



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

Rockingham County Schools
Eden, North Carolina

Empowering each child to be a life-long learner,
equipped to contribute in a changing, complex society

*Rockingham County Board of Education
Eden, North Carolina*

**Annual Comprehensive
Financial Report
For the Fiscal Year Ended
June 30, 2022**

*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**

**Mr. John O. Stover III
Superintendent**

**Annie Ellis
Chief Financial Officer**

Letter of Transmittal

February 24, 2023

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, 2022 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 2021-2022 fiscal year was 10,722.

Outlook

Rockingham County began to see a sense of normalcy return in fiscal year 2022. As stated per the County Finance Department, it was a solid economic year for Rockingham County as numerous projects announced in 2020-2021 came to fruition. Newly recruited companies such as Ontex, Farmina, and

Nestle Purina, have made significant investments in Rockingham County and started hiring employees as each of their operations begin. During 2021-2022, more than 300 employees were hired to fill positions created by Rockingham County's newest corporate partners with more coming as production begins and/or expands in these facilities. Small business growth remained positive throughout the year despite the fact some shops and restaurants have continued to operate according to COVID-19 pandemic modifications they made to sustain and survive in 2020-2021. Several existing small businesses were able to expand in order to offer their consumers a larger variety of goods and services and a number of new businesses opened their doors and are finding great success doing business in Rockingham County. Additionally, tourism experienced a record breaking year as a result of the increased number of VRBO and Airbnb locations as well as an overall increase in overnight stays.

Rockingham County experienced many economic achievements in 2021-2022. Ontex, a leading international supplier of disposable hygiene products, began operations at their Stokesdale facility in November and has hired more than 100 employees. Nestle Purina increased the tax value at their location by more than \$75 million and hired 70 full-time employees. Farmina, an Italian-based, scientifically-developed pet food company, announced its investment in Rockingham County in December 2020. The company broke ground on its \$40 million facility, which is its inaugural U.S. location, in May 2022. They are expected to begin production in May of 2023 and anticipate hiring 129 employees. Sturm, Ruger & Company's expansion is complete and resulted in the hiring of more than 70 new employees and an increase in their tax value by \$10 million. Rockingham County's unemployment rate is down from 5.2% in June 2021 to 4.6% in June 2022.

Tourism continues to be a significant part of Rockingham County's economy with collected occupancy tax being the highest in history at \$304,687.25, a 35.6% increase from 2020-2021 alone.

The district's local budget has 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 \$8.2 million from fund balance for the 2022-2023 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 18.3%, based on final ADM. The district's budgeted student enrollment for the 2022-2023 year is 10,981, an increase of approximately 1.9% compared to 2021-2022.

As we begin to look at the budget process for fiscal year 2023-2024, we are continuing to take a very conservative approach regarding expenditures and staffing in order to balance the budget and prepare for funding shortages that will more than likely occur and continue as legislated salaries and matching employer benefit expenses increase and grant funds expire. Expired federal programs have been replaced with local funds, and additional cuts are expected to continue from the State, and possibly local as well.

Facility improvements continue to be a major priority. 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 of 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. 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 of our funding 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 of 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 continued to decrease.

The 2022-2023 budget focuses on the district's goals and objectives, which are outlined as follows:

- Multi-Tiered System of Supports (MTSS) Process at all schools
- Small Group Instruction and Professional Development with both Elementary and Secondary Schools
- School based Intervention and Enrichment time to target student needs
- Common Planning devoted to Collaboration Around Student Achievement (CASA) in core subject areas
- Early Literacy: LETRS (Language Essentials for Teachers of Reading & Spelling) Training
- Develop and maintain career technical pathways which are designed to meet the economic needs of the area. Continue 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)
- Implementation of iReady Reading and Math Diagnostic at High Schools for 9th and 10th graders to identify students who are below grade level and need extra support
- Implement Career College Ready Courses to promote Career and College Readiness for seniors
- Define measurable achievement goals for each individual school as well as the district.
- 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 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 lingering challenges brought on 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.

For the 2021-2022 school year, the State Board of Education designated 18 of 21 schools as having exceeded or met growth. Our rate of improvement was higher than the state average and our graduation rate for 2021-2022 was 85.7%.

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 fund 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 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

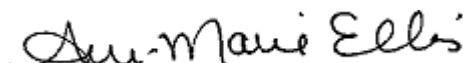
The preparation of this report on a timely basis could not have been accomplished without the efforts and dedication of the personnel in the Finance Office, the Superintendent's Office, and our independent audit firm. We would like to express our appreciation to all of the employees who contributed in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



Mr. John O. Stover III
Superintendent



Annie Ellis
Chief Financial Officer

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

July 1, 2021 - June 30, 2022

Board Members

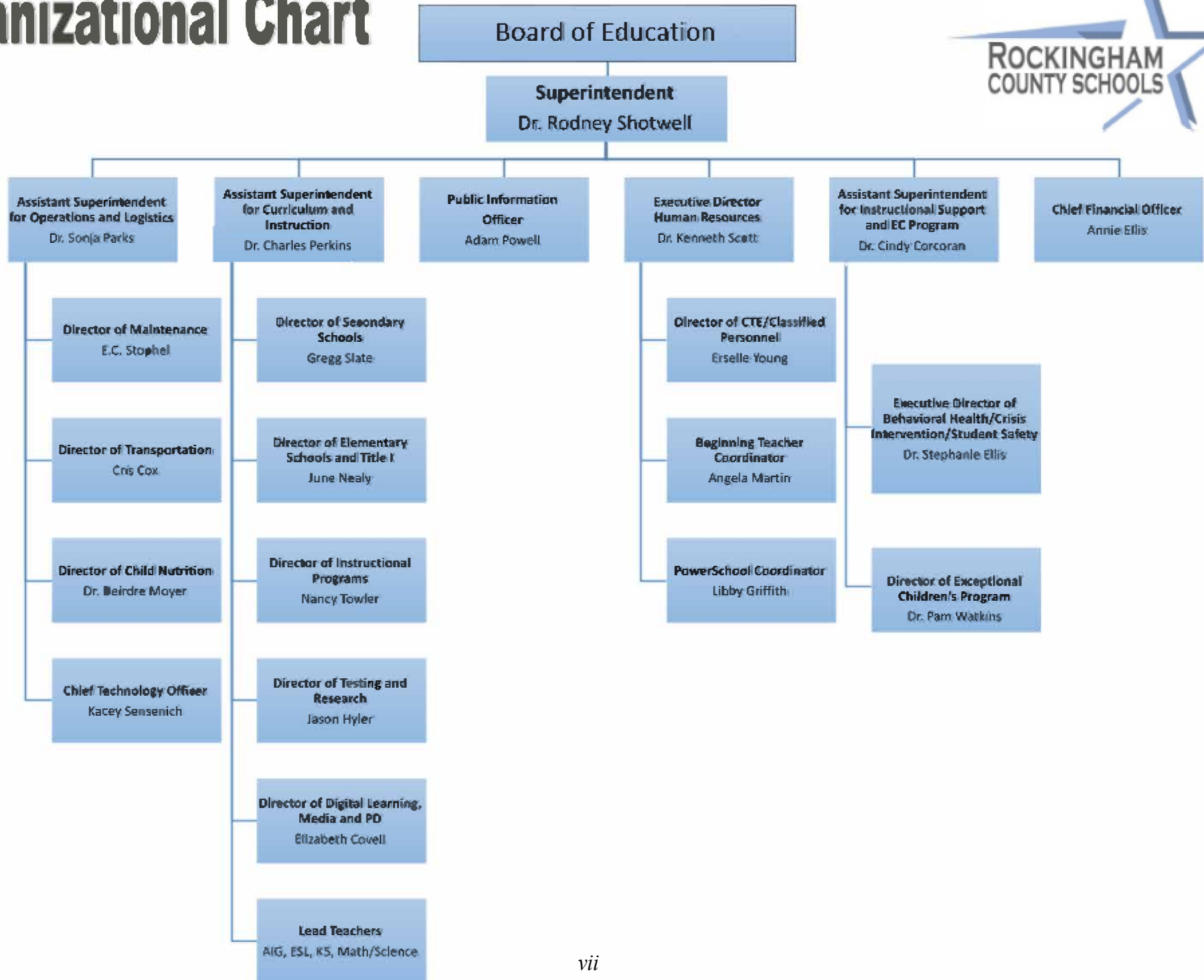
Kimberly McMichael, *Chair*
Vicky Alston, *Vice Chair*

Brent Huss	Paula Rakestraw
Philip Butler	Bob Wyatt
Vickie T. McKinney	

Principal Officers

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

Organizational Chart



Financial Section



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Rockingham County Board of Education
Eden, North Carolina

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Rockingham County Board of Education's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Rockingham County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rockingham County Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Rockingham County Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rockingham County Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10 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 50 through 55, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 accompanying individual fund budgetary schedules and schedule of expenditures of federal and State awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 or to 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 and schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, 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 solely 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 the effectiveness of the Rockingham County Board of Education's 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 30, 2022
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, 2022. 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 coronavirus (COVID-19) pandemic. Educational services returned to the traditional classroom environment. The Board incurred additional expenses as a result of COVID-19 including: the purchase of personal protective equipment, remote learning educational tools, learning loss remediation due to online learning challenges and increases in salaries due to the Board's expansion of summer school programs. The Board received significant grants from the federal government to assist with these additional expenses incurred due to the pandemic.

Financial Highlights

For the fiscal year ended June 30, 2022, the Board's total government-wide net position increased by \$14.9 million. Governmental activities net position increased by \$12.3 million and business-type activities net position increased by \$2.6 million.

- Total government-wide net investment in capital assets decreased by \$2.8 million, or 4.3%, 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 \$66,000.
- Total governmental activities restricted net position increased by \$697,000 over the prior year.
- The Board's total government-wide unrestricted net position at June 30, 2022 increased by \$17.0 million over the prior 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 Auditor's 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 \$68.7 million as of June 30, 2022 as compared to \$83.6 million as of June 30, 2021. Following is a summary of the Statement of Net Position at June 30, 2022 and 2021:

**Table 1
Condensed Statement of Net Position
As of June 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021
Current and other assets	\$ 26,330,402	\$ 30,823,478	\$ 5,753,093	\$ 2,923,802	\$ 32,083,495	\$ 33,747,280
Capital assets	<u>71,243,532</u>	<u>74,177,291</u>	<u>373,440</u>	<u>307,095</u>	<u>71,616,972</u>	<u>74,484,386</u>
Total assets	<u>97,573,934</u>	<u>105,000,769</u>	<u>6,126,533</u>	<u>3,230,897</u>	<u>103,700,467</u>	<u>108,231,666</u>
Deferred outflows of resources	<u>36,973,119</u>	<u>30,111,493</u>	<u>1,121,308</u>	<u>864,034</u>	<u>38,094,427</u>	<u>30,975,527</u>
Current liabilities	5,773,161	7,698,327	704,279	194,297	6,477,440	7,892,624
Long-term liabilities	<u>137,680,657</u>	<u>154,205,549</u>	<u>3,921,582</u>	<u>4,166,640</u>	<u>141,602,239</u>	<u>158,372,189</u>
Total liabilities	<u>143,453,818</u>	<u>161,903,876</u>	<u>4,625,861</u>	<u>4,360,937</u>	<u>148,079,679</u>	<u>166,264,813</u>
Deferred inflows of resources	<u>60,587,190</u>	<u>55,001,031</u>	<u>1,837,469</u>	<u>1,578,221</u>	<u>62,424,659</u>	<u>56,579,252</u>
Net investment in capital assets	62,824,641	65,698,678	373,440	307,095	63,198,081	66,005,773
Restricted net position	11,960,546	11,263,396	8,333	9,936	11,968,879	11,273,332
Unrestricted net position (deficit)	<u>(144,279,142)</u>	<u>(158,754,719)</u>	<u>402,738</u>	<u>(2,161,258)</u>	<u>(143,876,404)</u>	<u>(160,915,977)</u>
Total net position (deficit)	<u>\$ (69,493,955)</u>	<u>\$ (81,792,645)</u>	<u>\$ 784,511</u>	<u>\$ (1,844,227)</u>	<u>\$ (68,709,444)</u>	<u>\$ (83,636,872)</u>

Net position is an indicator of the fiscal health of the Board. The net position of the Board's governmental activities increased \$12.3 million during the year, from \$(81.8) million at June 30, 2021 to \$(69.5) million at June 30, 2022, indicating an improvement in the financial condition of the Board. Restricted net

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

position increased by \$697,000 while unrestricted net position increased by \$14.5 million over the prior year. Net investment in capital assets decreased \$2.9 million due to an excess of depreciation expense over capital additions for the year. 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 \$2.6 million during the year. This is the combined net profit generated by our school food service and child care operations during the 2022 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, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Revenues:						
Program revenues:						
Charges for services	\$ 995,395	\$ 1,330,228	\$ 1,005,155	\$ 744,032	\$ 2,000,550	\$ 2,074,260
Operating grants and contributions	116,040,657	99,300,003	8,177,206	4,947,111	124,217,863	104,247,114
Capital grants and contributions	535,657	561,685	-	-	535,657	561,685
General revenues:						
County appropriations	18,049,800	18,126,839	-	-	18,049,800	18,126,839
State appropriations	124,937	-	-	-	124,937	-
Other revenues	1,379,360	1,215,131	232,922	7,900	1,612,282	1,223,031
Total revenues	<u>137,125,806</u>	<u>120,533,886</u>	<u>9,415,283</u>	<u>5,699,043</u>	<u>146,541,089</u>	<u>126,232,929</u>
Expenses:						
Governmental activities:						
Instructional services	93,673,095	88,496,788	-	-	93,673,095	88,496,788
System-wide support services	26,536,522	22,521,386	-	-	26,536,522	22,521,386
Ancillary services	2,752,198	2,023,328	-	-	2,752,198	2,023,328
Payments to other governments	1,570,600	1,409,428	-	-	1,570,600	1,409,428
Interest on long-term debt	136,178	204,098	-	-	136,178	204,098
Business-type activities:						
School food service	-	-	6,225,478	4,038,174	6,225,478	4,038,174
Child care	-	-	719,590	649,775	719,590	649,775
Total expenses	<u>124,668,593</u>	<u>114,655,028</u>	<u>6,945,068</u>	<u>4,687,949</u>	<u>131,613,661</u>	<u>119,342,977</u>
Excess (deficiency) before transfers	12,457,213	5,878,858	2,470,215	1,011,094	14,927,428	6,889,952
Transfers in (out)	<u>(158,523)</u>	<u>(78,326)</u>	<u>158,523</u>	<u>78,326</u>	<u>-</u>	<u>-</u>
Change in net position	12,298,690	5,800,532	2,628,738	1,089,420	14,927,428	6,889,952
Beginning 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>
Ending net position (deficit)	<u>\$ (69,493,955)</u>	<u>\$ (81,792,645)</u>	<u>\$ 784,511</u>	<u>\$ (1,844,227)</u>	<u>\$ (68,709,444)</u>	<u>\$ (83,636,872)</u>

Total governmental activities generated revenues of \$137.1 million while expenses in this category totaled \$124.7 million for the year ended June 30, 2022, resulting in an increase in net position of \$12.3 million (including transfers to business-type activities of \$159,000). Comparatively, revenues were \$120.5 million, expenses totaled \$114.7 million and transfers out were \$78,000 for the year ended June 30, 2021, resulting in an increase in net position of \$5.8 million. In comparing the two years, revenues

ROCKINGHAM COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

increased \$16.6 million, or 13.8%, while expenses increased by \$2.3 million, or 8.7%. The increases in revenues and expenses were primarily due to COVID-19 federal grants received and expended during the year. Expenses were also significantly impacted by a year-over-year decrease of \$8.9 million in pension and OPEB expense due to changes in actuarial valuations and allocation percentages.

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 61.3%, 13.1% and 20.8% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 75.1% of our total expenses during the most recent fiscal year. Of the remaining 24.9% of our total expenses, 21.3% was attributable to system-wide support services.

Our business-type activities generated revenues of \$9.4 million, while expenses in this category totaled \$6.9 million for the year ended June 30, 2022. For the year, net position increased by \$2.6 million (including transfers in of \$159,000). Comparatively, revenues were \$5.7 million, expenses totaled \$4.7 million and transfers in were \$78,000 for the year ended June 30, 2021, resulting in an increase in net position of \$1.1 million. In comparing the two years, revenues increased by \$3.7 million, or 65.2%, and expenses increased \$2.3 million, or 48.1%. With students returning to the classroom in the 2022 year, the number of meals served in the child nutrition program increased to a more normal, pre-pandemic level. As would be expected with the increase in meals served, revenues, food and food supply costs, and salaries and benefits all increased significantly. The child care program also experienced an increase in revenues and expenses with students returning to the classroom in 2022.

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 \$23.9 million at June 30, 2022, a decrease of \$2.3 million from the amount reported at June 30, 2021. Revenues were \$137.7 million for the year ended June 30, 2022, compared to \$120.6 million in the prior year, an increase of \$17.1 million, or 14.1%. Expenditures were \$140.5 million for the current year, compared to \$128.6 million in the prior year, an increase of \$12.0 million, or 9.3%. These increases were primarily related to federal COVID-19 grant funds awarded to the district to help pay for costs incurred associated with the pandemic.

Fund balance in the General Fund at June 30, 2022 was \$12.2 million, a decrease of \$2.3 million from the amount reported at June 30, 2021. Revenues for the year totaled \$16.4 million compared to \$16.2 million in the prior year, an increase of \$190,000, or 1.2%. Expenditures for the year totaled \$18.7 million compared to \$16.9 million in the prior year, an increase of \$1.8 million, or 10.7%. The increase in expenditures was primarily for system-wide support services.

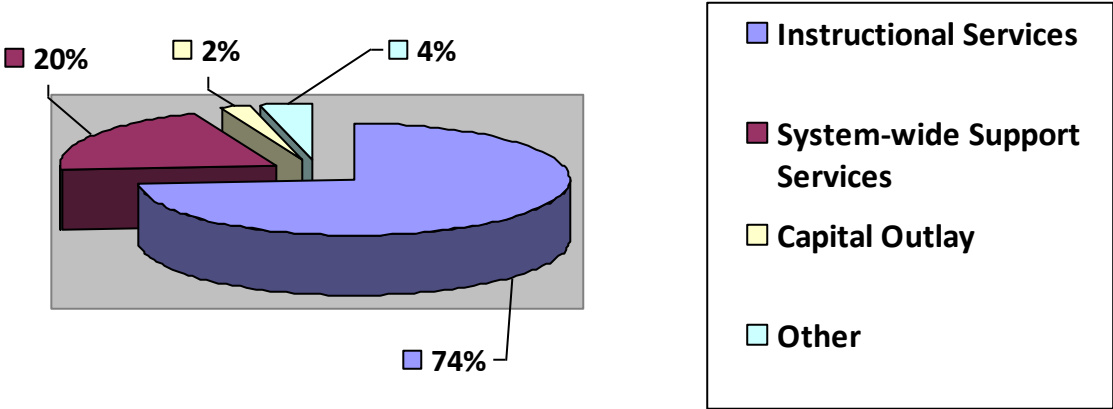
The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. Combined revenues and expenditures in these two funds increased \$17.1 million over the prior year. The District received various COVID-19 grants through these two funds which were used to pay for specific costs incurred by the district in response to the pandemic.

The Other Restricted Fund reported a decrease in fund balance for the year ended June 30, 2022 of \$346,000. Revenues decreased \$1.2 million, primarily due to a decline in federal grant funding.

The Capital Outlay Fund reported fund balance of \$823,000 at June 30, 2022, an increase of \$91,000 over the prior year. The most significant revenue reported in the Capital Outlay Fund was \$2.2 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 \$2.6 million for the fiscal year ended June 30, 2022 compared to an increase of \$1.1 million for the same 2021 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 \$7.7 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 \$71.6 million at June 30, 2022 compared to \$74.5 million at June 30, 2021, a decrease of 3.9%. The following table is a summary of the Board's capital assets, net of depreciation, at June 30, 2022 and 2021. 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, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Land	\$ 2,983,886	\$ 2,983,886	\$ -	\$ -	\$ 2,983,886	\$ 2,983,886
Construction in progress	-	144,599	-	-	-	144,599
Buildings and improvements	65,613,369	68,886,064	-	-	65,613,369	68,886,064
Equipment and furniture	354,741	427,663	373,440	307,095	728,181	734,758
Vehicles	2,291,536	1,735,079	-	-	2,291,536	1,735,079
Total	<u>\$ 71,243,532</u>	<u>\$ 74,177,291</u>	<u>\$ 373,440</u>	<u>\$ 307,095</u>	<u>\$ 71,616,972</u>	<u>\$ 74,484,386</u>

Debt Outstanding

The Board's outstanding debt at June 30, 2022 was \$8.4 million for a slight decrease of \$60,000 from the amount reported at June 30, 2021. 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, 2022, Rockingham County experienced an unemployment rate of approximately 4.6% as compared to an unemployment rate of approximately 5.7% at June 30, 2021. Rockingham County's unemployment rate is above the June 30, 2022 State of N.C. and national unemployment rates which were of 4.1% and 3.8%, respectively.
- 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, 2022

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 23,652,851	\$ 5,108,036	\$ 28,760,887
Due from other governments	2,315,977	254,341	2,570,318
Receivables	221,953	12,225	234,178
Internal balances	82,386	(82,386)	-
Net OPEB asset	57,235	1,736	58,971
Inventories	-	459,141	459,141
Capital assets:			
Land	2,983,886	-	2,983,886
Other capital assets, net of depreciation	<u>68,259,646</u>	<u>373,440</u>	<u>68,633,086</u>
Total capital assets	<u>71,243,532</u>	<u>373,440</u>	<u>71,616,972</u>
 Total assets	 <u>97,573,934</u>	 <u>6,126,533</u>	 <u>103,700,467</u>
 Deferred Outflows of Resources	 <u>36,973,119</u>	 <u>1,121,308</u>	 <u>38,094,427</u>
Liabilities			
Bank overdraft	10,777	-	10,777
Accounts payable and accrued expenses	2,388,942	34,748	2,423,690
Unearned revenue	-	596,909	596,909
Accrued interest payable	14,507	-	14,507
Long-term liabilities:			
Due within one year	3,358,935	72,622	3,431,557
Due in more than one year	<u>137,680,657</u>	<u>3,921,582</u>	<u>141,602,239</u>
 Total liabilities	 <u>143,453,818</u>	 <u>4,625,861</u>	 <u>148,079,679</u>
 Deferred Inflows of Resources	 <u>60,587,190</u>	 <u>1,837,469</u>	 <u>62,424,659</u>
Net position			
Net investment in capital assets	62,824,641	373,440	63,198,081
Restricted for:			
Stabilization by State statute	2,162,337	-	2,162,337
School capital outlay	822,581	-	822,581
Instructional services	7,576,716	-	7,576,716
Individual schools activities	1,124,152	-	1,124,152
DIPNC OPEB plan	274,760	8,333	283,093
Unrestricted (deficit)	<u>(144,279,142)</u>	<u>402,738</u>	<u>(143,876,404)</u>
 Total net position (deficit)	 <u>\$ (69,493,955)</u>	 <u>\$ 784,511</u>	 <u>\$ (68,709,444)</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, 2022

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	\$ 54,700,898	\$ -	\$ 57,485,226	\$ -	\$ 2,784,328	\$ -	\$ 2,784,328
Special populations	13,664,691	983,773	15,599,939	-	2,919,021	-	2,919,021
Alternative programs	7,456,939	-	7,742,687	-	285,748	-	285,748
School leadership	7,340,678	-	7,968,599	-	627,921	-	627,921
Co-curricular	2,419,422	-	1,903,340	-	(516,082)	-	(516,082)
School-based support	8,090,467	-	8,278,268	-	187,801	-	187,801
System-wide support services:							
Support and development	1,270,499	-	1,174,840	-	(95,659)	-	(95,659)
Special population support and development	571,125	-	514,234	-	(56,891)	-	(56,891)
Alternative programs and services support and development							
Technology support	244,059	-	272,101	-	28,042	-	28,042
Operational support	1,791,908	-	215,279	-	(1,576,629)	-	(1,576,629)
Operational support	19,332,469	11,622	9,912,500	535,657	(8,872,690)	-	(8,872,690)
Financial and human resource services	1,471,440	-	1,295,935	-	(175,505)	-	(175,505)
Accountability	85,107	-	76,380	-	(8,727)	-	(8,727)
System-wide pupil support	124,264	-	37,416	-	(86,848)	-	(86,848)
Policy, leadership and public relations	1,645,651	-	965,340	-	(680,311)	-	(680,311)
Ancillary services							
Non-programmed charges	2,752,198	-	2,598,573	-	(153,625)	-	(153,625)
Interest on long-term debt	1,570,600	-	-	-	(1,570,600)	-	(1,570,600)
Interest on long-term debt	136,178	-	-	-	(136,178)	-	(136,178)
Total governmental activities	<u>124,668,593</u>	<u>995,395</u>	<u>116,040,657</u>	<u>535,657</u>	<u>(7,096,884)</u>	<u>-</u>	<u>(7,096,884)</u>
Business-type activities:							
School food service	6,225,478	295,507	8,177,206	-	-	2,247,235	2,247,235
Child care	719,590	709,648	-	-	-	(9,942)	(9,942)
Total business-type activities	<u>6,945,068</u>	<u>1,005,155</u>	<u>8,177,206</u>	<u>-</u>	<u>-</u>	<u>2,237,293</u>	<u>2,237,293</u>
Total primary government	<u>\$ 131,613,661</u>	<u>\$ 2,000,550</u>	<u>\$ 124,217,863</u>	<u>\$ 535,657</u>	<u>(7,096,884)</u>	<u>2,237,293</u>	<u>(4,859,591)</u>
General revenues:							
Unrestricted county appropriations - operating					15,834,840	-	15,834,840
Unrestricted county appropriations - capital					2,214,960	-	2,214,960
Unrestricted State appropriations - capital					124,937	-	124,937
Investment earnings, unrestricted					50,430	9,874	60,304
Miscellaneous, unrestricted					1,328,930	223,048	1,551,978
Transfers					(158,523)	158,523	-
Total general revenues					<u>19,395,574</u>	<u>391,445</u>	<u>19,787,019</u>
Change in net position					12,298,690	2,628,738	14,927,428
Net position (deficit) - beginning					<u>(81,792,645)</u>	<u>(1,844,227)</u>	<u>(83,636,872)</u>
Net position (deficit) - ending					<u>\$ (69,493,955)</u>	<u>\$ 784,511</u>	<u>\$ (68,709,444)</u>

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

FUND FINANCIAL STATEMENTS

ROCKINGHAM COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

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	\$ 14,134,572	\$ -	\$ -	7,640,351	\$ 747,581	\$ 1,130,347	\$ 23,652,851
Due from other governments	30,111	10,754	378,420	1,821,692	75,000	-	2,315,977
Accounts receivable	31,542	-	-	190,411	-	-	221,953
Due from other funds	4,467	-	-	84,114	-	-	88,581
Total assets	<u>\$ 14,200,692</u>	<u>\$ 10,754</u>	<u>\$ 378,420</u>	<u>\$ 9,736,568</u>	<u>\$ 822,581</u>	<u>\$ 1,130,347</u>	<u>\$ 26,279,362</u>
Liabilities and fund balances							
Liabilities:							
Bank overdraft	\$ -	\$ 10,754	\$ 23	\$ -	\$ -	\$ -	\$ 10,777
Accounts payable and accrued liabilities	1,979,725	-	378,397	30,820	-	-	2,388,942
Due to other funds	-	-	-	-	-	6,195	6,195
Total liabilities	<u>1,979,725</u>	<u>10,754</u>	<u>378,420</u>	<u>30,820</u>	<u>-</u>	<u>6,195</u>	<u>2,405,914</u>
Fund balances:							
Restricted:							
Stabilization by State statute	66,120	-	-	2,096,217	-	-	2,162,337
School capital outlay	-	-	-	-	822,581	-	822,581
Instructional services	-	-	-	7,576,716	-	-	7,576,716
Individual schools	-	-	-	-	-	1,124,152	1,124,152
Assigned:							
Subsequent year's expenditures	8,218,510	-	-	-	-	-	8,218,510
Special revenues	-	-	-	32,815	-	-	32,815
Unassigned	3,936,337	-	-	-	-	-	3,936,337
Total fund balances	<u>12,220,967</u>	<u>-</u>	<u>-</u>	<u>9,705,748</u>	<u>822,581</u>	<u>1,124,152</u>	<u>23,873,448</u>
Total liabilities and fund balances	<u>\$ 14,200,692</u>	<u>\$ 10,754</u>	<u>\$ 378,420</u>	<u>\$ 9,736,568</u>	<u>\$ 822,581</u>	<u>\$ 1,130,347</u>	<u>\$ 26,279,362</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, 2022

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	\$ 23,873,448
Net OPEB asset	57,235
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	71,243,532
Deferred outflows of resources related to pensions	19,598,208
Deferred outflows of resources related to OPEB	17,374,911
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.	(15,004,358)
Net pension liability	(18,588,104)
Net OPEB liability	(107,461,637)
Deferred inflows of resources related to pensions	(23,815,316)
Deferred inflows of resources related to OPEB	<u>(36,771,874)</u>
Net position (deficit) of governmental activities	<u>\$ (69,493,955)</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
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022

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	\$ -	\$ 83,566,108	\$ -	\$ 200,000	\$ 660,594	\$ -	\$ 84,426,702
Rockingham County:							
Local current expense	15,834,840	-	-	-	-	-	15,834,840
Other	-	-	-	-	2,214,960	-	2,214,960
U.S. Government	-	3,640,115	22,544,167	2,518,245	-	-	28,702,527
Contributions and donations	-	-	-	325,841	-	-	325,841
Other	581,349	-	-	3,724,185	1,776	1,891,545	6,198,855
Total revenues	<u>16,416,189</u>	<u>87,206,223</u>	<u>22,544,167</u>	<u>6,768,271</u>	<u>2,877,330</u>	<u>1,891,545</u>	<u>137,703,725</u>
Expenditures:							
Current:							
Instructional services:							
Regular instructional	1,605,557	48,347,899	7,967,697	1,916,162	-	-	59,837,315
Special populations	54,880	11,273,089	3,584,258	1,266,001	-	-	16,178,228
Alternative programs	477,379	1,832,426	5,910,261	4,739	-	-	8,224,805
School leadership	1,192,363	7,142,815	219,023	26,835	27,144	-	8,608,180
Co-curricular	828,664	5,055	6,740	8,283	-	1,697,665	2,546,407
School-based support	168,283	7,561,040	717,228	984,779	-	-	9,431,330
System-wide support services:							
Support and development	258,761	697,287	477,553	-	-	-	1,433,601
Special population support and development	105,454	200,932	313,302	191,073	-	-	810,761
Alternative programs and services support and development	-	63,156	208,945	-	-	-	272,101
Technology support	1,704,366	192,672	22,607	-	-	-	1,919,645
Operational support	8,912,905	6,941,005	2,328,298	247,200	915,522	-	19,344,930
Financial and human resource services	373,153	1,257,181	38,754	1,767	-	-	1,670,855
Accountability	33,865	74,227	2,153	-	-	-	110,245
System-wide pupil support	130,968	14,741	22,675	1,797	-	-	170,181
Policy, leadership and public relations	840,191	945,011	20,329	46,246	-	-	1,851,777
Ancillary services	13,466	592,914	125,920	2,140,293	-	-	2,872,593
Non-programmed charges	1,570,600	-	578,424	8,339	-	-	2,157,363
Debt service:							
Principal retirement	96,085	-	-	-	535,657	-	631,742
Interest and fees	305,200	-	-	-	-	-	305,200
Capital outlay	-	-	-	270,362	1,888,813	-	2,159,175
Total expenditures	<u>18,672,140</u>	<u>87,141,450</u>	<u>22,544,167</u>	<u>7,113,876</u>	<u>3,367,136</u>	<u>1,697,665</u>	<u>140,536,434</u>
Revenues over (under) expenditures	<u>(2,255,951)</u>	<u>64,773</u>	<u>-</u>	<u>(345,605)</u>	<u>(489,806)</u>	<u>193,880</u>	<u>(2,832,709)</u>
Other financing sources:							
Transfers to other funds	-	(64,773)	-	-	-	-	(64,773)
Installment purchase obligations issued	-	-	-	-	572,020	-	572,020
Insurance proceeds	-	-	-	-	8,844	-	8,844
Proceeds from disposal of capital assets	-	-	-	-	250	-	250
Total other financing sources	<u>-</u>	<u>(64,773)</u>	<u>-</u>	<u>-</u>	<u>581,114</u>	<u>-</u>	<u>516,341</u>
Net change in fund balance	(2,255,951)	-	-	(345,605)	91,308	193,880	(2,316,368)
Fund balances:							
Beginning of year	14,476,918	-	-	10,051,353	731,273	930,272	26,189,816
End of year	<u>\$ 12,220,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,705,748</u>	<u>\$ 822,581</u>	<u>\$ 1,124,152</u>	<u>\$ 23,873,448</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, 2022

Exhibit 5

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

Net changes in fund balances - total governmental funds \$ (2,316,368)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (2,931,442)

Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities. (250)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 10,846,113

Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities 4,224,555

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.
 OPEB nonemployer contributions 650,976
 Loss on disposal of capital assets (2,067)

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. 59,722

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 169,022
 Pension (expense) benefit (4,665,675)
 Net OPEB (expense) benefit 6,128,493
 Compensated absences 135,611

Total change in net position of governmental activities \$ 12,298,690

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, 2022

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	581,349	241,349
Total revenues	16,174,840	16,174,840	16,416,189	241,349
Expenditures:				
Current:				
Instructional services:				
Regular instructional	1,715,182	1,958,474	1,605,557	352,917
Special populations	58,243	85,357	54,880	30,477
Alternative programs	488,473	539,756	477,379	62,377
School leadership	1,440,967	1,594,806	1,192,363	402,443
Co-curricular	842,162	844,960	828,664	16,296
School-based support	574,965	531,218	168,283	362,935
Total instructional services	5,119,992	5,554,571	4,327,126	1,227,445
System-wide support services:				
Support and development	313,865	298,015	258,761	39,254
Special population support and development	97,802	113,652	105,454	8,198
Alternative programs and services support and development	-	-	-	-
Technology support	1,453,984	1,725,199	1,704,366	20,833
Operational support	11,807,656	12,121,756	8,912,905	3,208,851
Financial and human resource services	666,551	618,311	373,153	245,158
Accountability	40,250	40,250	33,865	6,385
System-wide pupil support	104,511	135,236	130,968	4,268
Policy, leadership and public relations	894,679	930,480	840,191	90,289
Total system-wide support services	15,379,298	15,982,899	12,359,663	3,623,236
Ancillary services:				
Community	22,119	28,143	6,023	22,120
Nutrition	9,000	9,000	7,443	1,557
Total ancillary services	31,119	37,143	13,466	23,677
Nonprogrammed charges	1,932,000	1,932,000	1,570,600	361,400
Debt service:				
Principal retirement	-	96,085	96,085	-
Interest and fees	-	305,200	305,200	-
Total debt service	-	401,285	401,285	-
Capital outlay				
Total expenditures	22,462,409	23,907,898	18,672,140	5,235,758
Revenues over (under) expenditures	(6,287,569)	(7,733,058)	(2,255,951)	5,477,107
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Fund balance appropriated	6,287,569	7,733,058	-	(7,733,058)
Net change in fund balance	\$ -	\$ -	(2,255,951)	\$ (2,255,951)
Fund balances:				
Beginning of year			14,476,918	
End of year			<u>\$ 12,220,967</u>	

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, 2022

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 85,230,122	\$ 92,602,080	\$ 83,566,108	\$ (9,035,972)
Rockingham County	-	-	-	-
U.S. Government	-	3,870,933	3,640,115	(230,818)
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>85,230,122</u>	<u>96,473,013</u>	<u>87,206,223</u>	<u>(9,266,790)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	48,720,448	53,917,985	48,347,899	5,570,086
Special populations	10,849,736	12,149,393	11,273,089	876,304
Alternative programs	2,752,816	3,064,311	1,832,426	1,231,885
School leadership	5,992,565	7,473,307	7,142,815	330,492
Co-curricular	-	5,400	5,055	345
School-based support	6,733,840	8,193,672	7,561,040	632,632
Total instructional services	<u>75,049,405</u>	<u>84,804,068</u>	<u>76,162,324</u>	<u>8,641,744</u>
System-wide support services:				
Support and development	813,683	826,848	697,287	129,561
Special population support and development	71,912	227,990	200,932	27,058
Alternative programs and services support and development	42,044	70,667	63,156	7,511
Technology support	46,479	192,831	192,672	159
Operational support	6,577,387	7,044,229	6,941,005	103,224
Financial and human resource services	1,187,676	1,406,702	1,257,181	149,521
Accountability	69,896	102,511	74,227	28,284
System-wide pupil support	-	15,265	14,741	524
Policy, leadership and public relations	894,590	1,083,842	945,011	138,831
Total system-wide support services	<u>9,703,667</u>	<u>10,970,885</u>	<u>10,386,212</u>	<u>584,673</u>
Ancillary services:				
Community	-	74,300	73,673	627
Nutrition	477,050	558,987	519,241	39,746
Total ancillary services	<u>477,050</u>	<u>633,287</u>	<u>592,914</u>	<u>40,373</u>
Nonprogrammed charges	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>85,230,122</u>	<u>96,408,240</u>	<u>87,141,450</u>	<u>9,266,790</u>
Revenues over (under) expenditures	-	64,773	64,773	-
Other financing sources (uses):				
Transfers to other funds	-	(64,773)	(64,773)	-
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, 2022

Federal Grants Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Rockingham County	-	-	-	-
U.S. Government	53,936,320	57,039,821	22,544,167	(34,495,654)
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	53,936,320	57,039,821	22,544,167	(34,495,654)
Expenditures:				
Current:				
Instructional services:				
Regular instructional	19,237,911	20,634,591	7,967,697	12,666,894
Special populations	6,049,163	6,928,432	3,584,258	3,344,174
Alternative programs	8,888,726	9,182,075	5,910,261	3,271,814
School leadership	440,600	442,297	219,023	223,274
Co-curricular	109,803	109,803	6,740	103,063
School-based support	1,485,856	1,806,758	717,228	1,089,530
Total instructional services	36,212,059	39,103,956	18,405,207	20,698,749
System-wide support services:				
Support and development	493,778	659,544	477,553	181,991
Special population support and development	210,393	330,995	313,302	17,693
Alternative programs and services support and development	213,333	220,158	208,945	11,213
Technology support	45,713	45,313	22,607	22,706
Operational support	14,205,315	13,958,070	2,328,298	11,629,772
Financial and human resource services	64,590	64,590	38,754	25,836
Accountability	4,306	4,306	2,153	2,153
System-wide pupil support	174,306	184,306	22,675	161,631
Policy, leadership and public relations	27,989	32,295	20,329	11,966
Total system-wide support services	15,439,723	15,499,577	3,434,616	12,064,961
Ancillary services:				
Community	184,082	189,464	116,370	73,094
Nutrition	426,832	426,832	9,550	417,282
Total ancillary services	610,914	616,296	125,920	490,376
Nonprogrammed charges	1,673,624	1,819,992	578,424	1,241,568
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	53,936,320	57,039,821	22,544,167	34,495,654
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year	-	-	-	-
End of year	-	-	\$ -	-

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, 2022

	Other Restricted Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Rockingham County	-	-	-	-
U.S. Government	2,834,213	3,343,600	2,518,245	(825,355)
Contributions and donations	344,134	379,031	325,841	(53,190)
Other	<u>3,221,321</u>	<u>3,812,860</u>	<u>3,724,185</u>	<u>(88,675)</u>
Total revenues	<u>6,599,668</u>	<u>7,735,491</u>	<u>6,768,271</u>	<u>(967,220)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	1,995,605	2,649,123	1,916,162	732,961
Special populations	1,145,862	1,734,979	1,266,001	468,978
Alternative programs	113,949	129,347	4,739	124,608
School leadership	55,818	99,420	26,835	72,585
Co-curricular	9,000	9,000	8,283	717
School-based support	<u>706,598</u>	<u>1,173,276</u>	<u>984,779</u>	<u>188,497</u>
Total instructional services	<u>4,026,832</u>	<u>5,795,145</u>	<u>4,206,799</u>	<u>1,588,346</u>
System-wide support services:				
Support and development	-	-	-	-
Special population support and development	402,956	240,877	191,073	49,804
Alternative programs and services support and development	-	-	-	-
Technology support	-	-	-	-
Operational support	1,129,605	961,529	247,200	714,329
Financial and human resource services	-	1,768	1,767	1
Accountability	-	-	-	-
System-wide pupil support	49,496	1,897	1,797	100
Policy, leadership and public relations	<u>9,100</u>	<u>54,777</u>	<u>46,246</u>	<u>8,531</u>
Total system-wide support services	<u>1,591,157</u>	<u>1,260,848</u>	<u>488,083</u>	<u>772,765</u>
Ancillary services:				
Community	2,247,323	2,353,996	2,140,293	213,703
Nutrition	-	-	-	-
Total ancillary services	<u>2,247,323</u>	<u>2,353,996</u>	<u>2,140,293</u>	<u>213,703</u>
Nonprogrammed charges	<u>45,629</u>	<u>42,281</u>	<u>8,339</u>	<u>33,942</u>
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Capital outlay	-	<u>395,452</u>	<u>270,362</u>	<u>125,090</u>
Total expenditures	<u>7,910,941</u>	<u>9,847,722</u>	<u>7,113,876</u>	<u>2,733,846</u>
Revenues over (under) expenditures	(1,311,273)	(2,112,231)	(345,605)	1,766,626
Other financing sources (uses):				
Transfers to other funds	-	(208,000)	-	208,000
Fund balance appropriated	<u>1,311,273</u>	<u>2,320,231</u>	-	<u>(2,320,231)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(345,605)	<u>\$ (345,605)</u>
Fund balances:				
Beginning of year			<u>10,051,353</u>	
End of year			<u>\$ 9,705,748</u>	

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, 2022

Exhibit 7

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,278,163	\$ 829,873	\$ 5,108,036
Due from other governments	254,341	-	254,341
Receivables	12,017	208	12,225
Inventories	459,141	-	459,141
Total current assets	<u>5,003,662</u>	<u>830,081</u>	<u>5,833,743</u>
Noncurrent assets:			
Net OPEB asset	1,382	354	1,736
Capital assets:			
Furniture and equipment, net	373,440	-	373,440
Total noncurrent assets	<u>374,822</u>	<u>354</u>	<u>375,176</u>
Total assets	<u>5,378,484</u>	<u>830,435</u>	<u>6,208,919</u>
Deferred Outflows of Resources	<u>892,893</u>	<u>228,415</u>	<u>1,121,308</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	34,293	455	34,748
Due to other funds	82,386	-	82,386
Compensated absences	61,592	11,030	72,622
Unearned revenue	49,129	547,780	596,909
Total current liabilities	<u>227,400</u>	<u>559,265</u>	<u>786,665</u>
Noncurrent liabilities:			
Net pension liability	448,900	114,834	563,734
Net OPEB liability	2,595,183	663,881	3,259,064
Compensated absences	83,294	15,490	98,784
Total noncurrent liabilities	<u>3,127,377</u>	<u>794,205</u>	<u>3,921,582</u>
Total liabilities	<u>3,354,777</u>	<u>1,353,470</u>	<u>4,708,247</u>
Deferred Inflows of Resources	<u>1,463,170</u>	<u>374,299</u>	<u>1,837,469</u>
Net position			
Investment in capital assets	373,440	-	373,440
Restricted for DIPNC OPEB plan	6,634	1,699	8,333
Unrestricted (deficit)	1,073,356	(670,618)	402,738
Total net position (deficit)	<u>\$ 1,453,430</u>	<u>\$ (668,919)</u>	<u>\$ 784,511</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, 2022

Exhibit 8

	Enterprise		
	Major Funds		Totals
	School Food Service	Child Care	
Operating revenues:			
Food sales	\$ 295,507	\$ -	\$ 295,507
Child care fees	-	709,648	709,648
Other	21,603	-	21,603
Total operating revenues	<u>317,110</u>	<u>709,648</u>	<u>1,026,758</u>
Operating expenses:			
Food cost:			
Purchase of food	2,525,338	-	2,525,338
Donated commodities	586,494	-	586,494
Salaries and benefits	2,611,973	685,724	3,297,697
Indirect costs	236,511	-	236,511
Materials and supplies	27,004	7,583	34,587
Repairs and maintenance	100,780	575	101,355
Depreciation	54,855	-	54,855
Non-capitalized equipment	27,369	15,939	43,308
Contracted services	23,542	-	23,542
Other	31,612	9,769	41,381
Total operating expenses	<u>6,225,478</u>	<u>719,590</u>	<u>6,945,068</u>
Operating loss	<u>(5,908,368)</u>	<u>(9,942)</u>	<u>(5,918,310)</u>
Nonoperating revenues:			
Federal reimbursements	7,590,712	-	7,590,712
Federal commodities	586,494	-	586,494
Contracted service revenue	-	201,445	201,445
Interest earned	8,111	1,763	9,874
Total nonoperating revenues	<u>8,185,317</u>	<u>203,208</u>	<u>8,388,525</u>
Income before transfers and contributions	2,276,949	193,266	2,470,215
Transfers from other funds	64,773	-	64,773
Capital contributions	<u>93,750</u>	<u>-</u>	<u>93,750</u>
Change in net position	2,435,472	193,266	2,628,738
Net position (deficit), beginning of year	<u>(982,042)</u>	<u>(862,185)</u>	<u>(1,844,227)</u>
Net position (deficit), end of year	<u>\$ 1,453,430</u>	<u>\$ (668,919)</u>	<u>\$ 784,511</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, 2022

Exhibit 9

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 274,781	\$ 709,440	\$ 984,221
Cash paid for goods and services	(3,040,267)	(33,756)	(3,074,023)
Cash paid to employees for services	(2,759,101)	(722,680)	(3,481,781)
Other	21,603	-	21,603
Net cash used by operating activities	<u>(5,502,984)</u>	<u>(46,996)</u>	<u>(5,549,980)</u>
Cash flows from noncapital financing activities:			
Due to other funds	(218,464)	-	(218,464)
Federal and State reimbursements	7,601,129	-	7,601,129
Contracted service revenue	-	749,225	749,225
Net cash provided by noncapital financing activities	<u>7,382,665</u>	<u>749,225</u>	<u>8,131,890</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	<u>(27,450)</u>	-	<u>(27,450)</u>
Cash flows from investing activities:			
Interest earned on investments	<u>8,111</u>	<u>1,763</u>	<u>9,874</u>
Net increase in cash and cash equivalents	1,860,342	703,992	2,564,334
Cash and cash equivalents, beginning of year	<u>2,417,821</u>	<u>125,881</u>	<u>2,543,702</u>
Cash and cash equivalents, end of year	<u>\$ 4,278,163</u>	<u>\$ 829,873</u>	<u>\$ 5,108,036</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	<u>\$ (5,908,368)</u>	<u>\$ (9,942)</u>	<u>\$ (5,918,310)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	54,855	-	54,855
Donated commodities	586,494	-	586,494
Salaries paid by special revenue fund	64,773	-	64,773
Changes in assets, liabilities, deferred outflows and deferred inflows:			
Increase in accounts receivable	(8,433)	(208)	(8,641)
Decrease in net OPEB asset	2,499	623	3,122
Increase in inventories	(51,391)	-	(51,391)
Increase (decrease) in accounts payable and accrued liabilities	(16,720)	110	(16,610)
Decrease in unearned revenue	(12,293)	-	(12,293)
Decrease in net pension liability	(642,623)	(159,835)	(802,458)
Increase in net OPEB liability	429,664	118,955	548,619
Increase in deferred outflows	(202,572)	(54,702)	(257,274)
Increase in deferred inflows	202,245	57,003	259,248
Increase (decrease) in compensated absences payable	<u>(1,114)</u>	<u>1,000</u>	<u>(114)</u>
Total adjustments	<u>405,384</u>	<u>(37,054)</u>	<u>368,330</u>
Net cash used by operating activities	<u>\$ (5,502,984)</u>	<u>\$ (46,996)</u>	<u>\$ (5,549,980)</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, 2022

Exhibit 9 (continued)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$586,494 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.

The State Public School Fund paid salaries and benefits of \$64,773 to personnel of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and an operating expense on Exhibit 8.

School Food Service capital assets with a value of \$93,750 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.

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, 2022

Exhibit 10

	<u>Private Purpose Trust Fund</u>
Assets	
Cash and cash equivalents	\$ <u>122,964</u>
Net position	
Assets held in trust for private purpose	\$ <u>122,964</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, 2022

Exhibit 11

	<u>Private Purpose Trust Fund</u>
Additions:	
Contributions and other revenue	\$ <u>3,337</u>
Deductions:	
Instructional costs	<u>1,000</u>
Change in net position	2,337
Beginning net position	<u>120,627</u>
Ending net position	<u>\$ 122,964</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, 2022

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, 2022**

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 leases qualifying as other than short-term 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, 2022

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, 2022**

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, 2022

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, 2022 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, 2022

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 \$(93,367,403) consists of the following elements:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 216,761,301
Less accumulated depreciation	<u>(145,517,769)</u>
Net capital assets	71,243,532
Net OPEB asset	57,235
Deferred outflows of resources related to pensions	19,598,208
Deferred outflows of resources related to OPEB	17,374,911
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	(8,418,891)
Compensated absences	(6,570,960)
Accrued interest payable	(14,507)
Net pension liability	(18,588,104)
Net OPEB liability	(107,461,637)
Deferred inflows of resources related to pensions	(23,815,316)
Deferred inflows of resources related to OPEB	<u>(36,771,874)</u>
Total adjustment	<u>\$ (93,367,403)</u>

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 \$14,615,058 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,264,219
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	(4,195,661)
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	(572,020)
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(250)
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	631,742
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	10,846,113
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	4,224,555
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	650,976
Loss on disposal of capital assets	(2,067)
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	(4,665,675)
OPEB (expense) benefit	6,128,493
Difference in interest expense between fund statements and government-wide statements	169,022
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	<u>135,611</u>
Total adjustment	<u>\$ 14,615,058</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, 2022

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, 2022, the Board had deposits with banks and savings and loans with a carrying amount of \$28,633,648 and an overdraft balance with the State Treasurer of \$10,777. The bank balances with the financial institutions and the State Treasurer were \$30,021,794 and \$2,420,903, respectively. Of these balances, \$1,322,041 was covered by federal depository insurance and \$31,120,656 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The Board also had \$10 of cash on hand at June 30, 2022.

2. Investments

At June 30 2022, 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, 2022. 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.

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3. Accounts Receivable

Receivables at the government-wide level at June 30, 2022 are as follows:

	Due from (to) other Funds (Internal Balances)	Due from other Governments	Other	Total
Governmental activities:				
General Fund	\$ 4,467	\$ 30,111	\$ 31,542	\$ 66,120
Other governmental funds	<u>77,919</u>	<u>2,285,866</u>	<u>190,411</u>	<u>2,554,196</u>
Total governmental activities	<u>\$ 82,386</u>	<u>\$ 2,315,977</u>	<u>\$ 221,953</u>	<u>\$ 2,620,316</u>
Business-type activities:				
School Food Service Fund	\$ (82,386)	\$ 254,341	\$ 12,017	\$ 183,972
Child Care Fund	<u>-</u>	<u>-</u>	<u>208</u>	<u>208</u>
Total business-type activities	<u>\$ (82,386)</u>	<u>\$ 254,341</u>	<u>\$ 12,225</u>	<u>\$ 184,180</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 30,111	Amounts due from County and State reimbursements
State Public School Fund	10,754	Operating funds from DPI
Federal Grants Fund	378,420	Federal grant funds
Other Restricted Fund	1,821,692	Federal grant funds
Capital Outlay Fund	<u>75,000</u>	Amounts due from County
Total governmental activities	<u>\$ 2,315,977</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 254,341</u>	Federal grant funds

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4. Capital Assets

Capital asset activity for the year ended June 30, 2022 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	\$ 2,983,886	\$ -	\$ -	\$ 2,983,886
Construction in progress	144,599	310,066	454,665	-
Total capital assets not being depreciated	<u>3,128,485</u>	<u>310,066</u>	<u>454,665</u>	<u>2,983,886</u>
Capital assets being depreciated:				
Buildings and improvements	193,931,255	454,665	2,350	194,383,570
Equipment and furniture	4,853,960	43,847	6,139	4,891,668
Vehicles	14,079,077	910,306	487,206	14,502,177
Total capital assets being depreciated	<u>212,864,292</u>	<u>1,408,818</u>	<u>495,695</u>	<u>213,777,415</u>
Less accumulated depreciation for:				
Buildings and improvements	125,045,191	3,726,626	1,616	128,770,201
Equipment and furniture	4,426,297	116,769	6,139	4,536,927
Vehicles	12,343,998	352,266	485,623	12,210,641
Total accumulated depreciation	<u>141,815,486</u>	<u>4,195,661</u>	<u>493,378</u>	<u>145,517,769</u>
Total capital assets being depreciated, net	<u>71,048,806</u>			<u>68,259,646</u>
Governmental activity capital assets, net	<u>\$ 74,177,291</u>			<u>\$ 71,243,532</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 3,339,783	\$ 121,200	\$ -	\$ 3,460,983
Less accumulated depreciation for:				
Equipment and furniture	<u>3,032,688</u>	<u>54,855</u>	<u>-</u>	<u>3,087,543</u>
School Food Service capital assets, net	<u>\$ 307,095</u>			<u>\$ 373,440</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 3,843,395
System-wide support services	<u>352,266</u>
Total	<u>\$ 4,195,661</u>

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

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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 period July 1, 2021 through December 31, 2021 was 14.78% of covered payroll and 17.98% for the period January 1, 2022 through June 30, 2022, 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 \$11,175,051 for the year ended June 30, 2022.

Refunds of Contributions – Board employees who have terminated service as a contributing member of TSERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by TSERS.

At June 30, 2022, the Board reported a liability of \$19,151,838 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021

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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, 2021 and at June 30, 2020, the Board's proportion was 0.4090% and 0.4054%, respectively.

For the year ended June 30, 2022, the Board recognized pension expense of \$4,854,517. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,076,549	\$ 434,959
Changes of assumptions	7,184,060	-
Net difference between projected and actual earnings on pension plan investments	-	23,729,366
Changes in proportion and differences between Board contributions and proportionate share of contributions	756,917	373,255
Board contributions subsequent to the measurement date	<u>11,175,051</u>	<u>-</u>
Total	<u>\$ 20,192,577</u>	<u>\$ 24,537,580</u>

\$11,175,051 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, 2023. 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>	
2023	\$ (2,427,764)
2024	(2,531,165)
2025	(3,283,422)
2026	<u>(7,277,703)</u>
Total	<u>\$ (15,520,054)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.05 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

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The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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, 2021 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 rates used to measure the total pension liability reported at June 30, 2022 and 2021 was 6.50% and 7.00%, respectively. 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 Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

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	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 64,242,481	\$ 19,151,838	\$ 18,329,789

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 period July 1, 2021 through December 31, 2021, the Board contributed 6.68% of covered payroll and 5.90% for the period January 1, 2022 through June 30, 2022, which amounted to \$4,291,274 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$187.0 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 \$670,719.

At June 30, 2022, the Board reported a liability of \$110,720,701 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 and 2020, the Board's proportion was 0.3581% and 0.3503%, respectively.

\$4,291,274 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2023	\$ (15,225,571)
2024	(7,495,061)
2025	(2,214,900)
2026	(1,357,997)
2027	<u>1,792,904</u>
Total	<u>\$ (24,500,625)</u>

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

Inflation	2.50%
Salary increases	3.25-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	6.50%

Healthcare cost trend rates:

Medical	5.00-6.00%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

Discount rate. The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2022 and 2021 were 2.16% and 2.21%, 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 2.16% was used as the discount rate used to measure the total OPEB liability. The 2.16% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2021.

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 (1.16 percent) or 1-percentage point higher (3.16 percent) than the current discount rate:

	1% decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB liability	\$ 131,700,665	\$ 110,720,701	\$ 93,729,291

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 - 4.00-5.00%, Pharmacy - 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.00%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00- 7.00%, Pharmacy - 6.00- 10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 89,665,095	\$ 110,720,701	\$ 138,652,901

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, 2022, 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 \$61,401 for the year ended June 30, 2022.

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, 2022, the Board reported an asset of \$58,971 for its proportionate share of the net DIPNC OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 and 2020, the Board's proportion was 0.36103% and 0.3541%, respectively.

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\$61,401 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, 2023. 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>	
2023	\$ 43,380
2024	31,097
2025	38,920
2026	19,698
2027	9,308
Thereafter	<u>20,318</u>
Total	<u>\$ 162,721</u>

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

Inflation	2.50%
Salary increases	3.25%-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	3.00%, 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 (2.00 percent) or 1-percentage point higher (4.00 percent) than the current discount rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB asset	\$ 37,233	\$ 58,971	\$ 79,080

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020 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, 2021. 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, 2015 through December 31, 2019.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2021. 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, 2021 is 1.3%.

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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, 2022:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (6,223,736)	\$ 134,459	\$ (6,089,277)
OPEB liability (asset)	110,720,701	(58,971)	110,661,730
Proportionate share of the net OPEB liability (asset)	0.3581%	0.3610%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 653,679	\$ 150,358	\$ 804,037
Changes of assumptions	9,056,000	10,354	9,066,354
Net difference between projected and actual earnings on plan investments	-	5,755	5,755
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,649,065	23,964	3,673,029
Board contributions subsequent to the measurement date	4,291,274	61,401	4,352,675
Total deferred outflows of resources	<u>\$ 17,650,018</u>	<u>\$ 251,832</u>	<u>\$ 17,901,850</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 2,061,028	\$ -	\$ 2,061,028
Changes of assumptions	26,907,537	21,409	26,928,946
Net difference between projected and actual earnings on plan investments	56,638	-	56,638
Changes in proportion and differences between Board contributions and proportionate share of contributions	8,834,166	6,301	8,840,467
Total deferred inflows of resources	<u>\$ 37,859,369</u>	<u>\$ 27,710</u>	<u>\$ 37,887,079</u>

2. Accounts Payable

Accounts payable as of June 30, 2022 are as follows:

	<u>Vendors and Other</u>
Governmental activities:	
General Fund	\$ 1,979,725
Other governmental activities	409,217
Total governmental activities	<u>\$ 2,388,942</u>
Business-type activities:	
School Food Service Fund	\$ 34,293
Child Care Fund	455
Total business-type activities	<u>\$ 34,748</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)	\$ 49,129
Prepayments of contracted service revenue (Child Care Fund)	<u>547,780</u>
Total business-type activities	<u>\$ 596,909</u>

**ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022**

4. Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,880,586	\$ 2,495,987
Changes of assumptions	16,250,414	26,928,946
Net difference between projected and actual earnings on pension and OPEB plan investments	5,755	23,786,004
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,429,946	9,213,722
Board contributions subsequent to the measurement date	<u>15,527,726</u>	<u>-</u>
Total	<u>\$ 38,094,427</u>	<u>\$ 62,424,659</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, 2022

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 2022, 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 \$1,307,500 at June 30, 2022. 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 future minimum payments of the installment purchases as of June 30, 2022 are as follows:

<u>Years Ending</u> <u>June 30:</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 691,170	\$ 169,773
2024	515,826	161,694
2025	391,926	153,331
2026	404,555	144,570
2027	393,241	135,788
2028 - 2032	2,090,528	545,454
2033 - 2037	2,402,846	298,553
2038 - 2040	1,528,799	49,633
Totals	<u>\$ 8,418,891</u>	<u>\$ 1,658,796</u>

ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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, 2022:

	<u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement installment purchases	\$ 8,478,613	\$ 572,020	\$ 631,742	\$ 8,418,891	\$ 691,170
Net pension liability	47,611,807	-	29,023,703	18,588,104	-
Net OPEB liability	94,459,012	13,002,625	-	107,461,637	-
Compensated absences	6,706,571	4,355,524	4,491,135	6,570,960	2,667,765
Total	<u>\$157,256,003</u>	<u>\$ 17,930,169</u>	<u>\$ 34,146,580</u>	<u>\$141,039,592</u>	<u>\$ 3,358,935</u>
Business-type activities:					
Net pension liability	\$ 1,366,192	\$ -	\$ 802,458	\$ 563,734	\$ -
Net OPEB liability	2,710,445	548,619	-	3,259,064	-
Compensated absences	171,520	125,907	126,021	171,406	72,622
Total	<u>\$ 4,248,157</u>	<u>\$ 674,526</u>	<u>\$ 928,479</u>	<u>\$ 3,994,204</u>	<u>\$ 72,622</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, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Individual Schools Fund	\$ 4,467
Other Restricted Fund	School Food Service Fund	82,386
Other Restricted Fund	Individual Schools Fund	1,728

These interfund balances were created in the normal operating cycle of the Board. All amounts are expected to be paid prior to June 30, 2023.

D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

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

Total governmental activities capital assets	\$ 71,243,532
Less:	
Installment purchase obligations for school buses and energy conservation measures	<u>(8,418,891)</u>
Net investment in capital assets, governmental activities	<u>\$ 62,824,641</u>

**ROCKINGHAM COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022**

2. Fund Balance

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

Total fund balance - General Fund	\$ 12,220,967
Less:	
Stabilization by State statute	(66,120)
Appropriated Fund Balance in the 2022-2023 budget	<u>(8,218,510)</u>
Unassigned fund balance	<u>\$ 3,936,337</u>

NOTE 3 – OTHER RESTRICTED FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2022 in the Other Restricted Fund consists of the following:

Tuition and fees	\$ 983,773
Medicaid reimbursement program	742,592
Private grants and programs	612,044
Other reimbursements and refunds	145,220
Indirect costs allocated	823,273
Other	417,283
Total other revenues	<u>\$ 3,724,185</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 NINE FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net pension liability (asset)	0.409%	0.405%	0.398%	0.423%	0.440%
Board's proportionate share of the net pension liability (asset)	\$ 19,151,838	\$ 48,977,999	\$ 41,242,865	\$ 42,137,155	\$ 34,899,639
Board's covered payroll	\$ 66,085,995	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	28.98%	74.58%	66.42%	67.47%	55.35%
Plan fiduciary net position as a percentage of the total pension liability	94.86%	85.98%	87.56%	87.61%	89.51%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Board's proportion of the net pension liability (asset)	0.456%	0.477%	0.496%	0.492%	
Board's proportionate share of the net pension liability (asset)	\$ 41,926,735	\$ 17,559,231	\$ 5,810,870	\$ 29,839,058	
Board's covered payroll	\$ 63,548,546	\$ 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	65.98%	26.30%	8.76%	43.47%	
Plan fiduciary net position as a percentage of the total pension liability	87.32%	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 nine 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 11,175,051	\$ 9,767,510	\$ 8,517,656	\$ 7,631,761	\$ 6,732,464
Contributions in relation to the contractually required contribution	<u>11,175,051</u>	<u>9,767,510</u>	<u>8,517,656</u>	<u>7,631,761</u>	<u>6,732,464</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 68,223,755	\$ 66,085,995	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284
Contributions as a percentage of covered payroll	16.38%	14.78%	12.97%	12.29%	10.78%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 6,293,159	\$ 5,814,692	\$ 6,109,948	\$ 5,764,321	\$ 5,652,171
Contributions in relation to the contractually required contribution	<u>6,293,159</u>	<u>5,814,692</u>	<u>6,109,948</u>	<u>5,764,321</u>	<u>5,652,171</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 63,057,705	\$ 63,548,546	\$ 66,772,104	\$ 66,332,808	\$ 67,853,189
Contributions as a percentage of covered payroll	9.98%	9.15%	9.15%	8.69%	8.33%

**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 SIX FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net OPEB liability (asset)	0.358%	0.350%	0.348%	0.375%	0.396%
Board's proportionate share of the net OPEB liability (asset)	\$ 110,720,701	\$ 97,169,457	\$ 110,197,980	\$ 106,821,567	\$ 129,941,774
Board's covered payroll	\$ 66,085,995	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	167.54%	147.96%	177.46%	171.04%	206.07%
Plan fiduciary net position as a percentage of the total OPEB liability	7.72%	6.92%	4.40%	4.40%	3.52%
	<u>2017</u>				
Board's proportion of the net OPEB liability (asset)	0.390%				
Board's proportionate share of the net OPEB liability (asset)	\$ 169,844,587				
Board's covered payroll	\$ 63,548,546				
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	267.27%				
Plan fiduciary net position as a percentage of the total OPEB liability	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 six 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 4,291,274	\$ 4,414,545	\$ 4,248,977	\$ 3,893,502	\$ 3,778,424
Contributions in relation to the contractually required contribution	<u>4,291,274</u>	<u>4,414,545</u>	<u>4,248,977</u>	<u>3,893,502</u>	<u>3,778,424</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 68,223,755	\$ 66,085,995	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284
Contributions as a percentage of covered payroll	6.29%	6.68%	6.47%	6.27%	6.05%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 3,653,471	\$ 3,560,838	\$ 3,655,539	\$ 3,575,307	\$ 3,596,219
Contributions in relation to the contractually required contribution	<u>3,653,471</u>	<u>3,560,838</u>	<u>3,655,539</u>	<u>3,575,307</u>	<u>3,596,219</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 63,057,705	\$ 63,548,546	\$ 66,772,104	\$ 66,332,808	\$ 67,853,189
Contributions as a percentage of covered payroll	5.81%	5.60%	5.49%	5.40%	5.30%

**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 SIX FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net OPEB asset	0.361%	0.354%	0.349%	0.373%	0.384%
Board's proportionate share of the net OPEB asset	\$ 58,971	\$ 174,176	\$ 150,468	\$ 113,345	\$ 234,841
Board's covered payroll	\$ 66,085,995	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.09%	0.27%	0.24%	0.18%	0.37%
Plan fiduciary net position as a percentage of the total OPEB asset	105.18%	115.57%	113.00%	108.47%	116.23%
	<u>2017</u>				
Board's proportion of the net OPEB asset	0.402%				
Board's proportionate share of the net OPEB asset	\$ 249,816				
Board's covered payroll	\$ 63,548,546				
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.39%				
Plan fiduciary net position as a percentage of the total OPEB asset	116.06%				

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* 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 six 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 61,401	\$ 59,477	\$ 65,672	\$ 86,936	\$ 87,435
Contributions in relation to the contractually required contribution	<u>61,401</u>	<u>59,477</u>	<u>65,672</u>	<u>86,936</u>	<u>87,435</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 68,223,755	\$ 66,085,995	\$ 65,671,981	\$ 62,097,323	\$ 62,453,284
Contributions as a percentage of covered payroll	0.09%	0.09%	0.10%	0.14%	0.14%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 238,953	\$ 260,704	\$ 273,000	\$ 291,321	\$ 298,554
Contributions in relation to the contractually required contribution	<u>238,953</u>	<u>260,704</u>	<u>273,000</u>	<u>291,321</u>	<u>298,554</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 63,057,705	\$ 63,548,546	\$ 66,772,104	\$ 66,332,808	\$ 67,853,189
Contributions as a percentage of covered payroll	0.38%	0.41%	0.41%	0.44%	0.44%

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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Rockingham County:			
County appropriation	\$ 15,834,840	\$ 15,834,840	\$ -
Other:			
Fines and forfeitures	300,000	462,952	162,952
Interest earned on investment	10,000	48,654	38,654
Miscellaneous	30,000	69,743	39,743
Total other	<u>340,000</u>	<u>581,349</u>	<u>241,349</u>
Total revenues	<u>16,174,840</u>	<u>16,416,189</u>	<u>241,349</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	1,958,474	1,605,557	352,917
Special populations	85,357	54,880	30,477
Alternative programs	539,756	477,379	62,377
School leadership	1,594,806	1,192,363	402,443
Co-curricular	844,960	828,664	16,296
School-based support	531,218	168,283	362,935
Total instructional services	<u>5,554,571</u>	<u>4,327,126</u>	<u>1,227,445</u>
System-wide support services:			
Support and development	298,015	258,761	39,254
Special population support and development	113,652	105,454	8,198
Technology support	1,725,199	1,704,366	20,833
Operational support	12,121,756	8,912,905	3,208,851
Financial and human resource services	618,311	373,153	245,158
Accountability	40,250	33,865	6,385
System-wide pupil support	135,236	130,968	4,268
Policy, leadership and public relations	930,480	840,191	90,289
Total system-wide support services	<u>15,982,899</u>	<u>12,359,663</u>	<u>3,623,236</u>
Ancillary services:			
Community	28,143	6,023	22,120
Nutrition	9,000	7,443	1,557
Total ancillary services	<u>37,143</u>	<u>13,466</u>	<u>23,677</u>
Non-programmed charges:			
Payments to other governments	<u>1,932,000</u>	<u>1,570,600</u>	<u>361,400</u>
Debt service:			
Principal retirement	96,085	96,085	-
Interest and fees	<u>305,200</u>	<u>305,200</u>	<u>-</u>
Total debt service	<u>401,285</u>	<u>401,285</u>	<u>-</u>
Total expenditures	<u>23,907,898</u>	<u>18,672,140</u>	<u>5,235,758</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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues under expenditures	(7,733,058)	(2,255,951)	5,477,107
Fund balance appropriated	<u>7,733,058</u>	<u>-</u>	<u>(7,733,058)</u>
Net change in fund balance	<u>\$ -</u>	(2,255,951)	<u>\$ (2,255,951)</u>
Fund balance:			
Beginning of year		<u>14,476,918</u>	
End of year		<u>\$ 12,220,967</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, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 535,657	\$ 535,657	\$ -
K-12 Athletic Facilities Grant	124,937	124,937	-
Total State of North Carolina	<u>660,594</u>	<u>660,594</u>	<u>-</u>
U.S. Government:			
Emergency Connectivity Grant	1,631,458	-	(1,631,458)
Rockingham County:			
General county appropriations	4,510,175	2,214,960	(2,295,215)
Other:			
Interest earned on investments	-	1,776	1,776
Total revenues	<u>6,802,227</u>	<u>2,877,330</u>	<u>(3,924,897)</u>
Expenditures:			
Current:			
Instructional services:			
School leadership	1,677,758	27,144	1,650,614
System-wide support services:			
Operational support	969,320	915,522	53,798
Debt service:			
Principal retirement	535,657	535,657	-
Capital outlay	4,558,765	1,888,813	2,669,952
Total expenditures	<u>7,741,500</u>	<u>3,367,136</u>	<u>4,374,364</u>
Revenues under expenditures	<u>(939,273)</u>	<u>(489,806)</u>	<u>449,467</u>
Other financing sources:			
Transfers from other funds	208,000	-	(208,000)
Installment purchase obligations issued	-	572,020	572,020
Insurance proceeds	-	8,844	8,844
Proceeds from disposal of capital assets	-	250	250
Total other financing sources	<u>208,000</u>	<u>581,114</u>	<u>373,114</u>
Fund balance appropriated	<u>731,273</u>	-	(731,273)
Net change in fund balance	<u>\$ -</u>	91,308	<u>\$ 91,308</u>
Fund balance:			
Beginning of year		<u>731,273</u>	
End of year		<u>\$ 822,581</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, 2022

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	\$ 461,905	\$ 295,507	\$ (166,398)
Other	21,000	21,603	603
Total operating revenues	<u>482,905</u>	<u>317,110</u>	<u>(165,795)</u>
Operating expenditures:			
Business support services:			
Purchase of food		2,576,729	
Donated commodities		586,494	
Salaries and benefits		2,823,874	
Indirect costs		236,511	
Materials and supplies		27,004	
Repairs and maintenance		100,780	
Non-capitalized equipment		27,369	
Contracted services		23,542	
Other		31,612	
Capital outlay		27,450	
Total operating expenditures	<u>6,933,580</u>	<u>6,461,365</u>	<u>472,215</u>
Operating loss	<u>(6,450,675)</u>	<u>(6,144,255)</u>	<u>306,420</u>
Nonoperating revenues:			
Federal reimbursements	5,688,827	7,590,712	1,901,885
Federal commodities	436,848	586,494	149,646
Indirect costs not paid	315,000	-	(315,000)
Interest earned	10,000	8,111	(1,889)
Total nonoperating revenues	<u>6,450,675</u>	<u>8,185,317</u>	<u>1,734,642</u>
Revenues over expenditures	-	2,041,062	2,041,062
Other financing sources:			
Transfers from other funds	-	64,773	64,773
Net change in fund balance	<u>\$ -</u>	<u>2,105,835</u>	<u>\$ 2,105,835</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(54,855)	
Capital contributions		93,750	
Equipment purchases		27,450	
Net OPEB asset		(2,499)	
Net pension liability		642,623	
Net OPEB liability		(429,664)	
Deferred outflows - pension and OPEB		202,572	
Deferred inflows - pension and OPEB		(202,245)	
Decrease in compensated absences payable		1,114	
Increase in inventory		51,391	
Change in net position (full accrual)		<u>\$ 2,435,472</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, 2022

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Child care fees	\$ 1,451,518	\$ 709,648	\$ (741,870)
Operating expenditures:			
Regular community services:			
Salaries and benefits		722,680	
Materials and supplies		7,583	
Repairs and maintenance		575	
Non-capitalized equipment		15,939	
Other		9,769	
Total operating expenditures	1,453,268	756,546	696,722
Operating loss	(1,750)	(46,898)	(45,148)
Nonoperating revenues:			
Contracted service revenue	-	201,445	201,445
Interest earned	1,750	1,763	13
Total nonoperating revenues	1,750	203,208	201,458
Net change in fund balance	\$ -	156,310	\$ 156,310
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Net OPEB asset		(623)	
Net pension liability		159,835	
Net OPEB liability		(118,955)	
Deferred outflows - pension and OPEB		54,702	
Deferred inflows - pension and OPEB		(57,003)	
Increase in compensated absences payable		(1,000)	
Change in net position (full accrual)		\$ 193,266	

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

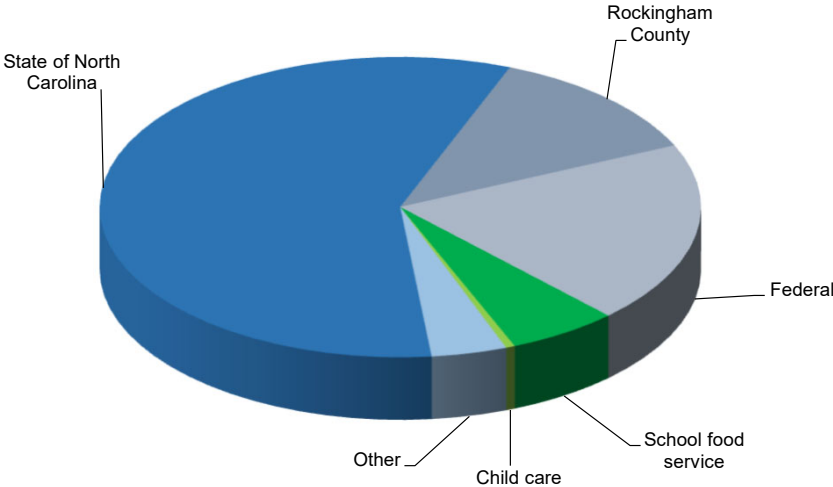
Since the District has no tax-levying or debt-issuing authority, the County of Rockingham provides significant funding to the school system. Selected fiscal data from the County of Rockingham has been included to help the reader better understand the school system and its financial operations.

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
Governmental and Business-type Activities
For Year Ended June 30, 2022

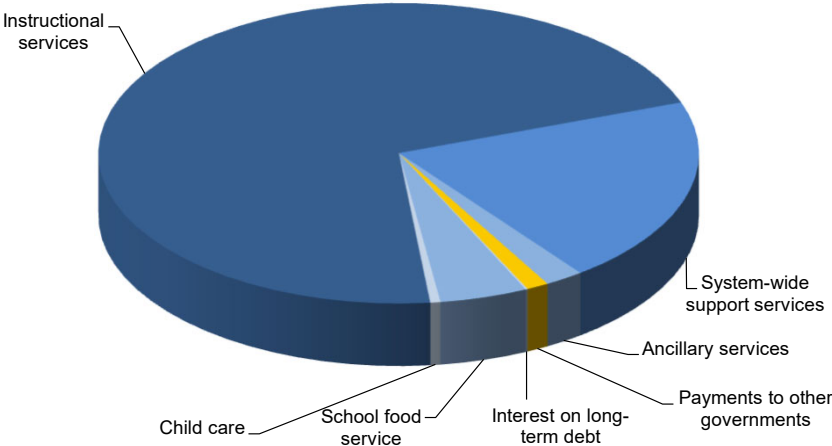
Revenue Sources



State of North Carolina	\$ 84,426,702
Rockingham County	18,049,800
Federal	28,702,527
School food service	8,502,427
Child care	912,856
Other	5,946,777

Total revenue sources \$ 146,541,089

Expenses



Instructional services	\$ 93,673,095
System-wide support services	26,536,522
Ancillary services	2,752,198
Payments to other governments	1,570,600
Interest on long-term debt	136,178
School food service	6,225,478
Child care	719,590

Total expenses \$ 131,613,661

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
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
2022	84,426,702	18,049,800	28,702,527	6,524,696	137,703,725

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 62,824,641
Restricted	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	11,960,546
Unrestricted (deficit)	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)	(144,279,142)
Subtotal governmental activities net position	\$ 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)	\$ (69,493,955)
Business-type Activities:										
Invested in capital assets	\$ 545,112	\$ 416,422	\$ 303,489	\$ 246,808	\$ 236,850	\$ 222,445	\$ 196,985	\$ 236,397	\$ 307,095	\$ 373,440
Restricted	-	-	-	-	-	13,076	15,108	13,648	9,936	8,333
Unrestricted (deficit)	316,919	302,873	(1,369,964)	(1,077,539)	(59,182)	(4,219,200)	(3,184,981)	(3,183,692)	(2,161,258)	402,738
Subtotal business-type activities net position	\$ 862,031	\$ 719,295	\$ (1,066,475)	\$ (830,731)	\$ 177,668	\$ (3,983,679)	\$ (2,972,888)	\$ (2,933,647)	\$ (1,844,227)	\$ 784,511
Primary Government:										
Net investment in capital assets	\$ 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	\$ 63,198,081
Restricted	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	11,968,879
Unrestricted (deficit)	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)	(143,876,404)
Total primary government net position	\$ 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)	\$ (68,709,444)

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instructional services:										
Regular	\$ 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	\$ 54,700,898
Special populations	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	13,664,691
Alternative programs	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	7,456,939
School leadership	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	7,340,678
Co-curricular	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	2,419,422
School based support	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	8,090,467
System-wide support services:										
Support and development	902,251	946,189	880,890	1,044,149	1,133,320	1,194,933	1,202,453	1,154,021	1,015,211	1,270,499
Special populations support and development	1,347,770	1,422,590	1,427,155	1,307,282	1,177,854	1,303,524	788,480	666,942	867,574	571,125
Alternative programs and services support and development	192,532	197,094	138,085	128,194	142,130	226,430	207,419	216,605	228,755	244,059
Technology support	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	1,791,908
Operational support	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	19,332,469
Financial and human resource services	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	1,471,440
Accountability	176,431	230,534	165,878	79,633	97,195	112,997	84,945	85,607	69,215	85,107
System-wide pupil support	675,753	1,035,122	956,445	387,079	211,164	227,671	183,186	154,775	177,065	124,264
Policy, leadership and public relations	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	1,645,651
Ancillary services	246,543	188,607	194,589	191,245	224,675	377,038	309,652	1,994,144	2,023,328	2,752,198
Payments to other governments	312,527	416,610	436,499	476,551	555,410	705,062	1,255,583	1,388,461	1,409,428	1,570,600
Interest on long-term debt	-	-	29,648	15,162	-	-	-	40,304	204,098	136,178
Subtotal governmental activities expenses	\$ 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	\$ 124,668,593
Business-type Activities:										
School food service	\$ 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	\$ 6,225,478
Child care	534,011	534,317	579,193	608,715	655,392	760,610	553,995	596,386	649,775	719,590
Subtotal business-type activities	\$ 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	\$ 6,945,068
Total primary government expenses	\$ 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	\$ 131,613,661
Program Revenues:										
Governmental Activities:										
Charges for services										
Special populations	\$ 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	\$ 983,773
Technology support	-	-	-	-	-	-	-	-	-	-
Operational support	18,160	22,592	55,674	26,945	27,446	22,897	27,973	28,308	2,889	11,622
Operating grants and contributions	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	116,040,657
Capital grants and contributions	314,984	157,492	157,490	241,168	957,886	795,052	740,244	449,242	561,685	535,657
Subtotal governmental activities program revenues	\$ 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	\$ 117,571,709

ROCKINGHAM COUNTY SCHOOLS

CHANGES IN NET POSITION (Continued)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type Activities:										
Charges for services:										
School food service	\$ 1,566,499	\$ 1,361,532	\$ 542,305	\$ 1,080,550	\$ 1,255,748	\$ 1,167,442	\$ 1,180,325	\$ 827,369	\$ 25,392	\$ 295,507
Child care	599,761	561,870	600,851	588,964	626,753	603,957	631,509	583,889	718,640	709,648
Operating grants & contributions	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	8,177,206
Capital grants and contributions	-	-	-	28,677	-	-	-	-	-	-
Subtotal business-type activities program revenues	\$ 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	\$ 9,182,361
Total primary government program revenues	\$ 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	\$ 126,754,070
Net (Expenses) Revenues:										
Governmental activities	\$ (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)	\$ (7,096,884)
Business-type activities	(296,656)	(146,087)	(1,000,631)	235,141	957,917	679,976	996,425	(398,584)	1,003,194	2,237,293
Total primary government net (expenses) revenues	\$ (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)	\$ (4,859,591)
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	3,024,183	1,151,525	942,233	1,290,137	987,525	889,752	1,509,238	2,311,233	2,291,999	2,214,960
Unrestricted State appropriations - capital	-	-	-	-	-	-	-	-	-	124,937
Transfers	-	-	-	-	(48,271)	(19,440)	-	(402,868)	(78,326)	(158,523)
Investment earnings, unrestricted	32,221	16,922	15,426	17,634	46,326	114,543	180,392	243,199	107,544	50,430
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	1,328,930
Subtotal governmental activities	\$ 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	\$ 19,395,574
Business-type Activities:										
Transfers	\$ -	\$ -	\$ -	\$ -	\$ 48,271	\$ 19,440	\$ -	\$ 402,868	\$ 78,326	\$ 158,523
Investment earnings, unrestricted	432	214	299	603	2,211	13,030	14,366	21,292	7,817	9,874
Miscellaneous, unrestricted	-	3,137	-	-	-	-	-	13,665	83	223,048
Subtotal business-type activities	\$ 432	\$ 3,351	\$ 299	\$ 603	\$ 50,482	\$ 32,470	\$ 14,366	\$ 437,825	\$ 86,226	\$ 391,445
Total primary government	\$ 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	\$ 19,787,019
Change in Net Position:										
Governmental activities	\$ (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	\$ 12,298,690
Business-type activities	(296,224)	(142,736)	(1,000,332)	235,744	1,008,399	712,446	1,010,791	39,241	1,089,420	2,628,738
Total primary government	\$ (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	\$ 14,927,428

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Nonspendable	\$ 308,209	\$ 285,695	\$ 197,702	\$ 150,384	\$ 50,171	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	24,586	342,466	1,412,004	1,809,069	1,294,429	658,994	50,902	31,681	1,375,691	66,120
Assigned	4,599,504	1,230,925	-	2,815,077	3,758,298	4,983,886	3,133,647	5,389,091	6,287,569	8,218,510
Unassigned	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	3,936,337
Total general fund	\$ 4,983,517	\$ 3,354,465	\$ 5,289,096	\$ 6,786,421	\$ 10,187,135	\$ 12,520,677	\$ 14,459,639	\$ 15,115,232	\$ 14,476,918	\$ 12,220,967
All Other Governmental Funds:										
Restricted										
Special revenue funds	\$ 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	\$ 10,797,085
Capital Outlay Fund	588,561	693,850	711,823	765,695	1,091,542	802,376	619,505	252,663	731,273	822,581
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	32,815
Total all other governmental funds	\$ 6,183,274	\$ 6,069,601	\$ 6,229,628	\$ 7,209,706	\$ 9,145,251	\$ 9,337,915	\$ 10,242,378	\$ 9,824,353	\$ 11,712,898	\$ 11,652,481

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
State of North Carolina	\$ 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	\$ 84,426,702
Rockingham County	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	18,049,800
U.S. Government	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	28,702,527
Contributions & donations	804,808	804,323	1,401,506	872,161	963,502	768,514	625,667	477,372	604,716	325,841
Other	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	6,198,855
Total revenues	\$ 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	\$ 137,703,725
Expenditures:										
Instructional programs	\$ 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	\$ 104,826,265
Support services	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	27,584,096
Ancillary services	246,543	188,607	199,948	197,614	270,800	388,525	317,622	2,033,357	2,112,619	2,872,593
Non-programmed charges	443,180	481,381	599,091	645,975	724,726	871,620	1,425,325	1,556,232	1,695,499	2,157,363
Debt service										
Interest	-	-	29,648	15,162	-	-	-	40,304	20,569	305,200
Principal retirement	314,984	497,495	467,844	566,008	957,886	795,052	740,244	1,423,660	1,048,477	631,742
Capital outlay	2,748,265	810,477	714,361	908,025	451,916	988,408	1,300,850	2,523,727	10,413,578	2,159,175
Total expenditures	\$ 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	\$ 140,536,434
Excess of revenues over (under) expenditures	\$ (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)	\$ (2,832,709)
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	\$ 572,020
Insurance Proceeds	-	-	-	-	-	-	-	-	184,640	8,844
Transfers to other funds	-	-	-	-	-	-	-	(369,957)	-	(64,773)
Proceeds from disposal of capital assets	-	-	-	-	-	-	-	41,982	228,095	250
Total other financing sources (uses)	\$ 629,966	\$ 975,197	\$ -	\$ 1,646,341	\$ 1,021,191	\$ 512,673	\$ 263,103	\$ 1,133,235	\$ 9,193,317	\$ 516,341
Net change in fund balances	\$ (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	\$ (2,316,368)
Change in reserve for inventories	11,760	(22,514)	(87,993)	(47,318)	(100,213)	(50,171)	-	-	-	-
Increase (decrease) in fund balances for the year	\$ (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	\$ (2,316,368)
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%	0.68%

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 Years Expenditures</u>	<u>Unassigned</u>	<u>Total General Fund Balance</u>
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
2022	-	66,120	8,218,510	3,936,337	12,220,967

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

<u>Year Ended June 30:</u>	<u>Average Daily Membership</u>	<u>Instructional</u>	<u>Support</u>	<u>Ancillary Services</u>	<u>Other</u>	<u>Capital Outlay</u>	<u>Total</u>
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
2022	10,772	104,826,265 9,825	27,584,096 2,585	2,872,593 269	2,157,363 202	2,159,175 202	139,599,492 13,085

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>
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
2022	10,772	8,067	2,707	1,812	12,586

Source: North Carolina Public Schools Statistical Profile (2013-2022 Editions).

ROCKINGHAM COUNTY SCHOOLS

SCHOOL FOOD SERVICE REVENUES BY SOURCE

For The Last Ten Fiscal Years

Year Ended June 30:	Food Sales	Federal Reimbursements	Federal Commodities	Interest Earned	Transfers From Other Funds	Indirect Costs Not Paid	Other	Total
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
2022	295,507	7,590,712	586,494	8,111	64,773	-	21,603	8,567,200

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>
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	0.02%	8
2021	8,478,613	8,478,613	N/A	92
2022	8,418,891	8,418,891	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, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Share of Overlapping Debt
Rockingham County Schools	<u>\$ 8,418,891</u>	100.00%	<u>\$ 8,418,891</u>
Direct Debt Total	<u>8,418,891</u>		<u>8,418,891</u>
Rockingham County	\$64,475,398	100.00%	64,475,398
City of Reidsville	7,038,484	100.00%	7,038,484
City of Eden	3,543,371	100.00%	3,543,371
City of Madison	<u>72,690</u>	100.00%	<u>72,690</u>
Overlapping Debt Total	<u>75,129,943</u>		<u>75,129,943</u>
Total Direct and Overlapping Debt	<u>\$ 83,548,834</u>		<u>\$ 83,548,834</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, 2022.

ROCKINGHAM COUNTY SCHOOLS

STUDENT INFORMATION

For The Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenditures per Student	\$8,842	\$8,738	\$8,644	\$8,734	\$8,743	\$9,166	\$9,505	\$10,301	\$12,052	\$13,046
Students/Teacher Ratio	15.61	15.14	15.77	16.08	16.20	16.28	16.27	15.84	14.84	15.17
Percentage of Students on Free or Reduced Lunch	58.97%	61.49%	100.00%	68.00%	69.50%	69.56%	67.66%	64.40%	42.20%	61.79%

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

North Carolina Public Schools Statistical Profile (2013-2022 Editions).

NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2022 obtained from Rockingham County Schools Student Data.

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
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
2022	22	710	138	436	1,284

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

Source: North Carolina Public Schools Statistical Profile (2013-2022 Editions)

ROCKINGHAM COUNTY SCHOOLS

CAPITAL ASSETS BY FUNCTION

For The Last Ten Fiscal Years

	<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>	<u>2022</u>
Administration:										
Number of Administrative Buildings	2	3	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	5	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	15	15	15	15	15	12	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 88 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, 2021 and December 31, 2012

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 730,053,159	1	10.34%	\$ 516,288,000	1	7.57%
Gildan	79,092,366	2	1.12%	46,386,000	4	0.68%
Transcontinental Pipeline Co	59,823,833	3	0.85%	27,391,000	9	0.40%
Sturm Ruger & Company Inc	55,914,215	4	0.79%			
Unifi Manufacturing	47,331,507	5	0.67%	46,253,000	5	0.67%
Frontier Spinning	40,435,045	6	0.57%	45,404,000	6	0.66%
WalMart	40,287,785	7	0.57%	39,840,000	7	0.58%
Piedmont Natural Gas	39,044,474	8	0.55%	28,234,000	8	0.41%
Henniges	34,980,555	9	0.50%			
Norfolk Southern	33,383,693	10	0.47%			
Miller Brewing				176,262,000	2	2.58%
Commonwealth Brands				83,681,000	3	1.22%
Ball Metal Beverage Corporation				24,783,000	10	0.36%
Total	\$ 1,160,346,632		16.43%	\$ 1,034,522,000		15.13%

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

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
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%
2021	56,235,222	55,451,897	98.6%	713,004	56,164,901	99.9%

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

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			
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
2021	4,758,524	1,013,583	955,430	1,680,329	(392,668)	8,015,198	6.95

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Rockingham County	0.696	0.696	0.696	0.696	0.696	0.696	0.696	0.695	0.695	0.695
City of Reidsville	0.71	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74
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	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73
Town of Mayodan	0.58	0.63	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	0.69	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	0.10	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	0.085	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	0.09	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	0.070	0.07	0.07	0.07	0.07	0.07	0.007	0.10	0.10
Jacobs Creek	0.0832	0.0950	0.095	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	0.13	0.13	0.13	0.13	0.13
Draper Rural	0.05	0.05	0.05	0.05	0.05	0.05	0.07	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	-	-	-	-	-	-	-	-	-
Spray-Leaksville	0.10	-	-	-	-	-	-	-	-	-
Pelham	-	-	-	-	-	-	0.0614	0.0614	0.0614	0.0614

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

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
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%
2022	645,946,996	64,475,398	581,471,598	9.98%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$ 8,074,337,451
Add back: exempt real property	-
Total assessed value	\$ 8,074,337,451
Debt Limit (8% of total assessed value)	\$ 645,946,996
Debt applicable to limit:	
General obligation debt	49,045,642
Less: Amount set aside for repayment of general obligation debt	-
Legal debt margin	\$ 596,901,354

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

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
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	3,712,782	40,795	36,495	13,262	8.8%
2021	91,868	N/A	N/A	38,983	10,669	5.7%
2022	91,096	N/A	N/A	39,791	10,722	4.6%

N/A reflects figures which are currently not available.

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

ROCKINGHAM COUNTY, NORTH CAROLINA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rockingham County School System	1,509	1	4.00%	2,071	1	5.21%
Wal-Mart Associates, Inc.	821	2	2.20%	807	3	2.03%
Unifi, Inc.	794	3	2.10%	798	4	2.01%
Sturm, Ruger & Co., Inc	754	4	2.00%			
Rockingham County	650	5	1.70%	626	6	1.58%
UNC Rockingham Health Care	631	6	1.70%	1,000	2	2.52%
Annie Penn Hospital	594	7	1.60%	600	7	1.51%
Gildan Yarns (Former Fronteir Spinn	575	8	1.50%			
Gildan Activeware	427	9	1.10%			
Dorada Foods	404	10	1.10%			
Frontier Spinning Mills				515	8	1.30%
Equity Group (Keystone Foods)				423	9	1.06%
Rockingham Community College				420	10	1.06%
Miller Coors				660	5	1.51%
Total	7,159		19.00%	7,920		19.79%

Source: Rockingham County, North Carolina, Annual Comprehensive Financial Report for the year ended June 30, 2022.

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.

**Published by the
Rockingham County Board of Education**

**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.