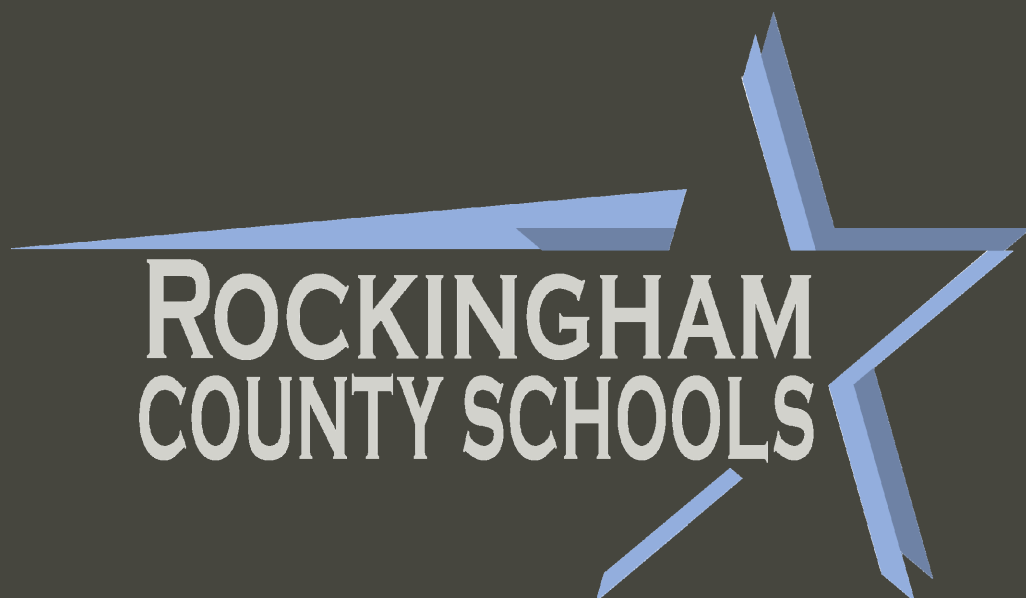


# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2014

Rockingham County Schools  
Eden, North Carolina



Empowering all Students to Compete Globally

*Rockingham County Board of Education  
Eden, North Carolina*

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

*Prepared by*  
Parker W. Turpin, CPA  
and the  
Finance Department







**ROCKINGHAM COUNTY BOARD OF EDUCATION  
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# **Introductory Section**

# **ROCKINGHAM COUNTY SCHOOLS**

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

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

**Parker W. Turpin, CPA  
Chief Financial Officer**

## **Letter of Transmittal**

**December 12, 2014**

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 Comprehensive Annual Financial Report of the Rockingham County Board of Education (the Board), operating as the "Rockingham County Schools" for the fiscal year ended June 30, 2014 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 eleven citizens elected for staggered terms of four years. Six are elected from districts, and five 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 2013-2014 fiscal year was 12,974.

### **Outlook**

Rockingham County continues to suffer from the sluggish economy and the jobless recovery. Business recruitment and expansion activity remains low. Expansion activity at existing industries continues to be slow and many companies are seeing capacity or equipment expansions without creating many new jobs.



The County experienced expansions at two of their existing industries and one new company location in the last year. Kalo Foods, a gluten free commercial bakery located in Rockingham County, continues to grow and expand their product distribution to 12 Lowes Foods grocery stores in the Piedmont region. The Tile Shop expanded its warehouse space in Eden and company representatives expect this expansion to result in job growth during the next two years. Shri Govindaraja Textiles (SGRTEX) announced it would locate a state-of-the-art yarn spinning plant in Rockingham County in Eden. The company plans to invest more than \$40 million and create 84 jobs over the next two years.

The county's tourism sector continues to be a bright spot in the local economy with tourism occupancy tax revenues continuing to grow. Tourism is a vital industry in Rockingham County and our community is blessed with many natural attractions. We have a growing reputation for the quality and variety of outdoor recreation. Visitors spent \$61.81 million in Rockingham County in 2013 and more than 500 local jobs are directly attributable to travel and tourism.

The 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 \$1.2 million from fund balance for the 2014-2015 school year.

Rockingham County has been hit hard by the downturn in the U.S. economy. The County is 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.

As we begin to look toward budgeting for 2015-2016, we are taking a conservative approach regarding expenditures and staffing in order to balance the budget. Expired federal programs have been replaced with local funds, and additional cuts are expected to continue from the State.

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. We are also taking advantage of federal stimulus funds which will allow us to borrow funds at zero interest. The construction cost of the completed projects was \$54 million.

## **Major Initiatives**

Rockingham County Schools are being faced with many challenges that will require a more efficient and effective use of all of our funding. The federal "No Child Left Behind" law encourages us to improve student performance by developing strategies for structuring testing/assessment efforts, and more effectively using group and individual data for designing instruction and measuring school success. We have been generating 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. Even with the re-norming of our new student assessments, Rockingham County scores did not drop as great as some school districts of similar size and geography. The 2014-2015 school year should produce higher student achievement than ever before. We are also addressing the dropout issue with emphasis upon generating accurate student data, including changes by gender and ethnicity, identification of contributing factors, conducting research related to successful practices and generating a multi-year program. We are developing another diploma pathway for our struggling at-risk students. The dropout rate has been cut in half from nine years ago to 3.89% for the 2012-13 school year. In three of the last four years, the dropout rate has been the lowest in the district's history.

The 2014-2015 budget focuses on the district's goals and objectives, which are outlined as follows:

- Develop and maintain career technical pathways which are designed to meet the economic needs of the area
- All students achieve academic proficiency at the end of each grade level (K-12)
- Continue to improve under-performing schools by providing the necessary resources

- Eliminate the achievement gaps (race, gender and socioeconomic)
- Increase the number of schools that meet both federal and state academic goals
- Continue the STEM (science, technology, engineering, and mathematics) program in grades 4-9 that began with a grant with NC Golden Leaf Foundation.
- Define measurable achievement goals for each individual school as well as the district
- Every effort will be made to retain twenty-first century professionals to meet the demands of a global economy
- Maintain a strong induction program for beginning teachers, as well as new teachers to the district
- Focus recruiting efforts on attracting and retaining high quality personnel
- Continue to implement Character Education Programs for all students K-12
- Continue planning and development of programs to promote schools which are free of drugs, weapons, and disruptive behavior
- 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 twenty-first century teaching and learning skills to promote a global understanding as well as preparation for post secondary education
- Implement a mobile learning institute in our high schools using the CAI grant through NC Golden Leaf Foundation
- Continue to move schools toward improving student achievement through alignment of resources that are prioritized
- Continue work on Phase III construction projects, which are designed to provide twenty-first century access to technology within a safe learning environment for students and staff
- Provide professional development for all staff for the Common Core State Standards and Essential Standards.

For the 2013-14 school year, the State Board of Education designated 6 of our 25 schools as having achieved expected growth, and 11 of the 25 schools as achieving high growth. One of the 25 schools met annual measurable objectives in both reading and math, with no schools achieving the annual measurable objectives in only reading, and 7 schools achieving the annual measurable objectives in only math.

## 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 principals. 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 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.

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

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

- **Fund Accounting**

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

Governmental Funds:

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

Proprietary Funds (Enterprise Funds):

- Food Service Fund
- School Age Child Care Fund

Fiduciary Fund:

- Scholarship Fund

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

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



## Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Anderson Smith & Wike PLLC has audited the financial statements. There were no limitations on the scope of 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The auditors' reports related specifically to the single audit are included in a separate report issued by the auditors.

## Financial Reporting Awards

For the fiscal year ended June 30, 2013, our Comprehensive Annual Financial Report (CAFR) was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA), as well as the Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO). Both are prestigious national awards recognizing conformance with the highest standards for preparation of governmental financial reports.

In order to be awarded these certificates, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. These awards are valid for a period of one year only. Rockingham County Schools has received a Certificate of Achievement for the last seventeen consecutive years, and a Certificate of Excellence for the last eighteen consecutive years. We believe our current report continues to conform to GFOA and ASBO requirements, and we will submit it for determination of its eligibility for renewed awards.

## Acknowledgements

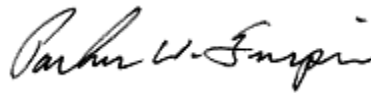
The preparation of this report on a timely basis could not have been accomplished without the efforts and dedication of the personnel in the Finance Office, the Superintendent's Office, and our independent audit firm. We would like to express our appreciation to all of the employees who contributed in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



Rodney Shotwell, Ed.D.  
Superintendent



Parker W. Turpin, CPA  
Chief Financial Officer

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

***July 1, 2013 - June 30, 2014***

***Board Members***

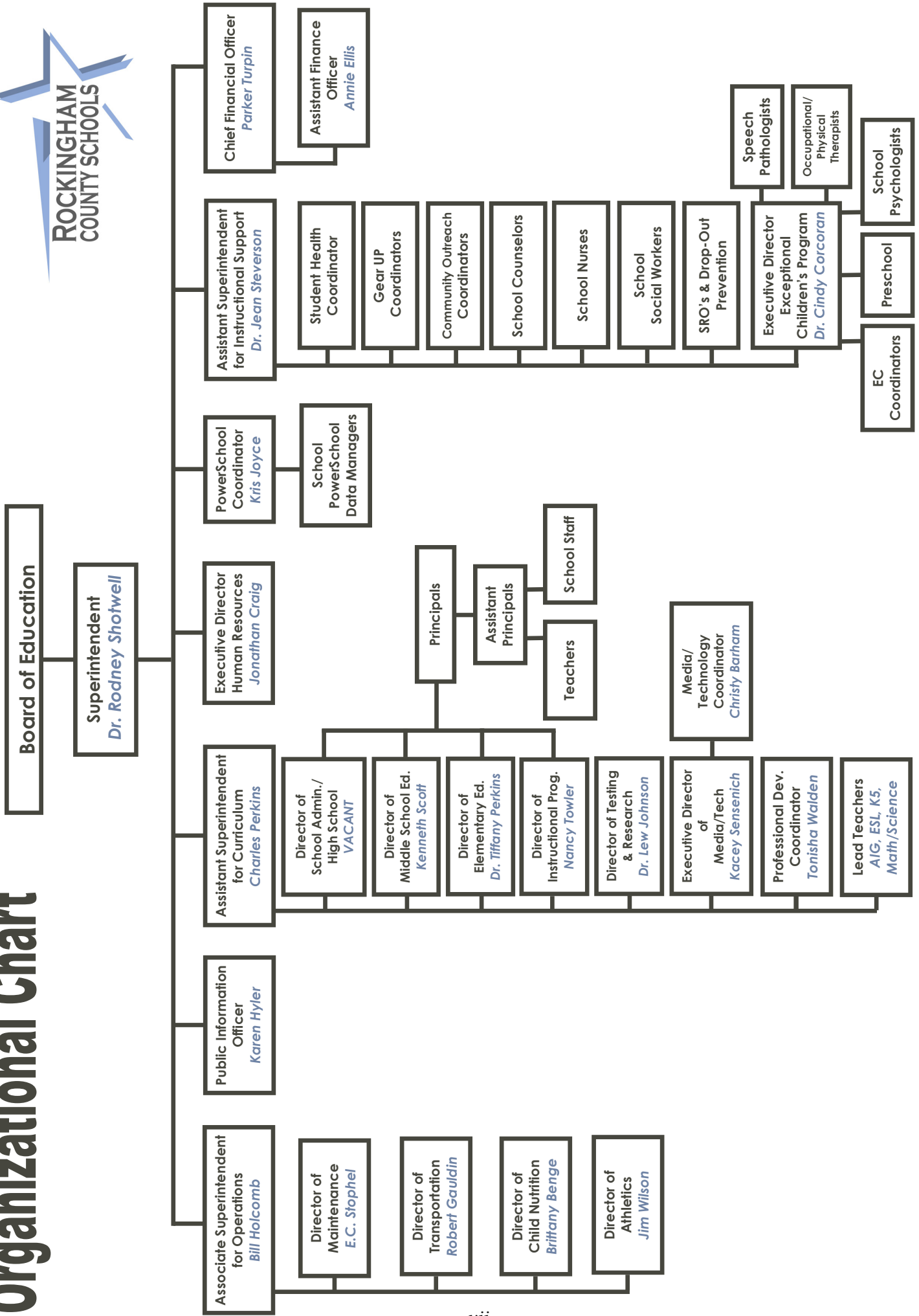
Nell Rose, *Chair*  
Hal Griffin, *Vice Chair*

Josh Austin	Lorie McKinney
Amanda Bell	Ron Price
Wayne Kirkman	Steve Smith
Elaine McCollum	Bob Wyatt

***Principal Officers***

Dr. Rodney Shotwell, *Superintendent*  
Bill Holcomb, *Associate Superintendent*  
Charles Perkins, *Assistant Superintendent*  
Dr. Jean Steverson, *Assistant Superintendent*

# Organizational Chart







Government Finance Officers Association

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

Presented to

**Rockingham County Schools  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Association of School Business Officials International



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

## **Rockingham County Board of Education**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

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



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA  
Executive Director





How you got your name?  
What you like about it?  
What you dislike about it?  
Do wish it was different?

collection group of things that people save	seriously thoughtfully, thinking a lot
beyond past something	mustache hair or something between the nose and lips

Read to Succeed  
Students mark with the students...  
Read to Succeed  
Students mark with the students...  
Read to Succeed  
Students mark with the students...

Do NOT write on this board!!  
Eventual Questions  
Reminders  
30 DAYS  
There are three ways to read a book  
1. Read the words

Comprehension Strategies  
Visualizing  
Ask Questions  
Make Connections

Problem and Solution  
Cause and Effect  
Compare and Contrast  
Sequence  
Characterization





# **Financial Section**



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

To the Rockingham County Board of Education  
Eden, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rockingham County Board of Education, as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rockingham County Board of Education as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General, State Public School, Federal Grants and Other Restricted funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

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

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

### **Other Reporting Required by Government Auditing Standards**

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

*Anderson Smith & Wike PLLC*

November 12, 2014  
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, 2014. This information should be read in conjunction with the audited financial statements included in this report.

### ***Financial Highlights***

- The Board received millions of dollars of American Recovery and Reinvestment Act (ARRA) revenue over the past several years. Virtually all ARRA funding has now expired. Management and the Board of Education are working diligently to find ways to absorb these lost revenues without reducing the quality of instructional services.
- Financial reporting awards from Association of School Business Officials International and the Government Finance Officers Association were received for the 2013 year.

### ***Overview of the Financial Statements***

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

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents budgetary schedules and other 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 and liabilities. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The statement of activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, 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.



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

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### **Government-wide Statements**

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

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

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

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

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

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

### **Fund Financial Statements**

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

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

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, 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.

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

*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:* The Board is the trustee, or fiduciary, for assets that belong to others, such as the Private Purpose Trust Fund. 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**

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$89.6 million as of June 30, 2014 as compared to \$96.4 million as of June 30, 2013, a decrease of \$6.8 million. The largest component of net position is the net investment in capital assets of \$87.0 million, which comprises 97.1% of the total net position. Following is a summary of the Statement of Net Position:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/14	6/30/13	6/30/14	6/30/13	6/30/14	6/30/13
Current assets	\$ 13,568,375	\$ 16,633,806	\$ 544,958	\$ 577,677	\$ 14,113,333	\$ 17,211,483
Capital assets	87,359,653	91,487,607	416,422	545,112	87,776,075	92,032,719
Total assets	<u>100,928,028</u>	<u>108,121,413</u>	<u>961,380</u>	<u>1,122,789</u>	<u>101,889,408</u>	<u>109,244,202</u>
Current liabilities	7,196,263	8,025,994	144,812	167,097	7,341,075	8,193,091
Long-term liabilities	4,841,858	4,577,643	97,273	93,661	4,939,131	4,671,304
Total liabilities	<u>12,038,121</u>	<u>12,603,637</u>	<u>242,085</u>	<u>260,758</u>	<u>12,280,206</u>	<u>12,864,395</u>
Net investment in capital assets	86,566,969	91,172,625	416,422	545,112	86,983,391	91,717,737
Restricted net position	3,053,810	2,657,133	-	-	3,053,810	2,657,133
Unrestricted net position (deficit)	(730,872)	1,688,018	302,873	316,919	(427,999)	2,004,937
Total net position	<u>\$ 88,889,907</u>	<u>\$ 95,517,776</u>	<u>\$ 719,295</u>	<u>\$ 862,031</u>	<u>\$ 89,609,202</u>	<u>\$ 96,379,807</u>

The net position of the Board's governmental activities was \$88.9 million at June 30, 2014, a decrease of \$6.6 million from the amount reported at June 30, 2013, indicating a decline in the financial condition of the Board. This decline is primarily attributable to a \$4.6 million decrease in net investment in capital assets and a decrease of \$2.4 million in unrestricted net position. Current assets in governmental activities decreased by \$3.1 million from the prior year, primarily due to a \$2.9 million decline in cash and cash equivalents in the Board's General Fund.

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

The net position of the Board's business-type activities decreased \$143,000 from \$862,000 at June 30, 2013 to \$719,000 at June 30, 2014. This decrease of \$143,000 is the combined net loss incurred by our school food service and child care programs during the 2014 fiscal year. The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/14	6/30/13	6/30/14	6/30/13	6/30/14	6/30/13
Revenues:						
Program revenues:						
Charges for services	\$ 1,616,477	\$ 1,796,220	\$ 1,923,402	\$ 2,166,260	\$ 3,539,879	\$ 3,962,480
Operating grants and contributions	89,892,812	91,375,424	4,543,863	4,400,403	94,436,675	95,775,827
Capital grants and contributions	157,492	314,984	-	-	157,492	314,984
General revenues:						
County appropriations	16,986,365	18,859,023	-	-	16,986,365	18,859,023
Other revenues	<u>1,952,328</u>	<u>1,074,579</u>	<u>3,351</u>	<u>432</u>	<u>1,955,679</u>	<u>1,075,011</u>
Total revenues	<u>110,605,474</u>	<u>113,420,230</u>	<u>6,470,616</u>	<u>6,567,095</u>	<u>117,076,090</u>	<u>119,987,325</u>
Expenses:						
Governmental activities:						
Instructional services	92,371,785	93,490,972	-	-	92,371,785	93,490,972
System-wide support services	24,256,341	23,801,053	-	-	24,256,341	23,801,053
Ancillary services	188,607	246,543	-	-	188,607	246,543
Payments to other governments	416,610	312,527	-	-	416,610	312,527
Business-type activities:						
School food service	-	-	6,079,035	6,329,308	6,079,035	6,329,308
Child care	-	-	534,317	534,011	534,317	534,011
Total expenses	<u>117,233,343</u>	<u>117,851,095</u>	<u>6,613,352</u>	<u>6,863,319</u>	<u>123,846,695</u>	<u>124,714,414</u>
Change in net position	(6,627,869)	(4,430,865)	(142,736)	(296,224)	(6,770,605)	(4,727,089)
Beginning net position, as restated	<u>95,517,776</u>	<u>99,948,641</u>	<u>862,031</u>	<u>1,158,255</u>	<u>96,379,807</u>	<u>101,106,896</u>
Ending net position	<u>\$ 88,889,907</u>	<u>\$ 95,517,776</u>	<u>\$ 719,295</u>	<u>\$ 862,031</u>	<u>\$ 89,609,202</u>	<u>\$ 96,379,807</u>

Total governmental activities generated revenues of \$110.6 million while expenses in this category totaled \$117.2 million for the year ended June 30, 2014, resulting in the aforementioned decrease in net position of \$6.6 million. Comparatively, revenues were \$113.4 million and expenses totaled \$117.9 for the year ended June 30, 2013, resulting in a decrease in net position of \$4.4 million. In comparing the two years, revenues decreased by \$2.8 million while expenses decreased by \$618,000. The decrease in

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

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revenues is largely attributable to a \$1.9 million decrease in capital funding from the County. Expenses remained relatively consistent with the prior year.

The Board's primary sources of revenues were funding from the State of North Carolina, Rockingham County, and the United States Government, which respectively comprised 68.1%, 15.4% and 9.2% of our total revenues. As would be expected, the major component of our expenditures was instructional services which accounted for 78.8% of our total expenditures during the most recent fiscal year. Of the remaining 21.2% of our total expenditures, 20.7% was attributable to system-wide support services.

Our business-type activities generated revenues of \$6.5 million, while expenses in this category totaled \$6.6 million for the year ended June 30, 2014. For the year, net position decreased by \$143,000. Comparatively, revenues were \$6.6 million and expenses totaled \$6.9 million for the year ended June 30, 2013, resulting in a decrease in net position of \$296,000. In comparing the two periods, the year-over-year improvement of \$156,000 is primarily attributable to a \$221,000 decrease in salaries and benefits expenses associated with reductions in staffing.

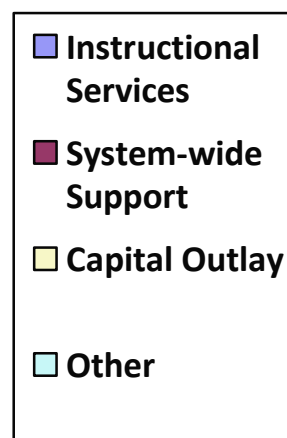
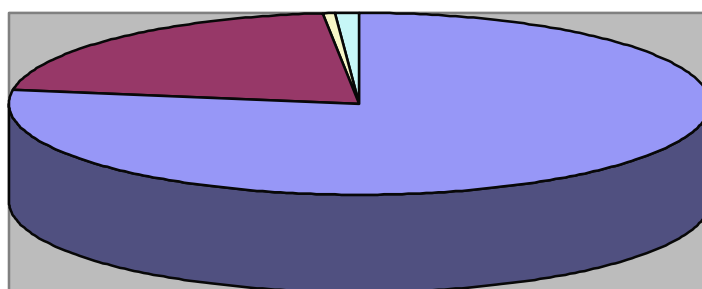
**Financial Analysis of the Board's Funds**

*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 \$9.4 million at June 30, 2014, a decrease of \$1.7 million from the amount reported at June 30, 2013. The Board's General, Other Restricted and Individual Schools funds reported decreases in fund balance for the year of \$1.6 million, \$116,000 and \$103,000, respectively, while the Capital Outlay Fund reported an increase in fund balance of \$105,000. Overall, total governmental fund revenues decreased from the prior year by \$2.9 million, or 2.5%, while total expenditures decreased by \$3.2 million, or 2.7%.

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. For the year, the State Public School Fund reported a decrease in revenues (and expenditures) of \$2.4 million, or 3.1%, while the Federal Grants Fund reported an increase of \$378,000, or 4.8%.

**Categorization of Expenditures for Governmental Funds**



Expenditures presented on modified accrual basis of accounting.

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

*Proprietary Funds:* The Board's business-type funds, the School Food Service Fund and the Child Care Fund, reported a combined decrease in net position of \$143,000 for the fiscal year ended June 30, 2014 compared to a decrease of \$296,000 for the same 2013 period. Net position in the School Food Service Fund decreased \$170,000 for the fiscal year ended June 30, 2014 compared to a decrease of \$362,000 for 2013. The Child Care Fund reported increases in net position of \$28,000 and \$66,000, respectively, for the fiscal years ended June 30, 2014 and 2013. 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..

As mentioned previously, the General Fund used \$1.6 million of its fund balance during the year with fund balance decreasing to \$3.4 million at June 30, 2014. The Board had budgeted to use \$4.6 million of fund balance for the year. The timing of some revenues and expenditures the district receives is unpredictable which leads to differences between the budgeted and actual amounts. Variances between actual expenditures and final budget amounts relate to conservative budgeting practices and cost containment strategies.

**Capital Assets**

Total primary government capital assets were \$87.8 million at June 30, 2014 compared to \$92.8 million at June 30, 2013, a decrease of 4.6%. This decrease is due to an excess of depreciation expense over capital additions for the year. The following table is a summary of the Board's capital assets, net of depreciation, at June 30, 2014 and 2013. More detailed information about the Board's capital assets is contained in Note 3 to the financial statements.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/14</u>	<u>6/30/13</u>	<u>6/30/14</u>	<u>6/30/13</u>	<u>6/30/14</u>	<u>6/30/13</u>
Land	\$ 2,982,396	\$ 2,982,396	\$ -	\$ -	\$ 2,982,396	\$ 2,982,396
Buildings and improvements	82,783,787	86,610,250	-	-	82,783,787	86,610,250
Equipment and furniture	680,232	618,509	416,422	545,112	1,096,654	1,163,621
Vehicles	913,238	1,276,452	-	-	913,238	1,276,452
Total	<u>\$ 87,359,653</u>	<u>\$ 91,487,607</u>	<u>\$ 416,422</u>	<u>\$ 545,112</u>	<u>\$ 87,776,075</u>	<u>\$ 92,032,719</u>

**Debt Outstanding**

During the year, the Board received \$975,000 in proceeds from installment purchase obligations for laptop computer purchases. After making repayments of \$497,000, the Board ended the year with an outstanding balance of \$793,000. 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 3 to the financial statements.

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

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***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 negatively affect the economic outlook of Rockingham County:

- As of June 30, 2014, Rockingham County experienced an unemployment rate of approximately 7.1% as compared to an unemployment rate of approximately 10.3% at June 30, 2013. Rockingham County's unemployment rate is above the June 30, 2014 State of N.C. and national unemployment rates of 6.5% and 6.3%, 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:

Parker W. Turpin, Chief Financial Officer  
Rockingham County Board of Education  
511 Harrington Hwy  
Eden, NC 27288

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2014**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 9,439,526	\$ 542,686	\$ 9,982,212
Due from other governments	3,376,315	223,423	3,599,738
Receivables	166,839	21,787	188,626
Internal balances	300,000	(300,000)	-
Inventories	285,695	57,062	342,757
Capital assets:			
Land	2,982,396	-	2,982,396
Other capital assets, net of depreciation	<u>84,377,257</u>	<u>416,422</u>	<u>84,793,679</u>
Total capital assets	<u>87,359,653</u>	<u>416,422</u>	<u>87,776,075</u>
 Total assets	 <u>100,928,028</u>	 <u>961,380</u>	 <u>101,889,408</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	614,297	1,603	615,900
Accrued salaries and wages payable	3,530,012	26,367	3,556,379
Unearned revenue	-	35,040	35,040
Long-term liabilities:			
Due within one year	3,051,954	81,802	3,133,756
Due in more than one year	<u>4,841,858</u>	<u>97,273</u>	<u>4,939,131</u>
 Total liabilities	 <u>12,038,121</u>	 <u>242,085</u>	 <u>12,280,206</u>
<b>Net position</b>			
Net investment in capital assets	86,566,969	416,422	86,983,391
Restricted for:			
Stabilization by State statute	488,758	-	488,758
School capital outlay	693,850	-	693,850
Instructional services	571,511	-	571,511
Individual schools activities	1,299,691	-	1,299,691
Unrestricted (deficit)	<u>(730,872)</u>	<u>302,873</u>	<u>(427,999)</u>
 Total net position	 <u>\$ 88,889,907</u>	 <u>\$ 719,295</u>	 <u>\$ 89,609,202</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, 2014**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 53,707,617	\$ -	\$ 46,318,748	\$ -	\$ (7,388,869)	\$ -	\$ (7,388,869)
Special populations	13,991,911	1,593,885	13,997,127	-	1,599,101	-	1,599,101
Alternative programs	5,066,169	-	5,275,987	-	209,818	-	209,818
School leadership	8,030,749	-	5,616,433	-	(2,414,316)	-	(2,414,316)
Co-curricular	4,421,282	-	3,405,082	-	(1,016,200)	-	(1,016,200)
School-based support	7,154,057	-	5,736,764	-	(1,417,293)	-	(1,417,293)
System-wide support services:							
Support and development	946,189	-	470,966	-	(475,223)	-	(475,223)
Special population support and development	1,422,590	-	627,615	-	(794,975)	-	(794,975)
Alternative programs and services support and development	197,094	-	191,401	-	(5,693)	-	(5,693)
Technology support	1,028,521	-	478,431	-	(550,090)	-	(550,090)
Operational support	16,294,765	22,592	6,043,730	157,492	(10,070,951)	-	(10,070,951)
Financial and human resource services	1,421,365	-	452,656	-	(968,709)	-	(968,709)
Accountability	230,534	-	107,309	-	(123,225)	-	(123,225)
System-wide pupil support	1,035,122	-	105,039	-	(930,083)	-	(930,083)
Policy, leadership and public relations	1,680,161	-	942,041	-	(738,120)	-	(738,120)
Ancillary services	188,607	-	58,712	-	(129,895)	-	(129,895)
Payments to other governments	416,610	-	64,771	-	(351,839)	-	(351,839)
Total governmental activities	<u>117,233,343</u>	<u>1,616,477</u>	<u>89,892,812</u>	<u>157,492</u>	<u>(25,566,562)</u>	<u>-</u>	<u>(25,566,562)</u>
Business-type activities:							
School food service	6,079,035	1,361,532	4,543,863	-	-	(173,640)	(173,640)
Child care	534,317	561,870	-	-	-	27,553	27,553
Total business-type activities	<u>6,613,352</u>	<u>1,923,402</u>	<u>4,543,863</u>	<u>-</u>	<u>-</u>	<u>(146,087)</u>	<u>(146,087)</u>
Total primary government	<u>\$ 123,846,695</u>	<u>\$ 3,539,879</u>	<u>\$ 94,436,675</u>	<u>\$ 157,492</u>	<u>(25,566,562)</u>	<u>(146,087)</u>	<u>(25,712,649)</u>
General revenues:							
Unrestricted county appropriations - operating					15,834,840	-	15,834,840
Unrestricted county appropriations - capital					1,151,525	-	1,151,525
Investment earnings, unrestricted					16,922	214	17,136
Miscellaneous, unrestricted					1,935,406	3,137	1,938,543
Total general revenues and transfers					<u>18,938,693</u>	<u>3,351</u>	<u>18,942,044</u>
Change in net position					<u>(6,627,869)</u>	<u>(142,736)</u>	<u>(6,770,605)</u>
Net position - beginning, as restated					<u>95,517,776</u>	<u>862,031</u>	<u>96,379,807</u>
Net position - ending					<u>\$ 88,889,907</u>	<u>\$ 719,295</u>	<u>\$ 89,609,202</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, 2014**

**Exhibit 3**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Restricted	Capital Outlay	Individual Schools	
<b>Assets</b>							
Cash and cash equivalents	\$ 3,418,364	\$ -	\$ -	4,027,621	\$ 693,850	\$ 1,299,691	\$ 9,439,526
Due from other governments	21,919	3,070,417	283,979	-	-	-	3,376,315
Accounts receivable	20,547	-	-	146,292	-	-	166,839
Due from other funds	300,000	-	-	-	-	-	300,000
Inventories	285,695	-	-	-	-	-	285,695
<b>Total assets</b>	<b>\$ 4,046,525</b>	<b>\$ 3,070,417</b>	<b>\$ 283,979</b>	<b>\$ 4,173,913</b>	<b>\$ 693,850</b>	<b>\$ 1,299,691</b>	<b>\$ 13,568,375</b>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 607,140	\$ -	\$ -	\$ 7,157	\$ -	\$ -	\$ 614,297
Accrued salaries and wages payable	84,920	3,070,417	283,979	90,696	-	-	3,530,012
<b>Total liabilities</b>	<b>692,060</b>	<b>3,070,417</b>	<b>283,979</b>	<b>97,853</b>	<b>-</b>	<b>-</b>	<b>4,144,309</b>
Fund balances:							
Nonspendable:							
Inventories	285,695	-	-	-	-	-	285,695
Restricted:							
Stabilization by State statute	342,466	-	-	146,292	-	-	488,758
School capital outlay	-	-	-	-	693,850	-	693,850
Instructional services	-	-	-	571,511	-	-	571,511
Individual schools	-	-	-	-	-	1,299,691	1,299,691
Assigned:							
Subsequent year's expenditures	1,230,925	-	-	-	-	-	1,230,925
Special revenues	-	-	-	3,358,257	-	-	3,358,257
Unassigned	1,495,379	-	-	-	-	-	1,495,379
<b>Total fund balances</b>	<b>3,354,465</b>	<b>-</b>	<b>-</b>	<b>4,076,060</b>	<b>693,850</b>	<b>1,299,691</b>	<b>9,424,066</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,046,525</b>	<b>\$ 3,070,417</b>	<b>\$ 283,979</b>	<b>\$ 4,173,913</b>	<b>\$ 693,850</b>	<b>\$ 1,299,691</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

87,359,653

Some liabilities, including those for compensated absences and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.

(7,893,812)

Net position of governmental activities

\$ 88,889,907

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, 2014**

**Exhibit 4**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Restricted	Capital Outlay	Individual Schools	
<b>Revenues:</b>							
State of North Carolina	\$ 239,679	\$ 74,914,701	\$ -	\$ -	\$ 157,492	\$ -	\$ 75,311,872
Rockingham County	15,834,840	-	-	-	1,151,525	-	16,986,365
U.S. Government	-	-	8,247,093	1,971,035	-	-	10,218,128
Contributions and donations	-	-	-	804,323	-	-	804,323
Other	476,459	-	-	3,466,991	1,025	3,405,082	7,349,557
<b>Total revenues</b>	<b>16,550,978</b>	<b>74,914,701</b>	<b>8,247,093</b>	<b>6,242,349</b>	<b>1,310,042</b>	<b>3,405,082</b>	<b>110,670,245</b>
<b>Expenditures:</b>							
Current:							
Instructional services:							
Regular instructional	2,430,863	44,095,811	816,192	1,901,450	86,070	-	49,330,386
Special populations	64,495	10,700,040	2,986,188	206,168	-	-	13,956,891
Alternative programs	12,006	1,802,882	3,233,426	5,175	-	-	5,053,489
School leadership	2,926,350	3,897,925	9,892	56,967	1,119,515	-	8,010,649
Co-curricular	872,404	-	-	29,873	-	3,507,939	4,410,216
School-based support	636,596	5,202,932	533,832	762,791	-	-	7,136,151
System-wide support services:							
Support and development	472,855	469,823	1,143	-	-	-	943,821
Special population support and development	549,531	369,736	257,879	241,883	-	-	1,419,029
Alternative programs and services support and development	5,200	34,646	156,755	-	-	-	196,601
Technology support	547,516	471,084	7,347	-	-	-	1,025,947
Operational support	7,458,886	5,864,062	179,668	2,012,451	60,102	-	15,575,169
Financial and human resource services	928,568	452,656	-	53	9,623	-	1,390,900
Accountability	122,648	107,309	-	-	-	-	229,957
System-wide pupil support	26,438	105,039	-	895,990	5,064	-	1,032,531
Policy, leadership and public relations	688,915	942,041	-	45,000	-	-	1,675,956
Ancillary services	(2,365)	58,712	-	132,260	-	-	188,607
Non-programmed charges	416,610	-	64,771	-	-	-	481,381
Debt service:							
Principal retirement	-	340,003	-	-	157,492	-	497,495
Capital outlay	-	-	-	-	810,477	-	810,477
<b>Total expenditures</b>	<b>18,157,516</b>	<b>74,914,701</b>	<b>8,247,093</b>	<b>6,290,061</b>	<b>2,248,343</b>	<b>3,507,939</b>	<b>113,365,653</b>
Revenues under expenditures	(1,606,538)	-	-	(47,712)	(938,301)	(102,857)	(2,695,408)
Other financing sources (uses):							
Transfers from other funds	-	-	-	-	68,393	-	68,393
Transfers to other funds	-	-	-	(68,393)	-	-	(68,393)
Installment purchase obligations issued	-	-	-	-	975,197	-	975,197
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(68,393)</b>	<b>1,043,590</b>	<b>-</b>	<b>975,197</b>
Net change in fund balance	(1,606,538)	-	-	(116,105)	105,289	(102,857)	(1,720,211)
<b>Fund balances:</b>							
Beginning of year	4,983,517	-	-	4,192,165	588,561	1,402,548	11,166,791
Change in reserve for inventories	(22,514)	-	-	-	-	-	(22,514)
<b>End of year</b>	<b>\$ 3,354,465</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,076,060</b>	<b>\$ 693,850</b>	<b>\$ 1,299,691</b>	<b>\$ 9,424,066</b>

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, 2014**

**Exhibit 5**

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

Net changes in fund balances - total governmental funds	\$ (1,720,211)
Change in fund balance due to change in reserve for inventory	(22,514)
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.	(4,123,493)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Loss on disposal of capital assets	(4,461)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(477,702)
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.	
Compensated absences	<u>(279,488)</u>
Total changes in net position of governmental activities	<u>\$ (6,627,869)</u>

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

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

**Exhibit 6**

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 200,000	\$ 200,000	\$ 239,679	\$ 39,679
Rockingham County	15,834,840	15,834,840	15,834,840	-
U.S. Government	-	-	-	-
Contributions and donations	-	50,000	-	(50,000)
Other	700,000	650,000	476,459	(173,541)
Total revenues	<u>16,734,840</u>	<u>16,734,840</u>	<u>16,550,978</u>	<u>(183,862)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	5,038,374	2,938,134	2,430,863	507,271
Special populations	-	66,319	64,495	1,824
Alternative programs	6,000	12,280	12,006	274
School leadership	1,617,061	2,993,200	2,926,350	66,850
Co-curricular	1,027,255	1,011,846	872,404	139,442
School-based support	763,680	839,691	636,596	203,095
Total instructional services	<u>8,452,370</u>	<u>7,861,470</u>	<u>6,942,714</u>	<u>918,756</u>
System-wide support services:				
Support and development	454,983	531,826	472,855	58,971
Special population support and development	732,697	548,381	549,531	(1,150)
Alternative programs and services support and development	5,600	5,600	5,200	400
Technology support	1,199,407	954,975	547,516	407,459
Operational support	9,581,114	8,686,616	7,458,886	1,227,730
Financial and human resource services	1,013,692	1,027,759	928,568	99,191
Accountability	197,627	155,233	122,648	32,585
System-wide pupil support	47,750	46,000	26,438	19,562
Policy, leadership and public relations	785,114	843,969	688,915	155,054
Total system-wide support services	<u>14,017,984</u>	<u>12,800,359</u>	<u>10,800,557</u>	<u>1,999,802</u>
Ancillary services:				
Community	-	-	-	-
Nutrition	63,990	72,515	(2,365)	74,880
Total ancillary services	<u>63,990</u>	<u>72,515</u>	<u>(2,365)</u>	<u>74,880</u>
Nonprogrammed charges	-	600,000	416,610	183,390
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>22,534,344</u>	<u>21,334,344</u>	<u>18,157,516</u>	<u>3,176,828</u>
Revenues over (under) expenditures	(5,799,504)	(4,599,504)	(1,606,538)	2,992,966
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	<u>5,799,504</u>	<u>4,599,504</u>	-	<u>(4,599,504)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,606,538)</u>	<u>\$ (1,606,538)</u>
Fund balances:				
Beginning of year			4,983,517	
Change in reserve for inventories			(22,514)	
End of year			<u>\$ 3,354,465</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, 2014**

	State Public School Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 81,168,238	\$ 77,682,200	\$ 74,914,701	\$ (2,767,499)
Rockingham County	-	-	-	-
U.S. Government	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>81,168,238</u>	<u>77,682,200</u>	<u>74,914,701</u>	<u>(2,767,499)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	51,374,246	45,850,288	44,095,811	1,754,477
Special populations	10,301,440	10,948,220	10,700,040	248,180
Alternative programs	1,774,230	2,004,334	1,802,882	201,452
School leadership	3,941,448	4,051,157	3,897,925	153,232
Co-curricular	-	-	-	-
School-based support	5,317,956	5,421,824	5,202,932	218,892
Total instructional services	<u>72,709,320</u>	<u>68,275,823</u>	<u>65,699,590</u>	<u>2,576,233</u>
System-wide support services:				
Support and development	523,866	468,118	469,823	(1,705)
Special population support and development	213,552	378,852	369,736	9,116
Alternative programs and services support and development	33,021	34,782	34,646	136
Technology support	330,709	543,263	471,084	72,179
Operational support	5,764,916	5,932,942	5,864,062	68,880
Financial and human resource services	404,849	470,908	452,656	18,252
Accountability	57,464	110,985	107,309	3,676
System-wide pupil support	120,676	108,977	105,039	3,938
Policy, leadership and public relations	929,117	952,861	942,041	10,820
Total system-wide support services	<u>8,378,170</u>	<u>9,001,688</u>	<u>8,816,396</u>	<u>185,292</u>
Ancillary services:				
Community	-	-	-	-
Nutrition	80,748	64,686	58,712	5,974
Total ancillary services	<u>80,748</u>	<u>64,686</u>	<u>58,712</u>	<u>5,974</u>
Nonprogrammed charges	-	-	-	-
Debt service				
Principal retirement	-	340,003	340,003	-
Interest and fees	-	-	-	-
Total debt service	<u>-</u>	<u>340,003</u>	<u>340,003</u>	<u>-</u>
Total expenditures	<u>81,168,238</u>	<u>77,682,200</u>	<u>74,914,701</u>	<u>2,767,499</u>
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
Change in reserve for inventories			-	
End of year			<u>\$ -</u>	

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

**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, 2014**

Federal Grants Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Rockingham County	-	-	-	-
U.S. Government	12,086,347	12,423,048	8,247,093	(4,175,955)
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>12,086,347</u>	<u>12,423,048</u>	<u>8,247,093</u>	<u>(4,175,955)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	1,030,097	1,145,030	816,192	328,838
Special populations	4,182,685	4,233,313	2,986,188	1,247,125
Alternative programs	3,632,372	3,711,205	3,233,426	477,779
School leadership	7,751	7,751	9,892	(2,141)
Co-curricular	-	-	-	-
School-based support	1,030,531	1,040,593	533,832	506,761
Total instructional services	<u>9,883,436</u>	<u>10,137,892</u>	<u>7,579,530</u>	<u>2,558,362</u>
System-wide support services:				
Support and development	2,400	1,400	1,143	257
Special population support and development	426,346	381,660	257,879	123,781
Alternative programs and services support and development	263,436	305,478	156,755	148,723
Technology support	13,248	11,995	7,347	4,648
Operational support	280,608	294,611	179,668	114,943
Financial and human resource services	-	-	-	-
Accountability	-	-	-	-
System-wide pupil support	-	-	-	-
Policy, leadership and public relations	-	-	-	-
Total system-wide support services	<u>986,038</u>	<u>995,144</u>	<u>602,792</u>	<u>392,352</u>
Ancillary services:				
Community	-	-	-	-
Nutrition	-	-	-	-
Total ancillary services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonprogrammed charges	1,216,873	1,290,012	64,771	1,225,241
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>12,086,347</u>	<u>12,423,048</u>	<u>8,247,093</u>	<u>4,175,955</u>
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
Change in reserve for inventories			-	
End of year			<u>\$ -</u>	

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



**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, 2014**

	Other Restricted Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Rockingham County	-	-	-	-
U.S. Government	863,000	1,436,689	1,971,035	534,346
Contributions and donations	-	930,648	804,323	(126,325)
Other	<u>3,462,998</u>	<u>3,019,176</u>	<u>3,466,991</u>	<u>447,815</u>
Total revenues	<u>4,325,998</u>	<u>5,386,513</u>	<u>6,242,349</u>	<u>855,836</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	1,651,435	1,938,629	1,901,450	37,179
Special populations	270,423	249,259	206,168	43,091
Alternative programs	218,330	35,781	5,175	30,606
School leadership	-	65,435	56,967	8,468
Co-curricular	17,500	40,109	29,873	10,236
School-based support	<u>578,586</u>	<u>945,100</u>	<u>762,791</u>	<u>182,309</u>
Total instructional services	<u>2,736,274</u>	<u>3,274,313</u>	<u>2,962,424</u>	<u>311,889</u>
System-wide support services:				
Support and development	948	948	-	948
Special population support and development	184,988	242,683	241,883	800
Alternative programs and services support and development	-	-	-	-
Technology support	-	-	-	-
Operational support	996,378	2,334,899	2,012,451	322,448
Financial and human resource services	-	-	53	(53)
Accountability	-	-	-	-
System-wide pupil support	744,607	930,214	895,990	34,224
Policy, leadership and public relations	<u>45,151</u>	<u>45,151</u>	<u>45,000</u>	<u>151</u>
Total system-wide support services	<u>1,972,072</u>	<u>3,553,895</u>	<u>3,195,377</u>	<u>358,518</u>
Ancillary services:				
Community	-	185,599	132,260	53,339
Nutrition	-	-	-	-
Total ancillary services	-	<u>185,599</u>	<u>132,260</u>	<u>53,339</u>
Nonprogrammed charges	<u>6,628</u>	<u>6,480</u>	-	<u>6,480</u>
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	<u>4,714,974</u>	<u>7,020,287</u>	<u>6,290,061</u>	<u>730,226</u>
Revenues over (under) expenditures	(388,976)	(1,633,774)	(47,712)	1,586,062
Other financing uses:				
Transfers to other funds	-	-	(68,393)	(68,393)
Fund balance appropriated	<u>388,976</u>	<u>1,633,774</u>	-	<u>(1,633,774)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(116,105)	<u>\$ (116,105)</u>
Fund balances:				
Beginning of year			4,192,165	
Change in reserve for inventories			-	
End of year			<u>\$ 4,076,060</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, 2014**

**Exhibit 7**

	Enterprise		Totals
	Major Fund	Non-major Fund	
	School Food Service	Child Care	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 307,451	\$ 235,235	\$ 542,686
Due from other governments	223,423	-	223,423
Receivables	21,787	-	21,787
Inventories	57,062	-	57,062
Total current assets	<u>609,723</u>	<u>235,235</u>	<u>844,958</u>
Noncurrent assets:			
Capital assets:			
Furniture and equipment, net	416,422	-	416,422
Total assets	<u>1,026,145</u>	<u>235,235</u>	<u>1,261,380</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	957	646	1,603
Accrued salaries and wages payable	26,367	-	26,367
Due to other funds	300,000	-	300,000
Compensated absences	73,543	8,259	81,802
Unearned revenue	35,040	-	35,040
Total current liabilities	<u>435,907</u>	<u>8,905</u>	<u>444,812</u>
Noncurrent liabilities:			
Compensated absences	83,961	13,312	97,273
Total liabilities	<u>519,868</u>	<u>22,217</u>	<u>542,085</u>
<b>Net position</b>			
Investment in capital assets	416,422	-	416,422
Unrestricted	89,855	213,018	302,873
Total net position	<u>\$ 506,277</u>	<u>\$ 213,018</u>	<u>\$ 719,295</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, 2014**

**Exhibit 8**

	Enterprise		Totals
	Major Fund School Food Service	Non-major Fund Child Care	
Operating revenues:			
Food sales	\$ 1,361,532	\$ -	\$ 1,361,532
Child care fees	-	561,870	561,870
Total operating revenues	<u>1,361,532</u>	<u>561,870</u>	<u>1,923,402</u>
Operating expenses:			
Food cost:			
Purchase of food	2,332,556	9,107	2,341,663
Donated commodities	368,665	-	368,665
Salaries and benefits	3,055,066	489,911	3,544,977
Indirect costs	387,342	-	387,342
Materials and supplies	10,643	12,391	23,034
Repairs and maintenance	106,189	2,214	108,403
Depreciation	128,690	-	128,690
Non-capitalized equipment	162	6,665	6,827
Other	77,064	14,029	91,093
Total operating expenses	<u>6,466,377</u>	<u>534,317</u>	<u>7,000,694</u>
Operating income (loss)	<u>(5,104,845)</u>	<u>27,553</u>	<u>(5,077,292)</u>
Nonoperating revenues:			
Federal reimbursements	4,148,016	-	4,148,016
Federal commodities	368,665	-	368,665
State reimbursements	12,182	-	12,182
Indirect costs not paid	387,342	-	387,342
Interest earned	92	122	214
Contributions and donations	15,000	-	15,000
Other	3,137	-	3,137
Total nonoperating revenues	<u>4,934,434</u>	<u>122</u>	<u>4,934,556</u>
Change in net position	(170,411)	27,675	(142,736)
Net position, beginning of year	<u>676,688</u>	<u>185,343</u>	<u>862,031</u>
Net position, end of year	<u>\$ 506,277</u>	<u>\$ 213,018</u>	<u>\$ 719,295</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, 2014**

**Exhibit 9**

	Enterprise		Totals
	Major Fund	Non-major Fund	
	School Food Service	Child Care	
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 1,354,301	\$ 561,870	\$ 1,916,171
Cash paid for goods and services	(2,463,137)	(46,432)	(2,509,569)
Cash paid to employees for services	(3,069,882)	(488,242)	(3,558,124)
Net cash provided (used) by operating activities	<u>(4,178,718)</u>	<u>27,196</u>	<u>(4,151,522)</u>
<b>Cash flows from noncapital financing activities:</b>			
Due to other funds	300,000	-	300,000
Due from other funds	11,251	-	11,251
Federal and State reimbursements	3,936,775	-	3,936,775
Contributions and donations	15,000	-	15,000
Other nonoperating revenues	3,137	-	3,137
Net cash provided (used) by noncapital financing activities	<u>4,266,163</u>	<u>-</u>	<u>4,266,163</u>
<b>Cash flows from investing activities:</b>			
Interest earned on investments	<u>92</u>	<u>122</u>	<u>214</u>
Net increase in cash and cash equivalents	87,537	27,318	114,855
Cash and cash equivalents, beginning of year	<u>219,914</u>	<u>207,917</u>	<u>427,831</u>
Cash and cash equivalents, end of year	<u>\$ 307,451</u>	<u>\$ 235,235</u>	<u>\$ 542,686</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (5,104,845)	\$ 27,553	\$ (5,077,292)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>			
Depreciation	128,690	-	128,690
Donated commodities	368,665	-	368,665
Indirect costs not paid	387,342	-	387,342
<b>Changes in assets and liabilities:</b>			
Increase in accounts receivable	(6,866)	-	(6,866)
Decrease in inventories	66,612	-	66,612
Decrease in accounts payable and accrued liabilities	(3,135)	(2,026)	(5,161)
Decrease in accrued salaries and wages payable	(4,683)	-	(4,683)
Decrease in unearned revenue	(365)	-	(365)
Increase (decrease) in compensated absences payable	(10,133)	1,669	(8,464)
Total adjustments	<u>926,127</u>	<u>(357)</u>	<u>925,770</u>
Net cash provided (used) by operating activities	<u>\$ (4,178,718)</u>	<u>\$ 27,196</u>	<u>\$ (4,151,522)</u>

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$368,665 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

Indirect costs of \$387,342 that would be due to the Restricted Revenue Fund were not paid. These unpaid costs are reflected as a non-operating revenue and an operating expense on Exhibit 8.

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

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**June 30, 2014**

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**Exhibit 10**

	<u>Private Purpose Trust Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ <u>107,099</u>
<b>Liabilities</b>	<u>-</u>
<b>Net position</b>	
Assets held in trust for private purpose	\$ <u>107,099</u>

*The notes to the 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, 2014**

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**Exhibit 11**

	<u>Private Purpose Trust Fund</u>
Additions:	
Contributions and other revenue	\$ <u>697</u>
Deductions:	
Instructional costs	<u>-</u>
Change in net position	697
Beginning net position	<u>106,402</u>
Ending net position	<u>\$ 107,099</u>

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

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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**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 fund. 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 fund is 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.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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

*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 funds:

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

The Board reports the following major enterprise fund:

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

The Board reports the following nonmajor enterprise fund:

*Child Care Fund.* The Child Care Fund is used to account for the after school 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

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

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

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 move moneys (up to \$5,000) from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. 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, Liabilities, and Fund Equity

1. Deposits and Investments

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

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC. 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 fair value as determined by quoted market prices. The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. The STIF securities are reported at cost and maintain a constant \$1 per share value. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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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.

3. Inventories

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

4. Capital Assets

The Board's capital assets are recorded at original cost. Donated assets are listed at their estimated fair value at the date of donation or forfeiture. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before 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 \$2,000 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

5. Long-term Obligations

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

6. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2014 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

7. Net Position/Fund Balances

Net Position

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

Fund Balances

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

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

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

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

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

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

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

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

*Assigned fund balance* – portion of fund balance that the Board of Education intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted. The Board of Education approves the appropriation.

Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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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.

**8. Reconciliation of Government-wide and Fund Financial Statements**

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$79,465,841 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$204,725,125
Less accumulated depreciation	<u>(117,365,472)</u>
Net capital assets	87,359,653
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	(792,684)
Compensated absences	<u>(7,101,128)</u>
Total adjustment	<u>\$ 79,465,841</u>

**b. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(4,907,658) as follows:

<u>Description</u>	<u>Amount</u>
Change in fund balance due to change in reserve for inventory	\$ (22,514)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	764,522
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	(4,888,015)

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Loss on disposal of capital assets	(4,461)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities – it only affects the government-wide statement of net position	(975,197)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	497,495
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:	
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	<u>(279,488)</u>
Total adjustment	<u>\$ (4,907,658)</u>

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

Excess of Expenditures Over Appropriations

During the fiscal year ended June 30, 2014, the Board reported expenditures within the General, State Public School, Federal Grants and Other Restricted funds that violated State law [G.S. 115C-441] because they exceeded the amount appropriated in the budget ordinance, as summarized below:

<u>General Fund</u>	
System-wide support services:	
Special population support and development	\$ 1,150
<u>State Public School Fund</u>	
System-wide support services:	
Support and development	\$ 1,705
<u>Federal Grants Fund</u>	
Instructional services:	
School leadership	\$ 2,141
<u>Other Restricted Fund</u>	
Other financing uses:	
Transfers to other funds	\$ 68,393

Management will monitor budgets monthly and make necessary amendments to avoid expenditures in excess of appropriations.

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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

A. Assets

1. Deposits

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

At June 30, 2014, the Board had deposits with banks and savings and loans with a carrying amount of \$9,839,118 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$10,277,632 and \$634,906, respectively. Of these balances, \$1,620,342 was covered by federal depository insurance and \$9,292,196 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2014, the Board had \$250,193 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Board has no policy for managing interest rate risk or credit risk.

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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3. Accounts Receivable

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

	Due from (to) other Funds (Internal Balances)	Due from other Governments	Other	Total
Governmental activities:				
General Fund	\$ 300,000	\$ 21,919	\$ 20,547	\$ 342,466
Other governmental funds	-	3,354,396	146,292	3,500,688
Total governmental activities	<u>\$ 300,000</u>	<u>\$ 3,376,315</u>	<u>\$ 166,839</u>	<u>\$ 3,843,154</u>
Business-type activities:				
School Food Service Fund	<u>\$ (300,000)</u>	<u>\$ 223,423</u>	<u>\$ 21,787</u>	<u>\$ (54,790)</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 21,919	Amounts due from County Operating funds from DPI Federal grant funds
State Public School Fund	3,070,417	
Federal Grants Fund	<u>283,979</u>	
Total	<u>\$ 3,376,315</u>	



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

4. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,982,396	\$ -	\$ -	\$ 2,982,396
Capital assets being depreciated:				
Buildings and improvements	185,537,032	325,095	-	185,862,127
Equipment and furniture	3,759,993	254,150	96,763	3,917,380
Vehicles	11,780,645	185,277	2,700	11,963,222
Total capital assets being depreciated	<u>201,077,670</u>	<u>764,522</u>	<u>99,463</u>	<u>201,742,729</u>
Less accumulated depreciation for:				
Buildings and improvements	98,926,782	4,151,558	-	103,078,340
Equipment and furniture	3,141,484	187,966	92,302	3,237,148
Vehicles	10,504,193	548,491	2,700	11,049,984
Total accumulated depreciation	<u>112,572,459</u>	<u>4,888,015</u>	<u>95,002</u>	<u>117,365,472</u>
Total capital assets being depreciated, net	<u>88,505,211</u>			<u>84,377,257</u>
Governmental activity capital assets, net	<u>\$ 91,487,607</u>			<u>\$ 87,359,653</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 3,590,145	\$ -	\$ 126,363	\$ 3,463,782
Less accumulated depreciation for:				
Equipment and furniture	<u>3,045,033</u>	<u>128,690</u>	<u>126,363</u>	<u>3,047,360</u>
School Food Service capital assets, net	<u>545,112</u>			<u>416,422</u>
Child Care Fund:				
Capital assets being depreciated:				
Equipment and furniture	15,551	-	-	15,551
Less accumulated depreciation for:				
Equipment and furniture	<u>15,551</u>	<u>-</u>	<u>-</u>	<u>15,551</u>
Child Care Fund capital assets, net	<u>-</u>			<u>-</u>
Business-type activities capital assets, net	<u>\$ 545,112</u>			<u>\$ 416,422</u>

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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Depreciation was charged to governmental functions as follows:

Instructional services	\$ 4,339,524
System-wide support services	<u>548,491</u>
Total	<u>\$ 4,888,015</u>

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

*Plan Description.* Rockingham County Board of Education contributes to the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS provides retirement benefits to plan members and beneficiaries. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Teachers' and State Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Plan members are required to contribute six percent of their annual covered salary and the Board is required to contribute at an actuarially determined rate. The current rate is 8.69% of annual covered payroll. The contribution requirements of plan members and Rockingham County Board of Education are established and may be amended by the North Carolina General Assembly. The Board's contributions to TSERS for the years ended June 30, 2014, 2013, and 2012 were \$5,753,596, \$5,652,171 and \$5,097,968, respectively, equal to the required contributions for each year.

b. Other Postemployment Benefits

Healthcare Benefits

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

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

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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*Funding Policy.* The Comprehensive Major Medical Plan is administered by the Executive Administrator and Board of Trustees of the Plan, which establish premium rates except as may be established by the General Assembly in an appropriation act. The healthcare benefits for retired and disabled employees are the same as for active employees, except that the coverage becomes secondary when former employees become eligible for Medicare. For employees first hired on and after October 1, 2006, future coverage as retired employees is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on and after October 1, 2006 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium. For employees hired before October 1, 2006, healthcare benefits are provided to retirees (at no charge to the retirees) who have at least five years of contributing retirement membership prior to disability or retirement. In addition, persons who became surviving spouses of retirees prior to October 1, 1986, receive the same coverage as retirees at the State's expense.

Contributions are determined as a percentage of covered monthly payroll. Annually, the monthly contribution rates to the Plan, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill. For the fiscal years ended June 30, 2014, 2013, and 2012, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of \$3,575,307, \$3,596,219 and \$3,423,728, respectively. These contributions represented 5.40%, 5.30% and 5.00% of covered payroll, respectively.

Long-term Disability Benefits

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

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

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

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from the Retirement System after (1) reaching the age of 65 and completing five years of creditable service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

For members with five or more years of membership service as of July 31, 2007, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one twelfth of the annual longevity payment to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled. The monthly benefit shall be further reduced by the amount of any monthly payments from the Department of Veterans Affairs, any other federal agency or any payments made under the provisions of G.S.127A-108, to which the participant or beneficiary may be entitled on account of the same disability. Provided in any event, the benefits payable shall be no less than \$10 a month. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS. For members who obtain five years of membership service on or after August 1, 2007, the monthly long-term disability benefit is reduced by the primary Social Security retirement benefit to which the member might be entitled should the member become age 62 during the first 36 months. After 36 months of long-term disability, there will be no further payments from the DIPNC unless the member is approved for and is in receipt of primary Social Security disability benefits. It is payable so long as the member remains disabled and is in receipt of a primary Social Security disability benefit until eligible for an unreduced service retirement benefit. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS.

The Board's contributions are established in the Appropriations Bill by the General Assembly. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit. For the fiscal years ended June 30, 2014, 2013, and 2012, the Board paid all annual required contributions to the DIPNC for disability benefits of \$291,321, \$298,554 and \$356,068, respectively. These contributions represented 0.44%, 0.44% and 0.52% of covered payroll, respectively.

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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2. Accounts Payable

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

	<u>Vendors and Other</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 607,140	\$ 84,920	\$ 692,060
Other governmental activities	<u>7,157</u>	<u>3,445,092</u>	<u>3,452,249</u>
Total governmental activities	<u>\$ 614,297</u>	<u>\$ 3,530,012</u>	<u>\$ 4,144,309</u>
Business-type activities:			
School Food Service Fund	\$ 957	\$ 26,367	\$ 27,324
Child Care Fund	<u>646</u>	<u>-</u>	<u>646</u>
Total business-type activities	<u>\$ 1,603</u>	<u>\$ 26,367</u>	<u>\$ 27,970</u>

3. Unearned Revenues

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

Prepayments of meals (School Food Service Fund)	<u>\$ 35,040</u>
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4. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Trust has an annual aggregate limit for both general liability and errors and omissions of \$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 Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Public Instruction. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, business interruption and extra expense. \$10 million per occurrence is provided on increased cost of construction.

The Board 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 up to a \$5 million lifetime limit. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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.

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.

5. Long-Term Obligations

a. Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through special third party financing arrangements. During 2012 the Board entered into such a financing contract for the purchase of school buses. The contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15<sup>th</sup> dates.

The Board also entered into two installment purchase contracts for the purchase of laptop computers during the fiscal year ended June 30, 2014. The contracts require payments of principal and interest at 4.7% due annually through the year ended June 30, 2016.

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2015	\$ 497,492
2016	<u>340,002</u>
	837,494
Less portion representing interest	<u>(44,810)</u>
Total principal obligation	<u>\$ 792,684</u>

b. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2014:

	<u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</u>	<u>Current Portion</u>
Governmental activities:					
Installment purchases	\$ 314,982	\$ 975,197	\$ 497,495	\$ 792,684	\$ 467,844
Compensated absences	<u>6,821,640</u>	<u>4,341,924</u>	<u>4,062,436</u>	<u>7,101,128</u>	<u>2,584,110</u>
Total governmental activities	<u>\$ 7,136,622</u>	<u>\$ 5,317,121</u>	<u>\$ 4,559,931</u>	<u>\$ 7,893,812</u>	<u>\$ 3,051,954</u>
Business-type activities:					
Compensated absences	<u>\$ 187,539</u>	<u>\$ 142,877</u>	<u>\$ 151,341</u>	<u>\$ 179,075</u>	<u>\$ 81,802</u>

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

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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C. Interfund Balances and Activity

Interfund Balances

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	School Food Service Fund	<u>\$ 300,000</u>

The amount above represents funds loaned by the General Fund to the School Food Service Fund to pay operating costs.

D. Fund Balance

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

Total fund balance - General Fund	\$ 3,354,465
Less:	
Inventories	(285,695)
Stabilization by State statute	(342,466)
Appropriated Fund Balance in 2014-2015 budget	<u>(1,230,925)</u>
Remaining fund balance	<u>\$ 1,495,379</u>

**NOTE 4 – OTHER RESTRICTED FUND – OTHER REVENUES**

Other revenues for the fiscal year ended June 30, 2014 in the Other Restricted Fund consists of the following:

Tuition and fees	\$ 1,593,885
Medicaid reimbursement program	310,899
Indirect costs allocated	64,770
Local sales tax refund	137,132
Other	<u>1,360,305</u>
Total other revenues	<u>\$ 3,466,991</u>

**NOTE 5 - 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.

**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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**NOTE 6 – PRIOR PERIOD ADJUSTMENTS**

During the year ended June 30, 2014, the Board reported the following prior period adjustments:

Governmental capital assets as of June 30, 2013 were decreased by \$163,964 and related accumulated depreciation was increased by \$651,896 to adjust the balance in the buildings and improvements category as of June 30, 2013 to agree with the Board's detailed subsidiary capital asset records. These adjustments had the effect of decreasing net investment in capital assets as previously reported at June 30, 2013 by \$815,860.

School Food Service Fund capital assets as of June 30, 2013 was increased by \$27,164 and related accumulated depreciation was also increased by \$27,164 due to the results of a physical inventory conducted during the year by child nutrition program personnel. These adjustments did not affect net position as previously reported at June 30, 2013.



**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, 2014**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State School Nurse Initiative	\$ 200,000	\$ 239,679	\$ 39,679
Rockingham County:			
County appropriation	15,834,840	15,834,840	-
Other:			
Fines and forfeitures	300,000	376,341	76,341
Interest earned on investment	10,000	15,897	5,897
Indirect costs allocated	300,000	-	(300,000)
Contributions and donations	50,000	-	(50,000)
Miscellaneous	40,000	84,221	44,221
Total other	700,000	476,459	(223,541)
 Total revenues	 16,734,840	 16,550,978	 (183,862)
Expenditures:			
Current:			
Instructional services:			
Regular instructional	2,938,134	2,430,863	507,271
Special populations	66,319	64,495	1,824
Alternative programs	12,280	12,006	274
School leadership	2,993,200	2,926,350	66,850
Co-curricular	1,011,846	872,404	139,442
School-based support	839,691	636,596	203,095
Total instructional services	7,861,470	6,942,714	918,756
System-wide support services:			
Support and development	531,826	472,855	58,971
Special population support and development	548,381	549,531	(1,150)
Alternative programs and services support and development	5,600	5,200	400
Technology support	954,975	547,516	407,459
Operational support	8,686,616	7,458,886	1,227,730
Financial and human resource services	1,027,759	928,568	99,191
Accountability	155,233	122,648	32,585
System-wide pupil support	46,000	26,438	19,562
Policy, leadership and public relations	843,969	688,915	155,054
Total system-wide support services	12,800,359	10,800,557	1,999,802

**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, 2014**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (Continued):			
Current:			
Ancillary services:			
Nutrition	<u>72,515</u>	<u>(2,365)</u>	<u>74,880</u>
Non-programmed charges:			
Payments to other governments	<u>600,000</u>	<u>416,610</u>	<u>183,390</u>
Total expenditures	<u>21,334,344</u>	<u>18,157,516</u>	<u>3,176,828</u>
Revenues under expenditures	(4,599,504)	(1,606,538)	2,992,966
Fund balance appropriated	<u>4,599,504</u>	<u>-</u>	<u>(4,599,504)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,606,538)</u>	<u>\$ (1,606,538)</u>
Fund balance:			
Beginning of year		4,983,517	
Change in reserve for inventories		<u>(22,514)</u>	
End of year		<u>\$ 3,354,465</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, 2014**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
Public School Capital Fund - Lottery	\$ 487,576	\$ -	\$ (487,576)
State appropriations - buses	<u>157,492</u>	<u>157,492</u>	<u>-</u>
Total State of North Carolina	<u>645,068</u>	<u>157,492</u>	<u>(487,576)</u>
Rockingham County:			
General county appropriations	<u>1,151,525</u>	<u>1,151,525</u>	<u>-</u>
Other:			
Interest earned on investments	<u>895</u>	<u>1,025</u>	<u>130</u>
Total revenues	<u>1,797,488</u>	<u>1,310,042</u>	<u>(487,446)</u>
Expenditures:			
Debt service:			
Principal retirement	<u>157,492</u>	<u>157,492</u>	<u>-</u>
Current:			
Instructional services:			
Regular instructional	94,111	86,070	8,041
School Leadership	<u>1,151,809</u>	<u>1,119,515</u>	<u>32,294</u>
Total instructional services	<u>1,245,920</u>	<u>1,205,585</u>	<u>40,335</u>
System-wide support services:			
Operational support	95,315	60,102	35,213
Financial and human resource services	9,624	9,623	1
System-wide pupil support	<u>6,000</u>	<u>5,064</u>	<u>936</u>
Total system-wide support services	<u>110,939</u>	<u>74,789</u>	<u>36,150</u>
Capital outlay	<u>1,703,144</u>	<u>810,477</u>	<u>892,667</u>
Total expenditures	<u>3,217,495</u>	<u>2,248,343</u>	<u>969,152</u>
Revenues under expenditures	<u>(1,420,007)</u>	<u>(938,301)</u>	<u>481,706</u>
Other financing sources:			
Transfers from other funds	-	68,393	68,393
Installment purchase obligations issued	<u>1,020,007</u>	<u>975,197</u>	<u>(44,810)</u>
Total other financing sources	<u>1,020,007</u>	<u>1,043,590</u>	<u>23,583</u>
Fund balance appropriated	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>105,289</u>	<u>\$ 105,289</u>
Fund balance:			
Beginning of year		<u>588,561</u>	
End of year		<u>\$ 693,850</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, 2014**

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues - food sales	\$ 2,658,730	\$ 1,361,532	\$ (1,297,198)
Operating expenditures:			
Business support services:			
Purchase of food	-	2,265,944	-
Donated commodities	-	368,665	-
Salaries and benefits	-	3,065,199	-
Indirect costs	-	387,342	-
Materials and supplies	-	10,643	-
Repairs and maintenance	-	106,189	-
Non-capitalized equipment	-	162	-
Other	-	77,064	-
Total operating expenditures	<u>8,082,549</u>	<u>6,281,208</u>	<u>1,801,341</u>
Operating loss	<u>(5,423,819)</u>	<u>(4,919,676)</u>	<u>504,143</u>
Nonoperating revenues:			
Federal reimbursements	4,732,000	4,148,016	(583,984)
Federal commodities	380,089	368,665	(11,424)
State reimbursements	35,000	12,182	(22,818)
Indirect costs not paid	256,230	387,342	131,112
Interest earned	2,000	92	(1,908)
Contributions and donations	1,000	15,000	14,000
Other	<u>17,500</u>	<u>3,137</u>	<u>(14,363)</u>
Total nonoperating revenues	<u>5,423,819</u>	<u>4,934,434</u>	<u>(489,385)</u>
Excess of revenues over expenditures	<u>\$ -</u>	14,758	<u>\$ 14,758</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(128,690)	
Decrease in compensated absences payable		10,133	
Decrease in inventory		<u>(66,612)</u>	
Change in net position (full accrual)		<u>\$ (170,411)</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, 2014**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Child care fees	\$ 551,332	\$ 561,870	\$ 10,538
Operating expenditures:			
Regular community services:			
Purchase of food	-	9,107	-
Salaries and benefits	-	488,242	-
Materials and supplies	-	12,391	-
Repairs and maintenance	-	2,214	-
Non-capitalized equipment	-	6,665	-
Other	-	14,029	-
Total operating expenditures	<u>551,332</u>	<u>532,648</u>	<u>18,684</u>
Operating income	<u>-</u>	<u>29,222</u>	<u>29,222</u>
Nonoperating revenues:			
Interest earned	<u>-</u>	<u>122</u>	<u>122</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>29,344</u>	<u>\$ 29,344</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Increase in compensated absences payable		<u>(1,669)</u>	
Change in net position (full accrual)		<u>\$ 27,675</u>	







# Statistical Section

## **STATISTICAL SECTION** **(Unaudited)**

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

### **Sections**

#### **Financial Trends**

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

#### **Revenue Capacity**

Since the District's local revenues are primarily provided by 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.

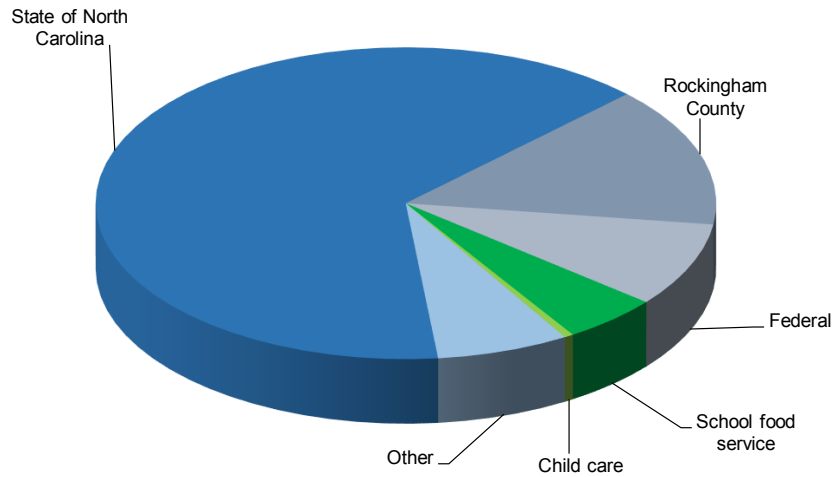
#### **Operating Information**

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.



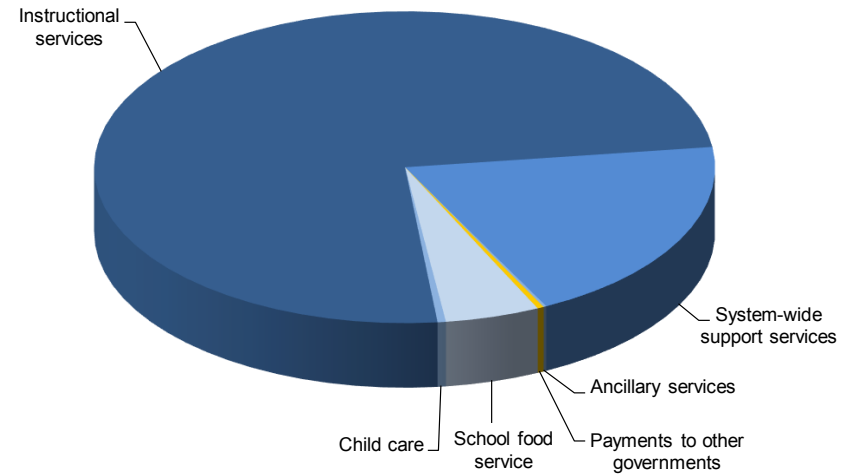
**ROCKINGHAM COUNTY SCHOOLS**  
**Financial Perspective**  
**Governmental and Business-type Activities**  
**For Year Ended June 30, 2014**

**Revenue Sources**



State of North Carolina	\$ 75,311,872
Rockingham County	16,986,365
Federal	10,218,128
School food service	5,908,624
Child care	561,992
Other	8,089,109
	<hr/>
Total revenue sources	<u><u>\$ 117,076,090</u></u>

**Expenses**



Instructional services	\$ 92,371,785
System-wide support services	24,256,341
Ancillary services	188,607
Payments to other governments	416,610
School food service	6,079,035
Child care	534,317
	<hr/>
Total expenses	<u><u>\$ 123,846,695</u></u>

# 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
2005	71,731,903	21,434,266	7,681,870	7,821,504	\$ 108,669,543
2006	73,986,154	22,529,668	8,115,941	7,722,002	112,353,765
2007	79,103,713	16,755,161	8,009,103	7,281,124	111,149,101
2008	83,195,641	16,996,683	8,667,641	8,081,466	116,941,431
2009	85,976,534	17,274,109	8,968,159	7,361,980	119,580,782
2010	77,274,059	17,205,124	14,935,543	8,057,055	117,471,781
2011	76,931,010	28,737,002	14,566,686	7,585,362	127,820,060
2012	78,289,504	18,961,864	12,753,558	8,951,421	118,956,347
2013	77,810,833	18,844,783	8,264,758	8,635,209	113,555,583
2014	75,311,872	16,986,365	10,218,128	8,153,880	110,670,245

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 97,033,532	\$ 99,478,870	\$ 96,545,689	\$ 93,006,612	\$ 89,942,114	\$ 87,152,851	\$ 94,632,505	\$ 93,396,943	\$ 91,172,625	\$ 86,566,969
Restricted	1,152,330	1,231,473	1,334,666	1,285,176	1,268,599	1,460,296	4,769,215	5,038,772	2,657,133	3,053,810
Unrestricted (deficit)	(546,613)	(497,914)	456,429	814,926	(737,370)	(751,761)	(768,397)	2,328,786	1,688,018	(730,872)
<b>Subtotal governmental activities net position</b>	<b>\$ 97,639,249</b>	<b>\$ 100,212,429</b>	<b>\$ 98,336,784</b>	<b>\$ 95,106,714</b>	<b>\$ 90,473,343</b>	<b>\$ 87,861,386</b>	<b>\$ 98,633,323</b>	<b>\$ 100,764,501</b>	<b>\$ 95,517,776</b>	<b>\$ 88,889,907</b>
<b>Business-type Activities:</b>										
Invested in capital assets	\$ 218,650	\$ 223,874	\$ 201,834	\$ 175,020	\$ 183,907	\$ 193,421	\$ 165,375	\$ 132,232	\$ 545,112	\$ 416,422
Unrestricted	1,064,714	784,138	622,308	600,031	445,181	363,914	140,638	465,993	316,919	302,873
<b>Subtotal business-type activities net position</b>	<b>\$ 1,283,364</b>	<b>\$ 1,008,012</b>	<b>\$ 824,142</b>	<b>\$ 775,051</b>	<b>\$ 629,088</b>	<b>\$ 557,335</b>	<b>\$ 306,013</b>	<b>\$ 598,225</b>	<b>\$ 862,031</b>	<b>\$ 719,295</b>
<b>Primary Government:</b>										
Net investment in capital assets	\$ 97,252,182	\$ 99,702,744	\$ 96,747,523	\$ 93,181,632	\$ 90,126,021	\$ 87,346,272	\$ 94,797,880	\$ 93,529,175	\$ 91,717,737	\$ 86,983,391
Restricted	1,152,330	1,231,473	1,334,666	1,285,176	1,268,599	1,460,296	4,769,215	5,038,772	2,657,133	3,053,810
Unrestricted (deficit)	518,101	286,224	1,078,737	1,414,957	(292,189)	(387,847)	(627,759)	2,794,779	2,004,937	(427,999)
<b>Total primary government net position</b>	<b>\$ 98,922,613</b>	<b>\$ 101,220,441</b>	<b>\$ 99,160,926</b>	<b>\$ 95,881,765</b>	<b>\$ 91,102,431</b>	<b>\$ 88,418,721</b>	<b>\$ 98,939,336</b>	<b>\$ 101,362,726</b>	<b>\$ 96,379,807</b>	<b>\$ 89,609,202</b>

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





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# ROCKINGHAM COUNTY SCHOOLS

## CHANGES IN NET POSITION - Post-Chart of Accounts Change

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

	2008	2009	2010	2011	2012	2013	2014
<b>Expenses:</b>							
<b>Governmental Activities:</b>							
<b>Instructional services:</b>							
Regular	\$ 60,396,468	\$ 62,018,140	\$ 56,898,377	\$ 55,917,573	\$ 55,987,775	\$ 55,305,309	\$ 53,707,617
Special populations	13,660,673	13,823,553	14,110,754	13,874,404	13,971,925	13,968,069	13,991,911
Alternative programs	4,991,929	5,105,223	5,925,720	6,086,636	4,890,515	5,006,458	5,066,169
School leadership	7,925,107	8,129,995	7,918,744	7,915,061	7,869,794	7,382,938	8,030,749
Co-curricular	4,001,176	3,631,120	3,457,340	3,370,203	3,834,507	4,230,369	4,421,282
School based support	6,005,415	6,917,178	6,972,189	6,869,042	7,038,694	7,597,829	7,154,057
<b>System-wide support services:</b>							
Support and development	867,353	1,009,226	776,791	858,183	775,371	902,251	946,189
Special populations support and development	375,147	370,245	545,094	561,650	720,511	1,347,770	1,422,590
Alternative programs and services support and development	289,292	299,376	222,098	224,484	373,911	192,532	197,094
Technology support	706,099	1,300,661	1,582,339	1,040,367	977,697	1,313,232	1,028,521
Operational support	16,308,815	16,333,316	15,910,005	16,194,277	15,743,959	15,992,262	16,294,765
Financial and human resource services	1,747,663	1,819,292	1,841,717	1,485,201	1,359,642	1,441,720	1,421,365
Accountability	50,734	47,515	52,723	152,228	175,376	176,431	230,534
System-wide pupil support	13,682	133,539	93,419	180,691	136,861	675,753	1,035,122
Policy, leadership and public relations	1,878,850	2,267,473	2,506,203	1,435,796	1,687,940	1,759,102	1,680,161
Ancillary services	680,050	663,851	623,009	434,839	316,018	246,543	188,607
Payments to other governments	273,048	326,966	647,216	447,489	504,835	312,527	416,610
Subtotal governmental activities expenses	\$ 120,171,501	\$ 124,196,669	\$ 120,083,738	\$ 117,048,124	\$ 116,365,331	\$ 117,851,095	\$ 117,233,343
<b>Business-type Activities:</b>							
School food service	\$ 7,360,134	\$ 7,382,253	\$ 7,554,393	\$ 7,160,037	\$ 6,816,174	\$ 6,329,308	\$ 6,079,035
Child care	736,117	706,204	541,226	533,324	510,714	534,011	534,317
Subtotal business-type activities	\$ 8,096,251	\$ 8,088,457	\$ 8,095,619	\$ 7,693,361	\$ 7,326,888	\$ 6,863,319	\$ 6,613,352
Total primary government expenses	\$ 128,267,752	\$ 132,285,126	\$ 128,179,357	\$ 124,741,485	\$ 123,692,219	\$ 124,714,414	\$ 123,846,695
<b>Program Revenues:</b>							
<b>Governmental Activities:</b>							
<b>Charges for services</b>							
Special populations	\$ 1,573,860	\$ 840,014	\$ 1,323,168	\$ 2,049,367	\$ 2,397,864	\$ 1,778,060	\$ 1,593,885
Co-curricular	3,104,430	1,060,722	688,715	-	-	-	-
Technology support	-	-	-	-	58,691	-	-
Operational support	266,082	23,705	33,245	37,529	-	18,160	22,592
Ancillary services	498,927	-	-	-	-	-	-
Payments to other governments	-	99,884	-	-	-	-	-
Operating grants and contributions	93,723,810	99,046,588	96,925,581	96,263,975	96,123,426	91,375,424	89,892,812
Capital grants and contributions	577,534	1,132,751	1,211,943	665,819	1,356,167	314,984	157,492
Subtotal governmental activities program revenues	\$ 99,744,643	\$ 102,203,664	\$ 100,182,652	\$ 99,016,690	\$ 99,936,148	\$ 93,486,628	\$ 91,666,781

# ROCKINGHAM COUNTY SCHOOLS

## CHANGES IN NET POSITION - Post-Chart of Accounts Change (Continued)

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

	2008	2009	2010	2011	2012	2013	2014
<b>Business-type Activities:</b>							
Charges for services:							
School food service	\$ 2,940,385	\$ 2,656,595	\$ 2,364,687	\$ 2,295,396	\$ 2,188,030	\$ 1,566,499	\$ 1,361,532
Child care	749,196	663,977	589,911	560,229	580,139	599,761	561,870
Operating grants & contributions	4,352,446	4,603,854	5,034,324	4,584,296	4,388,954	4,400,403	4,543,863
Capital grants and contributions	-	-	33,620	-	-	-	-
Subtotal business-type activities program revenues	\$ 8,042,027	\$ 7,924,426	\$ 8,022,542	\$ 7,439,921	\$ 7,157,123	\$ 6,566,663	\$ 6,467,265
Total primary government program revenues	\$ 107,786,670	\$ 110,128,090	\$ 108,205,194	\$ 106,456,611	\$ 107,093,271	\$ 100,053,291	\$ 98,134,046
<b>Net (Expenses) Revenues:</b>							
Governmental activities	\$ (20,426,858)	\$ (21,993,005)	\$ (19,901,086)	\$ (18,031,434)	\$ (16,429,183)	\$ (24,364,467)	\$ (25,566,562)
Business-type activities	(54,224)	(164,031)	(73,077)	(253,440)	(169,765)	(296,656)	(146,087)
Total primary government net (expenses) revenues	\$ (20,481,082)	\$ (22,157,036)	\$ (19,974,163)	\$ (18,284,874)	\$ (16,598,948)	\$ (24,661,123)	\$ (25,712,649)
<b>General Revenues &amp; Other Changes in Net Position:</b>							
<b>Governmental Activities:</b>							
Unrestricted county appropriations-operating	\$ 15,707,072	\$ 15,981,873	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840
Unrestricted county appropriations-capital	1,269,775	1,292,236	1,370,284	12,902,162	3,127,024	3,024,183	1,151,525
Transfers	-	(17,482)	-	-	(459,838)	-	-
Investment earnings, unrestricted	219,941	103,007	84,005	66,369	58,335	32,221	16,922
Miscellaneous, unrestricted	-	-	-	-	-	1,042,358	1,935,406
Subtotal governmental activities	\$ 17,196,788	\$ 17,359,634	\$ 17,289,129	\$ 28,803,371	\$ 18,560,361	\$ 19,933,602	\$ 18,938,693
<b>Business-type Activities:</b>							
Transfers	\$ -	\$ 17,482	\$ -	\$ -	\$ 459,838	\$ -	\$ -
Investment earnings, unrestricted	5,133	586	1,324	2,118	2,139	432	214
Miscellaneous, unrestricted	-	-	-	-	-	-	3,137
Subtotal business-type activities	\$ 5,133	\$ 18,068	\$ 1,324	\$ 2,118	\$ 461,977	\$ 432	\$ 3,351
Total primary government	\$ 17,201,921	\$ 17,377,702	\$ 17,290,453	\$ 28,805,489	\$ 19,022,338	\$ 19,934,034	\$ 18,942,044
<b>Change in Net Position:</b>							
Governmental activities	\$ (3,230,070)	\$ (4,633,371)	\$ (2,611,957)	\$ 10,771,937	\$ 2,131,178	\$ (4,430,865)	\$ (6,627,869)
Business-type activities	(49,091)	(145,963)	(71,753)	(251,322)	292,212	(296,224)	(142,736)
Total primary government	\$ (3,279,161)	\$ (4,779,334)	\$ (2,683,710)	\$ 10,520,615	\$ 2,423,390	\$ (4,727,089)	\$ (6,770,605)

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

A major change in the Chart of Accounts has made this noncomparable with years prior to 2008 for purpose/function. This second chart has been added to reflect the new purposes.

# ROCKINGHAM COUNTY SCHOOLS

## CHANGES IN NET POSITION - Pre-Chart of Accounts Change

For The Prior Three Fiscal Years  
(accrual basis of accounting)

	2005	2006	2007
<b>Expenses:</b>			
<b>Governmental Activities:</b>			
<b>Instructional programs:</b>			
Regular	\$ 53,424,958	\$ 55,550,673	\$ 57,194,843
Special	14,482,698	14,594,159	14,540,174
Co-curricular	3,602,801	3,644,246	3,476,815
Student services	7,248,651	7,679,518	8,533,121
Other	-	-	-
<b>Support services:</b>			
Pupil	242,062	203,660	295,599
Instructional	602,533	628,673	725,813
Administration	2,480,238	2,601,570	2,681,154
School administrative	7,603,574	7,647,457	8,550,281
Business	13,622,509	14,706,422	14,832,429
Central	287,280	259,738	293,811
Other	1,029,103	1,968,306	1,532,928
Non-programmed charges	115,990	159,381	227,701
<b>Subtotal governmental activities expenses</b>	<b>\$ 104,742,397</b>	<b>\$ 109,643,803</b>	<b>\$ 112,884,669</b>
<b>Business-type Activities:</b>			
School food service	\$ 6,863,898	\$ 7,140,122	\$ 7,116,659
Child care	668,851	730,410	756,169
<b>Subtotal business-type activities expenses</b>	<b>\$ 7,532,749</b>	<b>\$ 7,870,532</b>	<b>\$ 7,872,828</b>
<b>Total primary government expenses</b>	<b>\$ 112,275,146</b>	<b>\$ 117,514,335</b>	<b>\$ 120,757,497</b>
<b>Program Revenues:</b>			
<b>Governmental Activities:</b>			
Charges for services	\$ 1,595,347	\$ 1,737,503	\$ 489,712
Operating grants & contributions	84,954,004	87,352,023	92,874,875
Capital grants & contributions	585,799	542,226	751,390
<b>Subtotal governmental activities program revenues</b>	<b>\$ 87,135,150</b>	<b>\$ 89,631,752</b>	<b>\$ 94,115,977</b>
<b>Business-type Activities:</b>			
Charges for service	\$ 3,595,346	\$ 3,712,202	\$ 3,619,320
Operating grants & contributions	3,609,181	3,722,685	3,903,085
<b>Subtotal business-type activities program revenues</b>	<b>\$ 7,204,527</b>	<b>\$ 7,434,887</b>	<b>\$ 7,522,405</b>
<b>Total primary government program revenues</b>	<b>\$ 94,339,677</b>	<b>\$ 97,066,639</b>	<b>\$ 101,638,382</b>
<b>Net (Expenses) Revenues:</b>			
Governmental activities	\$ (17,607,247)	\$ (20,012,051)	\$ (18,768,692)
Business-type activities	(328,222)	(435,645)	(350,423)
<b>Total primary government net (expenses) revenues</b>	<b>\$ (17,935,469)</b>	<b>\$ (20,447,696)</b>	<b>\$ (19,119,115)</b>

# ROCKINGHAM COUNTY SCHOOLS

## CHANGES IN NET POSITION - Pre-Chart of Accounts Change *(Continued)*

For The Prior Three Fiscal Years  
(accrual basis of accounting)

	2005	2006	2007
<b>General Revenues &amp; Other Changes in Net Position:</b>			
<b>Governmental Activities:</b>			
Unrestricted County appropriations-operating	\$ 13,931,160	\$ 14,697,160	\$ 15,102,726
Unrestricted County appropriations-capital	7,503,106	7,832,508	1,652,435
Investment earnings	100,128	192,346	277,963
Transfers	(124,507)	(136,783)	(140,077)
<b>Subtotal governmental activities</b>	<b>\$ 21,409,887</b>	<b>\$ 22,585,231</b>	<b>\$ 16,893,047</b>
<b>Business-type Activities:</b>			
Investment earnings	\$ 13,643	\$ 23,510	\$ 26,476
Transfers	124,507	136,783	140,077
<b>Subtotal business-type activities</b>	<b>\$ 138,150</b>	<b>\$ 160,293</b>	<b>\$ 166,553</b>
<b>Total primary government</b>	<b>\$ 21,548,037</b>	<b>\$ 22,745,524</b>	<b>\$ 17,059,600</b>
<b>Change in Net Position:</b>			
Governmental activities	\$ 3,802,640	\$ 2,573,180	\$ (1,875,645)
Business-type activities	(190,072)	(275,352)	(183,870)
<b>Total primary government</b>	<b>\$ 3,612,568</b>	<b>\$ 2,297,828</b>	<b>\$ (2,059,515)</b>

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

A major change in the Chart of Accounts has made this noncomparable with years after 2007. A second chart has been started to reflect the new purposes.



# ROCKINGHAM COUNTY SCHOOLS

## FUND BALANCES, GOVERNMENTAL FUNDS

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund:</b>										
Reserved	\$ 396,165	\$ 615,836	\$ 689,363	\$ 1,060,246	\$ 557,545	\$ 367,302	\$ -	\$ -	\$ -	\$ -
Unreserved	3,614,219	3,755,650	5,243,500	5,464,076	4,469,922	4,086,971	-	-	-	-
Nonspendable	-	-	-	-	-	-	344,374	319,969	308,209	285,695
Restricted	-	-	-	-	-	-	526,667	83,965	24,586	342,466
Assigned	-	-	-	-	-	-	2,037,424	5,797,810	4,599,504	1,230,925
Unassigned	-	-	-	-	-	-	3,029,837	2,346,710	51,218	1,495,379
<b>Total general fund</b>	<b>\$ 4,010,384</b>	<b>\$ 4,371,486</b>	<b>\$ 5,932,863</b>	<b>\$ 6,524,322</b>	<b>\$ 5,027,467</b>	<b>\$ 4,454,273</b>	<b>\$ 5,938,302</b>	<b>\$ 8,548,454</b>	<b>\$ 4,983,517</b>	<b>\$ 3,354,465</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 1,120,900	\$ 622,123	\$ 99,000	\$ 350	\$ -	\$ 72,778	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,152,330	1,231,473	1,334,666	1,285,176	1,268,599	1,884,902	-	-	-	-
Capital Outlay Fund	(716,126)	(162,977)	158,133	441,255	501,362	578,169	-	-	-	-
Restricted										
Special revenue funds	-	-	-	-	-	-	3,638,879	4,344,183	2,043,986	2,017,494
Capital Outlay Fund	-	-	-	-	-	-	603,669	610,624	588,561	693,850
Assigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	3,550,727	3,358,257
<b>Total all other governmental funds</b>	<b>\$ 1,557,104</b>	<b>\$ 1,690,619</b>	<b>\$ 1,591,799</b>	<b>\$ 1,726,781</b>	<b>\$ 1,769,961</b>	<b>\$ 2,535,849</b>	<b>\$ 4,242,548</b>	<b>\$ 4,954,807</b>	<b>\$ 6,183,274</b>	<b>\$ 6,069,601</b>

Note: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.  
Years 2011-2014 reflect the implementation of GASB 54, which changes how fund balance is presented.

# ROCKINGHAM COUNTY SCHOOLS

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
State of North Carolina	\$ 71,731,903	\$ 73,986,154	\$ 79,103,713	\$ 83,195,641	\$ 85,976,534	\$ 77,274,059	\$ 76,931,010	\$ 78,289,504	\$ 77,810,833	\$ 75,311,872
Rockingham County	21,434,266	22,529,668	16,755,161	16,996,683	17,274,109	17,205,124	28,737,002	18,961,864	18,844,783	16,986,365
U.S. Government	7,681,870	8,115,941	8,009,103	8,667,641	8,968,159	14,935,543	14,566,686	12,753,558	8,264,758	10,218,128
Contributions & donations	608,358	198,378	460,303	363,410	469,836	507,637	838,835	1,795,461	804,808	804,323
Other	7,213,146	7,523,624	6,820,821	7,718,056	6,892,144	7,549,418	6,746,527	7,155,960	7,830,401	7,349,557
<b>Total revenues</b>	<b>\$ 108,669,543</b>	<b>\$ 112,353,765</b>	<b>\$ 111,149,101</b>	<b>\$ 116,941,431</b>	<b>\$ 119,580,782</b>	<b>\$ 117,471,781</b>	<b>\$ 127,820,060</b>	<b>\$ 118,956,347</b>	<b>\$ 113,555,583</b>	<b>\$ 110,670,245</b>
<b>Expenditures:</b>										
Instructional programs	\$ 76,252,019	\$ 77,324,341	\$ 79,831,607	\$ 93,012,441	\$ 95,768,662	\$ 91,712,024	\$ 89,776,172	\$ 89,952,892	\$ 88,913,475	\$ 87,897,782
Support services	24,568,318	25,453,976	26,653,898	20,487,685	21,793,550	21,800,619	20,536,697	21,152,850	23,867,332	23,489,911
Ancillary services	-	-	-	676,752	662,632	621,796	454,382	329,823	246,543	188,607
Non-programmed charges	115,986	159,381	227,701	273,048	326,966	599,319	494,808	504,834	443,180	481,381
Debt service										
Principal retirement	585,799	542,226	751,390	577,534	1,132,751	533,555	359,269	-	314,984	497,495
Capital outlay	8,158,785	8,279,213	3,627,428	1,237,492	2,943,438	1,992,248	13,050,665	3,216,120	2,748,265	810,477
<b>Total expenditures</b>	<b>\$ 109,680,907</b>	<b>\$ 111,759,137</b>	<b>\$ 111,092,024</b>	<b>\$ 116,264,952</b>	<b>\$ 122,627,999</b>	<b>\$ 117,259,561</b>	<b>\$ 124,671,993</b>	<b>\$ 115,156,519</b>	<b>\$ 116,533,779</b>	<b>\$ 113,365,653</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (1,011,364)</b>	<b>\$ 594,628</b>	<b>\$ 57,077</b>	<b>\$ 676,479</b>	<b>\$ (3,047,217)</b>	<b>\$ 212,220</b>	<b>\$ 3,148,067</b>	<b>\$ 3,799,828</b>	<b>\$ (2,978,196)</b>	<b>\$ (2,695,408)</b>
<b>Other Financing Sources (Uses):</b>										
Installment purchase obligations issued	\$ 488,733	\$ -	\$ 1,590,921	\$ -	\$ 1,624,685	\$ -	\$ -	\$ -	\$ 629,966	\$ 975,197
Transfers to other funds	(124,507)	(136,783)	(140,077)	-	(17,482)	-	-	(459,838)	-	-
<b>Total other financing sources (uses)</b>	<b>\$ 364,226</b>	<b>\$ (136,783)</b>	<b>\$ 1,450,844</b>	<b>\$ -</b>	<b>\$ 1,607,203</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (459,838)</b>	<b>\$ 629,966</b>	<b>\$ 975,197</b>
<b>Net change in fund balances</b>	<b>\$ (647,138)</b>	<b>\$ 457,845</b>	<b>\$ 1,507,921</b>	<b>\$ 676,479</b>	<b>\$ (1,440,014)</b>	<b>\$ 212,220</b>	<b>\$ 3,148,067</b>	<b>\$ 3,339,990</b>	<b>\$ (2,348,230)</b>	<b>\$ (1,720,211)</b>
Change in reserve for inventories	54,020	36,772	(45,364)	49,962	(13,663)	(19,526)	42,661	(24,405)	11,760	(22,514)
<b>Increase (decrease) in fund balances for the year</b>	<b>\$ (593,118)</b>	<b>\$ 494,617</b>	<b>\$ 1,462,557</b>	<b>\$ 726,441</b>	<b>\$ (1,453,677)</b>	<b>\$ 192,694</b>	<b>\$ 3,190,728</b>	<b>\$ 3,315,585</b>	<b>\$ (2,336,470)</b>	<b>\$ (1,742,725)</b>
<b>Debt service-as a percentage of non-capital expenditures</b>	<b>0.58%</b>	<b>0.53%</b>	<b>0.70%</b>	<b>0.50%</b>	<b>0.96%</b>	<b>0.47%</b>	<b>0.32%</b>	<b>-</b>	<b>0.28%</b>	<b>0.44%</b>

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>
2005	\$ 293,533	\$ 102,632	\$ 1,642,069	\$ 1,972,150	\$ 4,010,384
2006	330,304	285,532	1,020,082	2,735,568	4,371,486
2007	284,940	404,423	926,086	4,317,414	5,932,863
2008	334,902	725,344	2,628,979	2,835,097	6,524,322
2009	321,239	236,306	3,116,283	1,353,639	5,027,467
2010	301,713	65,589	400,000	3,686,971	4,454,273
2011	344,374	526,667	2,037,424	3,029,837	5,938,302
2012	319,969	83,965	5,797,810	2,346,710	8,548,454
2013	308,209	24,586	4,599,504	51,218	4,983,517
2014	285,695	342,466	1,230,925	1,495,379	3,354,465

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

This reflects the implementation of GASB 54.

# ROCKINGHAM COUNTY SCHOOLS

## OPERATIONAL AND CAPITAL EXPENDITURES IN TOTAL AND PER PUPIL

For The Last Ten Fiscal Years

Year Ended June 30:	Average Daily Membership	Instructional	Support	Ancillary Services	Other	Capital Outlay	Total
2005	14,392	\$ 76,252,019 5,298	\$ 24,568,318 1,707	\$ - -	\$ 115,986 8	\$ 8,158,785 567	\$ 109,095,108 7,580
2006	14,326	77,324,341 5,397	25,453,976 1,777	- -	159,381 11	8,279,213 578	111,216,911 7,763
2007	14,179	79,831,607 5,630	26,653,898 1,880	- -	227,701 16	3,627,428 256	110,340,634 7,782
2008	14,119	93,012,441 6,588	20,487,685 1,451	676,752 48	273,048 19	1,237,492 88	115,687,418 8,194
2009	13,860	95,768,662 6,910	21,793,550 1,572	662,632 48	326,966 24	2,943,438 212	121,495,248 8,766
2010	13,679	91,712,024 6,705	21,800,619 1,594	621,796 45	599,319 44	1,992,248 146	116,726,006 8,533
2011	13,527	89,776,172 6,637	20,536,697 1,518	454,382 34	494,808 37	13,050,665 965	124,312,724 9,190
2012	13,388	89,952,892 6,719	21,152,850 1,580	329,823 25	504,834 38	3,216,120 240	115,156,519 8,601
2013	13,179	88,913,475 6,747	23,867,332 1,811	246,543 19	443,180 34	2,748,265 209	116,218,795 8,818
2014	12,974	87,897,782 6,775	23,489,911 1,811	188,607 15	481,381 37	810,477 62	112,868,158 8,700

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>
2005	14,392	\$ 4,950	\$ 764	\$ 1,578	\$ 7,292
2006	14,326	5,110	806	1,558	7,474
2007	14,179	5,576	814	1,437	7,827
2008	14,119	5,842	866	1,629	8,337
2009	13,860	6,174	920	1,816	8,910
2010	13,679	5,552	1,378	1,697	8,627
2011	13,527	5,650	1,381	1,479	8,510
2012	13,388	5,881	1,261	1,492	8,634
2013	13,179	5,865	907	1,931	8,703
2014	12,974	N/A	N/A	N/A	N/A

N/A = Not Available

Source: North Carolina Public Schools Statistical Profile (2005-2013 Editions).

Note: This table is a ten year schedule. However, current year per pupil expenditure amounts are not released by the NC Department of Public Instruction until the following year. Therefore, June 30, 2014 per pupil expenditure amounts will be shown above as "N/A", and the information will be reported for the year ended June 30, 2015, if applicable.

# ROCKINGHAM COUNTY SCHOOLS

## SCHOOL FOOD SERVICE REVENUES BY SOURCE

For The Last Ten Fiscal Years

<b>Year Ended June 30:</b>	<b>Food Sales</b>	<b>Federal Reimbursements</b>	<b>Federal Commodities</b>	<b>Interest Earned</b>	<b>Transfers From Other Funds</b>	<b>Indirect Costs Not Paid</b>	<b>Other</b>	<b>Total</b>
2005	\$ 2,838,083	\$ 3,189,186	\$ 255,651	\$ 13,643	\$ 124,507	\$ 106,850	\$ 100,681	\$ 6,628,601
2006	2,901,624	3,317,255	349,863	23,510	136,783	-	124,583	6,853,618
2007	2,852,099	3,506,156	348,937	26,476	140,077	-	84,114	6,957,859
2008	2,919,411	3,534,847	356,290	5,133	-	435,851	46,432	7,297,964
2009	2,652,444	3,776,377	371,829	586	17,482	419,972	39,827	7,278,517
2010	2,360,508	4,012,545	419,610	1,324	-	555,722	84,246	7,433,955
2011	2,244,708	4,132,302	434,749	2,118	-	-	67,933	6,881,810
2012	2,145,091	4,068,970	319,984	1,943	459,838	-	42,939	7,038,765
2013	1,566,499	4,023,078	341,997	345	-	379,041	35,328	6,346,288
2014	1,361,532	4,148,016	368,665	92	-	387,342	30,319	6,295,966

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

## **ROCKINGHAM COUNTY SCHOOLS**

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### **STUDENT INFORMATION**

**For The Last Ten Fiscal Years**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Expenditures per Student</b>	<b>\$7,621</b>	<b>\$7,801</b>	<b>\$7,835</b>	<b>\$8,235</b>	<b>\$8,848</b>	<b>\$8,572</b>	<b>\$9,217</b>	<b>\$8,601</b>	<b>\$8,842</b>	<b>\$8,738</b>
<b>Students/Teacher Ratio</b>	<b>15.25</b>	<b>15.05</b>	<b>15.10</b>	<b>14.94</b>	<b>14.50</b>	<b>14.77</b>	<b>15.25</b>	<b>15.51</b>	<b>15.61</b>	<b>15.14</b>
<b>Percentage of Students on Free or reduced Lunch</b>	<b>48.90%</b>	<b>50.68%</b>	<b>51.39%</b>	<b>52.43%</b>	<b>54.84%</b>	<b>57.76%</b>	<b>58.32%</b>	<b>58.99%</b>	<b>58.97%</b>	<b>61.49%</b>

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

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

NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2014 obtained from Rockingham County Schools Student Data.

# ROCKINGHAM COUNTY SCHOOLS

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## NUMBER OF PERSONNEL

For The Last Ten Fiscal Years

<b>Year Ended June 30:</b>	<b>Number of Schools</b>	<b>Teachers</b>	<b>Certified Support Personnel</b>	<b>Other Operating Personnel</b>	<b>Total</b>
2005	25	944	178	674	1,796
2006	25	952	181	635	1,768
2007	25	939	194	599	1,732
2008	25	945	201	594	1,740
2009	26	956	205	559	1,720
2010	26	926	211	561	1,698
2011	26	887	219	508	1,614
2012	26	863	218	495	1,576
2013	26	844	218	453	1,515
2014	25	857	236	432	1,525

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

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



# ROCKINGHAM COUNTY SCHOOLS

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## CAPITAL ASSETS BY FUNCTION

For The Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Administration:</b>										
Number of Administrative Buildings	2	2	2	2	2	2	2	2	2	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
<b>Schools:</b>										
Number of High Schools	4	4	4	4	4	4	4	4	4	4
Number of Middle Schools	4	4	4	4	4	4	4	4	4	4
Number of Elementary Schools	16	16	16	16	16	16	16	16	16	15
Number of Alternative Schools	1	1	1	1	1	1	1	1	1	1
<b>Idle Buildings</b>	3	2	1	1	1	1	1	1	1	1
<b>Rented Buildings</b>	-	-	1	1	1	1	1	1	1	1

Notes: Buildings range in age from 2 years to 79 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, 2013 and December 31, 2004

Taxpayer	2013			2004		
	Taxable Assessed Value (in thousands)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (in thousands)	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 581,920	1	9.30%	\$ 173,435	1	3.00%
Miller Brewing	204,315	2	3.30%	132,296	3	2.30%
Commonwealth Brands	73,900	3	1.20%	26,896	8	0.50%
Gildan Activeware	54,263	4	0.90%			
Unifi Manufacturing	45,333	5	0.70%	125,364	4	2.20%
Walmart	38,788	6	0.66%			
Frontier Spinning	37,966	7	0.60%	55,248	5	1.00%
Transcontinental Pipeline	25,548	8	0.40%	29,617	6	0.50%
Pine Hall Brick	24,121	9	0.40%	29,189	7	0.50%
Piedmont Natural Gas	23,908	10	0.40%			
Rockingham Power				146,756	2	2.60%
Central Telephone				26,009	9	0.40%
Ball Metal Beverage Corporation				20,561	10	0.40%
Total	<u>\$ 1,110,062</u>		<u>17.86%</u>	<u>\$ 765,371</u>		<u>13.40%</u>

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

# ROCKINGHAM COUNTY, NORTH CAROLINA

## PROPERTY TAX LEVIES AND COLLECTIONS

For The Last Ten Fiscal Years

Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 36,461,282	\$ 35,464,438	97.3%	\$ 929,964	\$ 36,394,402	99.8%
2006	37,430,833	36,213,191	96.7%	1,116,409	37,329,600	99.7%
2007	40,460,777	39,113,403	96.7%	1,245,140	40,358,543	99.7%
2008	42,228,158	40,667,236	96.3%	1,433,964	42,101,200	99.7%
2009	42,850,874	41,484,264	96.8%	1,231,785	42,716,049	99.7%
2010	43,675,396	42,390,080	97.1%	1,124,574	43,514,654	99.6%
2011	44,672,193	43,377,992	97.1%	1,093,547	44,471,539	99.6%
2012	46,593,254	45,244,371	97.1%	1,058,475	46,302,846	99.4%
2013	51,019,969	49,625,221	97.3%	953,813	50,579,034	99.1%
2014	49,767,521	48,443,329	97.3%	-	48,443,329	97.3%

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

## 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			
2004	3,433,557	734,040	657,853	1,105,213	(221,950)	\$ 5,708,713	6.35
2005	3,500,993	755,138	673,527	1,070,420	(218,974)	5,781,104	6.35
2006	3,578,985	800,067	693,292	1,071,046	(221,218)	5,922,172	6.85
2007	3,663,326	796,671	689,562	1,032,744	(218,419)	5,963,884	7.05
2008	3,735,764	812,610	674,915	1,025,907	(224,058)	6,025,138	7.05
2009	3,780,387	823,117	625,425	1,101,483	(228,955)	6,101,457	7.15
2010	3,804,459	821,194	580,557	1,088,871	(233,043)	6,062,038	7.15
2011	4,233,767	880,787	604,852	1,239,276	(321,871)	6,636,811	6.98
2012	4,257,049	884,133	634,782	1,368,058	(327,541)	6,816,481	6.96
2013	4,277,566	888,480	369,751	1,412,525	(334,928)	6,613,394	6.96

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

# 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Rockingham County	0.635	0.635	0.635	0.685	0.705	0.705	0.715	0.698	0.696	0.696
City of Reidsville	0.67	0.67	0.67	0.73	0.73	0.73	0.71	0.71	0.71	0.74
City of Eden	0.57	0.57	0.57	0.57	0.62	0.62	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	0.75	0.73	0.73
Town of Mayodan	0.53	0.53	0.53	0.53	0.58	0.58	0.58	0.58	0.58	0.63
Town of Stoneville	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
<b>Fire Districts:</b>										
Wentworth	0.10	0.10	0.10	0.10	0.095	0.090	0.09	0.09	0.09	0.09
Stokesdale	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.10
Bethany	0.08	0.08	0.08	0.08	0.08	0.11	0.11	0.11	0.11	0.11
Northwest	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115
Huntsville	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.085
Oregon Hill	0.05	0.05	0.05	0.05	0.05	0.05	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	0.0875	0.088	0.0875	0.0875	0.0875	0.11	0.11	0.11	0.11	0.11
Summerfield	0.088	0.088	0.088	0.088	0.088	0.088	0.0915	0.0915	0.0915	0.0915
Yanceyville	0.05	0.05	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Stoneyview	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105
Casville	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.07
Jacobs Creek	0.07	0.07	0.07	0.07	0.07	0.0875	0.0832	0.0832	0.0832	0.0950
Madison/Mayodan	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105
Stokes/Rockingham	0.06	0.06	0.06	0.06	0.06	0.08	0.0804	0.0804	0.0804	0.0804
Ruffin	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Draper Rural	-	0.03	0.03	0.035	0.035	0.05	0.05	0.05	0.05	0.05
Leaksville Rural	-	0.08	0.08	0.08	0.08	0.10	0.10	0.10	0.10	0.10
Spray-Draper	-	0.03	0.03	0.035	0.035	0.05	0.05	0.05	0.05	-
Spray-Leaksville	-	0.08	0.08	0.08	0.08	0.10	0.10	0.10	0.10	-

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

## **ROCKINGHAM COUNTY, NORTH CAROLINA**

### **DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

(in thousands)

As of June 30, 2014

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Share of Overlapping Debt</b>
Rockingham County	<u>\$ 80,740,731</u>	100.00%	<u>\$ 80,740,731</u>
<b>Direct Debt Total</b>	<u>80,740,731</u>		<u>80,740,731</u>
City of Reidsville	-	-	-
City of Eden	12,866,108	100.00%	12,866,108
Town of Madison	<u>1,706,667</u>	100.00%	<u>1,706,667</u>
<b>Overlapping Debt Total</b>	<u>14,572,775</u>		<u>14,572,775</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>\$ 95,313,506</u></u>		<u><u>\$ 95,313,506</u></u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. 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: Rockingham County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2014.

# 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
2005	456,922,186	29,760,000	\$ 427,162,186	6.97%
2006	466,658,846	28,570,001	438,088,845	6.52%
2007	471,713,224	27,335,000	444,378,224	5.80%
2008	451,216,631	26,050,000	425,166,631	5.77%
2009	480,393,413	75,405,754	404,987,659	15.70%
2010	485,749,634	74,159,695	411,589,939	15.27%
2011	486,358,345	70,584,827	415,773,518	14.51%
2012	532,504,922	91,365,989	441,138,933	17.16%
2013	545,705,638	86,511,920	459,193,718	15.85%
2014	492,646,954	80,740,731	411,906,223	16.39%

### Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	\$ 7,167,346,062
Add back: exempt real property	-
Total assessed value	<u>\$ 7,167,346,062</u>
Debt Limit (8% of total assessed value)	\$ 573,387,685
Debt applicable to limit:	
General obligation debt	80,740,731
Less: Amount set aside for repayment of general obligation debt	-
Legal debt margin	<u>\$ 492,646,954</u>

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

# ROCKINGHAM COUNTY, NORTH CAROLINA

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## 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
2005	92,517	2,351,308	25,418	46,327	14,787	7.4%
2006	92,614	2,461,225	26,706	46,747	14,637	6.7%
2007	93,063	2,539,928	27,550	45,396	14,637	6.0%
2008	92,421	2,749,592	29,850	44,838	14,438	6.0%
2009	92,282	2,807,733	30,435	43,331	14,361	7.7%
2010	92,252	2,801,270	29,920	43,359	14,194	12.9%
2011	93,643	2,880,841	30,868	42,825	14,194	11.5%
2012	93,558	2,995,548	32,307	44,327	13,799	12.2%
2013	92,720	N/A	N/A	43,721	14,582	10.3%
2014	93,217	N/A	N/A	41,863	13,179	7.1%

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

N/A reflects figures which are currently not available.



# ROCKINGHAM COUNTY, NORTH CAROLINA

## PRINCIPAL EMPLOYERS

### CURRENT YEAR AND NINE YEARS AGO

Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rockingham County School System	2,072	1	5.30%	1,733	1	5.65%
Unifi, Inc.	896	2	2.30%	1,400	2	4.56%
Wal-Mart Associates, Inc.	807	3	2.10%			
Morehead Memorial Hospital	680	4	1.70%	840	4	2.74%
Rockingham County	660	5	1.50%	912	3	2.97%
Moses H. Cone Memorial Hospital	572	6	1.50%	515	10	1.68%
MillerCoors	560	7	1.40%	700	5	2.28%
Frontier Spinning Mills	515	8	1.30%	575	7	1.87%
Keystone Foods	424	9	1.10%			
Rockingham Community College	420	10	1.10%			
Karastan				535	8	1.74%
National Textiles				600	6	1.95%
Swift Transportation				517	9	1.68%
<b>Total</b>	<b>7,606</b>		<b>19.30%</b>	<b>8,327</b>		<b>27.12%</b>

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







## **Vision Statement**

Rockingham County Schools will empower all students to compete globally.

## **Mission Statement**

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

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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.**