



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

**NASHVILLE, NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended  
June 30, 2013**

*Prepared by*  
Susan Blackwell  
and the  
Finance Department



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

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## **Introductory Section**



# NASH-ROCKY MOUNT PUBLIC SCHOOL SYSTEM

December 9, 2013

## **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, 2013, 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 2012-2013 fiscal year, the school system served approximately 16,200 students from kindergarten through 12th grade in 16 elementary schools, 5 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.

# Letter of Transmittal *(continued)*

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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 96,000 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 21<sup>st</sup> Century technology to enhance instruction and promote innovation
- Exhibit excellence in financial and facility planning, management and stewardship
- Engage families and the community to ensure open communication and opportunities to evaluate organizational effectiveness and customer satisfaction

## **INDEPENDENT AUDIT**

Anderson Smith & Wike PLLC has audited the financial records and transactions of the Nash-Rocky Mount Board of Education for the year ended June 30, 2013. 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.



# Letter of Transmittal *(continued)*

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## **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, 2012. In order to be awarded Certificates of Achievement, the Board published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

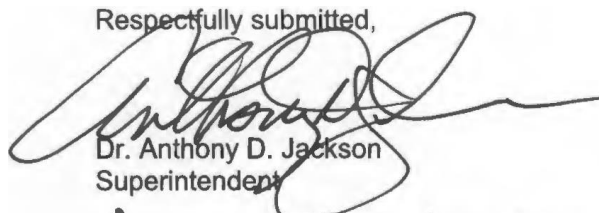
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

## **ACKNOWLEDGEMENTS**

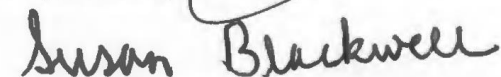
The preparation of this report could not have been accomplished without the dedicated efforts of the finance staff and the Board's independent certified public accounting firm of Anderson Smith & Wike PLLC. We wish to express appreciation to all employees who assisted in the timely closing of the Nash-Rocky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

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

Respectfully submitted,



Dr. Anthony D. Jackson  
Superintendent



Susan Blackwell  
Finance Officer

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

***July 1, 2012 - June 30, 2013***

***Board Members***

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

Brenda Brown	Bob Jenkins
Robert Bynum	William Sharpe
Anne 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*  
Thomas Crabtree, *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

Chief  
Technology Officer

### Technology

Instructional  
Technology

Media /  
Information  
Centers

Tech  
Support

Network  
Management

# 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, 2012*

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



Ron McCulley, CPPB, RSBO  
President

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

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

Presented to

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

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive.

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, 2013 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.

**Auditor's 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, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, State Public School, Restricted Revenue and Federal Grants funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 9 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 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 26, 2013 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 26, 2013  
Rockingham, North Carolina  
(910) 997-1418

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

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This section of the Nash-Rocky Mount Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2013. This information should be read in conjunction with the audited financial statements included in this report.

### ***Financial Highlights***

- The Board's average daily membership for the fiscal year 2012-2013 was 16,181 students, a decrease of 149 students from the 16,330 average daily membership in the fiscal year 2011-2012.

### ***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 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.

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

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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 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.

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

## **Financial Analysis of the Board as a Whole**

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$158.6 million as of June 30, 2013 as compared to \$167.9 million as of June 30, 2012, a decrease of \$9.3 million. The largest component of net position is net investment in capital assets of \$159.1 million, which comprises 100% of the total net position.

Following is a summary of the Statement of Net Position at June 30, 2013 and 2012:

**Table 1**  
**Condensed Statement of Net Position**  
**As of June 30, 2013 and 2012**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/13	6/30/12	6/30/13	6/30/12	6/30/13	6/30/12
Current assets	\$ 11,623,377	\$ 14,387,508	\$ 4,390,139	\$ 3,952,624	\$ 16,013,516	\$ 18,340,132
Capital assets	158,912,061	161,272,575	445,886	472,812	159,357,947	161,745,387
Total assets	170,535,438	175,660,083	4,836,025	4,425,436	175,371,463	180,085,519
Current liabilities	11,462,539	8,383,384	313,775	204,695	11,776,314	8,588,079
Long-term liabilities	4,965,054	3,439,726	41,403	154,131	5,006,457	3,593,857
Total liabilities	16,427,593	11,823,110	355,178	358,826	16,782,771	12,181,936
Net investment in capital assets	158,623,125	161,153,340	445,886	472,812	159,069,011	161,626,152
Restricted net position	2,256,805	5,004,631	-	-	2,256,805	5,004,631
Unrestricted net position (deficit)	(6,772,085)	(2,320,998)	4,034,961	3,593,798	(2,737,124)	1,272,800
Total net position	\$ 154,107,845	\$ 163,836,973	\$ 4,480,847	\$ 4,066,610	\$ 158,588,692	\$ 167,903,583

The net position of the Board's governmental activities decreased \$9.7 million during the year, from \$163.8 million at June 30, 2012 to \$154.1 million at June 30, 2013, indicating a decline in the financial condition of the Board. Net investment in capital assets decreased \$2.5 million due to an excess of depreciation expense over capital additions for the year. Restricted and unrestricted net position decreased by \$2.7 million and \$4.5 million, respectively, primarily due to the Board's purchase of \$7.3 million of laptop computers for students. These computers were financed through an installment purchase agreement which accounts for the majority of the \$4.6 million increase in total liabilities.

The net position of the Board's business-type activities increased \$414,000 from \$4.1 million at June 30, 2012 to \$4.5 million at June 30, 2013. This increase was the net profit generated by our school food service operations during the 2013 fiscal year.

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

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, 2013 and 2012**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/13	6/30/12	6/30/13	6/30/12	6/30/13	6/30/12
Revenues:						
Program revenues:						
Charges for services	\$ 2,530,675	\$ 2,401,656	\$ 2,041,230	\$ 2,176,483	\$ 4,571,905	\$ 4,578,139
Operating grants and contributions	99,665,380	112,319,216	6,788,220	6,550,741	106,453,600	118,869,957
Capital grants and contributions	408,167	119,237	-	327,290	408,167	446,527
General revenues:						
Other revenues	35,416,270	43,080,517	14,306	21,344	35,430,576	43,101,861
Total revenues	138,020,492	157,920,626	8,843,756	9,075,858	146,864,248	166,996,484
Expenses:						
Governmental activities:						
Instructional services	115,863,569	110,629,498	-	-	115,863,569	110,629,498
System-wide support services	29,933,289	29,013,818	-	-	29,933,289	29,013,818
Ancillary services	78,452	149,644	-	-	78,452	149,644
Payments to other governments	1,088,311	1,067,100	-	-	1,088,311	1,067,100
Interest on long-term debt	89,928	258	-	-	89,928	258
Unallocated depreciation	590,034	607,233	-	-	590,034	607,233
Business-type activities:						
School food service	-	-	8,535,556	8,679,368	8,535,556	8,679,368
Total expenses	147,643,583	141,467,551	8,535,556	8,679,368	156,179,139	150,146,919
Excess (deficiency) before transfers	(9,623,091)	16,453,075	308,200	396,490	(9,314,891)	16,849,565
Transfers in (out)	(106,037)	(170,286)	106,037	170,286	-	-
Increase (decrease) in net position	(9,729,128)	16,282,789	414,237	566,776	(9,314,891)	16,849,565
Beginning net position	163,836,973	147,554,184	4,066,610	3,499,834	167,903,583	151,054,018
Ending net position	\$ 154,107,845	\$ 163,836,973	\$ 4,480,847	\$ 4,066,610	\$ 158,588,692	\$ 167,903,583

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

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Total governmental activities generated revenues of \$138.0 million while expenses in this category totaled \$147.6 million for the year ended June 30, 2013, resulting in the aforementioned decrease in net position of \$9.7 million (including transfers to business-type activities of \$106,000). Comparatively, revenues were \$157.9 million, expenses totaled \$141.5 million and transfers out were \$170,000 for the year ended June 30, 2012, resulting in an increase in net position of \$16.3 million. In comparing the two years, revenues decreased \$19.9 million while expenses decreased by \$6.2 million. The decrease in revenues is primarily attributable to an \$11.2 million decline in funding from the Nash County for construction projects and a combined \$6.6 million decline in State Public School Fund and Federal Grants Fund revenues associated with budget cuts at the State and federal level. The increase in expenditures was primarily in instructional services which increased \$5.2 million. This increase was largely due to the purchase of \$7.3 million of laptop computers for students.

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 68.4%, 18.3% and 9.6% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 78.5% of our total expenses during the most recent fiscal year. Of the remaining 21.5% of our total expenses, 20.3% was attributable to system-wide support services.

Our business-type activities generated revenues of \$8.8 million while expenses in this category totaled \$8.5 million for the year ended June 30, 2013. For the year, net position increased by \$414,000 (including transfers in of \$106,000). Comparatively, revenues were \$9.1 million and expenses were \$8.7 million for the year ended June 30, 2012, resulting in an increase in net position of \$567,000 (including transfers in of \$170,000). The two years were very comparable as the district has an established school food service program with no significant changes in average meal participation.

### ***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 \$7.0 million at June 30, 2013, a decrease of \$2.6 million from the \$9.6 million reported at June 30, 2012. All funds except for the Capital Outlay Fund reported a decrease in fund balance for the year.

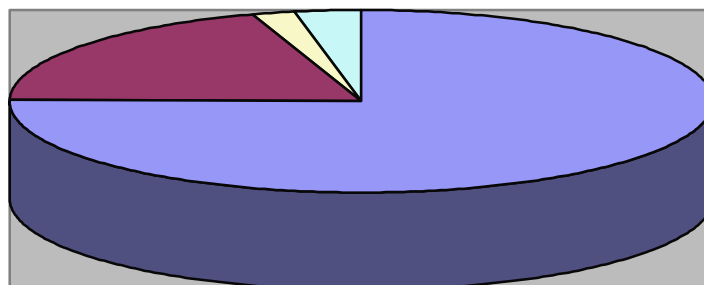
The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these two funds are expended in the year received. Combined revenues (and expenditures) in these funds decreased by \$6.6 million in the year ended June 30, 2013 compared to the previous year. Budget cuts at the State level and the expiration of federal ARRA stimulus funding were the major factors contributing to the decreases.

The Capital Outlay Fund reported an increase in fund balance for the 2013 year of \$500,000. This increase is primarily due to the receipt of a \$700,000 transfer from the General Fund to help pay for renovations at Rocky Mount Middle School which were not completed at June 30, 2013. Construction on Rocky Mount High School was completed during the year with a total cost of \$39.2 million.

The Restricted Revenue Fund reported a decrease in fund balance for the 2013 year of \$878,000. Due to reductions in State and federal funding, the Board budgeted to use Restricted Revenue fund balance reserves to help offset some of these funding cuts for regular instructional expenditures.

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

**Categorization of Expenditures for Governmental Funds**



- **Instructional Services**
- **System-wide Support**
- **Capital Outlay**
- **Other**

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 \$414,000 for the fiscal year ended June 30, 2013 compared to an increase of \$567,000 for the same 2012 period. As previously noted, the two years were very comparable as the district has an established school food service program with no significant changes in average meal participation.

### **General Fund Budgetary Highlights**

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and program allocations. Revisions were approved during the year to increase the original budget for total expenditures by \$1.1 million and increase the budget for transfers to the Capital Outlay Fund by \$700,000 to help pay for renovations at Rocky Mount Middle School. The majority of these increases were budgeted to be paid from appropriated fund balance which increased by \$1.8 million. 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 a decrease in fund balance of \$2.0 million compared to an increase of \$1.8 million in the 2011-2012 year. Several factors contributed to the year-over-year change of \$3.8 million. As mentioned above, the General Fund transferred \$700,000 to the Capital Outlay Fund. Debt service payments of \$555,000 were made from the General Fund for the laptop computer installment purchase agreement. The General Fund reported an increase of \$2.2 million in instructional service expenditures, due mainly to absorbing costs paid for in the prior year from State and federal funds which saw significant cuts in the current year.

### **Capital Assets**

Total primary government capital assets were \$159.4 million at June 30, 2013 compared to \$161.7 million at June 30, 2012, a decrease of 1.5%. More detailed information about the Board's capital assets is contained in note 3 to the financial statements.

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2013 and 2012.



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

**Table 3  
Summary of Capital Assets  
As of June 30, 2013 and 2012**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/13</u>	<u>6/30/12</u>	<u>6/30/13</u>	<u>6/30/12</u>	<u>6/30/13</u>	<u>6/30/12</u>
Capital assets not being depreciated:						
Land	\$ 4,764,741	\$ 4,771,241	\$ -	\$ -	\$ 4,764,741	\$ 4,771,241
Construction in progress	568,326	38,316,994	-	-	568,326	38,316,994
Capital assets being depreciated:						
Buildings and improvements	139,156,127	103,074,664	-	-	139,156,127	103,074,664
Equipment and furniture	13,074,411	13,589,327	371,260	382,174	13,445,671	13,971,501
Vehicles	1,348,456	1,520,349	74,626	90,638	1,423,082	1,610,987
Total	<u>\$ 158,912,061</u>	<u>\$ 161,272,575</u>	<u>\$ 445,886</u>	<u>\$ 472,812</u>	<u>\$ 159,357,947</u>	<u>\$ 161,745,387</u>

### Debt Outstanding

During the year, the outstanding balances for installment purchase contracts increased by \$4.7 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 the note 3 to the financial statements.

### Economic Factors

The unemployment rate in Nash County at June 30, 2013 was 12.6%, no change from the 12.6% rate reported at June 30, 2012. The County's unemployment rate continues to be higher than the N.C. statewide and national unemployment rates which were 9.3% and 7.8%, respectively, at June 30, 2013.

### 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, 2013**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 7,128,515	\$ 4,000,275	\$ 11,128,790
Due from other governments	3,734,793	139,662	3,874,455
Receivables	111,155	26,096	137,251
Internal balances	(2,950)	2,950	-
Inventories	651,864	221,156	873,020
Capital assets:			
Land	5,333,067	-	5,333,067
Other capital assets, net of depreciation	153,578,994	445,886	154,024,880
Total capital assets	158,912,061	445,886	159,357,947
Total assets	170,535,438	4,836,025	175,371,463
<b>Liabilities</b>			
Accounts payable and accrued expenses	629,283	5,468	634,751
Accrued salaries and wages payable	3,530,977	49,624	3,580,601
Unavailable revenue	459,555	20,724	480,279
Accrued interest payable	89,928	-	89,928
Long-term liabilities:			
Due within one year	6,752,796	237,959	6,990,755
Due in more than one year	4,965,054	41,403	5,006,457
Total liabilities	16,427,593	355,178	16,782,771
<b>Net position</b>			
Net investment in capital assets	158,623,125	445,886	159,069,011
Restricted for:			
Stabilization by State statute	269,092	-	269,092
School capital outlay	1,179,285	-	1,179,285
Instructional services	7,578	-	7,578
Individual schools activities	800,850	-	800,850
Unrestricted (deficit)	(6,772,085)	4,034,961	(2,737,124)
Total net position	\$ 154,107,845	\$ 4,480,847	\$ 158,588,692

*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, 2013**

**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	\$ 70,351,891	\$ -	\$ 53,023,274	\$ -	\$ (17,328,617)	\$ -	\$ (17,328,617)
Special populations	15,378,663	-	14,583,090	-	(795,573)	-	(795,573)
Alternative programs	9,712,559	-	10,179,489	-	466,930	-	466,930
School leadership	8,558,447	-	4,142,382	-	(4,416,065)	-	(4,416,065)
Co-curricular	3,945,200	2,530,675	-	-	(1,414,525)	-	(1,414,525)
School-based support	7,916,809	-	6,201,047	-	(1,715,762)	-	(1,715,762)
System-wide support services:							
Support and development	1,757,453	-	1,375,903	-	(381,550)	-	(381,550)
Special population support and development	635,951	-	537,038	-	(98,913)	-	(98,913)
Alternative programs and services support and development	79,068	-	79,051	-	(17)	-	(17)
Technology support	1,344,856	-	181,247	-	(1,163,609)	-	(1,163,609)
Operational support	22,193,991	-	8,279,802	408,167	(13,506,022)	-	(13,506,022)
Financial and human resource services	1,625,470	-	242,821	-	(1,382,649)	-	(1,382,649)
Accountability	286,476	-	-	-	(286,476)	-	(286,476)
System-wide pupil support	20	-	-	-	(20)	-	(20)
Policy, leadership and public relations	2,010,004	-	610,547	-	(1,399,457)	-	(1,399,457)
Ancillary services	78,452	-	86,760	-	8,308	-	8,308
Payments to other governments	1,088,311	-	142,929	-	(945,382)	-	(945,382)
Interest on long-term debt	89,928	-	-	-	(89,928)	-	(89,928)
Unallocated depreciation expense**	590,034	-	-	-	(590,034)	-	(590,034)
Total governmental activities	147,643,583	2,530,675	99,665,380	408,167	(45,039,361)	-	(45,039,361)
Business-type activities:							
School food service	8,535,556	2,041,230	6,788,220	-	-	293,894	293,894
Total primary government	\$ 156,179,139	\$ 4,571,905	\$ 106,453,600	\$ 408,167	(45,039,361)	293,894	(44,745,467)
General revenues:							
Unrestricted county appropriations - operating					21,993,806	-	21,993,806
Unrestricted county appropriations - capital					3,376,518	-	3,376,518
Unrestricted State appropriations - operating					7,582,561	-	7,582,561
Unrestricted Federal appropriations - operating					7,246	-	7,246
Unrestricted State appropriations - capital					524,110	-	524,110
Investment earnings, unrestricted					10,890	5,777	16,667
Miscellaneous, unrestricted					1,921,139	8,529	1,929,668
Transfers					(106,037)	106,037	-
Total general revenues and transfers					35,310,233	120,343	35,430,576
Change in net position					(9,729,128)	414,237	(9,314,891)
Net position - beginning					163,836,973	4,066,610	167,903,583
Net position - ending					\$ 154,107,845	\$ 4,480,847	\$ 158,588,692

\*\*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, 2013**

**Exhibit 3**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Restricted Revenue	Capital Outlay	Individual Schools	
<b>Assets</b>							
Cash and cash equivalents	\$ 2,824,698	\$ -	\$ -	\$ 2,247,220	\$ 1,255,747	\$ 800,850	\$ 7,128,515
Due from other governments	37,866	3,209,109	240,536	200,985	46,297	-	3,734,793
Accounts receivable	19,094	-	-	92,061	-	-	111,155
Due from other funds	-	104,094	14,632	2,639	-	-	121,365
Inventories	651,864	-	-	-	-	-	651,864
Total assets	<u>\$ 3,533,522</u>	<u>\$ 3,313,203</u>	<u>\$ 255,168</u>	<u>\$ 2,542,905</u>	<u>\$ 1,302,044</u>	<u>\$ 800,850</u>	<u>\$ 11,747,692</u>
<b>Liabilities and Fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 380,957	\$ 104,094	\$ 14,632	\$ 6,841	\$ 122,759	\$ -	\$ 629,283
Accrued salaries and wages payable	19,027	3,209,109	240,536	62,305	-	-	3,530,977
Due to other funds	124,315	-	-	-	-	-	124,315
Unavailable revenue	-	-	-	459,555	-	-	459,555
Total liabilities	<u>524,299</u>	<u>3,313,203</u>	<u>255,168</u>	<u>528,701</u>	<u>122,759</u>	<u>-</u>	<u>4,744,130</u>
Fund balances:							
Nonspendable:							
Inventories	651,864	-	-	-	-	-	651,864
Restricted:							
Stabilization by State statute	177,031	-	-	92,061	-	-	269,092
School capital outlay	-	-	-	-	1,179,285	-	1,179,285
Instructional services	-	-	-	7,578	-	-	7,578
Individual schools	-	-	-	-	-	800,850	800,850
Assigned:							
Special revenues	-	-	-	1,914,565	-	-	1,914,565
Unassigned	2,180,328	-	-	-	-	-	2,180,328
Total fund balances	<u>3,009,223</u>	<u>-</u>	<u>-</u>	<u>2,014,204</u>	<u>1,179,285</u>	<u>800,850</u>	<u>7,003,562</u>
Total liabilities and fund balances	<u>\$ 3,533,522</u>	<u>\$ 3,313,203</u>	<u>\$ 255,168</u>	<u>\$ 2,542,905</u>	<u>\$ 1,302,044</u>	<u>\$ 800,850</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.	158,912,061
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.	(11,807,778)
Net position of governmental activities	<u>\$ 154,107,845</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, 2013**

**Exhibit 4**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Restricted Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 92,802,230	\$ -	\$ 1,010,615	\$ 932,277	\$ -	\$ 94,745,122
Local Counties and City	21,993,806	-	-	-	3,376,518	-	25,370,324
U.S. Government	-	-	13,100,977	239,496	-	-	13,340,473
Other	545,539	-	-	2,044,673	89,767	2,399,722	5,079,701
Total revenues	22,539,345	92,802,230	13,100,977	3,294,784	4,398,562	2,399,722	138,535,620
Expenditures:							
Current:							
Instructional services:							
Regular instructional	2,326,552	53,628,300	580,173	2,699,256	7,549,430	-	66,783,711
Special populations	429,441	11,054,962	3,537,050	355,423	-	-	15,376,876
Alternative programs	100,034	4,427,860	4,560,754	622,783	-	-	9,711,431
School leadership	2,273,268	6,284,185	-	-	-	-	8,557,453
Co-curricular	950,432	-	408,382	-	26,455	2,559,473	3,944,742
School-based support	716,793	6,461,803	417,106	320,187	-	-	7,915,889
System-wide support services:							
Support and development	380,523	564,704	690,240	121,782	-	-	1,757,249
Special population support and development	98,839	81,753	455,285	-	-	-	635,877
Alternative programs and services support and development	8	433	78,618	-	-	-	79,059
Technology support	235,639	1,109,061	-	-	-	-	1,344,700
Operational support	11,327,920	7,972,330	201,435	(9,245)	1,362,720	-	20,855,160
Financial and human resource services	1,889,502	214,749	28,072	-	-	-	2,132,323
Accountability	286,443	-	-	-	-	-	286,443
System-wide pupil support	20	-	-	-	-	-	20
Policy, leadership and public relations	1,357,763	652,007	-	-	-	-	2,009,770
Ancillary services	970	14,046	933	62,503	-	-	78,452
Non-programmed charges	1,088,311	-	142,929	-	-	-	1,231,240
Debt service:							
Principal retirement	555,000	230,000	2,000,000	-	408,171	-	3,193,171
Capital outlay	-	-	-	-	3,143,848	-	3,143,848
Total expenditures	24,017,458	92,696,193	13,100,977	4,172,689	12,490,624	2,559,473	149,037,414
Revenues over (under) expenditures	(1,478,113)	106,037	-	(877,905)	(8,092,062)	(159,751)	(10,501,794)
Other financing sources (uses):							
Transfers from other funds	-	-	-	-	700,000	-	700,000
Transfers to other funds	(700,000)	(106,037)	-	-	-	-	(806,037)
Installment purchase obligations issued	-	-	-	-	7,891,854	-	7,891,854
Total other financing sources (uses)	(700,000)	(106,037)	-	-	8,591,854	-	7,785,817
Net change in fund balance	(2,178,113)	-	-	(877,905)	499,792	(159,751)	(2,715,977)
Fund balances:							
Beginning of year	5,034,933	-	-	2,892,109	679,493	960,601	9,567,136
Increase in reserve for inventories	152,403	-	-	-	-	-	152,403
End of year	\$ 3,009,223	\$ -	\$ -	\$ 2,014,204	\$ 1,179,285	\$ 800,850	\$ 7,003,562

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, 2013**

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

Net changes in fund balances - total governmental funds	\$ (2,715,977)
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Change in fund balance due to change in reserve for inventory	152,403
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(2,343,013)
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Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(22,200)
--	----------

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	4,699
------------------------------------	-------

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.	(4,698,683)
--	-------------

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	(89,928)
Compensated absences	(16,429)

Total changes in net position of governmental activities	<u>\$ (9,729,128)</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, 2013**

Exhibit 6

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Local Counties and City	21,663,949	21,713,143	21,993,806	280,663
U.S. Government	-	-	-	-
Other	625,000	633,000	545,539	(87,461)
Total revenues	22,288,949	22,346,143	22,539,345	193,202
Expenditures:				
Current:				
Instructional services	6,192,420	7,150,052	6,796,520	353,532
System-wide support services	16,596,529	16,110,052	15,576,657	533,395
Ancillary services	-	970	970	-
Non-programmed charges	1,000,000	1,088,311	1,088,311	-
Debt service:				
Principal retirement	-	555,000	555,000	-
Total expenditures	23,788,949	24,904,385	24,017,458	886,927
Revenues over (under) expenditures	(1,500,000)	(2,558,242)	(1,478,113)	1,080,129
Other financing uses:				
Transfers to other funds	-	(700,000)	(700,000)	-
Fund balance appropriated	1,500,000	3,258,242	-	(3,258,242)
Net change in fund balance	\$ -	\$ -	(2,178,113)	\$ (2,178,113)
Fund balances:				
Beginning of year			5,034,933	
Increase in reserve for inventories			152,403	
End of year			\$ 3,009,223	

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, 2013**

	State Public School Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 87,499,358	\$ 97,211,338	\$ 92,802,230	\$ (4,409,108)
Local Counties and City	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	<u>87,499,358</u>	<u>97,211,338</u>	<u>92,802,230</u>	<u>(4,409,108)</u>
Expenditures:				
Current:				
Instructional services	75,105,469	85,580,424	81,857,110	3,723,314
System-wide support services	12,307,228	11,213,328	10,595,037	618,291
Ancillary services	86,661	81,549	14,046	67,503
Non-programmed charges	-	-	-	-
Debt service:				
Principal retirement	-	230,000	230,000	-
Total expenditures	<u>87,499,358</u>	<u>97,105,301</u>	<u>92,696,193</u>	<u>4,409,108</u>
Revenues over (under) expenditures	-	106,037	106,037	-
Other financing uses:				
Transfers to other funds	-	(106,037)	(106,037)	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
Increase 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, 2013**

	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	17,555,365	18,957,551	13,100,977	(5,856,574)
Other	-	-	-	-
Total revenues	<u>17,555,365</u>	<u>18,957,551</u>	<u>13,100,977</u>	<u>(5,856,574)</u>
Expenditures:				
Current:				
Instructional services	11,698,753	11,417,072	9,503,465	1,913,607
System-wide support services	1,715,408	2,059,039	1,453,650	605,389
Ancillary services	2,000	4,000	933	3,067
Non-programmed charges	4,139,204	3,477,440	142,929	3,334,511
Debt service				
Principal retirement	-	2,000,000	2,000,000	-
Total expenditures	<u>17,555,365</u>	<u>18,957,551</u>	<u>13,100,977</u>	<u>5,856,574</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			-	
Increase 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, 2013**

	Restricted Revenue Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ 1,267,676	\$ 1,010,615	\$ (257,061)
Local Counties and City	-	-	-	-
U.S. Government	200,000	200,000	239,496	39,496
Other	<u>1,432,589</u>	<u>1,666,911</u>	<u>2,044,673</u>	<u>377,762</u>
Total revenues	<u>1,632,589</u>	<u>3,134,587</u>	<u>3,294,784</u>	<u>160,197</u>
Expenditures:				
Current:				
Instructional services	1,632,589	4,682,539	3,997,649	684,890
System-wide support services	-	199,214	112,537	86,677
Ancillary services	-	61,351	62,503	(1,152)
Non-programmed charges	-	175	-	175
Debt service				
Principal retirement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,632,589</u>	<u>4,943,279</u>	<u>4,172,689</u>	<u>770,590</u>
Revenues over (under) expenditures	-	(1,808,692)	(877,905)	930,787
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	<u>-</u>	<u>1,808,692</u>	<u>-</u>	<u>(1,808,692)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(877,905)	<u>\$ (877,905)</u>
Fund balances:				
Beginning of year			2,892,109	
Increase in reserve for inventories			<u>-</u>	
End of year			<u>\$ 2,014,204</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, 2013**

**Exhibit 7**

	Enterprise Fund
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 4,000,275
Due from other governments	139,662
Receivables	26,096
Due from other funds	2,950
Inventories	221,156
Total current assets	<u>4,390,139</u>
Noncurrent assets:	
Capital assets:	
Furniture and office equipment, net	<u>445,886</u>
Total assets	<u>4,836,025</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	5,468
Accrued salaries and wages payable	49,624
Compensated absences	237,959
Unavailable revenue	20,724
Total current liabilities	<u>313,775</u>
Noncurrent liabilities:	
Compensated absences	<u>41,403</u>
Total liabilities	<u>355,178</u>
<b>Net position</b>	
Net investment in capital assets	445,886
Unrestricted	<u>4,034,961</u>
Total net position	<u>\$ 4,480,847</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, 2013**

**Exhibit 8**

	Enterprise Fund Major Fund School Food Service
Operating revenues:	
Food sales	\$ 2,041,230
Operating expenses:	
Food cost:	
Purchase of food	2,731,609
Donated commodities	536,251
Salaries and benefits	4,277,101
Indirect costs	525,350
Materials and supplies	337,886
Repairs and maintenance	136,310
Depreciation	50,897
Non-capitalized equipment	51,443
Contracted services	3,380
Other	60,680
Total operating expenses	8,710,907
Operating loss	(6,669,677)
Nonoperating revenues:	
Federal reimbursements	6,233,368
Federal commodities	536,251
State reimbursements	18,601
Indirect costs not paid	175,351
Interest earned	5,777
Other	8,529
Total nonoperating revenues	6,977,877
Income before transfers	308,200
Transfers from other funds	106,037
Change in net position	414,237
Net position, beginning of year	4,066,610
Net position, end of year	\$ 4,480,847

*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, 2013**

**Exhibit 9**

	Enterprise Fund
	Major Fund
	School Food Service
Cash flows from operating activities:	
Cash received from customers	\$ 2,024,543
Cash paid for goods and services	(3,613,376)
Cash paid to employees for services	(4,180,066)
Other revenues	8,529
Net cash used by operating activities	(5,760,370)
Cash flows from noncapital financing activities:	
Due from other funds	(2,950)
Federal and State reimbursements	6,251,101
Net cash provided by noncapital financing activities	6,248,151
Cash flows from capital and related financing activities:	
Purchase of capital assets	(23,971)
Cash flows from investing activities:	
Interest earned on investments	5,777
Net increase in cash and cash equivalents	469,587
Cash and cash equivalents, beginning of year	3,530,688
Cash and cash equivalents, end of year	\$ 4,000,275
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (6,669,677)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	50,897
Donated commodities	536,251
Salaries paid by special revenue fund	106,037
Indirect costs not paid	175,351
Other revenues	8,529
Changes in assets and liabilities:	
Increase in accounts receivable	(18,163)
Decrease in inventories	54,053
Increase in accounts payable and accrued liabilities	3,878
Decrease in accrued salaries and wages payable	(2,144)
Increase in unavailable revenue	1,476
Decrease in compensated absences payable	(6,858)
Total adjustments	909,307
Net cash used by operating activities	\$ (5,760,370)

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$536,251 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 \$175,361 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 \$106,037 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, 2013**

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

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

A. Reporting Entity

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

B. Basis of Presentation

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

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

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

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, 2013**

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

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

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

The Board reports the following nonmajor governmental funds:

*Individual Schools Fund.* The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

The Board reports the following major enterprise fund:

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

**C. Measurement Focus and Basis of Accounting**

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Board's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the purpose level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys from one function to another within a fund without limitation. Amendments are required for any revisions that alter total expenditures of any fund or that change appropriations at the purpose level. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, 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, 2013**

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3. Inventories

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

4. Capital Assets

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, 2013**

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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, 2013 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, 2013**

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*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 use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

**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 \$147,104,283 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)	\$240,661,957
Less accumulated depreciation	<u>(81,749,896)</u>
Net capital assets	158,912,061
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	(4,817,918)
Accrued interest payable	(89,928)
Compensated absences	<u>(6,899,932)</u>
Total adjustment	<u>\$147,104,283</u>

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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- 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 \$(7,013,151) 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	\$ 2,557,205
Change in fund balance due to change in reserve for inventory	152,403
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	(4,900,218)
Proceeds from the sale of capital assets are recorded as revenues in the fund Statements but not in the statement of activities	(22,200)
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	4,699
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities – it only affects the government-wide statement of net position	(7,891,854)
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	3,193,171
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	(89,928)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(16,429)
Total adjustment	<u>\$ (7,013,151)</u>

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Excess of Expenditures Over Appropriations

During the fiscal year ended June 30, 2013, the Board reported expenditures within the Restricted Grants Fund and Capital Outlay Fund that violated State law [G.S. 115C-441] because they exceeded the amount appropriated in the budget ordinance, as summarized below:

Restricted Grants Fund – Ancillary services	\$ 1,152
Capital Outlay Fund	1,278,417

The violation in the Capital Outlay Fund was attributable to an oversight by management in budgeting for non-cash transactions for Nash County installment purchase revenues and related expenditures paid for by Nash County. The net effect of recording these transactions in the Capital Outlay Fund was \$0 since revenues equaled expenditures. Management will monitor budgets monthly and make necessary amendments to avoid expenditures in excess of appropriations.

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

A. Assets

1. Deposits

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

At June 30, 2013, the Board had deposits with banks and savings and loans with a carrying amount of \$8,459,876 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$9,646,951 and \$2,273,839, respectively. Of these balances, \$1,122,600 was covered by federal depository insurance and \$10,798,190 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2013, the Board had \$2,668,914 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.6 years at June 30, 2013. The Board has no policy for managing interest rate risk or credit risk.

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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3. Accounts Receivable

Receivables at the government-wide level at June 30, 2013 are as follows:

	Due from (to) other funds (Internal Balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ (124,315)	\$ 37,866	\$ 19,094	\$ (67,355)
Other governmental activities	<u>121,365</u>	<u>3,696,927</u>	<u>92,061</u>	<u>3,910,353</u>
Total governmental activities	<u>\$ (2,950)</u>	<u>\$ 3,734,793</u>	<u>\$ 111,155</u>	<u>\$ 3,842,998</u>
Business-type activities:				
School Food Service Fund	<u>\$ 2,950</u>	<u>\$ 139,662</u>	<u>\$ 26,096</u>	<u>\$ 168,708</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 37,866	Edgecombe and Nash County
State Public School Fund	3,209,109	Operating funds from DPI
Federal Grants funds	240,536	Federal grant funds
Restricted Revenue Fund	200,985	Federal and State grants
Capital Outlay Fund	<u>46,297</u>	Edgecombe County
	<u>\$ 3,734,793</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 139,662</u>	Federal grant funds

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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4. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,771,241	\$ -	\$ 6,500	\$ 4,764,741
Construction in progress	38,316,994	1,500,966	39,249,634	568,326
Total capital assets not being depreciated	43,088,235	1,500,966	39,256,134	5,333,067
Capital assets being depreciated:				
Buildings and improvements	152,803,335	39,641,882	-	192,445,217
Equipment and furniture	26,926,764	86,119	42,163	26,970,720
Vehicles	16,430,886	577,872	1,095,805	15,912,953
Total capital assets being depreciated	196,160,985	40,305,873	1,137,968	235,328,890
Less accumulated depreciation for:				
Buildings and improvements	49,728,671	3,560,419	-	53,289,090
Equipment and furniture	13,337,437	590,034	31,162	13,896,309
Vehicles	14,910,537	749,765	1,095,805	14,564,497
Total accumulated depreciation	77,976,645	4,900,218	1,126,967	81,749,896
Total capital assets being depreciated, net	118,184,340			153,578,994
Governmental activity capital assets, net	<u>\$ 161,272,575</u>			<u>\$ 158,912,061</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 2,039,027	\$ 23,971	\$ -	\$ 2,062,998
Vehicles	286,473	-	-	286,473
Total capital assets being depreciated	2,325,500	23,971	-	2,349,471
Less accumulated depreciation for:				
Equipment and furniture	1,656,853	34,885	-	1,691,738
Vehicles	195,835	16,012	-	211,847
Total accumulated depreciation	1,852,688	50,897	-	1,903,585
School Food Service capital assets, net	<u>\$ 472,812</u>			<u>\$ 445,886</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 3,560,419
System-wide support services	749,765
Unallocated depreciation	<u>590,034</u>
Total	<u>\$ 4,900,218</u>

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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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 8.33% 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, 2013, 2012 and 2011 were \$6,840,353, \$6,357,633 and \$4,252,777, 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



**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
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hired on and after October 1, 2006 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium. For employees hired before October 1, 2006, healthcare benefits are provided to retirees (at no charge to the retirees) who have at least five years of contributing retirement membership prior to disability or retirement. In addition, persons who became surviving spouses of retirees prior to October 1, 1986, receive the same coverage as retirees at the State's expense.

Contributions are determined as a percentage of covered monthly payroll. Annually, the monthly contribution rates to the Plan, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill. For the fiscal years ended June 30, 2013, 2012, and 2011, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of \$4,352,205, \$4,272,603 and \$4,292,241, respectively. These contributions represented 5.30%, 5.00% and 4.90% 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



**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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

The Board's contributions are established in the Appropriations Bill by the General Assembly. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit. For the fiscal years ended June 30, 2013, 2012 and 2011, the Board paid all annual required contributions to the DIPNC for disability benefits of \$361,315, \$444,351 and \$455,503, respectively. These contributions represented 0.44%, 0.52% and 0.52% of covered payroll, respectively.

## 2. Accounts Payable

Accounts payable as of June 30, 2013 are as follows:

	<u>Vendors</u>
Governmental activities:	
General Fund	\$ 380,957
Other governmental activities	<u>248,326</u>
Total governmental activities	<u>\$ 629,283</u>
Business-type activities:	
School Food Service Fund	<u>\$ 5,468</u>

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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3. Unavailable Revenues

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

Governmental activities:	
Grants not yet earned (Restricted Revenue Fund)	<u>\$ 459,555</u>
Business-type activities:	
Prepayments of meals (School Food Service Fund)	<u>\$ 20,724</u>

Unavailable 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, 2013**

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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 15<sup>th</sup> 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 27<sup>th</sup> through 2015.

The future minimum payments of the installment purchases as of June 30, 2013 are as follows:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u> <u>Principal</u>
2014	\$ 1,734,098
2015	1,734,098
2016	<u>1,589,630</u>
	5,057,826
Less portion representing interest	<u>(239,908)</u>
Total principal obligation	<u>\$ 4,817,918</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, 2013:

	<u>July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2013</u>	<u>Current Portion</u>
Governmental activities:					
Installment purchases	\$ 119,235	\$ 7,891,854	\$ 3,193,171	\$ 4,817,918	\$ 1,615,171
Compensated absences	<u>6,883,503</u>	<u>5,141,821</u>	<u>5,125,392</u>	<u>6,899,932</u>	<u>5,137,625</u>
Total governmental activities	<u>\$ 7,002,738</u>	<u>\$ 13,033,675</u>	<u>\$ 8,318,563</u>	<u>\$ 11,717,850</u>	<u>\$ 6,752,796</u>
Business-type activities:					
Compensated absences	<u>\$ 286,220</u>	<u>\$ 236,943</u>	<u>\$ 243,801</u>	<u>\$ 279,362</u>	<u>\$ 237,959</u>

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

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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C. Interfund Balances and Activity

1. Transfers to/from other Funds

Transfers to/from other funds during the year ended June 30, 2013 consisted of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 106,037</u>
From the General Fund to the Capital Outlay Fund for capital expenditures	<u>\$ 700,000</u>

2. Interfund Balances

The composition of interfund balances as of June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
State Public School Fund	General Fund	<u>\$ 104,094</u>
Federal Grants Fund	General Fund	<u>\$ 14,632</u>
Restricted Revenue Fund	General Fund	<u>\$ 2,639</u>
School Food Service Fund	General Fund	<u>\$ 2,950</u>

The amounts above represent \$124,315 owed by the General Fund to various funds for the reimbursement of insurance withholdings that were refunded to employees during the year. These amounts are expected to be paid prior to June 30, 2014.

D. Fund Balance

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

Total fund balance - General Fund	\$ 3,009,223
Less:	
Inventories	(651,864)
Stabilization by State statute	<u>(177,031)</u>
Remaining fund balance	<u>\$ 2,180,328</u>

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, 2013 were as follows:

General Fund	\$ 120,071
Capital Outlay Fund	784,291

**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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6. Contingent Liabilities

As of the date of our report, the Board was a defendant to various 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.

**NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

Federal and State Assisted Programs

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

**NOTE 5 – CHANGE IN ACCOUNTING PRINCIPLES**

The Board implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Liabilities, or Net Position.

**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, 2013**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Local Counties and City			
Edgecombe County appropriation	\$ 2,189,118	\$ 2,189,118	\$ -
Nash County appropriation	19,175,261	19,175,261	-
City of Rocky Mount appropriation	348,764	629,427	280,663
Total Local Counties and City	21,713,143	21,993,806	280,663
Other:			
Fines and forfeitures	600,000	527,949	(72,051)
Interest earned on investment	25,000	9,590	(15,410)
Miscellaneous	8,000	8,000	-
Total other	633,000	545,539	(87,461)
Total revenues	22,346,143	22,539,345	193,202
Expenditures:			
Current:			
Instructional services:			
Regular instructional	-	2,326,552	-
Special populations	-	429,441	-
Alternative programs	-	100,034	-
School leadership	-	2,273,268	-
Co-curricular	-	950,432	-
School-based support	-	716,793	-
Total instructional services	7,150,052	6,796,520	353,532
System-wide support services:			
Support and development	-	380,523	-
Special population support and development	-	98,839	-
Alternative programs and services			
support and development	-	8	-
Technology support	-	235,639	-
Operational support	-	11,327,920	-
Financial and human resource services	-	1,889,502	-
Accountability	-	286,443	-
System-wide pupil support	-	20	-
Policy, leadership and public relations	-	1,357,763	-
Total system-wide support services	16,110,052	15,576,657	533,395

**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, 2013**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures: (Continued)			
Current:			
Ancillary services:			
Nutrition	<u>970</u>	<u>970</u>	<u>-</u>
Non-programmed charges			
Payments to other governments	<u>1,088,311</u>	<u>1,088,311</u>	<u>-</u>
Debt service:			
Principal retirement	<u>555,000</u>	<u>555,000</u>	<u>-</u>
Total expenditures	<u>24,904,385</u>	<u>24,017,458</u>	<u>886,927</u>
Revenues under expenditures	(2,558,242)	(1,478,113)	1,080,129
Other financing uses:			
Transfers to other funds	(700,000)	(700,000)	-
Fund balance appropriated	<u>3,258,242</u>	<u>-</u>	<u>(3,258,242)</u>
Net change in fund balance	<u>\$ -</u>	(2,178,113)	<u>\$ (2,178,113)</u>
Fund balance:			
Beginning of year		5,034,933	
Increase in reserve for inventories		<u>152,403</u>	
End of year		<u>\$ 3,009,223</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, 2013**

	Revenues	Expenditures	Net change in fund balance	Fund balances June 30, 2012	Fund balances June 30, 2013
Bailey Elementary	\$ 27,447	\$ 30,032	\$ (2,585)	\$ 15,144	\$ 12,559
Baskerville Elementary	21,146	24,724	(3,578)	7,649	4,071
Benvenue Elementary	12,108	13,479	(1,371)	15,362	13,991
Cedar Grove Elementary	19,640	29,504	(9,864)	19,285	9,421
Coopers Elementary	17,481	17,592	(111)	23,265	23,154
Englewood Elementary	12,950	10,359	2,591	18,207	20,798
M.B. Hubbard Elementary	25,878	27,500	(1,622)	6,941	5,319
D.S. Johnson Elementary	11,493	11,359	134	3,254	3,388
Middlesex Elementary	27,129	24,286	2,843	7,486	10,329
Nashville Elementary	47,835	43,815	4,020	13,180	17,200
O.R. Pope Elementary	21,942	19,066	2,876	6,107	8,983
Red Oak Elementary	14,095	10,904	3,191	8,365	11,556
Spring Hope Elementary	49,881	49,957	(76)	15,245	15,169
Swift Creek Elementary	18,995	17,297	1,698	2,613	4,311
Willford Elementary	3,844	4,817	(973)	4,078	3,105
Winstead Elementary	19,223	18,403	820	10,422	11,242
J.W. Parker Middle	54,728	59,573	(4,845)	15,930	11,085
Edwards Middle	81,212	83,967	(2,755)	25,813	23,058
Nash Central Middle	79,645	74,005	5,640	9,384	15,024
Red Oak Middle	141,529	155,403	(13,874)	56,963	43,089
Southern Nash Middle	122,408	124,893	(2,485)	67,977	65,492
Nash Central High	461,096	474,329	(13,233)	106,025	92,792
Northern Nash Senior	382,986	405,215	(22,229)	120,197	97,968
Rocky Mount High	334,885	327,303	7,582	81,894	89,476
Southern Nash Senior	364,466	472,379	(107,913)	263,794	155,881
Tar River Academy	1,555	1,756	(201)	269	68
Nash-Rocky Mount Middle College	24,080	26,914	(2,834)	35,155	32,321
Fairview Early Childhood	45	642	(597)	597	-
Totals	<u>\$ 2,399,722</u>	<u>\$ 2,559,473</u>	<u>\$ (159,751)</u>	<u>\$ 960,601</u>	<u>\$ 800,850</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, 2013**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 408,167	\$ 408,167	\$ -
Public School Capital Fund - Lottery	500,000	471,690	(28,310)
Public School Building Capital Fund	-	52,420	52,420
Total State of North Carolina	908,167	932,277	24,110
Local Counties and City:			
Edgecombe County appropriations	145,000	163,421	18,421
Nash County appropriations	1,396,890	1,396,890	-
Nash County installment purchases	-	1,816,207	1,816,207
Total Nash-Rocky Mount	1,541,890	3,376,518	1,834,628
Other:			
Interest earned on investments	500	225	(275)
Proceeds from disposal of capital assets	-	22,200	22,200
Miscellaneous	50,000	67,342	17,342
Total other	50,500	89,767	39,267
Total revenues	2,500,557	4,398,562	1,898,005
Expenditures:			
Debt service:			
Principal retirement	408,167	408,171	(4)
Current:			
Instructional services:			
Regular instructional	-	7,549,430	-
Co-curricular	-	26,455	-
Total instructional services	7,604,931	7,575,885	29,046
System-wide support services:			
Operational support	1,718,087	1,362,720	355,367
Capital outlay			
Rocky Mount Middle School - Lottery	-	471,690	-
Other	-	2,672,158	-
Total capital outlay	1,865,431	3,143,848	(1,278,417)
Total expenditures	11,596,616	12,490,624	(894,008)
Revenues under expenditures	(9,096,059)	(8,092,062)	1,003,997
Other financing sources:			
Transfers from other funds	700,000	700,000	-
Installment purchase obligations issued	7,891,854	7,891,854	-
Total other financing sources	8,591,854	8,591,854	-
Fund balance appropriated	504,205	-	(504,205)
Net change in fund balance	\$ -	499,792	\$ 499,792
Fund balance:			
Beginning of year		679,493	
End of year		\$ 1,179,285	

**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, 2013**

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues - food sales	\$ 2,310,734	\$ 2,041,230	\$ (269,504)
Operating expenditures:			
Business support services:			
Purchase of food	-	2,677,556	-
Donated commodities	-	536,251	-
Salaries and benefits	-	4,283,959	-
Indirect costs	-	525,350	-
Materials and supplies	-	337,886	-
Repairs and maintenance	-	136,310	-
Non-capitalized equipment	-	51,443	-
Contracted services	-	3,380	-
Other	-	60,680	-
Capital outlay	-	23,971	-
Total operating expenditures	9,522,637	8,636,786	885,851
Operating loss	(7,211,903)	(6,595,556)	616,347
Nonoperating revenues:			
Federal reimbursements and grants	6,097,600	6,233,368	135,768
Federal commodities	485,418	536,251	50,833
State reimbursements	-	18,601	18,601
Indirect costs not paid	-	175,351	175,351
Interest earned	11,140	5,777	(5,363)
Other	-	8,529	8,529
Total nonoperating revenues	6,594,158	6,977,877	383,719
Excess (deficiency) of revenues over expenditures before other financing sources	(617,745)	382,321	1,000,066
Other financing sources:			
Transfers from other funds	-	106,037	106,037
Fund balance appropriated	617,745	-	(617,745)
Net change in fund balance	\$ -	488,358	\$ 488,358
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(50,897)	
Equipment purchases		23,971	
Decrease in compensated absences payable		6,858	
Decrease in inventories		(54,053)	
Change in net position (full accrual)		\$ 414,237	





## **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 most significant local revenue source, the property tax.

#### **Debt Capacity**

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

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

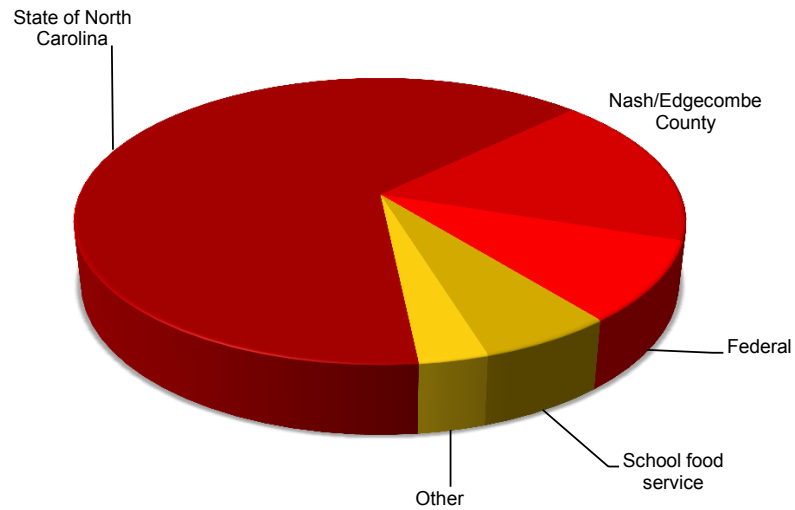
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

#### **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.

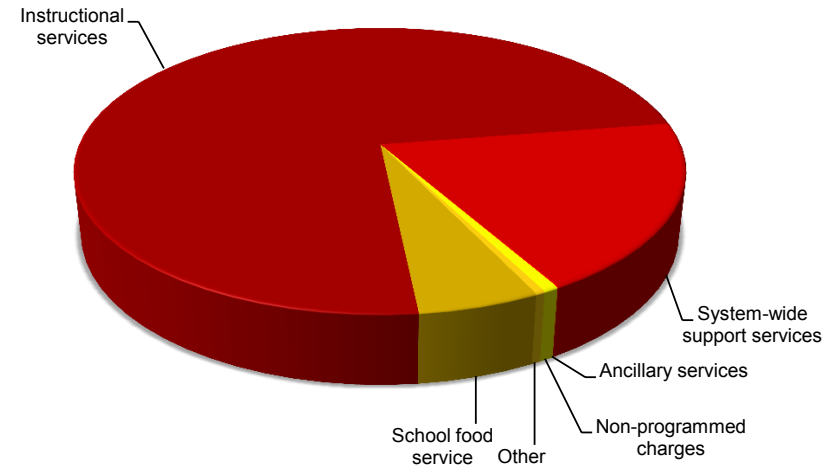
**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**Financial Perspective**  
**Governmental and Business-type Activities**  
**For Year Ended June 30, 2013**

**Revenue Sources**



State of North Carolina	\$	94,745,122
Nash/Edgecombe County		25,370,324
Federal		13,340,473
School food service		8,843,756
Other		4,564,573
		<hr/>
Total revenue sources	\$	<u><u>146,864,248</u></u>

**Expenses**



Instructional services	\$	115,863,569
System-wide support services		29,933,289
Ancillary services		78,452
Non-programmed charges		1,088,311
Other		679,962
School food service		8,535,556
		<hr/>
Total expenses	\$	<u><u>156,179,139</u></u>



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

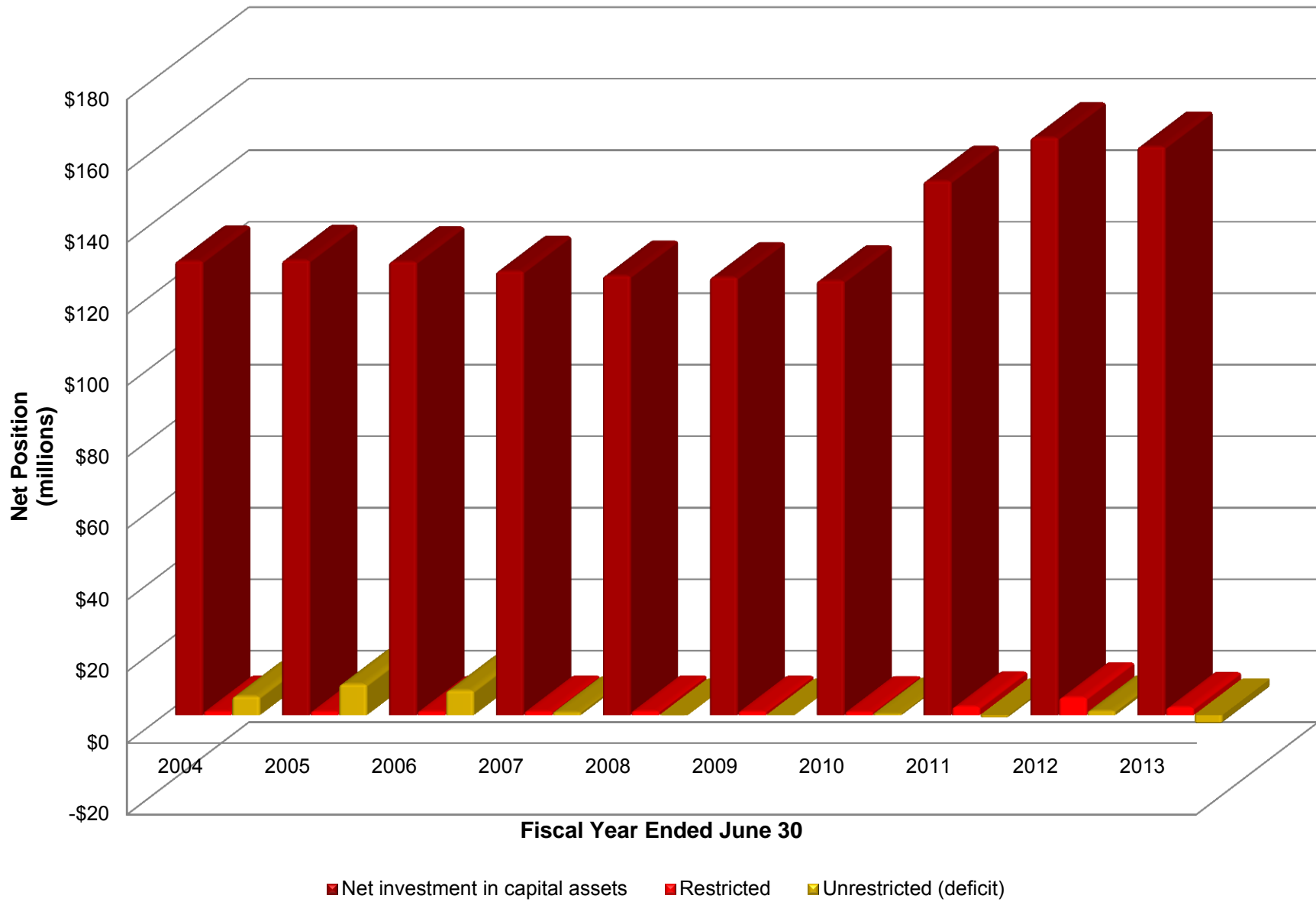
**Net Position by Component**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Governmental activities:										
Net investment in capital assets	\$ 126,993,680	\$ 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
Restricted	1,132,492	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
Unrestricted (deficit)	3,007,316	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)
	<u>\$ 131,133,488</u>	<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>
Business-type activities:										
Net investment in capital assets	\$ 117,051	\$ 61,243	\$ 162,941	\$ 136,798	\$ 121,200	\$ 114,860	\$ 121,790	\$ 178,148	\$ 472,812	\$ 445,886
Unrestricted	2,334,297	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
	<u>\$ 2,451,348</u>	<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>
Government-wide:										
Net investment in capital assets	\$ 127,110,731	\$ 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
Restricted	1,132,492	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
Unrestricted (deficit)	5,341,613	8,730,518	6,978,012	924,750	(49,482)	(19,205)	522,213	(852,678)	1,272,800	(2,737,124)
	<u>\$ 133,584,836</u>	<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>

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
Instructional services	\$ 87,069,450	\$ 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
System-wide support services	29,421,645	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
Ancillary services	49,081	69,534	41,450	59,280	16,302	39,910	105,252	56,158	149,644	78,452
Payments to other governments	804,837	740,697	542,079	681,957	815,938	887,479	2,049,276	739,388	1,067,100	1,088,311
Interest on long-term debt	40,161	33,556	29,768	19,738	18,955	12,672	2,473	725	258	89,928
Unallocated depreciation expense	3,336,632	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
Total governmental activities expenses	120,721,806	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
Business-type activities:										
School food service	7,334,530	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
Total government-wide expenses	\$ 128,056,336	\$ 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
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instructional services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,846	\$ 42,844	\$ 2,401,656	\$ 2,530,675
Business support	91,378	65,504	50,392	44,899	58,785	58,349	25,485	26,899	-	-
Operating grants and contributions	92,376,026	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
Capital grants and contributions	1,213,378	1,538,909	2,291,577	1,404,335	1,622,820	1,177,102	457,848	444,562	119,237	408,167
Total governmental activities program revenues	93,680,782	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
Business-type activities:										
Charges for services:										
Student meal services	2,590,273	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
Operating grants and contributions	4,895,571	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
Capital grants and contributions	-	-	-	-	-	-	30,627	-	327,290	-
Total business-type activities program revenues	7,485,844	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
Total government-wide program revenues	\$ 101,166,626	\$ 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
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (27,041,024)	\$ (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)
Business-type activities	151,314	(9,514)	(1,494)	(202,663)	(123,589)	(24,951)	398,981	461,425	375,146	293,894
Total government-wide net (expense) revenue	\$ (26,889,710)	\$ (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)

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

Year Ended June 30	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 20,547,989	\$ 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
Unrestricted county appropriations - capital	2,225,508	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
Unrestricted State appropriations - operating	2,359,445	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
Unrestricted State appropriations - capital	3,051,238	277,773	121,045	81,036	6,330	70,075	1,185,034	310,490	2,309,283	524,110
Unrestricted Federal appropriations - operating	-	-	-	-	-	-	-	-	745,591	7,246
Investment earnings, unrestricted	63,888	146,571	330,349	320,082	263,864	131,083	59,546	36,203	18,251	10,890
Insurance settlement proceeds	1,132,298	51,657	-	-	-	-	-	-	-	-
Miscellaneous, unrestricted	2,827,053	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
Transfers	-	-	-	-	-	-	-	(88,394)	(170,286)	(106,037)
Total governmental activities	32,207,419	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
Business-type activities:										
Investment earnings, unrestricted	34,643	43,617	75,177	101,990	82,597	46,510	33,615	27,931	9,208	5,777
Miscellaneous, unrestricted	-	-	-	2,937	5,500	16,346	11,750	13,927	12,136	8,529
Transfers	-	-	-	-	-	-	-	88,394	170,286	106,037
Total business-type activities	34,643	43,617	75,177	104,927	88,097	62,856	45,365	130,252	191,630	120,343
Total government-wide	\$ 32,242,062	\$ 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
<b>Change in Net Position</b>										
Governmental activities	\$ 5,166,395	\$ 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)
Business-type activities	185,957	34,103	73,683	(97,736)	(35,492)	37,905	444,346	591,677	566,776	414,237
Total government-wide change in net position	\$ 5,352,352	\$ 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)

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

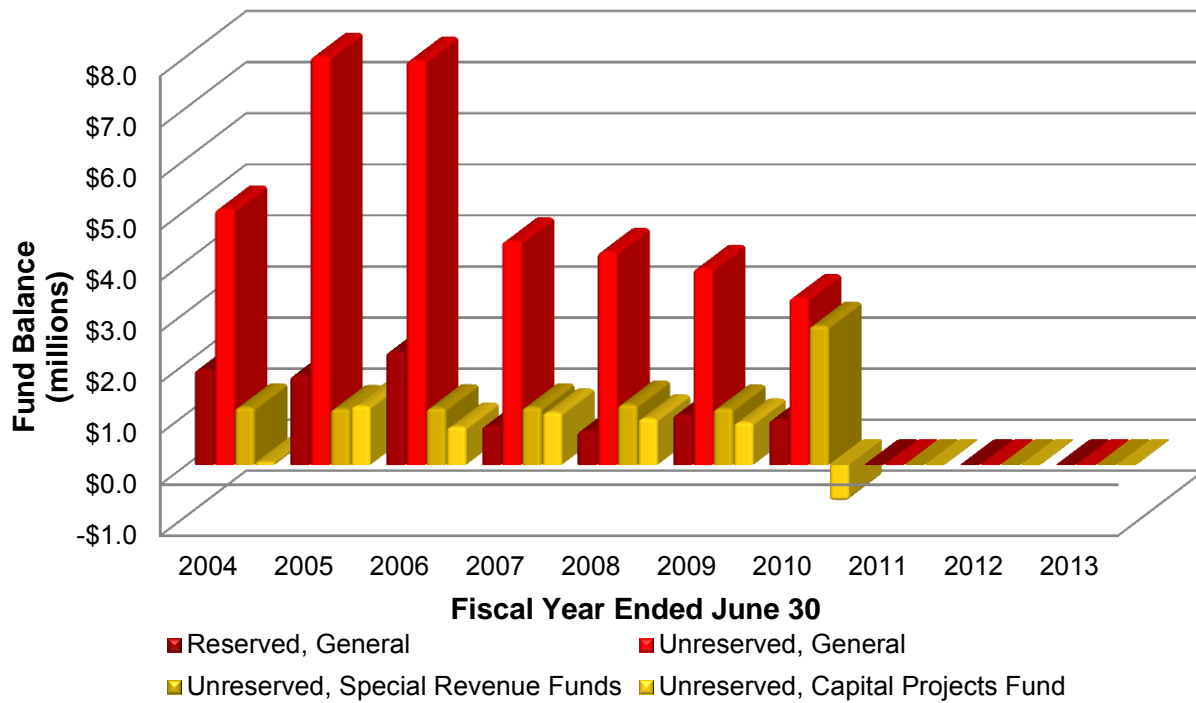
#### Last Ten Fiscal Years

Year Ended June 30	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Reserved	\$ 1,873,958	\$ 1,758,125	\$ 2,222,060	\$ 765,416	\$ 672,459	\$ 989,396	\$ 887,194	\$ -	\$ -	\$ -
Unreserved	5,013,460	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
Restricted	-	-	-	-	-	-	-	273,788	472,428	177,031
Assigned	-	-	-	-	-	-	-	736,718	1,500,000	-
Unassigned	-	-	-	-	-	-	-	1,691,040	2,563,044	2,180,328
Total General Fund	\$ 6,887,418	\$ 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
All other governmental funds:										
Reserved	\$ 2,742,166	\$ 815,009	\$ 577,482	\$ 110,294	\$ 27,603	\$ 164,807	\$ 1,290,854	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	1,132,492	1,102,654	1,119,320	1,133,775	1,186,602	1,108,523	2,733,198	-	-	-
Capital Projects Fund	64,140	1,160,693	753,463	1,032,638	916,169	838,207	(720,835)	-	-	-
Restricted	-	-	-	-	-	-	-	2,230,814	4,532,203	2,079,774
Assigned, reported in:										
Other Special Revenue Fund	-	-	-	-	-	-	-	490,098	-	1,914,565
Capital Projects Fund	-	-	-	-	-	-	-	250,000	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 3,938,798	\$ 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

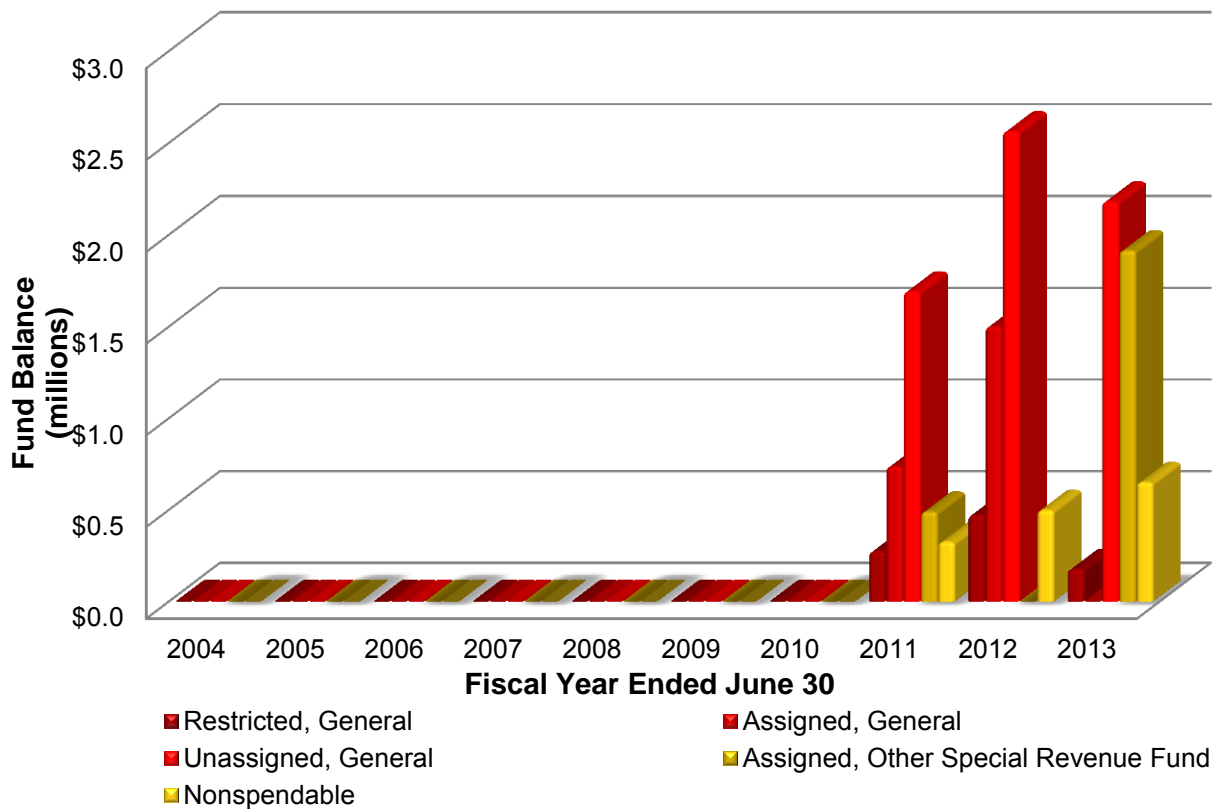
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports

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



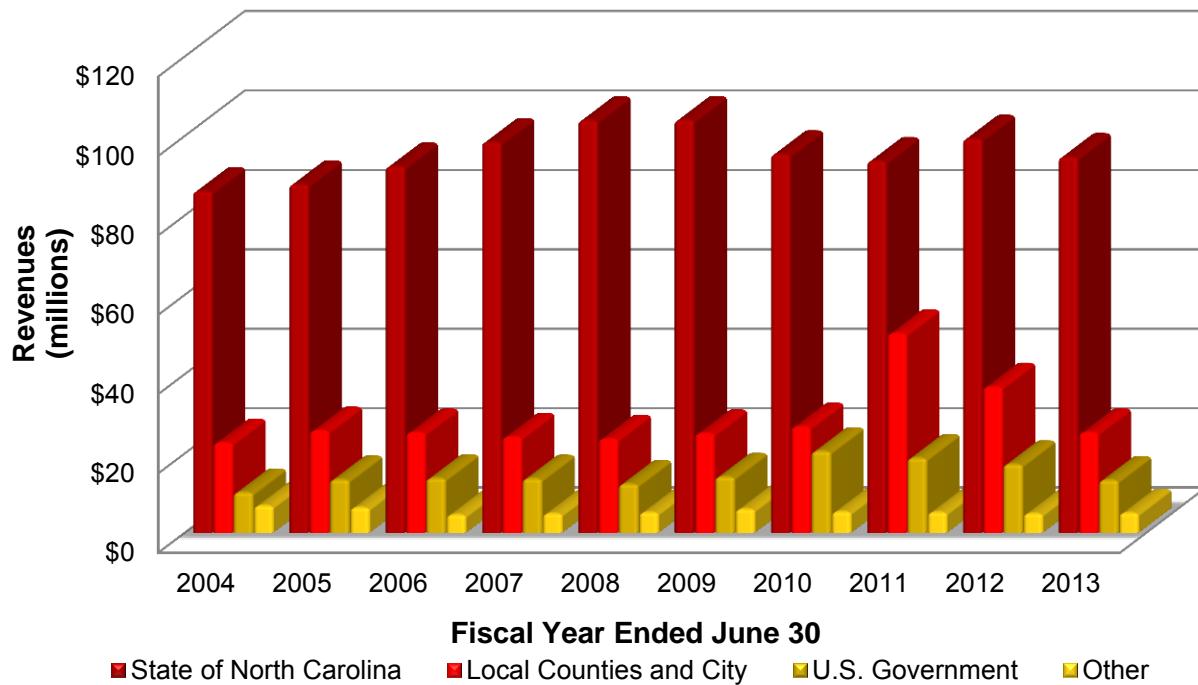
**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
**Governmental Funds**  
**Changes in Fund Balances**  
**Last Ten Fiscal Years**

Year Ended June 30	2004	2005	2006	2007	2008
<b>Revenues</b>					
State of North Carolina	\$ 86,153,555	\$ 87,895,403	\$ 92,370,145	\$ 98,515,144	\$ 103,980,804
Local Counties and City	22,773,497	25,821,409	25,335,557	24,236,164	23,764,690
U.S. Government	10,235,793	13,487,267	13,792,400	13,693,865	12,342,280
Other	6,900,355	6,420,987	4,622,678	4,915,333	5,203,605
Total revenues	126,063,200	133,625,066	136,120,780	141,360,506	145,291,379
<b>Expenditures</b>					
Instructional services	86,964,083	92,924,637	97,940,618	103,840,268	115,479,719
System-wide support services	27,039,666	30,297,978	32,984,054	35,788,260	25,928,310
Ancillary services	49,081	69,534	41,450	59,280	16,302
Non-programmed charges	804,839	891,978	724,034	952,238	974,486
Debt service - principal	313,164	818,883	606,253	1,224,025	936,739
Capital outlay	7,158,180	7,516,298	3,938,112	6,978,092	2,368,579
Total expenditures	122,329,013	132,519,308	136,234,521	148,842,163	145,704,135
Revenues over (under) expenditures	3,734,187	1,105,758	(113,741)	(7,481,657)	(412,756)
<b>Other financing sources (uses)</b>					
Installment purchase obligations	431,400	879,269	-	2,270,214	-
Proceeds from sale of asset	-	-	-	14,588	-
Total other financing sources (uses)	431,400	879,269	-	2,284,802	-
Net change in fund balances	\$ 4,165,587	\$ 1,985,027	\$ (113,741)	\$ (5,196,855)	\$ (412,756)
Ratio of debt service expenditures to total non-capital expenditures	0.27%	0.66%	0.46%	0.87%	0.66%
Year Ended June 30	2009	2010	2011	2012	2013
<b>Revenues</b>					
State of North Carolina	\$ 104,052,314	\$ 95,453,199	\$ 93,750,350	\$ 99,343,449	\$ 94,745,122
Local Counties and City	25,101,230	26,817,507	50,341,307	36,890,800	25,370,324
U.S. Government	14,163,352	20,617,285	18,907,451	17,319,633	13,340,473
Other	6,020,555	5,383,308	5,256,391	4,930,528	5,079,701
Total revenues	149,337,451	148,271,299	168,255,499	158,484,410	138,535,620
<b>Expenditures</b>					
Instructional services	117,907,747	113,107,047	113,081,682	108,684,872	112,290,102
System-wide support services	26,043,489	26,010,022	26,403,447	28,939,006	29,100,601
Ancillary services	39,910	118,291	69,197	149,644	78,452
Non-programmed charges	1,020,515	2,036,237	1,165,055	1,280,884	1,231,240
Debt service - principal	1,319,157	567,094	456,854	131,535	3,193,171
Capital outlay	4,460,232	5,833,674	28,866,688	15,732,966	3,143,848
Total expenditures	150,791,050	147,672,365	170,042,923	154,918,907	149,037,414
Revenues over (under) expenditures	(1,453,599)	598,934	(1,787,424)	3,565,503	(10,501,794)
<b>Other financing sources (uses)</b>					
Transfers from (to) other funds	-	-	(88,394)	(170,286)	(106,037)
Installment purchase obligations	1,415,717	-	476,942	-	7,891,854
Total other financing sources (uses)	1,415,717	-	388,548	(170,286)	7,785,817
Net change in fund balances	\$ (37,882)	\$ 598,934	\$ (1,398,876)	\$ 3,395,217	\$ (2,715,977)
Ratio of debt service expenditures to total non-capital expenditures	0.91%	0.40%	0.32%	0.09%	2.24%

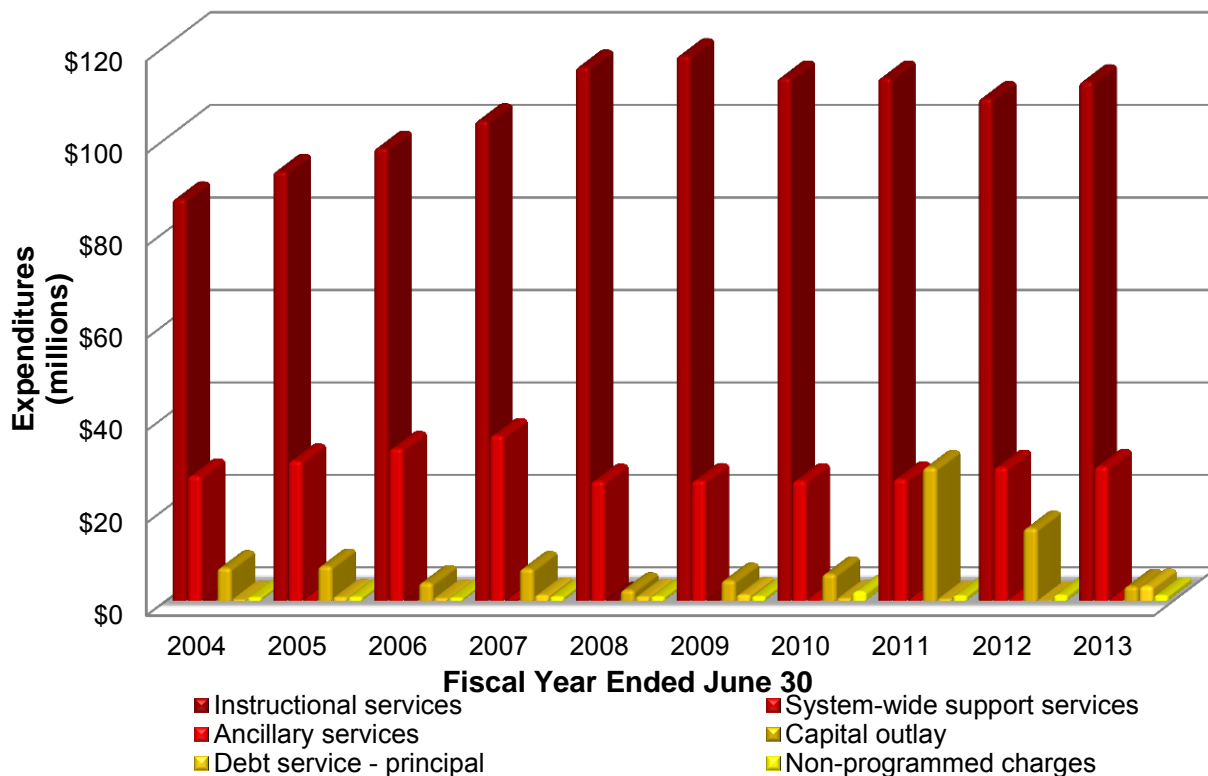
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports

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	2004	2005	2006	2007	2008
Average Daily Membership	17,894	17,923	17,927	17,904	17,548
Instructional	\$ 4,860	\$ 5,185	\$ 5,463	\$ 5,800	\$ 6,581
System-wide support	1,511	1,690	1,840	1,999	1,478
Ancillary	3	4	2	3	1
Total expenditures per pupil	<u>\$ 6,374</u>	<u>\$ 6,879</u>	<u>\$ 7,305</u>	<u>\$ 7,802</u>	<u>\$ 8,060</u>

#### EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2009	2010	2011	2012	2013
Average Daily Membership	17,412	16,997	16,802	16,330	16,181
Instructional	\$ 6,772	\$ 6,655	\$ 6,730	\$ 6,656	\$ 6,940
System-wide support	1,496	1,530	1,571	1,772	1,798
Ancillary	2	7	4	9	5
Total expenditures per pupil	<u>\$ 8,270</u>	<u>\$ 8,192</u>	<u>\$ 8,305</u>	<u>\$ 8,437</u>	<u>\$ 8,743</u>

#### EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2004	2005	2006	2007	2008
Instructional	\$ 2,562	\$ 2,666	\$ 2,692	\$ 2,784	\$ 3,008
System-wide support	797	869	907	959	675
Ancillary	2	2	1	1	-
Total expenditures per pupil	<u>\$ 3,361</u>	<u>\$ 3,537</u>	<u>\$ 3,600</u>	<u>\$ 3,744</u>	<u>\$ 3,683</u>

#### EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2009	2010	2011	2012	2013
Instructional	\$ 3,140	\$ 3,053	\$ 2,982	\$ 2,900	\$ 2,972
System-wide support	694	702	696	772	770
Ancillary	1	3	2	4	2
Total expenditures per pupil	<u>\$ 3,835</u>	<u>\$ 3,758</u>	<u>\$ 3,680</u>	<u>\$ 3,676</u>	<u>\$ 3,744</u>

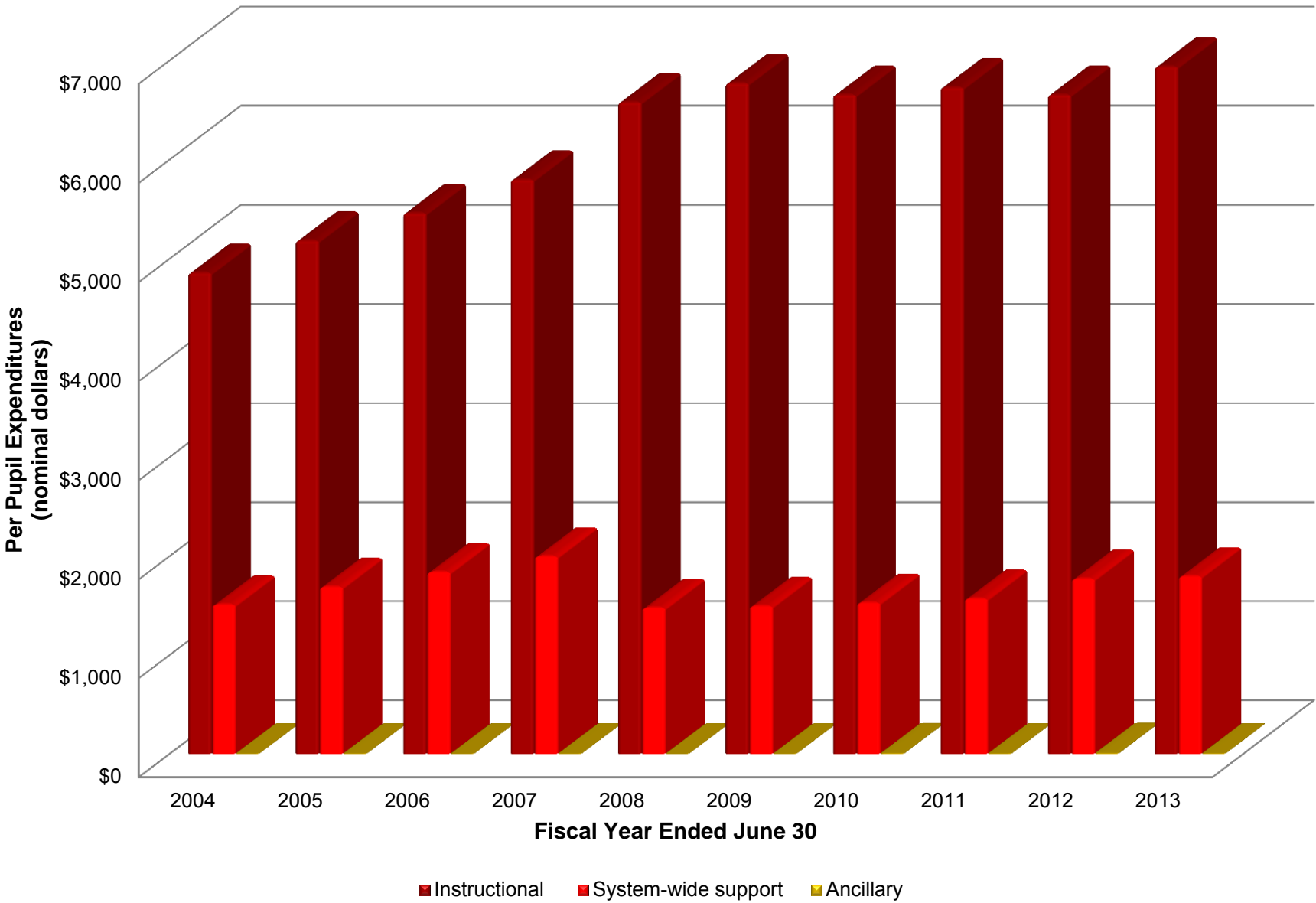
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports. The above operational expenditures per pupil include all governmental funds.

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	2004	2005	2006	2007	2008
Food sales	\$ 2,590,273	\$ 2,658,024	\$ 2,578,820	\$ 2,649,657	\$ 2,757,299
Federal reimbursements	4,239,843	4,427,610	4,717,362	4,909,784	5,026,726
Federal commodities	381,142	355,092	423,845	437,815	484,720
Other	309,229	354,961	429,195	506,493	364,401
Total revenues	\$ 7,520,487	\$ 7,795,687	\$ 8,149,222	\$ 8,503,749	\$ 8,633,146

EXPRESSED IN NOMINAL DOLLARS					
Year Ended June 30	2009	2010	2011	2012	2013
Food sales	\$ 2,679,311	\$ 2,478,029	\$ 2,281,397	\$ 2,176,483	\$ 2,041,230
Federal reimbursements	5,260,827	5,737,466	5,960,898	6,042,162	6,233,368
Federal commodities	524,889	505,857	591,645	494,573	536,251
Other	263,113	45,365	51,787	189,261	208,258
Total revenues	\$ 8,728,140	\$ 8,766,717	\$ 8,885,727	\$ 8,902,479	\$ 9,019,107

EXPRESSED IN CONSTANT DOLLARS					
Year Ended June 30	2004	2005	2006	2007	2008
Food sales	\$ 1,365,458	\$ 1,366,593	\$ 1,270,981	\$ 1,271,721	\$ 1,260,105
Federal reimbursements	2,235,025	2,276,406	2,324,969	2,356,485	2,297,249
Federal commodities	200,918	182,567	208,894	210,132	221,520
Other	163,009	182,499	211,530	243,095	166,534
Total revenues	\$ 3,964,410	\$ 4,008,065	\$ 4,016,374	\$ 4,081,433	\$ 3,945,408

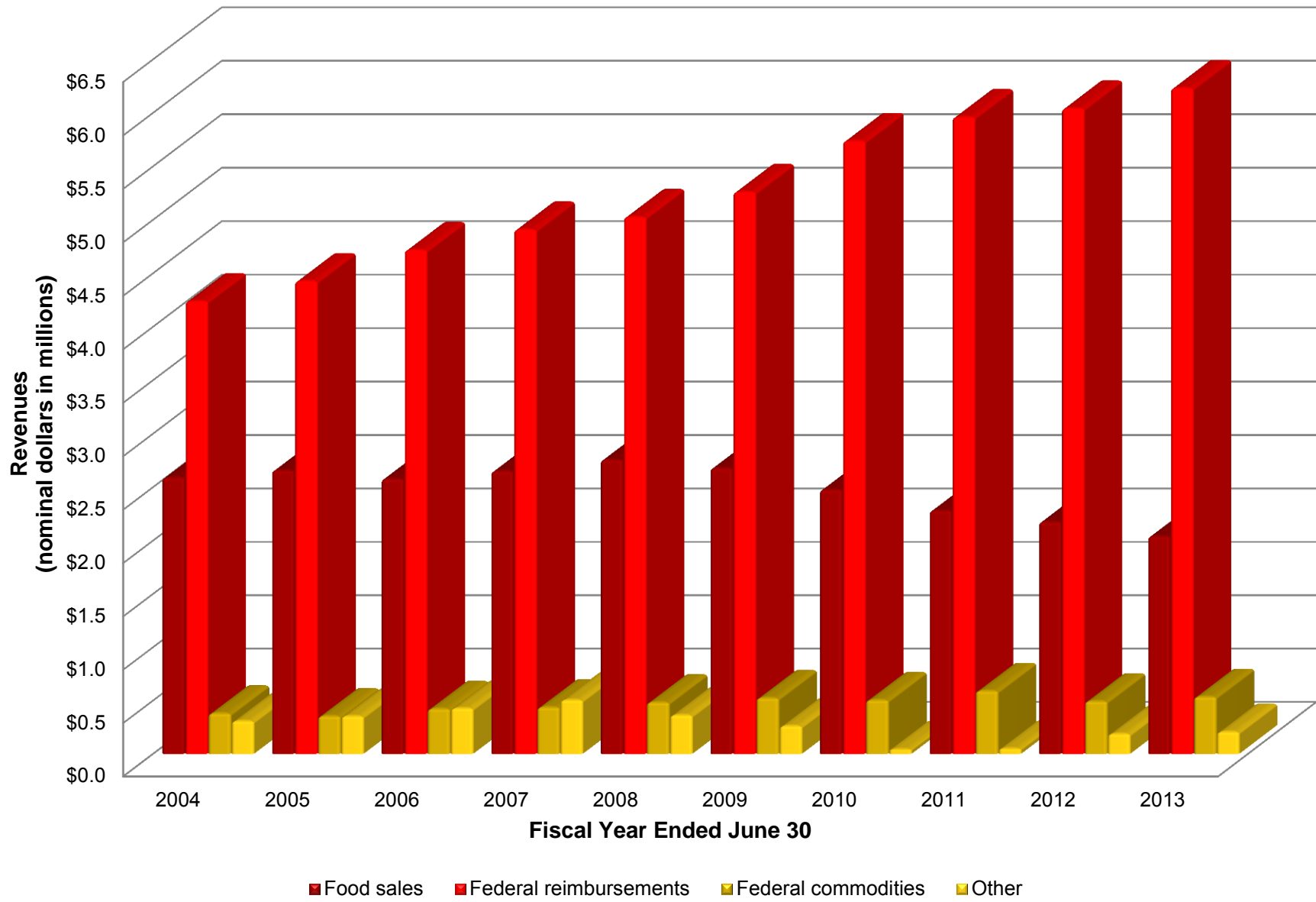
EXPRESSED IN CONSTANT DOLLARS					
Year Ended June 30	2009	2010	2011	2012	2013
Food sales	\$ 1,242,187	\$ 1,136,893	\$ 1,010,711	\$ 948,450	\$ 874,173
Federal reimbursements	2,439,035	2,632,288	2,640,814	2,633,003	2,669,491
Federal commodities	243,350	232,082	262,112	215,521	229,654
Other	121,985	20,813	22,943	82,475	89,188
Total revenues	\$ 4,046,557	\$ 4,022,076	\$ 3,936,580	\$ 3,879,449	\$ 3,862,506

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	2004	2005	2006	2007	2008
Purchase of food	\$ 2,797,595	\$ 3,002,799	\$ 2,963,836	\$ 3,214,076	\$ 3,235,679
Donated commodities	-	-	423,845	437,815	372,021
Salaries and benefits	3,370,372	3,439,498	3,727,243	4,021,702	4,099,435
Other	1,166,563	1,319,287	960,615	927,892	961,503
Total expenses	\$ 7,334,530	\$ 7,761,584	\$ 8,075,539	\$ 8,601,485	\$ 8,668,638
EXPRESSED IN NOMINAL DOLLARS					
Year Ended June 30	2009	2010	2011	2012	2013
Purchase of food	\$ 3,341,856	\$ 3,224,514	\$ 2,561,341	\$ 2,645,502	\$ 2,731,609
Donated commodities	366,698	-	591,645	494,573	536,251
Salaries and benefits	4,133,854	4,161,028	4,270,414	4,248,207	4,277,101
Other	847,827	967,456	959,044	1,444,997	1,165,946
Total expenses	\$ 8,690,235	\$ 8,352,998	\$ 8,382,444	\$ 8,833,279	\$ 8,710,907

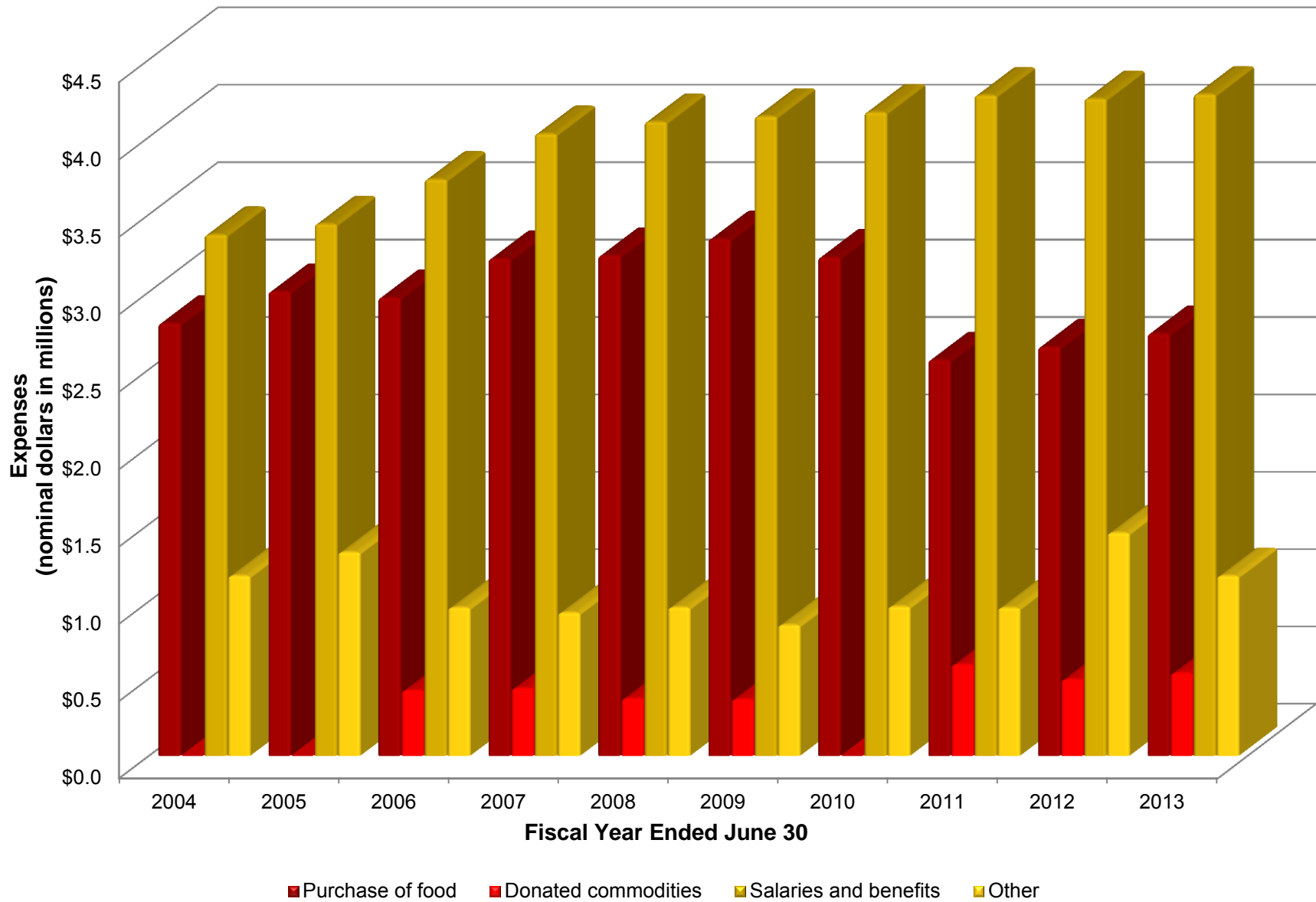
EXPRESSED IN CONSTANT DOLLARS					
Year Ended June 30	2004	2005	2006	2007	2008
Purchase of food	\$ 1,474,747	\$ 1,543,856	\$ 1,460,737	\$ 1,542,618	\$ 1,478,728
Donated commodities	-	-	208,894	210,132	170,016
Salaries and benefits	1,776,685	1,768,379	1,836,985	1,930,244	1,873,471
Other	614,952	678,297	473,443	445,348	439,414
Total expenses	\$ 3,866,384	\$ 3,990,532	\$ 3,980,059	\$ 4,128,342	\$ 3,961,629
EXPRESSED IN CONSTANT DOLLARS					
Year Ended June 30	2009	2010	2011	2012	2013
Purchase of food	\$ 1,549,358	\$ 1,479,372	\$ 1,134,733	\$ 1,152,835	\$ 1,169,834
Donated commodities	170,009	-	262,112	215,521	229,654
Salaries and benefits	1,916,545	1,909,035	1,891,891	1,851,248	1,831,704
Other	393,071	443,858	424,878	629,689	499,326
Total expenses	\$ 4,028,983	\$ 3,832,265	\$ 3,713,614	\$ 3,849,293	\$ 3,730,518

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

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

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

# Proprietary Fund - Food Services Operations Expenses by Category



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

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

<b>Year Ended June 30</b>	<b>Installment Purchases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2013	\$ 4,817,918	\$ 4,817,918	N/A	N/A
2012	119,235	119,235	N/A	1
2011	250,512	250,512	0.01%	3
2010	229,701	229,701	0.01%	2
2009	793,954	793,954	0.02%	8
2008	684,268	684,268	0.02%	7
2007	1,601,842	1,601,842	0.05%	17
2006	535,480	535,480	0.02%	6
2005	1,111,488	1,111,488	0.04%	12
2004	1,017,095	1,017,095	0.04%	11

N/A = Not available

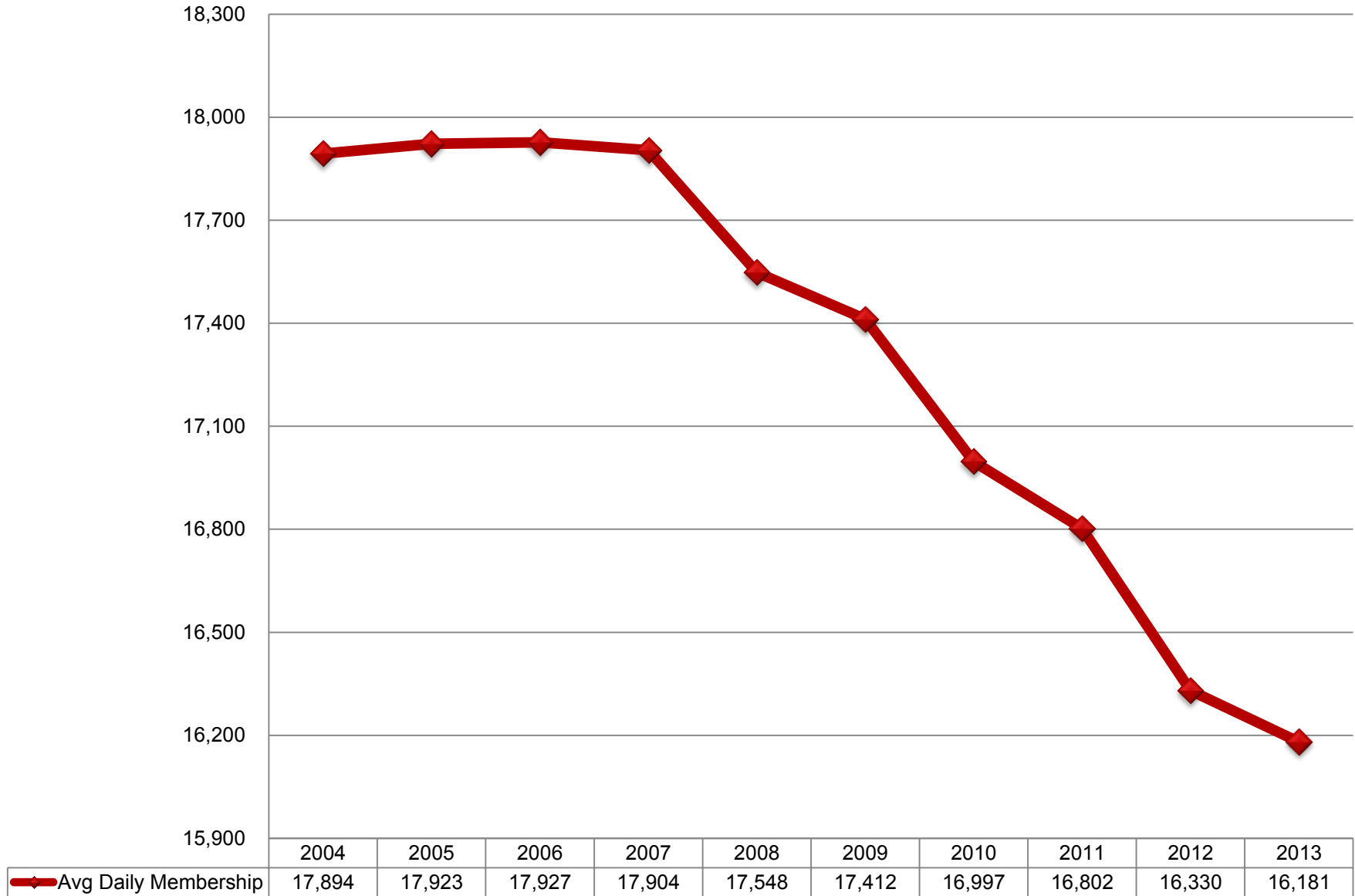
Source: Nash-Rocky Mount Board of Education, North Carolina, Annual Financial Reports.

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, 2013 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2014, 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, 2012 and June 30, 2013 income based information will be shown above as "N/A", and the June 30, 2012 information will be reported for the year ended June 30, 2014, if applicable.

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



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

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

<b>Year Ended June 30</b>	<b>Teaching Staff</b>	<b>Students</b>	<b>Teacher/ Pupil Ratio</b>	<b>Student Attendance Percentage<sup>(1)</sup></b>	<b>Percentage of Students Receiving Free/Reduced Lunch<sup>(2)</sup></b>
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%
2004	1,195	17,894	1/15	94.26%	57%



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

## **Student Statistics (continued)**

**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Ethnic Distribution Percentage<sup>(3)</sup></b>				<b>Graduates<sup>(3)</sup></b>	<b>Percentage of Graduates Continuing Education<sup>(3)</sup></b>
	<b>White</b>	<b>Black</b>	<b>Hispanic</b>	<b>Other</b>		
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%
2004	39%	54%	5%	2%	971	80%

**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.

(3) North Carolina Public Schools Statistical Profile (2004-2013 Editions).

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

<b>Year Ended June 30</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Officials, admins, mgrs	20	21	18	23	21	22	19	21	22	36
Principals	29	29	29	28	29	29	28	28	27	27
Asst. Principals, Teaching	1	-	-	-	-	-	-	-	-	-
Asst. Principals, non-teaching	31	28	32	34	35	35	35	38	38	34
Total administrators	81	78	79	85	85	86	82	87	87	97
Elementary teachers	641	648	656	619	623	613	569	585	568	500
Secondary teachers	280	287	302	322	294	297	264	268	255	254
Other teachers	274	273	266	269	249	244	245	251	249	241
Total teachers	1,195	1,208	1,224	1,210	1,166	1,154	1,078	1,104	1,072	995
Guidance	64	64	63	64	61	61	61	61	59	44
Psychological	7	7	9	8	8	8	9	12	9	9
Librarian, audiovisual	31	30	27	29	31	31	32	31	29	23
Consultant, supervisor	3	5	24	29	31	41	46	40	28	31
Other professionals	29	22	25	40	37	39	38	41	56	47
Total professionals	1,410	1,414	1,451	1,465	1,419	1,420	1,346	1,376	1,340	1,246
Teacher Assistants	418	412	417	417	403	403	382	387	364	352
Technicians	6	6	4	4	4	2	3	6	17	19
Clerical, secretarial	130	137	129	139	132	138	127	131	127	119
Service workers	286	291	272	255	259	266	282	280	282	270
Skilled crafts	58	54	56	54	56	54	54	53	49	45
Laborers, Unskilled	2	2	2	2	3	3	3	3	3	3
Total employees	2,310	2,316	2,331	2,336	2,276	2,286	2,197	2,236	2,182	2,054

Source: North Carolina Public Schools Statistical Profile (2004-2013 Editions)

# NASH-ROCKY MOUNT BOARD OF EDUCATION

## Instructional Personnel Last Ten Fiscal Years

Year Ended June 30	Teacher Salaries <sup>(1)</sup>			Bachelors Degree <sup>(2)</sup>	Masters Degree <sup>(2)</sup>	Advanced Degree <sup>(2)</sup>	Doctorate Degree <sup>(2)</sup>
	Minimum	Maximum	Average				
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
2004	25,250	55,910	40,580	841	319	26	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 (2004-2013 Editions).

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, 2013

<b>Site</b>	<b>Year Built</b>	<b>Capacity</b>	<b>Current Membership</b>	<b>Over/(Under) Capacity</b>	<b>Condition</b>
Bailey Elementary	2004	664	632	-5%	Excellent
Baskerville Elementary	1957	427	332	-22%	Good
Benvenue Elementary	1987	668	738	10%	Good
Cedar Grove Elementary	1953	223	205	-8%	Poor
Coopers Elementary	2000	601	637	6%	Excellent
Englewood Elementary	1960	508	506	0%	Fair
Hubbard Elementary	1956	512	460	-10%	Fair
Johnson Elementary	1960	575	460	-20%	Fair
Middlesex Elementary	1960	418	369	-12%	Good
Nashville Elementary	1952	682	756	11%	Good
Pope Elementary	1940	311	276	-11%	Poor
Red Oak Elementary	1949	335	308	-8%	Poor
Spring Hope Elementary	1954	542	541	0%	Fair
Swift Creek Elementary	1949	475	293	-38%	Poor
Williford Elementary	1954	581	412	-29%	Fair
Winstead Avenue Elementary	1998	625	544	-13%	Good

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

**School Building Data (continued)**

**June 30, 2013**

<b>Site</b>	<b>Year Built</b>	<b>Capacity</b>	<b>Current Membership</b>	<b>Over/(Under) Capacity</b>	<b>Condition</b>
Edwards Middle	1962	827	733	-11%	Fair
Nash Central Middle	1965	670	630	-6%	Fair
Parker Middle	1962	557	411	-26%	Fair
Red Oak Middle	1998	850	910	7%	Excellent
Southern Nash Middle	1955	850	1,058	24%	Fair
Nash Central High	2002	1,150	1,150	0%	Excellent
Northern Nash High	1966	1,150	1,090	-5%	Good
Rocky Mount High	1953	1,150	1,180	3%	Poor
Southern Nash High	1968	1,068	1,210	13%	Good
Tar River Academy	1940	95	113	19%	Poor
NRMPS Early College High	N/A	N/A	227	N/A	N/A

N/A = Not Applicable

Source: Nash-Rocky Mount Board of Education N. C. Public Schools Facility Needs Report; 2013

**NASH COUNTY, NORTH CAROLINA**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Population estimate (1)	89,935	90,434	91,588	93,178	94,125
Personal income (2)	\$2,567,805,000	\$2,669,084,000	\$2,819,193,000	\$3,009,145,000	\$3,112,413,000
Per capita income (2)	\$28,552	\$29,514	\$30,781	\$32,295	\$33,067
Median age (3)	37.45	37.61	37.76	37.99	38.21
School enrollment (4)	17,894	17,923	17,927	17,904	17,548
Unemployment rate (5)	7.0%	6.5%	6.0%	5.7%	7.6%
<b>Year Ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Population estimate (1)	94,743	95,851	96,116	95,708	N/A
Personal income (2)	\$3,179,260,000	\$3,320,254,000	\$3,249,373,000	N/A	N/A
Per capita income (2)	\$33,557	\$34,640	\$33,807	N/A	N/A
Median age (3)	38.43	38.58	38.44	38.56	38.67
School enrollment (4)	17,412	16,997	16,802	16,330	16,181
Unemployment rate (5)	13.2%	12.2%	12.7%	12.6%	12.6%

N/A = Not Available

Sources:

- (1) Based upon estimates issued by the U.S. Census Bureau as of July 1
- (2) Bureau of Economic Analysis
- (3) Office of State Budget and Management
- (4) North Carolina 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, 2013 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2014, 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, 2012 and June 30, 2013 income based information will be shown above as "N/A", and the June 30, 2012 information will be reported for the year ended June 30, 2014, if applicable.

**NASH COUNTY, NORTH CAROLINA**  
**Principal Employers**  
**For Years Ended June 30, 2013 and 2004**

Employer	2013			2004		
	Employees	Rank	Approximate Percentage of Total County Employment	Employees	Rank	Approximate Percentage of Total County Employment
Nash-Rocky Mount Schools	1000+	1	2.22%+	1000+	3	2.25%+
Nash Hospitals, Inc.	1000+	2	2.22%+	1000+	2	2.25%+
Consolidated Diesel Co.	1000+	3	2.22%+	1000+	5	2.25%+
Intercall, Inc.	500-999	4	1.66%	-	-	-
County of Nash	500-999	5	1.66%	500-999	6	1.69%
Wal-Mart Associates, Inc.	500-999	6	1.66%	-	-	-
PNC Bank NA	500-999	7	1.66%	1000+	4	2.25%+
Nash Community College	250-499	8	0.83%	-	-	-
Kaba Ilco Corporation	250-499	9	0.83%	500-999	8	1.69%
The Cheesecake Factory Bakery, Inc.	250-499	10	0.83%	-	-	-
Hospira, Inc.	-	-	-	1000+	1	2.25%+
Manpower Temporary Services	-	-	-	500-999	7	1.69%
Mclane Mid-Atlantic, Inc.	-	-	-	500-999	9	1.69%
OSC - Central Payroll	-	-	-	250-499	10	0.84%
Total County Employment	<u>45,139</u>			<u>44,393</u>		

Source: Employment Security Commission

**NASH 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
Consolidated Diesel Co.	\$ 205,785,000	1	2.93%	\$ 206,290,000	1	3.91%
Hospira Inc.	149,063,000	2	2.12%	-	-	-
Universal Leaf North America	101,056,000	3	1.44%	66,038,000	3	1.25%
Progress Energy Carolinas	53,850,000	4	0.77%	-	-	-
Hendon Golden East LLC	35,681,000	5	0.51%	23,143,000	7	0.44%
Carolina Telephone	29,849,000	6	0.42%	-	-	-
McLane Mid Atlantic, Inc.	24,881,000	7	0.35%	21,513,000	10	0.41%
Rocky Mount WEH LP	19,393,000	8	0.28%	-	-	-
Kaba Ilco-Unican Corporation	19,408,000	9	0.28%	22,331,000	8	0.42%
PNC Bank	18,775,000	10	0.27%	46,748,000	4	0.89%
Abbott Laboratories	-	-	-	68,881,000	2	1.31%
Sprint	-	-	-	28,936,000	6	0.55%
Carolina Power & Light	-	-	-	34,643,000	5	0.66%
William Harry Hull, Jr.	-	-	-	21,593,000	9	0.41%
	<u>\$ 657,741,000</u>		<u>9.37%</u>	<u>\$ 540,116,000</u>		<u>10.25%</u>
Total Assessed Valuation	<u>\$ 7,023,379,000</u>			<u>\$ 5,275,959,000</u>		

Source: Nash County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2013.



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

**EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>
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%
2004	34,846,000	33,650,000	96.57%

**EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>
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
2004	18,369,004	17,738,535

Source: Nash County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2013.

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

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Population estimate (1)	54,077	53,916	53,034	52,644	51,813
Personal income (2)	\$1,293,684,000	\$1,370,000,000	\$1,352,000,000	\$1,400,594,000	\$1,505,271,000
Per capita income (2)	\$23,923	\$25,410	\$25,493	\$26,605	\$29,052
Median age (3)	36.2	37.6	37.8	38.0	38.25
Unemployment rate (4)	10.1%	8.8%	8.6%	7.8%	8.3%
<b>Year Ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Population estimate (1)	51,800	51,327	56,552	56,039	N/A
Personal income (2)	\$1,502,361,000	\$1,532,713,000	\$1,525,337,000	N/A	N/A
Per capita income (2)	\$29,003	\$29,862	\$26,972	N/A	N/A
Median age (3)	36.74	38.88	36.2	39.59	39.82
Unemployment rate (4)	14.2%	16.1%	15.6%	14.3%	14.5%

N/A = Not Available

Sources:

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

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2013 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2014, 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, 2012 and June 30, 2013 income based information will be shown above as "N/A", and the June 30, 2012 information will be reported for the year ended June 30, 2014, if applicable.

## EDGECOMBE COUNTY, NORTH CAROLINA

Principal Employers  
For Years Ended June 30, 2013 and 2004

Employer	2013			2004		
	Employees	Rank	Approximate Percentage of Total County Employment	Employees	Rank	Approximate Percentage of Total County Employment
Edgecombe County Public Schools	1000+	1	4.12%+	500-999	4	3.07%
QVC, Inc.	1000+	2	4.12%+	500-999	5	3.07%
City of Rocky Mount	1000+	3	4.12%+	1000+	1	4.09%+
Mclane Mid-Atlantic, Inc.	500-999	4	3.09%	-	-	-
East Carolina Health, Inc.	500-999	5	3.09%	250-499	7	1.53%
Edgecombe County	500-999	6	3.09%	500-999	6	3.07%
Mebtel, Inc.	500-999	7	3.09%	-	-	-
The Hillshire Brands Company	250-499	8	1.54%	-	-	-
Nash-Rocky Mount Schools	250-499	9	1.54%	250-499	9	1.53%
Edgecombe Community College	250-499	10	1.54%	-	-	-
Barnhill Contracting Co., Inc.	-	-	-	500-999	2	3.07%
Sara Lee Corporation	-	-	-	500-999	3	3.07%
Carolina System Technology	-	-	-	250-499	8	1.53%
Glenoit LLC	-	-	-	250-499	10	1.53%
Total County Employment	<u>24,274</u>			<u>24,436</u>		

Source: Employment Security Commission

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**Principal Property Taxpayers**  
**For Years Ended June 30, 2012 and 2003**

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Edgecombe County Public Schools	\$77,429,259	1	2.48%	\$ 62,530,718	3	2.48%
QVC Rocky Mount, Inc.	66,440,309	2	2.13%	64,062,187	1	2.54%
City of Rocky Mount	65,853,036	3	2.11%	44,701,599	5	1.77%
McLane Mid-Atlantic, Inc.	59,228,793	4	1.90%	63,507,922	2	2.52%
East Carolina Health, Inc.	28,936,860	5	0.93%	-	-	-
Edgecombe County	25,235,128	6	0.81%	-	-	-
Edgecombe Martin EMC	24,964,317	7	0.80%	-	-	-
Berry Plastics Holding Corp	17,183,687	8	0.55%	-	-	-
ABB Power	16,417,539	9	0.53%	-	-	-
Superior Telecommunications	14,583,880	10	0.47%	21,731,630	6	0.86%
Cogentrix	-	-	-	57,065,659	4	2.27%
Glenoit Mills	-	-	-	20,699,894	-	0.82%
American Fibers & Yarns	-	-	-	18,157,257	-	0.72%
EMC	-	-	-	17,939,452	-	0.71%
Carlisle Plastics LP	-	-	-	15,267,046	-	0.61%
	<u>\$396,272,808</u>		<u>12.71%</u>	<u>\$ 385,663,364</u>		<u>15.30%</u>
Total Assessed Valuation	<u>\$ 3,124,357,791</u>			<u>\$ 2,519,155,046</u>		

Source: Edgecombe County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2012.

Note: This table is a ten year schedule. However, Edgecombe County's Comprehensive Annual Financial Report for the year ended June 30, 2013 was not available at the time this report was issued. Therefore, June 30, 2013 data will be reported for the year ended June 30, 2014, if applicable.

<b>EDGECOMBE COUNTY, NORTH CAROLINA</b> <b>Property Tax Levies and Current Collections</b> <b>Last Ten Fiscal Years</b>
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**EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>
2013	N/A	N/A	N/A
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%
2004	22,560,839	22,321,267	98.94%

**EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>
2013	N/A	N/A
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
2004	11,892,904	11,766,614

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, 2013 was not available at the time this report was issued. Therefore, June 30, 2013 data will be shown as "N/A" and will be reported for the year ended June 30, 2014, if applicable.



**NASH-ROCKY MOUNT BOARD OF EDUCATION**  
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