



NASH-ROCKY MOUNT BOARD OF EDUCATION

NASHVILLE, NORTH CAROLINA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**Comprehensive Annual
Financial Report
For the Fiscal Year Ended
June 30, 2014**

Prepared by
Susan Blackwell
and the
Finance Department



NASH-ROCKY MOUNT BOARD OF EDUCATION
TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

<u>Exhibit</u>		<u>Page No.</u>
	Independent Auditors' Report.....	1
	Management's Discussion and Analysis.....	3
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position.....	10
2	Statement of Activities.....	11
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds.....	12
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	13
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
6	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund and Annually Budgeted Major Special Revenue Funds.....	15
7	Statement of Net Position - Proprietary Fund Type.....	19
8	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund Type.....	20
9	Statement of Cash Flows - Proprietary Fund Type.....	21
	Notes to the Financial Statements	22
	Individual Fund Schedules:	
	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	38
	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Outlay Fund	40
	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Individual Schools Fund	41
	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) School Food Service Fund	42

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

<u>Table</u>	<u>STATISTICAL SECTION</u>	<u>Page No.</u>
1	Financial Perspective for Governmental and Business-type Activities.....	45
2	Net Position by Component.....	46
3	Changes in Net Position.....	48
4	Governmental Funds – Fund Balances	50
5	Governmental Funds – Changes in Fund Balances.....	52
6	Operational Expenditures Per Pupil – Expenditures by Function	54
7	Proprietary Fund – Food Services Operations – Revenues by Source	56
8	Proprietary Fund – Food Services Operations – Expenses by Category	58
9	Ratios of Outstanding Debt by Type.....	60
10	Average Daily Membership	61
11	Student Statistics	62
12	Full-time Equivalent Governmental Employees by Function/Program	64
13	Instructional Personnel.....	65
14	School Building Data.....	66
	Nash County, North Carolina	
15	Demographic Statistics	68
16	Principal Employers.....	69
17	Principal Property Taxpayers	70
18	Property Tax Levies and Current Collections	71
	Edgecombe County, North Carolina	
19	Demographic Statistics	72
20	Principal Employers.....	73
21	Principal Property Taxpayers	74
22	Property Tax Levies and Current Collections	75



Introductory Section



NASH-ROCKY MOUNT PUBLIC SCHOOL SYSTEM

December 31, 2014

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, 2014, 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 2013-2014 fiscal year, the school system served approximately 15,900 students from kindergarten through 12th grade in 17 elementary schools, 6 middle schools, 5 high schools, and 1 alternative school. The school system provides general, special and vocational education services. The school system receives local, State, and federal government funding and must comply with the legal requirements of each funding source. While the Board does receive county funding, the counties are not entitled to share in any surplus nor are they required to finance any deficits. The Board, whose members are elected by the citizens of Nash County and Edgecombe County, has the authority to designate management, make binding decisions, and significantly influence operations. However, the Board has no tax levying or borrowing authority and is required to maintain accounting records in a uniform State format. The Board has final approval over the budget and primary accountability for fiscal matters. Accordingly, the Nash-Rocky Mount Board of Education is not included in any other reporting entity.

FINANCIAL AND BUDGETARY CONTROL

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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 95,000 with very little growth experienced over the past ten years. Currently, Nash-Rocky Mount Public Schools and Nash Hospitals, Inc. are the two largest employers in Nash County.

Edgecombe County has a population of approximately 56,000. Similar to Nash County, Edgecombe has experienced very little growth over the past ten years. Currently, Edgecombe County Public Schools and QVC, Inc. are the 2 largest employers for Edgecombe County.

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

MAJOR INITIATIVES

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

- Provide an aligned, rigorous curriculum designed to prepare globally competitive students
- Maintain safe and orderly school environments throughout the district
- Employ, retain and support distinguished leaders, teachers and personnel
- Provide 21st 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, 2014. They are a firm of independent certified public accountants. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133 and the State Single Audit Implementation Act. The auditors' report is included in the financial section of this report.

FINANCIAL REPORTING AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) and the Association of School Business Officials (ASBO) awarded Certificates of Achievement for Excellence in Financial Reporting to the Board for its comprehensive annual financial report for the year ended June 30, 2013. 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.

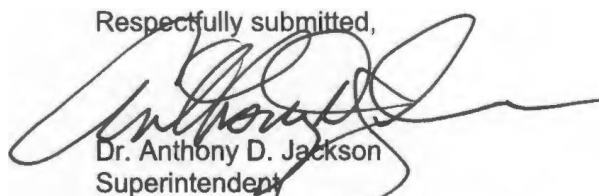
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

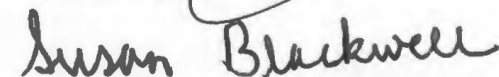
The preparation of this report could not have been accomplished without the dedicated efforts of the finance staff and the Board's independent certified public accounting firm of Anderson Smith & Wike PLLC. We wish to express appreciation to all employees who assisted in the timely closing of the Nash-Rocky 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,

A large, stylized handwritten signature in black ink, appearing to read 'Anthony D. Jackson', is written over the text 'Respectfully submitted,' and the printed name 'Dr. Anthony D. Jackson'.

Dr. Anthony D. Jackson
Superintendent

A handwritten signature in black ink, appearing to read 'Susan Blackwell', is written over the printed name 'Susan Blackwell'.

Susan Blackwell
Finance Officer

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

July 1, 2013 - June 30, 2014

Board Members

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

Brenda Brown	Michael Grover II
Robert Bynum	William Sharpe
Ann Edge	Bonnie Batts
Reginald Silver	Jon Hardy
Doneva Chavis - Battle	

Principal Officers

Dr. Anthony Jackson, *Superintendent*
Dr. Eric Cunningham, *Associate Superintendent*
Michael Hodges, *Assistant Superintendent*
Joyce Graves-Hinton, *Assistant Superintendent*
Robin May, *Assistant Superintendent*

Organizational Chart

School Board



Superintendent

Public Relations
Officer

Associate Superintendent
Administration and
Operations

Chief
Financial Officer

Assistant
Superintendent
Instruction

Assistant
Superintendent
Student Support

Assistant
Superintendent
Human Resources

Operations

Maintenance

Transportation

Nutrition Services

Facilities

Energy Management

Environmental
Services

Records
Management

Finance

Payroll

Accounts
Payable

State Federal Grants

Purchasing

Budget
Development

Fixed Asset/ Cash
Management

Internal Audit

Instruction

PK-12
Instruction

Professional
Development

Content
Support

District Transformation

Federal Programs

Principals

AIG/ Fine
Arts

CTE

Exceptional
Children's

Student Support

Discipline/ School Safety

Non-Traditional Programs

Student Assignment

Parent / Community
Outreach

Student Activities/ Athletics

Nurses

Counselors

Social Workers

Testing Accountability
and Program Evaluation

Human Resources

Personnel

Licensure

Benefits

HRMS

Mentoring

Staff Evaluations

Volunteers

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, 2013*

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



A handwritten signature in dark ink, reading "Terrie S. Simmons", written over a horizontal line.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in dark ink, reading "John D. Musso", written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

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, 2014 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, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Nash-Rocky Mount Board of Education's basic financial statements. The introductory section, individual nonmajor fund schedule, budgetary schedules and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual nonmajor fund schedule and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual nonmajor fund schedule and budgetary schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2014 on our consideration of the Nash-Rocky Mount Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nash-Rocky Mount Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

November 12, 2014
Rockingham, North Carolina

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

This section of the Nash-Rocky Mount Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2014. 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, 2014, the Board's total government-wide net position decreased by \$1.7 million, or 1.1%. Governmental activities net position decreased by \$1.8 million, or 1.2%, and business-type activities net position increased by \$131,000, or 2.9%.

- Total government-wide net investment in capital assets decreased by \$3.1 million, or 1.9% from the prior year.
- Total restricted net position decreased by \$354,000. Restricted net position is found only in the governmental activities.
- The Board's total government-wide unrestricted net position at June 30, 2014 increased by \$1.8 million over the prior year. Governmental activities unrestricted net position increased by \$1.6 million while business-type activities unrestricted net position increased by \$114,000 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 and liabilities. 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 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

provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

Government-wide Statements

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

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

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of its school buildings and other physical assets.

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

- *Governmental activities:* Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding and State and federal aid finance most of these activities.
- *Business-type activities:* The Board charges fees to help it cover the costs of certain services it provides. School food service is included here.

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

Fund Financial Statements

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

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

Nash-Rocky Mount Board of Education has two types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the 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

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

State Public School Fund, the Individual Schools Fund, the Capital Outlay Fund, the Restricted Revenue Fund and the Federal Grants Fund.

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

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

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

Financial Analysis of the Board as a Whole

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$156.9 million as of June 30, 2014 as compared to \$158.6 million as of June 30, 2013, a decrease of \$1.7 million. The largest component of net position is net investment in capital assets of \$156.0 million, which comprises 99.4% of the total net position.

Following is a summary of the Statement of Net Position at June 30, 2014 and 2013:

**Table 1
Condensed Statement of Net Position
As of June 30, 2014 and 2013**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/14	6/30/13	6/30/14	6/30/13	6/30/14	6/30/13
Current assets	\$ 11,753,843	\$ 11,623,377	\$ 4,589,175	\$ 4,390,139	\$ 16,343,018	\$ 16,013,516
Capital assets	155,693,690	158,912,061	462,541	445,886	156,156,231	159,357,947
Total assets	167,447,533	170,535,438	5,051,716	4,836,025	172,499,249	175,371,463
Current liabilities	10,961,818	11,462,539	346,428	313,775	11,308,246	11,776,314
Long-term liabilities	4,169,560	4,965,054	93,471	41,403	4,263,031	5,006,457
Total liabilities	15,131,378	16,427,593	439,899	355,178	15,571,277	16,782,771
Net investment in capital assets	155,549,222	158,623,125	462,541	445,886	156,011,763	159,069,011
Restricted net position	1,903,223	2,256,805	-	-	1,903,223	2,256,805
Unrestricted net position (deficit)	(5,136,290)	(6,772,085)	4,149,276	4,034,961	(987,014)	(2,737,124)
Total net position	\$ 152,316,155	\$ 154,107,845	\$ 4,611,817	\$ 4,480,847	\$ 156,927,972	\$ 158,588,692

The net position of the Board's governmental activities decreased \$1.8 million during the year, from \$154.1 million at June 30, 2013 to \$152.3 million at June 30, 2014, indicating a decline in the financial condition of the Board. Net investment in capital assets decreased \$3.1 million due to an excess of depreciation expense over capital additions for the year. Unrestricted net position increased by \$1.6 million.

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

The net position of the Board's business-type activities increased \$131,000 from \$4.5 million at June 30, 2013 to \$4.6 million at June 30, 2014. This increase was the net profit generated by our school food service operations during the 2014 fiscal year.

The following table shows the revenues and expenses of the Board for the current and prior fiscal years:

Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/14	6/30/13	6/30/14	6/30/13	6/30/14	6/30/13
Revenues:						
Program revenues:						
Charges for services	\$ 2,975,532	\$ 2,530,675	\$ 1,833,838	\$ 2,041,230	\$ 4,809,370	\$ 4,571,905
Operating grants and contributions	94,369,299	99,665,380	6,826,240	6,788,220	101,195,539	106,453,600
Capital grants and contributions	144,468	408,167	-	-	144,468	408,167
General revenues:						
Other revenues	31,804,362	35,416,270	13,075	14,306	31,817,437	35,430,576
Total revenues	<u>129,293,661</u>	<u>138,020,492</u>	<u>8,673,153</u>	<u>8,843,756</u>	<u>137,966,814</u>	<u>146,864,248</u>
Expenses:						
Governmental activities:						
Instructional services	100,706,516	115,863,569	-	-	100,706,516	115,863,569
System-wide support services	28,300,808	29,933,289	-	-	28,300,808	29,933,289
Ancillary services	136,486	78,452	-	-	136,486	78,452
Payments to other governments	1,206,625	1,088,311	-	-	1,206,625	1,088,311
Interest on long-term debt	89,719	89,928	-	-	89,719	89,928
Unallocated depreciation	516,504	590,034	-	-	516,504	590,034
Business-type activities:						
School food service	-	-	8,670,876	8,535,556	8,670,876	8,535,556
Total expenses	<u>130,956,658</u>	<u>147,643,583</u>	<u>8,670,876</u>	<u>8,535,556</u>	<u>139,627,534</u>	<u>156,179,139</u>
Excess (deficiency) before transfers	(1,662,997)	(9,623,091)	2,277	308,200	(1,660,720)	(9,314,891)
Transfers in (out)	<u>(128,693)</u>	<u>(106,037)</u>	<u>128,693</u>	<u>106,037</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(1,791,690)	(9,729,128)	130,970	414,237	(1,660,720)	(9,314,891)
Beginning net position	<u>154,107,845</u>	<u>163,836,973</u>	<u>4,480,847</u>	<u>4,066,610</u>	<u>158,588,692</u>	<u>167,903,583</u>
Ending net position	<u>\$ 152,316,155</u>	<u>\$ 154,107,845</u>	<u>\$ 4,611,817</u>	<u>\$ 4,480,847</u>	<u>\$ 156,927,972</u>	<u>\$ 158,588,692</u>

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

Total governmental activities generated revenues of \$129.3 million while expenses in this category totaled \$131.0 million for the year ended June 30, 2014, resulting in the aforementioned decrease in net position of \$1.8 million (including transfers to business-type activities of \$129,000). Comparatively, revenues were \$138.0 million, expenses totaled \$147.6 million and transfers out were \$106,000 for the year ended June 30, 2013, resulting in a decrease in net position of \$9.7 million. In comparing the two years, revenues decreased \$8.7 million while expenses decreased by \$16.7 million. The decrease in revenues is primarily attributable to a combined \$6.0 million decline in funding from State Public School Fund and Federal Grants Fund revenues associated with budget cuts at the State and federal level. The decrease in expenditures was primarily in instructional services which decreased \$15.2 million. This decrease was largely due to the purchase of \$7.3 million of laptop computers for students in the 2012-2013 year which were recorded in instructional services. There were also decreases in salaries and benefits instructional services expenses due to budget cuts.

The Board's primary sources of revenues were funding from the State of North Carolina, the counties of Nash and Edgecombe, and the United States Government, which respectively comprised 70.5%, 18.1% and 7.9% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 76.9% of our total expenses during the most recent fiscal year. Of the remaining 23.1% of our total expenses, 21.6% was attributable to system-wide support services.

Our business-type activities generated revenues of \$8.7 million while expenses in this category also totaled \$8.7 million for the year ended June 30, 2014. For the year, net position increased by \$131,000 (including transfers in of \$129,000). Comparatively, revenues were \$8.8 million and expenses were \$8.5 million for the year ended June 30, 2013, resulting in an increase in net position of \$414,000 (including transfers in of \$106,000). The year-over-year decrease in profit was \$283,000 and was primarily attributable to a \$207,000 decrease in food sales.

Financial Analysis of the Board's Funds

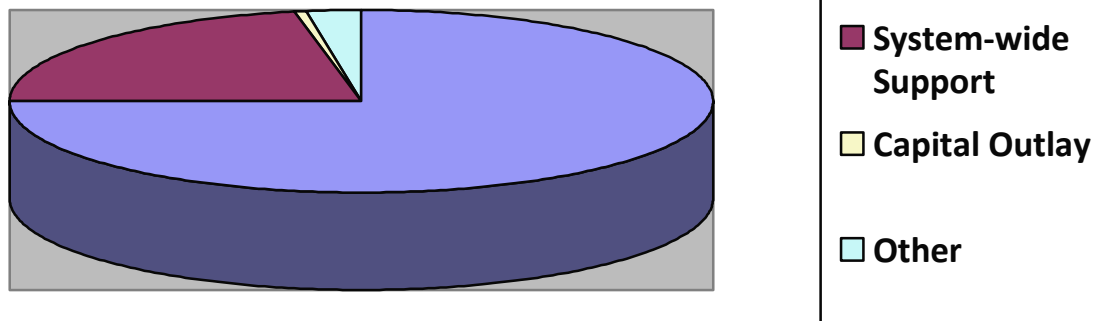
Governmental Funds: The focus of Nash-Rocky Mount Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$7.1 million at June 30, 2014, an increase of \$117,000 over the \$7.0 million reported at June 30, 2013. The General, Restricted Revenue and Individual Schools funds all reported increases in fund balance for the year while the Capital Outlay Fund reported a decrease in fund balance of \$492,000.

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 decreased by \$6.0 million in the year ended June 30, 2014 compared to the previous year. Budget cuts at the State level and the expiration of federal ARRA stimulus funding were the major factors contributing to the decreases.

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

Categorization of Expenditures for Governmental Funds



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 \$131,000 for the fiscal year ended June 30, 2014 compared to an increase of \$414,000 for the same 2013 period. As previously noted, the \$283,000 year-over-year decline in profit was primarily attributable to a \$207,000 decrease in food sales.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget to account for changes in program allocations. Revisions were approved during the year to increase the original budget for total expenditures by \$1.5 million. These increases were budgeted to be paid from appropriated fund balance. Overall, there were no significant budgetary variations as revenues and expenditures were in line with final budgeted amounts.

For the year, the Board's General Fund reported an increase in fund balance of \$226,000 compared to a decrease of \$2.0 million in the 2012-2013 year, resulting in a year-over-year improvement of \$2.2 million. This improvement is primarily attributable to the following factors: In the prior year, the General Fund transferred \$700,000 to the Capital Outlay Fund to help pay for renovations at Rocky Mount Middle School. Debt service payments of \$555,000 were made from the General Fund in the prior year for the laptop computer installment purchase agreement.

Capital Assets

Total primary government capital assets were \$156.2 million at June 30, 2014 compared to \$159.4 million at June 30, 2013, a decrease of 2.0%. More detailed information about the Board's capital assets is contained in note 2 to the financial statements.

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

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2014 and 2013.

**Table 3
Summary of Capital Assets
As of June 30, 2014 and 2013**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/14	6/30/13	6/30/14	6/30/13	6/30/14	6/30/13
Capital assets not being depreciated:						
Land	\$ 4,764,741	\$ 4,764,741	\$ -	\$ -	\$ 4,764,741	\$ 4,764,741
Construction in progress	-	568,326	-	-	-	568,326
Capital assets being depreciated:						
Buildings and improvements	137,387,945	139,156,127	-	-	137,387,945	139,156,127
Equipment and furniture	12,638,331	13,074,411	403,928	371,260	13,042,259	13,445,671
Vehicles	902,673	1,348,456	58,613	74,626	961,286	1,423,082
Total	<u>\$ 155,693,690</u>	<u>\$ 158,912,061</u>	<u>\$ 462,541</u>	<u>\$ 445,886</u>	<u>\$ 156,156,231</u>	<u>\$ 159,357,947</u>

Debt Outstanding

During the year, the outstanding balances for installment purchase contracts decreased by \$1.6 million. The installment purchase contracts relate to the purchases of school buses and laptop computers for students. 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, 2014 was 8.8%. The County's unemployment rate continues to be higher than the N.C. statewide and national unemployment rates which were 6.5% and 6.3%, respectively, at June 30, 2014.

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, 2014

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 7,559,026	\$ 4,055,792	\$ 11,614,818
Due from other governments	3,665,211	256,394	3,921,605
Receivables	305,798	2,655	308,453
Internal balances	(35,994)	35,994	-
Inventories	259,802	238,340	498,142
Capital assets:			
Land	4,764,741	-	4,764,741
Other capital assets, net of depreciation	150,928,949	462,541	151,391,490
Total capital assets	155,693,690	462,541	156,156,231
 Total assets	 167,447,533	 5,051,716	 172,499,249
Liabilities			
Accounts payable and accrued expenses	437,111	5,844	442,955
Accrued salaries and wages payable	3,523,619	84,495	3,608,114
Unearned revenue	672,343	22,207	694,550
Accrued interest payable	60,720	-	60,720
Long-term liabilities:			
Due within one year	6,268,025	233,882	6,501,907
Due in more than one year	4,169,560	93,471	4,263,031
 Total liabilities	 15,131,378	 439,899	 15,571,277
Net position			
Net investment in capital assets	155,549,222	462,541	156,011,763
Restricted for:			
Stabilization by State statute	359,938	-	359,938
School capital outlay	687,659	-	687,659
Instructional services	10,649	-	10,649
Individual schools activities	844,977	-	844,977
Unrestricted (deficit)	(5,136,290)	4,149,276	(987,014)
 Total net position	 \$ 152,316,155	 \$ 4,611,817	 \$ 156,927,972

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, 2014

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	\$ 57,470,989	\$ -	\$ 48,523,341	\$ -	\$ (8,947,648)	\$ -	\$ (8,947,648)
Special populations	14,261,863	-	13,684,019	-	(577,844)	-	(577,844)
Alternative programs	9,101,350	-	9,935,277	-	833,927	-	833,927
School leadership	8,540,624	-	3,632,870	-	(4,907,754)	-	(4,907,754)
Co-curricular	3,222,827	2,975,532	-	-	(247,295)	-	(247,295)
School-based support	8,108,863	-	6,462,657	-	(1,646,206)	-	(1,646,206)
System-wide support services:							
Support and development	1,926,295	-	1,385,472	-	(540,823)	-	(540,823)
Special population support and development	586,035	-	478,508	-	(107,527)	-	(107,527)
Alternative programs and services support and development	37,002	-	36,902	-	(100)	-	(100)
Technology support	1,276,591	-	163,851	-	(1,112,740)	-	(1,112,740)
Operational support	20,060,504	-	8,755,652	144,468	(11,160,384)	-	(11,160,384)
Financial and human resource services	2,179,405	-	381,796	-	(1,797,609)	-	(1,797,609)
Accountability	303,458	-	-	-	(303,458)	-	(303,458)
System-wide pupil support	1,524	-	-	-	(1,524)	-	(1,524)
Policy, leadership and public relations	1,929,994	-	518,172	-	(1,411,822)	-	(1,411,822)
Ancillary services	136,486	-	81,014	-	(55,472)	-	(55,472)
Payments to other governments	1,206,625	-	329,768	-	(876,857)	-	(876,857)
Interest on long-term debt	89,719	-	-	-	(89,719)	-	(89,719)
Unallocated depreciation expense**	516,504	-	-	-	(516,504)	-	(516,504)
Total governmental activities	130,956,658	2,975,532	94,369,299	144,468	(33,467,359)	-	(33,467,359)
Business-type activities:							
School food service	8,670,876	1,833,838	6,826,240	-	-	(10,798)	(10,798)
Total primary government	\$ 139,627,534	\$ 4,809,370	\$ 101,195,539	\$ 144,468	(33,467,359)	(10,798)	(33,478,157)
General revenues:							
Unrestricted county appropriations - operating					21,907,431	-	21,907,431
Unrestricted county appropriations - capital					1,563,989	-	1,563,989
Unrestricted State appropriations - operating					7,053,413	-	7,053,413
Unrestricted Federal appropriations - operating					6,438	-	6,438
Unrestricted State appropriations - capital					278,310	-	278,310
Investment earnings, unrestricted					5,450	5,093	10,543
Miscellaneous, unrestricted					989,331	7,982	997,313
Transfers					(128,693)	128,693	-
Total general revenues and transfers					31,675,669	141,768	31,817,437
Change in net position					(1,791,690)	130,970	(1,660,720)
Net position - beginning					154,107,845	4,480,847	158,588,692
Net position - ending					\$ 152,316,155	\$ 4,611,817	\$ 156,927,972

**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, 2014

Exhibit 3

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Restricted Revenue	Capital Outlay	Individual Schools	
Assets							
Cash and cash equivalents	\$ 3,368,856	\$ -	\$ -	\$ 2,701,561	\$ 643,632	\$ 844,977	\$ 7,559,026
Due from other governments	44,040	3,245,212	206,547	125,385	44,027	-	3,665,211
Accounts receivable	26,199	-	-	279,599	-	-	305,798
Inventories	259,802	-	-	-	-	-	259,802
Total assets	<u>\$ 3,698,897</u>	<u>\$ 3,245,212</u>	<u>\$ 206,547</u>	<u>\$ 3,106,545</u>	<u>\$ 687,659</u>	<u>\$ 844,977</u>	<u>\$ 11,789,837</u>
Liabilities and Fund balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 416,470	\$ -	\$ -	\$ 20,641	\$ -	\$ -	\$ 437,111
Accrued salaries and wages payable	11,691	3,245,212	206,547	60,169	-	-	3,523,619
Due to other funds	35,994	-	-	-	-	-	35,994
Unearned revenue	-	-	-	672,343	-	-	672,343
Total liabilities	<u>464,155</u>	<u>3,245,212</u>	<u>206,547</u>	<u>753,153</u>	<u>-</u>	<u>-</u>	<u>4,669,067</u>
Fund balances:							
Nonspendable:							
Inventories	259,802	-	-	-	-	-	259,802
Restricted:							
Stabilization by State statute	80,339	-	-	279,599	-	-	359,938
School capital outlay	-	-	-	-	687,659	-	687,659
Instructional services	-	-	-	10,649	-	-	10,649
Individual schools	-	-	-	-	-	844,977	844,977
Assigned:							
Special revenues	-	-	-	2,063,144	-	-	2,063,144
Unassigned	2,894,601	-	-	-	-	-	2,894,601
Total fund balances	<u>3,234,742</u>	<u>-</u>	<u>-</u>	<u>2,353,392</u>	<u>687,659</u>	<u>844,977</u>	<u>7,120,770</u>
Total liabilities and fund balances	<u>\$ 3,698,897</u>	<u>\$ 3,245,212</u>	<u>\$ 206,547</u>	<u>\$ 3,106,545</u>	<u>\$ 687,659</u>	<u>\$ 844,977</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.	155,693,690
Some liabilities, including those for compensated absences, installment purchases and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	(10,498,305)
Net position of governmental activities	<u>\$ 152,316,155</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, 2014

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	\$ -	\$ 89,924,853	\$ -	\$ 1,220,339	\$ 422,778	\$ -	\$ 91,567,970
Local Counties and City	21,907,431	-	-	-	1,563,989	-	23,471,420
U.S. Government	-	-	9,961,014	245,979	-	-	10,206,993
Other	588,105	-	-	1,873,832	15,554	2,255,116	4,732,607
Total revenues	22,495,536	89,924,853	9,961,014	3,340,150	2,002,321	2,255,116	129,978,990
Expenditures:							
Current:							
Instructional services:							
Regular instructional	2,059,414	49,514,867	493,460	1,675,269	6,136	-	53,749,146
Special populations	460,465	11,126,849	2,557,245	79,266	-	-	14,223,825
Alternative programs	64,165	3,111,312	5,178,184	723,414	-	-	9,077,075
School leadership	2,227,536	6,290,309	-	-	-	-	8,517,845
Co-curricular	960,029	-	9,334	-	33,879	2,210,989	3,214,231
School-based support	625,081	6,842,978	302,234	316,943	-	-	8,087,236
System-wide support services:							
Support and development	534,874	594,728	657,791	133,764	-	-	1,921,157
Special population support and development	105,964	227,517	250,991	-	-	-	584,472
Alternative programs and services support and development	1	8,147	28,755	-	-	-	36,903
Technology support	212,220	1,060,846	120	-	-	-	1,273,186
Operational support	9,946,347	8,544,451	82,508	-	1,608,218	-	20,181,524
Financial and human resource services	1,755,393	311,671	70,125	-	-	-	2,137,189
Accountability	302,649	-	-	-	-	-	302,649
System-wide pupil support	1,520	-	-	-	-	-	1,520
Policy, leadership and public relations	1,356,150	568,696	-	-	-	-	1,924,846
Ancillary services	59,522	4,159	499	72,306	-	-	136,486
Non-programmed charges	1,206,625	-	329,768	-	-	-	1,536,393
Debt service:							
Principal retirement	-	1,470,703	-	-	144,468	-	1,615,171
Interest and fees	-	118,927	-	-	-	-	118,927
Capital outlay	-	-	-	-	701,246	-	701,246
Total expenditures	21,877,955	89,796,160	9,961,014	3,000,962	2,493,947	2,210,989	129,341,027
Revenues over (under) expenditures	617,581	128,693	-	339,188	(491,626)	44,127	637,963
Other financing uses:							
Transfers to other funds	-	(128,693)	-	-	-	-	(128,693)
Net change in fund balance	617,581	-	-	339,188	(491,626)	44,127	509,270
Fund balances:							
Beginning of year	3,009,223	-	-	2,014,204	1,179,285	800,850	7,003,562
Decrease in reserve for inventories	(392,062)	-	-	-	-	-	(392,062)
End of year	\$ 3,234,742	\$ -	\$ -	\$ 2,353,392	\$ 687,659	\$ 844,977	\$ 7,120,770

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, 2014**

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

Net changes in fund balances - total governmental funds	\$ 509,270
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Change in fund balance due to change in reserve for inventory	(392,062)
---	-----------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	(3,218,371)
--	-------------

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

	(5,561)
--	---------

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	5,561
------------------------------------	-------

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 issuance costs, 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.

	1,615,171
--	-----------

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	29,208
Compensated absences	<u>(334,906)</u>

Total changes in net position of governmental activities	<u>\$ (1,791,690)</u>
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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, 2014

Exhibit 6

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Local Counties and City	22,040,069	21,907,315	21,907,431	116
U.S. Government	-	-	-	-
Other	459,000	459,000	588,105	129,105
Total revenues	22,499,069	22,366,315	22,495,536	129,221
Expenditures:				
Current:				
Instructional services	5,886,790	7,149,983	6,396,690	753,293
System-wide support services	15,512,279	15,305,847	14,215,118	1,090,729
Ancillary services	-	75,000	59,522	15,478
Non-programmed charges	1,100,000	1,300,000	1,206,625	93,375
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	22,499,069	23,830,830	21,877,955	1,952,875
Revenues over (under) expenditures	-	(1,464,515)	617,581	2,082,096
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	1,464,515	-	(1,464,515)
Net change in fund balance	\$ -	\$ -	617,581	\$ 617,581
Fund balances:				
Beginning of year			3,009,223	
Decrease in reserve for inventories			(392,062)	
End of year			\$ 3,234,742	

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, 2014**

	State Public School Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 88,925,516	\$ 92,826,545	\$ 89,924,853	\$ (2,901,692)
Local Counties and City	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	<u>88,925,516</u>	<u>92,826,545</u>	<u>89,924,853</u>	<u>(2,901,692)</u>
Expenditures:				
Current:				
Instructional services	78,348,405	78,888,555	76,886,315	2,002,240
System-wide support services	10,577,111	12,177,216	11,316,056	861,160
Ancillary services	-	42,451	4,159	38,292
Non-programmed charges	-	-	-	-
Debt service:				
Principal retirement	-	1,470,703	1,470,703	-
Interest and fees	-	118,927	118,927	-
Total debt service	-	<u>1,589,630</u>	<u>1,589,630</u>	-
Total expenditures	<u>88,925,516</u>	<u>92,697,852</u>	<u>89,796,160</u>	<u>2,901,692</u>
Revenues over (under) expenditures	-	128,693	128,693	-
Other financing uses:				
Transfers to other funds	-	(128,693)	(128,693)	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
Decrease 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, 2014**

	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	9,792,875	17,441,421	9,961,014	(7,480,407)
Other	-	-	-	-
Total revenues	<u>9,792,875</u>	<u>17,441,421</u>	<u>9,961,014</u>	<u>(7,480,407)</u>
Expenditures:				
Current:				
Instructional services	8,240,255	13,211,045	8,540,457	4,670,588
System-wide support services	1,415,018	1,367,955	1,090,290	277,665
Ancillary services	2,000	2,500	499	2,001
Non-programmed charges	135,602	2,859,921	329,768	2,530,153
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	<u>9,792,875</u>	<u>17,441,421</u>	<u>9,961,014</u>	<u>7,480,407</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			-	
Decrease 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, 2014**

	Restricted Revenue Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ 1,478,267	\$ 1,220,339	\$ (257,928)
Local Counties and City	-	-	-	-
U.S. Government	200,000	209,000	245,979	36,979
Other	<u>2,099,011</u>	<u>2,278,351</u>	<u>1,873,832</u>	<u>(404,519)</u>
Total revenues	<u>2,299,011</u>	<u>3,965,618</u>	<u>3,340,150</u>	<u>(625,468)</u>
Expenditures:				
Current:				
Instructional services	2,299,011	4,450,725	2,794,892	1,655,833
System-wide support services	-	212,347	133,764	78,583
Ancillary services	-	98,635	72,306	26,329
Non-programmed charges	-	175	-	175
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,299,011</u>	<u>4,761,882</u>	<u>3,000,962</u>	<u>1,760,920</u>
Revenues over (under) expenditures	-	(796,264)	339,188	1,135,452
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	<u>-</u>	<u>796,264</u>	<u>-</u>	<u>(796,264)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	339,188	<u>\$ 339,188</u>
Fund balances:				
Beginning of year			2,014,204	
Decrease in reserve for inventories			-	
End of year			<u>\$ 2,353,392</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, 2014

Exhibit 7

	Enterprise Fund
	Major Fund
	School Food
	Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,055,792
Due from other governments	256,394
Receivables	2,655
Due from other funds	35,994
Inventories	238,340
Total current assets	<u>4,589,175</u>
Noncurrent assets:	
Capital assets:	
Furniture and office equipment, net	<u>462,541</u>
Total assets	<u>5,051,716</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	5,844
Accrued salaries and wages payable	84,495
Compensated absences	233,882
Unearned revenue	22,207
Total current liabilities	<u>346,428</u>
Noncurrent liabilities:	
Compensated absences	<u>93,471</u>
Total liabilities	<u>439,899</u>
Net position	
Investment in capital assets	462,541
Unrestricted	<u>4,149,276</u>
Total net position	<u>\$ 4,611,817</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, 2014

Exhibit 8

	Enterprise Fund Major Fund School Food Service
Operating revenues:	
Food sales	\$ 1,833,838
Other	2,618
Total operating revenues	<u>1,836,456</u>
Operating expenses:	
Food cost:	
Purchase of food	2,658,573
Donated commodities	554,780
Salaries and benefits	4,453,697
Indirect costs	695,529
Materials and supplies	328,368
Repairs and maintenance	129,059
Depreciation	59,285
Non-capitalized equipment	70,687
Contracted services	3,510
Other	62,917
Total operating expenses	<u>9,016,405</u>
Operating loss	<u>(7,179,949)</u>
Nonoperating revenues:	
Federal reimbursements	6,251,787
Federal commodities	554,780
State reimbursements	19,673
Indirect costs not paid	345,529
Interest earned	5,093
Gain on disposal of capital assets	5,364
Total nonoperating revenues	<u>7,182,226</u>
Income before transfers	2,277
Transfers from other funds	<u>128,693</u>
Change in net position	130,970
Net position, beginning of year	<u>4,480,847</u>
Net position, end of year	<u><u>\$ 4,611,817</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, 2014

Exhibit 9

	Enterprise Fund
	Major Fund
	School Food Service
Cash flows from operating activities:	
Cash received from customers	\$ 1,858,762
Cash paid for goods and services	(3,619,922)
Cash paid to employees for services	(4,242,142)
Other revenues	2,618
Net cash used by operating activities	(6,000,684)
Cash flows from noncapital financing activities:	
Due from other funds	(33,044)
Federal and State reimbursements	6,154,728
Net cash provided by noncapital financing activities	6,121,684
Cash flows from capital and related financing activities:	
Purchase of capital assets	(75,940)
Proceeds from disposal of capital assets	5,364
Net cash used by capital and related financing activities	(70,576)
Cash flows from investing activities:	
Interest earned on investments	5,093
Net increase in cash and cash equivalents	55,517
Cash and cash equivalents, beginning of year	4,000,275
Cash and cash equivalents, end of year	<u>\$ 4,055,792</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (7,179,949)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	59,285
Donated commodities	554,780
Salaries paid by special revenue fund	128,693
Indirect costs not paid	345,529
Changes in assets and liabilities:	
Decrease in accounts receivable	23,441
Increase in inventories	(17,184)
Increase in accounts payable and accrued liabilities	376
Increase in accrued salaries and wages payable	34,871
Increase in unearned revenue	1,483
Decrease in compensated absences payable	47,991
Total adjustments	1,179,265
Net cash used by operating activities	<u>\$ (6,000,684)</u>

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$554,780 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 \$345,529 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 \$128,693 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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Nash-Rocky Mount Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

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

B. Basis of Presentation

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

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

Fund Financial Statements: The fund financial statements provide information about the Board's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426].

State Public School Fund. The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

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, 2014

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, Liabilities, and Fund Equity

1. Deposits and Investments

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

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

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

2. Cash and Cash Equivalents

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

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable materials and supplies which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is classified as nonspendable. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

The Board's capital assets are recorded at original cost. Donated assets are listed at their estimated fair value at the date of donation or forfeiture. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1990 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

For capital assets utilized in both governmental and business-type activities, it is the policy of the Board to capitalize those assets costing more than \$5,000 with an estimated useful life of two or more years. In addition, other items that are purchased in large quantities such as student desks and library books are capitalized. The library collections consist of a large number of books with modest values; the composite depreciation method has been used as discussed in GASB 35, paragraphs 163-166. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives is not capitalized.

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

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

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

Depreciation for assets that serve multiple purposes cannot be allocated ratably and is therefore reported as "unallocated depreciation" on the Statement of Activities.

5. 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.

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

6. 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, 2014 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.

7. Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through State statute.

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

Restricted for Individual Schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for which they were collected.

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

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 the Board of Education has assigned to be expended for educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges.

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.

8. 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 \$145,195,385 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)	\$241,472,504
Less accumulated depreciation	<u>(85,778,814)</u>
Net capital assets	155,693,690
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	(3,202,747)
Accrued interest payable	(60,720)
Compensated absences	<u>(7,234,838)</u>
Total adjustment	<u>\$145,195,385</u>

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

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 \$(2,300,960) 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	\$ 1,415,008
Change in fund balance due to change in reserve for inventory	(392,062)
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	(4,633,379)
Proceeds from the sale of capital assets are recorded as revenues in the fund Statements but not in the statement of activities	(5,561)
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	5,561
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	1,615,171
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:	
Difference in accrued interest payable and interest expensed on fund statements	29,208
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(334,906)
Total adjustment	<u>\$ (2,300,960)</u>

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.

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

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, 2014, the Board had deposits with banks and savings and loans with a carrying amount of \$9,925,359 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$10,054,661 and \$2,585,927, respectively. Of these balances, \$1,138,572 was covered by federal depository insurance and \$11,502,016 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2014, the Board had \$10,003 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Board had \$1,679,456 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2014. The Board has no policy for managing interest rate risk or credit risk.

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2014 are as follows:

	Due from (to) other funds (Internal Balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ (35,994)	\$ 44,040	\$ 26,199	\$ 34,245
Other governmental activities	-	3,621,171	279,599	3,900,770
Total governmental activities	<u>\$ (35,994)</u>	<u>\$ 3,665,211</u>	<u>\$ 305,798</u>	<u>\$ 3,935,015</u>
Business-type activities:				
School Food Service Fund	<u>\$ 35,994</u>	<u>\$ 256,394</u>	<u>\$ 2,655</u>	<u>\$ 295,043</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 44,040	Edgecombe and Nash County
State Public School Fund	3,245,212	Operating funds from DPI
Federal Grants funds	206,547	Federal grant funds
Restricted Revenue Fund	125,385	Federal and State grants
Capital Outlay Fund	44,027	Edgecombe County
	<u>\$ 3,665,211</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 256,394</u>	Federal grant funds

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

4. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,764,741	\$ -	\$ -	\$ 4,764,741
Construction in progress	568,326	282,215	850,541	-
Total capital assets not being depreciated	5,333,067	282,215	850,541	4,764,741
Capital assets being depreciated:				
Buildings and improvements	192,445,217	1,816,058	-	194,261,275
Equipment and furniture	26,970,720	80,424	-	27,051,144
Vehicles	15,912,953	86,852	604,461	15,395,344
Total capital assets being depreciated	235,328,890	1,983,334	604,461	236,707,763
Less accumulated depreciation for:				
Buildings and improvements	53,289,090	3,584,240	-	56,873,330
Equipment and furniture	13,896,309	516,504	-	14,412,813
Vehicles	14,564,497	532,635	604,461	14,492,671
Total accumulated depreciation	81,749,896	4,633,379	604,461	85,778,814
Total capital assets being depreciated, net	153,578,994			150,928,949
Governmental activity capital assets, net	<u>\$ 158,912,061</u>			<u>\$ 155,693,690</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 2,062,998	\$ 75,940	\$ -	\$ 2,138,938
Vehicles	286,473	-	-	286,473
Total capital assets being depreciated	2,349,471	75,940	-	2,425,411
Less accumulated depreciation for:				
Equipment and furniture	1,691,738	43,272	-	1,735,010
Vehicles	211,847	16,013	-	227,860
Total accumulated depreciation	1,903,585	59,285	-	1,962,870
School Food Service capital assets, net	<u>\$ 445,886</u>			<u>\$ 462,541</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 3,584,240
System-wide support services	532,635
Unallocated depreciation	<u>516,504</u>
Total	<u>\$ 4,633,379</u>

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

Plan Description. Nash-Rocky Mount Board of Education contributes to 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 provides retirement benefits to plan members and beneficiaries. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary and the Board is required to contribute at an actuarially determined rate. The current rate is 8.69% of annual covered payroll. The contribution requirements of plan members and Nash-Rocky Mount Board of Education are established and may be amended by the North Carolina General Assembly. The Board's contributions to TSERS for the years ended June 30, 2014, 2013 and 2012 were \$6,526,505, \$6,840,353 and \$6,357,633, respectively, equal to the required contributions for each year.

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

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium. For employees hired before October 1, 2006, healthcare benefits are provided to retirees (at no charge to the retirees) who have at least five years of contributing retirement membership prior to disability or retirement. In addition, persons who became surviving spouses of retirees prior to October 1, 1986, receive the same coverage as retirees at the State's expense.

Contributions are determined as a percentage of covered monthly payroll. Annually, the monthly contribution rates to the Plan, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill. For the fiscal years ended June 30, 2014, 2013 and 2012, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of \$4,055,596, \$4,352,205 and \$4,272,603, respectively. These contributions represented 5.40%, 5.30% and 5.00% 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

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

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

The Board's contributions are established in the Appropriations Bill by the General Assembly. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit. For the fiscal years ended June 30, 2014, 2013 and 2012, the Board paid all annual required contributions to the DIPNC for disability benefits of \$330,456, \$361,315 and \$444,351, respectively. These contributions represented 0.44%, 0.44% and 0.52% of covered payroll, respectively.

2. Accounts Payable

Accounts payable as of June 30, 2014 are as follows:

	<u>Vendors and Other</u>
Governmental activities:	
General Fund	\$ 416,470
Other governmental activities	<u>20,641</u>
Total governmental activities	<u>\$ 437,111</u>
Business-type activities:	
School Food Service Fund	<u>\$ 5,844</u>

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

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>\$ 672,343</u>
Business-type activities:	
Prepayments of meals (School Food Service Fund)	<u>\$ 22,207</u>

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

4. 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.

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.

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

5. Long-Term Obligations

a. Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through special third party financing arrangements. During 2013 the Board entered into such a financing contract for the purchase of school buses. The contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15th dates.

The Board also 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 27th through 2015.

The future minimum payments of the installment purchases as of June 30, 2014 are as follows:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>
2015	\$ 1,734,098
2016	<u>1,589,630</u>
	3,323,728
Less portion representing interest	<u>(120,981)</u>
Total principal obligation	<u>\$ 3,202,747</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, 2014:

	<u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</u>	<u>Current Portion</u>
Governmental activities:					
Installment purchases	\$ 4,817,918	\$ -	\$ 1,615,171	\$ 3,202,747	\$ 1,653,791
Compensated absences	<u>6,899,932</u>	<u>4,735,544</u>	<u>4,400,638</u>	<u>7,234,838</u>	<u>4,614,234</u>
Total governmental activities	<u>\$ 11,717,850</u>	<u>\$ 4,735,544</u>	<u>\$ 6,015,809</u>	<u>\$ 10,437,585</u>	<u>\$ 6,268,025</u>
Business-type activities:					
Compensated absences	<u>\$ 279,362</u>	<u>\$ 247,585</u>	<u>\$ 199,594</u>	<u>\$ 327,353</u>	<u>\$ 233,882</u>

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

6. Contingent Liabilities

As of the date of our report, the Board was a defendant to two legal claims. The Board's management and the Board's attorney have been unable to determine the amount of loss, if any, the Board will incur as a result of these legal matters.

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

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>
2015	\$ 536,036
2016	516,786
2017	516,786
2018	<u>509,786</u>
Total remaining commitment	<u>\$ 2,079,394</u>

C. Interfund Balances and Activity

1. Transfers to/from other Funds

Transfers to/from other funds during the year ended June 30, 2014 consisted of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 128,693</u>
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2. Interfund Balances

The composition of interfund balances as of June 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Food Service Fund	General Fund	<u>\$ 35,944</u>

The General Fund owed the School Food Service Fund \$35,944 at June 30, 2014 for unpaid student meal charges. This amount is expected to be paid prior to June 30, 2015.

D. Net Position/Fund Balance

1. Net Investment in Capital Assets

Net investment in capital assets presented in Exhibit 1 is calculated as follows:

Total capital assets	\$ 155,693,690
Less:	
Installment purchase obligations for school buses	<u>(144,468)</u>
Net investment in capital assets	<u>\$ 155,549,222</u>

The district also has \$3,058,279 of installment purchase obligations outstanding at June 30, 2014 for laptop computers. This amount has been excluded from the calculation of net investment in capital assets due to these laptop computers being noncapitalized items.

NASH-ROCKY MOUNT BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

2. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 3,234,742
Less:	
Inventories	(259,802)
Stabilization by State statute	<u>(80,339)</u>
Remaining fund balance	<u>\$ 2,894,601</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, 2014 were as follows:

General Fund	\$ 10,100
Capital Outlay Fund	233,599

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 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Local Counties and City			
Edgecombe County appropriation	\$ 2,007,170	\$ 2,007,170	\$ -
Nash County appropriation	19,175,261	19,175,261	-
City of Rocky Mount appropriation	724,884	725,000	116
Total Local Counties and City	21,907,315	21,907,431	116
Other:			
Fines and forfeitures	450,000	582,655	132,655
Interest earned on investment	9,000	5,450	(3,550)
Total other	459,000	588,105	129,105
Total revenues	22,366,315	22,495,536	129,221
Expenditures:			
Current:			
Instructional services:			
Regular instructional	-	2,059,414	-
Special populations	-	460,465	-
Alternative programs	-	64,165	-
School leadership	-	2,227,536	-
Co-curricular	-	960,029	-
School-based support	-	625,081	-
Total instructional services	7,149,983	6,396,690	753,293
System-wide support services:			
Support and development	-	534,874	-
Special population support and development	-	105,964	-
Alternative programs and services			
support and development	-	1	-
Technology support	-	212,220	-
Operational support	-	9,946,347	-
Financial and human resource services	-	1,755,393	-
Accountability	-	302,649	-
System-wide pupil support	-	1,520	-
Policy, leadership and public relations	-	1,356,150	-
Total system-wide support services	15,305,847	14,215,118	1,090,729

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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Expenditures: (Continued)			
Current:			
Ancillary services:			
Nutrition	<u>75,000</u>	<u>59,522</u>	<u>15,478</u>
Non-programmed charges			
Payments to other governments	<u>1,300,000</u>	<u>1,206,625</u>	<u>93,375</u>
Total expenditures	<u>23,830,830</u>	<u>21,877,955</u>	<u>1,952,875</u>
Revenues over expenditures	(1,464,515)	617,581	2,082,096
Fund balance appropriated	<u>1,464,515</u>	<u>-</u>	<u>(1,464,515)</u>
Net change in fund balance	<u>\$ -</u>	617,581	<u>\$ 617,581</u>
Fund balance:			
Beginning of year		3,009,223	
Decrease in reserve for inventories		<u>(392,062)</u>	
End of year		<u>\$ 3,234,742</u>	

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, 2014

	Revenues	Expenditures	Net change in fund balance	Fund balances June 30, 2013	Fund balances June 30, 2014
Bailey Elementary	\$ 28,748	\$ 25,198	\$ 3,550	\$ 12,559	\$ 16,109
Baskerville Elementary	8,990	9,843	(853)	4,071	3,218
Benvenue Elementary	9,130	10,141	(1,011)	13,991	12,980
Cedar Grove Elementary	15,901	19,826	(3,925)	9,421	5,496
Coopers Elementary	15,040	17,126	(2,086)	23,154	21,068
Englewood Elementary	8,068	11,688	(3,620)	20,798	17,178
Fairview Elementary	7,395	5,759	1,636	-	1,636
M.B. Hubbard Elementary	28,193	23,893	4,300	5,319	9,619
D.S. Johnson Elementary	6,925	6,469	456	3,388	3,844
Middlesex Elementary	19,853	24,373	(4,520)	10,329	5,809
Nashville Elementary	22,198	23,163	(965)	17,200	16,235
O.R. Pope Elementary	14,336	13,906	430	8,983	9,413
Red Oak Elementary	23,952	21,334	2,618	11,556	14,174
Spring Hope Elementary	42,687	43,302	(615)	15,169	14,554
Swift Creek Elementary	12,830	12,237	593	4,311	4,904
Willford Elementary	2,274	2,460	(186)	3,105	2,919
Winstead Elementary	21,521	19,902	1,619	11,242	12,861
J.W. Parker Middle	35,677	40,733	(5,056)	11,085	6,029
Edwards Middle	61,713	62,262	(549)	23,058	22,509
Nash Central Middle	73,915	71,151	2,764	15,024	17,788
Red Oak Middle	135,519	142,286	(6,767)	43,089	36,322
Rocky Mount Middle	28,315	22,125	6,190	-	6,190
Southern Nash Middle	95,230	103,283	(8,053)	65,492	57,439
Nash Central High	401,516	402,068	(552)	92,792	92,240
Northern Nash Senior	439,961	393,792	46,169	97,968	144,137
Rocky Mount High	320,599	326,719	(6,120)	89,476	83,356
Southern Nash Senior	357,883	342,404	15,479	155,881	171,360
Tar River Academy	2,360	1,468	892	68	960
Nash-Rocky Mount Middle College	14,387	12,078	2,309	32,321	34,630
Totals	<u>\$ 2,255,116</u>	<u>\$ 2,210,989</u>	<u>\$ 44,127</u>	<u>\$ 800,850</u>	<u>\$ 844,977</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 144,468	\$ 144,468	\$ -
Public School Capital Fund - Lottery	278,310	278,310	-
Total State of North Carolina	422,778	422,778	-
Local Counties and City:			
Edgecombe County appropriations	145,000	167,099	22,099
Nash County appropriations	1,396,890	1,396,890	-
Total local Counties and City	1,541,890	1,563,989	22,099
Other:			
Interest earned on investments	500	-	(500)
Proceeds from disposal of capital assets	5,561	5,561	-
Miscellaneous	-	9,993	9,993
Total other	6,061	15,554	9,493
Total revenues	1,970,729	2,002,321	31,592
Expenditures:			
Debt service:			
Principal retirement	144,468	144,468	-
Current:			
Instructional services:			
Regular instructional	-	6,136	-
Co-curricular	-	33,879	-
Total instructional services	3,409,081	40,015	3,369,066
System-wide support services:			
Operational support:			
Security upgrades - Lottery	-	250,000	-
Other operational support	-	1,358,218	-
Total operational support	1,814,826	1,608,218	206,608
Capital outlay			
Rocky Mount Middle School - Lottery	-	28,310	-
Other	-	672,936	-
Total capital outlay	802,713	701,246	101,467
Total expenditures	6,171,088	2,493,947	3,677,141
Revenues under expenditures	(4,200,359)	(491,626)	3,708,733
Other financing sources:			
Installment purchase obligations issued	3,336,524	-	(3,336,524)
Fund balance appropriated	863,835	-	(863,835)
Net change in fund balance	\$ -	(491,626)	\$ (491,626)
Fund balance:			
Beginning of year		1,179,285	
End of year		\$ 687,659	

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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales	\$ -	\$ 1,833,838	\$ -
Other	-	2,618	-
Total operating revenues	<u>2,140,650</u>	<u>1,836,456</u>	<u>(304,194)</u>
Operating expenditures:			
Business support services:			
Purchase of food	-	2,675,757	-
Donated commodities	-	554,780	-
Salaries and benefits	-	4,405,706	-
Indirect costs	-	695,529	-
Materials and supplies	-	328,368	-
Repairs and maintenance	-	129,059	-
Non-capitalized equipment	-	70,687	-
Contracted services	-	3,510	-
Other	-	62,917	-
Capital outlay	-	75,940	-
Total operating expenditures	<u>9,927,231</u>	<u>9,002,253</u>	<u>924,978</u>
Operating loss	<u>(7,786,581)</u>	<u>(7,165,797)</u>	<u>620,784</u>
Nonoperating revenues:			
Federal reimbursements and grants	6,571,360	6,251,787	(319,573)
Federal commodities	571,776	554,780	(16,996)
State reimbursements	19,200	19,673	473
Indirect costs not paid	400,000	345,529	(54,471)
Interest earned	6,500	5,093	(1,407)
Total nonoperating revenues	<u>7,568,836</u>	<u>7,176,862</u>	<u>(391,974)</u>
Excess (deficiency) of revenues over expenditures before other financing sources	(217,745)	11,065	228,810
Other financing sources:			
Transfers from other funds	-	128,693	128,693
Fund balance appropriated	<u>217,745</u>	<u>-</u>	<u>(217,745)</u>
Net change in fund balance	<u>\$ -</u>	<u>139,758</u>	<u>\$ 139,758</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(59,285)	
Equipment purchases		75,940	
Gain on disposal of capital assets		5,364	
Decrease in compensated absences payable		(47,991)	
Increase in inventories		17,184	
Change in net position (full accrual)		<u>\$ 130,970</u>	



Statistical Section

STATISTICAL SECTION

(Unaudited)

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

Sections

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

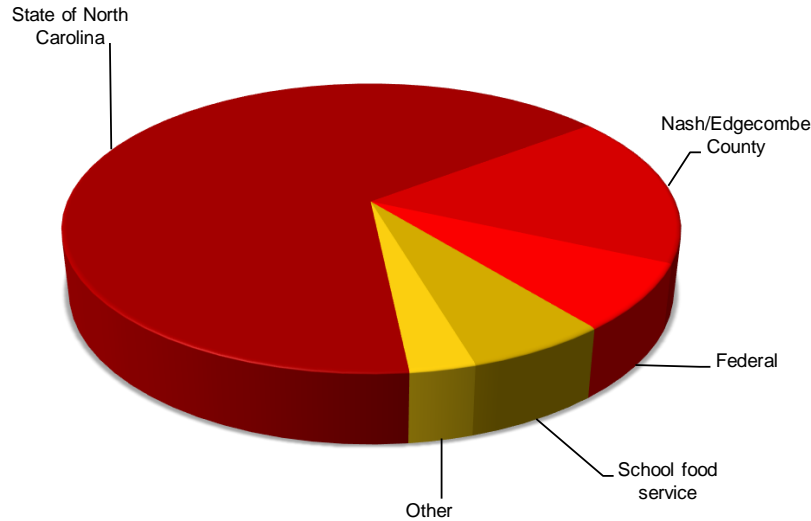
Operating Information

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



NASH-ROCKY MOUNT BOARD OF EDUCATION
Financial Perspective
Governmental and Business-type Activities
For Year Ended June 30, 2014

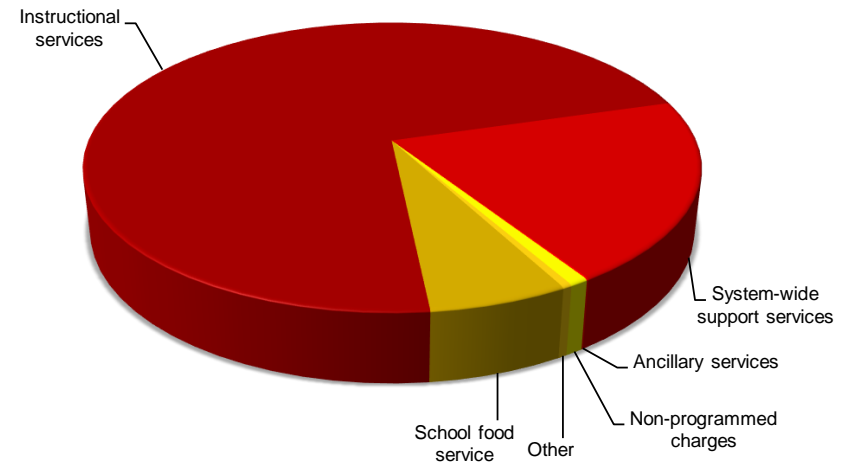
Revenue Sources



State of North Carolina	\$ 91,567,970
Nash/Edgecombe County	23,471,420
Federal	10,206,993
School food service	8,673,153
Other	4,047,278

Total revenue sources	<u><u>\$ 137,966,814</u></u>
-----------------------	------------------------------

Expenses



Instructional services	\$ 100,706,516
System-wide support services	28,300,808
Ancillary services	136,486
Non-programmed charges	1,206,625
Other	606,223
School food service	8,670,876

Total expenses	<u><u>\$ 139,627,534</u></u>
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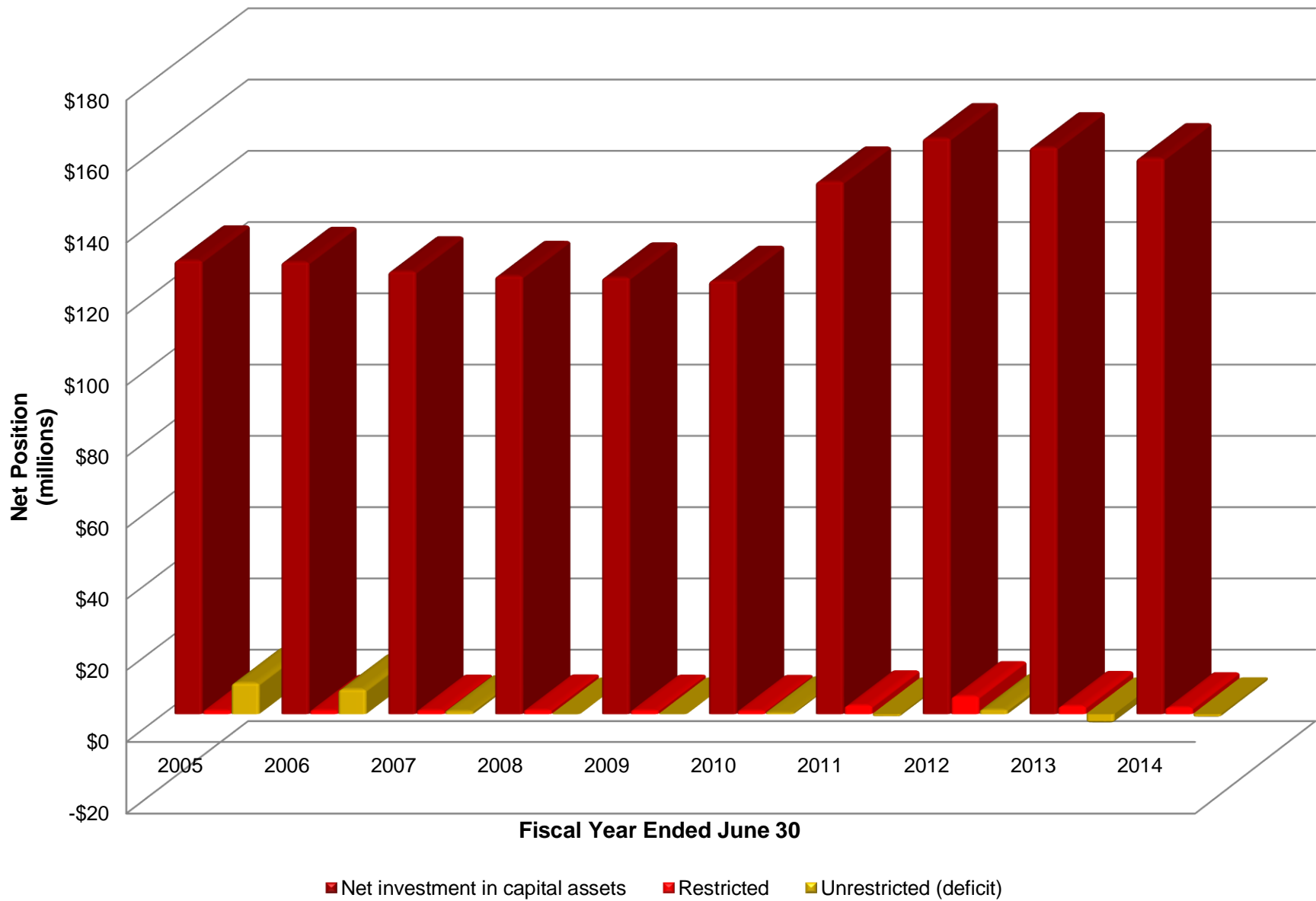
NASH-ROCKY MOUNT BOARD OF EDUCATION

Net Position by Component Last Ten Fiscal Years

Year Ended June 30	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 127,260,081	\$ 126,737,387	\$ 124,118,865	\$ 122,845,013	\$ 122,417,446	\$ 121,481,107	\$ 149,288,714	\$ 161,153,340	\$ 158,623,125	\$ 155,549,222
Restricted	1,102,654	1,119,320	1,133,775	1,186,602	1,108,523	1,030,613	2,439,834	5,004,631	2,256,805	1,903,223
Unrestricted (deficit)	6,306,310	4,581,819	(1,399,850)	(2,354,188)	(2,368,156)	(2,264,154)	(4,174,364)	(2,320,998)	(6,772,085)	(5,136,290)
	<u>\$ 134,669,045</u>	<u>\$ 132,438,526</u>	<u>\$ 123,852,790</u>	<u>\$ 121,677,427</u>	<u>\$ 121,157,813</u>	<u>\$ 120,247,566</u>	<u>\$ 147,554,184</u>	<u>\$ 163,836,973</u>	<u>\$ 154,107,845</u>	<u>\$ 152,316,155</u>
Business-type activities:										
Investment in capital assets	\$ 61,243	\$ 162,941	\$ 136,798	\$ 121,200	\$ 114,860	\$ 121,790	\$ 178,148	\$ 472,812	\$ 445,886	\$ 462,541
Unrestricted	2,424,208	2,396,193	2,324,600	2,304,706	2,348,951	2,786,367	3,321,686	3,593,798	4,034,961	4,149,276
	<u>\$ 2,485,451</u>	<u>\$ 2,559,134</u>	<u>\$ 2,461,398</u>	<u>\$ 2,425,906</u>	<u>\$ 2,463,811</u>	<u>\$ 2,908,157</u>	<u>\$ 3,499,834</u>	<u>\$ 4,066,610</u>	<u>\$ 4,480,847</u>	<u>\$ 4,611,817</u>
Government-wide:										
Net investment in capital assets	\$ 127,321,324	\$ 126,900,328	\$ 124,255,663	\$ 122,966,213	\$ 122,532,306	\$ 121,602,897	\$ 149,466,862	\$ 161,626,152	\$ 159,069,011	\$ 156,011,763
Restricted	1,102,654	1,119,320	1,133,775	1,186,602	1,108,523	1,030,613	2,439,834	5,004,631	2,256,805	1,903,223
Unrestricted (deficit)	8,730,518	6,978,012	924,750	(49,482)	(19,205)	522,213	(852,678)	1,272,800	(2,737,124)	(987,014)
	<u>\$ 137,154,496</u>	<u>\$ 134,997,660</u>	<u>\$ 126,314,188</u>	<u>\$ 124,103,333</u>	<u>\$ 123,621,624</u>	<u>\$ 123,155,723</u>	<u>\$ 151,054,018</u>	<u>\$ 167,903,583</u>	<u>\$ 158,588,692</u>	<u>\$ 156,927,972</u>

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

Net Position by Component Government-wide



NASH-ROCKY MOUNT BOARD OF EDUCATION

Changes in Net Position Last Ten Fiscal Years

Year Ended June 30	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
Instructional services	\$ 92,529,972	\$ 99,020,884	\$ 104,421,326	\$ 115,850,057	\$ 117,960,214	\$ 113,504,619	\$ 112,448,817	\$ 110,629,498	\$ 115,863,569	\$ 100,706,516
System-wide support services	32,943,408	34,812,554	37,939,374	27,742,931	27,140,539	29,659,364	24,990,141	29,013,818	29,933,289	28,300,808
Ancillary services	69,534	41,450	59,280	16,302	39,910	105,252	56,158	149,644	78,452	136,486
Payments to other governments	740,697	542,079	681,957	815,938	887,479	2,049,276	739,388	1,067,100	1,088,311	1,206,625
Interest on long-term debt	33,556	29,768	19,738	18,955	12,672	2,473	725	258	89,928	89,719
Unallocated depreciation expense	3,446,063	3,361,730	3,213,969	3,319,344	3,320,032	3,860,562	3,683,725	607,233	590,034	516,504
Total governmental activities expenses	129,763,230	137,808,465	146,335,644	147,763,527	149,360,846	149,181,546	141,918,954	141,467,551	147,643,583	130,956,658
Business-type activities:										
School food service	7,761,584	8,075,539	8,601,485	8,668,638	8,690,235	8,352,998	8,382,444	8,679,368	8,535,556	8,670,876
Total government-wide expenses	\$ 137,524,814	\$ 145,884,004	\$ 154,937,129	\$ 156,432,165	\$ 158,051,081	\$ 157,534,544	\$ 150,301,398	\$ 150,146,919	\$ 156,179,139	\$ 139,627,534
Program Revenues										
Governmental activities:										
Charges for services:										
Instructional services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,846	\$ 42,844	\$ 2,401,656	\$ 2,530,675	\$ 2,975,532
Business support	65,504	50,392	44,899	58,785	58,349	25,485	26,899	-	-	-
Operating grants and contributions	99,112,854	102,536,152	108,356,631	112,381,295	113,708,501	110,345,397	106,536,227	112,319,216	99,665,380	94,369,299
Capital grants and contributions	1,538,909	2,291,577	1,404,335	1,622,820	1,177,102	457,848	444,562	119,237	408,167	144,468
Total governmental activities program revenues	100,717,267	104,878,121	109,805,865	114,062,900	114,943,952	110,862,576	107,050,532	114,840,109	102,604,222	97,489,299
Business-type activities:										
Charges for services:										
Student meal services	2,658,024	2,578,820	2,649,657	2,757,299	2,679,311	2,478,029	2,281,397	2,176,483	2,041,230	1,833,838
Operating grants and contributions	5,094,046	5,495,225	5,749,165	5,787,750	5,985,973	6,243,323	6,562,472	6,550,741	6,788,220	6,826,240
Capital grants and contributions	-	-	-	-	-	30,627	-	327,290	-	-
Total business-type activities program revenues	7,752,070	8,074,045	8,398,822	8,545,049	8,665,284	8,751,979	8,843,869	9,054,514	8,829,450	8,660,078
Total government-wide program revenues	\$ 108,469,337	\$ 112,952,166	\$ 118,204,687	\$ 122,607,949	\$ 123,609,236	\$ 119,614,555	\$ 115,894,401	\$ 123,894,623	\$ 111,433,672	\$ 106,149,377
Net (Expense) Revenue										
Governmental activities	\$ (29,045,963)	\$ (32,930,344)	\$ (36,529,779)	\$ (33,700,627)	\$ (34,416,894)	\$ (38,318,970)	\$ (34,868,422)	\$ (26,627,442)	\$ (45,039,361)	\$ (33,467,359)
Business-type activities	(9,514)	(1,494)	(202,663)	(123,589)	(24,951)	398,981	461,425	375,146	293,894	(10,798)
Total district-wide net (expense) revenue	\$ (29,055,477)	\$ (32,931,838)	\$ (36,732,442)	\$ (33,824,216)	\$ (34,441,845)	\$ (37,919,989)	\$ (34,406,997)	\$ (26,252,296)	\$ (44,745,467)	\$ (33,478,157)

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

Year Ended June 30	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 20,494,558	\$ 22,150,211	\$ 21,771,902	\$ 21,646,892	\$ 22,225,844	\$ 22,758,210	\$ 22,237,618	\$ 22,286,869	\$ 21,993,806	\$ 21,907,431
Unrestricted county appropriations - capital	5,326,851	3,185,346	2,464,262	2,117,798	2,875,386	4,059,297	29,765,133	14,603,931	3,376,518	1,563,989
Unrestricted State appropriations - operating	3,170,468	3,800,516	4,681,664	5,494,504	5,643,017	7,495,414	8,150,466	955,971	7,582,561	7,053,413
Unrestricted State appropriations - capital	277,773	121,045	81,036	6,330	70,075	1,185,034	310,490	2,309,283	524,110	278,310
Unrestricted Federal appropriations - operating	-	-	-	-	-	-	-	745,591	7,246	6,438
Investment earnings, unrestricted	146,571	330,349	320,082	263,864	131,083	59,546	36,203	18,251	10,890	5,450
Insurance settlement proceeds	51,657	-	-	-	-	-	-	-	-	-
Miscellaneous, unrestricted	3,113,642	1,298,237	1,753,415	1,995,876	2,951,875	1,851,222	1,763,524	2,160,621	1,921,139	989,331
Transfers	-	-	-	-	-	-	(88,394)	(170,286)	(106,037)	(128,693)
Total governmental activities	32,581,520	30,885,704	31,072,361	31,525,264	33,897,280	37,408,723	62,175,040	42,910,231	35,310,233	31,675,669
Business-type activities:										
Investment earnings, unrestricted	43,617	75,177	101,990	82,597	46,510	33,615	27,931	9,208	5,777	5,093
Miscellaneous, unrestricted	-	-	2,937	5,500	16,346	11,750	13,927	12,136	8,529	7,982
Transfers	-	-	-	-	-	-	88,394	170,286	106,037	128,693
Total business-type activities	43,617	75,177	104,927	88,097	62,856	45,365	130,252	191,630	120,343	141,768
Total government-wide	\$ 32,625,137	\$ 30,960,881	\$ 31,177,288	\$ 31,613,361	\$ 33,960,136	\$ 37,454,088	\$ 62,305,292	\$ 43,101,861	\$ 35,430,576	\$ 31,817,437
Change in Net Position										
Governmental activities	\$ 3,535,557	\$ (2,044,640)	\$ (5,457,418)	\$ (2,175,363)	\$ (519,614)	\$ (910,247)	\$ 27,306,618	\$ 16,282,789	\$ (9,729,128)	\$ (1,791,690)
Business-type activities	34,103	73,683	(97,736)	(35,492)	37,905	444,346	591,677	566,776	414,237	130,970
Total district-wide change in net position	\$ 3,569,660	\$ (1,970,957)	\$ (5,555,154)	\$ (2,210,855)	\$ (481,709)	\$ (465,901)	\$ 27,898,295	\$ 16,849,565	\$ (9,314,891)	\$ (1,660,720)

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

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

NASH-ROCKY MOUNT BOARD OF EDUCATION

Governmental Funds

Fund Balances

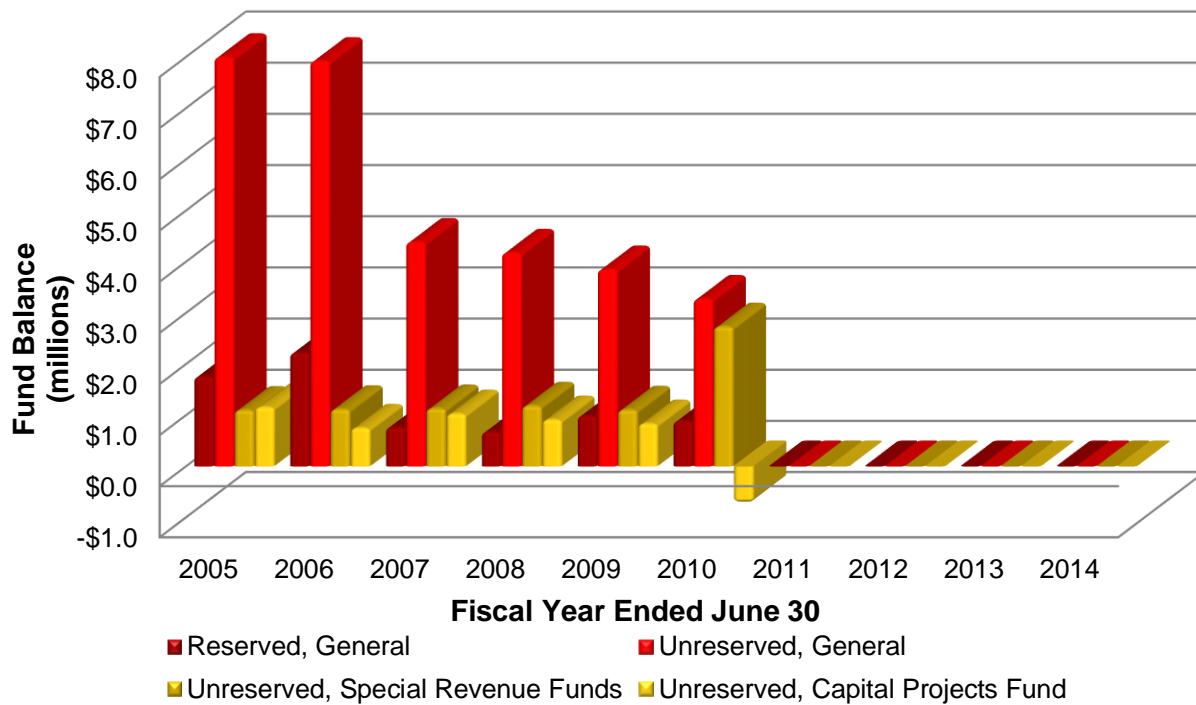
Last Ten Fiscal Years

Year Ended June 30	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Reserved	\$ 1,758,125	\$ 2,222,060	\$ 765,416	\$ 672,459	\$ 989,396	\$ 887,194	\$ -	\$ -	\$ -	\$ -
Unreserved	7,998,368	7,920,834	4,385,865	4,176,922	3,850,377	3,275,647	-	-	-	-
Nonspendable	-	-	-	-	-	-	326,251	499,461	651,864	259,802
Restricted	-	-	-	-	-	-	273,788	472,428	177,031	80,339
Assigned	-	-	-	-	-	-	736,718	1,500,000	-	-
Unassigned	-	-	-	-	-	-	1,691,040	2,563,044	2,180,328	2,894,601
Total General Fund	\$ 9,756,493	\$ 10,142,894	\$ 5,151,281	\$ 4,849,381	\$ 4,839,773	\$ 4,162,841	\$ 3,027,797	\$ 5,034,933	\$ 3,009,223	\$ 3,234,742
All other governmental funds:										
Reserved	\$ 815,009	\$ 577,482	\$ 110,294	\$ 27,603	\$ 164,807	\$ 1,290,854	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	1,102,654	1,119,320	1,133,775	1,186,602	1,108,523	2,733,198	-	-	-	-
Capital Projects Fund	1,160,693	753,463	1,032,638	916,169	838,207	(720,835)	-	-	-	-
Restricted	-	-	-	-	-	-	2,230,814	4,532,203	2,079,774	1,822,884
Assigned, reported in:										
Restricted Revenue Fund	-	-	-	-	-	-	490,098	-	1,914,565	2,063,144
Capital Projects Fund	-	-	-	-	-	-	250,000	-	-	-
Total all other governmental funds	\$ 3,078,356	\$ 2,450,265	\$ 2,276,707	\$ 2,130,374	\$ 2,111,537	\$ 3,303,217	\$ 2,970,912	\$ 4,532,203	\$ 3,994,339	\$ 3,886,028

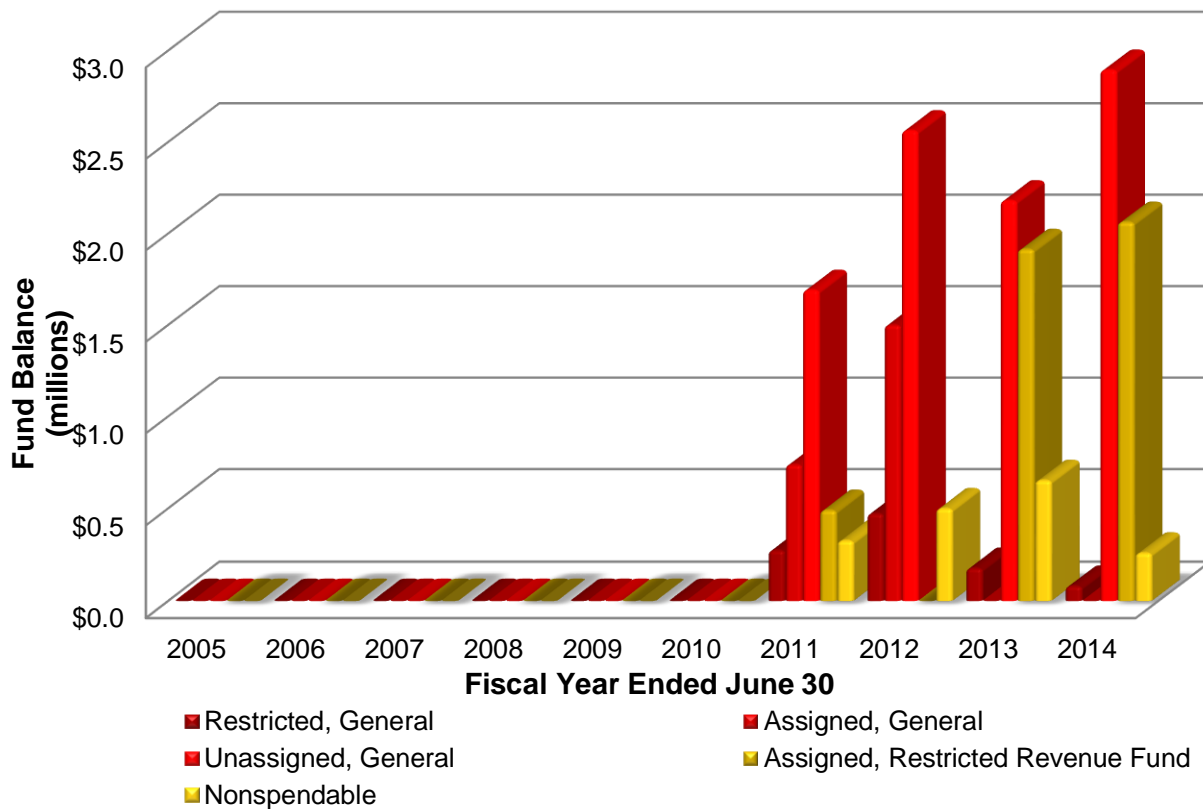
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports

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



NASH-ROCKY MOUNT BOARD OF EDUCATION

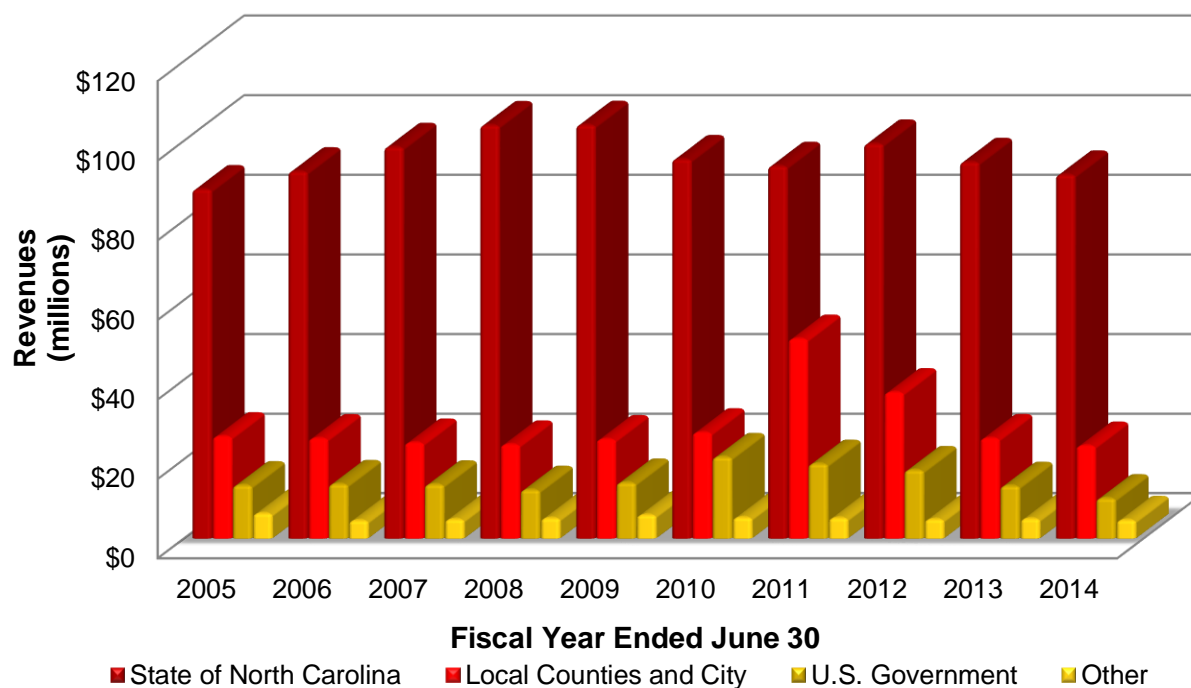
Governmental Funds Changes in Fund Balances Last Ten Fiscal Years

Year Ended June 30	2005	2006	2007	2008	2009
Revenues					
State of North Carolina	\$ 87,895,403	\$ 92,370,145	\$ 98,515,144	\$ 103,980,804	\$ 104,052,314
Local Counties and City	25,821,409	25,335,557	24,236,164	23,764,690	25,101,230
U.S. Government	13,487,267	13,792,400	13,693,865	12,342,280	14,163,352
Other	6,420,987	4,622,678	4,915,333	5,203,605	6,020,555
Total revenues	133,625,066	136,120,780	141,360,506	145,291,379	149,337,451
Expenditures					
Instructional services	92,924,637	97,940,618	103,840,268	115,479,719	117,907,747
System-wide support services	30,297,978	32,984,054	35,788,260	25,928,310	26,043,489
Ancillary services	69,534	41,450	59,280	16,302	39,910
Non-programmed charges	891,978	724,034	952,238	974,486	1,020,515
Debt service:					
Principal retirement	818,883	606,253	1,224,025	936,739	1,319,157
Interest and other charges	-	-	-	-	-
Capital outlay	7,516,298	3,938,112	6,978,092	2,368,579	4,460,232
Total expenditures	132,519,308	136,234,521	148,842,163	145,704,135	150,791,050
Revenues over (under) expenditures	1,105,758	(113,741)	(7,481,657)	(412,756)	(1,453,599)
Other financing sources (uses)					
Transfers from (to) other funds	-	-	-	-	-
Installment purchase obligations	879,269	-	2,270,214	-	1,415,717
Proceeds from sale of asset	-	-	14,588	-	-
Total other financing sources (uses)	879,269	-	2,284,802	-	1,415,717
Net change in fund balances	\$ 1,985,027	\$ (113,741)	\$ (5,196,855)	\$ (412,756)	\$ (37,882)
Ratio of debt service expenditures to total non-capital expenditures	0.66%	0.46%	0.87%	0.66%	0.91%
Year Ended June 30	2010	2011	2012	2013	2014
Revenues					
State of North Carolina	\$ 95,453,199	\$ 93,750,350	\$ 99,343,449	\$ 94,745,122	\$ 91,567,970
Local Counties and City	26,817,507	50,341,307	36,890,800	25,370,324	23,471,420
U.S. Government	20,617,285	18,907,451	17,319,633	13,340,473	10,206,993
Other	5,383,308	5,256,391	4,930,528	5,079,701	4,732,607
Total revenues	148,271,299	168,255,499	158,484,410	138,535,620	129,978,990
Expenditures					
Instructional services	113,107,047	113,081,682	108,684,872	112,290,102	96,869,358
System-wide support services	26,010,022	26,403,447	28,939,006	29,100,601	28,363,446
Ancillary services	118,291	69,197	149,644	78,452	136,486
Non-programmed charges	2,036,237	1,165,055	1,280,884	1,231,240	1,536,393
Debt service:					
Principal retirement	567,094	456,854	131,535	3,193,171	1,615,171
Interest and other charges	-	-	-	-	118,927
Capital outlay	5,833,674	28,866,688	15,732,966	3,143,848	701,246
Total expenditures	147,672,365	170,042,923	154,918,907	149,037,414	129,341,027
Revenues over (under) expenditures	598,934	(1,787,424)	3,565,503	(10,501,794)	637,963
Other financing sources (uses)					
Transfers from (to) other funds	-	(88,394)	(170,286)	(106,037)	(128,693)
Installment purchase obligations	-	476,942	-	7,891,854	-
Proceeds from sale of asset	-	-	-	-	-
Total other financing sources (uses)	-	388,548	(170,286)	7,785,817	(128,693)
Net change in fund balances	\$ 598,934	\$ (1,398,876)	\$ 3,395,217	\$ (2,715,977)	\$ 509,270
Ratio of debt service expenditures to total non-capital expenditures	0.40%	0.32%	0.09%	2.24%	1.37%

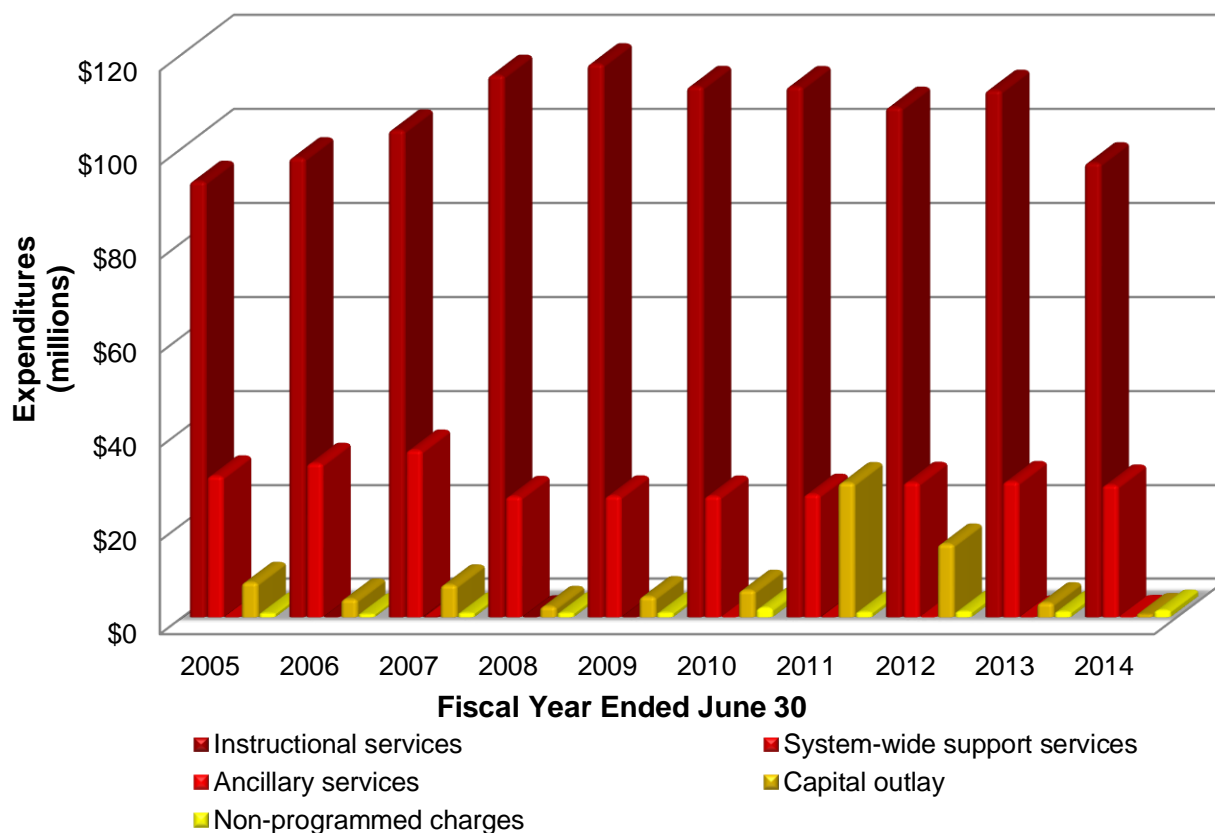
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports

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

Governmental Funds Revenues by Source



Governmental Funds Expenditures by Function



NASH-ROCKY MOUNT BOARD OF EDUCATION

Operational Expenditures Per Pupil

Expenditures by Function

Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2005	2006	2007	2008	2009
Average Daily Membership	17,923	17,927	17,904	17,548	17,412
Instructional	\$ 5,185	\$ 5,463	\$ 5,800	\$ 6,581	\$ 6,772
System-wide support	1,690	1,840	1,999	1,478	1,496
Ancillary	4	2	3	1	2
Total expenditures per pupil	<u>\$ 6,879</u>	<u>\$ 7,305</u>	<u>\$ 7,802</u>	<u>\$ 8,060</u>	<u>\$ 8,270</u>

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2010	2011	2012	2013	2014
Average Daily Membership	16,997	16,802	16,330	16,181	15,917
Instructional	\$ 6,655	\$ 6,730	\$ 6,656	\$ 6,940	\$ 6,086
System-wide support	1,530	1,571	1,772	1,798	1,782
Ancillary	7	4	9	5	9
Total expenditures per pupil	<u>\$ 8,192</u>	<u>\$ 8,305</u>	<u>\$ 8,437</u>	<u>\$ 8,743</u>	<u>\$ 7,877</u>

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2005	2006	2007	2008	2009
Instructional	\$ 2,666	\$ 2,692	\$ 2,784	\$ 3,008	\$ 3,140
System-wide support	869	907	959	675	694
Ancillary	2	1	1	-	1
Total expenditures per pupil	<u>\$ 3,537</u>	<u>\$ 3,600</u>	<u>\$ 3,744</u>	<u>\$ 3,683</u>	<u>\$ 3,835</u>

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2010	2011	2012	2013	2014
Instructional	\$ 3,053	\$ 2,982	\$ 2,900	\$ 2,972	\$ 2,553
System-wide support	702	696	772	770	748
Ancillary	3	2	4	2	4
Total expenditures per pupil	<u>\$ 3,758</u>	<u>\$ 3,680</u>	<u>\$ 3,676</u>	<u>\$ 3,744</u>	<u>\$ 3,305</u>

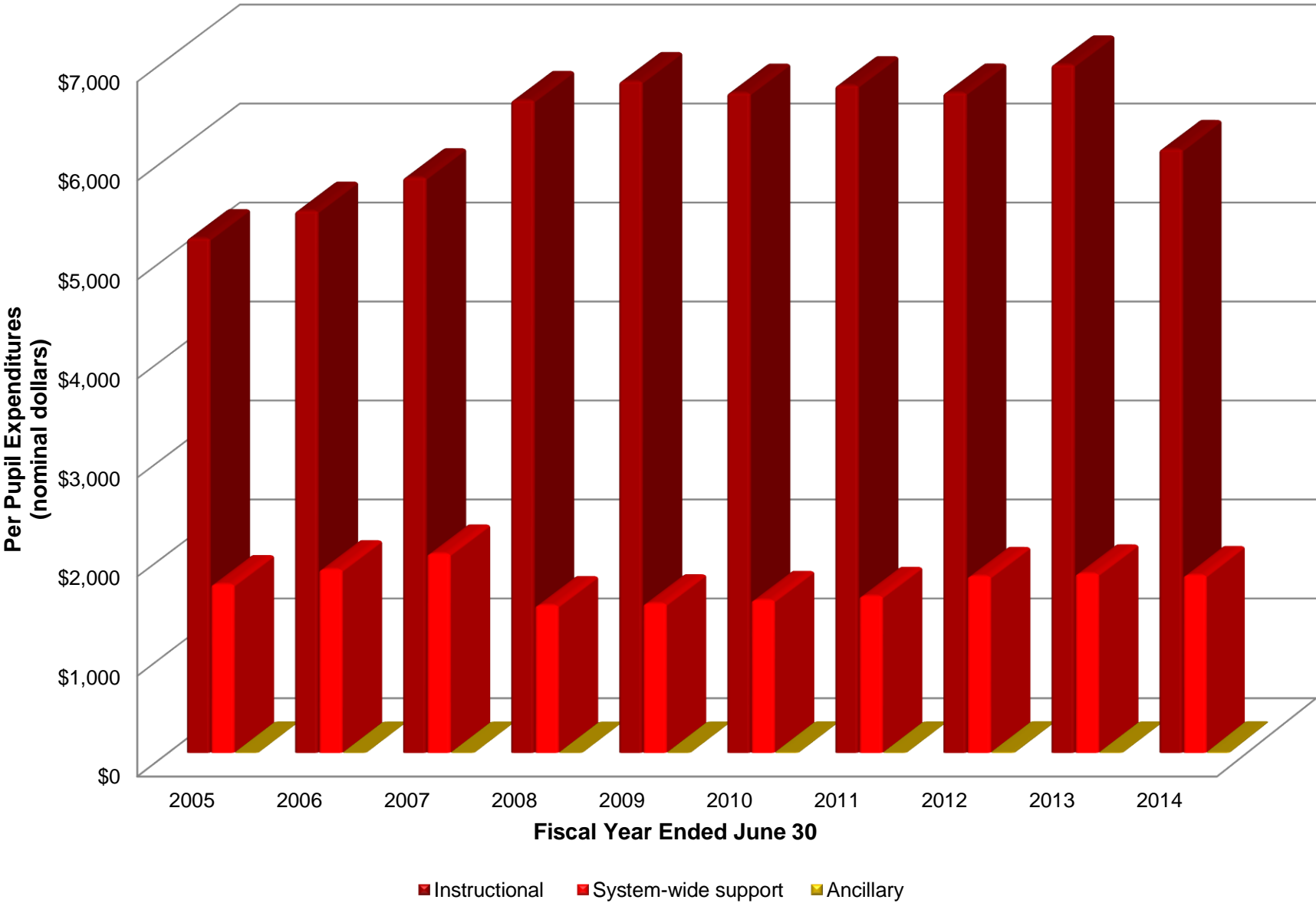
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports.

The above operational expenditures per pupil include all governmental funds.

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

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

Operational Expenditures Per Pupil
Expenditures by Function



NASH-ROCKY MOUNT BOARD OF EDUCATION

Proprietary Fund - Food Services Operations

Revenues by Source

Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2005	2006	2007	2008	2009
Food sales	\$ 2,658,024	\$ 2,578,820	\$ 2,649,657	\$ 2,757,299	\$ 2,679,311
Federal reimbursements	4,427,610	4,717,362	4,909,784	5,026,726	5,260,827
Federal commodities	355,092	423,845	437,815	484,720	524,889
Other	354,961	429,195	506,493	364,401	263,113
Total revenues	<u>\$ 7,795,687</u>	<u>\$ 8,149,222</u>	<u>\$ 8,503,749</u>	<u>\$ 8,633,146</u>	<u>\$ 8,728,140</u>

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2010	2011	2012	2013	2014
Food sales	\$ 2,478,029	\$ 2,281,397	\$ 2,176,483	\$ 2,041,230	\$ 1,833,838
Federal reimbursements	5,737,466	5,960,898	6,042,162	6,233,368	6,251,787
Federal commodities	505,857	591,645	494,573	536,251	554,780
Other	45,365	51,787	189,261	208,258	378,277
Total revenues	<u>\$ 8,766,717</u>	<u>\$ 8,885,727</u>	<u>\$ 8,902,479</u>	<u>\$ 9,019,107</u>	<u>\$ 9,018,682</u>

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2005	2006	2007	2008	2009
Food sales	\$ 1,366,593	\$ 1,270,981	\$ 1,271,721	\$ 1,260,105	\$ 1,242,187
Federal reimbursements	2,276,406	2,324,969	2,356,485	2,297,249	2,439,035
Federal commodities	182,567	208,894	210,132	221,520	243,350
Other	182,499	211,530	243,095	166,534	121,985
Total revenues	<u>\$ 4,008,065</u>	<u>\$ 4,016,374</u>	<u>\$ 4,081,433</u>	<u>\$ 3,945,408</u>	<u>\$ 4,046,557</u>

EXPRESSED IN CONSTANT DOLLARS

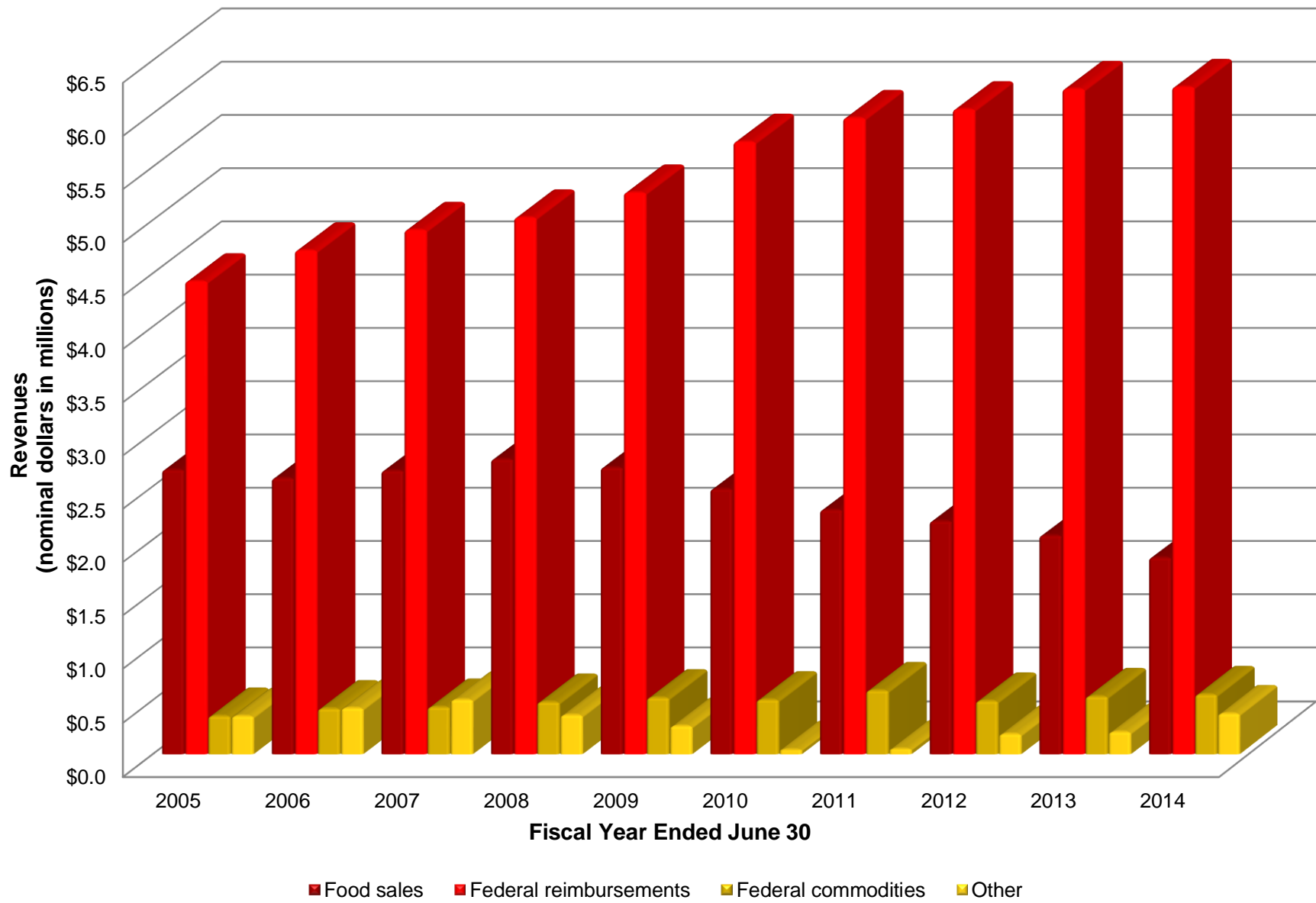
Year Ended June 30	2010	2011	2012	2013	2014
Food sales	\$ 1,136,893	\$ 1,010,711	\$ 948,450	\$ 874,173	\$ 769,411
Federal reimbursements	2,632,288	2,640,814	2,633,003	2,669,491	2,623,021
Federal commodities	232,082	262,112	215,521	229,654	232,765
Other	20,813	22,943	82,475	89,188	158,711
Total revenues	<u>\$ 4,022,076</u>	<u>\$ 3,936,580</u>	<u>\$ 3,879,449</u>	<u>\$ 3,862,506</u>	<u>\$ 3,783,908</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

Year Ended June 30	2005	2006	2007	2008	2009
Purchase of food	\$ 3,002,799	\$ 2,963,836	\$ 3,214,076	\$ 3,235,679	\$ 3,341,856
Donated commodities	-	423,845	437,815	372,021	366,698
Salaries and benefits	3,439,498	3,727,243	4,021,702	4,099,435	4,133,854
Other	1,319,287	960,615	927,892	961,503	847,827
Total expenses	<u>\$ 7,761,584</u>	<u>\$ 8,075,539</u>	<u>\$ 8,601,485</u>	<u>\$ 8,668,638</u>	<u>\$ 8,690,235</u>

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2010	2011	2012	2013	2014
Purchase of food	\$ 3,224,514	\$ 2,561,341	\$ 2,645,502	\$ 2,731,609	\$ 2,658,573
Donated commodities	-	591,645	494,573	536,251	554,780
Salaries and benefits	4,161,028	4,270,414	4,248,207	4,277,101	4,453,697
Other	967,456	959,044	1,444,997	1,165,946	1,349,355
Total expenses	<u>\$ 8,352,998</u>	<u>\$ 8,382,444</u>	<u>\$ 8,833,279</u>	<u>\$ 8,710,907</u>	<u>\$ 9,016,405</u>

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2005	2006	2007	2008	2009
Purchase of food	\$ 1,543,856	\$ 1,460,737	\$ 1,542,618	\$ 1,478,728	\$ 1,549,358
Donated commodities	-	208,894	210,132	170,016	170,009
Salaries and benefits	1,768,379	1,836,985	1,930,244	1,873,471	1,916,545
Other	678,297	473,443	445,348	439,414	393,071
Total expenses	<u>\$ 3,990,532</u>	<u>\$ 3,980,059</u>	<u>\$ 4,128,342</u>	<u>\$ 3,961,629</u>	<u>\$ 4,028,983</u>

EXPRESSED IN CONSTANT DOLLARS

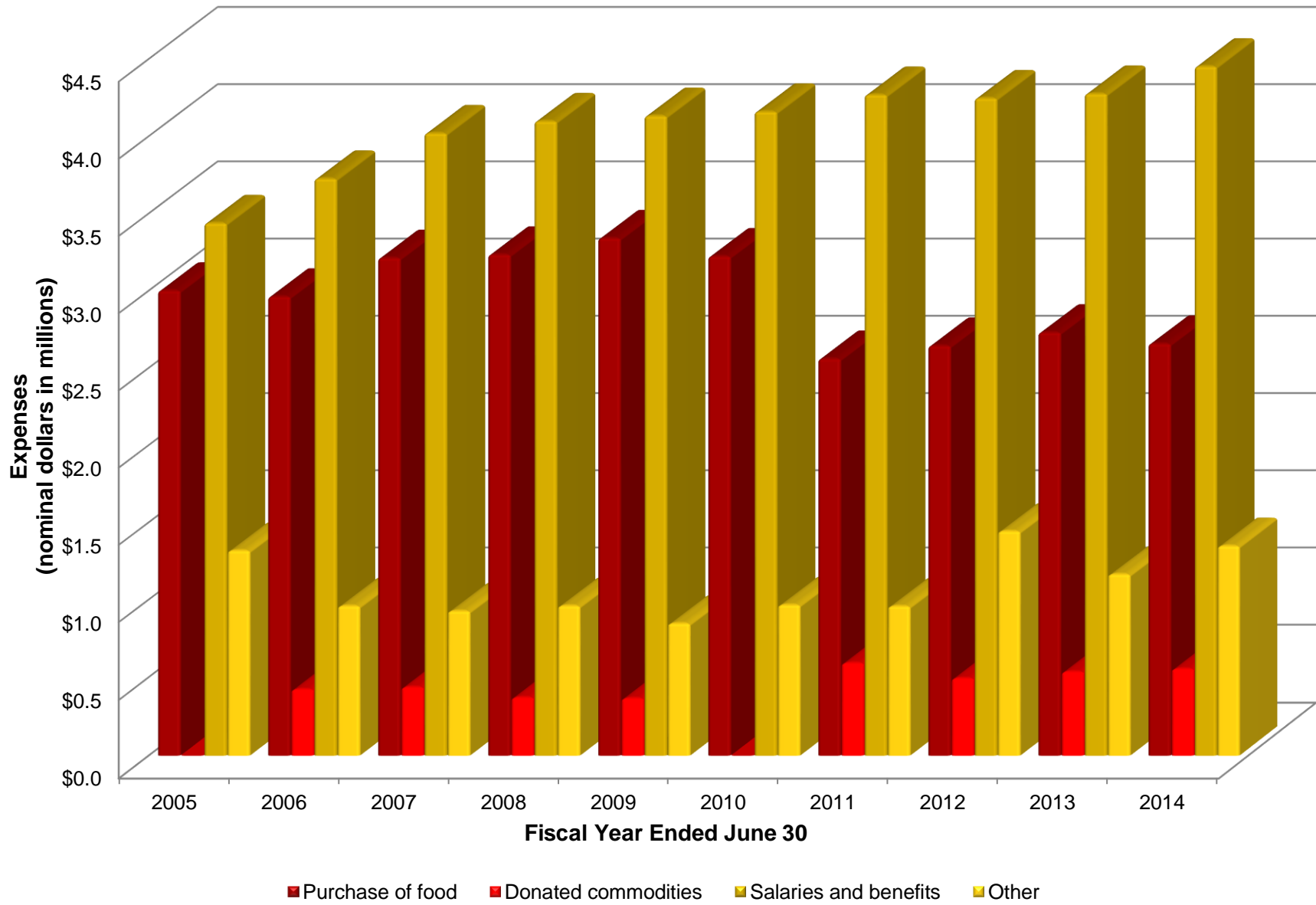
Year Ended June 30	2010	2011	2012	2013	2014
Purchase of food	\$ 1,479,372	\$ 1,134,733	\$ 1,152,835	\$ 1,169,834	\$ 1,115,440
Donated commodities	-	262,112	215,521	229,654	232,765
Salaries and benefits	1,909,035	1,891,891	1,851,248	1,831,704	1,868,608
Other	443,858	424,878	629,689	499,326	566,140
Total expenses	<u>\$ 3,832,265</u>	<u>\$ 3,713,614</u>	<u>\$ 3,849,293</u>	<u>\$ 3,730,518</u>	<u>\$ 3,782,953</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

Year Ended June 30	Installment Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
2014	\$ 3,202,747	\$ 3,202,747	N/A	N/A
2013	4,817,918	4,817,918	N/A	\$ 51
2012	119,235	119,235	0.004%	1
2011	250,512	250,512	0.008%	3
2010	229,701	229,701	0.007%	2
2009	793,954	793,954	0.025%	8
2008	684,268	684,268	0.022%	7
2007	1,601,842	1,601,842	0.053%	17
2006	535,480	535,480	0.019%	6
2005	1,111,488	1,111,488	0.042%	12

N/A = Not available

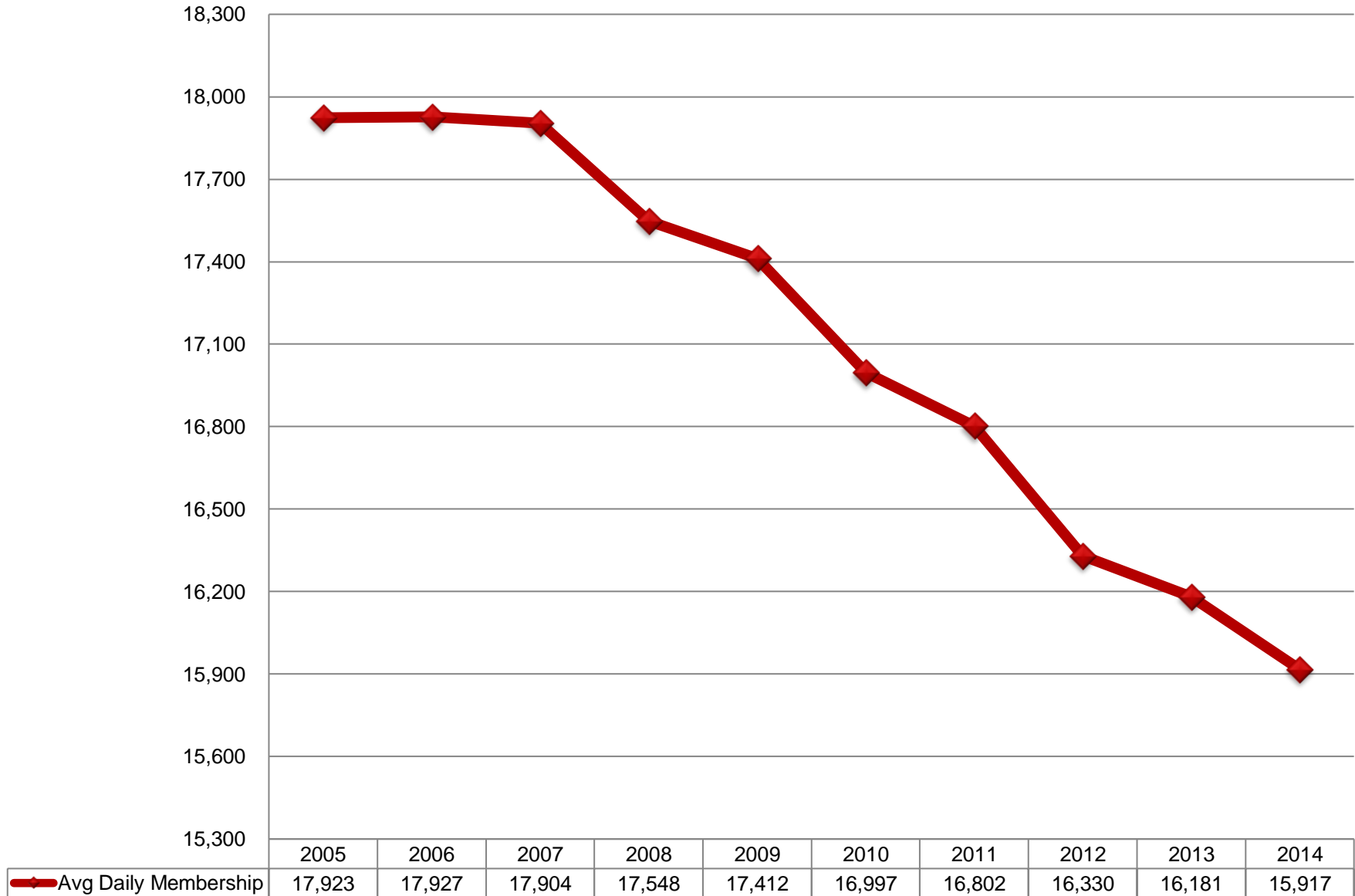
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports.

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, 2014 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2015, 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, 2013 and June 30, 2014 income based information will be shown above as "N/A", and the June 30, 2013 information will be reported for the year ended June 30, 2015, 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

Year Ended June 30	Teaching Staff	Students	Teacher/ Pupil Ratio	Student Attendance Percentage⁽¹⁾	Percentage of Students Receiving Free/Reduced Lunch⁽²⁾
2014	925	15,917	1/17	N/A	70%
2013	995	16,181	1/16	93.30%	69%
2012	1,072	16,330	1/15	93.83%	69%
2011	1,104	16,802	1/15	94.05%	65%
2010	1,078	16,997	1/16	93.83%	65%
2009	1,154	17,412	1/15	94.01%	56%
2008	1,166	17,548	1/15	94.39%	60%
2007	1,210	17,904	1/15	94.15%	57%
2006	1,224	17,927	1/15	94.44%	58%
2005	1,208	17,923	1/15	94.41%	56%

NASH-ROCKY MOUNT BOARD OF EDUCATION

Student Statistics (continued)

Last Ten Fiscal Years

Year Ended June 30	Ethnic Distribution Percentage⁽³⁾				Graduates⁽³⁾	Percentage of Graduates Continuing Education⁽³⁾
	White	Black	Hispanic	Other		
2014	34%	50%	10%	6%	1,109	86%
2013	35%	50%	10%	5%	1,136	85%
2012	35%	49%	10%	6%	1,059	82%
2011	35%	49%	10%	6%	1,110	83%
2010	35%	55%	8%	2%	1,078	82%
2009	36%	55%	7%	2%	1,049	82%
2008	36%	55%	7%	2%	1,058	84%
2007	37%	55%	6%	2%	1,046	81%
2006	38%	54%	6%	2%	1,022	80%
2005	38%	54%	6%	2%	1,016	80%

N/A = Not Available

Sources:

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

(2) NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2014 obtained from Nash-Rocky Mount Board of Education student data.

(3) North Carolina Public Schools Statistical Profile (2005-2014 Editions). Graduate data for 2014 obtained from Nash-Rocky Mount Board of Education student data.

NOTE: This is a ten year schedule. However, the attendance data for the year ended June 30, 2014 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

Year Ended June 30	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Officials, admins, mgrs	21	18	23	21	22	19	21	22	36	25
Principals	29	29	28	29	29	28	28	27	27	29
Asst. Principals, Teaching	-	-	-	-	-	-	-	-	-	-
Asst. Principals, non-teaching	28	32	34	35	35	35	38	38	34	37
Total administrators	78	79	85	85	86	82	87	87	97	91
Elementary teachers	648	656	619	623	613	569	585	568	500	456
Secondary teachers	287	302	322	294	297	264	268	255	254	237
Other teachers	273	266	269	249	244	245	251	249	241	232
Total teachers	1,208	1,224	1,210	1,166	1,154	1,078	1,104	1,072	995	925
Guidance	64	63	64	61	61	61	61	59	44	44
Psychological	7	9	8	8	8	9	12	9	9	9
Librarian, audiovisual	30	27	29	31	31	32	31	29	23	24
Consultant, supervisor	5	24	29	31	41	46	40	28	31	30
Other professionals	22	25	40	37	39	38	41	56	47	46
Total professionals	1,414	1,451	1,465	1,419	1,420	1,346	1,376	1,340	1,246	1,169
Teacher Assistants	412	417	417	403	403	382	387	364	352	253
Technicians	6	4	4	4	2	3	6	17	19	16
Clerical, secretarial	137	129	139	132	138	127	131	127	119	122
Service workers	291	272	255	259	266	282	280	282	270	258
Skilled crafts	54	56	54	56	54	54	53	49	45	45
Laborers, Unskilled	2	2	2	3	3	3	3	3	3	3
Total employees	2,316	2,331	2,336	2,276	2,286	2,197	2,236	2,182	2,054	1,866

Source: North Carolina Public Schools Statistical Profile (2005-2014 Editions)

NASH-ROCKY MOUNT BOARD OF EDUCATION

Instructional Personnel Last Ten Fiscal Years

Year Ended June 30	Teacher Salaries ⁽¹⁾			Bachelors Degree ⁽²⁾	Masters Degree ⁽²⁾	Advanced Degree ⁽²⁾	Doctorate Degree ⁽²⁾
	Minimum	Maximum	Average				
2014	\$ 30,800	\$ 65,520	\$ 48,160	718	222	4	-
2013	30,800	65,520	48,160	777	217	4	-
2012	30,430	64,750	47,590	813	234	3	-
2011	30,430	64,750	47,590	852	224	3	-
2010	30,430	64,750	47,590	913	222	4	2
2009	30,430	64,750	47,590	907	223	5	2
2008	29,750	64,160	46,955	913	222	4	2
2007	28,510	61,380	44,945	963	387	21	10
2006	25,510	56,470	40,990	970	364	18	6
2005	25,420	56,280	40,850	885	310	17	8

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) Nash-Rocky Mount Board of Education Payroll Data.

(2) North Carolina Public Schools Statistical Profile (2005-2013 Editions). Information for 2014 obtained from Nash-Rocky Mount Board of Education Personnel Data.

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

NASH-ROCKY MOUNT BOARD OF EDUCATION

School Building Data

June 30, 2014

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
Bailey Elementary	2004	664	631	-5%	Excellent
Baskerville Elementary	1957	427	392	-8%	Good
Benvenue Elementary	1987	668	714	7%	Good
Cedar Grove Elementary	1953	223	198	-11%	Poor
Coopers Elementary	2000	601	600	0%	Excellent
Englewood Elementary	1960	508	522	3%	Fair
Fairview Elementary	1997	425	243	-43%	Good
Hubbard Elementary	1956	512	463	-10%	Fair
Johnson Elementary	1960	575	191	-67%	Fair
Middlesex Elementary	1960	418	357	-15%	Good
Nashville Elementary	1952	682	754	11%	Good
Pope Elementary	1940	311	284	-9%	Poor
Red Oak Elementary	1949	335	264	-21%	Poor
Spring Hope Elementary	1954	542	515	-5%	Fair
Swift Creek Elementary	1949	475	276	-42%	Poor
Williford Elementary	1954	581	421	-28%	Fair
Winstead Avenue Elementary	1998	625	553	-12%	Good

NASH-ROCKY MOUNT BOARD OF EDUCATION

School Building Data (continued)

June 30, 2014

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
Edwards Middle	1962	827	561	-32%	Fair
Nash Central Middle	1965	670	605	-10%	Fair
Parker Middle	1962	557	306	-45%	Fair
Red Oak Middle	1998	850	929	9%	Excellent
Rocky Mount Middle	1953	1,150	427	-63%	Fair
Southern Nash Middle	1955	850	875	3%	Fair
Nash Central High	2002	1,150	1,026	-11%	Excellent
Northern Nash High	1966	1,150	1,031	-10%	Good
Rocky Mount High	2012	1,390	1,288	-7%	Excellent
Southern Nash High	1968	1,068	1,149	8%	Good
Tar River Academy	1940	95	109	15%	Poor
NRMPS Early College High ⁽¹⁾	N/A	N/A	233	N/A	N/A

N/A = Not Applicable

Source: Nash-Rocky Mount Board of Education N. C. Public Schools Facility Needs Report; 2014

Note:

(1) Early College is located at Nash Community College

NASH COUNTY, NORTH CAROLINA

Demographic Statistics Last Ten Fiscal Years

Year Ended June 30	2005	2006	2007	2008	2009
Population estimate (1)	90,434	91,588	93,178	94,125	94,743
Personal income (2)	\$2,669,084,000	\$2,819,193,000	\$3,009,145,000	\$3,112,413,000	\$3,179,260,000
Per capita income (2)	\$29,514	\$30,781	\$32,295	\$33,067	\$33,557
Median age (3)	37.61	37.76	37.99	38.21	38.43
School enrollment (4)	17,923	17,927	17,904	17,548	17,412
Unemployment rate (5)	6.5%	6.0%	5.7%	7.6%	13.2%
Year Ended June 30	2010	2011	2012	2013	2014
Population estimate (1)	95,851	96,116	95,708	95,093	N/A
Personal income (2)	\$3,320,254,000	\$3,249,373,000	\$3,393,700,000	N/A	N/A
Per capita income (2)	\$34,640	\$33,807	\$35,459	N/A	N/A
Median age (3)	38.58	38.44	38.56	38.67	38.76
School enrollment (4)	16,997	16,802	16,330	16,181	15,917
Unemployment rate (5)	12.2%	12.7%	12.6%	12.6%	8.8%

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, 2014 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2015, 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, 2013 and June 30, 2014 income based information will be shown above as "N/A", and the June 30, 2013 information will be reported for the year ended June 30, 2015, if applicable.

NASH COUNTY, NORTH CAROLINA

Principal Employers

For Years Ended June 30, 2014 and 2005

Employer	2014			2005		
	Employees ⁽¹⁾	Rank	Approximate Percentage of Total County Employment	Employees ⁽¹⁾	Rank	Approximate Percentage of Total County Employment
Nash-Rocky Mount Schools	1,000+	1	3%	1,000+	3	2%
Nash General Hospital	1,000+	2	3%	1,000+	2	2%
Consolidated Diesel Co.	1,000+	3	3%	1,000+	5	2%
County of Nash	500-999	4	2%	500-999	7	2%
Universal Leaf North America	500-999	5	2%	-	-	-
Intercall, Inc.	500-999	6	2%	-	-	-
Wal-Mart Associates, Inc.	500-999	7	2%	-	-	-
PNC Bank NA	500-999	8	2%	1,000+	4	2%
Express Temporary Services, Inc.	250-499	9	1%	-	-	-
Hardee's	250-499	10	1%	-	-	-
Kaba Ilco Corporation	-	-	-	500-999	8	2%
Hospira, Inc.	-	-	-	1,000+	1	2%
Manpower Temporary Services	-	-	-	500-999	6	2%
State of North Carolina	-	-	-	250-499	9	1%
Interstate Brands Corporation	-	-	-	250-499	10	1%
			<u>21%</u>			<u>18%</u>
Total County Employment ⁽²⁾	<u>38,172</u>			<u>41,198</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
For Years Ended June 30, 2014 and 2005

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consolidated Diesel Co.	\$ 200,242,000	1	2.77%	\$ 189,672,000	1	3.49%
Hospira Inc.	154,305,000	2	2.13%	72,605,000	3	1.34%
Universal Leaf North America NC	96,446,000	3	1.33%	106,753,000	2	1.96%
Progress Energy Carolinas	55,030,000	4	0.76%	39,029,000	5	0.72%
Hendon Golden East LLC	35,678,000	5	0.49%	24,478,000	7	0.45%
McLane Mid Atlantic, Inc.	26,987,000	6	0.37%	20,970,000	10	0.39%
Carolina Telephone	26,949,000	7	0.37%	-	-	-
Kaba Ilco-Unican Corporation	20,090,000	8	0.28%	21,993,000	8	0.40%
Rocky Mount WEH LP	19,393,000	9	0.27%	-	-	-
Cheesecake Factory Bakery, Inc.	19,136,000	10	0.26%	-	-	-
PNC - RBC Centura Bank, Inc.	-	-	-	49,624,000	4	0.91%
Sprint	-	-	-	30,863,000	6	0.57%
William Harry Hull, Jr.	-	-	-	21,156,000	9	0.39%
	<u>\$ 654,256,000</u>		<u>9.03%</u>	<u>\$ 577,143,000</u>		<u>10.62%</u>
Total Assessed Valuation	<u>\$ 7,240,869,412</u>			<u>\$ 5,434,727,794</u>		

Source: Nash County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2014.

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

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
2014	\$ 48,579,724	\$ 47,477,353	97.73%
2013	47,082,000	45,192,000	95.99%
2012	46,568,000	44,620,000	95.82%
2011	46,010,000	44,172,000	96.01%
2010	46,000,000	44,205,000	96.10%
2009	42,180,000	40,459,000	95.92%
2008	42,226,000	40,648,000	96.26%
2007	39,669,000	38,698,000	97.55%
2006	37,460,000	36,149,000	96.50%
2005	35,866,000	34,494,000	96.17%

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	Total Tax Levy	Current Tax Collections
2014	\$ 20,382,274	\$ 19,919,760
2013	20,163,252	19,353,844
2012	20,293,013	19,444,130
2011	20,383,481	19,569,205
2010	21,104,306	20,280,779
2009	19,555,572	18,757,679
2008	19,297,580	18,576,423
2007	19,039,414	18,573,376
2006	18,462,297	17,816,166
2005	18,440,103	17,734,704

Source: Nash County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2014.

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

EDGECOMBE COUNTY, NORTH CAROLINA

Demographic Statistics Last Ten Fiscal Years

Year Ended June 30	2005	2006	2007	2008	2009
Population estimate (1)	53,916	53,034	52,644	51,813	51,800
Personal income (2)	\$1,370,000,000	\$1,352,000,000	\$1,400,594,000	\$1,505,271,000	\$1,502,361,000
Per capita income (2)	\$25,410	\$25,493	\$26,605	\$29,052	\$29,003
Median age (3)	37.6	37.8	38.0	38.3	36.74
Unemployment rate (4)	8.8%	8.6%	7.8%	8.3%	14.2%
Year Ended June 30	2010	2011	2012	2013	2014
Population estimate (1)	51,327	56,552	56,039	55,574	N/A
Personal income (2)	\$1,532,713,000	\$1,525,337,000	\$1,605,691,000	N/A	N/A
Per capita income (2)	\$29,862	\$26,972	\$28,653	N/A	N/A
Median age (3)	38.88	36.2	39.59	39.82	40.07
Unemployment rate (4)	16.1%	15.6%	14.3%	14.5%	11.0%

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, 2014 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2015, 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, 2013 and June 30, 2014 income based information will be shown above as "N/A", and the June 30, 2013 information will be reported for the year ended June 30, 2015, if applicable.

EDGECOMBE COUNTY, NORTH CAROLINA

Principal Employers

For Years Ended June 30, 2014 and 2005

Employer	2014			2005		
	Employees ⁽¹⁾	Rank	Approximate Percentage of Total County Employment	Employees ⁽¹⁾	Rank	Approximate Percentage of Total County Employment
QVC, Inc.	1,000+	1	5%	500-999	4	3%
Edgecombe County Public Schools	1,000+	2	5%	500-999	5	3%
City of Rocky Mount	1,000+	3	5%	1,000+	1	5%
Mclane Mid-Atlantic, Inc.	500-999	4	4%	500-999	7	3%
East Carolina Health, Inc.	500-999	5	4%	250-499	8	2%
Edgecombe County	500-999	6	4%	500-999	6	3%
The Hillshire Brands Company	250-499	7	2%	-	-	-
Mebtel, Inc.	250-499	8	2%	-	-	-
Edgecombe Community College	250-499	9	2%	-	-	-
Meadowbrook Meat Co., Inc.	250-499	10	2%	-	-	-
Barnhill Contracting Co., Inc.	-	-	-	500-999	2	3%
Sara Lee Corporation	-	-	-	500-999	3	3%
Carolina System Technology	-	-	-	250-499	9	2%
Air System Components	-	-	-	250-499	10	2%
			<u>35%</u>			<u>29%</u>
Total County Employment ⁽²⁾	<u>20,124</u>			<u>22,008</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 For Years Ended June 30, 2013 and 2004

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
QVC Rocky Mount, Inc.	\$ 79,200,701	1	2.55%	\$ 73,703,681	1	2.98%
Sara Lee Bakery	70,423,629	2	2.26%	71,971,615	2	2.91%
Keihin Carolina Systems Technology	67,411,526	3	2.17%	48,366,714	4	1.96%
Sprint	62,727,413	4	2.02%	62,454,297	3	2.53%
Edgecombe Martin EMC	49,191,240	5	1.58%	18,224,126	8	0.74%
CSX	40,755,281	6	1.31%	14,810,087	9	0.60%
Edgecombe GENCO LLC	39,497,094	7	1.27%	-	-	-
Piedmont Natural Gas Co Inc.	20,215,025	8	0.65%	-	-	-
ABB Power	18,876,090	9	0.61%	-	-	-
Superior Telecommunications	17,556,460	10	0.56%	19,845,620	7	0.80%
Cogentrix	-	-	-	47,912,247	5	1.94%
American Fibers & Yarns	-	-	-	25,355,872	6	1.03%
Carlisle Plastics LP	-	-	-	12,735,074	10	0.52%
	<u>\$465,854,459</u>		<u>14.98%</u>	<u>\$ 395,379,333</u>		<u>16.01%</u>
Total Assessed Valuation	<u>\$ 3,111,231,396</u>			<u>\$ 2,469,703,454</u>		

Source: Edgecombe County, North Carolina Tax Assessor.

Note: This table is a ten year schedule. However, Edgecombe County's top ten taxpayer information for the year ended June 30, 2014 was not available at the time this report was issued. Therefore, June 30, 2014 data will be reported for the year ended June 30, 2015, if applicable.

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

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
2014	N/A	N/A	N/A
2013	\$ 26,783,642	\$ 24,673,245	92.12%
2012	26,636,398	24,658,015	92.57%
2011	27,028,369	25,430,152	94.09%
2010	26,808,512	25,979,749	96.91%
2009	23,320,868	22,869,887	98.07%
2008	23,629,262	23,263,815	98.45%
2007	23,244,190	22,932,067	98.66%
2006	23,151,447	22,891,445	98.88%
2005	23,253,954	23,031,035	99.04%

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	Total Tax Levy	Current Tax Collections
2014	N/A	N/A
2013	11,470,314	10,566,519
2012	11,607,386	10,745,263
2011	11,974,185	11,266,138
2010	12,299,457	11,919,230
2009	10,812,065	10,602,981
2008	10,798,740	10,631,728
2007	11,156,212	11,006,406
2006	11,410,275	11,282,132
2005	11,955,760	11,841,149

N/A = Not Available

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

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

Note: This table is a ten year schedule. However, Edgecombe County's Comprehensive Annual Financial Report for the year ended June 30, 2014 was not available at the time this report was issued. Therefore, June 30, 2014 data will be shown as "N/A" and will be reported for the year ended June 30, 2015, if applicable.



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