - Lottery	-	587,462	-
Other operational support	-	1,377,616	-
Total operational support	2,181,152	1,965,078	216,074
Capital outlay	227,000	205,869	21,131
Total expenditures	2,508,298	2,196,712	311,586
Revenues under expenditures	(377,448)	(12,226)	365,222
Fund balance appropriated	377,448	-	(377,448)
Net change in fund balance	\$ -	(12,226)	\$ (12,226)
Fund balance:			
Beginning of year		561,469	
End of year		\$ 549,243	

**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, 2016**

	Revenues	Expenditures	Net change in fund balance	Fund balances June 30, 2015	Fund balances June 30, 2016
Bailey Elementary	\$ 35,792	\$ 40,104	\$ (4,312)	\$ 16,749	\$ 12,437
Baskerville Elementary	21,971	18,491	3,480	1,742	5,222
Benvenue Elementary	7,571	7,453	118	13,096	13,214
Cedar Grove Elementary	13,460	11,753	1,707	4,967	6,674
Coopers Elementary	19,706	25,936	(6,230)	24,111	17,881
Englewood Elementary	18,735	17,169	1,566	17,252	18,818
Fairview Elementary	28,904	24,725	4,179	4,018	8,197
M.B. Hubbard Elementary	17,626	21,254	(3,628)	6,725	3,097
D.S. Johnson Elementary	13,879	13,148	731	5,846	6,577
Middlesex Elementary	53,543	55,226	(1,683)	11,772	10,089
Nashville Elementary	29,121	31,463	(2,342)	17,509	15,167
Red Oak Elementary	10,170	13,478	(3,308)	17,975	14,667
Spring Hope Elementary	43,089	40,545	2,544	5,900	8,444
Swift Creek Elementary	14,500	11,701	2,799	3,146	5,945
Willford Elementary	5,512	5,033	479	2,604	3,083
Winstead Elementary	23,163	21,478	1,685	12,378	14,063
J.W. Parker Middle	23,729	25,797	(2,068)	8,333	6,265
Edwards Middle	48,080	54,323	(6,243)	21,259	15,016
Nash Central Middle	88,677	87,091	1,586	22,284	23,870
Red Oak Middle	159,065	144,047	15,018	30,836	45,854
Rocky Mount Middle	35,304	28,149	7,155	9,276	16,431
Southern Nash Middle	111,743	117,058	(5,315)	74,334	69,019
Nash Central High	309,794	325,037	(15,243)	109,765	94,522
Northern Nash Senior	381,311	381,410	(99)	141,165	141,066
Rocky Mount High	369,991	343,363	26,628	78,347	104,975
Southern Nash Senior	407,228	453,896	(46,668)	200,222	153,554
Tar River Academy	3,132	4,389	(1,257)	2,039	782
Nash-Rocky Mount Middle College	<u>23,756</u>	<u>19,923</u>	<u>3,833</u>	<u>35,748</u>	<u>39,581</u>
Totals	<u>\$ 2,318,552</u>	<u>\$ 2,343,440</u>	<u>\$ (24,888)</u>	<u>\$ 899,398</u>	<u>\$ 874,510</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, 2016**

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales	\$ -	\$ 1,301,647	\$ -
Other	-	19,778	-
Total operating revenues	<u>1,505,791</u>	<u>1,321,425</u>	<u>(184,366)</u>
Operating expenditures:			
Business support services:			
Purchase of food	-	2,647,310	-
Donated commodities	-	604,425	-
Salaries and benefits	-	4,421,697	-
Indirect costs	-	666,148	-
Materials and supplies	-	309,997	-
Repairs and maintenance	-	200,048	-
Contracted services	-	4,160	-
Other	-	69,811	-
Capital outlay	-	83,436	-
Total operating expenditures	<u>9,489,733</u>	<u>9,007,032</u>	<u>482,701</u>
Operating loss	<u>(7,983,942)</u>	<u>(7,685,607)</u>	<u>298,335</u>
Nonoperating revenues:			
Federal reimbursements and grants	6,670,067	6,967,122	297,055
Federal commodities	570,579	604,425	33,846
State reimbursements	14,796	10,155	(4,641)
Indirect costs not paid	-	66,148	66,148
Interest earned	3,500	8,146	4,646
Total nonoperating revenues	<u>7,258,942</u>	<u>7,655,996</u>	<u>397,054</u>
Excess (deficiency) of revenues over expenditures before other financing sources	(725,000)	(29,611)	695,389
Other financing sources:			
Transfers from other funds	-	57,125	57,125
Fund balance appropriated	<u>725,000</u>	<u>-</u>	<u>(725,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>27,514</u>	<u>\$ 27,514</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(71,531)	
Net pension liability		(438,368)	
Deferred outflows - pension		(1,579)	
Deferred inflows - pension		642,603	
Equipment purchases		83,436	
Decrease in compensated absences payable		22,035	
Decrease in inventories		(4,553)	
Change in net position (full accrual)		<u>\$ 259,557</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.

#### **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.

#### **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.

#### **Debt Capacity**

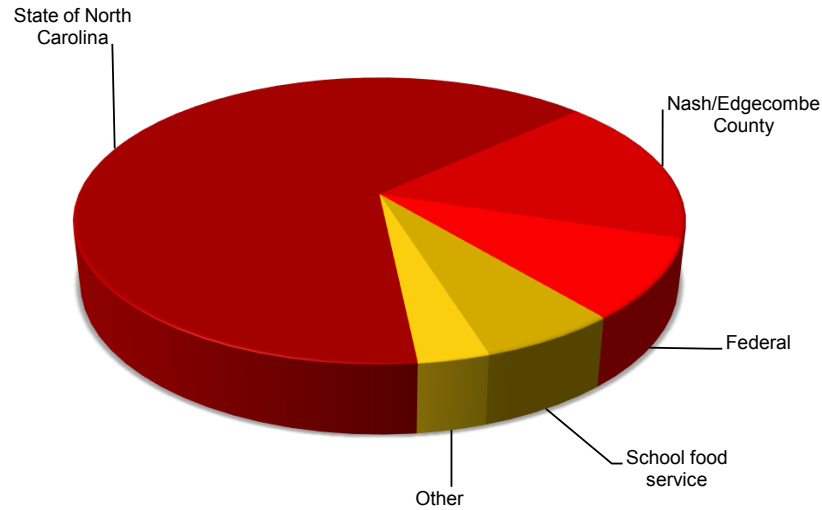
Since the District has no tax-levying or debt-issuing authority, the Counties of Nash and Edgecombe provide significant funding to the school system. Selected fiscal data from the Counties of Nash and Edgecombe has been included to help the reader better understand the school system and its financial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

#### **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.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**Financial Perspective**  
**Governmental and Business-type Activities**  
**For Year Ended June 30, 2016**

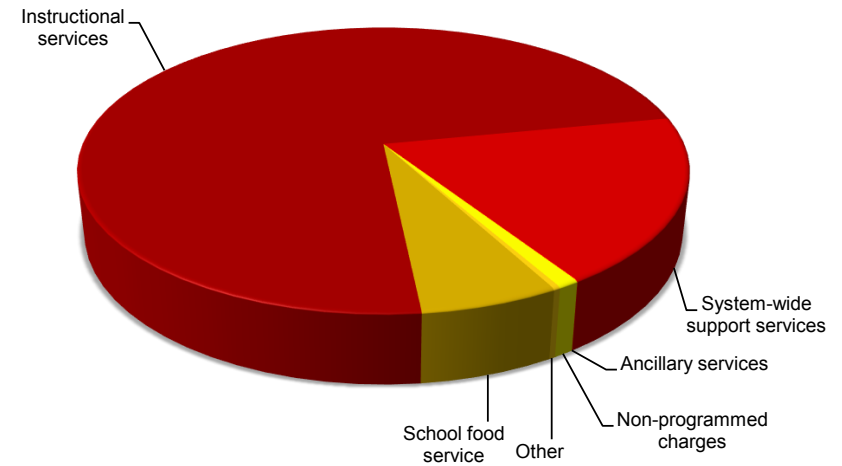
**Revenue Sources**



State of North Carolina	\$	93,249,363
Nash/Edgecombe County		23,993,747
Federal		12,927,416
School food service		8,911,273
Other		4,591,975

Total revenue sources	<u>\$</u>	<u>143,673,774</u>
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**Expenses**



Instructional services	\$	102,759,938
System-wide support services		26,304,738
Ancillary services		60,151
Non-programmed charges		1,367,360
Other		437,468
School food service		8,708,841

Total expenses	<u>\$</u>	<u>139,638,496</u>
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# **NASH-ROCKY MOUNT BOARD OF EDUCATION**

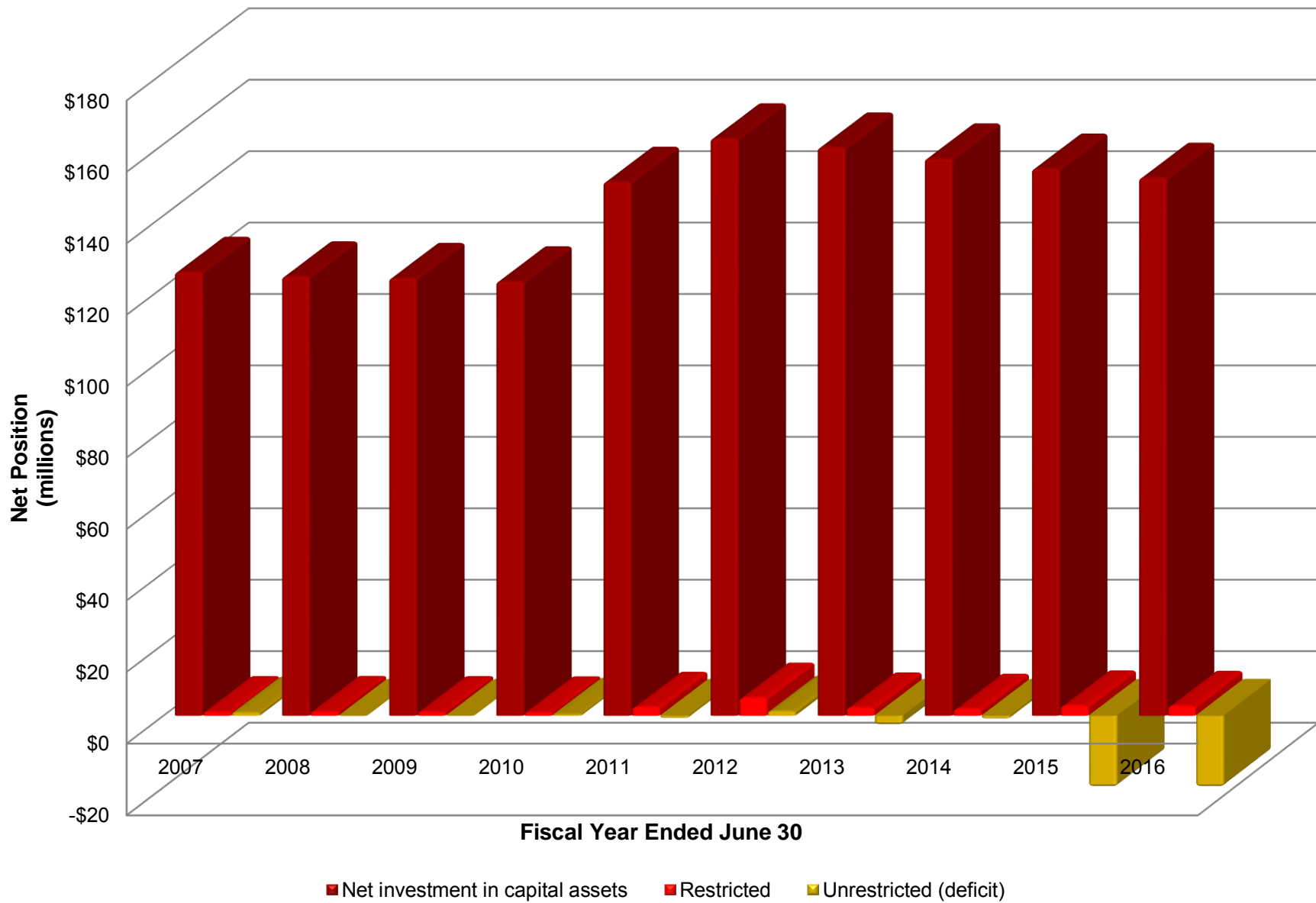
## **Net Position by Component Last Ten Fiscal Years**

<b>Year Ended June 30</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>2016</b>
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ 150,112,321
Restricted	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	2,716,110
Unrestricted (deficit)	(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)	(23,571,004)
	<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>	<u>\$ 129,257,427</u>
<b>Business-type activities:</b>										
Investment in capital assets	\$ 136,798	\$ 121,200	\$ 114,860	\$ 121,790	\$ 178,148	\$ 472,812	\$ 445,886	\$ 462,541	\$ 465,895	\$ 477,800
Unrestricted	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	3,356,262
	<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>	<u>\$ 3,834,062</u>
<b>Government-wide:</b>										
Net investment in capital assets	\$ 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	\$ 150,590,121
Restricted	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	2,716,110
Unrestricted (deficit)	924,750	(49,482)	(19,205)	522,213	(852,678)	1,272,800	(2,737,124)	(987,014)	(26,932,961)	(20,214,742)
	<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>	<u>\$ 133,091,489</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>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>2016</b>
<b>Expenses</b>										
Governmental activities:										
Instructional services	\$ 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	\$ 102,759,938
System-wide support services	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	26,304,738
Ancillary services	59,280	16,302	39,910	105,252	56,158	149,644	78,452	136,486	84,718	60,151
Payments to other governments	681,957	815,938	887,479	2,049,276	739,388	1,067,100	1,088,311	1,206,625	1,380,554	1,367,360
Interest on long-term debt	19,738	18,955	12,672	2,473	725	258	89,928	89,719	81,767	34,631
Unallocated depreciation expense	3,213,969	3,319,344	3,320,032	3,860,562	3,683,725	607,233	590,034	516,504	407,642	402,837
Total governmental activities expenses	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	130,929,655
Business-type activities:										
School food service	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	8,708,841
Total government-wide expenses	\$ 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	\$ 139,638,496
<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	\$ 2,936,684
Business support	44,899	58,785	58,349	25,485	26,899	-	-	-	-	-
Operating grants and contributions	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	99,325,983
Capital grants and contributions	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	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	102,262,667
Business-type activities:										
Charges for services:										
Student meal services	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	1,301,647
Operating grants and contributions	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	7,581,702
Capital grants and contributions	-	-	-	30,627	-	327,290	-	-	-	-
Total business-type activities program revenues	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	8,883,349
Total government-wide program revenues	\$ 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	\$ 111,146,016
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (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)	\$ (28,666,988)
Business-type activities	(202,663)	(123,589)	(24,951)	398,981	461,425	375,146	293,894	(10,798)	(123,483)	174,508
Total district-wide net (expense) revenue	\$ (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)	\$ (28,492,480)

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**

Year Ended June 30	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 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	\$ 22,413,096
Unrestricted county appropriations - capital	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	1,580,651
Unrestricted State appropriations - operating	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	6,480,348
Unrestricted State appropriations - capital	81,036	6,330	70,075	1,185,034	310,490	2,309,283	524,110	278,310	212,538	587,462
Unrestricted Federal appropriations - operating	-	-	-	-	-	745,591	7,246	6,438	9,647	21,774
Investment earnings, unrestricted	320,082	263,864	131,083	59,546	36,203	18,251	10,890	5,450	2,632	3,928
Miscellaneous, unrestricted	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	1,412,575
Transfers	-	-	-	-	(88,394)	(170,286)	(106,037)	(128,693)	(56,105)	(57,125)
Total governmental activities	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	32,442,709
Business-type activities:										
Investment earnings, unrestricted	101,990	82,597	46,510	33,615	27,931	9,208	5,777	5,093	5,460	8,146
Miscellaneous, unrestricted	2,937	5,500	16,346	11,750	13,927	12,136	8,529	7,982	21,313	19,778
Transfers	-	-	-	-	88,394	170,286	106,037	128,693	56,105	57,125
Total business-type activities	104,927	88,097	62,856	45,365	130,252	191,630	120,343	141,768	82,878	85,049
Total government-wide	\$ 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	\$ 32,527,758
<b>Change in Net Position</b>										
Governmental activities	\$ (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	\$ 3,775,721
Business-type activities	(97,736)	(35,492)	37,905	444,346	591,677	566,776	414,237	130,970	(40,605)	259,557
Total district-wide change in net position	\$ (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	\$ 4,035,278

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

Note: Expenses for 2007 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**

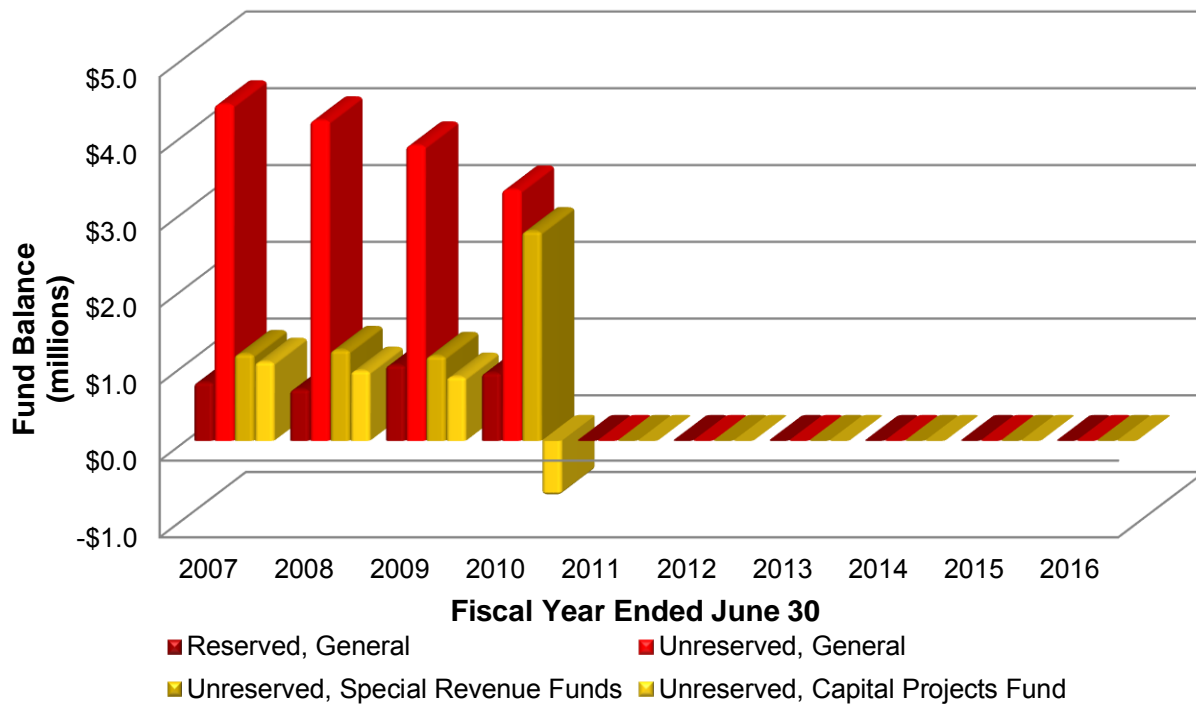
Year Ended June 30	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 765,416	\$ 672,459	\$ 989,396	\$ 887,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,385,865	4,176,922	3,850,377	3,275,647	-	-	-	-	-	-
Nonspendable	-	-	-	-	326,251	499,461	651,864	259,802	283,295	284,705
Restricted	-	-	-	-	273,788	472,428	177,031	80,339	191,768	166,663
Assigned	-	-	-	-	736,718	1,500,000	-	-	423,230	946,567
Unassigned	-	-	-	-	1,691,040	2,563,044	2,180,328	2,894,601	2,118,181	752,058
Total General Fund	\$ 5,151,281	\$ 4,849,381	\$ 4,839,773	\$ 4,162,841	\$ 3,027,797	\$ 5,034,933	\$ 3,009,223	\$ 3,234,742	\$ 3,016,474	\$ 2,149,993
All other governmental funds:										
Reserved	\$ 110,294	\$ 27,603	\$ 164,807	\$ 1,290,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	1,133,775	1,186,602	1,108,523	2,733,198	-	-	-	-	-	-
Capital Projects Fund	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	2,549,447
Assigned, reported in:										
Restricted Revenue Fund	-	-	-	-	490,098	-	1,914,565	2,063,144	2,013,385	1,690,945
Capital Projects Fund	-	-	-	-	250,000	-	-	-	-	-
Total all other governmental funds	\$ 2,276,707	\$ 2,130,374	\$ 2,111,537	\$ 3,303,217	\$ 2,970,912	\$ 4,532,203	\$ 3,994,339	\$ 3,886,028	\$ 4,656,456	\$ 4,240,392

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

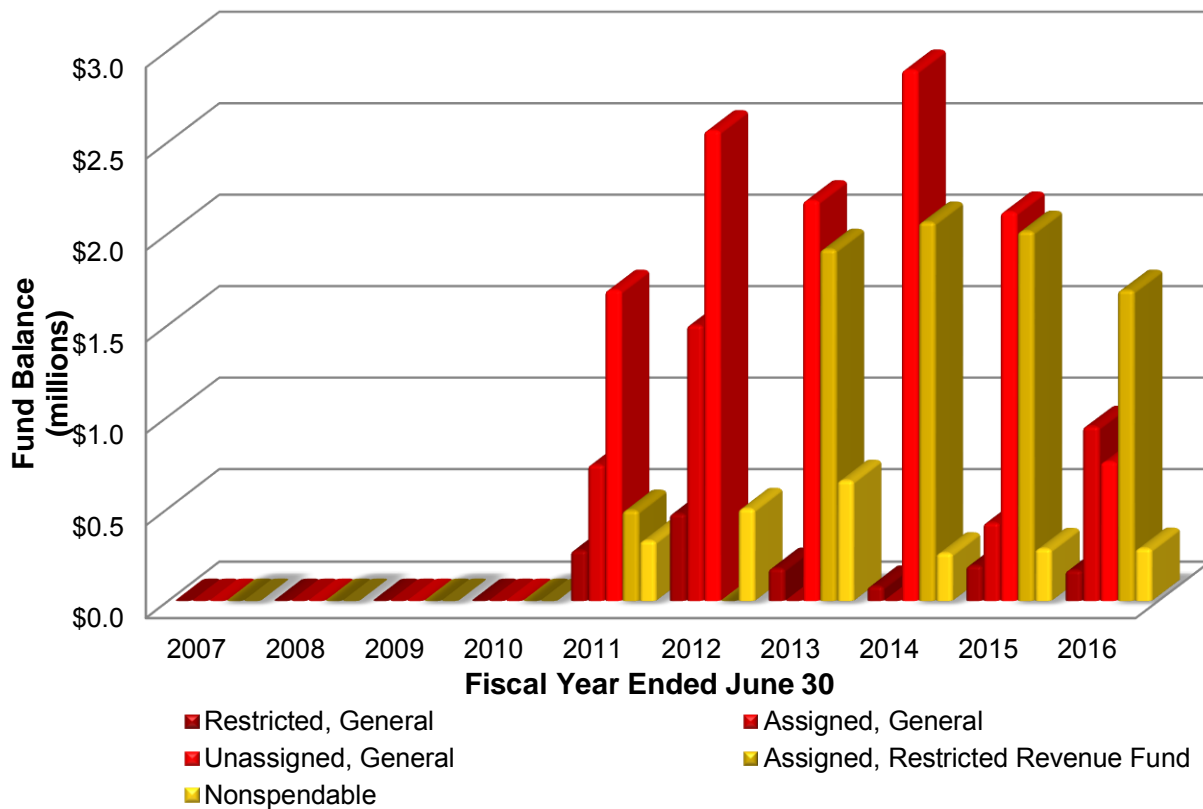
Note: Fund balances for 2010 and before are not comparable to 2011 (and after) fund balances due to the implementation of GASB 54 for the year ended June 30, 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: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



### Governmental Funds Fund Balances - Before GASB 54 Implementation



### Governmental Funds Fund Balances - After GASB 54 Implementation

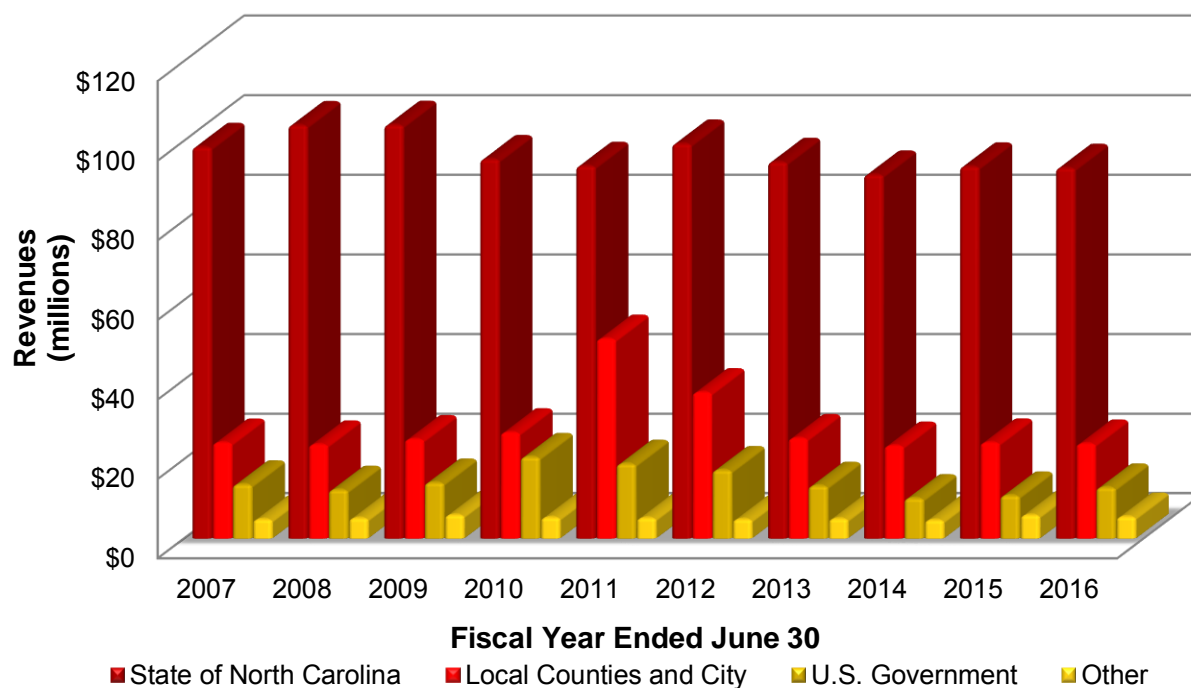


<b>NASH-ROCKY MOUNT BOARD OF EDUCATION</b> <b>Governmental Funds</b> <b>Changes in Fund Balances</b> <b>Last Ten Fiscal Years</b>						
Year Ended June 30	2007	2008	2009	2010	2011	
<b>Revenues</b>						
State of North Carolina	\$ 98,515,144	\$ 103,980,804	\$ 104,052,314	\$ 95,453,199	\$ 93,750,350	
Local Counties and City	24,236,164	23,764,690	25,101,230	26,817,507	50,341,307	
U.S. Government	13,693,865	12,342,280	14,163,352	20,617,285	18,907,451	
Other	4,915,333	5,203,605	6,020,555	5,383,308	5,256,391	
Total revenues	141,360,506	145,291,379	149,337,451	148,271,299	168,255,499	
<b>Expenditures</b>						
Instructional services	103,840,268	115,479,719	117,907,747	113,107,047	113,081,682	
System-wide support services	35,788,260	25,928,310	26,043,489	26,010,022	26,403,447	
Ancillary services	59,280	16,302	39,910	118,291	69,197	
Non-programmed charges	952,238	974,486	1,020,515	2,036,237	1,165,055	
Debt service:						
Principal retirement	1,224,025	936,739	1,319,157	567,094	456,854	
Interest and other charges	-	-	-	-	-	
Capital outlay	6,978,092	2,368,579	4,460,232	5,833,674	28,866,688	
Total expenditures	148,842,163	145,704,135	150,791,050	147,672,365	170,042,923	
Revenues over (under) expenditures	(7,481,657)	(412,756)	(1,453,599)	598,934	(1,787,424)	
<b>Other financing sources (uses)</b>						
Transfers from (to) other funds	-	-	-	-	(88,394)	
Installment purchase obligations	2,270,214	-	1,415,717	-	476,942	
Proceeds from sale of asset	14,588	-	-	-	-	
Total other financing sources (uses)	2,284,802	-	1,415,717	-	388,548	
Net change in fund balances	\$ (5,196,855)	\$ (412,756)	\$ (37,882)	\$ 598,934	\$ (1,398,876)	
Ratio of debt service expenditures to total non-capital expenditures	0.86%	0.65%	0.90%	0.40%	0.32%	
Year Ended June 30	2012	2013	2014	2015	2016	
<b>Revenues</b>						
State of North Carolina	\$ 99,343,449	\$ 94,745,122	\$ 91,567,970	\$ 93,600,049	\$ 93,249,363	
Local Counties and City	36,890,800	25,370,324	23,471,420	24,261,742	23,993,747	
U.S. Government	17,319,633	13,340,473	10,206,993	10,899,942	12,927,416	
Other	4,930,528	5,079,701	4,732,607	5,986,927	5,568,127	
Total revenues	158,484,410	138,535,620	129,978,990	134,748,660	135,738,653	
<b>Expenditures</b>						
Instructional services	108,684,872	112,290,102	96,869,358	102,877,060	104,159,483	
System-wide support services	28,939,006	29,100,601	28,363,446	28,217,861	28,938,867	
Ancillary services	149,644	78,452	136,486	84,718	60,151	
Non-programmed charges	1,280,884	1,231,240	1,536,393	1,747,241	1,714,334	
Debt service:						
Principal retirement	131,535	3,193,171	1,615,171	1,941,645	1,816,267	
Interest and other charges	-	-	118,927	89,603	70,512	
Capital outlay	15,732,966	3,143,848	701,246	606,630	205,869	
Total expenditures	154,918,907	149,037,414	129,341,027	135,564,758	136,965,483	
Revenues over (under) expenditures	3,565,503	(10,501,794)	637,963	(816,098)	(1,226,830)	
<b>Other financing sources (uses)</b>						
Transfers from (to) other funds	(170,286)	(106,037)	(128,693)	(56,105)	(57,125)	
Installment purchase obligations	-	7,891,854	-	1,400,870	-	
Proceeds from sale of asset	-	-	-	-	-	
Total other financing sources (uses)	(170,286)	7,785,817	(128,693)	1,344,765	(57,125)	
Net change in fund balances	\$ 3,395,217	\$ (2,715,977)	\$ 509,270	\$ 528,667	\$ (1,283,955)	
Ratio of debt service expenditures to total non-capital expenditures	0.09%	2.19%	1.35%	1.51%	1.38%	

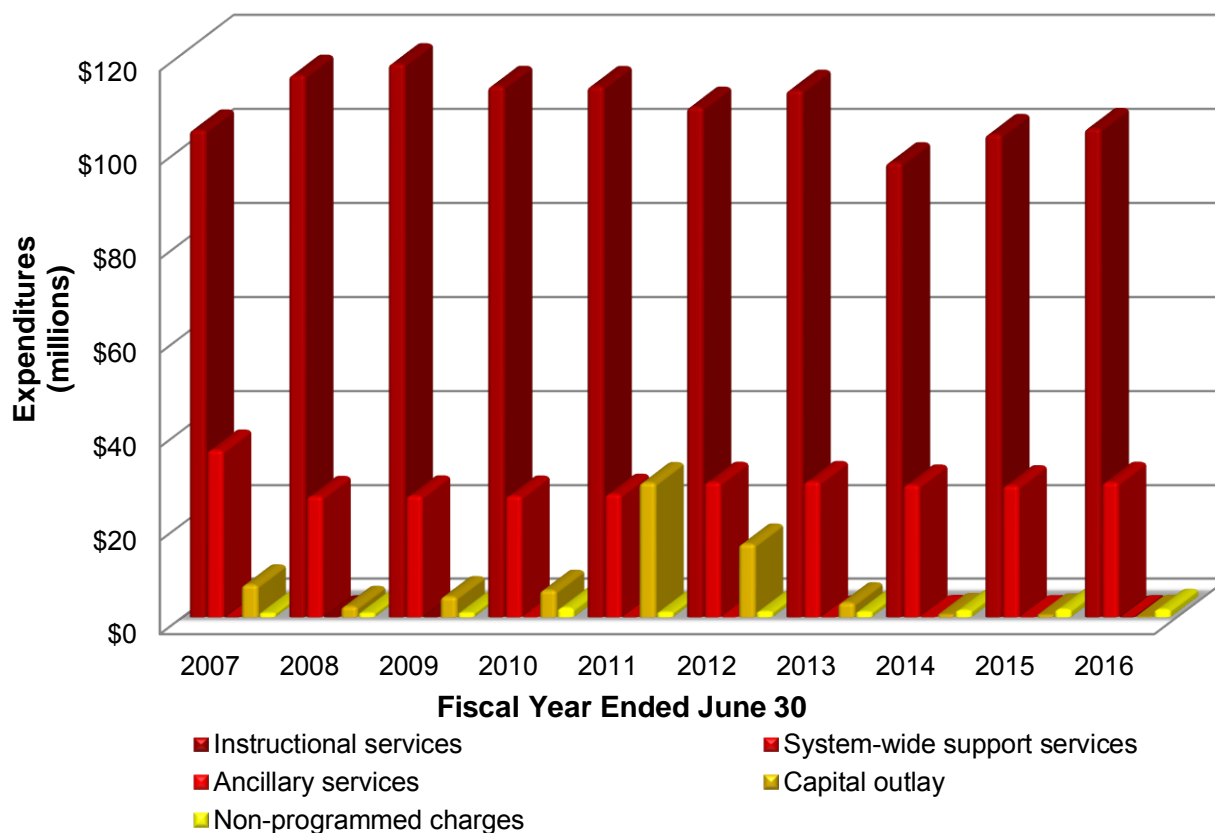
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports

Note: Expenditures for 2007 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

Year Ended June 30	2007	2008	2009	2010	2011
Average Daily Membership	17,904	17,548	17,412	16,997	16,802
Instructional	\$ 5,800	\$ 6,581	\$ 6,772	\$ 6,655	\$ 6,730
System-wide support	1,999	1,478	1,496	1,530	1,571
Ancillary	3	1	2	7	4
Total expenditures per pupil	\$ 7,802	\$ 8,060	\$ 8,270	\$ 8,192	\$ 8,305

#### EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2012	2013	2014	2015	2016
Average Daily Membership	16,330	16,181	15,917	15,703	15,415
Instructional	\$ 6,656	\$ 6,940	\$ 6,086	\$ 6,551	\$ 6,757
System-wide support	1,772	1,798	1,782	1,797	1,877
Ancillary	9	5	9	5	4
Total expenditures per pupil	\$ 8,437	\$ 8,743	\$ 7,877	\$ 8,353	\$ 8,638

#### EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2007	2008	2009	2010	2011
Instructional	\$ 2,784	\$ 3,008	\$ 3,140	\$ 3,053	\$ 2,982
System-wide support	959	675	694	702	696
Ancillary	1	-	1	3	2
Total expenditures per pupil	\$ 3,744	\$ 3,683	\$ 3,835	\$ 3,758	\$ 3,680

#### EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2012	2013	2014	2015	2016
Instructional	\$ 2,900	\$ 2,972	\$ 2,553	\$ 2,745	\$ 2,803
System-wide support	772	770	748	753	779
Ancillary	4	2	4	2	2
Total expenditures per pupil	\$ 3,676	\$ 3,744	\$ 3,305	\$ 3,500	\$ 3,584

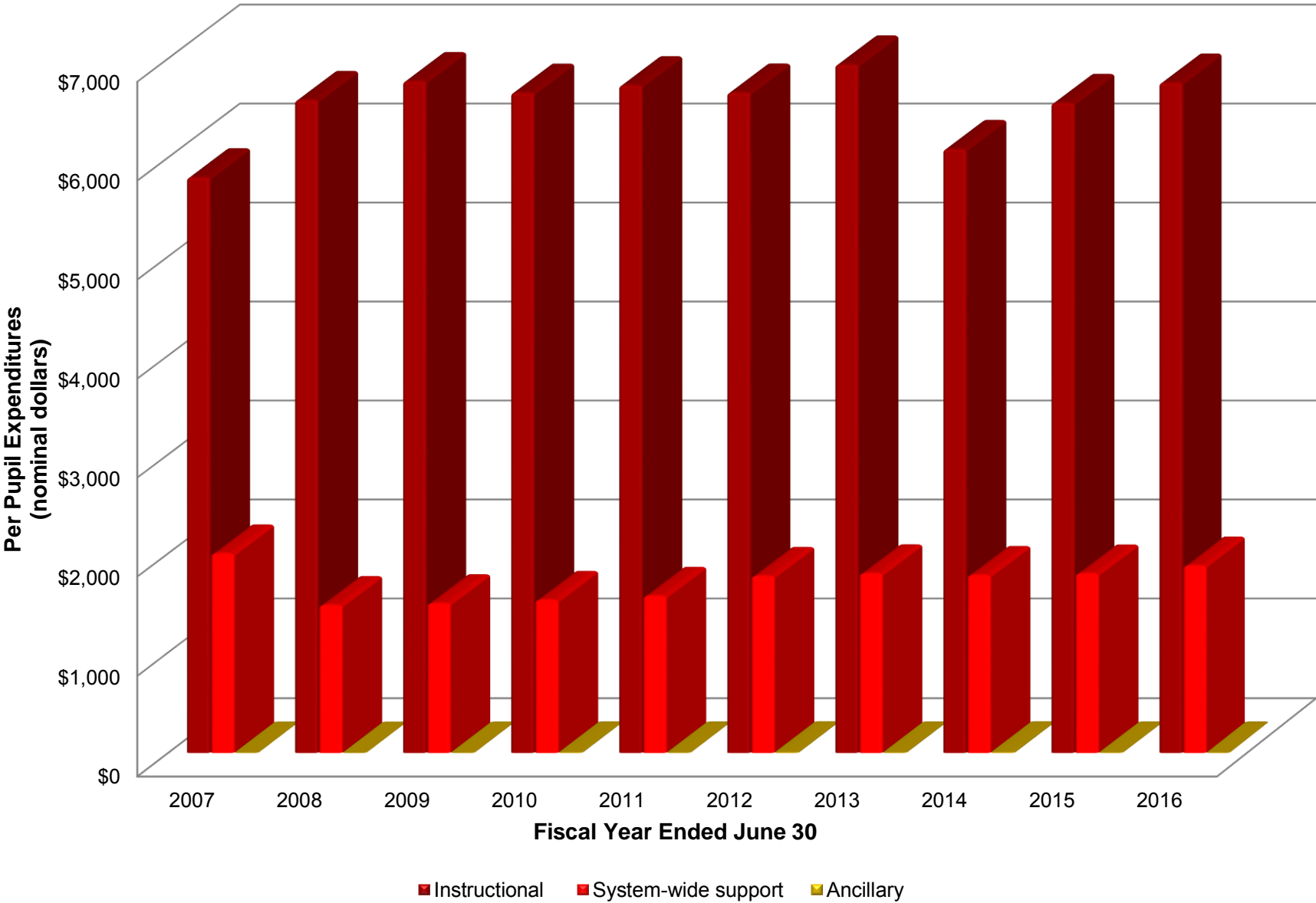
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports.

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 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>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Food sales	\$ 2,649,657	\$ 2,757,299	\$ 2,679,311	\$ 2,478,029	\$ 2,281,397
Federal reimbursements	4,909,784	5,026,726	5,260,827	5,737,466	5,960,898
Federal commodities	437,815	484,720	524,889	505,857	591,645
Other	506,493	364,401	263,113	45,365	51,787
Total revenues	<u>\$ 8,503,749</u>	<u>\$ 8,633,146</u>	<u>\$ 8,728,140</u>	<u>\$ 8,766,717</u>	<u>\$ 8,885,727</u>

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

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Food sales	\$ 2,176,483	\$ 2,041,230	\$ 1,833,838	\$ 1,454,362	\$ 1,301,647
Federal reimbursements	6,042,162	6,233,368	6,251,787	6,381,927	6,967,122
Federal commodities	494,573	536,251	554,780	539,092	604,425
Other	189,261	208,258	378,277	161,236	104,227
Total revenues	<u>\$ 8,902,479</u>	<u>\$ 9,019,107</u>	<u>\$ 9,018,682</u>	<u>\$ 8,536,617</u>	<u>\$ 8,977,421</u>

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

<b>Year Ended June 30</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Food sales	\$ 1,271,721	\$ 1,260,105	\$ 1,242,187	\$ 1,136,893	\$ 1,010,711
Federal reimbursements	2,356,485	2,297,249	2,439,035	2,632,288	2,640,814
Federal commodities	210,132	221,520	243,350	232,082	262,112
Other	243,095	166,534	121,985	20,813	22,943
Total revenues	<u>\$ 4,081,433</u>	<u>\$ 3,945,408</u>	<u>\$ 4,046,557</u>	<u>\$ 4,022,076</u>	<u>\$ 3,936,580</u>

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

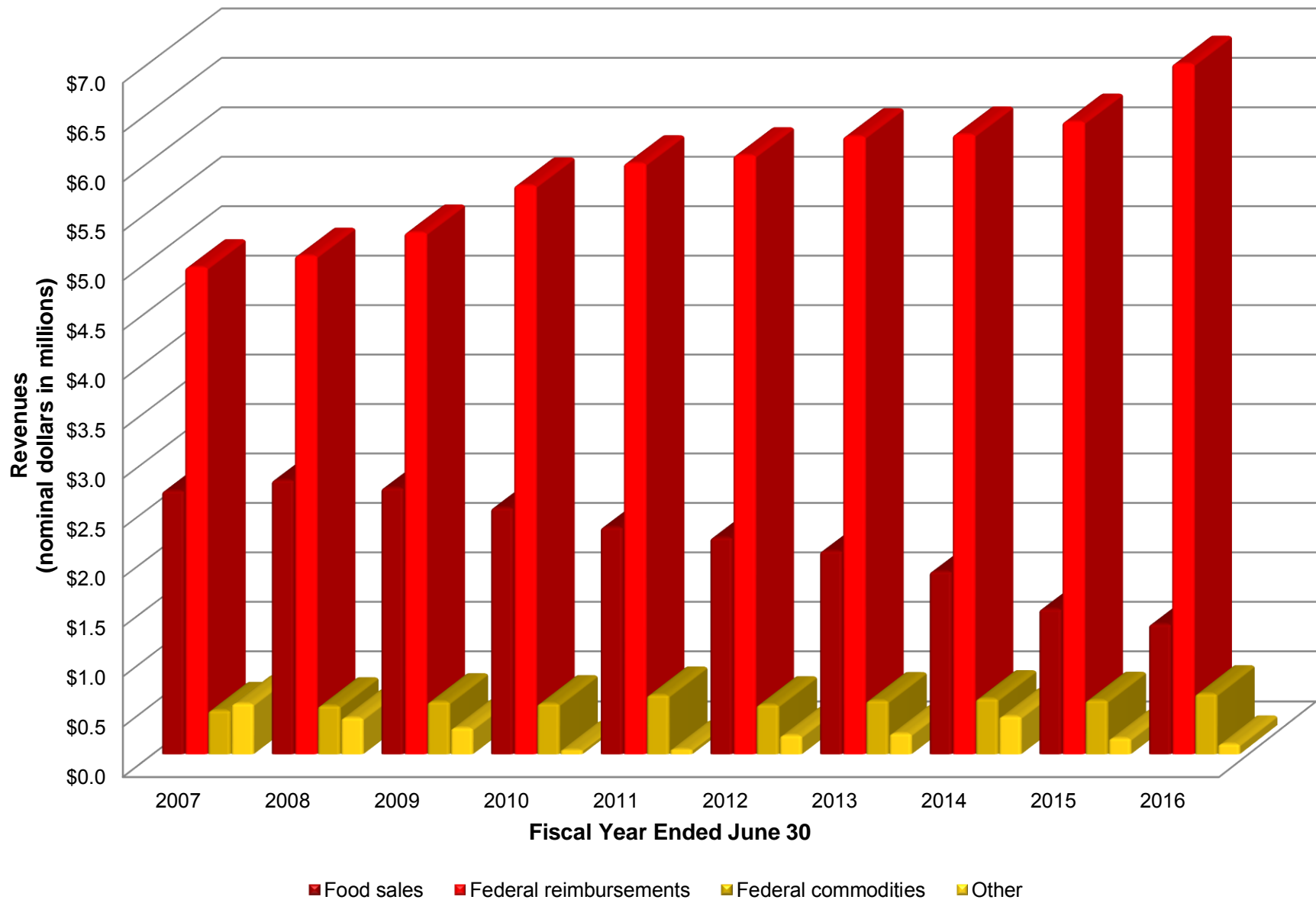
<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Food sales	\$ 948,450	\$ 874,173	\$ 769,411	\$ 609,443	\$ 540,017
Federal reimbursements	2,633,003	2,669,491	2,623,021	2,674,313	2,890,466
Federal commodities	215,521	229,654	232,765	225,904	250,759
Other	82,475	89,188	158,711	67,565	43,241
Total revenues	<u>\$ 3,879,449</u>	<u>\$ 3,862,506</u>	<u>\$ 3,783,908</u>	<u>\$ 3,577,225</u>	<u>\$ 3,724,483</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>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Purchase of food	\$ 3,214,076	\$ 3,235,679	\$ 3,341,856	\$ 3,224,514	\$ 2,561,341
Donated commodities	437,815	372,021	366,698	-	591,645
Salaries and benefits	4,021,702	4,099,435	4,133,854	4,161,028	4,270,414
Other	927,892	961,503	847,827	967,456	959,044
Total expenses	<u>\$ 8,601,485</u>	<u>\$ 8,668,638</u>	<u>\$ 8,690,235</u>	<u>\$ 8,352,998</u>	<u>\$ 8,382,444</u>

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

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Purchase of food	\$ 2,645,502	\$ 2,731,609	\$ 2,658,573	\$ 2,613,780	\$ 2,651,863
Donated commodities	494,573	536,251	554,780	539,092	604,425
Salaries and benefits	4,248,207	4,277,101	4,453,697	4,131,001	4,197,006
Other	1,444,997	1,165,946	1,349,355	1,349,454	1,321,695
Total expenses	<u>\$ 8,833,279</u>	<u>\$ 8,710,907</u>	<u>\$ 9,016,405</u>	<u>\$ 8,633,327</u>	<u>\$ 8,774,989</u>

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

<b>Year Ended June 30</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Purchase of food	\$ 1,542,618	\$ 1,478,728	\$ 1,549,358	\$ 1,479,372	\$ 1,134,733
Donated commodities	210,132	170,016	170,009	-	262,112
Salaries and benefits	1,930,244	1,873,471	1,916,545	1,909,035	1,891,891
Other	445,348	439,414	393,071	443,858	424,878
Total expenses	<u>\$ 4,128,342</u>	<u>\$ 3,961,629</u>	<u>\$ 4,028,983</u>	<u>\$ 3,832,265</u>	<u>\$ 3,713,614</u>

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

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Purchase of food	\$ 1,152,835	\$ 1,169,834	\$ 1,115,440	\$ 1,095,291	\$ 1,100,185
Donated commodities	215,521	229,654	232,765	225,904	250,759
Salaries and benefits	1,851,248	1,831,704	1,868,608	1,731,074	1,741,222
Other	629,689	499,326	566,140	565,482	548,335
Total expenses	<u>\$ 3,849,293</u>	<u>\$ 3,730,518</u>	<u>\$ 3,782,953</u>	<u>\$ 3,617,751</u>	<u>\$ 3,640,501</u>

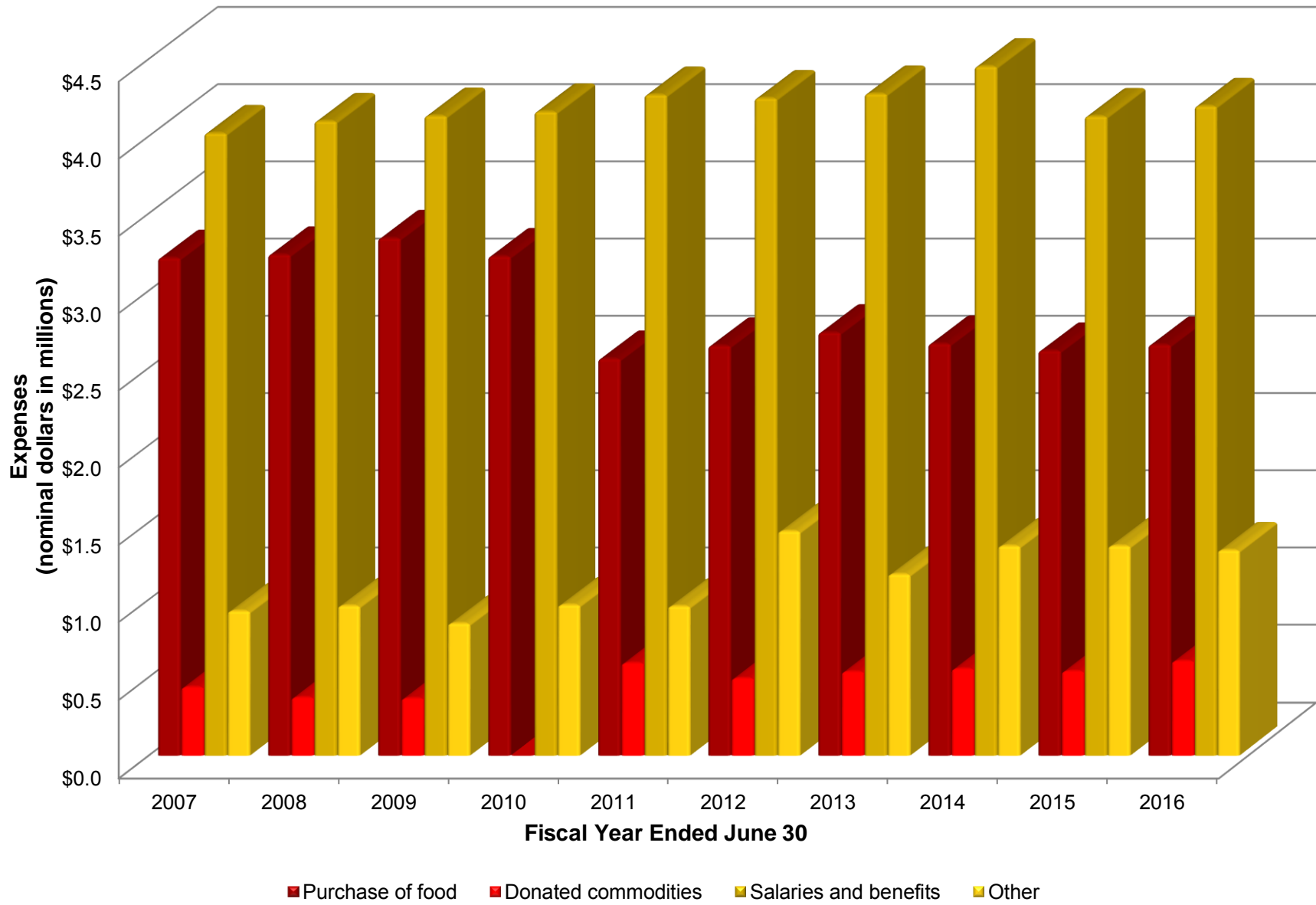
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports.

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>
2016	\$ 845,705	\$ 845,705	N/A	N/A
2015	2,661,972	2,661,972	N/A	\$ 28
2014	3,202,747	3,202,747	0.091%	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

N/A = Not available

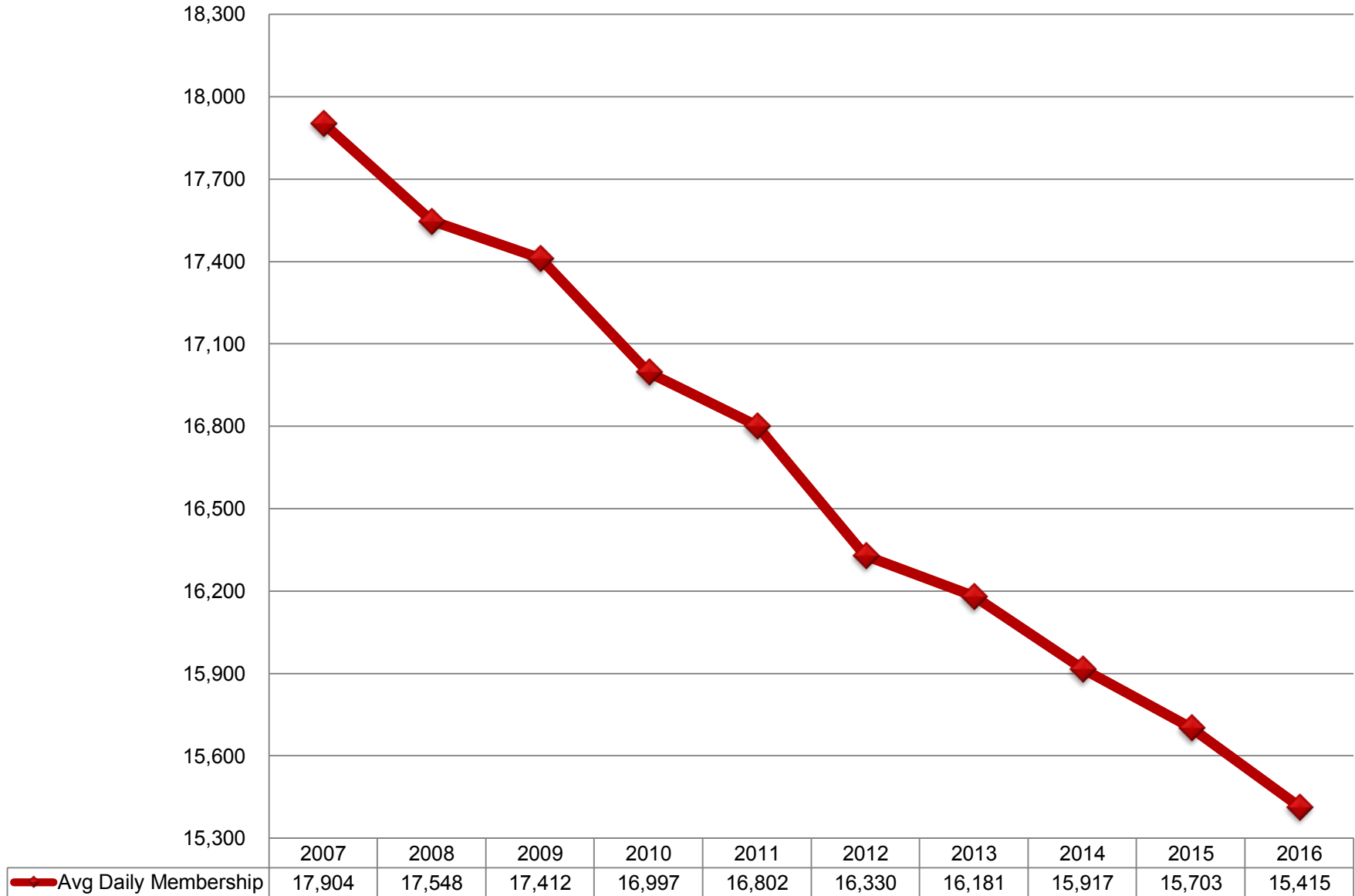
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports.

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, 2016 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2017, 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, 2015 and June 30, 2016 income based information will be shown above as "N/A", and the June 30, 2015 information will be reported for the year ended June 30, 2017, 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>
2016	926	15,415	1/17	94.04%	72%
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%

**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		
2016	32%	52%	12%	4%	N/A	N/A
2015	33%	51%	11%	5%	1,135	84%
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%

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 2016 obtained from Nash-Rocky Mount Board of Education Student Data.

(3) North Carolina Public Schools Statistical Profile (2007-20016 Editions).

Note: This table is a ten year schedule. However, the graduate data for the year ended June 30, 2016 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>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>2016</b>
Officials, admins, mgrs	23	21	22	19	21	22	36	25	27	24
Principals	28	29	29	28	28	27	27	29	28	28
Asst. Principals, non-teaching	34	35	35	35	38	38	34	37	37	38
Total administrators	85	85	86	82	87	87	97	91	92	90
Elementary teachers	619	623	613	569	585	568	500	456	456	462
Secondary teachers	322	294	297	264	268	255	254	237	237	243
Other teachers	269	249	244	245	251	249	241	232	226	221
Total teachers	1,210	1,166	1,154	1,078	1,104	1,072	995	925	919	926
Guidance	64	61	61	61	61	59	44	44	42	41
Psychological	8	8	8	9	12	9	9	9	10	12
Librarian, audiovisual	29	31	31	32	31	29	23	24	24	21
Consultant, supervisor	29	31	41	46	40	28	31	30	23	26
Other professionals	40	37	39	38	41	56	47	46	44	44
Total professionals	1,465	1,419	1,420	1,346	1,376	1,340	1,246	1,169	1,154	1,160
Teacher Assistants	417	403	403	382	387	364	352	253	223	221
Technicians	4	4	2	3	6	17	19	16	18	17
Clerical, secretarial	139	132	138	127	131	127	119	122	111	117
Service workers	255	259	266	282	280	282	270	258	163	164
Skilled crafts	54	56	54	54	53	49	45	45	35	36
Laborers, Unskilled	2	3	3	3	3	3	3	3	2	2
Total employees	2,336	2,276	2,286	2,197	2,236	2,182	2,054	1,866	1,706	1,717

Source: North Carolina Public Schools Statistical Profile (2007-2016 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				
2016	\$ 35,000	\$ 61,000	\$ 48,000	717	223	7	1
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

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 (2007-2016)

(2) North Carolina Public Schools Statistical Profile (2007-2015 Editions). Information for 2016 obtained from Nash-Rocky Mount Board of Education Personnel Data.

Note: Degree information for 2007 is 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, 2016

<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	625	-6%	Excellent
Baskerville Elementary	1957	427	386	-10%	Good
Benvenue Elementary	1987	668	700	5%	Good
Cedar Grove Elementary	1953	223	199	-11%	Poor
Coopers Elementary	2000	601	634	5%	Excellent
Englewood Elementary	1960	508	480	-6%	Fair
Fairview Elementary	1997	425	395	-7%	Good
Hubbard Elementary	1956	512	465	-9%	Fair
Johnson Elementary	1960	575	302	-47%	Fair
Middlesex Elementary	1960	418	338	-19%	Good
Nashville Elementary	1952	682	732	7%	Good
Red Oak Elementary	1949	335	251	-25%	Poor
Spring Hope Elementary	1954	542	499	-8%	Fair
Swift Creek Elementary	1949	475	259	-45%	Poor
Williford Elementary	1954	581	460	-21%	Fair
Winstead Avenue Elementary	1998	625	555	-11%	Good



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

**School Building Data (continued)**

**June 30, 2016**

<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	429	-48%	Fair
Nash Central Middle	1965	670	612	-9%	Fair
Parker Middle	1962	557	254	-54%	Fair
Red Oak Middle	1998	850	844	-1%	Excellent
Rocky Mount Middle	1953	1,150	388	-66%	Fair
Southern Nash Middle	1955	850	774	-9%	Fair
Nash Central High	2002	1,150	1,009	-12%	Excellent
Northern Nash High	1966	1,150	1,102	-4%	Good
Rocky Mount High	2012	1,390	1,263	-9%	Excellent
Southern Nash High	1968	1,068	1,108	4%	Good
Tar River Academy	1940	95	116	22%	Poor
NRMPS Early College High <sup>(1)</sup>	N/A	N/A	236	N/A	N/A

N/A = Not Applicable

Source: Nash-Rocky Mount Board of Education N. C. Public Schools Facility Needs Report; 2016

Note:

(1) Early College is located at Nash Community College

# NASH COUNTY, NORTH CAROLINA

## Demographic Statistics Last Ten Fiscal Years

Year Ended June 30	2007	2008	2009	2010	2011
Population estimate (1)	93,178	94,125	94,743	95,851	96,116
Personal income (2)	\$3,009,145,000	\$3,112,413,000	\$3,179,260,000	\$3,320,254,000	\$3,249,373,000
Per capita income (2)	\$32,295	\$33,067	\$33,557	\$34,640	\$33,807
Median age (3)	37.99	38.21	38.43	38.58	38.44
School enrollment (4)	17,904	17,548	17,412	16,997	16,802
Unemployment rate (5)	5.7%	7.6%	13.2%	12.2%	12.7%
Year Ended June 30	2012	2013	2014	2015	2016
Population estimate (1)	95,708	95,093	94,357	93,919	N/A
Personal income (2)	\$3,393,700,000	\$3,475,011,000	\$3,538,889,000	N/A	N/A
Per capita income (2)	\$35,459	\$36,543	\$37,505	N/A	N/A
Median age (3)	38.56	38.67	38.76	38.83	42.20
School enrollment (4)	16,330	16,181	15,917	15,703	15,415
Unemployment rate (5)	12.6%	12.6%	8.8%	8.1%	6.8%

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, 2016 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2017, 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, 2015 and June 30, 2016 income based information will be shown above as "N/A", and the June 30, 2015 information will be reported for the year ended June 30, 2017, if applicable.

# **NASH COUNTY, NORTH CAROLINA**

## **Principal Employers**

**For Years Ended June 30, 2016 and 2007**

Employer	2016			2007		
	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	2%+	1,000+	1	2%+
Nash-Rocky Mount Schools	1,000+	2	2%+	1,000+	2	2%+
Nash General Hospital	1,000+	3	2%+	1,000+	3	2%+
Consolidated Diesel Co.	1,000+	4	2%+	1,000+	4	2%+
Intercall, Inc.	500-999	5	2%	-	-	-
County of Nash	500-999	6	2%	500-999	7	2%
Wal-Mart Associates, Inc.	500-999	7	2%	500-999	8	2%
PNC Bank NA	500-999	8	2%	1,000+	5	2%+
Mclane Mid-Atlantic Inc.	500-999	9	2%	-	-	-
Universal Leaf North America	500-999	10	2%	-	-	-
West Telemarketing, LLP	-	-	-	500-999	6	2%
Manpower Temporary Services	-	-	-	500-999	9	2%
Kaba Ilco Corporation	-	-	-	500-999	10	2%
			<u>20%+</u>			<u>20%+</u>
Total County Employment <sup>(2)</sup>	<u>40,110</u>			<u>43,863</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, 2015 and December 31, 2006**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Hospira Inc.	\$ 211,774,000	1	2.91%	\$ 138,164,000	2	2.30%
Consolidated Diesel Co.	209,196,000	2	2.88%	201,099,000	1	3.34%
Universal Leaf North America NC	87,528,000	3	1.20%	105,609,000	3	1.75%
Duke Energy Progress, Inc.	57,328,000	4	0.79%	45,446,000	4	0.76%
McLane Mid Atlantic, Inc.	41,292,000	5	0.57%	29,775,000	7	0.49%
Hendon Golden East LLC	33,682,000	6	0.46%	23,989,000	8	0.40%
Carolina Telephone	21,848,000	7	0.30%	-	-	-
Rocky Mount WEH LP	21,705,000	8	0.30%	-	-	-
Kaba Ilco-Unican Corporation	19,112,000	9	0.26%	22,339,000	9	0.37%
Cheesecake Factory Bakery, Inc.	16,149,000	10	0.22%	-	-	-
PNC - RBC Centura Bank, Inc.	-	-	-	33,501,000	5	0.56%
Sprint	-	-	-	32,512,000	6	0.54%
Fords Colony at Rocky Mount	-	-	-	19,319,000	10	0.32%
	<u>\$ 719,614,000</u>		<u>9.89%</u>	<u>\$ 651,753,000</u>		<u>10.83%</u>
Total Assessed Valuation	<u>\$ 7,276,177,958</u>			<u>\$ 6,018,033,241</u>		

Source: Nash County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2016.

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

Year Ended June 30	Total Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 48,799,000	\$ 48,045,000	98.45%	\$ -	\$ 48,045,000	98.45%
2015	48,394,000	47,608,000	98.38%	345,000	47,953,000	99.09%
2014	48,579,724	47,477,353	97.73%	668,000	48,145,353	99.11%
2013	47,082,000	44,970,000	95.51%	1,614,000	46,584,000	98.94%
2012	46,574,000	44,620,000	95.80%	1,536,000	46,156,000	99.10%
2011	46,010,000	44,172,000	96.01%	1,577,000	45,749,000	99.43%
2010	46,000,000	44,205,000	96.10%	1,551,000	45,756,000	99.47%
2009	42,240,000	40,459,000	95.78%	1,431,000	41,890,000	99.17%
2008	42,226,000	40,648,000	96.26%	1,291,000	41,939,000	99.32%
2007	40,467,000	38,698,000	95.63%	1,481,000	40,179,000	99.29%

Source: Nash County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2016.

# **EDGECOMBE COUNTY, NORTH CAROLINA**

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

<b>Year Ended June 30</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Population estimate (1)	52,644	51,813	51,800	51,327	56,552
Personal income (2)	\$1,400,594,000	\$1,505,271,000	\$1,502,361,000	\$1,532,713,000	\$1,525,337,000
Per capita income (2)	\$26,605	\$29,052	\$29,003	\$29,862	\$26,972
Median age (3)	38.00	38.25	36.74	38.88	36.20
Unemployment rate (4)	7.8%	8.3%	14.2%	16.1%	15.6%
<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Population estimate (1)	56,039	55,574	54,933	54,150	N/A
Personal income (2)	\$1,605,691,000	\$1,609,881,000	\$1,767,508,000	N/A	N/A
Per capita income (2)	\$28,653	\$28,968	\$32,176	N/A	N/A
Median age (3)	39.59	39.82	40.07	40.33	41.06
Unemployment rate (4)	14.3%	14.5%	11.0%	10.5%	8.6%

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, 2016 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2017, 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, 2015 and June 30, 2016 income based information will be shown above as "N/A", and the June 30, 2015 information will be reported for the year ended June 30, 2017, if applicable.

# EDGECOMBE COUNTY, NORTH CAROLINA

Principal Employers  
For Years Ended June 30, 2016 and 2007

Employer	2016			2007		
	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+	1	4%+
Edgecombe Tarboro BOE	1,000+	2	5%+	500-999	3	3%
City of Rocky Mount	1,000+	3	5%+	1,000+	2	4%+
The Hillshire Brands Company	500-999	4	4%	500-999	4	3%
Edgecombe County	500-999	5	4%	500-999	7	3%
Vidant Medical Center	500-999	6	4%	-	-	-
Mebtel, Inc.	250-499	7	2%	-	-	-
Edgecombe Community College	250-499	8	2%	-	-	-
Carolina System Technology	250-499	9	2%	250-499	9	2%
Air System Components, Inc.	250-499	10	2%	500-999	5	3%
Mclane Mid-Atlantic, Inc.	-	-	-	500-999	6	3%
East Carolina Health, Inc.	-	-	-	250-499	8	2%
Nash-Rocky Mount Schools	-	-	-	250-499	10	2%
			<u>35%+</u>			<u>29%+</u>
Total County Employment <sup>(2)</sup>	<u>20,536</u>			<u>22,404</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, 2015 and December 31, 2006

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
QVC Rocky Mount, Inc.	\$ 88,059,930	1	2.89%	\$ 69,489,661	1	3.23%
Hillshire Brands	62,685,163	2	2.05%	58,557,623	4	2.72%
Carolina Systems Technology, Inc.	56,063,026	3	1.84%	66,333,882	2	3.08%
Edgecombe Martin Co. EMC	53,237,327	4	1.74%	20,467,170	6	0.95%
Dominion NC Power	46,613,013	5	1.53%	-	-	-
Carolina Telephone	43,764,889	6	1.43%	58,849,236	3	2.74%
Edgecombe GENCO LLC	37,784,830	7	1.24%	-	-	-
CSX Transportation	33,583,268	8	1.10%	13,486,537	9	0.63%
Superior Essex Energy, Inc.	28,249,773	9	0.93%	17,329,980	7	0.81%
ABB Power T&D Co. Inc.	18,294,780	10	0.60%	-	-	-
Cogentrix	-	-	-	45,583,521	5	2.12%
Carlisle Plastics LP	-	-	-	16,202,318	8	0.75%
Air Systems Components	-	-	-	9,498,365	10	0.44%
	<u>\$ 468,335,999</u>		<u>15.35%</u>	<u>\$ 375,798,293</u>		<u>17.47%</u>
Total Assessed Valuation	<u>\$ 3,051,642,632</u>			<u>\$ 2,151,382,693</u>		

Source: Edgecombe County, North Carolina Tax Assessor.



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

Year Ended June 30	Total Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	N/A	N/A	N/A	N/A	N/A	N/A
2015	\$ 28,665,283	\$ 27,106,162	94.56%	\$ -	\$ 27,106,162	94.56%
2014	27,534,246	25,725,379	93.43%	654,976	26,380,355	95.81%
2013	26,783,642	24,673,245	92.12%	1,223,948	25,897,193	96.69%
2012	26,636,398	24,658,015	92.57%	1,301,483	25,959,498	97.46%
2011	27,028,369	25,430,152	94.09%	1,071,846	26,501,998	98.05%
2010	26,808,512	25,979,749	96.91%	289,706	26,269,455	97.99%
2009	23,320,868	22,869,887	98.07%	148,885	23,018,772	98.70%
2008	23,629,262	23,263,815	98.45%	96,151	23,359,966	98.86%
2007	23,244,190	22,932,067	98.66%	75,151	23,007,218	98.98%

Source: Edgecombe County, North Carolina, Annual Financial Report for the year ended June 30, 2016.

Note: This table is a ten year schedule. However, Edgecombe County's Annual Financial Report for the year ended June 30, 2016 was not available at the time this report was issued. Therefore, June 30, 2016 data will be shown as "N/A" and will be reported for the year ended June 30, 2017, if applicable.



**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
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