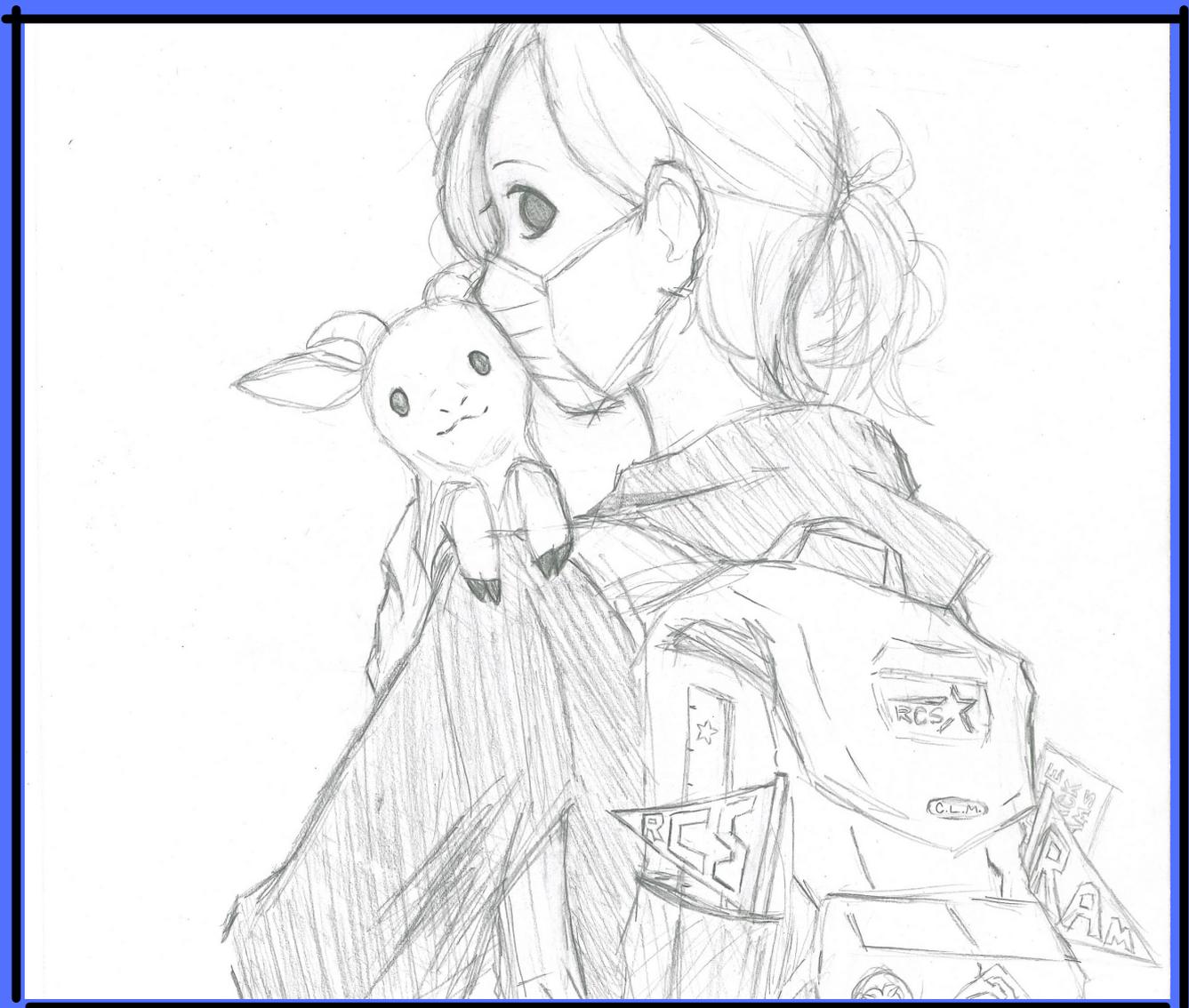

Annual Comprehensive Financial Report

Fiscal Year ended June 30, 2021



Cover Credit:

**Caneen Moore
Reidsville High School
11th Grade**

*Rockingham County Board of Education
Eden, North Carolina*

**Annual Comprehensive
Financial Report
For the Fiscal Year Ended
June 30, 2021**

*Prepared by
Annie Ellis
and the
Finance Department*

**ROCKINGHAM COUNTY BOARD OF EDUCATION
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Introductory Section

ROCKINGHAM COUNTY SCHOOLS

**511 Harrington Highway
Eden, NC 27288
Telephone (336) 627-2600**

**Rodney Shotwell, Ed.D.
Superintendent**

**Annie Ellis
Chief Financial Officer**

Letter of Transmittal

February 15, 2022

To the Members of the Rockingham County Board of Education and Citizens of Rockingham County, North Carolina

In compliance with the Public School Laws of North Carolina, the Annual Comprehensive Financial Report of the Rockingham County Board of Education (the Board), operating as the “Rockingham County Schools” for the fiscal year ended June 30, 2021, is herewith submitted. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Superintendent and the Chief Financial Officer. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly 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 activities have been included.

This letter of transmittal is designed to complement the management’s discussion and analysis and should be read in conjunction with it. The management’s discussion and analysis can be found immediately following the report of the independent auditors.

Financial Policies

The Board has policies to cover the basic aspects of accounting and reporting. These include fiscal goals, budget planning, and budget administration. Policies also cover daily operating procedures such as deposits, insurance, individual schools accounting, payroll and reimbursements.

The Board is strictly guided by detailed State statutes which mandate the procedures which the Board follows. These are found in section 115C of the School Budget and Fiscal Control Act.

No policy had a significant impact on the reporting of the current year’s financial statements.

Reporting Entity

The Rockingham County Board of Education consists of seven citizens elected for staggered terms of four years. Four are elected from districts, and three at large. The Board has no tax levying authority or borrowing authority and is required to maintain accounting records according to a uniform State format. The Board receives funds from Rockingham County, the State of North Carolina, and the United States Government and must comply with the legal requirements of each source entity. North Carolina General Statute 115C-40 empowers the Rockingham County Board of Education with general control and supervision of all matters pertaining to the schools in the system. The Board neither has nor is a component unit of another reporting entity.

Rockingham County Schools is a public system that serves Kindergarten through grade 12. The system provides educational courses and programs as prescribed by the North Carolina Department of Public Instruction. The average daily membership for the 2020-2021 fiscal year was 10,669.

Outlook

The impact of COVID-19 on the financial condition of our local economy continues to be an area of concern. Due to COVID-19 and the numerous shutdowns and restrictions it brought with it, fiscal year 2020-2021 started out like no other year in Rockingham County's history. Despite the many obstacles that had to be overcome, Rockingham County's industry, small business, and tourism establishments all seemed to find their niche in what would work for them to make it through these uncharted waters. Several businesses had to modify their operations to stay afloat and have remained modified up to this point. We are seeing, not only in Rockingham County but across the entire state, the need for workers. While Rockingham County's current unemployment rate is better than the same time last year (from 8.8% to 5.7%), there is still some improvement to be made to reach pre-COVID rates.

Despite the economic turmoil felt across the country, Rockingham County's industrial activity was continuing to push ahead with strong force and even gaining momentum resulting in several economic achievements for Rockingham County in 2020-2021. For example, Nestle Purina, a Fortune 500 company, announced their \$450 million investment in the former MillerCoors site and with it will bring just over 300 new jobs: the largest economic development announcement in the County's history. Farmina, an Italian based pet food company, announced they would invest \$28.5 million in their first U.S. facility to be located in the Reidsville Industrial Park (RIP). This announcement was the first announcement for RIP in over 2 years. Four existing Rockingham County industries (Blow Molded, Night Owl, Acrow, and Sturm Ruger) announced expansions to their current Rockingham County facilities. These announcements not only created new investments in Rockingham County but created additional jobs as well.

Rockingham County tourism found its way back on the scene after a tremendous impact in the latter part of the 2019-2020 fiscal year. Although the start to 2020-2021 fiscal year didn't produce the numbers Rockingham County was used to seeing, as the year progressed, numbers started to improve which resulted in a 1.38% increase in overall occupancy for the year.

The local budget for Rockingham County Schools continued to cut expenditures to cover increases in costs. The County is still unable to adequately fund the school system, resulting in additional cuts and forcing the system to budget approximately \$6.3 million from fund balance for the 2021-2022 school year.

The County continues working to attract new industries, assist existing industries and small businesses, and focus on developing a strong tourism industry. The hope is that these efforts will diversify the local economy. Over the past ten years the school district's student enrollment has decreased 20.3%, based on final ADM. The district's budgeted student enrollment for the 2021-2022 year is 11,178, an increase of approximately 4.8% compared to 2020-2021.

As we begin to look toward budgeting for fiscal year 2021-2022, we continue to take a very conservative approach regarding expenditures and staffing to balance the budget and prepare for funding shortages that will more than likely occur and continue into the 2022-2023 budget year due to the COVID-19 pandemic. Expired federal programs have been replaced with local funds, and additional cuts are expected to continue from the State, and possibly local as well. Rockingham County Schools was allocated several federal and state funding sources to be used specifically for mitigating the impact of COVID-19. These funding sources were utilized in 2020-2021 to fund a districtwide summer learning academy and purchase digital resources and chromebooks for students.

The district's school buildings were built between 1935 and 2012. Cooperation between the Board of County Commissioners and the Board of Education has enabled the school system to build five new school buildings in recent years. Four replaced outdated structures while one is an additional school to serve a high population area. We have also added additions to and remodeled four established schools. The County financed all these projects by designating future sales tax revenues and lottery proceeds to repay loans. The construction cost of the completed projects was \$54 million. We continue to analyze facility needs based on our student enrollment and expected growth in our community. See the Statistical Section of this report for more detailed data on our school buildings.

Major Initiatives

Rockingham County Schools continues to be faced with many challenges that will require a more efficient and effective use of all our funding more than ever before. We continue to generate data in more detail to help our schools meet the needs of all our children. There is a system-wide plan for improvement for all our schools. Student achievement has continued to improve each year. The 2021-2022 school year will present challenges as we navigate classroom closures and staff shortages due to COVID-19; however, we continue to expect to produce higher student achievement than ever before. We are also addressing the dropout issue with emphasis upon generating accurate student data, including changes by gender and ethnicity, identification of contributing factors, conducting research related to successful practices and generating a multi-year program. We are developing another diploma pathway for our struggling at-risk students. The dropout rate has been cut in more than half from ten years ago to 1.48% for the 2019-2020 school year. The dropout rate for 2020-2021 was 3.43%; however, we do anticipate the rate to be lower in 2021-2022.

The 2021-2022 budget focuses on the district's goals and objectives, which are outlined as follows:

- Develop and maintain career technical pathways which are designed to meet the economic needs of the area. Exploring opportunities with RCC to add another technical skill pathway.
- All students achieve academic proficiency at the end of each grade level (K-12)
- Continue to improve under-performing schools by providing the necessary resources
- Eliminate the achievement gaps (race, gender and socioeconomic)
- Increase the number of schools that meet both federal and state academic goals
- Continue the STEM (science, technology, engineering, and mathematics) program in grades 4-9 that began with a grant with NC Golden Leaf Foundation.
- Define measurable achievement goals for each individual school as well as the district. Continue to use the Data Mart system implemented in 2015-2016.
- Every effort will be made to retain twenty-first century professionals to meet the demands of a global economy
- Maintain a strong induction program for beginning teachers, as well as new teachers to the district
- Focus recruiting efforts on attracting and retaining high quality personnel
- Continue to implement Character Education Programs for all students K-12
- Continue planning and development of programs to promote schools which are free of drugs, weapons, and disruptive behavior
- The four specialized academies continue to be successful
- Create a customer-friendly environment for our students, parents, staff, and community
- Educational professionals will make decisions in collaboration with parents, students, businesses, education institutions, faith-based organizations, and other community/civic organizations to impact student success
- School leaders will create collaborative culture that embraces changes and promotes dynamic, continuous improvement
- Continue to develop relative teaching and learning skills to promote a global understanding as well as preparation for post-secondary education
- Continue to move schools toward improving student achievement through alignment of resources that are prioritized

- Continue to navigate the challenges presented by the COVID-19 pandemic

For the 2020-2021 school year, the State Board of Education did not provide any designation for growth or school letter grades. Students completed End of Grade and End of Course assessments, but due to missing data points from the 2019-2020 school year growth was not calculated. Since growth is a part of the school letter grade system, schools could not be assigned a letter grade. The graduation rate was higher than the state average.

Financial Information

- **Internal Control**

Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

- **Budgetary Control**

North Carolina General Statutes requires all governmental units 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 approves the annual budget by purpose, function, and project on a modified accrual basis. Budgets are adopted for all governmental funds and proprietary funds. The final budget amount as amended for the fiscal year is reflected in financial and individual statement sections. No budget is required by State law for individual school funds.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Encumbered amounts lapse at year-end.

Significant accounting policies of the Board are discussed in Note 1 to the financial statements.

- **Fund Accounting**

As required by law, the fund system of accounting is used. Each fund is a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities in accordance with law, good accounting practice, special regulations, or other limitations. Three categories of funds are used: governmental, proprietary (business-type activities) and fiduciary.

Governmental Funds:

- General Fund – County appropriated funds
- State Public School Fund - State appropriated funds
- Individual Schools Fund - Funds of the various clubs and athletics
- Federal Grants Fund - Grants from the federal government
- Capital Project Fund - County appropriated
- Other Restricted Fund - Special purpose funds

Proprietary Funds (Enterprise Funds):

- Food Service Fund
- School Age Child Care Fund

Fiduciary Fund:

- Scholarship Fund

Governmental funds use the modified accrual basis of accounting while the proprietary and fiduciary funds use the full accrual basis of accounting.

The proprietary fund operation consists of the School Food Service Fund and the School Age Child Care Program. The School Food Service Fund operates as an enterprise fund and provides meals to students and staff. The School Age Child Care Program also operates as an enterprise fund, providing before and after school care for students.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Anderson Smith & Wike PLLC has audited the financial statements. There were no limitations on the scope of the audit, and their opinion along with basic financial statements and individual fund schedules are included in the financial section of this report.

In addition to meeting the requirements set forth by the State, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Uniform Guidance and the State Single Audit Implementation Act. The auditors' reports related specifically to the single audit are included in a separate report issued by the auditors.

Financial Reporting Awards

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Rockingham County Schools for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This award is a national program that provides unique professional recognition in the preparation and issuance of ACFRs by school systems.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Rockingham County Schools for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

These awards are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the ASBO and GFOA requirements and we are submitting it to ASBO and GFOA to determine its eligibility for renewed awards.

Acknowledgments

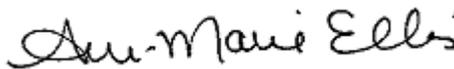
The preparation of this report on a timely basis could not have been accomplished without the efforts and dedication of the personnel in the Finance Office, the Superintendent's Office, and our independent audit firm. We would like to express our appreciation to all of the employees who contributed to the development of this report and to the Rockingham County government in providing the statistical data needed.

Also, we would like to thank the members of the Rockingham County Board of Education for their interest in planning and conducting the financial operations of the school system in a dedicated and responsible manner.

Respectfully submitted,



Rodney Shotwell, Ed.D.
Superintendent



Annie Ellis
Chief Financial Officer

***Rockingham County Board of Education
Eden, North Carolina***

July 1, 2020 - June 30, 2021

Board Members

Kimberly McMichael, *Chair*
Vicky Alston, *Vice Chair*

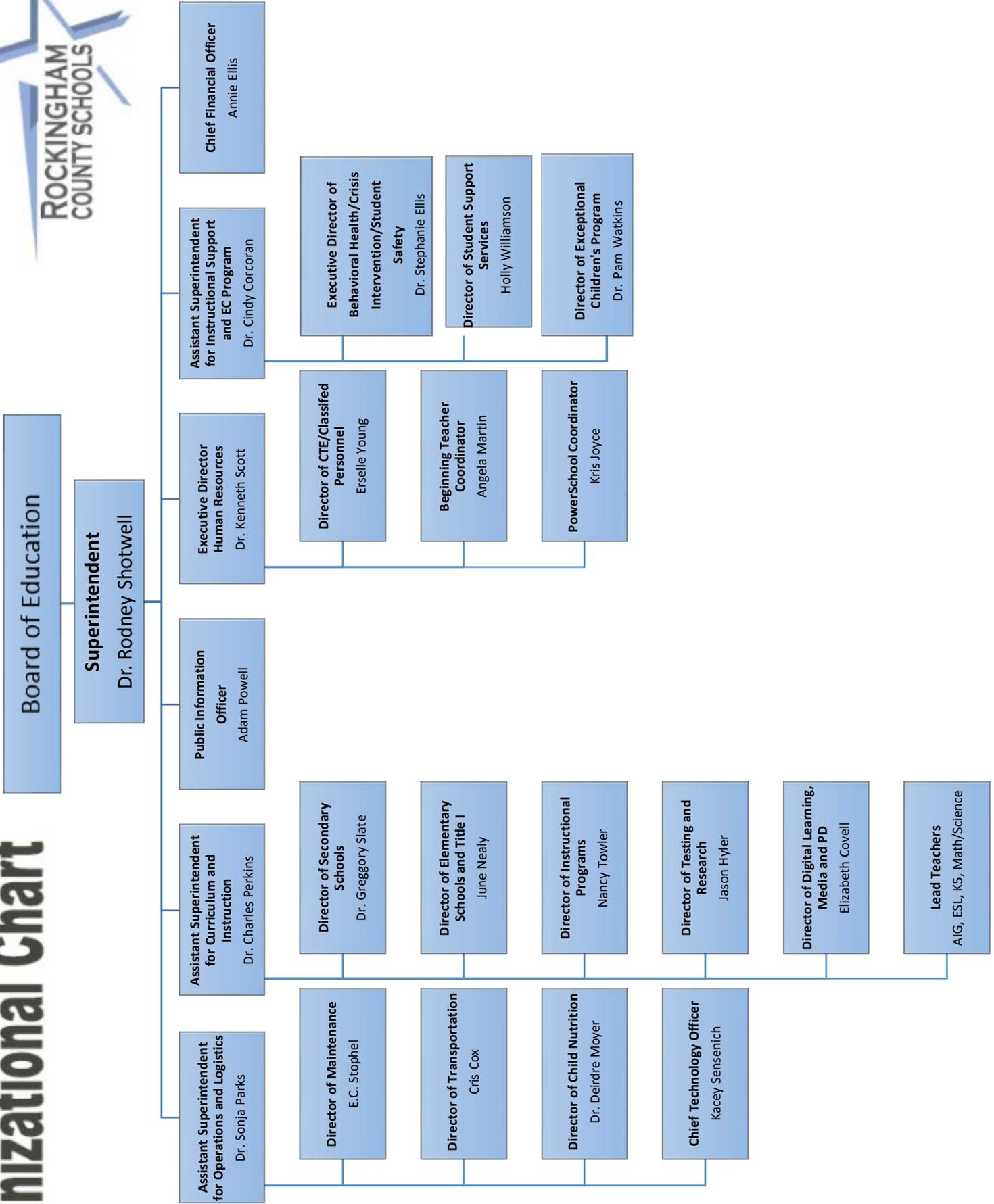
Brent Huss
Doug Isley
Vickie T. McKinney

Paula Rakestraw
Bob Wyatt

Principal Officers

Dr. Rodney Shotwell, *Superintendent*
Dr. Sonja Parks, *Assistant Superintendent*
Dr. Charles Perkins, *Assistant Superintendent*
Dr. Cindy Corcoran, *Assistant Superintendent*

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rockingham County Schools
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Rockingham County Board of Education

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

Financial Section



INDEPENDENT AUDITORS' REPORT

To the Rockingham County Board of Education
Eden, 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 Rockingham County Board of Education, as of and for the year ended June 30, 2021 and the related notes to the basic financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rockingham County Board of Education as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General, State Public School, Federal Grants and Other Restricted funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 9 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB Asset and the Schedules of Board Contributions on pages 49 through 54, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rockingham County Board of Education's basic financial statements. The introductory section, individual fund 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 fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund 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 29, 2021 on our consideration of the Rockingham County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rockingham County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

November 29, 2021
Rockingham, North Carolina

ROCKINGHAM COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Rockingham County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2021. This information should be read in conjunction with the audited financial statements included in this report.

Impact of Coronavirus on District

During the fiscal year, the State and nation continued to be affected by the spread of a coronavirus (COVID-19). Educational services were provided to students remotely, within the traditional classroom environment or a hybrid method incorporating on-site instruction and remote learning. The Board incurred additional expenses as a result of COVID-19 including: purchase of personal protective equipment and remote learning educational tools. In addition, the Board received grants from the federal government to assist with these additional expenses incurred due to COVID-19.

Financial Highlights

For the fiscal year ended June 30, 2021, the Board's total government-wide net position increased by \$6.9 million. Governmental activities net position increased by \$5.8 million and business-type activities net position increased by \$1.1 million.

- Total government-wide net investment in capital assets decreased by \$2.8 million, or 4.1%, from the prior year. Governmental activities net investment in capital assets decreased by \$2.9 million and business-type activities net investment in capital assets increased by \$71,000.
- Total governmental activities restricted net position increased by \$3.4 million over the prior year.
- The Board's total government-wide unrestricted net position at June 30, 2021 increased by \$6.3 million over the prior year.
- Financial reporting awards from the Association of School Business Officials International and the Government Finance Officers Association were received for the 2020 fiscal year.

Overview of the Financial Statements

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

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*
- *Supplementary section that presents budgetary schedules for governmental and enterprise funds.*

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

ROCKINGHAM COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

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, proprietary funds and fiduciary fund. 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 and fiduciary 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, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

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

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

Fund Financial Statements

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

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

Rockingham County Board of Education has three 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,

**ROCKINGHAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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 Federal Grants Fund, the Other Restricted Fund, the Individual Schools Fund and the Capital Outlay Fund. The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

Proprietary funds: 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 Rockingham County Board of Education has two proprietary funds - both enterprise funds – the School Food Service Fund and the Child Care Fund. The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Rockingham County Board of Education has one fiduciary fund – a private purpose trust fund. The Private Purpose Trust Fund is a scholarship fund under the control of the Board of Education. The Board is responsible for ensuring that the assets reported in this fund are used only for their intended purpose and by those to whom the assets belong. The Board excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. The fiduciary fund statements are shown as Exhibits 10 and 11.

Financial Analysis of the Board as a Whole

Total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$83.6 million as of June 30, 2021 as compared to \$90.5 million as of June 30, 2020. Following is a summary of the Statement of Net Position at June 30, 2021 and 2020:

**Table 1
Condensed Statement of Net Position
As of June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Current assets	\$ 30,823,478	\$ 30,363,797	\$ 2,923,802	\$ 2,778,580	\$ 33,747,280	\$ 33,142,377
Capital assets	74,177,291	68,819,939	307,095	236,397	74,484,386	69,056,336
Total assets	105,000,769	99,183,736	3,230,897	3,014,977	108,231,666	102,198,713
Deferred outflows of resources	30,111,493	27,417,738	864,034	885,113	30,975,527	28,302,851
Current liabilities	7,698,327	8,522,942	194,297	209,543	7,892,624	8,732,485
Long-term liabilities	154,205,549	150,950,604	4,166,640	4,857,656	158,372,189	155,808,260
Total liabilities	161,903,876	159,473,546	4,360,937	5,067,199	166,264,813	164,540,745
Deferred inflows of resources	55,001,031	54,721,105	1,578,221	1,766,538	56,579,252	56,487,643
Net investment in capital assets	65,698,678	68,560,223	307,095	236,397	66,005,773	68,796,620
Restricted net position	11,263,396	7,884,515	9,936	13,648	11,273,332	7,898,163
Unrestricted net position (deficit)	(158,754,719)	(164,037,915)	(2,161,258)	(3,183,692)	(160,915,977)	(167,221,607)
Total net position (deficit)	\$ (81,792,645)	\$ (87,593,177)	\$ (1,844,227)	\$ (2,933,647)	\$ (83,636,872)	\$ (90,526,824)

Net position is an indicator of the fiscal health of the Board. The net position of the Board's governmental activities increased \$5.8 million during the year, from \$(87.6) million at June 30, 2020 to \$(81.8) million at June 30, 2021, indicating an improvement in the financial condition of the Board. Restricted net position

**ROCKINGHAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

increased by \$3.4 million, primarily due to increases in stabilization by State statute for receivables and an increase in school capital outlay net position. Unrestricted net position increased by \$5.3 million over the prior year while net investment in capital assets decreased \$2.9 million. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

Net position of the Board's business-type activities increased \$1.1 million during the year. This is the combined net profit generated by our school food service and child care operations during the 2021 fiscal year.

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

**Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Revenues:						
Program revenues:						
Charges for services	\$ 1,330,228	\$ 1,160,869	\$ 744,032	\$ 1,411,258	\$ 2,074,260	\$ 2,572,127
Operating grants and contributions	99,300,003	96,065,138	4,947,111	4,337,573	104,247,114	100,402,711
Capital grants and contributions	561,685	449,242	-	-	561,685	449,242
General revenues:						
County appropriations	18,126,839	18,146,073	-	-	18,126,839	18,146,073
Other revenues	1,215,131	1,065,338	7,900	34,957	1,223,031	1,100,295
Total revenues	<u>120,533,886</u>	<u>116,886,660</u>	<u>5,699,043</u>	<u>5,783,788</u>	<u>126,232,929</u>	<u>122,670,448</u>
Expenses:						
Governmental activities:						
Instructional services	88,496,788	89,365,660	-	-	88,496,788	89,365,660
System-wide support services	22,521,386	22,825,665	-	-	22,521,386	22,825,665
Ancillary services	2,023,328	1,994,144	-	-	2,023,328	1,994,144
Payments to other governments	1,409,428	1,388,461	-	-	1,409,428	1,388,461
Interest on long-term debt	204,098	40,304	-	-	204,098	40,304
Business-type activities:						
School food service	-	-	4,038,174	5,551,029	4,038,174	5,551,029
Child care	-	-	649,775	596,386	649,775	596,386
Total expenses	<u>114,655,028</u>	<u>115,614,234</u>	<u>4,687,949</u>	<u>6,147,415</u>	<u>119,342,977</u>	<u>121,761,649</u>
Excess (deficiency) before transfers	5,878,858	1,272,426	1,011,094	(363,627)	6,889,952	908,799
Transfers in (out)	<u>(78,326)</u>	<u>(402,868)</u>	<u>78,326</u>	<u>402,868</u>	<u>-</u>	<u>-</u>
Change in net position	5,800,532	869,558	1,089,420	39,241	6,889,952	908,799
Beginning net position (deficit)	<u>(87,593,177)</u>	<u>(88,462,735)</u>	<u>(2,933,647)</u>	<u>(2,972,888)</u>	<u>(90,526,824)</u>	<u>(91,435,623)</u>
Ending net position (deficit)	<u>\$ (81,792,645)</u>	<u>\$ (87,593,177)</u>	<u>\$ (1,844,227)</u>	<u>\$ (2,933,647)</u>	<u>\$ (83,636,872)</u>	<u>\$ (90,526,824)</u>

Total governmental activities generated revenues of \$120.5 million while expenses in this category totaled \$114.7 million for the year ended June 30, 2021, resulting in an increase in net position of \$5.8 million (including transfers to business-type activities of \$78,000). Comparatively, revenues were \$116.9 million, expenses totaled \$115.6 million and transfers out were \$403,000 for the year ended June 30, 2020, resulting in an increase in net position of \$870,000. In comparing the two years, revenues

**ROCKINGHAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

increased \$3.6 million, or 3.1%, while expenses decreased by \$959,000, or 0.8%. The change in revenues is primarily attributable to the receipt of \$4.2 million in federal COVID-19 grants during the year.

The Board's primary sources of revenues were funding from the State of North Carolina, Rockingham County, and the United States Government, which respectively comprised 66.8%, 15.0% and 13.3% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 77.2% of our total expenses during the most recent fiscal year. Of the remaining 22.8% of our total expenses, 19.6% was attributable to system-wide support services.

Our business-type activities generated revenues of \$5.7 million, while expenses in this category totaled \$4.7 million for the year ended June 30, 2021. For the year, net position increased by \$1.1 million (including transfers in of \$78,000). Comparatively, revenues were \$5.8 million, expenses totaled \$6.1 million and transfers in were \$403,000 for the year ended June 30, 2020, resulting in an increase in net position of \$39,000. In comparing the two years, revenues decreased slightly by \$85,000, or 1.5%, while expenses decreased \$1.5 million, or 23.7%. The change in expenses is due primarily to a year-over-year decrease of \$1.1 million in pension and OPEB expense.

Financial Analysis of the Board's Funds

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

The Board's governmental funds reported a combined fund balance of \$26.2 million at June 30, 2021, an increase of \$1.3 million over the amount reported at June 30, 2020. Revenues were \$120.6 million for the year ended June 30, 2021, compared to \$117.1 million in the prior year, an increase of \$3.6 million, or 3.1%. Expenditures were \$128.6 million for the current year, compared to \$118.0 million in the prior year, an increase of \$10.6 million, or 9.0%. Revenues increased largely due to the receipt of \$4.2 million in federal COVID-19 grants. The district expended approximately \$8.0 million for energy conservation measures throughout the district which accounted for the majority of the increase in expenditures.

Fund balance in the General Fund at June 30, 2021 was \$14.5 million, a decrease of \$638,000 from the amount reported at June 30, 2020. Revenues for the year totaled \$16.2 million compared to \$16.5 million in the prior year, a decrease of \$317,000, or 1.9%. Expenditures for the year totaled \$16.9 million compared to \$17.3 million in the prior year, a decrease of \$485,000, or 2.8%. In comparing the two years, both revenues and expenditures were comparable.

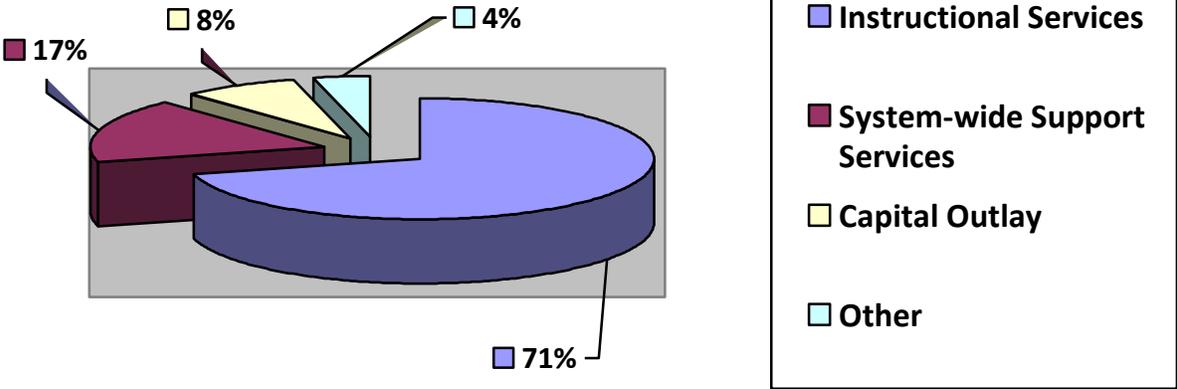
The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. Combined revenues in these funds increased \$3.7 million over the prior year. The increase is primarily attributable to the receipt of grant funding from the federal government to help pay for increased costs associated with COVID-19.

The Other Restricted Fund reported an increase in fund balance for the year ended June 30, 2021 of \$1.4 million. Revenues increased \$1.6 million, primarily due to increases in federal grant and indirect cost revenues.

The Capital Outlay Fund reported fund balance of \$731,000 at June 30, 2021, an increase of \$479,000 over the prior year. The most significant revenue reported in the Capital Outlay Fund was \$2.3 million from Rockingham County appropriations.

**ROCKINGHAM COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Categorization of Expenditures for Governmental Funds



Expenditures presented on modified accrual basis of accounting.

Proprietary Funds: The Board’s business-type funds, the School Food Service Fund and the Child Care Fund, reported a combined increase in net position of \$1.1 million for the fiscal year ended June 30, 2021 compared to an increase of \$39,000 for the same 2020 period. See the discussion above under “Financial Analysis of the Board as a Whole” for further details regarding the year-over-year changes in operating results for the School Food Service and Child Care funds.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget to account for various changes in program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are necessary throughout the year to recognize these adjustments. None of the budget adjustments made during the current year were significant in nature and expenditures did not exceed the budget in any category. The Board budgeted to use \$5.9 million of fund balance for the year. Variances between actual expenditures and final budget amounts primarily relate to conservative budgeting practices and cost containment strategies.

Capital Assets

Total primary government capital assets were \$74.5 million at June 30, 2021 compared to \$69.1 million at June 30, 2020, an increase of 7.9%. This increase is primarily attributable to capitalization of a \$8.0 million energy conservation project during the year. The following table is a summary of the Board’s capital assets, net of depreciation, at June 30, 2021 and 2020. More detailed information about the Board’s capital assets is contained in Note 2 to the financial statements.

**ROCKINGHAM COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 3
Summary of Capital Assets
As of June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Land	\$ 2,983,886	\$ 2,986,396	\$ -	\$ -	\$ 2,983,886	\$ 2,986,396
Construction in progress	144,599	15,300	-	-	144,599	15,300
Buildings and improvements	68,886,064	63,687,461	-	-	68,886,064	63,687,461
Equipment and furniture	427,663	584,231	307,095	236,397	734,758	820,628
Vehicles	1,735,079	1,546,551	-	-	1,735,079	1,546,551
Total	<u>\$ 74,177,291</u>	<u>\$ 68,819,939</u>	<u>\$ 307,095</u>	<u>\$ 236,397</u>	<u>\$ 74,484,386</u>	<u>\$ 69,056,336</u>

Debt Outstanding

The Board's outstanding debt at June 30, 2021 was \$8.5 million, an increase of \$7.7 million over the amount reported at June 30, 2020. The increase relates primarily to an installment purchase agreement entered into during the year to finance an energy conservation project. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. More detailed information about the Board's outstanding debt is contained in Note 2 to the financial statements.

Economic Factors

The Board relies on funding from local, State and federal sources for a majority of its revenues. The Board receives federal funding primarily from federal grants that flow through the NC Department of Public Instruction. State funds are mainly received as allotments from the State Public School Fund. Local funds consist mostly of county appropriations from property taxes, fines and forfeitures.

The following factors impact the economic outlook of Rockingham County:

- As of June 30, 2021, Rockingham County experienced an unemployment rate of approximately 5.7% as compared to an unemployment rate of approximately 8.8% at June 30, 2020. Rockingham County's unemployment rate is above the June 30, 2021 State of N.C. unemployment rate of 4.9% and below the national unemployment rate which was 6.1%.
- The Board anticipates a continued decrease in enrollment over the next few years.

Requests for Information

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

Annie Ellis, Finance Officer
Rockingham County Board of Education
511 Harrington Hwy
Eden, NC 27288

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ROCKINGHAM COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2021

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 25,541,705	\$ 2,543,702	\$ 28,085,407
Due from other governments	4,461,864	264,758	4,726,622
Receivables	349,741	3,584	353,325
Internal balances	300,850	(300,850)	-
Net OPEB asset	169,318	4,858	174,176
Inventories	-	407,750	407,750
Capital assets:			
Land and construction in progress	3,128,485	-	3,128,485
Other capital assets, net of depreciation	71,048,806	307,095	71,355,901
Total capital assets	<u>74,177,291</u>	<u>307,095</u>	<u>74,484,386</u>
Total assets	<u>105,000,769</u>	<u>3,230,897</u>	<u>108,231,666</u>
Deferred Outflows of Resources	<u>30,111,493</u>	<u>864,034</u>	<u>30,975,527</u>
Liabilities			
Accounts payable and accrued expenses	1,286,483	51,358	1,337,841
Accrued salaries and wages payable	3,177,861	-	3,177,861
Unearned revenue	-	61,422	61,422
Accrued interest payable	183,529	-	183,529
Long-term liabilities:			
Due within one year	3,050,454	81,517	3,131,971
Due in more than one year	154,205,549	4,166,640	158,372,189
Total liabilities	<u>161,903,876</u>	<u>4,360,937</u>	<u>166,264,813</u>
Deferred Inflows of Resources	<u>55,001,031</u>	<u>1,578,221</u>	<u>56,579,252</u>
Net position			
Net investment in capital assets	65,698,678	307,095	66,005,773
Restricted for:			
Stabilization by State statute	2,001,035	-	2,001,035
School capital outlay	731,273	-	731,273
Instructional services	7,254,601	-	7,254,601
Individual schools activities	930,272	-	930,272
DIPNC OPEB plan	346,215	9,936	356,151
Unrestricted (deficit)	<u>(158,754,719)</u>	<u>(2,161,258)</u>	<u>(160,915,977)</u>
Total net position (deficit)	<u>\$ (81,792,645)</u>	<u>\$ (1,844,227)</u>	<u>\$ (83,636,872)</u>

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

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	\$ 50,325,975	\$ -	\$ 47,676,968	\$ -	\$ (2,649,007)	\$ -	\$ (2,649,007)
Special populations	13,793,822	1,327,339	15,486,459	-	3,019,976	-	3,019,976
Alternative programs	7,582,204	-	7,378,645	-	(203,559)	-	(203,559)
School leadership	7,427,860	-	7,614,836	-	186,976	-	186,976
Co-curricular	1,757,697	-	967,754	-	(789,943)	-	(789,943)
School-based support	7,609,230	-	6,924,681	-	(684,549)	-	(684,549)
System-wide support services:							
Support and development	1,015,211	-	910,406	-	(104,805)	-	(104,805)
Special population support and development	867,574	-	548,129	-	(319,445)	-	(319,445)
Alternative programs and services							
support and development	228,755	-	240,258	-	11,503	-	11,503
Technology support	1,971,260	-	795,320	-	(1,175,940)	-	(1,175,940)
Operational support	15,535,181	2,889	6,876,502	561,685	(8,094,105)	-	(8,094,105)
Financial and human resource services	1,115,957	-	990,539	-	(125,418)	-	(125,418)
Accountability	69,215	-	68,114	-	(1,101)	-	(1,101)
System-wide pupil support	177,065	-	52,532	-	(124,533)	-	(124,533)
Policy, leadership and public relations	1,541,168	-	883,299	-	(657,869)	-	(657,869)
Ancillary services	2,023,328	-	1,885,561	-	(137,767)	-	(137,767)
Non-programmed charges	1,409,428	-	-	-	(1,409,428)	-	(1,409,428)
Interest on long-term debt	204,098	-	-	-	(204,098)	-	(204,098)
Total governmental activities	<u>114,655,028</u>	<u>1,330,228</u>	<u>99,300,003</u>	<u>561,685</u>	<u>(13,463,112)</u>	<u>-</u>	<u>(13,463,112)</u>
Business-type activities:							
School food service	4,038,174	25,392	4,947,111	-	-	934,329	934,329
Child care	649,775	718,640	-	-	-	68,865	68,865
Total business-type activities	<u>4,687,949</u>	<u>744,032</u>	<u>4,947,111</u>	<u>-</u>	<u>-</u>	<u>1,003,194</u>	<u>1,003,194</u>
Total primary government	<u>\$ 119,342,977</u>	<u>\$ 2,074,260</u>	<u>\$ 104,247,114</u>	<u>\$ 561,685</u>	<u>(13,463,112)</u>	<u>1,003,194</u>	<u>(12,459,918)</u>
General revenues:							
Unrestricted county appropriations - operating					15,834,840	-	15,834,840
Unrestricted county appropriations - capital					2,291,999	-	2,291,999
Investment earnings, unrestricted					107,544	7,817	115,361
Miscellaneous, unrestricted					1,107,587	83	1,107,670
Transfers					(78,326)	78,326	-
Total general revenues					<u>19,263,644</u>	<u>86,226</u>	<u>19,349,870</u>
Change in net position					5,800,532	1,089,420	6,889,952
Net position (deficit) - beginning					(87,593,177)	(2,933,647)	(90,526,824)
Net position (deficit) - ending					<u>\$ (81,792,645)</u>	<u>\$ (1,844,227)</u>	<u>\$ (83,636,872)</u>

FUND FINANCIAL STATEMENTS

ROCKINGHAM COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

Exhibit 3

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Restricted	Capital Outlay	Individual Schools	
Assets							
Cash and cash equivalents	\$ 13,990,795	\$ -	\$ -	9,769,672	\$ 844,998	\$ 936,240	\$ 25,541,705
Due from other governments	1,340,889	2,879,235	148,133	3,587	90,020	-	4,461,864
Accounts receivable	31,270	-	-	318,471	-	-	349,741
Due from other funds	3,532	-	-	303,286	-	-	306,818
Total assets	<u>\$ 15,366,486</u>	<u>\$ 2,879,235</u>	<u>\$ 148,133</u>	<u>\$ 10,395,016</u>	<u>\$ 935,018</u>	<u>\$ 936,240</u>	<u>\$ 30,660,128</u>
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 877,194	\$ -	\$ -	\$ 205,544	\$ 203,745	\$ -	\$ 1,286,483
Accrued salaries and wages payable	12,374	2,879,235	148,133	138,119	-	-	3,177,861
Due to other funds	-	-	-	-	-	5,968	5,968
Total liabilities	<u>889,568</u>	<u>2,879,235</u>	<u>148,133</u>	<u>343,663</u>	<u>203,745</u>	<u>5,968</u>	<u>4,470,312</u>
Fund balances:							
Restricted:							
Stabilization by State statute	1,375,691	-	-	625,344	-	-	2,001,035
School capital outlay	-	-	-	-	731,273	-	731,273
Instructional services	-	-	-	7,254,601	-	-	7,254,601
Individual schools	-	-	-	-	-	930,272	930,272
Assigned:							
Subsequent year's expenditures	6,287,569	-	-	-	-	-	6,287,569
Special revenues	-	-	-	2,171,408	-	-	2,171,408
Unassigned	6,813,658	-	-	-	-	-	6,813,658
Total fund balances	<u>14,476,918</u>	<u>-</u>	<u>-</u>	<u>10,051,353</u>	<u>731,273</u>	<u>930,272</u>	<u>26,189,816</u>
Total liabilities and fund balances	<u>\$ 15,366,486</u>	<u>\$ 2,879,235</u>	<u>\$ 148,133</u>	<u>\$ 10,395,016</u>	<u>\$ 935,018</u>	<u>\$ 936,240</u>	<u>\$ 30,660,128</u>

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

Exhibit 3 (continued)

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances of governmental funds	\$ 26,189,816
Net OPEB asset	169,318
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	74,177,291
Deferred outflows of resources related to pensions	19,591,369
Deferred outflows of resources related to OPEB	10,520,124
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.	(15,368,713)
Net pension liability	(47,611,807)
Net OPEB liability	(94,459,012)
Deferred inflows of resources related to pensions	(965,210)
Deferred inflows of resources related to OPEB	<u>(54,035,821)</u>
Net position (deficit) of governmental activities	<u>\$ (81,792,645)</u>

ROCKINGHAM COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

Exhibit 4

	Major Funds					Non-major Fund	Total
	General	State Public School	Federal Grants	Other Restricted	Capital Outlay	Individual Schools	Governmental Funds
Revenues:							
State of North Carolina	\$ -	\$ 79,692,049	\$ -	\$ 272,000	\$ 561,685	\$ -	\$ 80,525,734
Rockingham County:							
Local current expense	15,834,840	-	-	-	-	-	15,834,840
Other	-	-	-	-	2,291,999	-	2,291,999
U.S. Government	-	1,006,267	11,912,642	3,061,610	-	-	15,980,519
Contributions and donations	-	-	-	604,716	-	-	604,716
Other	391,803	-	-	4,040,641	338	964,727	5,397,509
Total revenues	<u>16,226,643</u>	<u>80,698,316</u>	<u>11,912,642</u>	<u>7,978,967</u>	<u>2,854,022</u>	<u>964,727</u>	<u>120,635,317</u>
Expenditures:							
Current:							
Instructional services:							
Regular instructional	2,230,381	44,669,230	1,499,324	1,951,676	-	-	50,350,611
Special populations	7,729	10,846,067	3,363,300	609,094	-	-	14,826,190
Alternative programs	367,893	2,266,066	5,112,579	150,769	-	-	7,897,307
School leadership	1,595,069	6,295,496	514	4,981	52,359	-	7,948,419
Co-curricular	820,403	-	3,027	1,881	-	984,159	1,809,470
School-based support	308,009	6,476,555	448,126	927,008	-	-	8,159,698
System-wide support services:							
Support and development	171,234	794,511	115,895	438	-	-	1,082,078
Special population support and development	118,355	289,642	258,487	299,675	-	-	966,159
Alternative programs and services support and development	-	57,527	182,731	-	-	-	240,258
Technology support	1,056,900	712,602	82,718	-	171,457	-	2,023,677
Operational support	7,134,663	6,083,093	521,994	171,600	751,980	-	14,663,330
Financial and human resource services	428,692	990,539	-	-	-	-	1,419,231
Accountability	11,425	68,114	-	-	-	-	79,539
System-wide pupil support	94,052	-	52,532	49,368	-	-	195,952
Policy, leadership and public relations	674,337	883,299	-	67,441	665	-	1,625,742
Ancillary services	1,763	192,838	-	1,918,018	-	-	2,112,619
Non-programmed charges	1,409,428	-	271,415	14,656	-	-	1,695,499
Debt service:							
Principal retirement	414,055	72,737	-	-	561,685	-	1,048,477
Interest and fees	20,569	-	-	-	-	-	20,569
Capital outlay	-	-	-	382,995	10,030,583	-	10,413,578
Total expenditures	<u>16,864,957</u>	<u>80,698,316</u>	<u>11,912,642</u>	<u>6,549,600</u>	<u>11,568,729</u>	<u>984,159</u>	<u>128,578,403</u>
Revenues over (under) expenditures	<u>(638,314)</u>	<u>-</u>	<u>-</u>	<u>1,429,367</u>	<u>(8,714,707)</u>	<u>(19,432)</u>	<u>(7,943,086)</u>
Other financing sources:							
Installment purchase obligations issued	-	-	-	-	8,780,582	-	8,780,582
Insurance proceeds	-	-	-	-	184,640	-	184,640
Proceeds from disposal of capital assets	-	-	-	-	228,095	-	228,095
Total other financing sources	-	-	-	-	9,193,317	-	9,193,317
Net change in fund balance	(638,314)	-	-	1,429,367	478,610	(19,432)	1,250,231
Fund balances:							
Beginning of year	15,115,232	-	-	8,621,986	252,663	949,704	24,939,585
End of year	<u>\$ 14,476,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,051,353</u>	<u>\$ 731,273</u>	<u>\$ 930,272</u>	<u>\$ 26,189,816</u>

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
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, 2021

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 1,250,231
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 capital outlays exceeded depreciation in the current period.	5,364,844
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(228,095)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	9,495,055
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	4,349,222
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	1,618,080
Gain on disposal of capital assets	220,603
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(7,732,105)
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	(183,529)
Pension (expense) benefit	(13,198,418)
Net OPEB (expense) benefit	4,807,463
Compensated absences	<u>37,181</u>
Total change in net position of governmental activities	<u>\$ 5,800,532</u>

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2021

Exhibit 6

General Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Rockingham County	15,834,840	15,834,840	15,834,840	-
U.S. Government	-	-	-	-
Contributions and donations	-	-	-	-
Other	340,000	340,000	391,803	51,803
Total revenues	16,174,840	16,174,840	16,226,643	51,803
Expenditures:				
Current:				
Instructional services:				
Regular instructional	2,748,799	2,534,492	2,230,381	304,111
Special populations	58,243	37,443	7,729	29,714
Alternative programs	486,955	553,980	367,893	186,087
School leadership	1,397,782	1,715,625	1,595,069	120,556
Co-curricular	842,525	886,264	820,403	65,861
School-based support	585,675	659,975	308,009	351,966
Total instructional services	6,119,979	6,387,779	5,329,484	1,058,295
System-wide support services:				
Support and development	300,174	273,674	171,234	102,440
Special population support and development	184,475	146,003	118,355	27,648
Alternative programs and services support and development	-	-	-	-
Technology support	1,239,247	1,251,419	1,056,900	194,519
Operational support	10,443,723	10,066,911	7,134,663	2,932,248
Financial and human resource services	541,966	464,541	428,692	35,849
Accountability	40,250	40,250	11,425	28,825
System-wide pupil support	101,403	107,403	94,052	13,351
Policy, leadership and public relations	889,464	729,084	674,337	54,747
Total system-wide support services	13,740,702	13,079,285	9,689,658	3,389,627
Ancillary services:				
Community	-	-	-	-
Nutrition	9,000	9,000	1,763	7,237
Total ancillary services	9,000	9,000	1,763	7,237
Nonprogrammed charges	1,694,250	1,694,250	1,409,428	284,822
Debt service:				
Principal retirement	-	486,793	414,055	72,738
Interest and fees	-	20,569	20,569	-
Total debt service	-	507,362	434,624	72,738
Capital outlay	-	-	-	-
Total expenditures	21,563,931	21,677,676	16,864,957	4,812,719
Revenues over (under) expenditures	(5,389,091)	(5,502,836)	(638,314)	4,864,522
Other financing sources (uses):				
Transfers to other funds	-	(380,500)	-	380,500
Installment purchase obligations issued	-	-	-	-
Fund balance appropriated	5,389,091	5,883,336	-	(5,883,336)
Net change in fund balance	\$ -	\$ -	(638,314)	\$ (638,314)
Fund balances:				
Beginning of year			15,115,232	
End of year			\$ 14,476,918	

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

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

GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2021

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 82,172,596	\$ 89,433,192	\$ 79,692,049	\$ (9,741,143)
Rockingham County	-	-	-	-
U.S. Government	-	2,799,242	1,006,267	(1,792,975)
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>82,172,596</u>	<u>92,232,434</u>	<u>80,698,316</u>	<u>(11,534,118)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	46,627,442	50,012,825	44,669,230	5,343,595
Special populations	11,025,314	11,947,134	10,846,067	1,101,067
Alternative programs	2,659,828	3,457,805	2,266,066	1,191,739
School leadership	5,518,577	7,211,537	6,295,496	916,041
Co-curricular	-	-	-	-
School-based support	6,445,262	7,459,299	6,476,555	982,744
Total instructional services	<u>72,276,423</u>	<u>80,088,600</u>	<u>70,553,414</u>	<u>9,535,186</u>
System-wide support services:				
Support and development	763,629	1,177,395	794,511	382,884
Special population support and development	71,928	558,072	289,642	268,430
Alternative programs and services support and development	42,044	92,927	57,527	35,400
Technology support	245,618	715,255	712,602	2,653
Operational support	6,257,982	6,774,009	6,083,093	690,916
Financial and human resource services	984,633	1,130,550	990,539	140,011
Accountability	68,064	77,564	68,114	9,450
System-wide pupil support	-	-	-	-
Policy, leadership and public relations	860,269	921,878	883,299	38,579
Total system-wide support services	<u>9,294,167</u>	<u>11,447,650</u>	<u>9,879,327</u>	<u>1,568,323</u>
Ancillary services:				
Community	-	2,261	-	2,261
Nutrition	602,006	621,186	192,838	428,348
Total ancillary services	<u>602,006</u>	<u>623,447</u>	<u>192,838</u>	<u>430,609</u>
Nonprogrammed charges	-	-	-	-
Debt service:				
Principal retirement	-	72,737	72,737	-
Interest and fees	-	-	-	-
Total debt service	<u>-</u>	<u>72,737</u>	<u>72,737</u>	<u>-</u>
Capital outlay	-	-	-	-
Total expenditures	<u>82,172,596</u>	<u>92,232,434</u>	<u>80,698,316</u>	<u>11,534,118</u>
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Installment purchase obligations issued	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year	-	-	-	-
End of year	-	-	<u>\$ -</u>	-

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

ROCKINGHAM COUNTY BOARD OF EDUCATION

Exhibit 6 (continued)

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

GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2021

Federal Grants Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Rockingham County	-	-	-	-
U.S. Government	15,840,500	57,941,488	11,912,642	(46,028,846)
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>15,840,500</u>	<u>57,941,488</u>	<u>11,912,642</u>	<u>(46,028,846)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	2,123,944	16,385,991	1,499,324	14,886,667
Special populations	4,140,570	5,772,745	3,363,300	2,409,445
Alternative programs	5,400,037	12,994,392	5,112,579	7,881,813
School leadership	10,000	10,000	514	9,486
Co-curricular	2,000	3,027	3,027	-
School-based support	525,087	1,539,954	448,126	1,091,828
Total instructional services	<u>12,201,638</u>	<u>36,706,109</u>	<u>10,426,870</u>	<u>26,279,239</u>
System-wide support services:				
Support and development	386,146	454,323	115,895	338,428
Special population support and development	312,030	283,659	258,487	25,172
Alternative programs and services support and development	183,130	187,017	182,731	4,286
Technology support	83,218	83,218	82,718	500
Operational support	1,601,192	17,600,973	521,994	17,078,979
Financial and human resource services	-	-	-	-
Accountability	-	-	-	-
System-wide pupil support	40,989	450,929	52,532	398,397
Policy, leadership and public relations	-	-	-	-
Total system-wide support services	<u>2,606,705</u>	<u>19,060,119</u>	<u>1,214,357</u>	<u>17,845,762</u>
Ancillary services:				
Community	-	-	-	-
Nutrition	-	35,396	-	35,396
Total ancillary services	<u>-</u>	<u>35,396</u>	<u>-</u>	<u>35,396</u>
Nonprogrammed charges	<u>1,032,157</u>	<u>2,139,864</u>	<u>271,415</u>	<u>1,868,449</u>
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	-	-	-	-
Total expenditures	<u>15,840,500</u>	<u>57,941,488</u>	<u>11,912,642</u>	<u>46,028,846</u>
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Installment purchase obligations issued	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year	-	-	-	-
End of year	-	-	<u>\$ -</u>	-

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

ROCKINGHAM COUNTY BOARD OF EDUCATION

Exhibit 6 (continued)

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

GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2021

	Other Restricted Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 200,000	\$ 272,000	\$ 272,000	\$ -
Rockingham County	-	-	-	-
U.S. Government	2,241,767	3,487,636	3,061,610	(426,026)
Contributions and donations	345,134	653,580	604,716	(48,864)
Other	3,286,954	4,168,332	4,040,641	(127,691)
Total revenues	6,073,855	8,581,548	7,978,967	(602,581)
Expenditures:				
Current:				
Instructional services:				
Regular instructional	2,003,996	2,467,562	1,951,676	515,886
Special populations	757,077	996,971	609,094	387,877
Alternative programs	8,914	159,691	150,769	8,922
School leadership	55,818	55,600	4,981	50,619
Co-curricular	9,000	9,000	1,881	7,119
School-based support	421,556	1,425,984	927,008	498,976
Total instructional services	3,256,361	5,114,808	3,645,409	1,469,399
System-wide support services:				
Support and development	-	438	438	-
Special population support and development	273,649	328,743	299,675	29,068
Alternative programs and services support and development	-	-	-	-
Technology support	-	-	-	-
Operational support	1,129,605	1,290,939	171,600	1,119,339
Financial and human resource services	-	300	-	300
Accountability	-	-	-	-
System-wide pupil support	-	50,100	49,368	732
Policy, leadership and public relations	6,100	129,320	67,441	61,879
Total system-wide support services	1,409,354	1,799,840	588,522	1,211,318
Ancillary services:				
Community	2,136,973	2,324,616	1,918,018	406,598
Nutrition	-	-	-	-
Total ancillary services	2,136,973	2,324,616	1,918,018	406,598
Nonprogrammed charges	6,960	19,806	14,656	5,150
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Capital outlay	-	458,446	382,995	75,451
Total expenditures	6,809,648	9,717,516	6,549,600	3,167,916
Revenues over (under) expenditures	(735,793)	(1,135,968)	1,429,367	2,565,335
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Installment purchase obligations issued	-	-	-	-
Fund balance appropriated	735,793	1,135,968	-	(1,135,968)
Net change in fund balance	\$ -	\$ -	1,429,367	\$ 1,429,367
Fund balances:				
Beginning of year			8,621,986	
End of year			\$ 10,051,353	

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
June 30, 2021

Exhibit 7

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,417,821	\$ 125,881	\$ 2,543,702
Due from other governments	264,758	-	264,758
Receivables	3,584	-	3,584
Net OPEB asset	3,881	977	4,858
Inventories	407,750	-	407,750
Total current assets	<u>3,097,794</u>	<u>126,858</u>	<u>3,224,652</u>
Noncurrent assets:			
Capital assets:			
Furniture and equipment, net	<u>307,095</u>	<u>-</u>	<u>307,095</u>
Total assets	<u>3,404,889</u>	<u>126,858</u>	<u>3,531,747</u>
Deferred Outflows of Resources	<u>690,321</u>	<u>173,713</u>	<u>864,034</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	51,013	345	51,358
Due to other funds	300,850	-	300,850
Compensated absences	70,517	11,000	81,517
Unearned revenue	61,422	-	61,422
Total current liabilities	<u>483,802</u>	<u>11,345</u>	<u>495,147</u>
Noncurrent liabilities:			
Net pension liability	1,091,523	274,669	1,366,192
Net OPEB liability	2,165,519	544,926	2,710,445
Compensated absences	75,483	14,520	90,003
Total noncurrent liabilities	<u>3,332,525</u>	<u>834,115</u>	<u>4,166,640</u>
Total liabilities	<u>3,816,327</u>	<u>845,460</u>	<u>4,661,787</u>
Deferred Inflows of Resources	<u>1,260,925</u>	<u>317,296</u>	<u>1,578,221</u>
Net position			
Investment in capital assets	307,095	-	307,095
Restricted for DIPNC OPEB plan	7,937	1,999	9,936
Unrestricted (deficit)	<u>(1,297,074)</u>	<u>(864,184)</u>	<u>(2,161,258)</u>
Total net position (deficit)	<u>\$ (982,042)</u>	<u>\$ (862,185)</u>	<u>\$ (1,844,227)</u>

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2021

Exhibit 8

	Enterprise		
	Major Funds		Totals
	School Food Service	Child Care	
Operating revenues:			
Food sales	\$ 25,392	\$ -	\$ 25,392
Child care fees	-	718,640	718,640
Other	83	-	83
Total operating revenues	<u>25,475</u>	<u>718,640</u>	<u>744,115</u>
Operating expenses:			
Food cost:			
Purchase of food	1,399,179	70	1,399,249
Donated commodities	467,725	-	467,725
Salaries and benefits	1,656,530	645,254	2,301,784
Indirect costs	331,978	-	331,978
Materials and supplies	8,140	568	8,708
Repairs and maintenance	91,701	-	91,701
Depreciation	43,871	-	43,871
Non-capitalized equipment	27,985	-	27,985
Loss on disposal of capital assets	1,852	-	1,852
Other	40,341	3,883	44,224
Total operating expenses	<u>4,069,302</u>	<u>649,775</u>	<u>4,719,077</u>
Operating income (loss)	<u>(4,043,827)</u>	<u>68,865</u>	<u>(3,974,962)</u>
Nonoperating revenues:			
Federal reimbursements	4,476,386	-	4,476,386
Federal commodities	467,725	-	467,725
Indirect costs not paid	31,128	-	31,128
Interest earned	7,433	384	7,817
Contributions and donations	3,000	-	3,000
Total nonoperating revenues	<u>4,985,672</u>	<u>384</u>	<u>4,986,056</u>
Income before contributions	941,845	69,249	1,011,094
Capital contributions	<u>78,326</u>	<u>-</u>	<u>78,326</u>
Change in net position	1,020,171	69,249	1,089,420
Net position (deficit), beginning of year	<u>(2,002,213)</u>	<u>(931,434)</u>	<u>(2,933,647)</u>
Net position (deficit), end of year	<u>\$ (982,042)</u>	<u>\$ (862,185)</u>	<u>\$ (1,844,227)</u>

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2021

Exhibit 9

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 23,198	\$ 718,640	\$ 741,838
Cash paid for goods and services	(1,871,439)	(4,208)	(1,875,647)
Cash paid to employees for services	(2,474,454)	(680,468)	(3,154,922)
Other	83	-	83
Net cash provided (used) by operating activities	<u>(4,322,612)</u>	<u>33,964</u>	<u>(4,288,648)</u>
Cash flows from noncapital financing activities:			
Due to other funds	300,850	-	300,850
Federal and State reimbursements	4,352,981	-	4,352,981
Contributions and donations	3,000	-	3,000
Net cash provided by noncapital financing activities	<u>4,656,831</u>	<u>-</u>	<u>4,656,831</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	<u>(38,095)</u>	<u>-</u>	<u>(38,095)</u>
Cash flows from investing activities:			
Interest earned on investments	<u>7,433</u>	<u>384</u>	<u>7,817</u>
Net increase in cash and cash equivalents	303,557	34,348	337,905
Cash and cash equivalents, beginning of year	<u>2,114,264</u>	<u>91,533</u>	<u>2,205,797</u>
Cash and cash equivalents, end of year	<u>\$ 2,417,821</u>	<u>\$ 125,881</u>	<u>\$ 2,543,702</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ (4,043,827)</u>	<u>\$ 68,865</u>	<u>\$ (3,974,962)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	43,871	-	43,871
Donated commodities	467,725	-	467,725
Indirect costs not paid	31,128	-	31,128
Changes in assets and liabilities:			
Increase in accounts receivable	(1,216)	-	(1,216)
Increase in net OPEB asset	(13)	(139)	(152)
Decrease in inventories	16,606	-	16,606
Increase (decrease) in accounts payable and accrued liabilities	(19,849)	313	(19,536)
Decrease in unearned revenue	(978)	-	(978)
Increase in net pension liability	31,540	44,864	76,404
Decrease in net OPEB liability	(666,679)	(69,097)	(735,776)
(Increase) decrease in deferred outflows	37,089	(16,010)	21,079
Increase (decrease) in deferred inflows	(190,865)	2,548	(188,317)
Increase (decrease) in compensated absences payable	<u>(28,996)</u>	<u>2,620</u>	<u>(26,376)</u>
Total adjustments	<u>(278,785)</u>	<u>(34,901)</u>	<u>(313,686)</u>
Net cash provided (used) by operating activities	<u>\$ (4,322,612)</u>	<u>\$ 33,964</u>	<u>\$ (4,288,648)</u>

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2021

Exhibit 9 (continued)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$467,725 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.

School Food Service capital assets with a value of \$78,326 were purchased by the State Public School Fund during the year. The value of these assets is reflected as a capital contribution on Exhibit 8.

Indirect costs of \$31,128 that would be due to the Restricted Revenue Fund were not paid. These unpaid costs are reflected as a non-operating revenue and an operating expense on Exhibit 8.

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2021

Exhibit 10

	<u>Private Purpose Trust Fund</u>
Assets	
Cash and cash equivalents	\$ <u>120,627</u>
Net position	
Assets held in trust for private purpose	\$ <u>120,627</u>

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2021

Exhibit 11

	<u>Private Purpose Trust Fund</u>
Additions:	
Contributions and other revenue	\$ <u>5,363</u>
Deductions:	
Instructional costs	<u>50</u>
Change in net position	5,313
Beginning net position	<u>115,314</u>
Ending net position	<u>\$ 120,627</u>

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

**ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. 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, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary and fiduciary* – 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. The fiduciary funds are presented separately.

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 accounted for in another fund.

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

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

**ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

Other Restricted Fund. The Other Restricted 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. The Other Restricted Fund is reported as a special revenue fund.

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 Rockingham County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds as well as certain State assistance.

The Board reports the following nonmajor governmental fund:

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 fundraising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs. The Individual Schools Fund is reported as a special revenue fund.

The Board reports the following major enterprise funds:

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

Child Care Fund. The Child Care Fund is used to account for the afterschool care program at the elementary schools within the school system. The costs associated with these programs are recovered by user charges.

The Board reports the following fiduciary fund:

Private Purpose Trust Fund. The Private Purpose Trust Fund is used to account for scholarship money under the control of the Board for the benefit of students in the County.

C. Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary 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

**ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

both restricted and unrestricted net position available to finance the program. It is the Board's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to transfer amounts between sub-functions and objects of expenditures within a function without limitations and without a report to the Board being required. The Board has authorized the Superintendent to transfer amounts not to exceed \$5,000 from one function to another within a fund if the amount does not increase or decrease by 25% or more the amount allocated to either function. The Superintendent may not transfer any amounts between funds nor from any contingency appropriation within a fund. All amendments must be approved by the Board of Education. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

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

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. The NCCMT is reported at fair value. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

2. Cash and Cash Equivalents

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

**ROCKINGHAM COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2021**

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. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before December 31, 2005 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.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives is not capitalized.

Rockingham 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	40
Playground structures/fencing	15
Equipment and furniture	5-12
Vehicles	5-12

5. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion – pension and other post-employment benefit-related deferrals. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has two items that meet this criterion – pension and other post-employment benefit-related deferrals.

6. Long-term Obligations

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

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

7. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2021 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

The sick leave policy of the Board provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

8. Net Position/Fund Balances

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance is composed of four 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:

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 - North Carolina G.S. 115C-425(a) prohibits boards of education from budgeting or spending a portion of their fund balance. Restricted by State statute (RSS) is calculated at the end of each fiscal year. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year. RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS.

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 fundraising activities for which they were collected.

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

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.

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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.

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

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will pay expenditures from restricted revenue sources first and then from general unrestricted revenues. 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.

9. Reconciliation of Government-wide and Fund Financial Statements

a. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(107,982,461) consists of the following elements:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 215,992,777
Less accumulated depreciation	(141,815,486)
Net capital assets	74,177,291
Net OPEB asset	169,318
Deferred outflows of resources related to pensions	19,591,369
Deferred outflows of resources related to OPEB	10,520,124
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	(8,478,613)
Compensated absences	(6,706,571)
Accrued interest payable	(183,529)
Net pension liability	(47,611,807)
Net OPEB liability	(94,459,012)
Deferred inflows of resources related to pensions	(965,210)
Deferred inflows of resources related to OPEB	(54,035,821)
Total adjustment	<u>\$ (107,982,461)</u>

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 \$4,550,301 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 9,633,471
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	(4,268,627)
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 affects only the government-wide statement of net position	(8,780,582)
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(228,095)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	1,048,477
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	9,495,055
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	4,349,222
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	1,618,080
Gain on disposal of capital assets	220,603
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Pension (expense) benefit	(13,198,418)
OPEB (expense) benefit	4,807,463
Difference in interest expense between fund statements and government-wide statements	(183,529)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	37,181
Total adjustment	<u>\$ 4,550,301</u>

10. Defined Benefit Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF and DIPNC. Investments are reported at fair value.

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2021, the Board had deposits with banks and savings and loans with a carrying amount of \$27,955,841 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$28,906,309 and \$586,486, respectively. Of these balances, \$1,222,140 was covered by federal depository insurance and \$28,270,655 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2021, the Board had \$250,193 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's and is classified in Level 1 of the fair value hierarchy. The Board has no investment balances in the STIF as of June 30, 2021. The Board has no policy for managing interest rate risk or credit risk. All investments are measured using the market approach.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2021 are as follows:

	Due from (to) other Funds (Internal Balances)	Due from other Governments	Other	Total
Governmental activities:				
General Fund	\$ 3,532	\$ 1,340,889	\$ 31,270	\$ 1,375,691
Other governmental funds	<u>297,318</u>	<u>3,120,975</u>	<u>318,471</u>	<u>3,736,764</u>
Total governmental activities	<u>\$ 300,850</u>	<u>\$ 4,461,864</u>	<u>\$ 349,741</u>	<u>\$ 5,112,455</u>
Business-type activities:				
School Food Service Fund	<u>\$ (300,850)</u>	<u>\$ 264,758</u>	<u>\$ 3,584</u>	<u>\$ (32,508)</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 1,340,889	Amounts due from County
State Public School Fund	2,879,235	Operating funds from DPI
Federal Grants Fund	148,133	Federal grant funds
Other Restricted Fund	3,587	UNC-G reimbursement
Capital Outlay Fund	<u>90,020</u>	Amounts due from County
Total governmental activities	<u>\$ 4,461,864</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 264,758</u>	Federal grant funds

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

4. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,986,396	\$ -	\$ 2,510	\$ 2,983,886
Construction in progress	15,300	8,629,076	8,499,777	144,599
Total capital assets not being depreciated	<u>3,001,696</u>	<u>8,629,076</u>	<u>8,502,287</u>	<u>3,128,485</u>
Capital assets being depreciated:				
Buildings and improvements	187,806,901	8,699,786	2,575,432	193,931,255
Equipment and furniture	4,855,643	9,095	10,778	4,853,960
Vehicles	13,426,622	795,291	142,836	14,079,077
Total capital assets being depreciated	<u>206,089,166</u>	<u>9,504,172</u>	<u>2,729,046</u>	<u>212,864,292</u>
Less accumulated depreciation for:				
Buildings and improvements	124,119,440	3,497,418	2,571,667	125,045,191
Equipment and furniture	4,271,412	164,446	9,561	4,426,297
Vehicles	11,880,071	606,763	142,836	12,343,998
Total accumulated depreciation	<u>140,270,923</u>	<u>4,268,627</u>	<u>2,724,064</u>	<u>141,815,486</u>
Total capital assets being depreciated, net	<u>65,818,243</u>			<u>71,048,806</u>
Governmental activity capital assets, net	<u>\$ 68,819,939</u>			<u>\$ 74,177,291</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 3,277,690	\$ 116,421	\$ 54,328	\$ 3,339,783
Less accumulated depreciation for:				
Equipment and furniture	<u>3,041,293</u>	<u>43,871</u>	<u>52,476</u>	<u>3,032,688</u>
School Food Service capital assets, net	<u>\$ 236,397</u>			<u>\$ 307,095</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 3,661,864
System-wide support services	<u>606,763</u>
Total	<u>\$ 4,268,627</u>

5. Construction and Other Significant Commitments

As of June 30, 2021, the Board had two capital projects in progress in the district. At year-end, the Board's commitments with contractors for the remaining portion of the contracts related to these projects totaled approximately \$3.0 million.

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B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2021, was 14.78% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$9,767,510 for the year ended June 30, 2021.

Refunds of Contributions – Board employees who have terminated service as a contributing member of TSERS, may file an application for a refund of their contributions. By state law, refunds to members with

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at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by TSERS.

At June 30, 2021, the Board reported a liability of \$48,977,999 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2020 and at June 30, 2019, the Board's proportion was 0.4054% and 0.3978%, respectively.

For the year ended June 30, 2021, the Board recognized pension expense of \$13,486,420. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,698,951	\$ -
Changes of assumptions	1,659,727	-
Net difference between projected and actual earnings on pension plan investments	5,416,465	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	610,879	992,906
Board contributions subsequent to the measurement date	<u>9,767,510</u>	<u>-</u>
Total	<u>\$ 20,153,532</u>	<u>\$ 992,906</u>

\$9,767,510 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2022	\$ 2,958,301
2023	2,460,192
2024	2,361,011
2025	<u>1,613,612</u>
Total	<u>\$ 9,393,116</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.1 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability reported at June 30, 2021 and 2020 was 7.00% for both years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Boards proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

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	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Board's proportionate share of the net pension liability (asset)	\$ 88,148,896	\$ 48,977,999	\$ 16,121,723

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

b. Other Postemployment Benefits

1. Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established in Chapter 135, Article 1 of the General Statutes. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits provided. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement

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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 noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, 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 current fiscal year, the Board contributed 6.68% of covered payroll which amounted to \$4,414,545. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$475.2 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$1,664,510.

At June 30, 2021, the Board reported a liability of \$97,169,457 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and 2019, the Board's proportion was 0.3503% and 0.3483%, respectively.

\$4,414,545 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$ (16,667,285)
2023	(16,656,614)
2024	(9,104,829)
2025	(3,905,865)
2026	<u>(3,026,278)</u>
Total	<u>\$ (49,360,871)</u>

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

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Inflation	3.00%
Salary increases	3.50-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	7.00%

Healthcare cost trend rates:

Medical	5.00-6.50%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78 and projected for mortality improvement using Scale MP-2015

Discount rate. The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2021 and 2020 were 2.21% and 3.50%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 2.21% was used as the discount rate used to measure the total OPEB liability. The 2.21% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2020.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.21 percent) or 1-percentage point higher (3.21 percent) than the current discount rate:

	1% decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$ 115,236,827	\$ 97,169,457	\$ 82,613,179

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates:

	Healthcare Trend Rates		
	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	Discount Rate (Medical -5.00-6.50%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00- 7.50%, Pharmacy - 6.00- 10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 78,336,152	\$ 97,169,457	\$ 122,342,705

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

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2. 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, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain Local Education Agencies, and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits Provided. Long-term disability benefits are payable as an OPEB 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. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, 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 TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

Contributions. 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 does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2021, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$59,477 for the year ended June 30, 2021.

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.

At June 30, 2021, the Board reported an asset of \$174,176 for its proportionate share of the net DIPNC OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and 2019, the Board's proportion was 0.3541% and 0.3487%, respectively.

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\$59,477 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2022	\$ 39,724
2023	27,878
2024	15,833
2025	23,505
2026	4,626
Thereafter	<u>10,932</u>
Total	<u>\$ 122,498</u>

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	3.00%
Salary increases	3.5%-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB asset, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (2.75 percent) or 1-percentage point higher (4.75 percent) than the current discount rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB asset	\$ 150,426	\$ 174,176	\$ 197,236

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2020. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2020 is 1.2%.

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Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2021:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (5,618,304)	\$ 139,762	\$ (5,478,542)
OPEB liability (asset)	97,169,457	(174,176)	96,995,281
Proportionate share of the net OPEB liability (asset)	0.3503%	0.3541%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 88,028	\$ 126,176	\$ 214,204
Changes of assumptions	4,261,435	13,543	4,274,978
Net difference between projected and actual earnings on plan investments	204,698	-	204,698
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,625,424	28,669	1,654,093
Board contributions subsequent to the measurement date	4,414,545	59,477	4,474,022
Total deferred outflows of resources	<u>\$ 10,594,130</u>	<u>\$ 227,865</u>	<u>\$ 10,821,995</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 3,801,389	\$ -	\$ 3,801,389
Changes of assumptions	39,432,900	13,716	39,446,616
Net difference between projected and actual earnings on plan investments	-	29,507	29,507
Changes in proportion and differences between Board contributions and proportionate share of contributions	12,306,167	2,667	12,308,834
Total deferred inflows of resources	<u>\$ 55,540,456</u>	<u>\$ 45,890</u>	<u>\$ 55,586,346</u>

2. Accounts Payable

Accounts payable as of June 30, 2021 are as follows:

	<u>Vendors and Other</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 877,194	\$ 12,374	\$ 889,568
Other governmental activities	409,289	3,165,487	3,574,776
Total governmental activities	<u>\$ 1,286,483</u>	<u>\$ 3,177,861</u>	<u>\$ 4,464,344</u>
Business-type activities:			
School Food Service Fund	\$ 51,013	\$ -	\$ 51,013
Child Care Fund	345	-	345
Total business-type activities	<u>\$ 51,358</u>	<u>\$ -</u>	<u>\$ 51,358</u>

3. Unearned Revenues

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

Prepayments of meals (School Food Service Fund)	<u>\$ 61,422</u>
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**ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,913,155	\$ 3,801,389
Changes of assumptions	5,934,705	39,446,616
Net difference between projected and actual earnings on pension and OPEB plan investments	5,621,163	29,507
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,264,972	13,301,740
Board contributions subsequent to the measurement date	<u>14,241,532</u>	<u>-</u>
Total	<u>\$ 30,975,527</u>	<u>\$ 56,579,252</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Trust has an annual aggregate limit for both general liability and errors and omissions of \$3,150,000 each. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage. Statutory workers' compensation coverage is purchased through a private insurer for employees to the extent they are paid from federal and local funds. Workers' compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds. The Board also participates in the State Public Education Property Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. 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 also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. The Board pays most of the cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$200,000.

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

The Board carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past three fiscal years.

6. Long-Term Obligations

a. Direct Placement Installment Purchases

The Board is authorized by State law [G.S.115C-47(28a)] to enter into direct placement installment purchase contracts to finance energy conservation measures that will reduce its operating costs. In 2021, the Board entered into such a contract to reduce energy costs throughout the district. The property is pledged as collateral for the debt while the debt is outstanding. The contract amount totaled \$8,045,102 and requires principal and interest payments for twenty years beginning in the fiscal year 2021-2022 with an interest rate of 2.19 percent.

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 direct placement financing arrangements. During the two prior fiscal years, the Board received buses under such financing contracts for the purchase of school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The gross amount of buses capitalized under the outstanding installment purchase contracts totaled \$998,583 at June 30, 2021. Each contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15th dates.

The Board also entered into a direct placement installment purchase contract for the purchase of computers during the fiscal year ended June 30, 2020. The computers were pledged as collateral for the debt while the debt was outstanding. This contract was paid in full during the year ended June 30, 2021.

The future minimum payments of the installment purchases as of June 30, 2021 are as follows:

Years Ending June 30:	Governmental Activities	
	Principal	Interest
2022	\$ 345,727	\$ 176,436
2023	548,167	169,773
2024	372,824	161,694
2025	391,926	153,331
2026	404,555	144,570
2027 - 2031	2,045,797	590,731
2032 - 2036	2,349,720	350,770
2037 - 2040	2,019,897	87,926
Totals	<u>\$ 8,478,613</u>	<u>\$ 1,835,231</u>

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021:

	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement installment purchases	\$ 746,508	\$ 8,780,582	\$ 1,048,477	\$ 8,478,613	\$ 345,727
Net pension liability	39,953,077	7,658,730	-	47,611,807	-
Net OPEB liability	106,751,759	-	12,292,747	94,459,012	-
Compensated absences	6,743,752	4,495,591	4,532,772	6,706,571	2,704,727
Total	<u>\$ 154,195,096</u>	<u>\$ 20,934,903</u>	<u>\$ 17,873,996</u>	<u>\$ 157,256,003</u>	<u>\$ 3,050,454</u>
Business-type activities:					
Net pension liability	\$ 1,289,788	\$ 76,404	\$ -	\$ 1,366,192	\$ -
Net OPEB liability	3,446,221	-	735,776	2,710,445	-
Compensated absences	197,896	129,349	155,725	171,520	81,517
Total	<u>\$ 4,933,905</u>	<u>\$ 205,753</u>	<u>\$ 891,501</u>	<u>\$ 4,248,157</u>	<u>\$ 81,517</u>

Compensated absences, net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General and other governmental funds. Installment purchases are typically liquidated by the General and Capital Outlay funds.

C. Interfund Balances

The composition of interfund balances as of June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Individual Schools Fund	\$ 3,532
Other Restricted Fund	School Food Service Fund	300,850
Other Restricted Fund	Individual Schools Fund	2,436

These interfund balances were created in the normal operating cycle of the Board. All amounts are expected to be paid prior to June 30, 2022.

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	\$ 14,476,918
Less:	
Stabilization by State statute	(1,375,691)
Appropriated Fund Balance in the 2021-2022 budget	<u>(6,287,569)</u>
Remaining fund balance	<u>\$ 6,813,658</u>

**ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

NOTE 3 – OTHER RESTRICTED FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2021 in the Other Restricted Fund consists of the following:

Tuition and fees	\$	1,327,339
Medicaid reimbursement program		1,204,355
Private grants and programs		581,637
Other reimbursements and refunds		136,463
Indirect costs allocated		607,855
Other		182,992
Total other revenues	\$	<u>4,040,641</u>

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.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Board's Proportionate Share of the Net Pension Liability
Teachers' and State Employees' Retirement System

Schedule of Board Contributions
Teachers' and State Employees' Retirement System

Schedule of the Board's Proportionate Share of the Net OPEB Liability
Retiree Health Benefit Fund

Schedule of Board Contributions
Retiree Health Benefit Fund

Schedule of the Board's Proportionate Share of the Net OPEB Asset
Disability Income Plan of North Carolina

Schedule of Board Contributions
Disability Income Plan of North Carolina

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net pension liability (asset)	0.405%	0.398%	0.423%	0.440%	0.456%
Board's proportionate share of the net pension liability (asset)	\$ 48,977,999	\$ 41,242,865	\$ 42,137,155	\$ 34,899,639	\$ 41,926,735
Board's covered payroll	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705	\$ 63,548,546
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	74.58%	66.42%	67.47%	55.35%	65.98%
Plan fiduciary net position as a percentage of the total pension liability	85.98%	87.56%	87.61%	89.51%	87.32%
	<u>2016</u>	<u>2015</u>	<u>2014</u>		
Board's proportion of the net pension liability (asset)	0.477%	0.496%	0.492%		
Board's proportionate share of the net pension liability (asset)	\$ 17,559,231	\$ 5,810,870	\$ 29,839,058		
Board's covered payroll	\$ 66,772,104	\$ 66,332,808	\$ 68,635,615		
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	26.30%	8.76%	43.47%		
Plan fiduciary net position as a percentage of the total pension liability	94.64%	98.24%	90.60%		

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

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

**ROCKINGHAM COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 9,767,510	\$ 8,517,656	\$ 7,631,761	\$ 6,732,464	\$ 6,293,159
Contributions in relation to the contractually required contribution	<u>9,767,510</u>	<u>8,517,656</u>	<u>7,631,761</u>	<u>6,732,464</u>	<u>6,293,159</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered payroll	\$ 66,085,995	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705
Contributions as a percentage of covered payroll	14.78%	12.97%	12.29%	10.78%	9.98%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 5,814,692	\$ 6,109,948	\$ 5,764,321	\$ 5,652,171	\$ 5,094,507
Contributions in relation to the contractually required contribution	<u>5,814,692</u>	<u>6,109,948</u>	<u>5,764,321</u>	<u>5,652,171</u>	<u>5,094,507</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered payroll	\$ 63,548,546	\$ 66,772,104	\$ 66,332,808	\$ 67,853,189	\$ 68,474,560
Contributions as a percentage of covered payroll	9.15%	9.15%	8.69%	8.33%	7.44%

**ROCKINGHAM COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
LAST FIVE FISCAL YEARS***

	2021	2020	2019	2018	2017
Board's proportion of the net OPEB liability (asset)	0.350%	0.348%	0.375%	0.396%	0.390%
Board's proportionate share of the net OPEB liability (asset)	\$ 97,169,457	\$ 110,197,980	\$ 106,821,567	\$ 129,941,774	\$ 169,844,587
Board's covered payroll	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705	\$ 63,548,546
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	147.96%	177.46%	171.04%	206.07%	267.27%
Plan fiduciary net position as a percentage of the total OPEB liability	6.92%	4.40%	4.40%	3.52%	2.41%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only five years of data presented.

**ROCKINGHAM COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 4,414,545	\$ 4,248,977	\$ 3,893,502	\$ 3,778,424	\$ 3,653,471
Contributions in relation to the contractually required contribution	<u>4,414,545</u>	<u>4,248,977</u>	<u>3,893,502</u>	<u>3,778,424</u>	<u>3,653,471</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered payroll	\$ 66,085,995	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705
Contributions as a percentage of covered payroll	6.68%	6.47%	6.27%	6.05%	5.81%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 3,560,838	\$ 3,655,539	\$ 3,575,307	\$ 3,596,219	\$ 3,423,728
Contributions in relation to the contractually required contribution	<u>3,560,838</u>	<u>3,655,539</u>	<u>3,575,307</u>	<u>3,596,219</u>	<u>3,423,728</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered payroll	\$ 63,548,546	\$ 66,772,104	\$ 66,332,808	\$ 67,853,189	\$ 68,474,560
Contributions as a percentage of covered payroll	5.60%	5.49%	5.40%	5.30%	5.00%

**ROCKINGHAM COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB ASSET
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST FIVE FISCAL YEARS***

	2021	2020	2019	2018	2017
Board's proportion of the net OPEB asset	0.354%	0.349%	0.373%	0.384%	0.402%
Board's proportionate share of the net OPEB asset	\$ 174,176	\$ 150,468	\$ 113,345	\$ 234,841	\$ 249,816
Board's covered payroll	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705	\$ 63,548,546
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.27%	0.24%	0.18%	0.37%	0.39%
Plan fiduciary net position as a percentage of the total OPEB asset	115.57%	113.00%	108.47%	116.23%	116.06%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only five years of data presented.

**ROCKINGHAM COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 59,477	\$ 65,672	\$ 86,936	\$ 87,435	\$ 238,953
Contributions in relation to the contractually required contribution	<u>59,477</u>	<u>65,672</u>	<u>86,936</u>	<u>87,435</u>	<u>238,953</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered payroll	\$ 66,085,995	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705
Contributions as a percentage of covered payroll	0.09%	0.10%	0.14%	0.14%	0.38%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 260,704	\$ 273,000	\$ 291,321	\$ 298,554	\$ 356,068
Contributions in relation to the contractually required contribution	<u>260,704</u>	<u>273,000</u>	<u>291,321</u>	<u>298,554</u>	<u>356,068</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered payroll	\$ 63,548,546	\$ 66,772,104	\$ 66,332,808	\$ 67,853,189	\$ 68,474,560
Contributions as a percentage of covered payroll	0.41%	0.41%	0.44%	0.44%	0.52%

INDIVIDUAL FUND BUDGETARY SCHEDULES

ROCKINGHAM COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Rockingham County:			
County appropriation	\$ 15,834,840	\$ 15,834,840	\$ -
Other:			
Fines and forfeitures	300,000	243,749	(56,251)
Interest earned on investment	10,000	107,206	97,206
Miscellaneous	30,000	40,848	10,848
Total other	<u>340,000</u>	<u>391,803</u>	<u>51,803</u>
Total revenues	<u>16,174,840</u>	<u>16,226,643</u>	<u>51,803</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	2,534,492	2,230,381	304,111
Special populations	37,443	7,729	29,714
Alternative programs	553,980	367,893	186,087
School leadership	1,715,625	1,595,069	120,556
Co-curricular	886,264	820,403	65,861
School-based support	659,975	308,009	351,966
Total instructional services	<u>6,387,779</u>	<u>5,329,484</u>	<u>1,058,295</u>
System-wide support services:			
Support and development	273,674	171,234	102,440
Special population support and development	146,003	118,355	27,648
Technology support	1,251,419	1,056,900	194,519
Operational support	10,066,911	7,134,663	2,932,248
Financial and human resource services	464,541	428,692	35,849
Accountability	40,250	11,425	28,825
System-wide pupil support	107,403	94,052	13,351
Policy, leadership and public relations	729,084	674,337	54,747
Total system-wide support services	<u>13,079,285</u>	<u>9,689,658</u>	<u>3,389,627</u>
Ancillary services:			
Nutrition	9,000	1,763	7,237
Non-programmed charges:			
Payments to other governments	1,694,250	1,409,428	284,822
Debt service:			
Principal retirement	486,793	414,055	72,738
Interest and fees	20,569	20,569	-
Total debt service	<u>507,362</u>	<u>434,624</u>	<u>72,738</u>
Total expenditures	<u>21,677,676</u>	<u>16,864,957</u>	<u>4,812,719</u>

ROCKINGHAM COUNTY 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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues under expenditures	(5,502,836)	(638,314)	4,864,522
Other financing uses:			
Transfers to other funds	(380,500)	-	380,500
Fund balance appropriated	<u>5,883,336</u>	<u>-</u>	<u>(5,883,336)</u>
Net change in fund balance	<u>\$ -</u>	(638,314)	<u>\$ (638,314)</u>
Fund balance:			
Beginning of year		<u>15,115,232</u>	
End of year		<u>\$ 14,476,918</u>	

ROCKINGHAM COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 1,010,927	\$ 561,685	\$ (449,242)
Rockingham County:			
General county appropriations	3,793,001	2,291,999	(1,501,002)
Other:			
Interest earned on investments	1,000	338	(662)
Total revenues	<u>4,804,928</u>	<u>2,854,022</u>	<u>(1,950,906)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	810	-	810
School leadership	60,500	52,359	8,141
Total instructional services	<u>61,310</u>	<u>52,359</u>	<u>8,951</u>
System-wide support services:			
Technology support	537,557	171,457	366,100
Operational support	1,725,019	751,980	973,039
Policy, leadership and public relations	1,000	665	335
Total system-wide support services	<u>2,263,576</u>	<u>924,102</u>	<u>1,339,474</u>
Debt service:			
Principal retirement	1,010,927	561,685	449,242
Capital outlay	<u>11,614,952</u>	<u>10,030,583</u>	<u>1,584,369</u>
Total expenditures	<u>14,950,765</u>	<u>11,568,729</u>	<u>3,382,036</u>
Revenues under expenditures	<u>(10,145,837)</u>	<u>(8,714,707)</u>	<u>1,431,130</u>
Other financing sources:			
Transfers from other funds	380,500	-	(380,500)
Installment purchase obligations issued	9,352,602	8,780,582	(572,020)
Insurance proceeds	184,640	184,640	-
Proceeds from disposal of capital assets	228,095	228,095	-
Total other financing sources	<u>10,145,837</u>	<u>9,193,317</u>	<u>(952,520)</u>
Net change in fund balance	<u>\$ -</u>	478,610	<u>\$ 478,610</u>
Fund balance:			
Beginning of year		<u>252,663</u>	
End of year		<u>\$ 731,273</u>	

ROCKINGHAM COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
SCHOOL FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	\$ 10,000	\$ 25,392	\$ 15,392
Other	1,200	83	(1,117)
Total operating revenues	<u>11,200</u>	<u>25,475</u>	<u>14,275</u>
Operating expenditures:			
Business support services:			
Purchase of food		1,382,573	
Donated commodities		467,725	
Salaries and benefits		2,474,454	
Indirect costs		331,978	
Materials and supplies		8,140	
Repairs and maintenance		91,701	
Non-capitalized equipment		27,985	
Other		40,341	
Capital outlay		38,095	
Total operating expenditures	<u>6,318,550</u>	<u>4,862,992</u>	<u>1,455,558</u>
Operating loss	<u>(6,307,350)</u>	<u>(4,837,517)</u>	<u>(1,441,283)</u>
Nonoperating revenues:			
Federal reimbursements	5,387,500	4,476,386	(911,114)
Federal commodities	607,000	467,725	(139,275)
Indirect costs not paid	300,850	31,128	(269,722)
Interest earned	7,000	7,433	433
Contributions and donations	5,000	3,000	(2,000)
Total nonoperating revenues	<u>6,307,350</u>	<u>4,985,672</u>	<u>(1,321,678)</u>
Net change in fund balance	<u>\$ -</u>	148,155	<u>\$ 148,155</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(43,871)	
Capital contributions		78,326	
Equipment purchases		38,095	
Loss on disposal of capital assets		(1,852)	
Net OPEB asset		13	
Net pension liability		(31,540)	
Net OPEB liability		666,679	
Deferred outflows - pension and OPEB		(37,089)	
Deferred inflows - pension and OPEB		190,865	
Increase in compensated absences payable		28,996	
Increase in inventory		(16,606)	
Change in net position (full accrual)		<u>\$ 1,020,171</u>	

ROCKINGHAM COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
CHILD CARE FUND
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Child care fees	\$ 711,467	\$ 718,640	\$ 7,173
Operating expenditures:			
Regular community services:			
Purchase of food		70	
Salaries and benefits		680,468	
Materials and supplies		568	
Other		3,883	
Total operating expenditures	712,067	684,989	27,078
Operating income (loss)	(600)	33,651	34,251
Nonoperating revenues:			
Interest earned	600	384	(216)
Net change in fund balance	\$ -	34,035	\$ 34,035
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Net OPEB asset		139	
Net pension liability		(44,864)	
Net OPEB liability		69,097	
Deferred outflows - pension and OPEB		16,010	
Deferred inflows - pension and OPEB		(2,548)	
Decrease in compensated absences payable		(2,620)	
Change in net position (full accrual)		\$ 69,249	

Statistical Section

STATISTICAL SECTION (Unaudited)

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

Sections

Financial Trends

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

Operating Information

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

Revenue Capacity

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

Debt Capacity

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

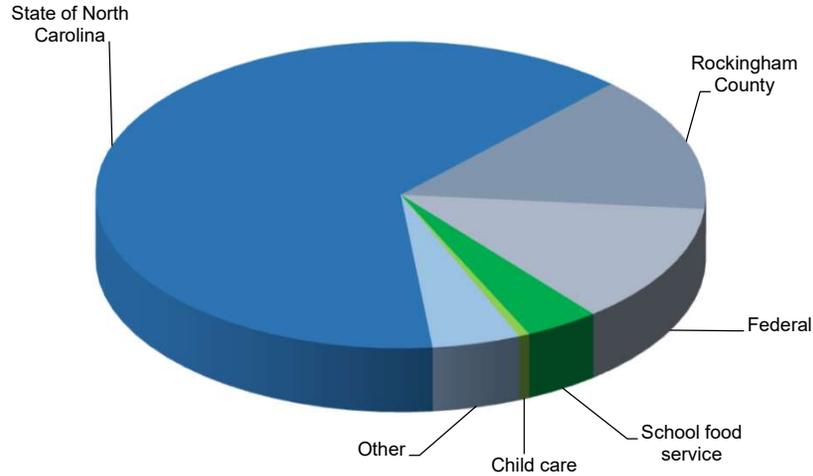
Demographic and Economic Information

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

ROCKINGHAM COUNTY SCHOOLS

Financial Perspective for Governmental and Business-type Activities For Year Ended June 30, 2021

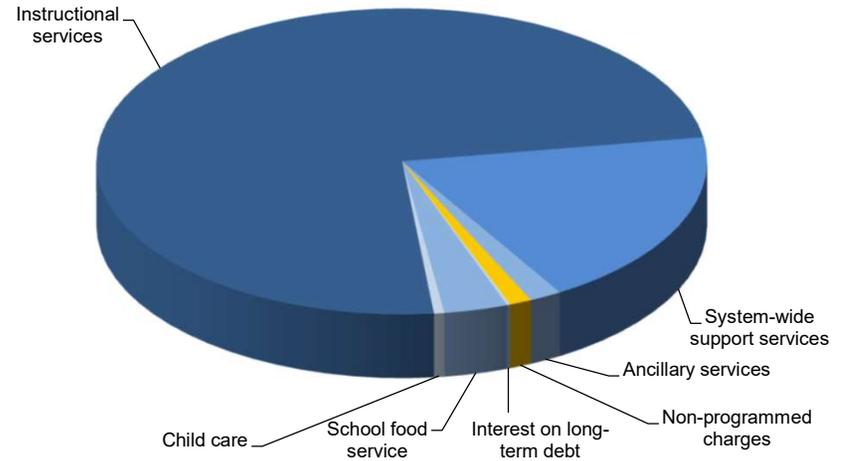
Revenue Sources



State of North Carolina	\$ 80,525,734
Rockingham County	18,126,839
Federal	15,980,519
School food service	4,980,019
Child care	719,024
Other	5,900,794

Total revenue sources \$ 126,232,929

Expenses



Instructional services	\$ 88,496,788
System-wide support services	22,521,386
Ancillary services	2,023,328
Non-programmed charges	1,409,428
Interest on long-term debt	204,098
School food service	4,038,174
Child care	649,775

Total expenses \$ 119,342,977

ROCKINGHAM COUNTY SCHOOLS

SOURCES OF GOVERNMENTAL FUND REVENUES

For The Last Ten Fiscal Years

Year Ended June 30:	State of North Carolina	County Appropriations	Federal	Other	Total
2012	\$ 78,289,504	\$ 18,961,864	\$ 12,753,558	\$ 8,951,421	\$ 118,956,347
2013	77,810,833	18,844,783	8,264,758	8,635,209	113,555,583
2014	75,311,872	16,986,365	10,218,128	8,153,880	110,670,245
2015	77,352,006	16,767,365	9,333,685	9,429,988	112,883,044
2016	76,531,098	17,120,241	9,231,837	7,960,108	110,843,284
2017	78,761,051	16,822,365	8,142,728	8,189,350	111,915,494
2018	79,407,464	16,717,365	8,579,932	7,071,005	111,775,766
2019	78,818,014	17,344,078	8,932,473	7,119,493	112,214,058
2020	80,911,943	18,146,073	10,801,045	7,195,370	117,054,431
2021	80,525,734	18,126,839	15,980,519	6,002,225	120,635,317

Notes: All governmental fund types consisting of general, special revenue, and capital projects are included.

State of North Carolina includes all State grants and reimbursements.

County Appropriations include Regular and Capital Outlay.

Federal Revenue includes all federal grants and reimbursements.

Other Revenue includes Fines and Forfeitures, Contributions, Interest Earned, and Other Miscellaneous Local Sources.

Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.

ROCKINGHAM COUNTY SCHOOLS

NET POSITION BY CATEGORY

For The Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net investment in capital assets	\$ 93,396,943	\$ 91,172,625	\$ 86,566,969	\$ 83,111,393	\$ 80,226,271	\$ 77,003,368	\$ 74,293,100	\$ 71,124,603	\$ 68,560,223	\$ 65,698,678
Restricted	5,038,772	2,657,133	3,053,810	7,507,480	8,625,355	8,994,472	7,913,267	7,456,416	7,884,515	11,263,396
Unrestricted (deficit)	2,328,786	1,688,018	(730,872)	(22,664,101)	(16,788,481)	(12,944,062)	(175,466,118)	(167,043,754)	(164,037,915)	(158,754,719)
Subtotal governmental activities net position	\$ 100,764,501	\$ 95,517,776	\$ 88,889,907	\$ 67,954,772	\$ 72,063,145	\$ 73,053,778	\$ (93,259,751)	\$ (88,462,735)	\$ (87,593,177)	\$ (81,792,645)
Business-type Activities:										
Invested in capital assets	\$ 132,232	\$ 545,112	\$ 416,422	\$ 303,489	\$ 246,808	\$ 236,850	\$ 222,445	\$ 196,985	\$ 236,397	\$ 307,095
Restricted	-	-	-	-	-	-	13,076	15,108	13,648	9,936
Unrestricted (deficit)	465,993	316,919	302,873	(1,369,964)	(1,077,539)	(59,182)	(4,219,200)	(3,184,981)	(3,183,692)	(2,161,258)
Subtotal business-type activities net position	\$ 598,225	\$ 862,031	\$ 719,295	\$ (1,066,475)	\$ (830,731)	\$ 177,668	\$ (3,983,679)	\$ (2,972,888)	\$ (2,933,647)	\$ (1,844,227)
Primary Government:										
Net investment in capital assets	\$ 93,529,175	\$ 91,717,737	\$ 86,983,391	\$ 83,414,882	\$ 80,473,079	\$ 77,240,218	\$ 74,515,545	\$ 71,321,588	\$ 68,796,620	\$ 66,005,773
Restricted	5,038,772	2,657,133	3,053,810	7,507,480	8,625,355	8,994,472	7,926,343	7,471,524	7,898,163	11,273,332
Unrestricted (deficit)	2,794,779	2,004,937	(427,999)	(24,034,065)	(17,866,020)	(13,003,244)	(179,685,318)	(170,228,735)	(167,221,607)	(160,915,977)
Total primary government net position	\$ 101,362,726	\$ 96,379,807	\$ 89,609,202	\$ 66,888,297	\$ 71,232,414	\$ 73,231,446	\$ (97,243,430)	\$ (91,435,623)	\$ (90,526,824)	\$ (83,636,872)

Note: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.

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

Note: Net position for 2017 and before are not comparable to 2018 (and after) net position due to the implementation of GASB 75 for the year ended June 30, 2018. The standard requires the Board to record its proportionate share of the net OPEB liability and net OPEB asset associated with its participation in the statewide Teachers' and State Employees' Retirement System (TSERS).

ROCKINGHAM COUNTY SCHOOLS

CHANGES IN NET POSITION

For The Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instructional services:										
Regular	\$ 55,987,775	\$ 55,305,309	\$ 53,707,617	\$ 50,564,972	\$ 48,508,174	\$ 51,655,292	\$ 55,413,846	\$ 48,342,349	\$ 52,047,769	\$ 50,325,975
Special populations	13,971,925	13,968,069	13,991,911	13,366,444	12,930,229	13,470,326	13,324,973	12,720,207	13,897,924	13,793,822
Alternative programs	4,890,515	5,006,458	5,066,169	4,689,786	5,090,607	4,773,815	4,637,553	5,375,979	5,185,776	7,582,204
School leadership	7,869,794	7,382,938	8,030,749	6,483,431	6,372,906	6,390,887	7,102,627	6,518,819	7,313,279	7,427,860
Co-curricular	3,834,507	4,230,369	4,421,282	3,922,773	4,084,208	4,115,744	3,879,820	3,512,134	3,248,900	1,757,697
School based support	7,038,694	7,597,829	7,154,057	7,706,201	7,393,318	7,671,657	8,069,517	6,725,553	7,672,012	7,609,230
System-wide support services:										
Support and development	775,371	902,251	946,189	880,890	1,044,149	1,133,320	1,194,933	1,202,453	1,154,021	1,015,211
Special population support and development	720,511	1,347,770	1,422,590	1,427,155	1,307,282	1,177,854	1,303,524	788,480	666,942	867,574
Alternative programs and services support and development	373,911	192,532	197,094	138,085	128,194	142,130	226,430	207,419	216,605	228,755
Technology support	977,697	1,313,232	1,028,521	1,172,189	963,625	1,084,529	1,315,848	1,252,952	1,399,091	1,971,260
Operational support	15,743,959	15,992,262	16,294,765	15,522,831	15,009,951	15,069,179	16,172,727	16,128,296	16,419,467	15,535,181
Financial and human resource services	1,359,642	1,441,720	1,421,365	1,303,199	1,145,824	1,345,571	1,369,969	1,105,710	1,218,982	1,115,957
Accountability	175,376	176,431	230,534	165,878	79,633	97,195	112,997	84,945	85,607	69,215
System-wide pupil support	136,861	675,753	1,035,122	956,445	387,079	211,164	227,671	183,186	154,775	177,065
Policy, leadership and public relations	1,687,940	1,759,102	1,680,161	1,405,273	1,437,350	1,588,526	1,640,546	1,533,583	1,510,175	1,541,168
Ancillary services	316,018	246,543	188,607	194,589	191,245	224,675	377,038	309,652	1,994,144	2,023,328
Non-programmed charges	504,835	312,527	416,610	436,499	476,551	555,410	705,062	1,255,583	1,388,461	1,409,428
Interest on long-term debt	-	-	-	29,648	15,162	-	-	-	40,304	204,098
Subtotal governmental activities expenses	\$ 116,365,331	\$ 117,851,095	\$ 117,233,343	\$ 110,366,288	\$ 106,565,487	\$ 110,707,274	\$ 117,075,081	\$ 107,247,300	\$ 115,614,234	\$ 114,655,028
Business-type Activities:										
School food service	\$ 6,816,174	\$ 6,329,308	\$ 6,079,035	\$ 6,333,809	\$ 6,204,232	\$ 5,627,311	\$ 5,514,758	\$ 5,044,282	\$ 5,551,029	\$ 4,038,174
Child care	510,714	534,011	534,317	579,193	608,715	655,392	760,610	553,995	596,386	649,775
Subtotal business-type activities	\$ 7,326,888	\$ 6,863,319	\$ 6,613,352	\$ 6,913,002	\$ 6,812,947	\$ 6,282,703	\$ 6,275,368	\$ 5,598,277	\$ 6,147,415	\$ 4,687,949
Total primary government expenses	\$ 123,692,219	\$ 124,714,414	\$ 123,846,695	\$ 117,279,290	\$ 113,378,434	\$ 116,989,977	\$ 123,350,449	\$ 112,845,577	\$ 121,761,649	\$ 119,342,977
Program Revenues:										
Governmental Activities:										
Charges for services										
Special populations	\$ 2,397,864	\$ 1,778,060	\$ 1,593,885	\$ 1,563,937	\$ 1,463,893	\$ 1,525,547	\$ 1,316,560	\$ 1,220,243	\$ 1,132,561	\$ 1,327,339
Technology support	58,691	-	-	-	-	-	-	-	-	-
Operational support	-	18,160	22,592	55,674	26,945	27,446	22,897	27,973	28,308	2,889
Operating grants and contributions	96,123,426	91,375,424	89,892,812	92,563,883	90,720,358	90,960,521	91,739,343	91,747,593	96,065,138	99,300,003
Capital grants and contributions	1,356,167	314,984	157,492	157,490	241,168	957,886	795,052	740,244	449,242	561,685
Subtotal governmental activities program revenues	\$ 99,936,148	\$ 93,486,628	\$ 91,666,781	\$ 94,340,984	\$ 92,452,364	\$ 93,471,400	\$ 93,873,852	\$ 93,736,053	\$ 97,675,249	\$ 101,191,916

ROCKINGHAM COUNTY SCHOOLS

CHANGES IN NET POSITION (Continued)

For The Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type Activities:										
Charges for services:										
School food service	\$ 2,188,030	\$ 1,566,499	\$ 1,361,532	\$ 542,305	\$ 1,080,550	\$ 1,255,748	\$ 1,167,442	\$ 1,180,325	\$ 827,369	\$ 25,392
Child care	580,139	599,761	561,870	600,851	588,964	626,753	603,957	631,509	583,889	718,640
Operating grants & contributions	4,388,954	4,400,403	4,543,863	4,769,215	5,349,897	5,358,119	5,183,945	4,782,868	4,337,573	4,947,111
Capital grants and contributions	-	-	-	-	28,677	-	-	-	-	-
Subtotal business-type activities program revenues	\$ 7,157,123	\$ 6,566,663	\$ 6,467,265	\$ 5,912,371	\$ 7,048,088	\$ 7,240,620	\$ 6,955,344	\$ 6,594,702	\$ 5,748,831	\$ 5,691,143
Total primary government program revenues	\$ 107,093,271	\$ 100,053,291	\$ 98,134,046	\$ 100,253,355	\$ 99,500,452	\$ 100,712,020	\$ 100,829,196	\$ 100,330,755	\$ 103,424,080	\$ 106,883,059
Net (Expenses) Revenues:										
Governmental activities	\$ (16,429,183)	\$ (24,364,467)	\$ (25,566,562)	\$ (16,025,304)	\$ (14,113,123)	\$ (17,235,874)	\$ (23,201,229)	\$ (13,511,247)	\$ (17,938,985)	\$ (13,463,112)
Business-type activities	(169,765)	(296,656)	(146,087)	(1,000,631)	235,141	957,917	679,976	996,425	(398,584)	1,003,194
Total primary government net (expenses) revenues	\$ (16,598,948)	\$ (24,661,123)	\$ (25,712,649)	\$ (17,025,935)	\$ (13,877,982)	\$ (16,277,957)	\$ (22,521,253)	\$ (12,514,822)	\$ (18,337,569)	\$ (12,459,918)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Unrestricted county appropriations-operating	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840
Unrestricted county appropriations-capital	3,127,024	3,024,183	1,151,525	942,233	1,290,137	987,525	889,752	1,509,238	2,311,233	2,291,999
Transfers	(459,838)	-	-	-	-	(48,271)	(19,440)	-	(402,868)	(78,326)
Investment earnings, unrestricted	58,335	32,221	16,922	15,426	17,634	46,326	114,543	180,392	243,199	107,544
Miscellaneous, unrestricted	-	1,042,358	1,935,406	1,586,969	1,078,885	1,406,087	896,221	783,793	822,139	1,107,587
Subtotal governmental activities	\$ 18,560,361	\$ 19,933,602	\$ 18,938,693	\$ 18,379,468	\$ 18,221,496	\$ 18,226,507	\$ 17,715,916	\$ 18,308,263	\$ 18,808,543	\$ 19,263,644
Business-type Activities:										
Transfers	\$ 459,838	\$ -	\$ -	\$ -	\$ -	\$ 48,271	\$ 19,440	\$ -	\$ 402,868	\$ 78,326
Investment earnings, unrestricted	2,139	432	214	299	603	2,211	13,030	14,366	21,292	7,817
Miscellaneous, unrestricted	-	-	3,137	-	-	-	-	-	13,665	83
Subtotal business-type activities	\$ 461,977	\$ 432	\$ 3,351	\$ 299	\$ 603	\$ 50,482	\$ 32,470	\$ 14,366	\$ 437,825	\$ 86,226
Total primary government	\$ 19,022,338	\$ 19,934,034	\$ 18,942,044	\$ 18,379,767	\$ 18,222,099	\$ 18,276,989	\$ 17,748,386	\$ 18,322,629	\$ 19,246,368	\$ 19,349,870
Change in Net Position:										
Governmental activities	\$ 2,131,178	\$ (4,430,865)	\$ (6,627,869)	\$ 2,354,164	\$ 4,108,373	\$ 990,633	\$ (5,485,313)	\$ 4,797,016	\$ 869,558	\$ 5,800,532
Business-type activities	292,212	(296,224)	(142,736)	(1,000,332)	235,744	1,008,399	712,446	1,010,791	39,241	1,089,420
Total primary government	\$ 2,423,390	\$ (4,727,089)	\$ (6,770,605)	\$ 1,353,832	\$ 4,344,117	\$ 1,999,032	\$ (4,772,867)	\$ 5,807,807	\$ 908,799	\$ 6,889,952

Notes: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.

ROCKINGHAM COUNTY SCHOOLS

FUND BALANCES, GOVERNMENTAL FUNDS

For The Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nondisposable	\$ 319,969	\$ 308,209	\$ 285,695	\$ 197,702	\$ 150,384	\$ 50,171	\$ -	\$ -	\$ -	\$ -
Restricted	83,965	24,586	342,466	1,412,004	1,809,069	1,294,429	658,994	50,902	31,681	1,375,691
Assigned	5,797,810	4,599,504	1,230,925	-	2,815,077	3,758,298	4,983,886	3,133,647	5,389,091	6,287,569
Unassigned	2,346,710	51,218	1,495,379	3,679,390	2,011,891	5,084,237	6,877,797	11,275,090	9,694,460	6,813,658
Total general fund	<u>\$ 8,548,454</u>	<u>\$ 4,983,517</u>	<u>\$ 3,354,465</u>	<u>\$ 5,289,096</u>	<u>\$ 6,786,421</u>	<u>\$ 10,187,135</u>	<u>\$ 12,520,677</u>	<u>\$ 14,459,639</u>	<u>\$ 15,115,232</u>	<u>\$ 14,476,918</u>
All Other Governmental Funds:										
Restricted										
Special revenue funds	\$ 4,344,183	\$ 2,043,986	\$ 2,017,494	\$ 5,383,653	\$ 6,050,591	\$ 6,608,501	\$ 6,016,882	\$ 6,278,260	\$ 7,177,383	\$ 8,810,217
Capital Outlay Fund	610,624	588,561	693,850	711,823	765,695	1,091,542	802,376	619,505	252,663	731,273
Assigned, reported in:										
Special revenue funds	-	3,550,727	3,358,257	134,152	393,420	1,445,208	2,518,657	3,344,613	2,394,307	2,171,408
Total all other governmental funds	<u>\$ 4,954,807</u>	<u>\$ 6,183,274</u>	<u>\$ 6,069,601</u>	<u>\$ 6,229,628</u>	<u>\$ 7,209,706</u>	<u>\$ 9,145,251</u>	<u>\$ 9,337,915</u>	<u>\$ 10,242,378</u>	<u>\$ 9,824,353</u>	<u>\$ 11,712,898</u>

Note: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.

ROCKINGHAM COUNTY SCHOOLS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

For The Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
State of North Carolina	\$ 78,289,504	\$ 77,810,833	\$ 75,311,872	\$ 77,352,006	\$ 76,531,098	\$ 78,761,051	\$ 79,407,464	\$ 78,818,014	\$ 80,911,943	\$ 80,525,734
Rockingham County	18,961,864	18,844,783	16,986,365	16,767,365	17,120,241	16,822,365	16,717,365	17,344,078	18,146,073	18,126,839
U.S. Government	12,753,558	8,264,758	10,218,128	9,333,685	9,231,837	8,142,728	8,579,932	8,932,473	10,801,045	15,980,519
Contributions & donations	1,795,461	804,808	804,323	1,401,506	872,161	963,502	768,514	625,667	477,372	604,716
Other	7,155,960	7,830,401	7,349,557	8,028,482	7,087,947	7,225,848	6,302,491	6,493,826	6,717,998	5,397,509
Total revenues	\$ 118,956,347	\$ 113,555,583	\$ 110,670,245	\$ 112,883,044	\$ 110,843,284	\$ 111,915,494	\$ 111,775,766	\$ 112,214,058	\$ 117,054,431	\$ 120,635,317
Expenditures:										
Instructional programs	\$ 89,952,892	\$ 88,913,475	\$ 87,897,782	\$ 85,953,766	\$ 84,451,626	\$ 83,161,408	\$ 84,364,174	\$ 84,425,135	\$ 89,092,685	\$ 90,991,695
Support services	21,152,850	23,867,332	23,489,911	22,735,735	23,180,494	21,933,477	22,304,283	21,424,560	21,280,133	22,295,966
Ancillary services	329,823	246,543	188,607	199,948	197,614	270,800	388,525	317,622	2,033,357	2,112,619
Non-programmed charges	504,834	443,180	481,381	599,091	645,975	724,726	871,620	1,425,325	1,556,232	1,695,499
Debt service										
Interest	-	-	-	29,648	15,162	-	-	-	40,304	20,569
Principal retirement	-	314,984	497,495	467,844	566,008	957,886	795,052	740,244	1,423,660	1,048,477
Capital outlay	3,216,120	2,748,265	810,477	714,361	908,025	451,916	988,408	1,300,850	2,523,727	10,413,578
Total expenditures	\$ 115,156,519	\$ 116,533,779	\$ 113,365,653	\$ 110,700,393	\$ 109,964,904	\$ 107,500,213	\$ 109,712,062	\$ 109,633,736	\$ 117,950,098	\$ 128,578,403
Excess of revenues over (under) expenditures	\$ 3,799,828	\$ (2,978,196)	\$ (2,695,408)	\$ 2,182,651	\$ 878,380	\$ 4,415,281	\$ 2,063,704	\$ 2,580,322	\$ (895,667)	\$ (7,943,086)
Other Financing Sources (Uses):										
Installment purchase obligations issued	\$ -	\$ 629,966	\$ 975,197	\$ -	\$ 1,646,341	\$ 1,021,191	\$ 512,673	\$ 263,103	\$ 1,461,210	\$ 8,780,582
Insurance Proceeds	-	-	-	-	-	-	-	-	-	184,640
Transfers to other funds	(459,838)	-	-	-	-	-	-	-	(369,957)	-
Proceeds from disposal of capital assets	-	-	-	-	-	-	-	-	41,982	228,095
Total other financing sources (uses)	\$ (459,838)	\$ 629,966	\$ 975,197	\$ -	\$ 1,646,341	\$ 1,021,191	\$ 512,673	\$ 263,103	\$ 1,133,235	\$ 9,193,317
Net change in fund balances	\$ 3,339,990	\$ (2,348,230)	\$ (1,720,211)	\$ 2,182,651	\$ 2,524,721	\$ 5,436,472	\$ 2,576,377	\$ 2,843,425	\$ 237,568	\$ 1,250,231
Change in reserve for inventories	(24,405)	11,760	(22,514)	(87,993)	(47,318)	(100,213)	(50,171)	-	-	-
Increase (decrease) in fund balances for the year	\$ 3,315,585	\$ (2,336,470)	\$ (1,742,725)	\$ 2,094,658	\$ 2,477,403	\$ 5,336,259	\$ 2,526,206	\$ 2,843,425	\$ 237,568	\$ 1,250,231
Debt service-as a percentage of non-capital expenditures	-	0.28%	0.44%	0.45%	0.54%	0.90%	0.74%	0.68%	1.27%	0.91%

Note: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.

ROCKINGHAM COUNTY SCHOOLS

ANALYSIS OF GENERAL FUND BALANCE

For The Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Nonspendable for Inventories</u>	<u>Restricted Stabilization by State Statute</u>	<u>Assigned for Subsequent Year's Expenditures</u>	<u>Unassigned</u>	<u>Total General Fund Balance</u>
2012	\$ 319,969	\$ 83,965	\$ 5,797,810	\$ 2,346,710	\$ 8,548,454
2013	308,209	24,586	4,599,504	51,218	4,983,517
2014	285,695	342,466	1,230,925	1,495,379	3,354,465
2015	197,702	1,412,004	-	3,679,390	5,289,096
2016	150,384	1,809,069	2,815,077	2,011,891	6,786,421
2017	50,171	1,294,429	3,758,298	5,084,237	10,187,135
2018	-	658,994	4,983,886	6,877,797	12,520,677
2019	-	50,902	3,133,647	11,275,090	14,459,639
2020	-	31,681	5,389,091	9,694,460	15,115,232
2021	-	1,375,691	6,287,569	6,813,658	14,476,918

Notes: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.

ROCKINGHAM COUNTY SCHOOLS

OPERATIONAL AND CAPITAL EXPENDITURES IN TOTAL AND PER PUPIL

For The Last Ten Fiscal Years

Year Ended June 30:	Average Daily Membership	Instructional	Support	Ancillary Services	Other	Capital Outlay	Total
2012	13,388	\$ 89,952,892 6,719	\$ 21,152,850 1,580	\$ 329,823 25	\$ 504,834 38	\$ 3,216,120 240	\$ 115,156,519 8,601
2013	13,179	88,913,475 6,747	23,867,332 1,811	246,543 19	443,180 34	2,748,265 209	116,218,795 8,818
2014	12,974	87,897,782 6,775	23,489,911 1,811	188,607 15	481,381 37	810,477 62	112,868,158 8,700
2015	12,807	85,953,766 6,711	22,735,735 1,775	199,948 16	599,091 47	714,361 56	110,202,901 8,605
2016	12,591	84,451,626 6,707	23,180,494 1,841	197,614 16	645,975 51	908,025 72	109,383,734 8,687
2017	12,296	83,161,408 6,763	21,933,477 1,784	270,800 22	724,726 59	451,916 37	106,542,327 8,665
2018	11,969	84,364,174 7,049	22,304,283 1,864	388,525 32	871,620 73	988,408 83	108,917,010 9,100
2019	11,534	84,425,135 7,320	21,424,560 1,858	317,622 28	1,425,325 124	1,300,850 113	108,893,492 9,441
2020	11,450	89,092,685 7,781	21,280,133 1,859	2,033,357 178	1,556,232 136	2,523,727 220	116,486,134 10,173
2021	10,669	90,991,695 8,529	22,295,966 2,090	2,112,619 198	1,695,499 159	10,413,578 976	127,509,357 11,951

Notes: All governmental fund types consisting of general and special revenue, and capital projects are included. The above operational expenditures include only governmental fund type current expenditures. Other includes non-programmed charges.

Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.

ROCKINGHAM COUNTY SCHOOLS

PER PUPIL EXPENDITURES (EXCLUDES CAPITAL OUTLAY)

For The Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Average Daily Membership</u>	<u>State</u>	<u>Federal</u>	<u>Local</u>	<u>Total</u>
2012	13,388	\$ 5,881	\$ 1,261	\$ 1,492	\$ 8,634
2013	13,179	5,865	907	1,931	8,703
2014	12,974	5,757	958	2,082	8,797
2015	12,807	6,058	1,018	1,708	8,784
2016	12,591	6,137	1,036	1,622	8,795
2017	12,296	6,405	1,027	1,348	8,779
2018	11,969	6,605	1,078	1,453	9,135
2019	11,534	6,732	1,118	1,449	9,299
2020	11,450	6,997	1,087	1,682	9,766
2021	10,669	7,559	1,493	1,733	10,785

Source: North Carolina Public Schools Statistical Profile (2012-2021 Editions).

ROCKINGHAM COUNTY SCHOOLS

SCHOOL FOOD SERVICE REVENUES BY SOURCE

For The Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Food Sales</u>	<u>Federal Reimbursements</u>	<u>Federal Commodities</u>	<u>Interest Earned</u>	<u>Transfers From Other Funds</u>	<u>Indirect Costs Not Paid</u>	<u>Other</u>	<u>Total</u>
2012	\$ 2,145,091	\$ 4,068,970	\$ 319,984	\$ 1,943	\$ 459,838	\$ -	\$ 42,939	\$ 7,038,765
2013	1,566,499	4,023,078	341,997	345	-	379,041	35,328	6,346,288
2014	1,361,532	4,148,016	368,665	92	-	387,342	30,319	6,295,966
2015	542,305	4,403,514	360,728	167	-	473,309	4,973	5,784,996
2016	1,080,550	4,909,278	410,978	450	-	429,571	58,318	6,889,145
2017	1,255,748	4,872,608	406,915	1,880	-	355,113	126,867	7,019,131
2018	1,167,442	4,751,654	413,288	11,456	-	307,766	38,443	6,690,049
2019	1,180,325	4,387,309	357,478	12,804	-	364,778	38,081	6,340,775
2020	827,369	3,933,753	394,075	19,523	369,957	334,842	23,410	5,902,929
2021	25,392	4,476,386	467,725	7,433	-	31,128	3,083	5,011,147

Note: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.

ROCKINGHAM COUNTY SCHOOLS

RATIO OF OUTSTANDING DEBT BY TYPE

For The Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Installment Purchases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2012	\$ -	\$ -	-	\$ -
2013	314,982	314,982	0.01%	3
2014	792,684	792,684	0.03%	9
2015	324,840	324,840	0.01%	4
2016	1,405,173	1,405,173	0.04%	15
2017	1,468,478	1,468,478	0.04%	16
2018	1,186,099	1,186,099	0.04%	13
2019	708,958	708,958	0.02%	8
2020	746,508	746,508	N/A	8
2021	8,478,613	8,478,613	N/A	92

N/A reflects figures which are currently not available.

Source: Financial records of Rockingham County Schools and is summarized in the annual financial reports.

ROCKINGHAM COUNTY SCHOOLS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Rockingham County Schools	<u>\$ 8,478,613</u>	100.00%	<u>\$ 8,478,613</u>
Direct Debt Total	<u>8,478,613</u>		<u>8,478,613</u>
Rockingham County	\$46,437,459	100.00%	46,437,459
City of Reidsville	6,884,616	100.00%	6,884,616
City of Eden	6,122,003	100.00%	6,122,003
City of Madison	<u>88,523</u>	100.00%	<u>88,523</u>
Overlapping Debt Total	<u>59,532,601</u>		<u>59,532,601</u>
Total Direct and Overlapping Debt	<u><u>\$ 68,011,214</u></u>		<u><u>\$ 68,011,214</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Tax Department.
Debt outstanding data provided by the cities.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Rockingham County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Financial records of Rockingham County Schools and is summarized in the annual financial reports.
Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

ROCKINGHAM COUNTY SCHOOLS

STUDENT INFORMATION

For The Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenditures per Student	\$8,601	\$8,842	\$8,738	\$8,644	\$8,734	\$8,743	\$9,166	\$9,505	\$10,301	\$12,052
Students/Teacher Ratio	15.51	15.61	15.14	15.77	16.08	16.20	16.28	16.27	15.84	14.84
Percentage of Students on Free or Reduced Lunch	58.99%	58.97%	61.49%	100.00%	68.00%	69.50%	69.56%	67.66%	64.40%	42.20%

Sources: Financial records of Rockingham County Schools and is summarized in the annual financial reports.

North Carolina Public Schools Statistical Profile (2012-2021 Editions).

NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2021 obtained from Rockingham County Schools Student Data.

Note: Percentage of students receiving free/reduced lunch for 2014 and before are not comparable to 2015 (and after) due to the implementation of the Community Eligibility Program, which provides free lunch to all students at participating schools.

ROCKINGHAM COUNTY SCHOOLS

NUMBER OF PERSONNEL

For The Last Ten Fiscal Years

Year Ended June 30:	Number of Schools	Teachers	Certified Support Personnel	Other Operating Personnel	Total
2012	26	863	218	495	1,576
2013	26	844	218	453	1,515
2014	25	857	236	432	1,525
2015	25	812	223	417	1,452
2016	25	783	209	330	1,322
2017	25	759	204	328	1,291
2018	25	735	196	320	1,251
2019	22	709	187	308	1,204
2020	22	723	195	326	1,244
2021	22	719	188	488	1,395

Note: Certified support personnel includes administrators, principals, assistant principals, guidance counselors, librarians and other professional personnel.

Source: North Carolina Public Schools Statistical Profile (2012-2021 Editions)

ROCKINGHAM COUNTY SCHOOLS

CAPITAL ASSETS BY FUNCTION

For The Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Administration:										
Number of Administrative Buildings	2	2	3	3	3	3	3	3	3	3
Number of Maintenance Facilities	1	1	1	1	1	1	1	1	1	1
Number of Garage Facilities	1	1	1	1	1	1	1	1	1	1
Schools:										
Number of High Schools	4	4	4	5	5	5	5	5	5	5
Number of Middle Schools	4	4	4	4	4	4	4	4	4	4
Number of Elementary Schools	16	16	15	15	15	15	15	12	12	12
Number of Alternative Schools	1	1	1	1	1	1	1	1	1	1
Idle Buildings	1	1	1	1	1	1	1	1	1	1
Rented Buildings	1	1	1	1	1	1	1	1	1	1

Note: Buildings range in age from 9 years to 86 years.

Source of information is from the financial records of Rockingham County Schools.

ROCKINGHAM COUNTY, NORTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS

For the Years Ended December 31, 2020 and December 31, 2011

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 706,056,959	1	9.03%	\$ 421,141,000	1	6.35%
Gildan	79,113,834	2	1.01%	42,890,000	6	0.65%
Transcontinental Pipeline Co	53,079,142	3	0.68%	28,236,000	8	0.43%
Commonwealth Brands	47,937,413	4	0.61%	75,443,000	3	1.14%
Unifi Manufacturing	46,835,661	5	0.60%	48,355,000	4	0.73%
Sturm Ruger & Company Inc	45,582,152	6	0.58%			
Frontier Spinning	40,486,284	7	0.52%	47,731,000	5	0.72%
Piedmont Natural Gas	37,888,725	8	0.48%	24,517,000	9	0.37%
WalMart	37,680,660	9	0.48%	40,399,000	7	0.61%
Henniges	37,244,695	10	0.48%			
Miller Brewing				158,895,000	2	2.39%
Ball Metal Beverage Corporation				24,410,000	10	0.37%
Total	<u>\$ 1,131,905,525</u>		<u>14.48%</u>	<u>\$ 912,017,000</u>		<u>13.74%</u>

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

ROCKINGHAM COUNTY, NORTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS

For The Last Ten Fiscal Years

Year Ended December 31	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 46,593,254	\$ 45,244,371	97.1%	\$ 1,224,576	\$ 46,468,947	99.7%
2012	51,019,969	49,625,221	97.3%	1,238,765	50,863,986	99.7%
2013	49,767,521	48,443,329	97.3%	1,119,303	49,562,632	99.6%
2014	49,249,221	48,464,476	98.4%	521,612	48,986,088	99.5%
2015	49,829,441	49,069,184	98.5%	369,612	49,438,796	99.2%
2016	50,885,217	50,093,915	98.4%	852,302	50,946,217	100.1%
2017	51,480,019	50,594,345	98.3%	618,555	51,212,900	99.5%
2018	51,741,336	50,975,779	98.5%	895,608	51,871,387	100.3%
2019	53,258,334	52,463,995	98.5%	938,919	53,402,914	100.3%
2020	54,826,250	54,029,760	98.6%	806,764	54,836,524	100.0%

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

ROCKINGHAM COUNTY, NORTH CAROLINA

ASSESSED VALUE OF TAXABLE PROPERTY

For The Last Ten Fiscal Years (in thousands)

Year Ended December 31:	Real Property		Personal Property		Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Motor Vehicles	Other			
2011	\$ 4,233,767	\$ 880,787	\$ 604,852	\$ 1,239,276	\$ (321,871)	\$ 6,636,811	6.98
2012	4,257,049	884,133	634,782	1,368,058	(327,541)	6,816,481	6.96
2013	4,277,566	888,480	369,751	1,412,525	(334,928)	6,613,394	6.96
2014	4,300,032	892,311	675,540	1,070,420	(218,974)	6,719,329	6.96
2015	4,324,057	892,266	706,665	1,528,073	(340,599)	7,110,462	6.96
2016	4,350,438	906,755	757,756	1,603,305	(343,976)	7,274,278	6.96
2017	4,386,043	914,608	774,864	1,628,828	(346,027)	7,358,316	6.96
2018	4,427,004	929,357	802,455	1,607,310	(351,443)	7,414,683	6.96
2019	4,610,220	1,001,946	838,548	1,596,754	(389,354)	7,658,114	6.95
2020	4,679,717	1,016,651	865,442	1,645,605	(392,631)	7,814,784	6.95

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

ROCKINGHAM COUNTY, NORTH CAROLINA

PROPERTY TAX RATES OF OVERLAPPING GOVERNMENTAL JURISDICTIONS (PER \$100 OF ASSESSED VALUE)

For The Last Ten Fiscal Years

Name of Unit	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Rockingham County	0.698	0.696	0.696	0.696	0.696	0.696	0.696	0.696	0.695	0.695
City of Reidsville	0.71	0.71	0.74	0.74	0.74	0.74	0.74	0.74	0.739	0.739
City of Eden	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609
Town of Madison	0.75	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73
Town of Mayodan	0.58	0.58	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Town of Stoneville	0.67	0.67	0.67	0.67	0.67	0.67	0.69	0.69	0.69	0.69
Fire Districts:										
Wentworth	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Stokesdale	0.08	0.08	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Bethany	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Northwest	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115
Huntsville	0.055	0.055	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085
Oregon Hill	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Shiloh	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Monroeton	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Williamsburg	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Summerfield	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915
Yanceyville	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.09	0.09	0.09
Stoneyview	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105
Casville	0.035	0.035	0.070	0.07	0.07	0.07	0.07	0.07	0.007	0.10
Jacobs Creek	0.0832	0.0832	0.0950	0.095	0.095	0.095	0.095	0.095	0.095	0.095
Madison/Mayodan	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105
Stokes/Rockingham	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804
Ruffin	0.10	0.10	0.10	0.10	0.10	0.10	0.13	0.13	0.13	0.13
Draper Rural	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.07	0.07	0.07
Leaksville Rural	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Spray-Draper	0.05	0.05	-	-	-	-	-	-	-	-
Spray-Leaksville	0.10	0.10	-	-	-	-	-	-	-	-
Pelham	-	-	-	-	-	-	-	0.0614	0.0614	0.0614

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

ROCKINGHAM COUNTY, NORTH CAROLINA

COMPUTATION OF LEGAL DEBT LIMIT

For The Last Ten Fiscal Years

Year Ended June 30	Debt Limit	Total net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2012	\$ 532,504,922	\$ 91,365,989	\$ 441,138,933	17.16%
2013	545,705,638	86,511,920	459,193,718	15.85%
2014	573,387,685	80,740,731	492,646,954	14.08%
2015	564,561,729	80,165,138	484,396,591	14.20%
2016	583,825,948	76,593,610	507,232,338	13.12%
2017	585,320,685	70,552,819	514,767,866	12.05%
2018	588,665,305	64,689,263	523,976,042	10.99%
2019	594,935,337	58,248,678	536,686,659	9.79%
2020	611,522,226	52,311,306	559,210,919	8.55%
2021	629,846,490	49,045,642	580,800,848	7.79%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	\$ 7,873,081,123
Add back: exempt real property	-
Total assessed value	<u>\$ 7,873,081,123</u>
Debt Limit (8% of total assessed value)	\$ 629,846,490
Debt applicable to limit:	
General obligation debt	49,045,642
Less: Amount set aside for repayment of general obligation debt	-
Legal debt margin	<u>\$ 580,800,848</u>

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

ROCKINGHAM COUNTY, NORTH CAROLINA

DEMOGRAPHIC STATISTICS

For The Last Ten Fiscal Years

Year Ended June 30	Population	Personal Income (in thousands)	Per Capita Income	Avg. Annual Labor Force	Public School Enrollment	Unemployment Rate
2012	93,558	\$ 2,995,548	\$ 32,307	44,327	13,799	12.2%
2013	92,720	3,012,455	32,788	43,721	14,582	10.3%
2014	93,217	2,992,809	32,638	41,863	13,179	7.1%
2015	91,696	3,112,071	33,916	41,171	13,013	7.8%
2016	91,758	3,148,049	34,445	41,548	13,824	7.2%
2017	91,393	3,303,511	36,323	41,399	12,466	4.8%
2018	90,949	3,367,943	37,137	41,589	13,363	4.8%
2019	90,690	3,496,504	38,419	40,944	13,337	5.0%
2020	91,010	N/A	N/A	36,495	13,262	8.8%
2021	91,868	N/A	N/A	38,983	10,669	5.7%

N/A reflects figures which are currently not available.

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

ROCKINGHAM COUNTY, NORTH CAROLINA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rockingham County School System	1,482	1	4.00%	2,071	1	5.21%
Wal-Mart Associates, Inc.	821	2	2.20%	807	3	2.03%
Unifi, Inc.	714	3	1.90%	798	4	2.01%
Rockingham County	698	4	1.90%	650	6	1.64%
UNC Rockingham Health Care	645	5	1.70%	1,000	2	2.52%
Annie Penn Hospital	611	6	1.70%	600	7	1.51%
Sturm, Ruger & Co., Inc	490	7	1.30%			
Gildan	427	8	1.20%			
Frontier Spinning Mills	420	9	1.10%	515	8	1.30%
Dorada Foods	404	10	1.10%	423	9	1.06%
Miller Coors				660	5	1.51%
Rockingham Community College				420	10	1.06%
Total	6,712		18.10%	7,944		19.85%

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2021.

Vision Statement

Rockingham County Schools will empower all students to compete globally.

Mission Statement

Rockingham County Schools will provide a safe, dynamic and globally competitive education environment in which all students can reach their highest potential.

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**Contents and Composition by
The Finance Department**

Rockingham County Schools does not discriminate on the basis of sex, race, color, religion, national origin, age or handicap in any of its educational or employment programs or activities.