Annual Comprehensive Financial Report

Rockingham County, Virginia

Fiscal Year Ended June 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

Prepared by:

Department of Finance
20 East Gay Street
Harrisonburg, Virginia 22802
(540) 564-3010

www.rockinghamcountyva.gov

COUNTY OF ROCKINGHAM, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

INTRODUCTORY SECTION

FINANCIAL SECTION

Required Supplementary Information (Continued)

Supplementary Information

Supplemental Schedules

STATISTICAL SECTION

Tables

COMPLIANCE SECTION

INTRODUCTORY SECTION

ROCKINGHAM COUNTY

December 13, 2023

Board of Supervisors
County of Rockingham
20 East Gay Street
Harrisonburg, VA 22802

Members of the Board:

It is our pleasure to submit to you the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Code of the Commonwealth of Virginia requires that all local governments shall be audited annually with a report to the Governing Body. The Annual Comprehensive Financial Report fulfills this reporting requirement. The report is designed to present the respective financial position of the government activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County in all material respects, and to demonstrate compliance with applicable finance-related legal and contractual provisions.

The financial statements included in this report, which have earned an unmodified ("clean") audit opinion, conform to the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), and the Auditor of Public Accounts (APA).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

The County's financial statements have been audited by PBMares LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by County management; and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the Financial Section of the Annual Comprehensive Financial Report.

Upon completing your review of this introductory section, you are encouraged to review the narrative introduction, overview, and analysis found in management's discussion and analysis (MD&A) for a more detailed overview of the County's financial position. The MD&A immediately follows the independent auditors report, compliments this letter and should be read in conjunction with it.

Profile of the Government

The County of Rockingham, located in the heart of the Shenandoah Valley, is the third largest county in Virginia in land area with 853.65 square miles and an approximate population of 85,000. The independent city of Harrisonburg, with an approximate population of 51,500 serves as the County seat and is the largest city in western Virginia between the Roanoke and the Washington, D.C. metropolitan areas.

The County was established in 1778 by an act of the Virginia General Assembly, and is organized under the traditional form of County government. Under this form, the County's governmental operations are directed by a five-member Board of Supervisors (Board) who are elected by election districts. The Board is responsible for establishing the policies and ordinances that provide the direction for the government and for approving the annual budget.

This report includes the financial activities of the County (primary government); as well as, the financial activities of the County's component units. Component units are legally separate entities for which the primary government is financially accountable and, therefore, are included in the primary government's ACFR.

The County provides a full range of services including law enforcement, emergency medical response, and fire protection; judicial services; correctional facilities; disposal of solid waste; utility services; planning and zoning; and recreational and cultural activities.

The County provides courthouse and jail facilities; as well as, the services of the Sheriff, Commonwealth's Attorney, and Clerk of the Circuit Court for the City of Harrisonburg (City). The total costs of these services are presented in this report and supporting schedules. The City reimburses the County for one-half of the net local cost incurred in the provision of these services.

Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Rockingham County School Board is a legally separate entity and is reported as a major discretely presented component unit. The Economic Development Authority is a separate legal entity and is reported as a nonmajor discretely presented component unit. The Rockingham Recreation Foundation is a separate legal entity and is reported as a nonmajor discretely presented component unit. The County has consolidated social service operations with the City which is named the Harrisonburg-Rockingham Social Services District (District). The District is also a separate legal entity and is a major discretely presented component unit in the government-wide financial statements.

The School Operating and School Cafeteria Funds are included in the supporting statistical schedules in this report since the Board is required to approve the budget for these operations. The County believes that the omission of these funds from the Statistical Section would not give the reader an accurate depiction of the overall results of the operations of County government.

Additional information on the financial reporting entity can be found in Note 1.A. in the notes to the financial statements.

State law requires the County Administrator to submit a balanced budget to the Board no later than April 15th of each year. Each department and agency prepares its budget request for review and amendment by the County Administrator prior to inclusion in the County's general operating budget. The School Board and Social Services Administrative Board prepare their budgets and transmit them to the County Administrator. The County Administrator then submits his recommendation to the Board's Finance Committee for consideration and recommendation to the full Board.

The Board establishes a time and place for a public hearing on the budget. A hearing must be held at least seven days prior to the adoption of the budget. Except for the School's budget, which may only be increased or decreased by major category or as a whole, the Board may insert new items of expenditure or may increase, decrease or remove items of expenditure (other than debt service or other legal requirements). On June 22, 2022, the Board approved the budget for fiscal year 2023. During fiscal year 2023, as is customary, the Board also approved supplemental budget amendments.

Local Economy

The County continues to exhibit a relatively stable economy, seeing growth particularly in single and multi-family housing. The unemployment rate for the County in September 2023 was 2.4, as compared to the State unemployment rate of 2.5.

Major industries with headquarters or divisions located within the County's boundaries include a chemical manufacturer, brewery, printer, foodservice marketer and distributor, retail distributors, four-season resort, and several poultry processors. Higher education also has a major presence within the area with a state university, private university, and a private college with a combined full-time enrollment of over 25,000 students.

According to the 2017 U.S. Census of Agriculture, Rockingham County is ranked 1st in the state and 45th in the U.S. for total value of agricultural products sold ($796 million) with 2,026 farms totaling 228,542 acres. Also from the census, Rockingham County is ranked 1st in the state for the following three commodity group sales: Milk and other dairy products from cows, cattle and calves, and poultry & eggs. Rockingham County further ranked 1st in the state and 21st in the U.S. for all eight livestock categories.

The economy of the region remains relatively strong, influenced by the steady growth of three local universities and colleges (James Madison University, Eastern Mennonite University and Bridgewater College), and a very diverse local economy. Despite the economic challenges in other areas of Virginia and the United States which impact the funding received from other governments, the County is meeting critical service demands for its citizens. As a result of the Commonwealth's budget difficulties and continued uncertainty of federal funding, management continues a restrained, targeted strategy for local operations with close coordination with the School Board and the Constitutional Officers.

The health of existing businesses in the county has remained strong over the past two years. Molson-Coors, Sysco, Danone, Shenandoah Growers, Virginia Poultry Growers Cooperative, Dynamic Aviation and Interchange have all remained strong and steady. In the past year, Merck completed a one-billion-dollar expansion for the Gardasil vaccine that was started in 2019. Veronessi, an Italian charcuterie company, has completed phase 1 of its planned $100 million-dollar further processing facility. Leiber LLC announced in 2023 it would construct a $25 million dollar yeast extraction facility and the nationally renowned travel center Buc-ee's announced its first Virginia location would be constructed in Rockingham County. The combination of the projects has resulted in more than 450 new positions being hired and substantial machinery and tools growth.

The tourism sector remains strong with Great Eastern Resorts exploring future growth opportunities in the hotel and time share market. 2023 saw the first expansion of ski trails at Massanutten Resort in more than a decade, aided by local and State tourism grants. Additionally, the company recently undertook a comprehensive master planning effort focused on its undeveloped lands to better position themselves for long-term viability.

Significant events and actions during this past year include:

- American Rescue Plan Act provided $15,917,438 in funds to provide up to $10,000,000 in revenue loss the County experienced as a result of the Coronavirus pandemic and the remaining $5,917,438 to be used for bringing broadband to all County citizens.

- Started construction of the Elkton Emergency Response Station.

- Initiated acquisition of the Massanutten water and sewer system

- Began land acquisition for Emergency Response Stations in Fulks Run and Dayton.

- Awarded design-build contract to Lantz Construction of Broadway, Virginia to construct an indoor track, recreation, and community center as proposed in the 2014 master plan at Rockingham Park at the Crossroads.

- Substantially completed development of a third well at the 3-Springs water treatment facility.

- Initiated steps to purchase the former Harrisonburg Motors property in downtown Harrisonburg to provide space to meet District Courts and Juvenile & Domestic Courts space needs.

Looking to the future, there are several projects and financial issues which need to be part of the County's short- and long-term financial planning.

These items include:

- Continue to work toward a long-term plan to address space needs in the District Courts and Circuit Courts buildings.

- Assess space needs for the Department of Social Services.

- Evaluate partnerships with the City and the seven towns in the County to develop water supply resources and related delivery infrastructure and look to acquire additional wastewater treatment capacity to meet long-term County needs.

- The demand for County-funded fire and rescue services continues to grow as volunteer participation wanes.

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The Board of Supervisors and School Board are to be commended for collaborating to maintain a high-quality education system, which is critical for the development of an educated workforce. An educated workforce stimulates economic activity by encouraging private sector business investment in our community.

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Rockingham County holds a "AAA" credit rating from one of the United States' largest credit rating agencies - Standard & Poor's. In 2015, the County was notified by Standard & Poor's that after a review of the County's financial position the firm was upgrading Rockingham County from a "AA+" to "AAA" indicating that the agency found the County's economy strong and that the actions taken by the Board to sustain the County's financial strength were significant. Also, Fitch Ratings recognizes the County with an AA+ credit rating. These strong ratings reflect recognition by the credit ratings agency of the strong leadership of the Board and the County's economic viability.

The policies and actions by the Board of Supervisors encourage steady, sustainable growth, fostering a strong local economy. For more information on the services provided by the County, please refer to the County's website at www.rockinghamcountyva.gov.

The Government Finance Officers Association of the United States and Canada has awarded the County a Certificate of Achievement for Excellence in Financial Reporting for thirty-eight consecutive years. This award certifies the County's continuing efforts to achieve the highest standards in government accounting and financial reporting.

On behalf of the County's management team, we extend our sincerest appreciation to the members of County staff that assisted and contributed in the preparation of this report and to the Board of Supervisors for the confidence expressed and resources entrusted to us throughout the year, which allow for the implementation of the Board's policies. We look forward to continuing to work with you to provide high quality, efficient and effective services for our community.

Respectfully submitted,

Stephen G. King
County Administrator

Patricia D. Davidson
Director of Finance

COUNTY OF ROCKINGHAM, VIRGINIA

Directory of Principal Officials
June 30, 2023

Board of Supervisors

Dewey L. Ritchie, Chair
District 1
William B. Kyger, Jr., Vice-Chair
District 4

Sallie Wolfe-Garrison
District 2

Rick Chandler
District 3

Michael A. Breeden
District 5

County Administrator

Stephen G. King

School Board

Jackie Lohr, Chair
District 1
Dr. Charlette E. McQuilkin, Vice-Chair
District 4

Lowell Fulk
District 2

Matthew Cross
District 3

Dan R. Breeden
District 5

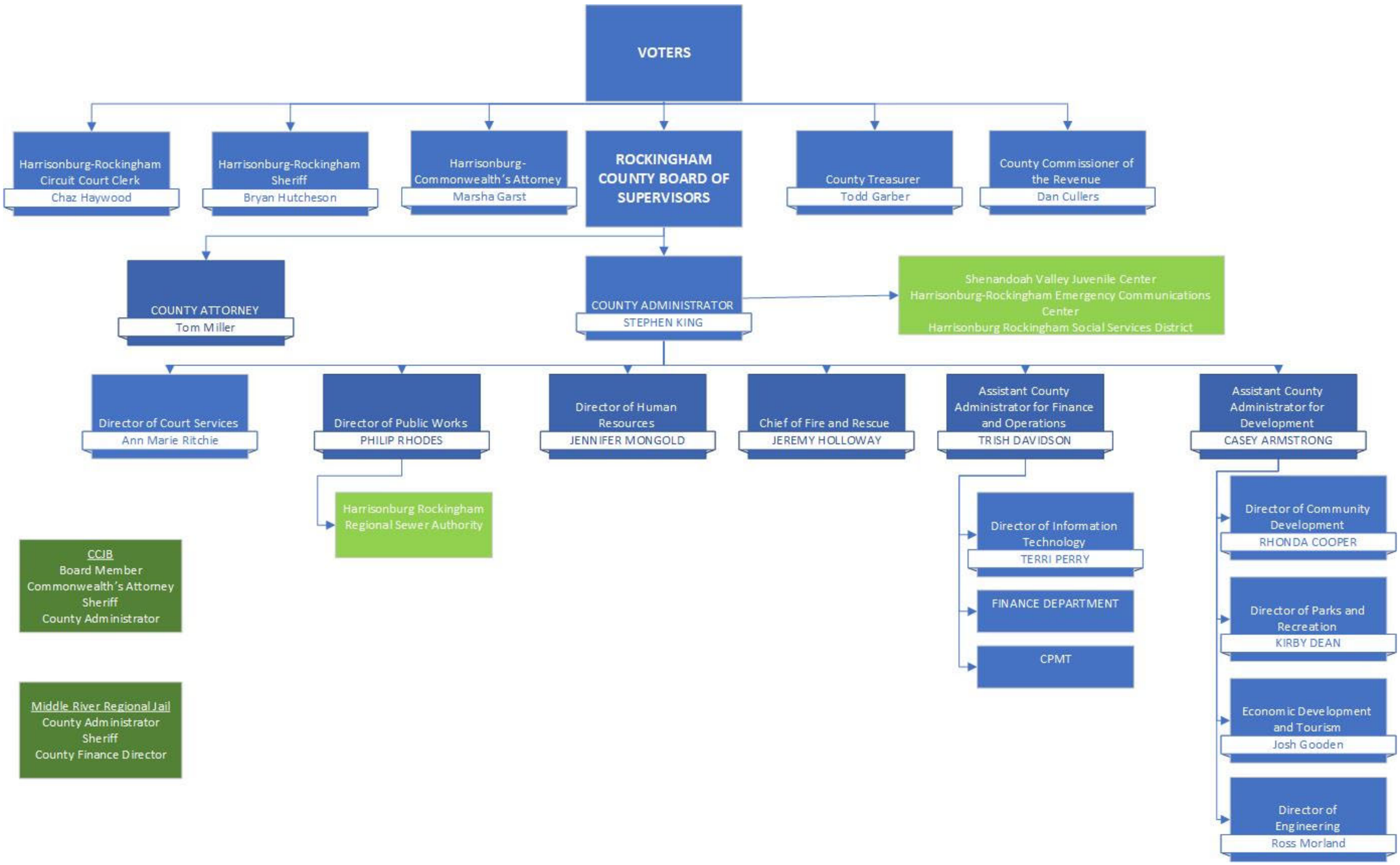
Superintendent of Schools

Larry Shifflett

Other Officials

Casey Armstrong	Assistant County Administrator
Patricia D. Davidson	Assistant County Administrator for Finance and Operations
Thomas H. Miller, Jr.	County Attorney
Dan Cullers	Commissioner of the Revenue
Bryan F. Hutcheson	Sheriff
L. Todd Garber	Treasurer
Marsha L. Garst	Commonwealth Attorney
Chaz W. Haywood	Clerk of the Circuit Court
Celest D. Williams	Director of Social Services
Michael L. Bowen	Director of Technology
Kirby Dean	Director of Parks and Recreation
Phillip Rhodes	Director of Public Works
Ann Marie Ritchie	Director of Court Services
Paula Greenhagen	Director of Human Resources
Lisa B. Gooden	Registrar
Jeremy C. Holloway	Director of Fire and Rescue
Rhonda Cooper	Director of Community Development

Rockingham County, VA
Government Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Rockingham
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

PBMares
CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Supervisors
County of Rockingham, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of the County of Rockingham, Virginia (County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position and the budgetary comparison of the General Fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis and the required supplementary information on pages 12-25 and 141-161, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedules listed in the table of contents as supplementary information, supplemental schedules, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, supplemental schedules, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
December 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Rockingham, Virginia, (County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the letter of transmittal in the Introductory Section of this report and the County's financial statements following this analysis. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

Financial Highlights

- The County's total net position, excluding component units, totaled $134,549 at June 30, 2023. Of this amount, there was $102,053 invested in the County's capital assets, net of related debt, $2,676 in restricted funds assets, and $29,820 in unrestricted funds.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $99,593. Approximately 66 percent of this total amount, $65,697 is available for spending at the government's discretion (unassigned fund balance). There is an additional $6,636 in the General Capital Projects Fund assigned to unspecified future capital outlays that could be returned to the General Fund at the Board of Supervisors' (Board) discretion.
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was $65,697, which represents 41 percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or declining.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of the County include general government administration, judicial administration, public safety, public works, health and social services, education, parks, recreation and cultural, and community development. The business-type activities of the County include water and sewer, solid waste, and other proprietary fund operations.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board, legally separate social services district, legally separate economic development authority, and a legally separate recreation foundation, for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 26-29 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The County maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the General Capital Projects Fund, which are considered to be major funds and the Asset Forfeiture Fund, Tourism Funds, LLC Library Fund and Opioid Settlement Fund, which are considered to be nonmajor funds.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-34 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer activities and for its solid waste operation. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions. The County has one internal service funds, the Self-Insurance Fund. The Self-Insurance Fund accounts for the costs associated with providing health insurance benefits and managing claims for employees of the County and its component units.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer, Smith Creek Water & Waste Authority, and Solid Waste Funds, all of which are considered to be major funds of the County. Conversely, the non-major enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 35-38 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 39-40 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's pension plans and its obligation to provide pension benefits to its employees. Required supplementary information can be found immediately following the notes to the financial statements.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $134,549 at the close of the most recent fiscal year. This is an increase of $43,937 in comparison with the prior year's net position. The explanation for this change is provided below.

By far, the largest portion of the County's net position, $102,053, reflects its investment in capital assets (e.g. land, easements, buildings, improvements, machinery and equipment, software, intangible right-to-use lease assets, intangible right-to-use subscription assets, and construction in progress, net of accumulated depreciation and amortization), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not readily available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves would not likely be used to liquidate these liabilities. The balance increased from the prior year's balance of $99,160 to $102,053.

An additional portion of the County's net position, $2,676, represents resources that are subject to external restrictions on how they may be used. There was an increase of $570 in restricted net assets reported in connection with the County's governmental activities.

The unrestricted portion of the County's net position for the primary government's governmental activities increased from a deficit of $26,470 to an increase of $11,207 due to the realization of unearned revenue, and revenues exceeding expenditures for the year. Business-type activities unrestricted portion of net position increased $2,797, from $15,816 to $18,613.

The unrestricted portion of the County's net position for the primary government is lower than the preferred balance due to the County financing the necessary capital asset projects of the component unit School Board. Since the County is legally obligated for the retirement of the debt, it is required to record the liability for this financing; however, the capital asset which statutorily is owned by the School Board is recorded with the component unit. Please refer to Note 1(E)(10) of the financial statements for further explanation.

The largest portion of the component unit School Board's net position reflects its investment in capital assets (e.g. land, easements, buildings, improvements, equipment, right-to-use leased assets, and construction in progress, net of accumulated depreciation and amortization). As explained above and in Note 1(E)(10) of the financial statements, the School Board does not have taxing authority by law and, therefore, cannot incur debt through general obligation bonds for its capital assets.

County of Rockingham, Virginia
Summary Statement of Net Position
June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 124,312	$ 104,325	$ 38,929	$ 34,482	$ 163,241	$ 138,807
Capital assets, net	64,050	64,831	62,403	62,899	126,453	127,730
Total assets	188,362	169,156	101,332	97,381	289,694	266,537
Deferred outflows of resources	6,949	8,625	804	1,005	7,753	9,630
Other liabilities	8,398	20,064	1,052	910	9,450	20,974
Noncurrent liabilities	102,409	105,974	40,047	40,585	142,456	146,559
Total liabilities	110,807	126,038	41,099	41,495	151,906	167,533
Deferred inflows of resources	10,627	16,918	365	1,104	10,992	18,022
Net position:						
Net investment in capital assets	59,994	59,189	42,059	39,971	102,053	99,160
Restricted	2,676	2,106	-	-	2,676	2,106
Unrestricted (deficit)	11,207	(26,470)	18,613	15,816	29,820	(10,654)
Total net position	$ 73,877	$ 34,825	$ 60,672	$ 55,787	$ 134,549	$ 90,612

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2023	2022	2023	2022
Current and other assets	$ 51,963	$ 50,232	$ 13,891	$ 13,276
Capital assets, net	127,071	131,643	1,726	2,135
Total assets	179,034	181,875	15,617	15,411
Deferred outflows of resources	29,382	31,919	1,914	2,280
Other liabilities	26,756	24,045	3,190	3,266
Noncurrent liabilities	128,465	110,243	5,134	3,475
Total liabilities	155,221	134,288	8,324	6,741
Deferred inflows of resources	22,186	57,232	1,162	3,377
Net position:				
Net investment in capital assets	124,874	129,725	1,726	1,863
Restricted	2,530	-	-	-
Unrestricted (deficit)	(96,395)	(107,451)	6,319	5,710
Total net position	$ 31,009	$ 22,274	$ 8,045	$ 7,573

County of Rockingham, Virginia
Summary Statement of Changes in Net Position
Years Ended June 30, 2023 and 2022

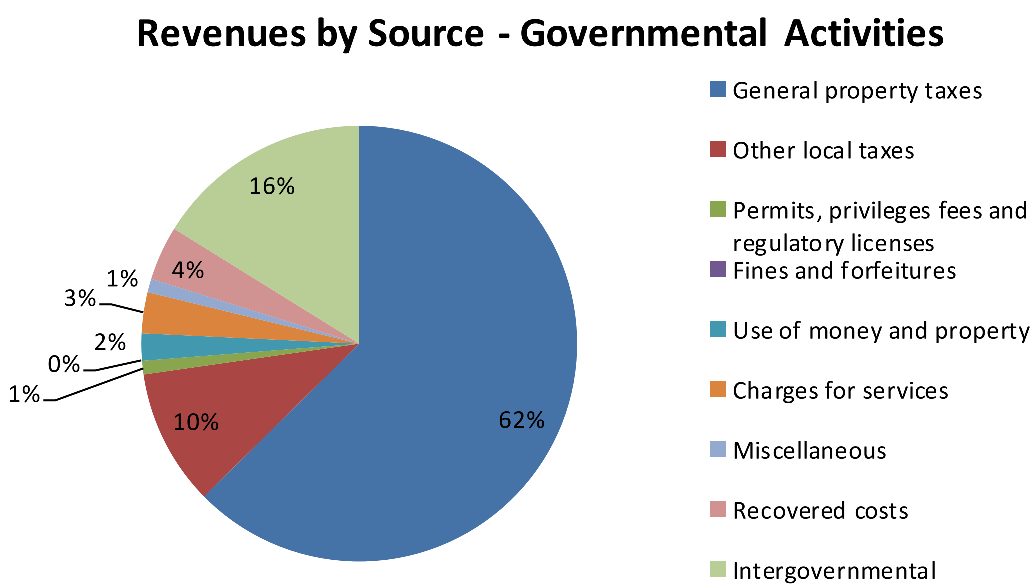
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 15,957	$ 15,223	$ 16,842	$ 16,634	$ 32,799	$ 31,857
Operating grants and	23,449	15,890	4,458	3,191	27,907	19,081
Capital grants and	-	1,150	-	-	-	1,150
General revenues:						
General property taxes	123,473	107,725	-	-	123,473	107,725
Other local taxes	19,616	19,107	-	-	19,616	19,107
Intergovernmental	7,669	7,684	-	-	7,669	7,684
Use of money and property	3,876	(406)	1,160	144	5,036	(262)
Miscellaneous	2,159	2,734	337	338	2,496	3,072
Total revenues	196,199	169,107	22,797	20,307	218,996	189,414
Expenses:						
General government	7,402	7,179	-	-	7,402	7,179
Judicial administration	6,519	6,148	-	-	6,519	6,148
Public safety	45,362	45,064	-	-	45,362	45,064
Public works	5,369	4,296	17,912	15,628	23,281	19,924
Health and social services	10,129	8,404	-	-	10,129	8,404
Education	66,568	60,606	-	-	66,568	60,606
Parks, recreation and cultural	3,235	3,284	-	-	3,235	3,284
Community development	9,912	8,174	-	-	9,912	8,174
Interest	2,651	3,068	-	-	2,651	3,068
Total expenses	157,147	146,223	17,912	15,628	175,059	161,851
Change in net position	39,052	22,884	4,885	4,679	43,937	27,563
Net position, beginning	34,825	11,941	55,787	51,108	90,612	63,049
Net position, ending	$ 73,877	$ 34,825	$ 60,672	$ 55,787	$ 134,549	$ 90,612

County of Rockingham, Virginia
Summary Statement of Changes in Net Position (Continued)
Years Ended June 30, 2023 and 2022

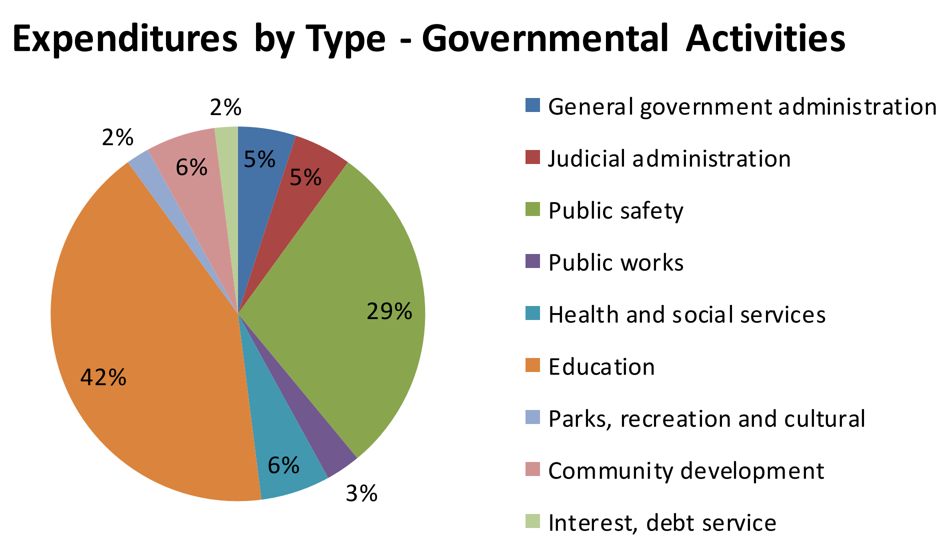
	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2023	2022	2023	2022
Revenues:				
Program revenues:				
Charges for services	$ 2,299	$ 1,002	$ -	$ -
Operating grants and contributions	114,648	105,446	25,275	22,335
Capital grants and contributions	3,691	1,109	-	-
General revenues:				
Grants and contributions not restricted to specific programs	66,568	60,606	11,449	9,475
Intergovernmental non-categorical aid	66	65	-	-
Use of money and property	390	25	242	13
Miscellaneous	247	420	43	50
Total revenues	187,909	168,673	37,009	31,873
Expenses:				
Health and social services	-	-	36,525	33,125
Education	179,015	164,507	-	-
Interest	159	143	12	14
Total expenses	179,174	164,650	36,537	33,139
Change in net position	8,735	4,023	472	(1,266)
Net position, beginning	22,274	18,251	7,573	8,839
Net position, ending	$ 31,009	$ 22,274	$ 8,045	$ 7,573

Governmental activities. Governmental activities increased the County's net position by $39,051 compared to an increase in the County's net position by $22,884 in fiscal year 2022. Key factors for this change are as follows:

Total revenues increased $27,092 (from $169,107 to $196,199) compared to last year. Tax revenues increased primarily due to an increase in general property taxes of $15,748, primarily as a result of an increase in personal property assessed values and an increase in real property tax values due to the calendar year 2022 reassessment. Local sales and use tax also increased by $1,358. Revenues by source are shown in the chart below. Revenues from general property taxes make up 62 percent of total revenues.

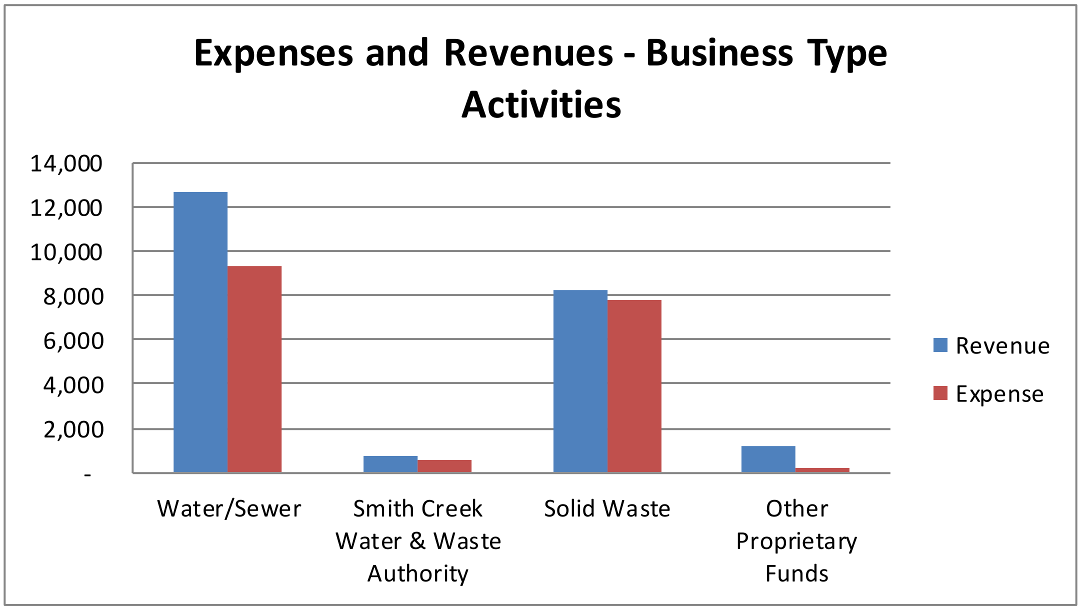


Total expenses increased by $10,924 (from $146,223 to $157,147) compared to last year. The local transfer to Education in the amount of $66,568 makes up 42 percent of total Governmental activities with Public Safety coming in second at 29 percent of the total.



A detailed explanation of the key components for the revenue and expense changes is outlined on pages 19-20 under the Financial Analysis of the Government's Funds.

Business-type activities. Business-type activities increased the County's net position by $4,885 compared to an increase of $4,679 last fiscal year. The increase to the net position is a result of the amount of connection fees collected during the fiscal year. Each of these businesses are monitored on a regular basis to assure that they are operating as a self-sustaining enterprise.



Component Unit – School Board. The School Board's net position increased by $8,735 this fiscal year compared to an increase of $4,023 in fiscal year 2022. Key elements of this increase are as follows:

1. Revenues increased by $19,236 (from $168,673 to $187,909) primarily due to increase in the school food program funds received from the Commonwealth.

2. Expenses also increased by a total of $14,524 (from $164,650 to $179,174) due to increased expenses related to instruction.

3. Included in 2023 expenses are depreciation and amortization totaling $11,119, which are a non-cash reduction in net position.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $99,593, an increase of $29,204 in comparison with the prior year.

Approximately 66 percent of this total amount $65,697 constitutes unassigned general fund balance, which is available for spending at the government's discretion. In addition, another 7% percent of this total amount $6,636 constitutes fund balance assigned to future unspecified capital outlays in the General Capital Projects Fund. However, these funds may be returned to the General Fund at the Board's discretion.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $65,697 while total fund balance reached $83,788. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41 percent of total General Fund expenditures, while total fund balance represents 52 percent of that same amount.

The fund balance of the County's General Fund increased $25,074 during the current fiscal year compared to an increase of $16,575 for fiscal year 2022. This $25,074 increase is better than the original budget, which projected a $1,390 decrease, and the final budget projecting a $6,271 decrease. The key factors influencing these results are as follows:

- Total revenue was $26,711 higher than last year. The key components with changes were:
  - General property tax revenue was $15,562 over last year primarily as a result of an increase in personal property tax values due to the fluctuations in the values of used cars and an increase in the assessed value of real estate in calendar year 2022.
  - Other local taxes were $202 higher than last year primarily due to an increase in local sales and use tax and food and beverage tax collections.
  - Use of money and property were $3,677 higher than last fiscal year due to the increase in interest rates as seen in the county investments.
  - Intergovernmental revenue was higher than last fiscal year by $7,649 due to the funding received from the American Rescue Plan.
- Total expenditures increased by $16,802 compared to last year. The key components with changes were:
  - Public safety increased $2,573 compared to the prior fiscal year total of $40,781 due to the increase in fire and rescue and sheriff personnel expenses.
  - Health and social services increased $1,677 compared to the prior fiscal year total of $8,448 primarily due to the county's contribution to the children's services act and social services programs.
  - Education increased $5,963 compared to the prior fiscal year total of $60,606 due to an increase in state and federal funding provided for education expenses.
  - Community development increased $4,627 compared to the prior fiscal year total of $3,850 due to contributions and grants paid during fiscal year 2022.

The General Capital Projects Fund has a total fund balance of $13,127, of which the majority is committed to specified future capital outlays or assigned to unspecified future capital outlays. The County had capital outlays of $5,071 during the current fiscal year, which were funded by revenues and the fund balance.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of these funds increased $4,885 this fiscal year to $60,672. The largest portion of the net position, $42,059, continues to reflect the County's net investment in capital assets.

Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The General Fund's original budgeted appropriations amounted to $167,849; the final amended General Fund budget was $180,134 representing an increase of $12,285. The most notable amendment to the budget is an increase of $11,917 of American Rescue Plan Act funding.

- Total revenue was $12,822 higher than budgeted. The key components with changes were:
  - General property tax revenue was $6,243 higher than the final budget primarily as a result of an increase in personal property tax values due to the fluctuations in the values of used cars and an increase in the assessed value of real estate in calendar year 2022.
  - Other local taxes were $3,451 higher than the final budget primarily due to an increase in local sales and use tax and food and beverage tax collections.
  - Use of money and property were $2,293 higher than the final budget due to the increase in interest rates as seen in the county investments.
  - Intergovernmental revenue was lower than the final budget by $1,698 due to the funding received from the American Rescue Plan and the realization of unearned revenue.
- Total expenditures were $18,523 lower than the final budget. The key components with changes were:
  - Public safety was $5,556 lower than the final budget due to the use of American Rescue Plan funding for public safety salaries.
  - Community Development was $5,152 lower than the final budget due to the timing of the payments for the Broadband project.
  - Education was $5,557 lower than the final budget due to an increase in state and federal funding provided for education expenses.

- Most of the other expenditure categories were less than the final budget amounts to varying degrees, but primarily due to containment of costs.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounted to $126,453 (net of accumulated depreciation and amortization). This investment in capital assets includes land, easements, construction in progress, buildings, improvements, machinery and equipment, intangible right-to-use leased buildings and improvements, intangible right-to-use subscriptions, and software. The County's investment in capital assets for the current fiscal year decreased to $126,453 compared to $127,730 last year.

County of Rockingham, Virginia
Summary Statement of Capital Assets
June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Non-depreciable assets:						
Land	$ 4,331	$ 4,331	$ 3,520	$ 3,520	$ 7,851	$ 7,851
Easements	-	-	227	227	227	227
Construction in progress	1,587	1,816	58	207	1,645	2,023
Depreciable capital assets:						
Buildings	60,431	56,586	1,661	1,661	62,092	58,247
Intangible right-to-use lease buildings and improvements	662	662	-	-	662	662
Improvements	31,618	31,483	98,949	96,813	130,567	128,296
Machinery and equipment	26,302	25,762	7,308	6,953	33,610	32,715
Intangible right-to-use subscriptions	367	-	-	-	367	-
Software	794	1,117	-	-	794	1,117
Accumulated depreciation and amortization	(62,042)	(56,926)	(49,320)	(46,482)	(111,362)	(103,408)
Capital assets, net	$ 64,050	$ 64,831	$ 62,403	$ 62,899	$ 126,453	$ 127,730

The key changes in capital assets were:

A net decrease to construction in progress under Governmental Activities of $229 was comprised of a decrease of $1,150 due to the reclassification to buildings for the construction of the Route 11 North Emergency Response Taton, $536 for the construction of the Rockingham Park Maintenance Building, and the reclassification to improvements of $130 for the HVAC controls at the Human Services Building. Additions to construction in progress include $525 for Jail Camera upgrades, $450 for a Pierce Enforcer Pumper, $287 for the Computer Assisted Mass Appraisal system and other smaller projects.

An increase to buildings under Governmental Activities of $3,043 for the Route 11 North Emergency Response Station, $591 for the Rockingham Park Maintenance Building and $211 for the Central Garage Building Addition

An increase to intangible right-to-use subscriptions under Governmental Activities of $367 for the subscriptions of internet services and technology.

An increase to improvements under Governmental Activities of $135 for the HVAC controls at the Human Services Building.

A net increase to machinery and equipment under Governmental Activities of $540 was comprised of a decrease of $659 due to the disposal of outdated equipment and vehicles and the following increases: $929 for the purchase of vehicles; $40 for the purchase of a CIT simulator; $165 for the purchase of a brush truck; and $65 for the purchase of an alerting system at the Route 11 North Emergency Response Station.

A net decrease to software in the amount of $323 due to the disposal of the City View software of $368 and the addition of Evolve software of $45.

A decrease to construction in progress under Business-type Activities of $149 due to the reclassification to improvements for the Lake Shenandoah Stormwater detention basin.

A total increase to improvements under Business-type Activities of $2,136 for the following: $1,085 for the construction of the Lake Shenandoah Stormwater detention basin and $1,051 for the Fieldale sewer line replacement.

A net increase to machinery and equipment under Business-type Activities of $355 was comprised of a decrease of $349 for the disposal of vehicles and the following increases: $704 for the purchases of a roll-off truck, vehicles and sewage pumps.

County of Rockingham, Virginia
Summary Statement of Capital Assets (Continued)
June 30, 2023 and 2022

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2023	2022	2023	2022
Non-depreciable assets:				
Land	$ 5,470	$ 5,470	$ 202	$ 202
Easements	37	37	-	-
Construction in progress	2,580	805	-	-
Depreciable capital assets:				
Buildings	181,748	181,593	501	501
Intangible right-to-use lease buildings and improvements	-	-	-	317
Improvements	93,504	92,821	2,119	2,119
Machinery and equipment	42,360	41,006	69	69
Intangible right-to-use lease machinery & equipment	4,062	3,109	-	-
Intangible right-to-use subscriptions	246	-	-	-
Accumulated depreciation and amortization	(202,936)	(193,198)	(1,165)	(1,073)
Capital assets, net	$ 127,071	$ 131,643	$ 1,726	$ 2,135

The key changes in capital assets were:

A net increase to construction in progress for the component unit School Board of $1,775 was comprised of $2,113 for renovations at Broadway High School; $314 for renovations at Elkton Elementary School; $10 for Linville Edom Septic Upgrades. Reductions to construction in progress totaled $662 due to transfers to machinery and equipment, buildings and improvements.

An increase to buildings for the component unit School Board of $155 due to the construction of a new maintenance building.

An increase to improvements for the component unit School Board of $683 was comprised of $139 for HVAC upgrades at Lacey Spring Elementary School; $198 for upgrades at Massanutten Technical Center; $174 for an ADA accessible ramp at J Frank Hillyard Middle School; $116 for a irrigations system at Spotswood High School; and $56 for water line upgrades at Elkton Middle School.

A net increase in machinery and equipment for the component unit School Board of $1,354 was comprised of $1,318 for various HVAC equipment upgrades; $237 for the purchase of school buses; $578 for the replacement of bleachers on various sports fields; and $275 for a hot water pump at Turner Ashby High School. A decrease of $1,054 for the disposal of various school buses.

An increase to right-to-use lease machinery and equipment for the component unit School Board of $953 was for the lease of 2,700 Chromebooks to be used for middle and high school students.

An increase to right-to-use lease subscriptions for the component unit School Board of $246 is for multi-year contracts for instructional and professional software. These software are now being recognized as capital assets in FY23 as we have adopted GASB 96.

A decrease to right-to-use lease buildings and improvements for the component unit Harrisonburg-Rockingham Social Services District of $317 was for the lease of the Bridgeport Building basement.

More detailed information about the County's capital assets is presented in Note 5 of the financial statements.

Long-term obligations. At the end of the current fiscal year, the County had total net bonded debt outstanding of $79,664. General obligation bonds issued by the County are for educational purposes to construct and renovate school facilities, the construction of the Community Services Board and the Port Road Emergency Response Station.

County of Rockingham, Virginia
Summary Statement of Long-Term Obligations
June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General obligation bonds	$ 73,905	$ 81,015	$ -	$ -	$ 73,905	$ 81,015
Unamortized premiums	5,759	6,346	2,275	2,479	8,034	8,825
Lease revenue refunding bonds	-	1,590	-	-	-	1,590
Lease liabilities	591	627	-	-	591	627
Subscription liabilities	230	-	-	-	230	-
Notes from direct borrowings and direct placements	2,085	3,434	-	-	2,085	3,434
Revenue bonds	-	-	18,265	20,701	18,265	20,701
Landfill obligation	-	-	17,674	16,116	17,674	16,116
Compensated absences	1,493	1,318	166	186	1,659	1,504
Net pension liability	10,826	4,639	912	394	11,738	5,033
Other postemployment benefits	7,520	7,005	755	709	8,275	7,714
	$ 102,409	$ 105,974	$ 40,047	$ 40,585	$ 142,456	$ 146,559

Article VII, Section 10(b), *Constitution of Virginia*, stipulates that no debt shall be contracted by or on behalf of any county or district thereof unless approved by an affirmative vote of a majority of the qualified voters of the County. No referendum was called to issue general obligation debt in the fiscal year.

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the County's debt position to management, citizens, and investors. Data for the County at the end of the 2023 fiscal year is presented as actual amounts as follows:

Estimated Population	Assessed Valuation of All Taxable Property	Net Bonded Debt	Ratio of Debt to Assessed Valuation	Net Bonded Debt per Capita
85,397	$13,851,326,400	$ 79,663,628	0.58%	$ 933

More detailed information about the County's long-term obligations is presented in Note 7 of the financial statements.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for September 2023 in Rockingham County was 2.4 percent, which is higher than the 2.2 percent rate a year ago. This is lower than the Virginia statewide unemployment rate of 2.5 percent and the United States national average of 3.9 percent.

- Fiscal year 2024 General Fund revenue is budgeted to increase by $19,511 to $187,289 in comparison to the fiscal year 2023 Adopted Budget of $167,778.

- Federal revenues are primarily from grant sources, and with the federal fiscal year not beginning until October 1, it is difficult to project which grants will be approved. However, it is important to mention that those expenditures dependent upon federal grants will not be incurred until the grant is approved and the County has assurances that it will receive those funds.

- Revenue estimates continue to be projected conservatively by staff to be responsible to the County's citizens in funding planned levels of service for next year.

- Fiscal year 2024 General Fund expenditures are budgeted to increase $19,511 to $187,289 in comparison to the fiscal year 2023 Adopted Budget of $167,778.

- The unassigned fund balance in the General Fund at fiscal year-end was $83,788. The County has appropriated $13,628 of this amount for spending in the fiscal year 2024 budget. The drawdown in the fund balance is used for one-time capital and maintenance expenditures and, therefore, lessens the need to raise taxes.

All of these factors were considered in preparing the County's budget for fiscal year 2024.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, County of Rockingham, P.O. Box 1252, Harrisonburg, Virginia 22803, telephone (540) 564-3010. The County's website address is www.rockinghamcountyva.gov.

BASIC FINANCIAL STATEMENTS

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Totals	School Board	Harrisonburg-Rockingham Social Services District	Nonmajor
ASSETS						
Cash and cash equivalents	$ 70,641,624	$ 25,194,384	$ 95,836,008	$ 25,265,252	$ 5,372,485	$ 64,515
Investments	31,493,108	11,530,933	43,024,041	11,351,375	2,458,920	16,669
Receivables, net:						
Property taxes	5,041,223	-	5,041,223	-	-	-
Utility taxes	283,533	-	283,533	-	-	-
Trade and other accounts	2,285,342	1,883,906	4,169,248	351,038	57,935	14,352
Leases	3,002,745	-	3,002,745	-	-	-
Accrued interest	174,293	104,463	278,756	43,325	13,177	87
Due from other governments	9,144,676	-	9,144,676	8,873,263	5,808,429	-
Prepaid items	721,679	69,773	791,452	4,133,196	180,536	-
Inventory	55,755	145,173	200,928	355,158	-	-
Restricted cash	1,467,438	-	1,467,438	-	-	-
Net pension asset	-	-	-	1,590,638	-	-
Capital assets, net of accumulated depreciation and amortization:						
Land	4,331,159	3,519,940	7,851,099	5,469,535	202,036	-
Easements	-	227,156	227,156	36,654	-	-
Buildings and improvements	60,431,278	1,661,099	62,092,377	181,749,425	500,979	-
Intangible right-to-use lease buildings and improvements	661,710	-	661,710	-	-	-
Improvements other than buildings	31,617,771	98,949,421	130,567,192	93,503,829	2,119,334	-
Machinery and equipment	26,301,513	7,307,955	33,609,468	42,360,407	69,484	-
Intangible right-to-use lease machinery & equipment	-	-	-	4,062,105	-	-
Intangible right-to-use subscription assets	367,480	-	367,480	245,862	-	-
Software	794,233	-	794,233	-	-	-
Construction in progress	1,587,373	57,728	1,645,101	2,579,523	-	-
Less accumulated depreciation and amortization	(62,042,215)	(49,319,965)	(111,362,180)	(202,936,189)	(1,166,239)	-
Total assets	188,361,718	101,331,966	289,693,684	179,034,396	15,617,076	95,623
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	202,368	202,368	-	-	-
Pension plan	5,709,552	481,203	6,190,755	23,774,779	1,568,470	-
Other postemployment benefits	1,239,261	120,572	1,359,833	5,607,212	345,895	-
Total deferred outflows of resources	6,948,813	804,143	7,752,956	29,381,991	1,914,365	-

LIABILITIES						
Accounts payable	$ 1,822,373	$ 526,786	$ 2,349,159	$ 3,044,244	$ 2,536,183	$ -
Accrued payroll	2,323,517	238,765	2,562,282	19,996,175	603,228	-
Accrued interest	1,359,814	244,196	1,604,010	-	-	-
Unearned revenue	2,281,242	19,287	2,300,529	2,135,746	8,775	6,000
Insurance and benefit claims	507,850	-	507,850	1,523,552	-	-
Due to other governments	102,710	22,969	125,679	55,792	42,562	-
Noncurrent liabilities:						
Due within one year:						
Bonds payable	7,391,686	1,755,000	9,146,686	-	-	-
Lease liabilities	40,740	-	40,740	830,052	-	-
Subscription liabilities	18,200	-	18,200	102,407	-	-
Private placement notes	1,031,065	-	1,031,065	-	-	-
Compensated absences	1,020,599	92,847	1,113,446	2,775,889	28,969	-
Due in more than one year:						
Bonds payable, net	72,271,942	18,784,621	91,056,563	-	-	-
Lease liabilities	550,428	-	550,428	1,217,659	-	-
Subscription liabilities	212,116	-	212,116	46,729	-	-
Private placement notes	1,053,438	-	1,053,438	-	-	-
Landfill obligation	-	17,674,289	17,674,289	-	-	-
Compensated absences	473,835	72,988	546,823	1,514,465	14,116	-
Net pension liability	10,825,746	912,399	11,738,145	78,476,391	2,973,939	-
Other postemployment benefits	7,519,827	754,668	8,274,495	43,502,069	2,117,224	-
Total liabilities	110,807,128	41,098,815	151,905,943	155,221,170	8,324,996	6,000
DEFERRED INFLOWS OF RESOURCES						
Property taxes collected in advance	3,506,824	-	3,506,824	-	-	-
Pension plan	3,430,345	289,111	3,719,456	18,330,456	942,349	-
Other postemployment benefits	787,301	76,202	863,503	3,855,982	219,431	-
Leases related	2,902,311	-	2,902,311	-	-	-
Total deferred inflows of resources	10,626,781	365,313	10,992,094	22,186,438	1,161,780	-
NET POSITION						
Net investment in capital assets	59,993,818	42,059,280	102,053,098	124,874,304	1,725,594	-
Restricted:						
Education	-	-	-	1,590,638	-	-
Judicial administration	106,443	-	106,443	-	-	-
Public safety	177,925	-	177,925	-	-	-
Health and social services	781	-	781	-	-	-
Parks, recreation and cultural	2,390,738	-	2,390,738	-	-	-
Pension plan	-	-	-	939,664	-	-
Unrestricted (deficit)	11,206,917	18,612,701	29,819,618	(96,395,827)	6,319,071	89,623
Total net position	$ 73,876,622	$ 60,671,981	$ 134,548,603	$ 31,008,779	$ 8,044,665	$ 89,623

See Notes to Financial Statements.

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
					Primary Government			Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	School Board	Harrisonburg-Rockingham Social Services District	Nonmajor Discretely Presented
Primary Government:										
Governmental activities:										
General government administration	$ 7,401,287	$ 1,447	$ 735,460	$ -	$ (6,664,380)	$ -	$ (6,664,380)	$ -	$ -	$ -
Judicial administration	6,519,181	1,865,995	3,183,466	-	(1,469,720)	-	(1,469,720)	-	-	-
Public safety	45,362,251	12,093,262	14,559,009	-	(18,709,980)	-	(18,709,980)	-	-	-
Public works	5,368,879	1,585,634	4,450,941	-	667,696	-	667,696	-	-	-
Health and social services	10,128,557	174,295	356,667	-	(9,597,595)	-	(9,597,595)	-	-	-
Education	66,568,478	-	150,690	-	(66,417,788)	-	(66,417,788)	-	-	-
Parks, recreation and cultural	3,235,435	235,947	10,592	-	(2,988,896)	-	(2,988,896)	-	-	-
Community development	9,912,074	-	1,763	-	(9,910,311)	-	(9,910,311)	-	-	-
Interest	2,651,395	-	-	-	(2,651,395)	-	(2,651,395)	-	-	-
Total governmental activities	157,147,537	15,956,580	23,448,588	-	(117,742,369)	-	(117,742,369)	-	-	-
Business-type activities:										
Water and sewer	10,120,414	9,282,045	4,405,623	-	-	3,567,254	3,567,254	-	-	-
Solid waste	7,792,098	7,559,869	51,951	-	-	(180,278)	(180,278)	-	-	-
Total business-type activities	17,912,512	16,841,914	4,457,574	-	-	3,386,976	3,386,976	-	-	-
Total primary government	$ 175,060,049	$ 32,798,494	$ 27,906,162	$ -	(117,742,369)	3,386,976	(114,355,393)	-	-	-
Component Units:										
Rockingham County School Board:										
Education:										
Instruction	$ 138,234,710	$ 865,391	$ 109,483,901	$ 3,691,304	-	-	-	(24,194,114)	-	-
Administration, attendance and health	7,851,122	-	127,236	-	-	-	-	(7,723,886)	-	-
Pupil transportation services	10,485,942	-	23,775	-	-	-	-	(10,462,167)	-	-
Operation and maintenance services	16,146,724	-	19,387	-	-	-	-	(16,127,337)	-	-
School food services	6,295,817	1,433,320	4,993,353	-	-	-	-	130,856	-	-
Interest	159,396	-	-	-	-	-	-	(159,396)	-	-
Total school board	179,173,711	2,298,711	114,647,652	3,691,304	-	-	-	(58,536,044)	-	-

Harrisonburg-Rockingham Social Services District:										
Social Services:										
Public assistance	$ 8,276,623	$ -	$ 5,501,856	$ -	$ -	$ -	$ -	$ -	$ (2,774,767)	$ -
Children's services	16,189,731	-	10,272,712	-	-	-	-	-	(5,917,019)	-
Administration:										
Health and human services	12,014,500	-	9,455,538	-	-	-	-	-	(2,558,962)	-
VJCCA	44,661	-	44,661	-	-	-	-	-	-	-
Interest	11,510	-	-	-	-	-	-	-	(11,510)	-
Total social services district	36,537,025	-	25,274,767	-	-	-	-	-	(11,262,258)	-
Economic Development Authority:										
Economic development	548,857	8,352	-	546,056	-	-	-	-	-	5,551
Rockingham County Recreation Foundation:										
Parks and recreation	295	-	9,364	-	-	-	-	-	-	9,069
Total component units	$ 216,259,888	$ 2,307,063	$ 139,931,783	$ 4,237,360	-	-	-	(58,536,044)	(11,262,258)	14,620
General revenues:										
Taxes:										
General property taxes					123,472,718	-	123,472,718	-	-	-
Other local taxes:										
Local sales and use					11,188,328	-	11,188,328	-	-	-
Consumer utility					1,792,441	-	1,792,441	-	-	-
Transient occupancy taxes					2,118,722	-	2,118,722	-	-	-
Food and beverage					2,477,572	-	2,477,572	-	-	-
Recordation & Wills					1,468,083	-	1,468,083	-	-	-
Other					570,870	-	570,870	-	-	-
Grants and contributions not restricted to specific programs					-	-	-	66,568,478	11,448,896	-
Intergovernmental, non-categorical aid					7,669,342	-	7,669,342	65,672	-	-
Use of money and property					3,876,174	1,160,437	5,036,611	389,516	242,135	1,673
Miscellaneous					2,159,369	337,354	2,496,723	246,910	42,778	-
Total general revenues					156,793,619	1,497,791	158,291,410	67,270,576	11,733,809	1,673
Change in net position					39,051,250	4,884,767	43,936,017	8,734,532	471,551	16,293
Net position, beginning					34,825,372	55,787,214	90,612,586	22,274,247	7,573,114	73,330
Net position, ending					$ 73,876,622	$ 60,671,981	$ 134,548,603	$ 31,008,779	$ 8,044,665	$ 89,623

COUNTY OF ROCKINGHAM, VIRGINIA

BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2023

	General	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 57,117,340	$ 8,799,348	$ 1,769,217	$ 67,685,905
Investments	25,296,524	4,027,354	809,750	30,133,628
Receivables, net:				
Property taxes	5,041,223	-	-	5,041,223
Utility taxes	283,533	-	-	283,533
Trade and other accounts	1,619,282	420,405	243,730	2,283,417
Leases	3,002,745	-	-	3,002,745
Accrued interest	141,550	21,389	4,166	167,105
Due from other governments	4,895,198	270,778	9,963	5,175,939
Prepaid items	705,315	15,047	1,317	721,679
Inventory	55,755	-	-	55,755
Restricted cash	1,467,438	-	-	1,467,438
Total assets	$ 99,625,903	$ 13,554,321	$ 2,838,143	$ 116,018,367
LIABILITIES				
Accounts payable	$ 1,249,049	$ 426,841	$ 10,984	$ 1,686,874
Due to other governments	102,710	-	-	102,710
Accrued payroll	2,317,118	-	6,399	2,323,517
Unearned revenue	1,467,438	-	143,556	1,610,994
Total liabilities	5,136,315	426,841	160,939	5,724,095
DEFERRED INFLOWS OF RESOURCES				
Property taxes collected in advance	3,506,824	-	-	3,506,824
Unavailable revenue - property taxes	4,292,000	-	-	4,292,000
Leases related	2,902,311	-	-	2,902,311
Total deferred inflows of resources	10,701,135	-	-	10,701,135
FUND BALANCES				
Nonspendable:				
Prepaid items	705,315	15,047	1,317	721,679
Inventory	55,755	-	-	55,755
Restricted for:				
Judicial administration	-	-	106,443	106,443
Public safety	-	-	177,925	177,925
Health and social services	-	-	781	781
Parks, recreation and cultural	-	-	2,390,738	2,390,738
Community development	-	-	-	-
Committed to:				
General government administration	-	71,903	-	71,903
Public safety	226,435	6,312,717	-	6,539,152
Public works	302,958	35,250	-	338,208
Education	9,541,250	-	-	9,541,250
Parks, recreation and cultural	-	56,219	-	56,219
Community development	55,770	-	-	55,770
Assigned to:				
General government administration	5,829,238	-	-	5,829,238
Health and social services	1,375,000	-	-	1,375,000
Capital outlay	-	6,636,344	-	6,636,344
Unassigned:				
General fund	65,696,732	-	-	65,696,732
Total fund balances	83,788,453	13,127,480	2,677,204	99,593,137
Total liabilities, deferred inflows of resources and fund balances	$ 99,625,903	$ 13,554,321	$ 2,838,143	$ 116,018,367

COUNTY OF ROCKINGHAM, VIRGINIA

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2023

		Governmental Funds
Total fund balances - total governmental funds		$ 99,593,137
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	$ 126,092,517	
Less accumulated depreciation and amortization	(62,042,215)	
Net capital assets		64,050,302
Unavailable revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.		4,292,000
Deferred outflows of resources represent a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	5,709,552	
Other postemployment benefits	1,239,261	
		6,948,813
Internal Service Funds are used by management to charge the costs of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		3,010,715
Long-term due from other government - pension		2,173,045
Long-term due from other government - other postemployment benefits		1,795,692
Long-term liabilities, including bonds payable, are not due and payable in the funds.		
General obligation bonds, including unamortized premiums	(79,663,628)	
Private placement notes	(2,084,503)	
Lease liabilities	(591,168)	
Subscription liabilities	(230,316)	
Compensated absences	(1,494,434)	
Interest payable	(1,359,814)	
Other postemployment benefits	(7,519,827)	
Net pension liability	(10,825,746)	
		(103,769,436)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(3,430,345)	
Other postemployment benefits	(787,301)	
		(4,217,646)
Net position of governmental activities		$ 73,876,622

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
General property taxes	$ 123,022,445	$ -	$ -	$ 123,022,445
Other local taxes	18,348,562	-	1,267,454	19,616,016
Permits, privilege fees and regulatory licenses	1,799,136	-	-	1,799,136
Fines and forfeitures	202,030	-	31,050	233,080
Use of money and property	3,238,043	428,223	67,502	3,733,768
Charges for services	6,127,245	-	-	6,127,245
Miscellaneous	1,677,620	400,270	81,479	2,159,369
Recovered costs	7,513,967	283,152	-	7,797,119
Intergovernmental	31,027,069	-	57,220	31,084,289
Total revenues	192,956,117	1,111,645	1,504,705	195,572,467
Expenditures:				
Current:				
General government administration	6,753,693	-	-	6,753,693
Judicial administration	6,131,984	-	2,170	6,134,154
Public safety	43,353,400	-	72,393	43,425,793
Public works	4,479,946	-	-	4,479,946
Health and social services	10,125,287	-	51,207	10,176,494
Education	66,568,478	-	-	66,568,478
Parks, recreation and cultural	2,433,033	-	47,926	2,480,959
Community development	8,477,193	-	657,337	9,134,530
Capital outlays	-	5,042,473	-	5,042,473
Debt service:				
Principal	8,752,995	28,565	-	8,781,560
Interest and fiscal charges	3,418,897	-	-	3,418,897
Total expenditures	160,494,906	5,071,038	831,033	166,396,977
Excess (deficiency) of revenues over (under) expenses	32,461,211	(3,959,393)	673,672	29,175,490
Other financing sources (uses):				
Issuance of subscription	-	28,565	-	28,565
Transfers in	-	7,490,750	-	7,490,750
Transfers out	(7,386,750)	-	(104,000)	(7,490,750)
Other financing sources (uses), net	(7,386,750)	7,519,315	(104,000)	28,565
Net change in fund balances	25,074,461	3,559,922	569,672	29,204,055
Fund balance, beginning	58,713,992	9,567,558	2,107,532	70,389,082
Fund balance, ending	$ 83,788,453	$ 13,127,480	$ 2,677,204	$ 99,593,137

COUNTY OF ROCKINGHAM, VIRGINIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

		Governmental Funds
Net change in fund balances - total governmental funds		$ 29,204,055
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
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 and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.		
Expenditures for capital assets	$ 5,023,613	
Less depreciation and amortization expense	(6,122,770)	
Excess of depreciation and amortization over capital outlays		(1,099,157)
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(20,810)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
OPEB non-employer contributions from the Commonwealth	33,641	
Unavailable revenue	450,273	
Long-term due from other government - pension	(197,846)	
Long-term due from other government - other postemployment benefits	89,340	
		375,408
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Issuance of subscription	(28,565)	
Principal repayments:		
General obligation bonds	7,018,323	
General obligation bonds - payments recorded in health and social services	91,667	
Lease revenue refunding bonds	1,590,000	
Lease liabilities	36,073	
Subscription liabilities	137,164	
Private placement notes - payments recorded in public safety	1,349,857	
		10,194,519
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.		
Accrued interest	180,397	
Compensated absences	(176,954)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(373,480)	
Amortization of premium	587,105	
Changes in pension liabilities and related deferred outflows and inflows of resources	581,567	
		798,635
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net loss of the Internal Service Funds are reported with governmental activities.		
Total revenues	8,218,186	
Total expenses	(8,619,586)	
		(401,400)
Change in net position of governmental activities		$ 39,051,250

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2023

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
General property taxes	$ 116,479,000	$ 116,779,000	$ 123,022,445	$ 6,243,445
Other local taxes	14,897,500	14,897,500	18,348,562	3,451,062
Permits, privilege fees and regulatory licenses	1,796,500	1,796,500	1,799,136	2,636
Fines and forfeitures	114,403	114,403	202,030	87,627
Use of money and property	794,672	944,672	3,238,043	2,293,371
Charges for services	5,818,400	5,318,400	6,127,245	808,845
Miscellaneous	280,000	320,000	1,677,620	1,357,620
Recovered costs	7,238,610	7,238,610	7,513,967	275,357
Intergovernmental	20,429,643	32,725,254	31,027,069	(1,698,185)
Total revenues	167,848,728	180,134,339	192,956,117	12,821,778
Expenditures:				
Current:				
General government administration	7,524,120	7,347,368	6,753,693	(593,675)
Judicial administration	6,519,355	6,602,500	6,131,984	(470,516)
Public safety	43,204,855	48,909,618	43,353,400	(5,556,218)
Public works	4,066,988	4,492,177	4,479,946	(12,231)
Health and social services	8,455,667	12,230,667	10,125,287	(2,105,380)
Education	72,106,510	72,125,760	66,568,478	(5,557,282)
Parks, recreation and cultural	3,134,310	2,649,224	2,433,033	(216,191)
Community development	4,716,212	13,628,182	8,477,193	(5,150,989)
Debt service:				
Principal	9,452,636	9,642,636	8,752,995	(889,641)
Interest and fiscal charges	3,490,116	3,490,116	3,418,897	(71,219)
Total expenditures	162,670,769	181,118,248	160,494,906	(20,623,342)
Excess of revenues over expenditures	5,177,959	(983,909)	32,461,211	33,445,120
Other financing uses:				
Transfers out	(6,567,500)	(7,386,750)	(7,386,750)	-
Total other financing uses	(6,567,500)	(7,386,750)	(7,386,750)	-
Net change in fund balance	(1,389,541)	(8,370,659)	25,074,461	33,445,120
Fund balance, beginning	1,389,541	8,370,659	58,713,992	50,343,333
Fund balance, ending	$ -	$ -	$ 83,788,453	$ 83,788,453

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Self Insurance
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
ASSETS						
Current assets:						
Cash and cash equivalents	$ 12,528,520	$ 225,895	$ 11,573,616	$ 866,353	$ 25,194,384	$ 12,319,870
Investments	2,317,735	41,790	2,140,988	160,273	4,660,786	2,198,000
Trade and other accounts receivable, net	1,109,731	73,587	681,018	19,570	1,883,906	7,700
Accrued interest	74,521	517	27,421	2,004	104,463	28,753
Advances to other funds	265,184	-	-	-	265,184	-
Prepaid items	28,198	-	41,085	490	69,773	-
Inventory	145,173	-	-	-	145,173	-
Total current assets	16,469,062	341,789	14,464,128	1,048,690	32,323,669	14,554,323
Noncurrent assets:						
Investments	3,416,416	61,599	3,155,886	236,246	6,870,147	3,239,921
Advances to other funds	1,681,238	-	-	-	1,681,238	-
Capital assets:						
Land	397,328	-	2,166,225	956,387	3,519,940	-
Easements	227,156	-	-	-	227,156	-
Buildings and improvements	821,784	-	839,315	-	1,661,099	-
Improvements other than buildings	50,583,914	6,616,233	39,872,390	1,876,884	98,949,421	-
Machinery and equipment	1,447,751	244,227	5,615,977	-	7,307,955	-
Construction in progress	21,770	-	35,958	-	57,728	-
Less accumulated depreciation and amortization	(21,142,704)	(2,781,211)	(25,100,457)	(295,593)	(49,319,965)	-
Total capital assets, net of accumulated depreciation and amortization	32,356,999	4,079,249	23,429,408	2,537,678	62,403,334	-
Total noncurrent assets	37,454,653	4,140,848	26,585,294	2,773,924	70,954,719	3,239,921
Total assets	53,923,715	4,482,637	41,049,422	3,822,614	103,278,388	17,794,244
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	202,368	-	-	-	202,368	-
Pension plan	220,916	-	260,287	-	481,203	-
Other postemployment benefits	54,155	-	65,500	917	120,572	-
Total deferred outflows of resources	477,439	-	325,787	917	804,143	-
LIABILITIES						
Current liabilities:						
Accounts payable and deposits	289,151	16,584	213,413	7,638	526,786	541,994
Due to other governments	1,678	15,941	3,854	1,496	22,969	-
Compensated absences	42,966	-	49,881	-	92,847	-
Accrued payroll	113,994	-	123,162	1,609	238,765	-
Accrued interest	98,636	4,819	101,138	39,603	244,196	-
Unearned revenue	-	-	-	19,287	19,287	2,680,994
Advance from other funds	-	87,039	-	178,145	265,184	-
Insurance and benefit claims	-	-	-	-	-	2,031,402
Revenue bonds	940,000	-	815,000	-	1,755,000	-
Total current liabilities	1,486,425	124,383	1,306,448	247,778	3,165,034	5,254,390
Noncurrent liabilities:						
Compensated absences	40,344	-	32,644	-	72,988	-
Advance from other funds	-	275,258	-	1,405,980	1,681,238	-
Revenue bonds	9,118,832	-	9,665,789	-	18,784,621	-
Net pension liability	418,874	-	493,525	-	912,399	-
Other postemployment benefits liability	337,763	-	411,327	5,578	754,668	-
Landfill obligation	-	-	17,674,289	-	17,674,289	-
Total noncurrent liabilities	9,915,813	275,258	28,277,574	1,411,558	39,880,203	-
Total liabilities	11,402,238	399,641	29,584,022	1,659,336	43,045,237	5,254,390
DEFERRED INFLOWS OF RESOURCES						
Pension plan	132,728	-	156,383	-	289,111	-
Other postemployment benefits	34,247	-	41,373	582	76,202	-
Total deferred inflows of resources	166,975	-	197,756	582	365,313	-
NET POSITION						
Net investment in capital assets	22,500,535	4,079,249	12,946,196	2,533,300	42,059,280	-
Unrestricted (deficit)	20,331,406	3,747	(1,352,765)	(369,687)	18,612,701	12,539,854
Total net position	$ 42,831,941	$ 4,082,996	$ 11,593,431	$ 2,163,613	$ 60,671,981	$ 12,539,854

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Self Insurance
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
Operating revenues:						
Charges for services	$ 8,269,474	$ 558,458	$ 7,559,869	$ 454,113	$ 16,841,914	$ 32,303,123
Connection fees	143,219	6,225	-	-	149,444	-
Other revenue	169,993	-	167,361	-	337,354	-
Total operating revenues	8,582,686	564,683	7,727,230	454,113	17,328,712	32,303,123
Operating expenses:						
Personal services	1,122,085	-	1,441,861	19,904	2,583,850	-
Fringe benefits	452,376	-	553,219	10,500	1,016,095	-
Contractual services	858,776	99,190	977,450	83,478	2,018,894	2,043,804
Regional Sewer Authority assessment:						
Operations and maintenance	1,918,311	-	-	-	1,918,311	-
Debt service	1,807,578	-	-	-	1,807,578	-
Risk financing and benefit payments	-	-	-	-	-	32,434,531
Internal services	75,063	-	54,305	-	129,368	-
Electrical services	580,102	17,406	39,711	-	637,219	-
Repairs and maintenance	-	-	411,366	-	411,366	-
Landfill closure	-	-	1,558,821	-	1,558,821	-
Other charges	877,606	278,697	725,807	27,576	1,909,686	-
Depreciation and amortization	1,276,542	132,325	1,734,179	42,963	3,186,009	-
Total operating expenses	8,968,439	527,618	7,496,719	184,421	17,177,197	34,478,335
Operating income (loss)	(385,753)	37,065	230,511	269,692	151,515	(2,175,212)
Nonoperating revenues (expenses):						
Connection availability fees	3,437,254	149,677	-	-	3,586,931	-
Intergovernmental	1,268	-	51,951	667,980	721,199	-
Interest revenue	633,311	6,936	491,671	28,519	1,160,437	569,624
Interest expense	(369,386)	(20,996)	(295,379)	(49,554)	(735,315)	-
Total nonoperating revenues, net	3,702,447	135,617	248,243	646,945	4,733,252	569,624
Income (loss) before transfers	3,316,694	172,682	478,754	916,637	4,884,767	(1,605,588)
Transfers:						
Transfers in	672,542	-	-	-	672,542	-
Transfers out	-	-	-	(672,542)	(672,542)	-
Total transfers, net	672,542	-	-	(672,542)	-	-
Change in net position	3,989,236	172,682	478,754	244,095	4,884,767	(1,605,588)
Total net position, beginning	38,842,705	3,910,314	11,114,677	1,919,518	55,787,214	14,145,442
Total net position, ending	$ 42,831,941	$ 4,082,996	$ 11,593,431	$ 2,163,613	$ 60,671,981	$ 12,539,854

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Self Insurance
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
Cash flows from operating activities:						
Receipts from interfund services provided	$ -	$ -	$ -	$ -	$ -	$ 32,322,858
Receipts from customers	8,080,047	569,295	7,900,957	458,022	17,008,321	-
Claims and benefits paid	-	-	-	-	-	(32,732,506)
Payments to suppliers for goods and services	(5,942,546)	(405,989)	(2,092,939)	(109,768)	(8,551,242)	(1,952,212)
Payments to employees for services	(1,547,531)	-	(2,007,234)	(27,705)	(3,582,470)	-
Internal activity - payments to other funds	(75,063)	-	(54,305)	-	(129,368)	-
Other receipts	169,993	-	167,361	-	337,354	-
Net cash provided by (used in) operating activities	684,900	163,306	3,913,840	320,549	5,082,595	(2,361,860)
Cash flows from noncapital financing activities:						
Intergovernmental - grants	1,268	-	51,951	667,980	721,199	-
Transfers (to) from other funds	(140,513)	-	-	140,513	-	-
Net cash provided by (used in) noncapital financing activities	(139,245)	-	51,951	808,493	721,199	-
Cash flows from capital and related financing activities:						
Advance (to) from other funds, net	654,971	362,297	-	(172,956)	844,312	-
Connection availability fees	3,437,254	149,677	-	-	3,586,931	-
Principal paid on outstanding debt	(895,000)	(599,317)	(785,000)	(156,737)	(2,436,054)	-
Interest paid and fiscal charges on outstanding debt	(414,353)	(23,340)	(424,665)	(55,792)	(918,150)	-
Acquisition and construction of capital assets	(1,240,019)	-	(570,077)	(873,898)	(2,683,994)	-
Net cash provided by (used in) capital and related financing activities	1,542,853	(110,683)	(1,779,742)	(1,259,383)	(1,606,955)	-
Cash flows from investing activities:						
Proceeds on sale of investments	-	-	-	38,591	38,591	724,959
Purchases of investments	(807,249)	(17,765)	(791,652)	(2,086)	(1,618,752)	-
Interest received on investment securities	634,491	6,600	474,267	27,438	1,142,796	554,649
Net cash provided by (used in) investing activities	(172,758)	(11,165)	(317,385)	63,943	(437,365)	1,279,608
Net change in cash and cash equivalents	1,915,750	41,458	1,868,664	(66,398)	3,759,474	(1,082,252)
Cash and cash equivalents:						
Beginning	10,612,770	184,437	9,704,952	932,751	21,434,910	13,402,122
Ending	$ 12,528,520	$ 225,895	$ 11,573,616	$ 866,353	$ 25,194,384	$ 12,319,870

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Self Insurance
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	$ (385,753)	$ 37,065	$ 230,511	$ 269,692	$ 151,515	$ (2,175,212)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	1,276,542	132,325	1,734,179	42,963	3,186,009	-
Change in assets and liabilities:						
Decrease (increase) in:						
Trade and other accounts receivable	(332,646)	4,612	341,088	4,856	17,910	2,322
Prepaid items	(963)	-	(5,862)	(14)	(6,839)	-
Inventory	55,408	-	-	-	55,408	-
Pension related deferred outflows of resources	56,239	-	71,507	-	127,746	-
OPEB related deferred outflows of resources	9,675	-	13,861	(312)	23,224	-
Increase (decrease) in:						
Accounts payable and deposits	45,382	(1,359)	68,762	1,564	114,349	91,592
Due to other governments	-	(9,337)	(1,505)	(278)	(11,120)	-
Accrued liabilities	31,961	-	8,874	194	41,029	-
Unearned revenue	-	-	-	(947)	(947)	17,413
Insurance and benefit claims	-	-	-	-	-	(297,975)
Net pension liability	239,535	-	278,831	-	518,366	-
Other postemployment benefits liability	23,707	-	18,982	2,754	45,443	-
Landfill obligation	-	-	1,558,821	-	1,558,821	-
Pension related deferred inflows of resources	(317,983)	-	(383,183)	-	(701,166)	-
OPEB related deferred inflows of resources	(16,204)	-	(21,026)	77	(37,153)	-
Net cash provided by (used in) operating activities	$ 684,900	$ 163,306	$ 3,913,840	$ 320,549	$ 5,082,595	$ (2,361,860)
Schedule of noncash capital and related financing activities:						
Capital assets acquired through incurrence of accounts payable	$ -	$ -	$ 2,423	$ 4,378	$ 6,801	$ -
Schedule of noncash investing activities:						
Close out final balances of receivables, capital assets, and payables from Penn Laird Sewer Authority to the Water and Sewer Fund	$ 813,055	$ -	$ -	$ (813,055)	$ -	$ -

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUND
June 30, 2023

	Custodial Fund Special Welfare
ASSETS	
Cash and cash equivalents	$ 68,302
Total assets	68,302
NET POSITION	
Unrestricted	68,302
Total net position	$ 68,302

See Notes to Financial Statements.

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUND
Year Ended June 30, 2023

	Custodial Fund
	Special Welfare
ADDITIONS	
Miscellaneous revenue	$ 157,585
Total additions	157,585
DEDUCTIONS	
Other professional services	170,446
Total deductions	170,446
Net change in fiduciary net position	(12,861)
Total net position, beginning	81,163
Total net position, ending	$ 68,302

Note 1. Significant Accounting Policies

The financial statements of the County of Rockingham, Virginia (County), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. During the current year, the County adopted GASB Statement No. 91, *Conduit Debt Obligations,* GASB Statement No. 93, *Replacement of Interbank Offered Rate,* GASB Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment* Arrangements, GASB Statement No. 96, *Subscription-Based Information Technology* Arrangements, and certain portions of GASB Statement No. 99, *Omnibus 2022*. As required by GAAP, these financial statements present the activities of the County and its component units.

In determining how to define the financial reporting entity, management considered all potential component units using the standards prescribed under GASB. Component units include any legally separate organizations for which the Board of Supervisors is financially accountable. Financial accountability results where 1) there is fiscal dependence and a financial benefit or burden relationship, 2) there is a voting majority of the organization's governing body appointed by the Board of Supervisors and a financial benefit or burden relationship, or 3) there is a voting majority of the organization's governing body appointed by the Board of Supervisors and the Board of Supervisors has the ability to impose its will on the organization.

Even if financial accountability is not established, a potential component unit may still need to be reported simply because it would be misleading to exclude it.

A. Reporting Entity

The County was created by an act of the General Assembly of Virginia in 1778, and provides a wide range of municipal services contemplated by statute or charter. As required by GAAP, these financial statements present the County (primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they legally separate from the government. Each blended and discretely presented component unit has a June 30 year end.

Blended Component Units:

Blended component units, although legally separate entities, are, in substance, part of the County's operations, and function as an integral part of the primary government, so data from these units are combined with data of the County.

The Lilly Subdivision Sanitary District, the Smith Creek Water & Waste Authority, the Penn Laird Sewer Authority, the Countryside Sanitary District, and Lake Shenandoah Stormwater Control Authority serve the citizens of the primary government that are in their respective districts and authorities and are governed by a board comprised of the primary government's Board of Supervisors. The rates for user charges and bond issuances are approved by the primary government, and the primary government is primarily obligated to provide resources in case there are deficits in debt service payments. The districts and authorities are reported as enterprise funds and do not issue separate financial statements.

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units:

The County reports the following two major discretely presented component units:

1) School Board

The School Board is responsible for elementary and secondary education within the County's jurisdiction and is elected by the voters of the County. The School Board is fiscally dependent upon the government because the County's Board of Supervisors approves the School Board's budget, levies taxes and must approve any debt issuances of the School Board. School Board related debt, including leases, is expected to be repaid entirely or almost entirely with the resources of the primary government. The School Board is presented as a governmental fund type and consists of two special revenue funds and one capital projects fund which include the following:

School Operating Fund accounts for the general operations of the School Board. Financing is provided by specific allocations from the state and federal governments, by appropriation from the General Fund of the primary government by the Board of Supervisors, and charges for services.

School Cafeteria Fund accounts for the centralized school cafeteria operations.

School Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital facilities of the School Board, other than those financed by the Massanutten Technical Center.

Massanutten Technical Center – Operating Fund accounts for the general operations of the Massanutten Technical Center. The Massanutten Technical Center Board of Control is appointed by the Rockingham County School Board and Harrisonburg City School Board.

The Component Unit – School Board does not issue a separate set of financial statements. All independently audited financial information of the School Board is presented within this Annual Comprehensive Financial Report.

Complete financial statements for the School Activity Fund and Massanutten Technical Center – Operating Fund can be obtained from Massanutten Technical Center administrative office.

Massanutten Technical Center
325 Pleasant Valley Road
Harrisonburg, Virginia 22801

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units: (Continued)

2) Harrisonburg-Rockingham Social Services District

The Harrisonburg-Rockingham Social Services District (District) is a regional district created by the governing bodies of the County of Rockingham and City of Harrisonburg to provide social services for the residents of the County of Rockingham and the City of Harrisonburg. The City and County each appoint 50% of the governing board. The District is a legally separate organization and its financial statements are presented as a discrete presentation of the County's financial statements because the District is fiscally dependent on the County and has a financial benefit or burden relationship with the County. The County has the ability to impose its will on the District. The District cannot enter into a contract or issue debt without the County’s and City’s approvals. The District is presented as a governmental fund type consisting of two funds as follows:

Social Services Operating Fund accounts for the general operations of the District. Financing is provided by specific allocations from the state and federal governments, by appropriation from the General Fund of the County by the Board of Supervisors, and by the City of Harrisonburg.

Special Revenue Fund – Children’s Services Act (CSA) Fund accounts for funds designated for the CSA program.

The Component Unit - Harrisonburg-Rockingham Social Services District does not issue a separate set of financial statements. All financial information of the District is presented within this Annual Comprehensive Financial Report.

The County reports the following two nonmajor discretely presented component units:

1) Economic Development Authority

The Economic Development Authority of Rockingham County, Virginia (Authority), formerly the Industrial Development Authority, was created as a governmental subdivision of the Commonwealth of Virginia by ordinance of the Board of Supervisors of the County of Rockingham, Virginia on December 11, 1972, pursuant to the provisions of the Economic Development and Revenue Bond Act, Title 15.2, Chapter 49, Sections 15.2-4900 et seq. (formerly Title 15.1, Chapter 33, Sections 15.1-1373, et seq.) of the *Code of Virginia* of 1950, as amended. The Authority is governed by seven directors appointed by the Board of Supervisors of the County of Rockingham, Virginia. The Authority is empowered, among other things, to acquire, own, lease, and dispose of any of its facilities and to make loans or grants in furtherance of its purposes as set forth by law, including to promote industry and develop trade by indicating manufacturing, economic, governmental, nonprofit and commercial enterprises and institutions of higher education to locate in or remain in the Commonwealth of Virginia and further the use of its agricultural products and natural resources.

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units: (Continued)

1) Economic Development Authority (Continued)

The Authority is specifically authorized to issue revenue bonds for any of its purposes, including the payment of the cost of its facilities and the payment or retirement of bonds previously issued by the Authority. All bonds issued by the Authority are payable solely from the revenues and receipts derived from the leasing or sale by the Authority of its facilities or any part thereof, or from the payments received by the Authority in connection with its loans. In addition, depending upon the financing structure, the bonds of the Authority may be further secured by a deed of trust or other collateral documents. No bonds of the Authority shall be deemed to constitute a debt or pledge of the faith of credit of the Commonwealth of Virginia or any political subdivision thereof, including the County.

The Authority is reported as a discretely presented component unit because the voting majority of the Authority's governing body is appointed by the Board of Supervisors and there is a benefit and burden relationship. The Authority is fiscally dependent on the County. The Authority does not issue separate financial statements but is included in the County's financial statements for fiscal year ended June 30, 2023 as a discretely presented component unit.

2) Rockingham County Recreation Foundation

The Recreation Foundation of Rockingham County, Virginia was created as a non-stock corporation duly formed under the provisions of the Virginia Non-stock Corporation Act. The Foundation was organized on September 21, 2015 and is governed by a five-member Board. The members consist of two members of the Board of Supervisors of Rockingham County, two members of the Rockingham County Recreation Commission and the County Administrator. The Foundation was created to provide diverse opportunities that enhance the quality of life and deliver accessible recreation and leisure to the community for a lifetime.

The Foundation is reported as a discretely presented component unit because the voting majority of the Foundation's governing body is appointed by the Board of Supervisors and there is a benefit and burden relationship. The Foundation does not issue separate financial statements but is included in the County's financial statements for fiscal year ended June 30, 2023 as a discretely presented component unit.

Note 1. Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County'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 made in the funds have been reversed for the Statement of Activities. *Program revenues* include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as *general revenues*.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. 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.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus*. The government-wide, proprietary, and fiduciary fund financial statements are reported using 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. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from the property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Note 1. Significant Accounting Policies (Continued)

C. <u>Measurement Focus, Basis of Accounting and Financial Statement Presentation</u> (Continued)

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 County considers all revenues reported in the governmental funds to be available if the revenues are collected within 75 days after year-end, except property taxes which are recognized as revenue if they have been collected within 45 days after year-end. Property taxes, sales taxes, franchise taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items.

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.

Operating expenses include cost of services, administrative expenses and depreciation and amortization on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

General Capital Projects Fund. This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities and equipment, other than those financed by proprietary funds.

The County reports the following major enterprise funds:

Water and Sewer Fund. This fund accounts for services to the general public which are financed primarily by charges to users of such services.

Smith Creek Water & Waste Authority Fund. This fund accounts for services provided to those areas within the Smith Creek Water & Waste Authority and is financed primarily by charges to users of such services. This fund has been judgmentally determined to be major for public interest reasons, in that the presentation is of particular importance to the financial statement users.

Solid Waste Fund. This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

Note 1. Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The County reports the following Internal Service Funds:

Self-Insurance Fund. This fund accounts for the costs associated with providing health insurance benefits to employees of the County, School Board, and Harrisonburg-Rockingham Social Services District and with managing claims pertaining thereto.

The County also reports the following fund type:

Custodial Fund. This fund utilizes the accrual basis of accounting and accounts for assets being held for the benefit of a third party and cannot be used to address activities or obligations of the County.

D. Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, School Operating Fund, School Cafeteria Fund, Massanutten Technical Center, enterprise funds, special revenue funds, Children's Services Act and Department of Social Services. The Capital Projects Fund is appropriated on a project basis with carry forwards approved each year.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The School Operating Fund, School Cafeteria Fund and Massanutten Technical Center are appropriated in total, with reference to specific departments and accounts. The legal level of budgetary control is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position

1. Deposits and Investments

Cash and Cash Equivalents

For purposes of reporting cash flows, the County considers all cash accounts, including cash on hand, demand deposits, and all short-term investments with a maturity of three months or less to be cash equivalents.

Investments

Cash of individual funds other than the Special Welfare and Rockingham County Recreation Foundation is combined to form a pool of cash and investments. The pool consists primarily of government and corporate obligations, money market mutual funds, and an external local government investment pool program. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on average monthly balances.

2. Property Taxes

Property taxes are levied as of January 1 with real estate values reassessed every four years and personal property values assessed annually. The last general real property reassessment was effective January 1, 2022. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are due and collectible twice a year, by June 5 and December 5 in the same year as levied. Personal property taxes are due and collectible annually by December 5 in the same year as levied. That portion of the taxes receivable which is not collected within 45 days after June 30 is shown as unavailable revenue. A penalty of 10% of the tax is assessed after the applicable payment date. Interest is charged to all unpaid accounts beginning July 1 and January 1, as applicable, at an annual rate of 10%.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements using the consumption method.

4. Inventory

Inventories are stated at cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Note 1. Significant Accounting Policies (Continued)

E. <u>Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position</u> (Continued)

5. <u>Capital Assets</u>

Capital assets are defined by the County as assets with an initial, individual cost of more than $25,000 and are accounted for at cost (except for intangible right-to-use lease assets and intangible right-to-use subscription assets, the measurement of which is discussed in Note 1.E.9 and 1.E.10, respectively). Assets acquired by gift are accounted for at the asset's acquisition value at the date the property was received. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of contribution. The Commonwealth of Virginia, not the County, has primary responsibility to construct and maintain infrastructure, such as streets, roads, and bridges, within the County. The County may, at its option, contribute to improvements to the road system. Such expenditures would be expensed during the year incurred. There were no impaired capital assets at year end.

The County's intangible assets include land easements, software, intangible right-to-use lease assets, and right-to-use subscription assets. Land easements have indefinite useful lives and thus are not subject to amortization.

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

Buildings	20 to 30 years
Intangible right-to-use lease buildings and improvements	5 to 15 years
Improvements other than buildings	5 to 50 years
Machinery and equipment	5 to 15 years
Intangible right-to-use lease machinery and equipment	3 to 4 years
Right-to-use subscriptions	2 to 12 years
Software	3 to 5 years

6. <u>Deferred Outflows/Inflows of Resources</u>

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. The County and discretely presented component units, the School Board and the District, have several items that qualify for reporting in this category. The first item is a deferred charge on refunding resulting from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded or refunding debt. The remaining items relate to the pension plan and the other postemployment benefits (OPEB) plans. See Notes 12 and 13 for details regarding these items.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

6. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Several types of items qualify for reporting in this category. Accordingly, one item, unavailable revenue, which arises under the modified accrual basis of accounting, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide and the governmental funds, property taxes collected in advance and lease related charges are reported as deferred inflows of resources. The remaining items relate to the pension plan and the OPEB plans. See Notes 12 and 13 for details regarding these items.

7. Compensated Absences

Legacy employees, hired before January 1, 2014, accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement based on full-time or part-time status. In the primary government and the discretely presented component unit, the District, an employee can accumulate up to 42 days of vacation and no more than $5,000 of sick leave liability. In the District, an employee will receive an accrued sick leave payout upon retiring after five years of continuous service.

Employees hired on or after January 1, 2014, accumulate paid time off (PTO) for subsequent use or for payment upon termination, death or retirement based on full-time status. In the primary government and the discretely presented component unit, the District, an employee may carry forward to a new calendar year PTO leave balance of no more than the applicable maximum annual hours per year. In the County, an employee will receive a PTO payout upon leaving their employment no more than the applicable maximum.

Also, in the primary government, compensatory time can be earned at 1½ hours in lieu of overtime pay. Accumulated compensatory time will be paid out to the employee in the months of June and December.

Compensated absences are accrued when incurred in proprietary funds and reported as a fund liability. The General Fund is responsible for paying the liability for compensated absences for general government employees and has been used in prior years to liquidate the governmental funds' liability.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

7. Compensated Absences (Continued)

In the discretely presented component unit, the School Board, a 12-month employee can accumulate up to 36 days of vacation and an unlimited amount of sick leave. An employee earns one day of sick leave at the end of each month worked up to a maximum of 12 days per year. A new employee is eligible to transfer up to 90 sick leave days from another Virginia school district. Upon retirement after age 55, all full-time school employees will be compensated at one day for every three days of unused sick leave up to a maximum of two months of current salary.

Compensated absences expected to be liquidated with expendable available resources are reported as expenditures and fund liabilities of the governmental fund that will pay it. A liability for these amounts is reported in governmental funds only if they have matured. All amounts accrued for compensated absences are recorded on the entity-wide statements.

8. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Leases

Lessee: The County is a lessee for noncancellable leases of property. The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements. The County recognized lease liabilities with an initial, individual value of $25,000 or more.

At the commencement of the lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

9. Leases (Continued)

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The County is a lessor for a noncancellable lease of a building and a tower. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of the lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow or resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

10. Subscription-based information technology arrangements (SBITAs)

The County adopted GASB Statement No. 96 on July 1, 2022.

For new or modified contracts, the County determines whether the contract is a SBITA. If a contract is determined to be, or contain, a SBITA with a non-cancellable term in excess of 12 months (including any options to extend or terminate the subscription when exercise is reasonably certain), the County records a right-to-use subscription asset and subscription liability which is calculated based on the value of the discounted future subscription payments over the term of the subscription. If the interest rate implicit in the subscription is not readily determinable, the County will use the applicable incremental borrowing rate in the calculation of the present value of the subscription payments.

The County recognizes a subscription liability and a right-to-use subscription asset on the Statement of Net Position. Subscriptions with an initial, non-cancellable term of 12 months or less are not recorded on the Statement of Net Position and expense is recognized as incurred over the subscription term.

At the commencement of a SBITA, the County measures the subscription liability at the present value of payments expected to be made during the subscription term and then reduces the liability by the principal portion of the subscription payments made. The right-to-use subscription asset is measured at the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs, then amortized on a straight-line basis over the subscription term.

Subscription payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

11. Net Position

By law, the School Board does not have taxing authority and, therefore, it cannot incur debt through general obligation bonds to fund the acquisition, construction or improvement to its capital assets. That responsibility lies with the local governing body who issues the debt on behalf of the School Board. However, the *Code of Virginia* requires the School Board to hold title to the capital assets (buildings and equipment) due to their responsibility for maintaining the asset.

In the Statement of Net Position, this scenario presents a dilemma for the primary government. Debt issued on behalf of the School Board is reported as a liability of the primary government, thereby reducing the net position of the primary government. The corresponding capital assets are reported by the Component Unit – School Board (title holder), thereby increasing their net position.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

11. Net Position (Continued)

The Virginia General Assembly legislature amended the *Code of Virginia* to allow a tenancy in common with the School Board whenever the locality incurs a financial obligation which is payable over more than one fiscal year for any school property. The tenancy in common terminates when the associated debt has been paid in full. For financial reporting purposes, the legislation permits the locality to report the portion of the school property related to any outstanding financial obligation, thus eliminating a potential deficit from financing capital assets with debt. The legislation also allows local governments to elect not to acquire a tenancy in common by adopting a resolution to that effect.

The County concluded, while joint tenancy would resolve a deficit in the primary government's net position, the continual computation process that would be required to allocate principal, interest, asset amount, and depreciation between the County and the School Board would be cumbersome and not provide any added benefit to the financial statements. Therefore, the Board of Supervisors adopted a resolution declining tenancy in common for current and future obligations.

12. Fund Balance

In the fund financial statements, governmental funds report classifications of fund balance as follows:

Nonspendable fund balance – amounts not in a spendable form or are required to be maintained intact (such as prepaid items, inventory, and the principal of a permanent fund that is legally or contractually required to be maintained intact).

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, creditors, or laws and regulations of other governments), or by law through constitutional provisions or enabling legislation.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

12. Fund Balance (Continued)

In the fund financial statements, governmental funds report classifications of fund balance as follows:

Nonspendable fund balance – amounts not in a spendable form or are required to be maintained intact (such as prepaid items, inventory, and the principal of a permanent fund that is legally or contractually required to be maintained intact).

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, creditors, or laws and regulations of other governments), or by law through constitutional provisions or enabling legislation.

Committed fund balance – amounts constrained to specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the County's Board of Supervisors prior to the end of the fiscal year. To be reported as committed, amounts cannot be used for any other purpose unless the Board of Supervisors takes the action to remove or change the constraint.

Assigned – amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has by resolution authorized the Director of Finance to assign fund balance. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – residual balance of the General Fund that has not been restricted, committed, or assigned to specific purposes within the General Fund and negative unassigned fund balances of other governmental funds.

The Board of Supervisors, as the highest level of authority within the County, establishes the commitment of fund balance by resolutions. All subsequent changes to the budget plan to add, reduce, or redirect resources to other purposes are also accomplished by Board resolution. As a result, all unrestricted amounts directed toward a purpose are shown as committed. Balances shown as assigned in the General Fund represent encumbrances which would otherwise be unassigned.

The County considers restricted balances to be expended first in cases where both restricted and unrestricted amounts are available. When utilizing unrestricted balances, committed balances are applied first, followed by assigned then unassigned balances.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

13. Pensions

The Virginia Retirement System (VRS) County, District and School Board Non-Professional Retirement Plan is a multi-employer, defined benefit agent plan. The VRS School Board Professional Retirement Plan is a multiple employee, cost-sharing defined benefit plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County of Rockingham and its component units, the Harrisonburg-Rockingham Social Services District and the Rockingham County School Board, retirement plans and the additions to/deductions from the County, the Harrisonburg-Rockingham Social Services District, and the Rockingham County School Board's retirement plans fiduciary net positions have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund typically has been used in prior years to liquidate pension liability.

14. Other Postemployment Benefits

Medical Insurance Program

The Medical Insurance Program is a single-employer defined benefit plan. Experience gains or losses and changes in actuarial assumptions are amortized over the average working lifetime of all participants, which for the current period is five years. Plan amendments are recognized immediately. The General Fund typically has been used in prior years to liquidate OPEB liability.

Group Life Insurance Program

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the total GLI other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund typically has been used in prior years to liquidate OPEB liability.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

14. Other Postemployment Benefits (Continued)

Health Insurance Credit Program

The School Board non-professional Health Insurance Credit (HIC) Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The School Board professional HIC Program is a multiple-employer, cost-sharing defined benefit plan. Both HIC Programs were established pursuant to Section 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provide the authority under which benefit terms are established or may be amended. For purposes of measuring both HIC Programs' total OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the HIC Programs' OPEB, and the HIC Programs' OPEB expense, information about the fiduciary net position of the HIC Programs; and the additions to/deductions from both of the HIC Programs fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund typically has been used in prior years to liquidate OPEB liability.

F. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. Subsequent Events

The County has evaluated subsequent events through December 13, 2023, the date on which the financial statements were available to be issued.

Note 2. Deposits and Investments

Deposits. Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the Act), Section 2.2-4400 et seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Custodial Credit Risk (Deposits). This is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires all deposits to be insured under FDIC or comply with the Act. At year end, none of the County's deposits were exposed to custodial credit risk.

Note 2. Deposits and Investments (Continued)

Investments. The State Treasurer's Local Government Investment Pool Program (LGIP Program) was established pursuant to Section 2.2-4605 of the *Code of Virginia*. The Treasury Board of the Commonwealth sponsors the Program and has delegated certain functions to the State Treasurer. The Program is comprised of two portfolios: the Local Government Investment Pool (LGIP) portfolio, which is designed to meet participants daily operational cash management needs, and the Local Government Investment Pool – Extended Maturity (LGIP - EM), which is designed to meet the longer term investment needs of Virginia's public funds investors. The Program is not registered with the Securities Exchange Commission as an investment company. The LGIP portfolio is managed in accordance with the requirements of GASB Statement No. 79. The County's investment in the LGIP, totaling $119,574,107, is stated at amortized cost and classified as cash and cash equivalents. The LGIP has been assigned an "AAAm" rating by Standard & Poor's. The maturity of the LGIP is less than one year.

Investment Policy

State statutes authorize local governments and other public bodies to invest in obligations of the United States or its agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, and the LGIP Program.

The goal of the County is to obtain the highest possible yield on available financial assets invested consistent with state law, while observing the primary goal of preservation of principal and providing necessary liquidity to meet cash flow needs.

As of June 30, 2023, the County's investment policy establishes the maximum percentages of the portfolio permitted in each of the following instruments:

Permitted Investment	Sector Limit	Issuer Limit
U.S. Treasury Obligations	100%	100%
Federal Agency Obligations	100%	35%
Federal Agency Mortgage-Backed Securities	35%	35%
Municipal Obligations	20%	5%
Commercial Paper	35%	5%
Bankers' Acceptances	35%	5%
Corporate Notes	35%	5%
Negotiable Certificates of Deposit and Bank Deposit Notes	35%	5%
Money Market Mutual Funds	100%	50%
Principle Stability Pools	100%	100%
Short-term Bond Pools	100%	100%
Repurchase Agreements	35%	35%
Supranational Bonds	35%	10%
Bank Deposits and Non-Negotiable Certificates of Deposit	100%	100%

The Sector Limit and Issuer Limit should be applied to the total investment portfolio value at the date of acquisition. When investing in a Pool, the County shall limit its investment to ten percent of the total assets of the Pool.

Note 2. Deposits and Investments (Continued)

Credit Risk

As of June 30, 2023, as required by state statute, the Policy requires commercial paper, with a maturity of 270 days or less, have a short-term debt rating of no less than “A-1” (or its equivalent) by at least two of the Nationally Recognized Statistical Rating Organizations (NRSROs). Corporate notes with final maturity of less than five years must have a rating of at least “AA” by Standard & Poor’s and “Aa” by Moody’s Investors Service. Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks, maturing in one year or less, must have a rating of at least “A-1” by Standard & Poor’s and “P-1” by Moody’s Investors Service. Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks, maturing over one year but less than five years, must have a rating of at least “AA” by Standard & Poor’s and “Aa” by Moody’s Investors Service. Federal agency obligations, with final maturity less than five years, must have a rating of at least “AA” (or its equivalent) by at least two of the NRSROs, one of which will be either Moody’s Investors Service or Standard & Poor’s. Municipal obligations, with final maturity less than five years, must have a rating of at least “AA” by Standard & Poor’s and/or “Aa” by Moody’s Investors Service. Bankers’ Acceptances, with a maturity of 180 days or less, must have a short-term debt rating of no less than “A-1” (or its equivalent) by at least two of the NRSROs. Money market mutual funds must be rated at least “AAA” or the equivalent by at least two of the following: Moody’s Investors Service, Standard & Poor’s, Fitch Investors Service, or Duff and Phelps, Inc. Principle stability pools must be rated “AAAm” (or its equivalent) by an NRSRO. Short-term bond pools with a maximum duration of three years must be rated “AAf” (or its equivalent) by an NRSRO. Repurchase agreements, with final maturity less than five years, must be rated “AA” (or its equivalent) by an NRSRO. Supranational bonds with final maturity of less than five years must have a rating of “AA” (or its equivalent) by at least two NRSROs, one of which must be either Moody’s Investors Services or Standard & Poor’s.

As of June 30, 2023, 65% was invested in “AA+” U.S. Agency Securities and 35% was invested in “AAA, AA, AA+, AA-, A+, and A-1” Corporate obligations. All credit ratings presented in this paragraph are Standard & Poor’s ratings.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government’s investment in a single issuer. If certain investments in any one issuer represent 5% of total investments, there must be a disclosure for the amount and issuer. At June 30, 2023, there were no investments in any single issuer that exceed 5% of the total portfolio.

Note 2. Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is defined as the risk that changes of interest rates will adversely affect the fair value of an investment.

	Fair Value	Investment Maturities: Less Than 1 Year	1 - 5 Years	More Than 5 Years
U.S. Treasury Obligations	$ 27,768,688	$ 12,896,533	$ 14,872,155	$ -
Corporate Notes	19,781,675	9,309,361	10,472,314	-
Federal Agency Obligations	9,300,642	970,647	7,916,550	413,445
	$ 56,851,005			

To manage the volatility of the Investment Portfolio, the County shall determine an appropriate duration or weighted average maturity target for each component of the Investment Portfolio. At no time shall the duration of the weighted average maturity of any component of the Investment Portfolio exceed three years.

The average duration of the Investment Portfolio will not deviate by more than +/- 25% of the average duration of the performance benchmark.

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of June 30, 2023:

- U.S. Treasury obligations of $27,768,688 are valued using quoted market prices (Level 1 inputs).
- Federal agency obligations of $997,310 are valued using quoted market prices (Level 1 inputs).
- Federal agency obligations of $8,303,332 are valued using market inputs of trades in the exact item near pricing date (Level 2 inputs).
- Corporate notes of $9,127,993 are valued using quoted market prices (Level 1 inputs).
- Corporate notes of $10,653,682 are valued using market inputs of trades in the exact item near pricing date (Level 2 inputs).

Note 3. Receivables

Receivables at June 30, 2023 for the County's individual major funds and nonmajor funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Primary Government

	General Fund	General Capital Projects Fund	Nonmajor Governmental Fund	Water and Sewer Fund	Smith Creek Water & Waste Authority Fund
Property taxes	$ 5,841,223	$ -	$ -	$ -	$ -
Utility taxes	283,533	-	-	-	-
Trade and other accounts	1,619,282	420,405	243,730	1,144,010	97,291
Leases	3,002,745	-	-	-	-
Gross receivables	10,746,783	420,405	243,730	1,144,010	97,291
Less allowance for uncollectable accounts	800,000	-	-	34,279	23,704
Net receivables	$ 9,946,783	$ 420,405	$ 243,730	$ 1,109,731	$ 73,587

	Solid Waste Fund	Nonmajor Proprietary Funds	Internal Service Funds	Totals
Property taxes	$ -	$ -	$ -	$ 5,841,223
Utility taxes	-	-	-	283,533
Trade and other accounts	689,100	23,122	7,700	4,244,640
Leases	-	-	-	3,002,745
Gross receivables	689,100	23,122	7,700	13,372,141
Less allowance for uncollectable accounts	8,082	3,552	-	869,617
Net receivables	$ 681,018	$ 19,570	$ 7,700	$ 12,502,524

The County determines its allowance for uncollectible accounts using historical collection data and specific account analysis. The total allowance for uncollectible accounts amounted to $869,617 as of June 30, 2023.

Component Units – School Board and Harrisonburg-Rockingham Social Services District

The component units' receivables are considered fully collectible and, therefore, an allowance for uncollectible accounts is not applicable for those receivables.

Note 4. Due to/from Other Governments

Amounts due from other governments include the following:

Primary Government:	
Governmental Funds:	
General Fund:	
Commonwealth of Virginia:	
Local sales and use taxes	$ 2,054,710
Communications sales and use taxes	175,517
Categorical aid:	
Shared costs:	
Commissioner of the Revenue	20,142
Commonwealth Attorney	87,999
Sheriff	663,381
Clerk of Circuit Court	61,447
Treasurer	17,594
Other	127,716
Federal government:	
Boarding and care of prisoners	17,280
Categorical aid:	
Health and Human Services - SAMHSA	73,169
Ground transportation	
Emergency Management Performance	19,022
Bureau of Justice Assistance	124,283
Other	21,826
City of Harrisonburg	1,431,112
Total General Fund	4,895,198
Capital Projects Fund:	
City of Harrisonburg	270,778
Total General Capital Projects Fund	270,778
Tourism Fund:	
Federal government:	
ARPA	9,963
Total Tourism Fund	9,963
Total Governmental Funds	5,175,939
Government-wide:	
Governmental Activities:	
City of Harrisonburg – pension	2,173,045
City of Harrisonburg – other postemployment benefits	1,795,692
Total Governmental Activities	3,968,737
Total Primary Government	$ 9,144,676

Note 4. Due to/from Other Governments (Continued)

Component Unit - School Board:		
Governmental Funds:		
School Operating Fund:		
Commonwealth of Virginia:		
State sales tax receipts	$	2,727,827
Other		3,670
Federal government:		
Education grants		3,556,582
Total School Operating Fund		6,288,079
School Cafeteria Fund:		
Commonwealth of Virginia:		
School food program		5,708
Federal government:		
School food program		586,918
Total School Cafeteria Fund		592,626
Massanutten Technical Center - Operating Fund:		
Commonwealth of Virginia:		
Education grants		11,000
Federal government:		
Education grants		97,249
Total Massanutten Technical Center - Operating Fund		108,249
Total Component Unit - School Board - Governmental Funds		6,988,954
Government-wide:		
Governmental Activities:		
City of Harrisonburg – pension		1,437,053
City of Harrisonburg – other postemployment benefits		447,256
Total Component Unit – School Board - Governmental Activities	$	8,873,263

Note 4. Due to/from Other Governments (Continued)

Component Unit - Harrisonburg-Rockingham Social Services District:	
Governmental Funds:	
Operating Fund:	
Commonwealth of Virginia:	
Public assistance and administration	$ 297,728
Federal government:	
Public assistance and administration	646,102
Total Operating Fund	943,830
Special Revenue – Children's Services Act Fund:	
Commonwealth of Virginia:	
Children's Services Act	2,320,310
City of Harrisonburg:	
Children's Services Act	375,000
Total Special Revenue Fund	2,695,310
Total Component Unit – Harrisonburg-Rockingham Social Services District – Governmental Funds	3,639,140
Government-wide:	
Governmental Activities:	
City of Harrisonburg – pension	1,173,909
City of Harrisonburg – other postemployment benefits	995,380
Total Component Unit – Harrisonburg-Rockingham Social Services District – Governmental Activities	$ 5,808,429

Note 4. Due to/from Other Governments (Continued)

Amounts due to other governments include the following:

Primary Government:	
Governmental Funds:	
General Fund:	
Commonwealth of Virginia	$ 39,050
City of Harrisonburg	62,854
Other local governments	806
Total General Fund	102,710
Total Government Funds	102,710
Business-type activities:	
Water & Sewer Fund:	
Commonwealth of Virginia	21
City of Harrisonburg	915
Other Local Governments	742
Total Water & Sewer Fund	1,678
Smith Creek Water & Waste Authority Fund:	
City of Harrisonburg	15,941
Total Smith Creek Water & Waste Authority Fund	15,941
Solid Waste Fund:	
Commonwealth of Virginia	2
City of Harrisonburg	3,743
Other	109
Total Solid Waste Fund	3,854
Non-Major Proprietary Funds	
City of Harrisonburg	1,062
Other Local Governments	434
Total Non-Major Proprietary Funds	1,496
Total Business-type activities	22,969
Total Primary Government	$ 125,679
Component Unit - School Board:	
Governmental Funds:	
School Operating Fund:	
Commonwealth of Virginia	$ 75
City of Harrisonburg	1,404
Other	24,614
Total School Operating Fund	26,093
Massanutten Technical Center - Operating Fund:	
Commonwealth of Virginia	14
City of Harrisonburg	29,685
Total Massanutten Technical Center - Operating Fund	29,699
Total Component Unit - School Board - Governmental Funds	$ 55,792

Note 4. Due to/from Other Governments (Continued)

Component Unit - Rockingham-Harrisonburg Social Services District:		
Governmental Funds:		
Operating Fund:		
Commonwealth of Virginia	$	42,173
City of Harrisonburg		389
Total Component Unit - Rockingham-Harrisonburg Social Services District - Governmental Funds	$	42,562

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2023 is as follows:

Primary Government

	Beginning Balance*	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated or amortized:					
Land	$ 4,331,159	$ -	$ -	$ -	$ 4,331,159
Construction in progress	1,815,980	1,587,373	-	(1,815,980)	1,587,373
Total capital assets not being depreciated or amortized	6,147,139	1,587,373	-	(1,815,980)	5,918,532
Capital assets being depreciated or amortized:					
Buildings and improvements	56,586,225	2,159,395	-	1,685,658	60,431,278
Improvements other than buildings	31,483,339	4,110	-	130,322	31,617,771
Machinery and equipment	25,761,892	1,199,170	(659,549)	-	26,301,513
Intangible right-to-use lease buildings and improvements	661,710	-	-	-	661,710
Intangible right-to-use subscription ass	338,915	28,565	-	-	367,480
Software	1,116,715	45,000	(367,482)	-	794,233
Total capital assets being depreciated or amortized	115,948,796	3,436,240	(1,027,031)	1,815,980	120,173,985
Less accumulated depreciation and amortization for:					
Buildings and improvements	(31,170,211)	(1,946,920)	-	-	(33,117,131)
Improvements other than buildings	(9,936,728)	(1,758,728)	-	-	(11,695,456)
Machinery and equipment	(14,667,837)	(2,220,750)	638,739	-	(16,249,848)
Intangible right-to-use lease buildings and improvements	(52,446)	(52,446)	-	-	(104,892)
Intangible right-to-use subscription a:	-	(118,157)	-	-	(118,157)
Software	(1,098,444)	(25,769)	367,482	-	(756,731)
Total accumulated depreciation and amortization	(56,925,666)	(6,122,770)	1,006,221	-	(62,042,215)
Total capital assets being depreciated or amortized, net	59,023,130	(2,686,530)	(20,810)	1,815,980	58,131,770
Governmental activities capital assets, net	$ 65,170,269	$ (1,099,157)	$ (20,810)	$ -	$ 64,050,302

*Beginning balance was restated for implementation of GASB 96, *Subscription-Based Information Technology Arrangements.*

Note 5. Capital Assets (Continued)

Primary Government (Continued)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government administration	$ 450,043
Judicial administration	471,639
Public safety	3,320,013
Public works	301,983
Health and social services	43,730
Parks, recreation and cultural	689,538
Community development	845,824
Total depreciation and amortization expense - governmental activities	$ 6,122,770

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated or amortized:					
Land	$ 3,519,940	$ -	$ -	$ -	$ 3,519,940
Easements	227,156	-	-	-	227,156
Construction in progress	206,728	57,728	-	(206,728)	57,728
Total capital assets not being depreciated or amortized	3,953,824	57,728	-	(206,728)	3,804,824
Capital assets being depreciated or amortized:					
Buildings and improvements	1,661,099	-	-	-	1,661,099
Improvements other than buildings	96,812,923	1,929,770	-	206,728	98,949,421
Machinery and equipment	6,952,959	703,297	(348,301)	-	7,307,955
Total capital assets being depreciated or amortized	105,426,981	2,633,067	(348,301)	206,728	107,918,475
Less accumulated depreciation and amortization for:					
Buildings and improvements	(412,352)	(58,331)	-	-	(470,683)
Improvements other than buildings	(41,410,976)	(2,465,056)	-	-	(43,876,032)
Machinery and equipment	(4,658,929)	(662,622)	348,301	-	(4,973,250)
Total accumulated depreciation and amortization	(46,482,257)	(3,186,009)	348,301	-	(49,319,965)
Total capital assets being depreciated and amortized, net	58,944,724	(552,942)	-	206,728	58,598,510
Business-type activities capital assets, net	$ 62,898,548	$ (495,214)	$ -	$ -	$ 62,403,334

Note 5. Capital Assets (Continued)

Primary Government (Continued)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Business-type activities:	
Water and Sewer	$ 1,276,542
Solid Waste	1,734,179
Smith Creek Water & Waste Authority	132,325
Lilly Subdivision Sanitary District	9,717
Countryside Sanitary District	6,121
Penn Laird Sewer Authority	27,125
Total depreciation and amortization expense - business-type activities	**$ 3,186,009**

Component Unit – School Board

	Beginning Balance*	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Land	$ 5,469,535	$ -	$ -	$ -	$ 5,469,535
Easements	36,654	-	-	-	36,654
Construction in progress	804,860	2,436,764	-	(662,101)	2,579,523
Total capital assets not being depreciated or amortized	6,311,049	2,436,764	-	(662,101)	8,085,712
Capital assets being depreciated or amortized:					
Buildings and improvements	181,593,458	-	-	155,967	181,749,425
Improvements other than buildings	92,820,786	484,989	-	198,054	93,503,829
Machinery and equipment	41,005,552	2,100,625	(1,053,850)	308,080	42,360,407
Intangible rght-to-use lease machinery and equipment	3,109,391	1,308,666	(355,952)	-	4,062,105
Intangible right-to-use subscriptions	111,734	134,128	-	-	245,862
Total capital assets being depreciated or amortized	318,640,921	4,028,408	(1,409,802)	662,101	321,921,628
Less accumulated depreciation and amortization for:					
Buildings and improvements	(120,920,786)	(4,624,174)	-	-	(125,544,960)
Improvements other than buildings	(36,522,501)	(3,707,203)	-	-	(40,229,704)
Machinery and equipment	(34,521,341)	(1,483,048)	1,024,352	-	(34,980,037)
Intangible rght-to-use lease machinery and equipment	(1,232,825)	(1,204,039)	355,952	-	(2,080,912)
Intangible right-to-use subscriptions	-	(100,576)	-	-	(100,576)
Total accumulated depreciation and amortization	(193,197,453)	(11,119,040)	1,380,304	-	(202,936,189)
Total capital assets being depreciated and amortized, net	125,443,468	(7,090,632)	(29,498)	662,101	118,985,439
School Board capital assets, net	$ 131,754,517	$ (4,653,868)	$ (29,498)	$ -	$ 127,071,151

*Beginning balance was restated for implementation of GASB 96, *Subscription-Based Information Technology Arrangements.*

Note 5. Capital Assets (Continued)

Component Unit – School Board (Continued)

Depreciation and amortization expense was charged to functions of the Component Unit – School Board as follows:

Component Unit - School Board:		
Instruction	$	9,121,170
Pupil transportation services		1,022,307
Operation and maintenance services		975,563
Total depreciation and amortization expense - Component Unit - School Board	$	11,119,040

Component Unit – Harrisonburg-Rockingham Social Services District

	Beginning Balance*	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Land	$ 202,036	$ -	$ -	$ -	$ 202,036
Total capital assets not being depreciated or amortized	202,036	-	-	-	202,036
Capital assets being depreciated or amortized:					
Buildings and improvements	500,979	-	-	-	500,979
Improvements other than buildings	2,119,334	-	-	-	2,119,334
Machinery and equipment	69,484	-	-	-	69,484
Intangible right-to-use lease buildings	317,394	-	(317,394)	-	-
Total capital assets being depreciated or amortized	3,007,191	-	(317,394)	-	2,689,797
Less accumulated depreciation and amortization for:					
Buildings and improvements	(212,916)	(25,049)	-	-	(237,965)
Improvements other than buildings	(742,849)	(115,940)	-	-	(858,789)
Machinery and equipment	(65,233)	(4,252)	-	-	(69,485)
Intangible right-to-use lease buildings	(52,899)	(52,899)	105,798	-	-
Total accumulated depreciation and amortization	(1,073,897)	(198,140)	105,798	-	(1,166,239)
Total capital assets being depreciated and amortized, net	1,933,294	(198,140)	(211,596)	-	1,523,558
Harrisonburg-Rockingham Social Services District capital assets, net	$ 2,135,330	$ (198,140)	$ (211,596)	$ -	$ 1,725,594

Note 5. Capital Assets (Continued)

Component Unit – Harrisonburg-Rockingham Social Services District (Continued)

Depreciation and amortization expense was charged to the function of the Component Unit – Harrisonburg-Rockingham Social Services District as follows:

Component Unit - Harrisonburg-Rockingham Social Services District:		
Administration - Health and human services	$	198,140
Total depreciation and amortization expense - Component Unit - Harrisonburg-Rockingham Social Services District	$	198,140

Note 6. Encumbrances

As discussed in Note 1.D., budgetary data, encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	$	585,163
Capital projects fund		6,476,089
Water and sewer fund		287,148
Lake Shenandoah Stormwater Control Authority		4,154
Children's Service Act		15,138
Total	$	7,367,692

Note 7. Long-Term Obligations

Primary Government

The following is a summary of long-term liability activity of the primary government for the year ended June 30, 2023:

Governmental Activities

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 81,014,909	$ -	$ (7,109,990)	$ 73,904,919	$ 7,391,686
Unamortized premiums	6,345,814	-	(587,105)	5,758,709	-
Total bonds payable	87,360,723	-	(7,697,095)	79,663,628	7,391,686
Lease revenue refunding bonds	1,590,000	-	(1,590,000)	-	-
Lease liabilities	627,241	-	(36,073)	591,168	40,740
Supscription liabilties	338,915	28,565	(137,164)	230,316	18,200
Private placement notes	3,434,360	-	(1,349,857)	2,084,503	1,031,065
Compensated absences	1,317,480	527,844	(350,890)	1,494,434	1,020,599
Governmental activities long-term activities	$ 94,668,719	$ 556,409	$ (11,161,079)	$ 84,064,049	$ 9,502,290

*Beginning balance was restated for implementation of GASB 96, *Subscription-Based Information Technology Arrangements.*

Annual requirements to amortize long-term debt other than compensated absences are as follows:

	General Obligation Bonds		Private Placement Notes	
Year(s) Ending June 30,	Principal	Interest	Principal	Interest
2024	$ 7,391,686	$ 3,062,412	$ 1,031,065	$ 45,234
2025	7,382,830	2,696,039	1,053,438	22,860
2026	7,683,661	2,329,714	-	-
2027	7,430,918	1,959,927	-	-
2028	7,003,504	1,601,668	-	-
2029-2033	19,932,320	4,442,682	-	-
2034-2038	14,485,000	1,432,098	-	-
2039-2040	2,595,000	76,416	-	-
	$ 73,904,919	$ 17,600,955	$ 2,084,503	$ 68,094

Note 7. Long-Term Obligations (Continued)

Primary Government (Continued)

$5,077,993 2003 series, issued November 2003, final principal payment of $297,277 due in July 2023, plus interest at 5.10%	$ 297,277
$9,404,190 2005 series, issued November 2005, due in annual maturities of $526,635 to $545,699 through July 2025, plus interest at 4.60% to 4.85%	1,610,312
$13,147,200 2006 series, issued November 2006, due in annual maturities of $712,558 to $744,134 through July 15, 2026, plus interest at 4.48% to 4.60%	2,911,518
$10,610,000 2007 series, issued May 2007, due in annual maturities of $670,000 to $810,000 through July 15, 2027, plus interest at 4.50% to 5.10%	3,685,000
$6,364,713 2007 series, issued November 2007, due in annual maturities of $343,369 to $371,160 through July 2027, plus interest at 5.10%	1,784,552
$11,630,000 2008 series, issued May 2008, due in annual maturities of $700,000 to $900,000 through July 2028, plus interest at 4.60% to 5.10%	4,790,000
$12,701,410 2008 series, issued December 2008, due in annual maturities of $670,504 to $742,320 through July 2028, plus interest at 5.10% to 5.35%	4,236,260
$24,560,000 2009 series, issued May 2009, due in annual maturities of $1,400,000 to $1,855,000 through July 2029, plus interest at 4.05% to 5.05%	11,335,000
$22,540,000 2017 series, issued November 2017 due in annual maturities of $905,000 to $1,585,000 through July 2037, plus interest at 3.05% to 5.05%	18,835,000
$18,675,000 2019 series, issued November 2019 due in annual maturities of $675,000 to $1,315,000 through July 2039, plus interest at 2.80% to 5.05%	17,010,000
$4,965,000 2019 VRA bond, entered into August 2019, due in annual maturities of $290,000 to $480,000 through October 2033, plus interest payable semi-annually at 4.52% to 5.13%	4,175,000
$3,785,000 2019 VRA Fall Pool, entered into October 2019, due in an maturities of $200,000 to $340,000 through October 2034, plus interest payable semi-annually at 3.59% to 5.13%	3,235,000
Total General Obligation Bonds	$ 73,904,919

All general obligation bonds series 2003 through 2019 were issued for the purpose of school construction and renovation. The 2019 VRA bond was issued for the construction and renovation of the Community Services Board building. The 2019 VRA Fall Pool bond was issued for the construction of an emergency response station.

Note 7. Long-Term Obligations (Continued)

Primary Government (Continued)

The following bonds were issued for general government purposes:

Private Placement Notes:

Augusta County, Virginia $10,771,794 to become a member jurisdiction of the Middle River Regional Jail Authority, entered into July 2015, due in annual installments ranging from $1,031,065 to $1,053,438 through December 2024, plus interest payable at 2.17%	$ 2,084,503
Total private placement notes	$ 2,084,503

The debt service payments for the notes payable are recorded in the public safety department.

Business-type Activities

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	$ 20,701,054	$ -	$ (2,436,054)	$ 18,265,000	$ 1,755,000
Landfill obligation	16,115,468	1,558,821	-	17,674,289	-
Compensated absences	186,148	64,460	(84,773)	165,835	92,847
Unamortized premiums	2,478,472	-	(203,851)	2,274,621	-
Business-type activities long-term liabilities	$ 39,481,142	$ 1,623,281	$ (2,724,678)	$ 38,379,745	$ 1,847,847

Annual requirements to amortize the revenue bonds are as follows:

	Revenue Bonds	
Year(s) Ending June 30,	Principal	Interest
2024	$ 1,755,000	$ 754,122
2025	1,735,000	667,266
2026	1,805,000	579,428
2027	1,885,000	486,647
2028	1,735,000	402,109
2029-2033	6,780,000	1,090,378
2034-2038	2,570,000	181,059
	$ 18,265,000	$ 4,161,009

Note 7. Long-Term Obligations (Continued)

Primary Government (Continued)

Water and Sewer Fund		
Infrastructure Revenue and Refunding Bonds (Virginia Pooled Financing Program): $9,630,000 issued August 2015, due in annual installments of $200,000 to $805,000 through October 2035, plus interest payable semi-annually ranging from 3.13% to 5.13%	$	6,680,000
Infrastructure Revenue Bonds (Virginia Pooled Financing Program): $3,695,000 issued November 2017, due in installments of $145,000 to $265,000 in October 2037, plus interest payable semi-annually ranging from 3.13% to 5.13%		3,070,000
Solid Waste Fund		
Infrastructure Revenue Bond (Virginia Pooled Financing Program): $4,000,000 issued May 2016, due in annual installments of $200,000 through October 2035, plus interest payable semi-annually ranging from 3.80% to 5.13%		2,600,000
Infrastructure Revenue Bond (Virginia Pooled Financing Program): $9,845,000 issued May 2017, due in annual installments of $200,000 to $805,000 through October 2035, plus interest payable semi-annually ranging from 3.13% to 5.13%		5,915,000
	$	18,265,000

Repayment of the revenue bonds will be funded through the Water and Sewer Fund and Solid Waste Fund.

A rate covenant exists with respect to the 2015 revenue bonds of the Water and Sewer Fund. The County has agreed that it will fix and collect rates, fees, and other charges to satisfy the required debt service in each fiscal year.

Information relative to the County's landfill obligation is contained in Note 17.

The County’s general obligation bonds contain a provision that in the event of default, the timing of repayment of outstanding amounts become immediately due.

The County’s revenue bonds contain a provision that in the event of default, the timing of the repayment of outstanding amounts may become immediately due.

Note 7. Long-Term Obligations (Continued)

Primary Government (Continued)

The following is a summary of long-term liability activity transactions of the Component Unit – School Board, for the year ended June 30, 2023:

Component Unit – School Board

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	$ 4,402,976	$ 5,615,174	$ (5,727,796)	$ 4,290,354	$ 2,775,889
Lease liabilities	1,918,153	1,308,666	(1,179,108)	2,047,711	830,052
Supscription liabilties	111,734	134,128	(96,726)	149,136	102,407
School Board Component Unit long-term liabilities	$ 6,432,863	$ 7,057,968	$ (7,003,630)	$ 6,487,201	$ 3,708,348

*Beginning balance was restated for implementation of GASB 96, *Subscription-Based Information Technology Arrangements.*

The following is a summary of long-term liability activity of the Component Unit – Harrisonburg-Rockingham Social Services District, for the year ended June 30, 2023:

Component Unit – Harrisonburg-Rockingham Social Services District

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	$ 37,607	$ 257,806	$ (252,328)	$ 43,085	$ 28,969
Lease liabilities	272,526	-	(272,526)	-	-
Social Services District Component Unit long-term liabilities	$ 310,133	$ 257,806	$ (524,854)	$ 43,085	$ 28,969

Note 8. Leases

Primary Government

Lease Receivable

During the current fiscal year, the County leased three pieces of property to a third party. One is a building that is being leased for five years ending on July 31, 2025, one is a building that is being leased for five years ending on May 31, 2027, and a tower being leased for fifteen years ending on August 31, 2027. The County will receive monthly payments of $18,333 and $55,409 for the buildings and $1,000 for the tower. The County recognized $696,813 in lease revenue and $144,674 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the County's receivable for lease payments was $3,002,745. Also, the County has deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflows of resources was $2,902,311.

Note 8. Leases (Continued)

Primary Government (Continued)

Leases Payable

The County has a ten-year lease agreement as lessee for a building. As of June 30, 2023, the value of the lease liability was $300,150. The County is required to make monthly principal and interest payments ranging from $3,294, to $3,558. The lease has an interest rate of 4.59%. The building has a ten-year estimated useful life. The value of the right-to-use lease asset as of the end of the current fiscal year was $343,685 and had accumulated amortization of $62,488.

The County had a fifteen-year lease agreement as lessee for a parking lot. As of June 30, 2023, the value of the lease liability was $291,018. The County is required to make annual principal and interest payments ranging from $27,798 to $32,490. The lease has an interest rate of 4.59%. The equipment has a fifteen-year estimated useful life. The value of the right-to-use lease asset as of the end of the current fiscal year was $318,025 and had accumulated amortization of $42,404.

The future principal and interest lease payments as of June 30, 2023 are as follows:

	Primary Government	
	Leases	
Year(s) Ending June 30,	Principal	Interest
2024	$ 40,740	$ 26,586
2025	42,635	24,690
2026	44,620	22,707
2027	49,041	20,630
2028	51,323	18,350
2029-2033	273,643	52,529
2034-2036	89,166	8,308
	$ 591,168	$ 173,800

Component Unit – School Board

Lease Payable

During the current fiscal year, the School Board had five agreements as a lessee for equipment, ranging in lease length of three to four years. As of June 30, 2023, the value of the lease liability was $2,047,711. The School Board is required to make annual principal and interest payments ranging from $263,758 to $294,732. The lease has an interest rate of 4.59%. The equipment has a three to four-year estimated useful life. The value of the right-to-use lease assets as of the end of the current fiscal year was $4,062,105 and had accumulated amortization of $2,080,912. One of the leases above began in the current fiscal year, resulting in $1,308,666 in issuance of leases.

	School Board	
	Leases	
Year Ending June 30,	Principal	Interest
2024	$ 830,052	$ 93,989
2025	868,152	55,891
2026	349,507	16,042
	$ 2,047,711	$ 165,922

Note 9. Subscription-Based Information Technology Arrangements

Primary Government

During the current fiscal year, the County had two SBITAs. In accordance with the implementation of GASB Statement 96, an initial subscription liability was recorded in the amount of $338,915 during the current fiscal year. As of June 30, 2023, the value of the subscription liability was $230,316. The County is required to make monthly principal and interest payments of $2,366. The subscriptions have an interest rate of 4.59%. The right-to-use subscription assets have a three and 12 year estimated useful life. The value of the right-to-use subscription assets as of the end of the current fiscal year was $367,480 and had accumulated amortization of $118,157. One of the subscriptions above began in the current fiscal year, resulting in $28,565 in issuance of leases.

The future principal and interest subscription payments as of June 30, 2023 are as follows:

	Primary Government	
	Subscriptions	
Year(s) Ending June 30,	Principal	Interest
2024	$ 18,200	$ 10,192
2025	19,053	9,339
2026	19,946	8,445
2027	20,882	7,510
2028	21,860	6,532
2029-2033	125,669	16,291
2034	4,706	27
	$ 230,316	$ 58,336

Component Unit – School Board

During the current fiscal year, the School Board had three SBITAs. In accordance with the implementation of GASB Statement 96, an initial subscription liability was recorded in the amount of $111,734 during the current fiscal year. As of June 30, 2023, the value of the subscription liability was $149,136. The School Board is required to make annual principal and interest payments ranging from $17,719 to $48,875. The subscriptions have an interest rate of 4.59%. The right-to-use subscription assets range from two to three years estimated useful life. The value of the right-to-use subscription assets as of the end of the current fiscal year was $245,862 and had accumulated amortization of $100,576.

The future principal and interest SBITA payments as of June 30, 2023 are as follows:

	School Board	
	Subscriptions	
Year Ending June 30,	Principal	Interest
2024	$ 102,407	$ 6,846
2025	46,729	2,145
	$ 149,136	$ 8,991

Note 10. Conduit Debt Obligations

To further economic development in the County, the County Economic Development Authority has issued bonds that provide capital financing to private-sector entities for the acquisition and construction of industrial and commercial facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the County Economic Development Authority for any of those bonds. At June 30, 2023, the bonds have an aggregate outstanding principal amount payable of $216,734,948.

Note 11. Government Services Provided by Authorities

The County of Rockingham, City of Harrisonburg, and the Towns of Bridgewater, Mt. Crawford, and Dayton entered into a guaranty agreement with the Harrisonburg-Rockingham Regional Sewer Authority (Authority) dated December 15, 1992. Under the terms of this agreement, these municipalities jointly and severally guaranteed the Authority's bonds payable, which then qualifies as a nonexchange of financial guarantees. HRRSA's outstanding bonds payable at June 30, 2023 (most recent balances available) consist of the following:

Series	Amount	Interest
Series 2007	$ 13,376,381	2.52%
Series 2008B	15,052,631	2.72%
Series 2015	6,211,098	1.20%
Series 2017	11,528,500	2.25%
Series 2020	6,341,338	1.85%

The County is obligated for 3.407% of the above debt service.

The Authority bills the localities a monthly charge, which includes an assessment for their respective shares of the Authority's debt service, construction, and operating expenditures based on the locality usage of the sewage treatment facilities. Based on the current average usage, the County's assessment for the Authority's operating and maintenance and capital outlay, construction, and debt service expenditures for the ensuing year will approximate $1,692,319, $419,734, and $1,811,158, respectively. To obtain a copy of the audited financial statements, contact the Authority at 856 North River Road, P. O. Box 8, Mt. Crawford, Virginia 22841.

Note 12. Pension Plan

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent and Cost-Sharing Multiple-Employer Pension Plans

Administering Entity: Virginia Retirement System (System)

Note 12. Pension Plan (Continued)

	Net Pension Asset	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
County	$ -	$ 11,738,145	$ 6,190,755	$ 3,719,456	$ 3,242,906
District	-	2,973,939	1,568,470	942,349	821,612
School Board:					
Professional	-	78,476,391	22,929,314	16,834,017	4,114,801
Non-professional	1,590,638	-	845,465	1,496,439	(207,030)
Total School Board	1,590,638	78,476,391	23,774,779	18,330,456	3,907,771
	$ 1,590,638	$ 93,188,475	$ 31,534,004	$ 22,992,261	$ 7,972,289

A. Plan Description

All full-time, salaried permanent employees of the County of Rockingham and its component units, the Harrisonburg-Rockingham Social Services District (the District) and the Rockingham County School Board (School Board), are automatically covered by the VRS Retirement Plan or the VRS Teacher Retirement Plan upon employment. These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virgini*a, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** ***Political subdivision employees:*** Same as Plan 1. ***School division employees (teachers):*** Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1

Eligible Members

Political subdivision employees: Members are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.

School division employees (teachers): Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund.

Hybrid Opt-In Election
VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.

PLAN 2

Eligible Members

Political subdivision employees: Members are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

School division employees (teachers): Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013.

Hybrid Opt-In Election
Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.

HYBRID RETIREMENT PLAN

Eligible Members

Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- Political subdivision employees.*
- School division employees (teachers).
- Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.

**Non-Eligible Members*
Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

- Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.

Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions Members contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	**Retirement Contributions** Same as Plan 1.	**Retirement Contributions** A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	**Service Credit** Same as Plan 1.	**Service Credit** *Defined Benefit Component* Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. *Defined Contribution Component* Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** *Defined Benefit Component* Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. *Defined Contribution Component* Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required, except as governed by law.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** *Defined Benefit Component* See definition under Plan 1. *Defined Contribution Component* The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier ***VRS:*** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.	**Service Retirement Multiplier** ***VRS:*** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.	**Service Retirement Multiplier** *Defined Benefit Component* ***VRS:*** The retirement multiplier for the defined benefit component is 1.00%. For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.
Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.	**Sheriffs and regional jail superintendents:** Same as Plan 1.	**Sheriffs and regional jail superintendents:** Not applicable.
Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	**Political subdivision hazardous duty employees:** Same as Plan 1.	**Political subdivision hazardous duty employees:** Not applicable. *Defined Contribution Component* Not applicable.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Normal Retirement Age ***VRS:*** Age 65. **Political subdivision hazardous duty employees:** Age 60.	**Normal Retirement Age** ***VRS:*** Normal Social Security retirement age. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Normal Retirement Age** *Defined Benefit Component* ***VRS:*** Same as Plan 2. **Political subdivision hazardous duty employees:** Not applicable. *Defined Contribution Component* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility ***VRS:*** Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. **Political subdivision hazardous duty employees:** Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**Earliest Unreduced Retirement Eligibility** ***VRS:*** Normal Social Security retirement age and have at least 5 years (60 months) of service credit or when their age plus service credit equals 90. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** *Defined Benefit Component* ***VRS:*** Normal Social Security retirement age and have at least 5 years (60 months) of service credit or when their age plus service credit equals 90. **Political subdivision hazardous duty employees:** Not applicable. *Defined Contribution Component* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility ***VRS:*** Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. **Political subdivision hazardous duty employees:** Age 50 with at least five years of service credit.	**Earliest Reduced Retirement Eligibility** ***VRS:*** Age 60 with at least five years (60 months) of service credit. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Earliest Reduced Retirement Eligibility** *Defined Benefit Component:* ***VRS:*** Age 60 with at least five years (60 months) of service credit. **Political subdivision hazardous duty employees:** Not applicable. *Defined Contribution Component* Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%.	**Cost-of-Living Adjustment (COLA) in Retirement** *Defined Benefit Component* Same as Plan 2. *Defined Contribution Component* Not applicable.
Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	*Eligibility:* Same as Plan 1.	*Eligibility:* Same as Plan 1 and Plan 2.
Exceptions to COLA Effective Dates: **School Division (Teachers) and Political Subdivision Employees:** The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.	**Exceptions to COLA Effective Dates:** **School Division (Teachers) and Political Subdivision Employees:** Same as Plan 1.	**Exceptions to COLA Effective Dates:** **School Division (Teachers) and Political Subdivision Employees:** Same as Plan 1 and Plan 2.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement (Continued) **Exceptions to COLA Effective Dates: (Continued)** **School Division (Teachers) and Political Subdivision Employees (continued):** • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. • **Political subdivision employees:** The member retires directly from short-term or long-term disability.		
Disability Coverage **Political subdivision employees:** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** **Political subdivision employees:** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service regardless of when it was earned, purchased or granted.	**Disability Coverage** Employees of political subdivisions and school divisions (teachers), including Plan 1 and Plan 2 opt-ins, participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** *Defined Benefit Component* Same as Plan 1, with the following exception: • Hybrid Retirement Plan members are ineligible for ported service. *Defined Contribution Component* Not applicable.

B. Employees Covered by Benefit Terms

County and the District Plan (Agent Plan)

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	390
Inactive members:	
Vested	128
Non-vested	220
Active elsewhere in VRS	358
Total inactive members	706
Active members	649
Total covered employees	1,745

Note 12. Pension Plan (Continued)

B. Employees Covered by Benefit Terms (Continued)

School Board Non-Professional Plan (Agent Plan)

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	305
Inactive members:	
Vested	53
Non-vested	91
Active elsewhere in VRS	50
Total inactive members	194
Active members	371
Total covered employees	870

C. Contributions

County and the District Plan (Agent Plan)

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The County and the District's contractually required contribution rate for the year ended June 30, 2023 was 13.71% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County and the District were $4,746,659 and $3,685,323 for the years ended June 30, 2023 and 2022, respectively.

Note 12. Pension Plan (Continued)

C. Contributions (Continued)

School Board Non-Professional Plan (Agent Plan)

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The School Board non-professional's contractually required contribution rate for the year ended June 30, 2023 was 5.81% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were $462,419 and $442,584 for the years ended June 30, 2023 and 2022, respectively.

School Board Professional Plan (Cost-Sharing Plan)

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. The School Board professional's contractually required contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were $13,177,237 and $12,245,179 for the years ended June 30, 2023 and 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately $442.4 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

Note 12. Pension Plan (Continued)

D. Net Pension Liability

County, District and School Board Non-Professional Plans (Agent Plans)

The net pension liabilities (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the County, District and School Board Non-Professional Plans, the NPLs were measured as of June 30, 2022. The total pension liabilities used to calculate the NPLs were determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022.

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2023, the School Board reported a liability for the professional plan of $78,476,391 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to a measurement date of June 30, 2022. The School Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Board's proportion was 0.82428% as compared to 0.80852% at June 30, 2021.

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	$ 54,732,329
Plan fiduciary net position	45,211,731
Employers' net pension liability	$ 9,520,598
Plan fiduciary net position as a percentage of the total pension liability	82.61%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Note 12. Pension Plan (Continued)

E. Actuarial Assumptions

County, District and School Board Non-Professional Plans (Agent Plans)

General Employees

The total pension liability for General Employee's in the County and the District's retirement plan and the total pension liability for the General Employees in the School Board non-professional retirement plan were based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal Actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality Rates:	15% of deaths are assumed to be service-related.
Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service

Note 12. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

County, District and School Board Non-Professional Plans (Agent Plans) (Continued)

***General Employees* (Continued)**

Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

County and the District Plan (Agent Plan)

Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County and the District's retirement plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality Rates:	45% of deaths are assumed to be service related.
Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years.
Mortality Improvements:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Note 12. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

County and the District Plan (Agent Plan) (Continued)

***Public Safety Employees with Hazardous Duty Benefits* (Continued)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

School Board Professional Plan (Cost-Sharing Plan)

The total pension liability for the VRS Teacher retirement plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Note 12. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

School Board Professional Plan (Cost-Sharing Plan) (Continued)

Mortality Rates:

Pre-retirement:	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.
Post-retirement:	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.
Post-disablement:	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.
Mortality Improvements:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; and changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 12. Pension Plan (Continued)

F. Long-Term Expected Rate of Return

County, District and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi - Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.83%

*The above allocation provides a one-year expected return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Note 12. Pension Plan (Continued)

G. Discount Rate

County, District and School Board Non-Professional Plans (Agent Plans)

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2022, the alternate rate was the employer contribution rate used in fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever is greater. From July 1, 2022 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liabilities.

School Board Professional Plan (Cost-Sharing Plan)

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, the rate contributed by the employer for the School Board's retirement plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2022 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liabilities.

Note 12. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset)

County and the District Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2021	$ 136,419,998	$ 130,170,852	$ 6,249,146
Changes for the Year:			
Service cost	3,991,471	-	3,991,471
Interest	9,265,076	-	9,265,076
Difference between expected and actual experience	201,241	-	201,241
Contributions – employer	-	3,685,323	(3,685,323)
Contributions – employee	-	1,545,767	(1,545,767)
Net investment income	-	(158,513)	158,513
Benefit payments, including refunds of employee contributions	(6,302,182)	(6,302,182)	-
Administrative expense	-	(80,755)	80,755
Other changes	-	3,028	(3,028)
Net changes	7,155,606	(1,307,332)	8,462,938
Balances at June 30, 2022	$ 143,575,604	$ 128,863,520	$ 14,712,084

Note 12. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset) (Continued)

School Board Non-Professional Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2021	$ 39,896,837	$ 43,915,128	$ (4,018,291)
Changes for the Year:			
Service cost	735,063	-	735,063
Interest	2,659,258	-	2,659,258
Difference between expected and actual experience	(180,722)	-	(180,722)
Contributions – employer	-	442,584	(442,584)
Contributions – employee	-	403,143	(403,143)
Net investment income	-	(29,471)	29,471
Benefit payments, including refunds of employee contributions	(2,470,956)	(2,470,956)	-
Administrative expense	-	(27,646)	27,646
Other changes	-	(2,664)	2,664
Net changes	742,643	(1,685,010)	2,427,653
Balances at June 30, 2022	$ 40,639,480	$ 42,230,118	$ (1,590,638)

I. Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

County, District and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)

The following presents the net pension liabilities of the County and the District, the School Board non-professional plan, and the School Board professional plan, using the discount rate of 6.75%, as well as what the County and the District, the School Board non-professional plan, and the School Board professional plan's net pension liabilities would be if they were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Primary Government net pension liability	$ 28,618,369	$ 11,738,145	$ (1,874,047)
District net pension liability	7,250,659	2,973,939	(474,803)
Total primary government and District net pension liability (asset)	35,869,028	14,712,084	(2,348,850)
School Board non-professional net pension liability (asset)	3,030,351	(1,590,638)	(5,425,421)
School Board professional net pension liability	140,164,841	78,476,391	28,248,426

Note 12. Pension Plan (Continued)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

County and the District Plan (Agent Plan)

For the year ended June 30, 2023, the County and District recognized pension expense of $4,064,518. At June 30, 2023, the County and District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		District		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 414,031	$ (798,575)	$ 104,898	$ (202,325)	$ 518,929	$ (1,000,900)
Changes in assumptions	1,989,567	-	504,070	-	2,493,637	-
Net differences between projected and actual earnings on pension plan investments	-	(2,920,881)	-	(740,024)	-	(3,660,905)
Employer contributions subsequent to the measurement date	3,787,157	-	959,502	-	4,746,659	-
Total	$ 6,190,755	$ (3,719,456)	$ 1,568,470	$ (942,349)	$ 7,759,225	$ (4,661,805)

The $4,746,659 reported as deferred outflows of resources related to pensions resulting from the County and District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Primary Government	District	Total Amount
2024	$ (92,653)	$ (23,474)	$ (116,127)
2025	(686,766)	(173,997)	(860,763)
2026	(1,957,624)	(495,978)	(2,453,602)
2027	1,421,186	360,067	1,781,253
	$ (1,315,857)	$ (333,382)	$ (1,649,239)

Note 12. Pension Plan (Continued)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

School Board Non-Professional Plan (Agent Plan)

For the year ended June 30, 2023, the School Board recognized pension credit related to its non-professional plan of $207,030. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for its non-professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (189,105)
Changes in assumptions	383,046	-
Net difference between projected and actual earnings on pension plan investments	-	(1,307,334)
Employer contributions subsequent to the measurement date	462,419	-
Total	$ 845,465	$ (1,496,439)

The $462,419 reported as deferred outflows of resources related to pensions resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	$ (258,259)
2025	(574,489)
2026	(868,217)
2027	587,572
	$ (1,113,393)

Note 12. Pension Plan (Continued)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

School Board Professional Plan (Cost-Sharing Plan)

For the year ended June 30, 2023, the School Board recognized pension expense related to the professional plan of $4,114,801 and the Commonwealth's special contribution of $3,646,376. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (5,411,257)
Changes in assumptions	7,398,743	-
Net difference between projected and actual earnings on pension plan investments	-	(10,231,678)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	2,353,334	(1,191,082)
Employer contributions subsequent to the measurement date	13,177,237	-
Total	$ 22,929,314	$ (16,834,017)

The $13,177,237 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	$ (2,514,203)
2025	(3,345,006)
2026	(6,202,210)
2027	4,979,479
	$ (7,081,940)

K. Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan and VRS Teacher Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

Note 13. Other Postemployment Benefits

The County, the District and the School Board participate in various OPEB plans. As of and for the year ended, the plans had the following balances reported in these financial statements:

	OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
County	$ 8,274,495	$ 1,359,833	$ 863,503	$ 585,515
District	2,117,224	345,895	219,431	149,818
Total County and District	10,391,719	1,705,728	1,082,934	735,333
Total School Board	43,502,069	5,607,212	3,855,982	3,151,975
	$ 53,893,788	$ 7,312,940	$ 4,938,916	$ 3,887,308

13.1. Medical Insurance Program

A. Plan Description

The County's, the Harrisonburg-Rockingham Social Services District's (District) and the Rockingham County School Board's (School Board) defined benefit other postemployment benefit (OPEB) – medical insurance plan provides OPEB for all permanent full-time general and public safety employees of the County, the District and the School Board. The County and the District have the same plan provisions. The School Board has separate plan provisions. The plan was established by the County's Board of Supervisors and any amendments to the plan must be approved by the Board. This plan is a single-employer defined benefit OPEB plan administered by the County. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. This plan does not issue stand-alone financial reports.

The specific information for Medical Insurance Program's OPEB, including eligibility, is set out in the tables below:

County and the District

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees A Rockingham County retiree, eligible for postretirement medical coverage, is defined as a full-time employee who retires directly from the County and is eligible to receive an early or regular retirement benefit from the VRS. Employees applying for early or regular retirement are eligible to continue participation in the County sponsored Retiree Health plan.
Retirement Eligibility Employees may retire under the VRS with an unreduced pension benefit under the following age and service requirements: • Plan 1 eligible employees o Age 50 and 30 years of service o Age 65 and 5 years of service • Plan 2 and Hybrid plan eligible employees o Age 65 with 5 years of service o Rule of 90

Note 13. Other Postemployment Benefits (Continued)

13.1. Medical Insurance Program (Continued)

A. Plan Description (Continued)

County and the District (Continued)

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS (Continued)
Benefit Amounts The County will provide a premium credit toward a retiree's health insurance premium at a rate of $4.00 per year of service per month not to exceed $120 per month based on 30 years of service in the VRS. To be eligible for this premium credit, the retiree must have a minimum of 15 years of service in the VRS and must have enrolled in the County's health insurance plan at the time of retirement. The premium credit may only be applied to the retiree's individual health insurance plan, and is not applicable to the premium charges for family members. The premium credit is made only until the employee is eligible for Medicare coverage, usually at age 65.
Reduction in Benefit Amounts Plan 1 eligible employees may retire with a reduced pension benefit at age 50 and 10 years of service or age 55 and 5 years of service. Plan 2 and Hybrid eligible employees can retire with a reduced pension benefit at age 60 with 5 years of service.
Death of a Retiree Upon death of a current retiree, the surviving spouse is eligible for coverage until age 65. Survivors of actives are not eligible for postretirement benefits, even if the deceased active was eligible to retire at the time of death.

School Board

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees Retired employees may participate in the School Board health insurance program in accordance with the following terms and conditions: • The employee has served a minimum of 10 consecutive years as an employee of Rockingham County School Board. • The employee is eligible for retirement under VRS and that his/her monthly payments are made through payroll deductions by the VRS. • Once the retired employee becomes eligible for or obtains other health coverage, the retired employee will no longer be eligible to participate in the group plan.
Retirement Eligibility School Board employees may retire under the VRS according to the same eligibility requirements as the County and the District employees described above.

Note 13. Other Postemployment Benefits (Continued)

13.1. Medical Insurance Program (Continued)

A. Plan Description (Continued)

School Board (Continued)

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS (Continued)
Benefit Amounts The School Board will pay $10 monthly for the retiree until the retiree becomes eligible for or obtains other health coverage.
Death of a Retiree Upon death of a current retiree, the surviving spouse is eligible for coverage until age 65. Survivors of actives are not eligible for postretirement benefits, even if the deceased active was eligible to retire at the time of death.

B. Employees Covered by Benefit Terms

At July 1, 2021, the following employees were covered by the benefit terms:

County and the District

	Number
Inactive employees or beneficiaries currently receiving benefit payments	21
Inactive employees entitled to but not yet receiving benefit payments	2
Active employees	578
Total	601

School Board

	Number
Inactive employees or beneficiaries currently receiving benefit payments	13
Inactive employees entitled to but not yet receiving benefit payments	28
Active employees	1,567
Total	1,608

Note 13. Other Postemployment Benefits (Continued)

13.1. Medical Insurance Program (Continued)

C. Total Medical Insurance Program OPEB Liability

The County and the District's total Medical Insurance OPEB liability of $8,596,050 was measured as of June 30, 2023 with a reporting date of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021. The School Board's total Medical Insurance OPEB liability of $27,909,020 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

D. Actuarial Assumptions and Other Inputs

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2021, using the Entry Age Normal actuarial cost method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.50% per annum
Discount rate	2.18% per annum
Healthcare cost trend rates	Medical and Stop Loss: 6.25% graded uniformly to 5.50% over 3 years and following the Getzen model thereafter to ultimate rate of 4.04% in the year 2075; Administrative Expenses 5% per annum

The discount rate was based on the S&P 500 High Grade 20 Year Rate Index as of June 30, 2021.

County and the District

Mortality Rates

The following mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2016 Annual Financial Statement for the Virginia Retirement System.

Pre-Commencement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males set back one year, 85% of rates; females set back one year.

Post-Commencement: RP-2014 Employee Rates to age 49, Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward one year; females set back one year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disability Mortality Rates projected with scale BB to 2020; males 115% of rates; females 130% of rates.

Note 13. Other Postemployment Benefits (Continued)

13.1. Medical Insurance Program (Continued)

D. Actuarial Assumptions and Other Inputs (Continued)

School Board

Mortality Rates

The following mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2016 Annual Financial Statement for the Virginia Retirement System.

Pre-Commencement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Commencement: RP-2014 White Collar Employee Rates to age 49, White Collar Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back three years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement: RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

E. Changes in the Total Medical Insurance OPEB Liability

County and the District

	Total Medical Insurance OPEB Liability
Balance at June 30, 2022	$ 7,971,008
Changes for the year:	
Service cost	676,204
Interest	183,396
Contributions - employer	(234,558)
Net changes	625,042
Balance at June 30, 2023	$ 8,596,050

Note 13. Other Postemployment Benefits (Continued)

13.1. Medical Insurance Program (Continued)

E. Changes in the Total Medical Insurance OPEB Liability (Continued)

School Board

	Total Medical Insurance OPEB Liability
Balance at June 30, 2022	$ 25,752,594
Changes for the year:	
Service cost	1,864,094
Interest	595,436
Contributions - employer	(303,104)
Net changes	2,156,426
Balance at June 30, 2023	$ 27,909,020

F. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in the Discount Rate

The following presents the total OPEB liabilities of the County and the District and the School Board calculated using the stated discount rate, as well as what the County and the District's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18%) or 1-percentage-point higher (3.18%) than the current discount rate:

	1% Decrease (1.18%)	Current Discount Rate (2.18%)	1% Increase (3.18%)
Primary Government	$ 7,742,115	$ 6,834,264	$ 6,043,664
District	1,995,819	1,761,786	1,557,980
Total primary government and District	9,737,934	8,596,050	7,601,644
School Board	31,134,336	27,909,020	25,029,088

Note 13. Other Postemployment Benefits (Continued)

13.1. Medical Insurance Program (Continued)

G. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in Healthcare Cost Trend Rate

The following represents the total Medical Insurance OPEB liabilities of the County and the District and the School Board calculated using the stated discount rate, as well as what the County and the District's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.25% to 4.50% over 3 years and following the Getzen model less 1% thereafter) or 1-percentage-point higher (7.25% to 6.50% over 3 years and following the Getzen model plus 1% thereafter) than the current discount rate:

	1% Decrease (5.25% to 4.50% over 3 years and following Getzen model less 1% thereafter)	Current Discount Rate (6.25% to 5.50% over 3 years and following Getzen model thereafter)	1% Increase (7.25% to 6.50% over 3 years and following Getzen model plus 1% thereafter)
Primary Government	$ 5,776,317	$ 6,834,264	$ 8,146,783
District	1,489,061	1,761,786	2,100,137
Total primary government and District	7,265,378	8,596,050	10,246,920
School Board	23,761,413	27,909,020	32,956,660

H. Medical Insurance OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Insurance OPEB

For the year ended June 30, 2023, the County and the District and the School Board recognized Medical Insurance OPEB expense of $504,474, $130,047, and $2,139,769, respectively.

County and the District

At June 30, 2023, the County and District reported deferred outflows of resources and deferred inflows of resources related to Medical Insurance Program from the following sources:

	Primary Government		District		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 460,755	$ -	$ 118,777	$ -	$ 579,532	$ -
Changes in assumptions	475,857	(575,242)	122,670	(148,291)	598,527	(723,533)
Total	$ 936,612	$ (575,242)	$ 241,447	$ (148,291)	$ 1,178,059	$ (723,533)

Note 13. Other Postemployment Benefits (Continued)

13.1. Medical Insurance Program (Continued)

H. Medical Insurance OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Insurance OPEB (Continued)

County and the District (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Medical Insurance Program will be recognized in pension expense in future reporting periods as follows:

Year(s) Ending June 30,	Primary Government	District	Total Amount
2024	$ 7,536	$ 1,943	$ 9,479
2025	7,536	1,943	9,479
2026	7,539	1,943	9,482
2027	169,380	43,664	213,044
2028	169,379	43,663	213,042
Total	$ 361,370	$ 93,156	$ 454,526

School Board

At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to Medical Insurance Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,038,652	$ (10,309)
Change in assumptions	1,679,210	(2,089,963)
Total	$ 2,717,862	$ (2,100,272)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Medical Insurance Program will be recognized in pension expense in future reporting periods as follows:

Year(s) Ending June 30,	Amount
2024	$ (16,657)
2025	(16,657)
2026	(16,657)
2027	333,780
2028	333,781
Total	$ 617,590

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program

A. Plan Description

All full-time, salaried permanent employees of the County and the District, and the School Board non-professional and the School Board professional employees are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from the members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is set out in the table below:

<table>
<tr><th>GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS</th></tr>
<tr><td>Eligible Employees
The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.

Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.</td></tr>
<tr><td>Benefit Amounts
The benefits payable under the GLI have several components.
Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
Accidental Death Benefit: The accidental death benefit is double the natural death benefit.
Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
Accidental dismemberment benefit
Seatbelt benefit
Repatriation benefit
Felonious assault benefit
Accelerated death benefit option</td></tr>
</table>

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

A. Plan Description (Continued)

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS (Continued)
Reduction in Benefit Amounts The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,984 as of June 30, 2023.

B. Contributions

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the GLI from the participating employers for the years ended June 30, 2023 and 2022 were as follows.

	2023	2022
County and the District	$ 196,073	$ 175,169
School Board Non-Professional	50,540	46,838
School Board Professional	448,496	413,350

In June 2022, the Commonwealth made a special contribution of approximately $30.4 million to the Group Life Insurance plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2023, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	2023
Primary Government	$ 1,440,231
District	355,438
Total primary government and District	1,795,669
School Board Non-Professional	480,073
School Board Professional	4,237,215

The net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employers' proportion of the net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, comparisons of the participating employers' proportions to June 30, 2021 are as follows:

	2022	2021
County and the District	0.14913%	0.14531%
School Board Non-Professional	0.03987%	0.03959%
School Board Professional	0.35190%	0.34504%

For the year ended June 30, 2023, the County and the District, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of $100,812, $3,995, and $140,013, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)

At June 30, 2023, the employers reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

County and the District

	Primary Government		District		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 114,048	$ (57,779)	$ 28,146	$ (14,259)	$ 142,194	$ (72,038)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(89,993)	-	(22,210)	-	(112,203)
Change in assumptions	53,719	(140,284)	13,257	(34,621)	66,976	(174,905)
Changes in proportionate share	98,193	(205)	24,233	(50)	122,426	(255)
Employer contribution subsequent to the measurement date	157,261	-	38,812	-	196,073	-
Total	$ 423,221	$ (288,261)	$ 104,448	$ (71,140)	$ 527,669	$ (359,401)

The $196,073 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Primary Government	District	Total Amount
2024	$ 5,356	$ 1,322	$ 6,678
2025	1,076	266	1,342
2026	(51,033)	(12,594)	(63,627)
2027	25,963	6,408	32,371
2028	(3,663)	(906)	(4,569)
Total	$ (22,301)	$ (5,504)	$ (27,805)

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)

School Board Non-Professional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 38,016	$ (19,259)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(29,998)
Change in assumptions	17,906	(46,761)
Changes in proportionate share	3,295	(30,413)
Employer contribution subsequent to the measurement date	50,540	-
Total	$ 109,757	$ (126,431)

The $50,540 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	$ (18,021)
2025	(15,338)
2026	(31,017)
2027	103
2028	(2,941)
Total	$ (67,214)

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)

School Board Professional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 335,534	$ (169,987)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(264,764)
Change in assumptions	158,041	(412,722)
Changes in proportionate share	144,426	(82,461)
Employer contribution subsequent to the measurement date	448,496	-
Total	$ 1,086,497	$ (929,934)

The $448,496 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	$ (67,472)
2025	(64,653)
2026	(202,389)
2027	58,350
2028	(15,769)
Total	$ (291,933)

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality – general employees	3.50%-5.35%
Locality – hazardous duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

School Board Professional

Mortality Rates – Teachers

Pre-Retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

Post-Retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward one year; 105% of rates for females.

Post-Disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

County, District and School Board Non-Professional

Mortality Rates – General Employees

Pre-retirement:	Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for females.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females
Mortality Improvement Scale:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

County, District and School Board Non-Professional (Continued)

Mortality Rates – Hazardous Duty Employees

Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement Scale:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and services to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

E. Net GLI OPEB Liability

The net OPEB Liability (NOL) for the GLI represents the program's total OPEB Liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the GLI are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB liability	$ 3,672,085
Plan fiduciary net position	2,467,989
GLI OPEB liability	$ 1,204,096
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21%

The total GLI OPEB Liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB Liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

F. Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi - Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
	* Expected arithmetic nominal return		7.83%

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 6.72%, including expected inflation of 2.50%.

G. Discount Rate

The discount rate used to measure the total GLI OPEB Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by the participating employers for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB Liability.

Note 13. Other Postemployment Benefits (Continued)

13.2. Group Life Insurance Program (Continued)

H. Sensitivity of the Participating Employers' Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the participating employers' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the participating employers' proportionate share of the net GLI OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Primary government	$ 2,095,705	$ 1,440,231	$ 910,519
District	517,204	355,438	224,709
Total primary government and District	2,612,909	1,795,669	1,135,228
School Board Non-Professional	698,563	480,073	303,504
School Board Professional	6,165,644	4,237,215	2,678,781

I. Group Life Insurance Program Fiduciary Net Position

Detailed information about the GLI's fiduciary net position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program

A. Plan Description

School Board Non-Professional and School Board Professional Plans

The County has two types of Health Insurance Credit Program (HIC) OPEB plans. A single-employer plan for political subdivisions (School Board non-professional plan) and a cost-sharing employer plan for VRS teacher employees (School Board professional plan). For the School Board non-professional plan, all full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program (HIC) upon employment. For the School Board professional Plan, all full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. These plans are administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

School Board Non-Professional Plan

The specific information about the School Board non-professional HIC OPEB, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HIC PLAN PROVISIONS
Eligible Employees The Political Subdivision Retiree HIC was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
Benefit Amounts The political subdivision's Retiree HIC provides the following benefits for eligible employees: • At Retirement – for employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. • Disability Retirement – for employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

A. Plan Description (Continued)

School Board Non-Professional Plan (Continued)

POLITICAL SUBDIVISION HIC PLAN PROVISIONS (Continued)
Health Insurance Credit Program Notes • The monthly HIC benefit cannot exceed the individual premium amount • No HIC for premiums paid and qualified under Line of Duty Act (LODA), however, the employee may receive the credit for premiums paid for other qualified health plans. • Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

School Board Professional Plan

The specific information for the Teacher Employee HIC OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HIC PLAN PROVISIONS
Eligible Employees The Teacher Employee Retiree HIC was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.

Benefit Amounts
The Teacher Employee Retiree HIC provides the following benefits for eligible employees:
• At Retirement – for teacher and other professional school employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount.
• Disability Retirement – for teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either:
    o $4.00 per month, multiplied by twice the amount of service credit, or
    o $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

Health Insurance Credit Program Notes • The monthly HIC benefit cannot exceed the individual premium amount • Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

B. Employees Covered by Benefit Terms

School Board Non-Professional Plan

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan.

	Number
Inactive members:	
Inactive members or their beneficiaries currently receiving benefits	178
Vested	6
Total inactive members	184
Active members	371
Total covered employees	555

C. Contributions

School Board Non-Professional and School Board Professional Plans

The contribution requirement for active employees is governed by Section 51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. For the year ended June 30, 2023, the contractually required employer contribution rates for the School Board non-professional and School Board professional was 0.83% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the HIC Program from the participating employers for the years ended June 30, 2023 and 2022 were as follows:

	2023	2022
School Board Professional	$ 1,003,541	$ 924,891
School Board Non-Professional	77,649	67,614

In June 2022, the Commonwealth made a special contribution of approximately $12 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

D. Net HIC OPEB Liability

School Board Non-Professional Plan

The School Board Non-Professional plan's net HIC OPEB liability was measured as of June 30, 2022. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

School Board Professional Plan

The net OPEB liability (NOL) for the Teacher Employee HIC represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the Teacher Employee HIC are as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
Total teacher employee HIC OPEB liability	$ 1,470,891
Plan fiduciary net position	221,845
Teacher employee net HIC OPEB liability	$ 1,249,046
Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	15.08%

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

E. Actuarial Assumptions

School Board Non-Professional and School Board Professional Plans

The total HIC OPEB liabilities were based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation:	
Locality – general employees	3.50%-5.35%
Teacher employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

School Board Non-Professional Plan

Mortality Rates – General Employees

Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement Scale:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

E. Actuarial Assumptions (Continued)

School Board Non-Professional Plan (Continued)

Mortality Rates – General Employees (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

School Board Professional Plan

Mortality Rates – Teachers

Pre-retirement:	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.
Post-retirement:	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.
Post-disablement:	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.
Mortality Improvement Scale:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

E. Actuarial Assumptions (Continued)

School Board Professional Plan (Continued)

Mortality Rates – Teachers (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

F. Long-Term Expected Rate of Return

School Board Non-Professional and School Board Professional Plans

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi - Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.83%

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 6.72%, including expected inflation of 2.50%.

G. Discount Rate

School Board Non-Professional and School Board Professional Plans

The discount rate used to measure the total HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, the rate contributed by the School Board non-professional and School Board professional plans for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

H. Changes in Net HIC OPEB Liability

School Board Non-Professional Plan

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a-b)
Balance at June 30, 2021	$ 1,140,637	$ 540,770	$ 599,867
Changes for the year:			
Service cost	24,929	-	24,929
Interest	75,778	-	75,778
Changes of assumptions	676	-	676
Differences between expected and actual experience	5,689	-	5,689
Contributions - employer		67,614	(67,614)
Net investment income	-	832	(832)
Benefit payments, including refunds of employee contributions	(85,856)	(85,856)	-
Administrative expenses	-	(894)	894
Other changes	-	7,431	(7,431)
Net changes	21,216	(10,873)	32,089
Balance at June 30, 2022	$ 1,161,853	$ 529,897	$ 631,956

I. Sensitivity of the HIC Net OPEB Liabilities to Changes in the Discount Rate

School Board Non-Professional and School Board Professional Plans

The following presents the net HIC OPEB liabilities using the discount rate of 6.75%, as well as what the net HIC OPEB liabilities would be if they were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board Professional	$ 11,544,886	$ 10,243,805	$ 9,140,912
School Board Non-Professional	738,168	631,956	540,118

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB

School Board Non-Professional Plan

For the year ended June 30, 2023, the School Board non-professional plan recognized HIC OPEB expense of $60,284. At June 30, 2023, the School Board non-professional plan reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,388	$ (16,652)
Net difference between projected and actual earnings on HIC OPEB program investments	-	(13,757)
Change in assumptions	14,738	-
Employer contributions subsequent to the measurement date	77,649	-
Total	$ 96,775	$ (30,409)

The $77,649 reported as deferred outflows of resources related to the HIC OPEB resulting from the school Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	$ (4,771)
2025	(5,325)
2026	(8,699)
2027	7,512
Total	$ (11,283)

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (Continued)

School Board Professional Plan

At June 30, 2023, the School Board professional plan reported a liability of $10,243,805 for its proportionate share of the Teacher Employee HIC total OPEB liability. The total Teacher Employee HIC OPEB liability was measured as of June 30, 2022 and the total Teacher Employee HIC OPEB Liability used to calculate the total Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The School Board professional plan's proportion of the total Teacher Employee HIC OPEB liability was based on the School Board professional plan's actuarially determined employer contributions to the Teacher Employee HIC OPEB plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Board professional plan's proportion of the Teacher Employee HIC was 0.82013% as compared to 0.80417% at June 30, 2021.

For the year ended June 30, 2023, the School Board professional plan recognized Teacher Employee HIC OPEB expense of $807,914. Since there was a change in proportionate share between measurement dates, a portion of the Teacher Employee HIC net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (417,554)
Net difference between projected and actual earnings on HIC OPEB program investments	-	(10,282)
Change in assumptions	299,274	(26,159)
Changes in proportionate share	293,506	(214,941)
Employer contributions subsequent to the measurement date	1,003,541	-
Total	$ 1,596,321	$ (668,936)

Note 13. Other Postemployment Benefits (Continued)

13.3. Health Insurance Credit Program (Continued)

J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (Continued)

School Board Professional Plan (Continued)

The $1,003,541 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year(s) Ending June 30,		Amount
2024	$	(42,014)
2025		(30,928)
2026		(23,525)
2027		13,571
2028		6,640
Thereafter		100
Total	$	(76,156)

K. HIC Credit Program Plan Data

Information about the VRS Political Subdivision and Teacher Employee HIC is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 14. Advances To/From Other Funds

Interfund balances as of June 30, 2023 are as follows:

Payable Fund	Receivable Fund
Primary Government:	Water and Sewer Fund
Lake Shenandoah Stormwater Control Authority Fund	$ 1,584,125
Smith Creek Water and Waste Authority Fund	362,297
	$ 1,946,422

Annual maturities for the Water and Sewer Fund advance to the Lake Shenandoah Stormwater Control Authority are as follows:

Year(s) Ending June 30,	Principal	Interest
2024	$ 178,145	$ 47,524
2025	183,489	42,179
2026	188,994	36,675
2027	194,664	31,005
2028	200,504	25,165
2029-2031	638,329	38,677
	$ 1,584,125	$ 221,225

Annual maturities for the Water and Sewer Fund advance to the Smith Creek Water and Waste Authority are as follows:

Year Ending June 30,	Principal	Interest
2024	$ 87,039	$ 9,637
2025	89,355	7,322
2026	91,732	4,945
2027	94,171	-
	$ 362,297	$ 21,904

Note 15. Interfund Transfers

A summary of interfund transfer activity is presented as follows:

Transfer to Fund	General Fund	Tourism Fund	Penn Laird Sewer Authority	School Operating Fund	Total Transferred In
Primary Government:					
Governmental funds:					
General Capital Projects Fund	$ 7,386,750	$ 104,000	$ -	$ -	$ 7,490,750
Water and Sewer Fund	-	-	672,542	-	672,542
School Cafeteria Fund	-	-	-	2,831	2,831
Total transferred out	$ 7,386,750	$ 104,000	$ 672,542	$ 2,831	$ 8,166,123

The transfer from the General Fund to the General Capital Projects Fund was to transfer funds for capital projects adopted in FY23 budget along with a supplemental for cash proffer and to transfer funds for the purchase of fire and rescue apparatus.

The transfer from the Tourism Fund to the General Capital Projects Fund was for Rockingham Park parking lot upgrades.

The transfer from the Penn Laird Sewer Authority to the Water and Sewer Fund was for the closure of the Penn Laird Sewer Authority Fund.

The transfer from the School Operating to the School Cafeteria Fund was for cafeteria bad debts.

Note 16. Major Customers

The Water and Sewer Fund has one major customer. For the year ended June 30, 2023, water and sewer revenue from this customer was approximately $3.83 million. Accounts receivable from this customer were approximately $205,000 at June 30, 2023.

The Solid Waste Fund has three major customers. Revenues from these customers for the year ended June 30, 2023 were approximately $2.50 million. Accounts receivable from these customers were approximately $228,000 at June 30, 2023.

The Smith Creek Water & Waste Authority Fund has one major customer. For the year ended June 30, 2023, revenue from this customer was approximately $135,000. Accounts receivable from this customer were approximately $14,800 at June 30, 2023.

Note 17. Landfill Closure and Postclosure Care Cost

An agreement between the County and City of Harrisonburg divided the closure and post-closure liability pro rata for all cells active as of December 31, 2011. The City of Harrisonburg's liability for closure and post-closure was capped at that amount calculated pursuant to the regulations and percentage of waste disposed in the active cells as of December 31, 2011. The City of Harrisonburg's landfill closure and post-closure care liability totals $2,697,965.

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the Solid Waste Fund reports a portion of these closure and post-closure care costs as an operating expense in each period based on the landfill capacity used as of each balance sheet date. The County has recorded $17,674,289 as landfill closure and post-closure liability at June 30, 2023. The landfill's total capacity used to date is 9.99% for active cells.

The Solid Waste Fund will report the County's estimated liability of closure and post-closure care of $6,278,364 for the active cell as the remaining estimated capacity is filled. These amounts are based on the cost to perform all closure and post-closure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The estimated remaining life of the landfill is approximately three years and does not account for future expansion.

Note 18. Risk Management

The County and its component units are exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets, errors and omissions; employee health and accident claims; and natural disasters. The County and its component units have chosen to retain a portion of the risks through a self-insurance program and have also purchased insurance to transfer other risks to outside parties. There has been no significant reduction in insurance coverage during the past year. A description of the County and its component units' risk management program is presented below:

Auto, Liability and Workers' Compensation Insurance

The County has coverage with the Virginia Association of Counties Group Self Insurance Association (Association) for auto, liability, and workers' compensation insurance. Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays the Association contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the last three fiscal years.

Note 18. Risk Management (Continued)

Health Insurance

County employees, retirees and employee dependents are eligible for medical benefits from a health insurance Internal Service Funds. Funding is provided by charges to County departments, employees, and retirees. The program is supplemented by stop loss protection, which limits the County's annual liability.

Based on the requirements of GASB Statement No. 10, the County records an estimated liability for indemnity healthcare claims. The following represents the change in the fund's claims liability for 2023, 2022, and 2021:

Fiscal Year Ended	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
June 30, 2023	$ 2,329,377	$ 32,434,531	$ 32,732,506	$ 2,031,402
June 30, 2022	1,357,606	30,375,084	29,403,313	2,329,377
June 30, 2021	2,055,328	24,403,171	25,100,893	1,357,606

The ending liability is reported by the following:

Fiscal Year Ended	Governmental Activities	Component Unit - School Board	Total
June 30, 2023	$ 507,850	$ 1,523,552	$ 2,031,402
June 30, 2022	588,250	1,741,127	2,329,377
June 30, 2021	339,402	1,018,204	1,357,606

Note 19. Tax Abatements and the Technology Zone Grant Program

Pursuant to the provisions of Title 15.2, Chapter 9, Section 15.2-953 of the *Code of Virginia*, localities are permitted to make appropriations of money to industrial development authorities for the purposes of promoting economic development. Furthermore, Title 58.1, Chapter 38, Section 58.1-3850 of the *Code of Virginia* permits any city, county or town the authority to establish one or more technology zones, within which incentives may be offered for investments in technological advances. The tax incentives may be provided for up to ten years and may include, but not be limited to: (i) reduction of permit fees; (ii) reduction of user fees; and (iii) reduction of any type of gross receipts tax.

The County has established the Technology Zone Grant Program and currently maintains four technology zones. The County has entered into grant agreements with local businesses within those zones. Once the business has satisfactorily paid all current year property taxes due, a calculation is performed to determine the grant amount that will ultimately be returned to the business. This transaction, in essence, is an abatement of taxes collected, as it is a reduction in tax revenues available for spending by the County. Once the grant amount is determined, the County transfers funds to the Rockingham Economic Development Authority, who subsequently returns the funds to the business. Grants shall be used for investment in technological advancements to machinery and tools and tangible personal property in the construction of new or expanded facilities within the technology zone.

Note 19. Tax Abatements and the Technology Zone Grant Program (Continued)

For the fiscal year ended June 30, 2023, the County abated property taxes totaling $546,056 under this grant program, including the following tax abatement agreements:

- Property tax abatement to a pharmaceutical facility in the amount of $31,694.
- Property tax abatement to a beverage facility in the amount of $216,766.
- Property tax abatement to a food packaging and beverage facility in the amount of $297,596.

Note 20. Pending GASB Statements

At June 30, 2023, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the County. The statements which might impact the County are as follows:

GASB Statement No. 99, *Omnibus 2022*, will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The portion of Statement No. 99 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The portion of the Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 will be effective for fiscal years beginning after December 15, 2023.

Management has not determined the effects these new Statements may have on prospective financial statements.

Note 21. Joint Venture

The Harrisonburg-Rockingham Emergency Communications Center (HRECC) is a joint venture of the County and the City of Harrisonburg (City). The HRECC was created in August 2003, to provide for the purchase, operation, and maintenance of a two-way radio system for public safety and general government operations in the County and City. The County's Board of Supervisors and the Harrisonburg City Council approve the annual operating and maintenance budget, as submitted by the HRECC Administrative Board comprised of the County Administrator and the City Manager. Both localities are contractually obligated to provide appropriations for the operating costs of the HRECC. The County has no explicit and measurable financial interest in the HRECC. Complete financial statements for the HRECC can be obtained from the Director of Finance, City of Harrisonburg, 345 South Main Street, Harrisonburg, Virginia 22801.

In fiscal year 2023, the County's contributions to the HRECC totaled approximately $3,506,761.

Note 22. Middle River Regional Jail Authority

The Middle River Regional Jail Authority (MRRJA), which opened in April 2006, was established by the County of Augusta, City of Staunton and City of Waynesboro (the Original Member Jurisdictions) to house prisoners from their own jurisdictions as well as others. An agreement was executed as of July 1, 2015 among the Original Member Jurisdictions and the County of Rockingham and City of Harrisonburg to allow the County and City to become Member Jurisdictions of MRRJA, effectively allowing the County and City to no longer pay MRRJA's per diem rental fee. The Original Member Jurisdictions agreed to admit the County as an additional member jurisdiction effective July 1, 2015 for $10,771,794. See Note 7 for details of the long-term liability associated with becoming a member jurisdiction.

The total principal paid by the County to become a member jurisdiction of MRRJA was $1,009,166 in fiscal year 2023, which has been shown as a public safety expenditure in the General Fund, and as a reduction in the liability on the Governmental Activities Statement of Net Position.

The total paid by the County to MRRJA for operating purposes of MRRJA was $1,817,901 in fiscal year 2023.

Note 23. Contingency

Federal and State-Assisted Programs

The County has received proceeds from several federal and state grant programs. 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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. Based upon past experience, no provision has been made in the accompanying financial statements for the refund of grant monies.

Note 24. Subsequent Events

On July 1, 2023, the County signed a new lease for the Bridgeport building, which resulted in a right-to-use asset and lease liability of $299,167.

Effective on July 1, 2023, the County signed a new subscription agreement with Cohesity for five years, which resulted in a right-to-use asset and subscription liability of $262,955.

Effective on August 12, 2023, the County signed a new subscription agreement with ESRI for three years, which resulted in a right-to-use asset and subscription liability of $168,807.

Effective on October 1, 2023, the County signed a new subscription agreement with Microsoft for three years, which resulted in a right-to-use asset and subscription liability of $440,387.

Subsequent to year-end the County approved a contract with Lantz Construction not to exceed $13,500,000 to construct a new recreation center.

Subsequent to year-end the County approved a bid in the amount of $572,166 to purchase vehicles from Myers Ford.

Subsequent to year-end the County issued Literary Loan in the amount of $14,000,000 for the renovation of Broadway High School to be paid back over 30 years at an interest rate of 3%.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF CHANGES IN THE COUNTY AND THE DISTRICT NET PENSION LIABILITY AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Total Pension Liability:									
Service cost	$ 2,559,508	$ 2,661,858	$ 2,758,824	$ 2,913,015	$ 2,940,965	$ 2,978,664	$ 3,386,916	$ 3,394,442	**$ 3,991,471**
Interest	5,820,012	6,141,573	6,430,742	6,822,375	7,062,220	7,425,916	7,848,411	8,392,185	**9,265,076**
Differences between expected and actual experience	-	(528,816)	852,638	(394,616)	339,533	1,502,262	2,614,034	(2,214,112)	**201,241**
Changes of assumptions	-	-	-	(1,115,528)	-	3,726,026	-	5,516,227	**-**
Benefit payments, including refunds of employee contributions	(3,578,397)	(3,993,176)	(4,294,088)	(4,600,811)	(4,996,969)	(5,297,154)	(5,592,086)	(5,994,819)	**(6,302,182)**
Net change in total pension liability	4,801,123	4,281,439	5,748,116	3,624,435	5,345,749	10,335,714	8,257,275	9,093,923	**7,155,606**
Total pension liability - beginning	84,932,224	89,733,347	94,014,786	99,762,902	103,387,337	108,733,086	119,068,800	127,326,075	**136,419,998**
Total pension liability - ending (a)	$ 89,733,347	$ 94,014,786	$ 99,762,902	$ 103,387,337	$ 108,733,086	$ 119,068,800	$ 127,326,075	$ 136,419,998	**$ 143,575,604**
Plan Fiduciary Net Position:									
Contributions - employer	$ 2,759,564	$ 2,826,572	$ 3,003,059	$ 2,681,076	$ 2,771,832	$ 2,716,908	$ 2,890,331	$ 3,428,079	**$ 3,685,323**
Contributions - employee	1,125,148	1,139,839	1,224,047	1,249,882	1,322,859	1,314,637	1,399,866	1,444,078	**1,545,767**
Net investment income	10,584,504	3,573,047	1,428,469	10,038,185	6,776,776	6,494,918	1,957,907	28,263,219	**(158,513)**
Benefit payments, including refunds of employee contributions	(3,578,397)	(3,993,176)	(4,294,088)	(4,600,811)	(4,996,969)	(5,297,154)	(5,592,086)	(5,994,819)	**(6,302,182)**
Administrative expense	(56,223)	(48,216)	(49,968)	(57,528)	(58,179)	(63,953)	(66,505)	(69,531)	**(80,755)**
Other changes	558	(753)	(602)	(8,946)	(6,042)	(4,092)	(2,324)	2,671	**3,028**
Net change in plan fiduciary net position	10,835,154	3,497,313	1,310,917	9,301,858	5,810,277	5,161,264	587,189	27,073,697	**(1,307,332)**
Plan fiduciary net position - beginning	66,593,183	77,428,337	80,925,650	82,236,567	91,538,425	97,348,702	102,509,966	103,097,155	**130,170,852**
Plan fiduciary net position - ending (b)	$ 77,428,337	$ 80,925,650	$ 82,236,567	$ 91,538,425	$ 97,348,702	$ 102,509,966	$ 103,097,155	$ 130,170,852	**$ 128,863,520**
County and District's net pension liability - ending (a) - (b)	$ 12,305,010	$ 13,089,136	$ 17,526,335	$ 11,848,912	$ 11,384,384	$ 16,558,834	$ 24,228,920	$ 6,249,146	**$ 14,712,084**
Plan fiduciary net position as a percentage of the total pension liability	86.29%	86.08%	82.43%	88.54%	89.53%	86.09%	80.97%	95.42%	**89.75%**
Covered payroll	$ 21,677,643	$ 22,204,022	$ 23,590,408	$ 24,642,243	$ 25,476,397	$ 26,377,748	$ 28,061,466	$ 28,807,387	**$ 30,969,101**
County and District's net pension liability as a percentage of covered payroll	56.76%	58.95%	74.29%	48.08%	44.69%	62.78%	86.34%	21.69%	**47.51%**

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and the District will present information for those years which information is available.

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF CHANGES IN THE SCHOOL BOARD NON-PROFESSIONAL NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Total Pension Liability:									
Service cost	$ 832,108	$ 817,545	$ 820,429	$ 811,126	$ 767,863	$ 784,209	$ 798,398	$ 778,711	**$ 735,063**
Interest	1,948,144	2,045,747	2,128,901	2,213,159	2,273,515	2,353,731	2,420,331	2,481,845	**2,659,258**
Differences between expected and actual experience	-	(294,432)	(259,762)	(176,386)	(229,654)	(11,453)	(224,426)	(234,687)	**(180,722)**
Changes of assumptions	-	-	-	(388,130)	-	913,856	-	1,224,904	**-**
Benefit payments, including refunds of employee contributions	(1,423,602)	(1,348,250)	(1,413,634)	(1,558,151)	(1,636,913)	(1,694,651)	(1,921,981)	(2,244,008)	**(2,470,956)**
Net change in total pension liability	1,356,650	1,220,610	1,275,934	901,618	1,174,811	2,345,692	1,072,322	2,006,765	**742,643**
Total pension liability - beginning	28,542,435	29,899,085	31,119,695	32,395,629	33,297,247	34,472,058	36,817,750	37,890,072	**39,896,837**
Total pension liability - ending (a)	$ 29,899,085	$ 31,119,695	$ 32,395,629	$ 33,297,247	$ 34,472,058	$ 36,817,750	$ 37,890,072	$ 39,896,837	**$ 40,639,480**
Plan Fiduciary Net Position:									
Contributions - employer	$ 722,711	$ 635,842	$ 641,139	$ 458,757	$ 457,883	$ 421,138	$ 379,560	$ 364,357	**$ 442,584**
Contributions - employee	390,659	394,565	407,589	388,720	388,565	396,178	370,426	344,186	**403,143**
Net investment income	4,013,113	1,334,387	527,774	3,671,538	2,441,647	2,309,120	690,160	9,644,837	**(29,471)**
Benefit payments, including refunds of employee contributions	(1,423,602)	(1,348,250)	(1,413,634)	(1,558,151)	(1,636,913)	(1,694,651)	(1,921,981)	(2,244,008)	**(2,470,956)**
Administrative expense	(21,667)	(18,317)	(18,743)	(21,471)	(21,318)	(23,172)	(24,024)	(24,812)	**(27,646)**
Other changes	212	(283)	(223)	(3,254)	(2,168)	(1,451)	(1,468)	901	**(2,664)**
Net change in plan fiduciary net position	3,681,426	997,944	143,902	2,936,139	1,627,696	1,407,162	(507,327)	8,085,461	**(1,685,010)**
Plan fiduciary net position - beginning	25,542,725	29,224,151	30,222,095	30,365,997	33,302,136	34,929,832	36,336,994	35,829,667	**43,915,128**
Plan fiduciary net position - ending (b)	$ 29,224,151	$ 30,222,095	$ 30,365,997	$ 33,302,136	$ 34,929,832	$ 36,336,994	$ 35,829,667	$ 43,915,128	**$ 42,230,118**
School Board non-professional net pension liability (asset) - ending (a) - (b)	$ 674,934	$ 897,600	$ 2,029,632	$ (4,889)	$ (457,774)	$ 480,756	$ 2,060,405	$ (4,018,291)	**$ (1,590,638)**
Plan fiduciary net position as a percentage of the total pension liability	97.74%	97.12%	93.73%	100.01%	101.33%	98.69%	94.56%	110.07%	**103.91%**
Employer's covered payroll	$ 8,867,620	$ 7,801,742	$ 7,866,736	$ 7,671,522	$ 7,656,906	$ 7,741,507	$ 6,977,206	$ 6,228,325	**$ 7,565,538**
School Board's non-professional net pension liability (asset) as a percentage of covered payroll	7.61%	11.51%	25.80%	-0.06%	-5.98%	6.21%	29.53%	-64.52%	**-21.02%**

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF SCHOOL BOARD SHARE OF NET PENSION LIABILITY
VRS TEACHER RETIREMENT PLAN (COST-SHARING) –
VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Employer's proportion of the net pension liability	0.81091%	0.82758%	0.82587%	0.81860%	0.82645%	0.81147%	0.79915%	0.80852%	**0.82428%**
Employer's proportionate share of the net pension liability	$ 97,996,000	$ 104,163,000	$ 115,739,000	$ 100,671,000	$ 97,190,000	$ 106,794,064	$ 116,297,311	$ 62,766,195	**$ 78,476,391**
Employer's covered payroll	$ 47,690,683	$ 61,488,041	$ 62,969,097	$ 60,677,558	$ 62,103,689	$ 67,779,872	$ 69,768,182	$ 68,822,822	**$ 73,677,371**
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	205.48%	169.40%	183.80%	165.91%	156.50%	157.56%	166.69%	91.20%	**106.51%**
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%	71.47%	85.46%	**82.61%**

Note to Schedule:

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COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF COUNTY AND DISTRICT CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Contractually required contribution (CRC)	$ 2,759,564	$ 2,826,572	$ 3,003,059	$ 2,681,076	$ 2,771,832	$ 2,716,908	$ 2,890,331	$ 3,428,079	$ 3,685,323	**$ 4,746,659**
Contributions in relation to the CRC	2,759,564	2,826,572	3,003,059	2,681,076	2,771,832	2,716,908	2,890,331	3,428,079	3,685,323	**4,746,659**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 21,677,643	$ 22,204,022	$ 23,590,408	$ 24,642,243	$ 25,476,397	$ 26,377,748	$ 28,061,466	$ 28,807,387	$ 30,969,101	**$ 34,621,875**
Contributions as a percentage of covered payroll	12.73%	12.73%	12.73%	10.88%	10.88%	10.30%	10.30%	11.90%	11.90%	**13.71%**

See Notes to Required Supplementary Information – Virginia Retirement System.

SCHEDULE OF SCHOOL BOARD NON-PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Contractually required contribution (CRC)	$ 722,711	$ 635,842	$ 641,139	$ 458,757	$ 457,883	$ 421,138	$ 379,560	$ 364,357	$ 442,584	**$ 462,419**
Contributions in relation to the CRC	722,711	635,842	641,139	458,757	457,883	421,138	379,560	364,357	442,584	**462,419**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 8,867,620	$ 7,801,742	$ 7,866,736	$ 7,671,522	$ 7,656,906	$ 7,741,507	$ 6,977,206	$ 6,228,325	$ 7,565,538	**$ 7,959,019**
Contributions as a percentage of covered payroll	8.15%	8.15%	8.15%	5.98%	5.98%	5.44%	5.44%	5.85%	5.85%	**5.81%**

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Contractually required contribution (CRC)	$ 6,915,149	$ 8,915,766	$ 8,853,455	$ 8,895,330	$ 10,135,322	$ 10,627,884	$ 10,939,651	$ 11,438,353	$ 12,245,179	**$ 13,177,237**
Contributions in relation to the CRC	6,915,149	8,915,766	8,853,455	8,895,330	10,135,322	10,627,884	10,939,651	11,438,353	12,245,179	**13,177,237**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 47,690,683	$ 61,488,041	$ 62,969,097	$ 60,677,558	$ 62,103,689	$ 67,779,872	$ 69,768,182	$ 68,822,822	$ 73,677,371	**$ 79,285,421**
Contributions as a percentage of covered payroll	14.50%	14.50%	14.06%	14.66%	16.32%	15.68%	15.68%	16.62%	16.62%	**16.62%**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – VIRGINIA RETIREMENT SYSTEM For the Year Ended June 30, 2023

Note 1. Changes of Benefit Terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

County and the District and School Board Non-Professional Plans (Agent Plans)

General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Public Safety Employees with Hazardous Duty Benefits

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changes from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Local's Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 2. Changes of Assumptions (Continued)

School Board Professional Plan (Cost-Sharing)

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

SCHEDULE OF CHANGES IN THE COUNTY AND THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30, 2018	2019	2020	2021	2022	**2023**
Total Medical Insurance OPEB liability:						
Service cost	$ 390,913	$ 410,459	$ 393,352	$ 406,569	$ 661,777	**$ 676,204**
Interest	183,392	195,244	224,816	191,810	138,244	**183,396**
Experience losses	-	-	263,293	-	653,367	**-**
Changes in assumptions	-	-	(1,688,245)	-	837,939	**-**
Contributions - employer	(196,975)	(212,733)	(175,592)	(188,761)	(220,760)	**(234,558)**
Net change in total OPEB liability	377,330	392,970	(982,376)	409,618	2,070,567	**625,042**
Total Medical Insurance OPEB liability - beginning	5,702,899	6,080,229	6,473,199	5,490,823	5,900,441	**7,971,008**
County and District total Medical Insurance OPEB liability - ending	$ 6,080,229	$ 6,473,199	$ 5,490,823	$ 5,900,441	$ 7,971,008	**$ 8,596,050**
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	**0.00%**
Covered employee payroll	$ 25,476,397	$ 26,377,748	$ 28,061,466	$ 28,807,387	$ 30,969,101	**$ 34,621,875**
Total OPEB liability as a percentage of covered employee payroll	23.87%	24.54%	19.57%	20.48%	25.74%	**24.83%**

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and the District will present information for those years which information is available.

SCHEDULE OF CHANGES IN THE SCHOOL BOARD'S TOTAL OPEB LIABILITY AND RELATED RATIOS – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,					
	2018	2019	2020	2021	2022	**2023**
Total Medical Insurance OPEB liability:						
Service cost	$ 1,141,518	$ 1,198,594	$ 1,130,216	$ 1,168,191	$ 1,824,324	**$ 1,864,094**
Interest	605,681	646,053	736,318	694,934	499,581	**595,436**
Experience losses	-	-	2,423,524	-	(14,433)	**-**
Changes in assumptions	-	-	(4,876,583)	-	2,350,894	**-**
Contributions - employer	(468,646)	(506,138)	(635,447)	(683,106)	(285,274)	**(303,104)**
Net change in total OPEB liability	1,278,553	1,338,509	(1,221,972)	1,180,019	4,375,092	**2,156,426**
Total Medical Insurance OPEB liability - beginning	18,802,393	20,080,946	21,419,455	20,197,483	21,377,502	**25,752,594**
School Board total Medical Insurance OPEB liability - ending	$ 20,080,946	$ 21,419,455	$ 20,197,483	$ 21,377,502	$ 25,752,594	**$ 27,909,020**
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	**0.00%**
Covered employee payroll	$ 69,760,595	$ 75,521,380	$ 76,745,388	$ 81,242,909	$ 81,242,909	**$ 87,244,440**
Total OPEB liability as a percentage of covered employee payroll	28.79%	28.36%	26.32%	26.31%	31.70%	**31.99%**

Note to Schedule:

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COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF THE COUNTY AND THE DISTRICT'S PLAN CONTRIBUTIONS – OPEB – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,					
	2018	2019	2020	2021	2022	**2023**
Contractually required contribution (CRC)	$ 581,319	$ 610,641	$ 175,592	$ 188,761	$ 220,760	**$ 234,558**
Contributions in relation to the CRC	581,319	610,641	175,592	188,761	220,760	**234,558**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered employee payroll	$ 25,476,397	$ 26,377,748	$ 28,061,466	$ 28,807,387	$ 30,969,101	**$ 34,621,875**
Contributions as a percentage of covered employee payroll	2.28%	2.31%	0.63%	0.66%	0.71%	**0.68%**

Note to Schedule:

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COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF SCHOOL BOARD PLAN CONTRIBUTIONS – OPEB – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,					
	2018	2019	2020	2021	2022	**2023**
Contractually required contribution (CRC)	$ 1,947,789	$ 2,053,750	$ 635,447	$ 683,106	$ 285,274	**$ 303,104**
Contributions in relation to the CRC	1,947,789	2,053,750	635,447	683,106	285,274	**303,104**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered employee payroll	$ 69,760,595	$ 75,521,380	$ 76,745,388	$ 75,051,147	$ 81,242,909	**$ 87,244,440**
Contributions as a percentage of covered employee payroll	2.79%	2.72%	0.83%	0.91%	0.35%	**0.35%**

Note to Schedule:

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COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30,					
	2017	2018	2019	2020	2021	**2022**
County and the District:						
Employer's proportion of the net GLI OPEB liability	0.13592%	0.13702%	0.13855%	0.14184%	0.14531%	**0.14913%**
Employer's proportionate share of the net GLI OPEB liability	$ 2,045,000	$ 2,081,000	$ 2,254,577	$ 2,367,077	$ 1,691,802	**$ 1,795,669**
Employer's covered payroll	$ 25,071,813	$ 26,053,355	$ 27,160,577	$ 29,190,962	$ 30,001,481	**$ 32,438,704**
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	**5.54%**
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	**67.21%**
School Board Non-Professional:						
Employer's proportion of the net GLI OPEB liability	0.04331%	0.04267%	0.04263%	0.04083%	0.03959%	**0.03987%**
Employer's proportionate share of the net GLI OPEB liability	$ 651,000	$ 649,000	$ 693,704	$ 681,386	$ 460,935	**$ 480,073**
Employer's covered payroll	$ 7,987,977	$ 8,112,786	$ 8,357,500	$ 8,403,654	$ 8,173,333	**$ 8,673,704**
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.15%	8.00%	8.30%	8.11%	5.64%	**5.53%**
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	**67.21%**
School Board Professional:						
Employer's proportion of the net GLI OPEB liability	0.34950%	0.35010%	0.34568%	0.33878%	0.34504%	**0.35190%**
Employer's proportionate share of the net GLI OPEB liability	$ 5,260,000	$ 5,317,000	$ 5,625,134	$ 5,653,683	$ 4,019,478	**$ 4,237,215**
Employer's covered payroll	$ 64,465,823	$ 66,570,938	$ 67,764,423	$ 69,723,077	$ 71,238,148	**$ 76,546,296**
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	**5.54%**
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	**67.21%**

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and the District, the School Board non-professional, and the School Board professional will present information for those years for which information is available.

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30, 2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
County and the District:										
Contractually required contribution (CRC)	$ 102,169	$ 107,086	$ 114,244	$ 130,373	$ 134,478	$ 141,235	$ 151,793	$ 162,008	$ 175,169	**$ 196,073**
Contributions in relation to the CRC	102,169	107,086	114,244	130,373	134,478	141,235	151,793	162,008	175,169	**196,073**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 21,285,137	$ 22,309,633	$ 23,800,818	$ 25,071,813	$ 26,053,355	$ 27,160,577	$ 29,190,962	$ 30,001,481	$ 32,438,704	**$ 36,309,815**
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	**0.54%**
School Board Non-Professional:										
Contractually required contribution (CRC)	$ 37,343	$ 37,831	$ 38,363	$ 41,537	$ 42,045	$ 43,459	$ 43,699	$ 44,136	$ 46,838	**$ 50,540**
Contributions in relation to the CRC	37,343	37,831	38,363	41,537	42,045	43,459	43,699	44,136	46,838	**50,540**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 7,779,696	$ 7,881,447	$ 7,992,255	$ 7,987,977	$ 8,112,786	$ 8,357,500	$ 8,403,654	$ 8,173,333	$ 8,673,704	**$ 9,359,259**
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	**0.54%**
School Board Professional:										
Contractually required contribution (CRC)	$ 285,402	$ 295,802	$ 302,707	$ 335,222	$ 346,483	$ 352,375	$ 362,560	$ 384,686	$ 413,350	**$ 448,496**
Contributions in relation to the CRC	285,402	295,802	302,707	335,222	346,483	352,375	362,560	384,686	413,350	**448,496**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 59,458,766	$ 61,625,384	$ 63,064,004	$ 64,465,823	$ 66,570,938	$ 67,764,423	$ 69,723,077	$ 71,238,148	$ 76,546,296	**$ 83,054,815**
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	**0.54%**

SCHEDULE OF CHANGES IN THE SCHOOL BOARD NON-PROFESSIONAL PLAN'S NET OPEB LIABILITY AND RELATED RATIOS – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,					
	2017	2018	2019	2020	2021	**2022**
Total HIC OPEB liability:						
Service cost	$ 19,552	$ 18,080	$ 18,979	$ 20,511	$ 22,330	**$ 24,929**
Interest	65,388	65,306	68,683	69,108	73,245	**75,778**
Differences between expected and actual experience	-	33,710	207	(9,827)	(24,874)	**5,689**
Changes in assumptions	(22,380)	-	21,876	53,437	22,301	**676**
Benefit payments	(54,976)	(72,469)	(65,253)	(68,943)	(74,952)	**(85,856)**
Net change in total OPEB liability	7,584	44,627	44,492	64,286	18,050	**21,216**
Total HIC OPEB liability - beginning	961,598	969,182	1,013,809	1,058,301	1,122,587	**1,140,637**
Total HIC OPEB liability - ending (a)	$ 969,182	$ 1,013,809	$ 1,058,301	$ 1,122,587	$ 1,140,637	**$ 1,161,853**
Plan Fiduciary Net Position:						
Contributions - employer	$ 51,835	$ 52,735	$ 58,393	$ 55,438	$ 57,893	**$ 67,614**
Net investment income	43,842	28,613	27,512	8,916	114,158	**832**
Benefit payments, including refunds of employee	(54,976)	(72,469)	(65,253)	(68,943)	(74,952)	**(85,856)**
Administrative expense	(702)	(666)	(591)	(843)	(1,314)	**(894)**
Other changes	2,239	(1,625)	(32)	(4)	-	**7,431**
Net change in plan fiduciary net position	42,238	6,588	20,029	(5,436)	95,785	**(10,873)**
Plan fiduciary net position - beginning	381,566	423,804	430,392	450,421	444,985	**540,770**
Plan fiduciary net position - ending (b)	$ 423,804	$ 430,392	$ 450,421	$ 444,985	$ 540,770	**$ 529,897**
School Board non-professional net HIC OPEB liability - ending (a) - (b)	$ 545,378	$ 583,417	$ 607,880	$ 677,602	$ 599,867	**$ 631,956**
Plan fiduciary net position as a percentage of the total HIC OPEB liability	43.73%	42.45%	42.56%	39.64%	47.41%	**45.61%**
Covered payroll	$ 7,979,559	$ 8,112,786	$ 8,983,538	$ 8,528,923	$ 8,171,026	**$ 8,668,462**
Net OPEB liability as a percentage of covered payroll	6.83%	7.19%	6.77%	7.94%	7.34%	**7.29%**

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board Non-Professional Plan will present information for those years which information is available.

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF SCHOOL BOARD NON-PROFESSIONAL PLAN CONTRIBUTIONS – OPEB – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Contractually required contribution (CRC)	$ 57,482	$ 48,730	$ 49,492	$ 51,835	$ 52,735	$ 58,393	$ 55,438	$ 63,734	$ 67,614	**$ 77,649**
Contributions in relation to the CRC	57,482	48,730	49,492	51,835	52,735	58,393	55,438	63,734	67,614	**77,649**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 7,767,822	$ 7,859,697	$ 7,982,504	$ 7,979,559	$ 8,112,786	$ 8,983,538	$ 8,528,923	$ 8,171,026	$ 8,668,462	**$ 9,355,301**
Contributions as a percentage of covered payroll	0.74%	0.62%	0.62%	0.65%	0.65%	0.65%	0.65%	0.78%	0.78%	**0.83%**

See Notes to Required Supplementary Information – Other Postemployment Benefits.

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF CHANGES IN THE SCHOOL BOARD PROFESSIONAL PLAN’S NET OPEB LIABILITY AND RELATED RATIOS – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,					
	2017	2018	2019	2020	2021	**2022**
Employer's proportion of the net HIC OPEB liability	0.81579%	0.82261%	0.80768%	0.79495%	0.80417%	**0.82013%**
Employer's proportionate share of the net HIC OPEB liability	$ 10,349,000	$ 10,445,000	$ 10,573,316	$ 10,370,255	$ 10,322,078	**$ 10,243,805**
Employer's covered payroll	$ 64,382,624	$ 66,527,647	$ 66,717,131	$ 68,549,098	$ 71,122,066	**$ 76,437,273**
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	16.07%	15.70%	15.85%	15.13%	14.51%	**13.40%**
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.04%	8.08%	8.97%	9.95%	13.15%	**15.08%**

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board Professional Plan will present information for those years which information is available.

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF SCHOOL BOARD PROFESSIONAL PLAN CONTRIBUTIONS – OPEB – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Contractually required contribution (CRC)	$ 658,256	$ 652,216	$ 667,472	$ 714,647	$ 807,757	$ 813,949	$ 836,299	$ 860,577	$ 924,891	**$ 1,003,541**
Contributions in relation to the CRC	658,256	652,216	667,472	714,647	807,757	813,949	836,299	860,577	924,891	**1,003,541**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 59,302,346	$ 61,529,796	$ 62,969,099	$ 64,382,624	$ 66,527,647	$ 66,717,131	$ 68,549,098	$ 71,122,066	$ 76,437,273	**$ 82,937,273**
Contributions as a percentage of covered payroll	1.11%	1.06%	1.06%	1.11%	1.21%	1.22%	1.22%	1.21%	1.21%	**1.21%**

See Notes to Required Supplementary Information – Other Postemployment Benefits.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS
Year Ended June 30, 2023

Note 1. Medical Insurance Program

There are no assets accumulated in a trust for the Medical Insurance Program.

A. Changes of Benefit Terms

There have been no actuarially material changes to the Medical Insurance benefit provisions since the prior actuarial valuation.

B. Changes of Assumptions

The following changes were made to the actuarial assumptions and methods effective July 1, 2021.

1. The following is the discount rate used for the period presented:

2021	2.18%
2020	3.36%
2019	3.11%

2. The medical claims aging table was updated to be based on the aging factor in the Dale Yamamoto study released by the Society of Actuaries in June 2013.

3. The assumed trend rate for the medical claims was changed to 6.25% grading uniformly to 5.50% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.

Note 2. Group Life Insurance Program

A. Changes of Benefit Terms

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumption as a result of the experience study and VRS Board action are as follows:

School Board Professional

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experienced for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through nine years of service

Note 2. Group Life Insurance Program (Continued)

B. Changes of Assumptions (Continued)

School Board Professional (Continued)

Teachers (Continued)

Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County, District and School Board Non-Professional Plans

General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 3. Health Insurance Credit Program

A. Changes of Benefit Terms

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

School Board Non-Professional Plan

Non-Largest 10 Locality Employers – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

School Board Professional Plan

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year, age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Asset Forfeiture Fund - This fund is used to account for confiscated funds collected for law enforcement purposes.

Tourism Fund - This fund is used to account for 60% of the transient occupancy tax collected for community development purposes.

LLC Library Fund – This fund is used to account for the assets held by the County for the Law Library.

Opioid Settlement Fund – This fund is used to account for the County's receipt and corresponding expenditures related to the Opioid Settlement funds received.

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue				Total
	Asset Forfeiture Fund	Tourism Fund	LLC Library Fund	Opioid Settlement Fund	Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	$ 202,794	$ 1,463,877	$ 11,701	$ 90,845	$ 1,769,217
Investments	92,817	669,999	5,356	41,578	809,750
Accrued interest	495	3,469	26	176	4,166
Trade and other accounts	-	243,730	-	-	243,730
Due from other government	-	9,963	-	-	9,963
Prepaid items	-	1,317	-	-	1,317
Total assets	$ 296,106	$ 2,392,355	$ 17,083	$ 132,599	$ 2,838,143
LIABILITIES					
Accounts payable	$ -	$ 3,184	$ 7,800	$ -	$ 10,984
Accrued payroll	-	6,399	-	-	6,399
Unearned revenue	11,738	-	-	131,818	143,556
Total liabilities	11,738	9,583	7,800	131,818	160,939
FUND BALANCE					
Nonspendable:					
Prepaid items	-	1,317	-	-	1,317
Restricted for:					
Judicial administration	106,443	-	-	-	106,443
Public safety	177,925	-	-	-	177,925
Health and social services	-	-	-	781	781
Parks, recreation and cultural	-	2,381,455	9,283	-	2,390,738
Total fund balance	284,368	2,382,772	9,283	781	2,677,204
Total liabilities and fund balance	$ 296,106	$ 2,392,355	$ 17,083	$ 132,599	$ 2,838,143

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	Special Revenue				Total
	Asset Forfeiture Fund	Tourism Fund	LLC Library Fund	Opioid Settlement Fund	Nonmajor Governmental Funds
Revenues:					
Fines and forfeitures	$ 31,050	$ -	$ -	$ -	$ 31,050
Use of money	9,834	56,183	704	781	67,502
Transient occupancy taxes	-	1,267,454	-	-	1,267,454
Miscellaneous	2,800	-	27,472	51,207	81,479
Intergovernmental	47,257	9,963	-	-	57,220
Total revenues	90,941	1,333,600	28,176	51,988	1,504,705
Expenditures:					
Current:					
Judicial administration	2,170	-	-	-	2,170
Public safety	72,393	-	-	-	72,393
Health and social services	-	-	-	51,207	51,207
Parks, recreation and cultural	-	-	47,926	-	47,926
Community development	-	657,337	-	-	657,337
Total expenditures	74,563	657,337	47,926	51,207	831,033
Income (loss) before transfers	16,378	676,263	(19,750)	781	673,672
Other financing uses:					
Transfers out	-	(104,000)	-	-	(104,000)
Net change in fund balance	16,378	572,263	(19,750)	781	569,672
Fund balance, beginning	267,990	1,810,509	29,033	-	2,107,532
Fund balance, ending	$ 284,368	$ 2,382,772	$ 9,283	$ 781	$ 2,677,204

NONMAJOR PROPRIETARY FUNDS

Lilly Subdivision Sanitary District - This fund is used to account for the provision of water and sewer services to the Lilly Subdivision Sanitary District, a blended component unit.

Countryside Sanitary District - This fund is used to account for the provision of water and sewer services to the Countryside Sanitary District, a blended component unit.

Penn Laird Sewer Authority - This fund is used to account for the provision of water and sewer services to the Penn Laird Sewer Authority, a blended component unit.

Lake Shenandoah Stormwater Control Authority – This fund is used to account for the provision of stormwater services to the Lake Shenandoah Stormwater Control Authority, a blended component unit.

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF NET POSITION – NONMAJOR PROPRIETARY FUNDS
June 30, 2023

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Penn Laird Sewer Authority	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 44,000	$ 15,395	$ -	$ 806,958	$ 866,353
Investments	8,140	2,848	-	149,285	160,273
Trade and other accounts receivable, net	5,172	1,696	-	12,702	19,570
Prepaid items	-	-	-	490	490
Accrued interest	105	37	-	1,862	2,004
Total current assets	57,417	19,976	-	971,297	1,048,690
Noncurrent assets:					
Investments	11,998	4,198	-	220,050	236,246
Capital assets:					
Land	20,600	-	-	935,787	956,387
Improvements other than buildings	485,858	306,022	-	1,085,004	1,876,884
Less accumulated depreciation and amortization	(161,360)	(107,108)	-	(27,125)	(295,593)
Total capital assets, net of accumulated depreciation and amortization	345,098	198,914	-	1,993,666	2,537,678
Total noncurrent assets	357,096	203,112	-	2,213,716	2,773,924
Total assets	414,513	223,088	-	3,185,013	3,822,614
DEFERRED OUTFLOWS OF RESOURCES					
Other postemployment benefits	-	-	-	917	917
Total deferred outflows of resources	-	-	-	917	917
LIABILITIES					
Current liabilities:					
Accounts payable and deposits	3,005	255	-	4,378	7,638
Due to other governments	1,062	434	-	-	1,496
Accrued payroll	-	-	-	1,609	1,609
Accrued interest	-	-	-	39,603	39,603
Unearned revenue	-	-	-	19,287	19,287
Advance from other funds	-	-	-	178,145	178,145
Total current liabilities	4,067	689	-	243,022	247,778
Noncurrent liabilities:					
Advance from other funds	-	-	-	1,405,980	1,405,980
Other postemployment benefits liability	-	-	-	5,578	5,578
Total noncurrent liabilities	-	-	-	1,411,558	1,411,558
Total liabilities	4,067	689	-	1,654,580	1,659,336
DEFERRED INFLOWS OF RESOURCES					
Other postemployment benefits	-	-	-	582	582
Total deferred inflows of resources	-	-	-	582	582
NET POSITION					
Net investment in capital assets	345,098	198,914	-	1,989,288	2,533,300
Unrestricted (deficit)	65,348	23,485	-	(458,520)	(369,687)
Total net position	$ 410,446	$ 222,399	$ -	$ 1,530,768	$ 2,163,613

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2023

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Penn Laird Sewer Authority	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
Operating revenues:					
Charges for services	$ 42,241	$ 10,363	$ 4,190	$ 397,319	$ 454,113
Total operating revenues	42,241	10,363	4,190	397,319	454,113
Operating expenses:					
Contractual services	17,483	3,334	-	62,661	83,478
Personnel Services	-	-	-	19,904	19,904
Fringe Benefits	-	-	-	10,500	10,500
Other charges	23,458	4,118	-	-	27,576
Depreciation and amortization	9,717	6,121	-	27,125	42,963
Total operating expenses	50,658	13,573	-	120,190	184,421
Operating income (loss)	(8,417)	(3,210)	4,190	277,129	269,692
Nonoperating revenues (expenses):					
Intergovernmental	-	-	-	667,980	667,980
Interest revenue	2,229	672	50	25,568	28,519
Interest expense	-	-	(1,165)	(48,389)	(49,554)
Total nonoperating revenues (expenses), net	2,229	672	(1,115)	645,159	646,945
Income (loss) before transfers	(6,188)	(2,538)	3,075	922,288	916,637
OTHER FINANCING USES					
Transfers out	-	-	(672,542)	-	(672,542)
Change in net position	(6,188)	(2,538)	(669,467)	922,288	244,095
Total net position, beginning	416,634	224,937	669,467	608,480	1,919,518
Total net position, ending	$ 410,446	$ 222,399	$ -	$ 1,530,768	$ 2,163,613

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2023

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Penn Laird Sewer Authority	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
Cash flows from operating activities:					
Receipts from customers	$ 41,276	$ 10,162	$ 9,272	$ 397,312	$ 458,022
Payments to suppliers for goods and services	(39,483)	(7,349)	(275)	(62,661)	(109,768)
Payments to employees	-	-	-	(27,705)	(27,705)
Net cash provided by operating activities	1,793	2,813	8,997	306,946	320,549
Cash flows from noncapital financing activities:					
Intergovernmental - grants	-	-	-	667,980	667,980
Transfers (to) from other funds	-	-	140,513	-	140,513
Net cash provided by noncapital financing activities	-	-	140,513	667,980	808,493
Cash flows from capital and related financing activities:					
Advance to other funds	-	-	-	(172,956)	(172,956)
Principal paid on outstanding debt	-	-	(156,737)	-	(156,737)
Interest paid and fiscal charges on outstanding debt	-	-	(3,079)	(52,713)	(55,792)
Acquisition and construction of capital assets	-	-	-	(873,898)	(873,898)
Net cash used in capital and related financing activities	-	-	(159,816)	(1,099,567)	(1,259,383)
Cash flows from investing activities:					
Proceeds on sale of investments	-	-	3,250	35,341	38,591
Purchase of investments	(1,058)	(1,028)	-	-	(2,086)
Interest received on investment securities	2,166	648	57	24,567	27,438
Net cash provided by (used in) investing activities	1,108	(380)	3,307	59,908	63,943
Net change in cash and cash equivalents	2,901	2,433	(6,999)	(64,733)	(66,398)
Cash and Cash Equivalents:					
Beginning	41,099	12,962	6,999	871,691	932,751
Ending	$ 44,000	$ 15,395	$ -	$ 806,958	$ 866,353
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ (8,417)	$ (3,210)	$ 4,190	$ 277,129	$ 269,692
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	9,717	6,121	-	27,125	42,963
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(965)	(201)	5,082	940	4,856
Increase in prepaid items	-	-	-	(14)	(14)
Increase in OPEB related deferred outflows of resources	-	-	-	(312)	(312)
Increase (decrease) in due to other governments	(416)	138	-	-	(278)
Increase (decrease) in accounts payable and deposits	1,874	(35)	(275)	-	1,564
Increase in accrued liabilities	-	-	-	194	194
Increase in other post employement benefit liability	-	-	-	2,754	2,754
Increase in OPEB related deferred inflows of resources	-	-	-	77	77
Decrease in unearned revenue	-	-	-	(947)	(947)
Net cash provided by operating activities	$ 1,793	$ 2,813	$ 8,997	$ 306,946	$ 320,549
Schedule of noncash capital and related financing activities:					
Capital assets acquired through incurrence of accounts payable	$ -	$ -	$ -	$ 4,378	$ 4,378
Schedule of Noncash Investing Activities					
Close out final balances of receivables, capital assets, and payables from Penn Laird Sewer Authority to the Water and Sewer Fund	$ -	$ -	$ (813,055)	$ -	$ (813,055)

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

School Operating Fund – This fund accounts for the general operations of the School Board. Financing is provided by specific allocations from the state and federal governments, by appropriation from the General Fund of the primary government by the Board of Supervisors, and charges for services.

School Cafeteria Fund – This fund accounts for the centralized school cafeteria operations.

School Capital Projects Fund – This fund accounts for financial resources for the acquisition or construction of major capital facilities of the School Board, other than those financed by the Massanutten Technical Center.

Massanutten Technical Center – Operating Fund – This fund accounts for the general operations of the Massanutten Technical Center.

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2023

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Nonmajor Governmental Fund - Massanutten Technical Center - Operating Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 6,980,562	$ 2,061,336	$ 6,540,473	$ 318,730	$ 15,901,101
Investments	3,194,689	938,872	2,993,494	145,879	7,272,934
Trade and other accounts receivable	157,636	55,995	-	131,632	345,263
Accrued interest	-	5,155	15,842	763	21,760
Due from other governments	6,288,079	592,626	-	108,249	6,988,954
Prepaid items	3,847,198	200,298	-	85,700	4,133,196
Inventory	177,476	177,682	-	-	355,158
Total assets	$ 20,645,640	$ 4,031,964	$ 9,549,809	$ 790,953	$ 35,018,366
LIABILITIES					
Accounts payable	$ 1,556,508	$ 58,623	$ 815,526	$ 207,092	$ 2,637,749
Accrued payroll	19,063,039	501,777	2,197	429,162	19,996,175
Unearned revenue	-	-	-	125,000	125,000
Due to other governments	26,093	-	-	29,699	55,792
Total liabilities	20,645,640	560,400	817,723	790,953	22,814,716
FUND BALANCES					
Nonspendable:					
Prepaid items	3,847,198	200,298	-	85,700	4,133,196
Inventory	177,476	177,682	-	-	355,158
Assigned to:					
Capital projects	-	-	8,732,086	-	8,732,086
Cafeteria	-	3,093,584	-	-	3,093,584
Unassigned (deficit)	(4,024,674)	-	-	(85,700)	(4,110,374)
Total fund balances	-	3,471,564	8,732,086	-	12,203,650
Total liabilities and fund balances	$ 20,645,640	$ 4,031,964	$ 9,549,809	$ 790,953	$ 35,018,366

Total fund balances		$ 12,203,650
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	$ 330,007,340	
Less accumulated depreciation and amortization	(202,936,189)	
Net capital assets		127,071,151
Deferred outflows of resources represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	23,774,779	
Other postemployment benefits	5,607,212	
		29,381,991
Internal service funds are used by management to charge the costs of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		9,529,139
Long-term due from other government - pension	1,437,053	
Long-term due from other government - other postemployment benefits	447,256	
		1,884,309
Net pension asset used in governmental activities is not a current financial resource and, therefore, is not reported in the governmental funds.		
Net pension asset		1,590,638
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Compensated absences	(4,290,354)	
Lease liabilities	(2,047,711)	
Subscription liabilities	(149,136)	
Other postemployment benefits	(43,502,069)	
Net pension liability	(78,476,391)	
		(128,465,661)
Deferred inflows of resources represents an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(18,330,456)	
Other postemployment benefits	(3,855,982)	
		(22,186,438)
Net position of governmental activities		$ 31,008,779

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2023

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Nonmajor Governmental Fund - Massanutten Technical Center - Operating Fund	Total Governmental Funds
Revenues:					
Use of money and property	$ 8,391	$ 88,844	$ 279,546	$ 12,735	$ 389,516
Charges for services	235,603	1,433,320	-	629,788	2,298,711
Miscellaneous	238,259	-	-	8,651	246,910
Appropriation from Primary Government	65,309,228	-	1,259,250	-	66,568,478
Intergovernmental	99,528,566	4,990,780	3,691,304	6,329,831	114,540,481
Total revenues	165,320,047	6,512,944	5,230,100	6,981,005	184,044,096
Expenditures:					
Current:					
Education	165,324,780	6,394,055	-	6,981,005	178,699,840
Capital outlays	-	-	2,436,763	-	2,436,763
Debt Service:					
Principal	1,275,834	-	-	-	1,275,834
Interest	159,396	-	-	-	159,396
Total expenditures	166,760,010	6,394,055	2,436,763	6,981,005	182,571,833
Excess of revenues over expenditures	(1,439,963)	118,889	2,793,337	-	1,472,263
Other financing sources:					
Issuance of lease	1,308,666	-	-	-	1,308,666
Issuance of subscription	134,128	-	-	-	134,128
Transfers in	-	2,831	-	-	2,831
Transfers out	(2,831)	-	-	-	(2,831)
Other financing sources	1,439,963	2,831	-	-	1,442,794
Net change in fund balances	-	121,720	2,793,337	-	2,915,057
Fund balances, beginning	-	3,349,844	5,938,749	-	9,288,593
Fund balances, ending	$ -	$ 3,471,564	$ 8,732,086	$ -	$ 12,203,650

Net change in fund balances		$ 2,915,057
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
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 and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlay in the current period.		
Expenditure for capital assets	$ 6,465,172	
Less depreciation and amortization expense	(11,119,040)	
Excess of depreciation and amortization over capital outlays		(4,653,868)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(29,498)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Pension and OPEB non-employer contributions from the Commonwealth	3,864,147	
Long-term due from other government - pension	(234,185)	
Long-term due from other government - other postemployment benefits	(28,733)	
		3,601,229
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Issuance of lease	(1,308,666)	
Issuance of subscription	(134,128)	
Principal repayments:		
Lease liabilities	1,179,108	
Subscription liabilities	96,726	
		(166,960)
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	112,622	
Changes in pension liabilities and related deferred outflows and inflows of resources	9,731,885	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(1,571,746)	
		8,272,761
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net loss of the internal service funds are reported with governmental activities.		
Total revenues	24,654,560	
Total expenses	(25,858,749)	
		(1,204,189)
Change in net position of governmental activities		$ 8,734,532

DISCRETELY PRESENTED COMPONENT UNIT – HARRISONBURG-ROCKINGHAM SOCIAL SERVICES DISTRICT

Social Services Operating Fund – This fund accounts for the general operations of the Social Services District. Financing is provided by specific allocations from state and federal governments, by appropriation from the General Fund of the County by the Board of Supervisors and by the City of Harrisonburg.

Special Revenue Fund – Children's Services Act (CSA) – This fund is used to account for funds designated for the CSA program.

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNIT – HARRISONBURG-ROCKINGHAM SOCIAL SERVICES DISTRICT
June 30, 2023

	Operating Fund	Special Revenue: Children's Services Act Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 5,309,502	$ 62,983	$ 5,372,485
Investments	2,430,094	28,826	2,458,920
Trade and other accounts receivable	7,530	50,405	57,935
Accrued interest	13,177	-	13,177
Due from other governments	943,830	2,695,310	3,639,140
Prepaid items	180,536	-	180,536
Total assets	$ 8,884,669	$ 2,837,524	$ 11,722,193
LIABILITIES			
Accounts payable	$ 217,678	$ 2,318,505	$ 2,536,183
Accrued payroll	603,228	-	603,228
Due to other governments	42,562	-	42,562
Unearned revenues	-	8,775	8,775
Total liabilities	863,468	2,327,280	3,190,748
FUND BALANCES			
Nonspendable:			
Prepaid items	180,536	-	180,536
Assigned to:			
Social services	7,840,665	510,244	8,350,909
Total fund balances	8,021,201	510,244	8,531,445
Total liabilities and fund balances	$ 8,884,669	$ 2,837,524	$ 11,722,193

Fund balances		$ 8,531,445
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Governmental capital assets	$ 2,891,833	
Less accumulated depreciation and amortization	(1,166,239)	
Net capital assets		1,725,594
Deferred outflows of resources - pension plan represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	1,568,470	
Other postemployment benefits	345,895	
		1,914,365
Long-term due from other government - pension	1,173,909	
Long-term due from other government - other postemployment benefits	995,380	
		2,169,289
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Compensated absences	(43,085)	
Other postemployment benefits	(2,117,224)	
Net pension liability	(2,973,939)	
		(5,134,248)
Deferred inflows of resources represents an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(942,349)	
Other postemployment benefits	(219,431)	
		(1,161,780)
Net position of governmental activities		$ 8,044,665

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – DISCRETELY PRESENTED COMPONENT UNIT – HARRISONBURG-ROCKINGHAM SOCIAL SERVICES DISTRICT
Year Ended June 30, 2023

	Operating Fund	Special Revenue Children's Services Act Fund	Total Governmental Funds
Revenues:			
Use of money and property	$ 236,171	$ 5,964	$ 242,135
Miscellaneous	2,174,551	2,048,760	4,223,311
Appropriation from Primary Government	3,103,123	4,165,240	7,268,363
Intergovernmental	14,993,070	10,272,712	25,265,782
Total revenues	20,506,915	16,492,676	36,999,591
Expenditures:			
Current:			
Health and social services	20,097,745	16,189,731	36,287,476
Debt Service:			
Principal	47,867	-	47,867
Interest	11,510	-	11,510
Total expenditures	20,157,122	16,189,731	36,346,853
Net change in fund balances	349,793	302,945	652,738
Fund balances, beginning	7,671,408	207,299	7,878,707
Fund balances, ending	$ 8,021,201	$ 510,244	$ 8,531,445

Net change in fund balances		$ 652,738
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
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 and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.		
Depreciation and amortization		(198,140)
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) and is to increase net position.		13,063
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
OPEB non-employer contributions from the Commonwealth		8,985
Long-term due from other government - pension plan	$ (22,760)	
Long-term due from other government - other postemployment benefits	61,258	
		38,498
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repayments:		
Lease liabilities		47,867
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	(5,478)	
Changes in pension liabilities and related deferred outflows and inflows of resources	45,520	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(131,502)	
		(91,460)
Change in net position of governmental activities		$ 471,551

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

Economic Development Authority – This fund accounts for the general operations of the Economic Development Authority.

Rockingham County Recreation Foundation – This fund accounts for the general operations of the Rockingham County Recreation Foundation.

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF NET POSITION – NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2023

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
ASSETS			
Cash and cash equivalents	$ 36,419	$ 28,096	$ 64,515
Investments	16,669	-	16,669
Accounts receivable	14,352	-	14,352
Accrued interest	87	-	87
Total assets	67,527	28,096	95,623
LIABILITIES			
Unearned revenue	6,000	-	6,000
Total liabilities	6,000	-	6,000
NET POSITION			
Unrestricted	61,527	28,096	89,623
Total net position	$ 61,527	$ 28,096	$ 89,623

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2023

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
Operating revenues:			
Charges for services	$ 8,352	$ -	$ 8,352
Miscellaneous - gifts and donations	-	9,364	9,364
Total operating revenues	8,352	9,364	17,716
Operating expenditures:			
Parks and recreation	-	295	295
Economic development	548,857	-	548,857
Total operating expenditures	548,857	295	549,152
Operating (loss) income	(540,505)	9,069	(531,436)
Nonoperating revenues:			
Revenue from use of money	1,673	-	1,673
(Loss) income before capital grants and contributions	(538,832)	9,069	(529,763)
Capital grants and contributions	546,056	-	546,056
Change in net position	7,224	9,069	16,293
Net position, beginning	54,303	19,027	73,330
Net position, ending	$ 61,527	$ 28,096	$ 89,623

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2023

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
Cash flows from operating activities:			
Receipts from customers	$ 14,634	$ -	$ 14,634
Payments to suppliers for goods and services	(548,857)	(295)	(549,152)
Other receipts	-	9,364	9,364
Net cash (used in) provided by operating activities	(534,223)	9,069	(525,154)
Cash flows from capital and related financing activities:			
Intergovernmental - grants	546,056	-	546,056
Net cash provided by capital and related financing activities	546,056	-	546,056
Cash flows from investing activities:			
Purchase of investments	(4,101)	-	(4,101)
Interest received on investment securities	1,614	-	1,614
Net cash used in investing activities	(2,487)	-	(2,487)
Net change in cash and cash equivalents	9,346	9,069	18,415
Cash and cash equivalents:			
Beginning	27,073	19,027	46,100
Ending	$ 36,419	$ 28,096	$ 64,515
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ (540,505)	$ 9,069	$ (531,436)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Accounts receivable	282	-	282
Unearned revenue	6,000	-	6,000
Net cash (used in) provided by operating activities	$ (534,223)	$ 9,069	$ (525,154)

SUPPLEMENTAL SCHEDULES

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF REVENUES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 74,600,000	$ 74,900,000	$ 76,345,582	$ 1,445,582
Real and personal public service corporation property taxes	2,435,000	2,435,000	2,631,994	196,994
Personal property taxes	23,459,000	23,459,000	25,789,529	2,330,529
Machinery and tools taxes	13,810,000	13,810,000	15,468,110	1,658,110
Merchants' capital taxes	1,255,000	1,255,000	1,617,636	362,636
Penalties and interest	920,000	920,000	1,169,594	249,594
Total general property taxes	116,479,000	116,779,000	123,022,445	6,243,445
Other local taxes:				
Local sales and use taxes	8,750,000	8,750,000	11,188,328	2,438,328
Consumer utility taxes	1,661,500	1,661,500	1,792,441	130,941
Utility gross receipts taxes	310,000	310,000	314,789	4,789
Bank stock taxes	125,000	125,000	155,566	30,566
Motor vehicle licenses	-	-	66,228	66,228
Taxes on recordation and wills	1,600,000	1,600,000	1,468,083	(131,917)
Transient occupancy taxes	566,000	566,000	851,268	285,268
Food and beverage taxes	1,850,000	1,850,000	2,477,572	627,572
ATV and moped sales tax	35,000	35,000	34,287	(713)
Total other local taxes	14,897,500	14,897,500	18,348,562	3,451,062
Permits, privilege fees and regulatory licenses:				
Animal licenses	30,000	30,000	23,284	(6,716)
Permits and other licenses	1,766,500	1,766,500	1,775,852	9,352
Total permits, privilege fees and regulatory licenses	1,796,500	1,796,500	1,799,136	2,636
Fines and forfeitures	114,403	114,403	202,030	87,627
Use of money and property:				
Revenue from use of money	60,000	60,000	2,223,046	2,163,046
Revenue from use of property	734,672	884,672	1,014,997	130,325
Total use of money and property	794,672	944,672	3,238,043	2,293,371

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF REVENUES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Revenue from local sources:				
Charges for services:				
Excess fees of clerk	$ 538,200	$ 538,200	$ 463,350	$ (74,850)
Commonwealth attorney	212,500	212,500	177,907	(34,593)
Law enforcement and traffic control	277,600	277,600	267,728	(9,872)
EMS transport	2,360,000	2,360,000	3,106,292	746,292
Correction and detention	1,092,600	1,092,600	1,039,116	(53,484)
Parks and recreation	630,000	130,000	235,947	105,947
Computer services	2,000	2,000	1,447	(553)
Health	25,000	25,000	12,090	(12,910)
Garage fees	680,000	680,000	823,368	143,368
Planning and community development	500	500	-	(500)
Total charges for services	5,818,400	5,318,400	6,127,245	808,845
Miscellaneous	280,000	320,000	1,677,620	1,357,620
Recovered costs:				
City of Harrisonburg:				
Judicial administration	1,119,062	1,119,062	1,210,563	91,501
Public safety	4,768,444	4,768,444	4,906,539	138,095
Public works	704,649	704,649	762,266	57,617
Other entities:				
Public safety	484,250	484,250	472,394	(11,856)
Health and social services	162,205	162,205	162,205	-
Total recovered costs	7,238,610	7,238,610	7,513,967	275,357
Total revenue from local sources	147,419,085	147,409,085	161,929,048	14,519,963
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Communications sales and use taxes	1,300,000	1,300,000	1,105,400	(194,600)
Mobile home titling taxes	100,000	100,000	134,728	34,728
Rental vehicle taxes	20,000	20,000	13,064	(6,936)
Personal property tax relief	5,860,515	5,860,515	5,860,515	-
Total non-categorical aid	7,280,515	7,280,515	7,113,707	(166,808)

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF REVENUES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Shared costs:				
Commonwealth attorney	$ 1,072,501	$ 1,072,501	$ 1,049,848	$ (22,653)
Sheriff	7,491,872	7,491,872	7,655,261	163,389
Commissioner of the revenue	239,956	239,956	239,271	(685)
Treasurer	210,516	210,516	210,064	(452)
Registrar/Electoral Board	50,000	50,000	92,380	42,380
Clerk of circuit court	886,916	886,916	790,018	(96,898)
Jail operations	427,274	427,274	403,118	(24,156)
Total shared costs	10,379,035	10,379,035	10,439,960	60,925
Other categorical aid:				
Emergency medical services	90,000	92,845	93,480	635
Community corrections	453,712	453,712	480,258	26,546
Fire program	200,000	250,000	249,007	(993)
Hazardous materials program	10,000	10,000	10,004	4
Victim witness	45,000	45,000	51,365	6,365
Resource officers	-	-	150,690	150,690
Records preservation	-	43,145	43,145	-
Domestic violence	45,000	45,000	-	(45,000)
Other	181,500	181,500	47,849	(133,651)
Total other categorical aid	1,025,212	1,121,202	1,125,798	4,596
Total categorical aid	11,404,247	11,500,237	11,565,758	65,521
Total revenue from the Commonwealth	18,684,762	18,780,752	18,679,465	(101,287)
Revenue from the federal government:				
Non-categorical aid:				
Payment for federal lands	500,000	500,000	555,635	55,635

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF REVENUES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Victim witness	$ 130,000	$ 130,000	$ 119,851	$ (10,149)
FEMA	19,022	19,022	19,022	-
Highway safety	36,693	36,693	34,609	(2,084)
Health and human services	300,000	300,000	356,667	56,667
Domestic violence coordinator	22,850	22,850	23,241	391
Drug court	388,136	388,136	234,490	(153,646)
Mental health and substance abuse	335,680	335,680	338,771	3,091
Incarceration	10,000	10,000	18,400	8,400
Health and human services - COVID-19 response	-	-	7,353	7,353
ARPA	-	11,917,438	10,495,000	(1,422,438)
Other federal funds	2,500	284,683	144,565	(140,118)
Total categorical aid	1,244,881	13,444,502	11,791,969	(1,652,533)
Total revenue from the federal government	1,744,881	13,944,502	12,347,604	(1,596,898)
Total intergovernmental	20,429,643	32,725,254	31,027,069	(1,698,185)
Total General Fund	$ 167,848,728	$ 180,134,339	$ 192,956,117	$ 12,821,778
Special Revenue Funds:				
Asset Forfeiture Fund:				
Revenue from local sources:				
Fines and forfeitures:				
Seized funds - judicial administration	$ 18,900	$ 18,900	$ 14,175	$ (4,725)
Seized funds - public safety	18,900	18,900	16,875	(2,025)
Total fines and forfeitures	37,800	37,800	31,050	(6,750)
Revenue from use of money	-	-	9,834	9,834
Miscellaneous	-	-	2,800	2,800
Total revenue from local sources	37,800	37,800	43,684	5,884
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Seized funds - judicial administration	41,800	41,800	-	(41,800)
Seized funds - public safety	41,800	41,800	47,257	5,457
Total intergovernmental	83,600	83,600	47,257	(36,343)
Total Asset Forfeiture Fund	121,400	121,400	90,941	(30,459)

COUNTY OF ROCKINGHAM, VIRGINIA

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF REVENUES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
Special Revenue Funds:				
Tourism Fund:				
Revenue from local sources:				
Transient occupancy taxes	$ 849,000	$ 849,000	$ 1,267,454	$ 418,454
Revenue from use of money	1,000	1,000	56,183	55,183
Total revenue from local sources	850,000	850,000	1,323,637	473,637
Intergovernmental:				
Revenue from the Federal Government:				
Non-categorical aid:				
ARPA Funding	-	-	9,963	9,963
Total non-categorical aid	-	-	9,963	9,963
Total revenue from the Commonwealth	-	-	9,963	9,963
Total intergovernmental	-	-	9,963	9,963
Total Tourism Fund	850,000	850,000	1,333,600	483,600
LLC Library:				
Revenue from local sources:				
Revenue from use of money	-	-	704	704
Other	32,000	32,000	27,472	(4,528)
Total revenue from local sources	32,000	32,000	28,176	(3,824)
Total LLC Library	32,000	32,000	28,176	(3,824)
Opioid Settlement Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	781	781
Other	-	51,207	51,207	-
Total revenue from local sources	-	51,207	51,988	781
Total Opioid Settlement Fund	-	51,207	51,988	781
Total Special Revenue Funds	$ 1,003,400	$ 1,054,607	$ 1,504,705	$ 450,098

COUNTY OF ROCKINGHAM, VIRGINIA

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF REVENUES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
Capital Projects Fund:				
General Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	$ 10,000	$ 10,000	$ 428,223	$ 418,223
Miscellaneous	-	400,429	400,270	(159)
Recovered costs:				
City of Harrisonburg share	62,500	562,500	283,152	(279,348)
Total revenue from local sources	72,500	972,929	1,111,645	138,716
Total General Capital Projects Fund	$ 72,500	$ 972,929	$ 1,111,645	$ 138,716
Grand Total Revenues - Primary Government	$ 168,924,628	$ 182,161,875	$ 195,572,467	$ 13,410,592
Major Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of property	$ 8,000	$ 8,000	$ 8,391	$ 391
Charges for services	75,000	75,000	235,603	160,603
Miscellaneous	165,000	165,000	238,259	73,259
Appropriation from Primary Government	70,866,510	70,866,510	65,309,228	(5,557,282)
Total revenue from local sources	71,114,510	71,114,510	65,791,481	(5,323,029)

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF REVENUES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Major Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Rolling stock tax	$ 74,000	$ 74,000	$ 65,672	$ (8,328)
Categorical aid:				
State sales tax receipts	17,257,815	18,257,815	18,241,303	(16,512)
Basic school aid	36,325,624	36,325,624	35,512,647	(812,977)
Other state school funds	30,805,998	31,969,415	31,403,770	(565,645)
Total categorical aid	84,389,437	86,552,854	85,157,720	(1,395,134)
Total revenue from the Commonwealth	84,463,437	86,626,854	85,223,392	(1,403,462)
Revenue from the federal government:				
Categorical aid:				
Title I	1,600,000	2,100,000	2,401,695	301,695
Title VIB	2,768,000	2,768,000	2,786,836	18,836
ARPA funds	681,345	681,345	1,849,740	1,168,395
ESSER	2,345,575	2,735,575	5,387,035	2,651,460
Other school funds	1,446,700	1,538,396	1,879,868	341,472
Total revenue from the federal government	8,841,620	9,823,316	14,305,174	4,481,858
Total intergovernmental	93,305,057	96,450,170	99,528,566	3,078,396
Total School Operating Fund	164,419,567	167,564,680	165,320,047	(2,244,633)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money	2,000	2,000	88,844	86,844
Charges for services	170,020	170,020	1,433,320	1,263,300
Total revenue from local sources	172,020	172,020	1,522,164	1,350,144
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	56,000	56,000	172,055	116,055

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF REVENUES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Major Component Units:				
Component Unit - School Board:				
School Cafeteria Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
School food program	$ 6,115,000	$ 6,115,000	$ 4,818,725	$ (1,296,275)
Total intergovernmental	6,171,000	6,171,000	4,990,780	(1,180,220)
Total School Cafeteria Fund	6,343,020	6,343,020	6,512,944	169,924
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	279,546	279,546
Appropriation from Primary Government	-	19,250	1,259,250	1,240,000
Total revenue from local sources	-	19,250	1,538,796	1,519,546
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School Construction	-	-	3,691,304	3,691,304
Total revenue from the Commonwealth	-	-	3,691,304	3,691,304
Total intergovernmental	-	-	3,691,304	3,691,304
Total School Capital Projects Fund	-	19,250	5,230,100	5,210,850
Massanutten Technical Center - Operating Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	12,735	12,735
Charges for services	592,100	592,100	629,788	37,688
Miscellaneous	6,000	6,000	8,651	2,651
Total revenue from local sources	598,100	598,100	651,174	53,074
Intergovernmental:				
Revenue from the Commonwealth	563,682	563,682	599,780	36,098
Revenue from the federal government	230,696	230,696	331,560	100,864
Local governments:				
Appropriation from Rockingham County School Board	4,357,232	4,357,232	4,252,089	(105,143)
Appropriation from the City of Harrisonburg	1,174,351	1,174,351	1,146,402	(27,949)
Total local governments	5,531,583	5,531,583	5,398,491	(133,092)
Total intergovernmental	6,325,961	6,325,961	6,329,831	3,870
Total Massanutten Technical Center - Operating Fund	6,924,061	6,924,061	6,981,005	56,944
Total Revenues - Component Unit - School Board	$ 177,686,648	$ 180,851,011	$ 184,044,096	$ 3,193,085

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF REVENUES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Major Component Units:				
Component Unit - Harrisonburg-Rockingham				
Social Services District:				
Operating Fund:				
Revenue from local sources:				
Revenue from use of money	$ -	$ -	$ 236,171	$ 236,171
Miscellaneous:				
City of Harrisonburg share	2,131,773	2,131,773	2,131,773	-
Other	50,771	50,771	42,778	(7,993)
Total miscellaneous	2,182,544	2,182,544	2,174,551	(7,993)
Appropriation from the Primary Government	2,984,421	2,984,421	3,103,123	118,702
Total revenue from local sources	5,166,965	5,166,965	5,513,845	346,880
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Public assistance and administration	6,460,594	6,460,594	5,501,856	(958,738)
Virginia department of juvenile justice:				
Virginia juvenile community crime control act grant	90,503	90,503	44,661	(45,842)
Total revenue from the Commonwealth	6,551,097	6,551,097	5,546,517	(1,004,580)
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Health and human services	9,581,524	9,581,524	9,332,957	(248,567)
Health and human services- COVID	-	-	51,636	51,636
TANF	-	-	61,960	61,960
Total revenue from the federal government	9,581,524	9,581,524	9,446,553	(134,971)
Total intergovernmental	16,132,621	16,132,621	14,993,070	(1,139,551)
Total Harrisonburg-Rockingham Social Services District - Operating Fund	21,299,586	21,299,586	20,506,915	(792,671)
Special Revenue Fund:				
Children's Services Act Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	5,964	5,964
Miscellaneous:				
City of Harrisonburg share	1,673,760	2,048,760	2,048,760	-
Appropriation from the Primary Government	2,790,240	4,165,240	4,165,240	-
Total revenue from local sources	4,464,000	6,214,000	6,219,964	5,964

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF REVENUES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Special Revenue Fund:				
Children's Services Act Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Children's Services Act	$ 7,936,000	$ 10,036,000	$ 9,718,175	$ (317,825)
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Children's Services Act	-	-	554,537	554,537
Total intergovernmental	7,936,000	10,036,000	10,272,712	236,712
Total Children's Services Act Fund	12,400,000	16,250,000	16,492,676	242,676
Total Revenues - Component Unit - Harrisonburg-Rockingham Social Services District	$ 33,699,586	$ 37,549,586	$ 36,999,591	$ (549,995)

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	$ 211,934	$ 211,934	$ 208,296	$ (3,638)
General and financial:				
Executive administration	441,443	441,443	418,966	(22,477)
Legal services	803,251	803,251	769,643	(33,608)
Independent auditor and actuarial services	106,000	106,000	92,500	(13,500)
Commissioner of the revenue	893,559	923,559	922,939	(620)
Reassessment and equalization	376,529	326,529	264,479	(62,050)
Treasurer	995,293	995,293	876,471	(118,822)
Fiscal services	1,169,659	1,128,059	1,019,851	(108,208)
Human resources	544,778	544,778	526,153	(18,625)
Technology	1,489,289	1,372,537	1,229,091	(143,446)
Land use assessment	73,308	74,908	74,826	(82)
Total general and financial	6,893,109	6,716,357	6,194,919	(521,438)
Board of elections:				
Electoral board and officials	85,303	85,303	82,084	(3,219)
Registrar	333,774	333,774	268,394	(65,380)
Total board of elections	419,077	419,077	350,478	(68,599)
Total general government administration	7,524,120	7,347,368	6,753,693	(593,675)
Judicial administration:				
Courts:				
Circuit court	235,705	250,705	248,429	(2,276)
General district court	41,800	41,800	20,456	(21,344)
Magistrate	19,267	20,267	20,164	(103)
Juvenile and domestic relations court	41,900	41,900	29,539	(12,361)
Clerk of the circuit court	1,453,581	1,496,726	1,454,247	(42,479)
Department of court services	1,937,739	1,961,739	1,675,885	(285,854)
Total courts	3,729,992	3,813,137	3,448,720	(364,417)
Commonwealth attorney	2,789,363	2,789,363	2,683,264	(106,099)
Total judicial administration	6,519,355	6,602,500	6,131,984	(470,516)

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 8,530,637	$ 9,150,637	$ 9,023,522	$ (127,115)
Fire and rescue services:				
Fire and rescue	11,785,102	17,326,337	11,560,357	(5,765,980)
Volunteer fire companies	1,956,968	1,206,968	1,205,156	(1,812)
Ambulance and rescue squads	489,635	498,087	424,171	(73,916)
Emergency medical services transportation	1,460,000	1,460,000	1,921,917	461,917
Fire extinction service	21,768	21,768	20,790	(978)
Total fire and rescue services	15,713,473	20,513,160	15,132,391	(5,380,769)
Correction and detention:				
County operated institutions	13,537,838	13,796,914	13,794,710	(2,204)
Building inspections	855,412	855,412	810,198	(45,214)
Other protection:				
Animal control	741,285	742,285	742,265	(20)
Emergency services	3,826,210	3,851,210	3,850,314	(896)
Total other protection	4,567,495	4,593,495	4,592,579	(916)
Total public safety	43,204,855	48,909,618	43,353,400	(5,556,218)
Public works:				
Garage operations	840,174	1,030,174	1,027,606	(2,568)
Maintenance:				
County property	1,183,608	1,189,415	1,170,121	(19,294)
Shared property	1,287,411	1,347,935	1,290,389	(57,546)
Human Services/Health department building	542,795	556,653	438,572	(118,081)
TV translator system	7,500	12,500	12,004	(496)
Research and technology center	205,500	355,500	541,254	185,754
Total public works	4,066,988	4,492,177	4,479,946	(12,231)

COUNTY OF ROCKINGHAM, VIRGINIA

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Health and social services:				
Health:				
Supplement to local health department	$ 584,973	$ 591,973	$ 591,934	$ (39)
Mental health:				
Community Services Board	1,258,978	1,261,478	1,261,195	(283)
Social services:				
Property tax relief for elderly/handicapped	550,000	840,495	835,439	(5,056)
Appropriation to the Harrisonburg-Rockingham Social Services District	5,893,363	9,368,363	7,268,363	(2,100,000)
Institutional care	168,353	168,358	168,356	(2)
Total health and social services	8,455,667	12,230,667	10,125,287	(2,105,380)
Education:				
Appropriation to the Rockingham County School Board	72,106,510	72,125,760	66,568,478	(5,557,282)
Total education	72,106,510	72,125,760	66,568,478	(5,557,282)
Parks, recreation and cultural:				
Parks and recreation:				
Administration	240,838	240,838	214,857	(25,981)
Athletic events/programs	1,463,160	978,074	805,224	(172,850)
Rockingham Park	443,442	443,442	426,082	(17,360)
Total parks and recreation	2,147,440	1,662,354	1,446,163	(216,191)
Cultural:				
Regional library	986,870	986,870	986,870	-
Total parks, recreation and cultural	3,134,310	2,649,224	2,433,033	(216,191)
Community development:				
Planning and community development	909,853	909,853	855,112	(54,741)
Geographic information systems	271,835	271,835	242,274	(29,561)
Economic development	1,940,862	1,926,832	828,085	(1,098,747)
Soil and water conservation district	37,500	37,500	37,500	-
Cooperative extension program	168,337	168,337	155,359	(12,978)
Broadband project	-	8,900,000	4,450,000	(4,450,000)
Environmental management	435,412	436,412	436,068	(344)
Soil and Water Conservation District	-	-	698,307	698,307
Bond escrow	-	-	233,660	233,660
Contributions, grants and other	952,413	977,413	540,828	(436,585)
Total community development	4,716,212	13,628,182	8,477,193	(5,150,989)

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Debt service:				
Principal:				
County	$ 2,807,645	$ 2,997,645	$ 2,108,004	$ (889,641)
School Board	6,644,991	6,644,991	6,644,991	-
Total principal	9,452,636	9,642,636	8,752,995	(889,641)
Interest and fiscal charges:				
County	427,098	427,098	356,509	(70,589)
School Board	3,063,018	3,063,018	3,062,388	(630)
Total interest and fiscal charges	3,490,116	3,490,116	3,418,897	(71,219)
Total debt service	12,942,752	13,132,752	12,171,892	(960,860)
Total General Fund	$ 162,670,769	$ 181,118,248	$ 160,494,906	$ (20,623,342)
Special Revenue Funds:				
Asset Forfeiture Fund:				
Judicial administration:				
Commonwealth attorney	$ 65,660	$ 65,660	$ 2,170	$ (63,490)
Public safety:				
Law enforcement	55,740	55,740	72,393	16,653
Total Asset Forfeiture Fund	121,400	121,400	74,563	(46,837)
Tourism Fund:				
Community development:				
Marketing and promotion	608,084	608,084	657,337	49,253
Total Tourism Fund	608,084	608,084	657,337	49,253
LLC Library:				
Parks, recreation and cultural:				
Library	51,653	51,653	47,926	(3,727)
Total LLC Library	51,653	51,653	47,926	(3,727)
Opioid Settlement Fund:				
Health and social services:				
Other contributions	-	51,207	51,207	-
Total Opioid Settlement Fund	-	51,207	51,207	-
Total Special Revenue Funds	$ 781,137	$ 832,344	$ 831,033	$ (1,311)
General Capital Projects Fund:				
Capital projects	$ 6,744,000	$ 14,067,932	$ 5,042,473	$ (9,025,459)
Debt service:				
Principal	-	30,000	28,565	(1,435)
Total General Capital Projects Fund	$ 6,744,000	$ 14,097,932	$ 5,071,038	$ (9,026,894)
Grand Total Expenditures - Primary Government	$ 170,195,906	$ 196,048,524	$ 166,396,977	$ (29,651,547)

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Major Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction	$ 129,850,981	$ 133,290,448	$ 131,024,705	$ (2,265,743)
Administration, attendance and health	8,468,090	8,483,736	8,185,387	(298,349)
Pupil transportation services	10,328,850	10,328,850	9,694,303	(634,547)
Operation and maintenance services	15,771,646	16,771,646	16,420,385	(351,261)
Total education	164,419,567	168,874,680	165,324,780	(3,549,900)
Debt service:				
Principal	-	-	1,275,834	1,275,834
Interest and fiscal charges	-	-	159,396	159,396
Total debt service	-	-	1,435,230	1,435,230
Total School Operating Fund	164,419,567	168,874,680	166,760,010	(2,114,670)
School Cafeteria Fund:				
Education:				
School food services	6,343,020	6,343,020	6,394,055	51,035
Total School Cafeteria Fund	6,343,020	6,343,020	6,394,055	51,035
School Capital Projects Fund:				
Capital projects	1,240,000	3,369,250	2,436,763	(932,487)
Total School Capital Projects Fund	1,240,000	3,369,250	2,436,763	(932,487)
Massanutten Technical Center - Operating Fund:				
Education:				
Secondary	5,693,303	5,693,303	5,827,026	133,723
Continuing education	1,230,758	1,230,758	1,153,979	(76,779)
Total Massanutten Technical Center - Operating Fund	6,924,061	6,924,061	6,981,005	56,944
Total Expenditures - Component Unit - School Board	$ 178,926,648	$ 185,511,011	$ 182,571,833	$ (2,939,178)

COUNTY OF ROCKINGHAM, VIRGINIA

GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS – SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
Year Ended June 30, 2023

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Major Component Units:				
Component Unit - Harrisonburg-Rockingham				
Social Services District:				
Operating Fund:				
Social services:				
Public assistance	$ 9,690,421	$ 9,690,421	$ 8,276,623	$ (1,413,798)
Administration:				
Health and human services	11,395,662	11,395,662	11,721,007	325,345
Virginia juvenile community crime control act grant	90,503	90,503	44,661	(45,842)
Capital projects	123,000	123,000	55,454	(67,546)
Total Health and Human Services	21,299,586	21,299,586	20,097,745	(1,201,841)
Debt service:				
Principal	-	-	47,867	47,867
Interest and fiscal charges	-	-	11,510	11,510
Total debt service	-	-	59,377	59,377
Total Operating Fund	21,299,586	21,299,586	20,157,122	(1,142,464)
Special Revenue Fund:				
Children's Services Act Fund:				
Children's Services Act	12,400,000	16,250,000	16,189,731	(60,269)
Total Children's Services Act Fund	12,400,000	16,250,000	16,189,731	(60,269)
Total Expenditures - Component Unit - Harrisonburg-Rockingham Social Services District	$ 33,699,586	$ 37,549,586	$ 36,346,853	$ (1,202,733)

STATISTICAL SECTION

COUNTY OF ROCKINGHAM, VIRGINIA

STATISTICAL SECTION
TABLE OF CONTENTS

The statistical section of the County's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health. This information has not been audited by the independent auditor.

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial report for the relevant year.

Table 1

STATISTICAL SECTION
Comments Relative to Statistical Section

The following statistical table recommended by the National Council on Governmental Accounting is not included for the reason stated below:

> The table showing legal debt margin is omitted because counties in the State of Virginia are not subject to the 10% legal debt margin as cities and towns are.

COUNTY OF ROCKINGHAM, VIRGINIA

NET POSITION / ASSETS BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary government:										
Governmental activities:										
Net investment in capital assets	$ 34,093,586	$ 33,589,878	$ 34,854,168	$ 38,692,548	$ 42,693,309	$ 48,293,834	$ 57,242,324	$ 62,861,828	$ 59,189,113	$ 59,993,818
Restricted	3,782,011	235,709	195,800	235,108	404,183	624,258	1,334,085	1,415,419	2,106,253	2,675,887
Unrestricted (deficit)	(33,093,357)	(34,021,125)	(37,558,463)	(34,533,494)	(61,273,304)	(51,715,195)	(63,794,527)	(52,335,803)	(26,469,994)	11,206,917
Total governmental activities net position	$ 4,782,240	$ (195,538)	$ (2,508,495)	$ 4,394,162	$ (18,175,812)	$ (2,797,103)	$ (5,218,118)	$ 11,941,444	$ 34,825,372	$ 73,876,622
Business-type activities:										
Net investment in capital assets	$ 29,032,472	$ 33,482,569	$ 30,110,695	$ 28,127,740	$ 33,769,673	$ 36,326,889	$ 36,828,881	$ 39,436,305	$ 39,970,950	$ 42,059,280
Restricted	-	-	5,545,857	10,566,691	4,739,335	-	-	-	-	-
Unrestricted	7,187,340	4,974,695	5,409,029	4,911,714	6,720,049	11,712,273	9,812,714	11,671,872	15,816,264	18,612,701
Total business-type activities net position	$ 36,219,812	$ 38,457,264	$ 41,065,581	$ 43,606,145	$ 45,229,057	$ 48,039,162	$ 46,641,595	$ 51,108,177	$ 55,787,214	$ 60,671,981
Primary government:										
Net investment in capital assets	$ 63,126,058	$ 67,072,447	$ 64,964,863	$ 66,820,288	$ 76,462,982	$ 84,620,723	$ 94,071,205	$ 102,298,133	$ 99,160,063	$ 102,053,098
Restricted	3,782,011	235,709	5,741,657	10,801,799	5,143,518	624,258	1,334,085	1,415,419	2,106,253	2,675,887
Unrestricted (deficit)	(25,906,017)	(29,046,430)	(32,149,434)	(29,621,780)	(54,553,255)	(40,002,922)	(53,981,813)	(40,663,931)	(10,653,730)	29,819,618
Total primary government net position	$ 41,002,052	$ 38,261,726	$ 38,557,086	$ 48,000,307	$ 27,053,245	$ 45,242,059	$ 41,423,477	$ 63,049,621	$ 90,612,586	$ 134,548,603
Major component units: (1)										
Component unit - school board:										
Net investment in capital assets	$ 141,355,850	$ 135,289,320	$ 129,762,202	$ 129,603,121	$ 139,675,416	$ 138,615,241	$ 142,310,517	$ 137,385,305	$ 129,724,630	$ 124,874,304
Restricted	-	-	-	-	4,133,596	-	2,620,846	565,038	-	2,530,302
Unrestricted (deficit)	(5,090,456)	(109,438,758)	(108,048,391)	(111,818,738)	(129,883,934)	(124,092,478)	(121,432,825)	(119,699,489)	(107,450,383)	(96,395,827)
Total component unit - school board net position	$ 136,265,394	$ 25,850,562	$ 21,713,811	$ 17,784,383	$ 13,925,078	$ 14,522,763	$ 23,498,538	$ 18,250,854	$ 22,274,247	$ 31,008,779
Component unit - Harrisonburg-Rockingham Social Services District										
Net investment in capital assets	$ 2,144,091	$ 2,574,720	$ 2,451,305	$ 2,366,316	$ 2,323,333	$ 2,103,403	$ 1,968,464	$ 2,023,024	$ 1,862,804	$ 1,725,594
Restricted	1,448,333	1,393,537	1,740,887	2,019,613	2,120,558	2,472,376	2,586,582	-	-	-
Unrestricted	1,433,092	697,955	1,411,396	2,399,901	1,204,485	1,937,337	1,832,732	6,815,867	5,710,310	6,319,071
Total component unit - HRSSD net position	$ 5,025,516	$ 4,666,212	$ 5,603,588	$ 6,785,830	$ 5,648,376	$ 6,513,116	$ 6,387,778	$ 8,838,891	$ 7,573,114	$ 8,044,665

COUNTY OF ROCKINGHAM, VIRGINIA

Table 2
Page 2

NET POSITION / ASSETS BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Major component units:										
Net investment in capital assets	$ 143,499,941	$ 137,864,040	$ 132,213,507	$ 131,969,437	$ 141,998,749	$ 140,718,644	$ 144,278,981	$ 139,408,329	$ 131,587,434	$ 126,599,898
Restricted	1,448,333	1,393,537	1,740,887	2,019,613	6,254,154	2,472,376	5,207,428	565,038	-	2,530,302
Unrestricted (deficit)	(3,657,364)	(108,740,803)	(106,636,995)	(109,418,837)	(128,679,449)	(122,155,141)	(119,600,093)	(112,883,622)	(101,740,073)	(90,076,756)
Total major component units net position	$ 141,290,910	$ 30,516,774	$ 27,317,399	$ 24,570,213	$ 19,573,454	$ 21,035,879	$ 29,886,316	$ 27,089,745	$ 29,847,361	$ 39,053,444
Total reporting entity: (2)										
Net investment in capital assets	$ 124,167,242	$ 128,405,019	$ 126,705,690	$ 134,528,812	$ 135,122,135	$ 148,122,492	$ 146,726,248	$ 156,805,784	$ 145,846,819	$ 157,736,106
Restricted	5,230,344	1,629,246	7,482,544	12,821,412	11,397,672	3,096,634	6,541,513	1,980,457	2,106,253	5,206,189
Unrestricted	52,895,376	(61,255,765)	(68,313,749)	(74,779,704)	(99,893,108)	(84,941,188)	(81,957,968)	(68,646,875)	(27,493,125)	10,659,752
Total reporting entity net position	$ 182,292,962	$ 68,778,500	$ 65,874,485	$ 72,570,520	$ 46,626,699	$ 66,277,938	$ 71,309,793	$ 90,139,366	$ 120,459,947	$ 173,602,047

Notes:

(1) Component Unit net position/assets are included in this table due to public schools and social services being significant portions of the County operations. In Virginia, the County issues debt to finance the construction of facilities for these component units because the component units do not have borrowing or taxing authority.

(2) The sum of the rows for the Reporting Entity identified as "Net investment in capital assets" and "Unrestricted" do not equal the sum of the rows from the total Primary Government and the total Component Units because the outstanding debt for the schools has not been subtracted from the total Primary Governments "Invested in capital assets" since the debt for the school board does not correspond to the capital assets of the Primary Government. However, when the Primary Government and the Component Units are combined, the outstanding debt needs to be accounted for by reducing the balance classified as "Net investment in capital assets."

(3) June 30, 2014 net position was restated for the implementation of GASB Statement No. 68.

(4) June 30, 2018 net position was restated for the implementation of GASB Statement No. 75.

(5) June 30, 2018 net position was restated for change in accounting policy.

(6) June 30, 2021 net position was restated for change in accounting policy.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
Page 1

CHANGES IN NET POSITION / ASSETS
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary government:										
Expenses:										
Governmental activities:										
General government administration	$ 5,462,554	$ 6,039,859	$ 5,436,798	$ 5,932,529	$ 5,954,830	$ 5,856,138	$ 6,921,747	$ 9,073,530	$ 7,179,365	$ 7,401,287
Judicial administration	3,859,974	3,815,111	3,883,941	4,107,387	4,830,865	4,924,189	5,448,613	6,137,343	6,148,272	6,519,181
Public safety	23,580,101	23,826,370	36,779,233	27,123,823	30,667,940	29,707,762	31,634,751	34,564,076	45,063,512	45,362,251
Public works	6,898,649	6,868,624	4,339,985	3,365,230	9,564,783	7,132,527	4,484,222	3,443,628	4,295,667	5,368,879
Health and social services	3,769,309	5,715,170	5,761,798	5,786,160	8,212,284	6,725,322	9,299,956	12,235,368	8,403,591	10,128,557
Education	49,859,613	53,790,738	55,511,622	60,961,694	85,021,862	61,670,147	79,867,096	62,367,827	60,605,742	66,568,478
Parks, recreation and cultural	2,186,224	2,209,125	2,343,553	2,433,990	2,503,886	2,776,941	3,214,317	3,548,256	3,284,171	3,235,435
Community development	3,356,974	3,583,964	3,903,620	4,744,578	4,382,927	4,466,472	6,105,207	7,470,738	8,174,277	9,912,074
Interest	4,354,774	4,170,608	3,624,534	3,148,719	3,400,804	3,319,832	3,654,051	3,349,701	3,067,899	2,651,395
Total governmental activities	103,328,172	110,019,569	121,585,084	117,604,110	154,540,181	126,579,330	150,629,960	142,190,467	146,222,496	157,147,537
Business-type activities:										
Water and sewer	6,363,516	6,621,701	6,765,919	7,160,783	7,873,463	7,781,690	10,526,705	9,423,182	8,887,478	10,120,414
Solid waste	5,123,106	4,811,787	4,574,428	6,026,658	6,116,340	6,495,025	7,960,721	6,025,601	6,740,579	7,792,098
Total business-type activities	11,486,622	11,433,488	11,340,347	13,187,441	13,989,803	14,276,715	18,487,426	15,448,783	15,628,057	17,912,512
Total primary government expenses	114,814,794	121,453,057	132,925,431	130,791,551	168,529,984	140,856,045	169,117,386	157,639,250	161,850,553	175,060,049
Program revenue:										
Governmental activities:										
Charges for services:										
General government administration	2,059	3,511	2,383	1,768	1,727	1,940	1,784	2,896	3,086	1,447
Judicial administration	990,660	1,097,413	1,119,539	1,304,471	1,417,626	1,793,772	2,289,677	2,014,873	1,933,131	1,865,995
Public safety	6,312,309	7,276,430	6,483,239	7,298,651	7,833,177	8,330,264	8,775,254	10,028,204	10,812,341	12,093,262
Public works	1,141,301	1,104,328	1,022,145	1,085,426	1,161,736	1,193,105	1,060,312	1,096,061	1,663,956	1,585,634
Health and social services	17,745	1,204	2,428	18,565	26,013	24,152	-	208,737	163,484	174,295
Parks, recreation and cultural	756,422	805,431	785,225	863,175	843,541	872,572	585,312	404,983	647,434	235,947
Community development	3,727	2,540	508	1,855	143	-	-	-	-	-
Operating grants and contributions:										
General government administration	417,952	411,690	461,210	426,233	434,401	436,847	496,430	1,070,074	512,431	735,460
Judicial administration	2,178,098	2,135,443	2,271,957	2,349,172	2,345,308	2,669,219	2,741,111	2,965,891	2,944,500	3,183,466
Public safety	6,665,123	6,578,170	6,784,253	7,630,019	7,448,343	7,201,417	10,860,739	11,659,418	11,924,666	14,559,009
Public works	-	-	-	-	-	-	-	91,944	-	4,450,941
Health and social services	172,263	176,963	200,944	237,994	230,468	284,782	277,084	322,074	328,314	356,667
Education	-	-	-	-	-	-	-	2,040,427	-	150,690
Parks, recreation and cultural	-	-	-	-	-	-	85,498	77,571	180,000	10,592
Community development	-	-	100,000	254,000	-	25,000	-	1,275,201	-	1,763
Capital grants and contributions:										
General government administration	-	-	-	-	-	-	-	140,580	-	-
Judicial administration	-	-	-	-	-	-	-	11,487	-	-
Public safety	-	-	-	-	-	-	-	1,047,898	-	-
Public works	2,802,447	2,394,638	253,442	306,062	3,140,931	1,722,006	867,554	1,011,986	1,150,000	-
Parks, recreation and cultural	-	-	-	-	-	100,000	-	134,970	-	-
Community development	-	-	-	-	-	-	-	508,682	-	-
Total governmental activities	21,460,106	21,987,761	19,487,273	21,777,391	24,883,414	24,655,076	28,040,755	36,113,957	32,263,343	39,405,168

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
Page 2

CHANGES IN NET POSITION / ASSETS
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary government:										
Program revenue:										
Business-type activities:										
Charges for services:										
Water and sewer	$ 7,436,597	$ 6,450,673	$ 6,570,101	$ 6,837,014	$ 7,478,485	$ 7,899,974	$ 7,999,888	$ 8,652,543	$ 9,574,801	$ 9,282,045
Solid waste	5,057,086	5,461,705	5,488,882	5,764,198	6,050,596	6,567,397	6,519,218	6,520,677	7,059,640	7,559,869
Operating grants and contributions:										
Water and sewer	-	1,638,030	952,584	2,168,073	1,341,662	1,468,780	1,567,175	2,601,890	3,156,685	4,405,623
Solid waste	-	-	-	23,830	73,273	75,918	20,926	23,753	33,754	51,951
Capital grants and contributions:										
Solid waste	-	870,563	-	-	-	-	-	-	-	-
Total business-type activities	12,493,683	14,420,971	13,011,567	14,793,115	14,944,016	16,012,069	16,107,207	17,798,863	19,824,880	21,299,488
Total primary government revenues	33,953,789	36,408,732	32,498,840	36,570,506	39,827,430	40,667,145	44,147,962	53,912,820	52,088,223	60,704,656
Net (expense) revenue:										
Governmental activities	(81,868,066)	(88,031,808)	(102,097,811)	(95,826,719)	(129,656,767)	(101,924,254)	(122,589,205)	(106,076,510)	(113,959,153)	(117,742,369)
Business-type activities	1,007,061	2,987,483	1,671,220	1,605,674	954,213	1,735,354	(2,380,219)	2,350,080	4,196,823	3,386,976
Total primary government, net expense	(80,861,005)	(85,044,325)	(100,426,591)	(94,221,045)	(128,702,554)	(100,188,900)	(124,969,424)	(103,726,430)	(109,762,330)	(114,355,393)
Governmental activities:										
Taxes:										
General property taxes	70,208,531	71,962,305	77,182,964	81,433,734	88,479,898	91,965,599	94,675,689	98,103,822	107,724,600	123,472,718
Local sales and use	5,309,256	5,387,061	6,105,799	6,324,892	6,276,421	6,650,321	8,015,055	9,138,949	9,829,852	11,188,328
Consumer utility and communications sales and use	1,078,402	1,095,486	1,156,055	1,058,481	1,116,085	1,114,925	1,733,524	1,752,942	1,801,969	1,792,441
Motor vehicles licenses	1,209,701	1,211,564	1,227,518	1,278,070	1,304,491	1,350,626	1,342,514	1,383,739	1,396,287	66,228
Transient occupancy tax	-	-	-	-	-	612,543	827,571	1,441,375	1,599,148	2,118,722
Food and beverage	925,336	1,034,025	1,070,535	1,155,637	1,242,234	1,275,618	1,187,022	1,268,157	2,171,602	2,477,572
Recordation & Wills	730,498	955,372	942,381	957,414	1,036,421	1,040,173	1,221,494	1,745,780	1,807,256	1,468,083
Other	672,052	691,284	714,687	709,216	746,426	502,479	482,640	511,697	500,462	504,642
Intergovernmental, non-categorical aid	8,079,422	7,838,718	8,984,272	8,050,669	8,583,682	8,393,935	8,382,598	7,736,486	7,683,674	7,669,342
Use of money and property	1,505,611	1,460,029	1,720,204	1,133,428	711,810	1,612,133	1,324,348	715,728	(405,807)	3,876,174
Miscellaneous	302,430	364,608	680,439	627,835	536,673	3,438,994	1,033,465	2,792,030	2,734,038	2,159,369
Transfers	-	870,563	-	-	-	-	(57,730)	-	-	-
Total governmental activities	90,021,239	92,871,015	99,784,854	102,729,376	110,034,141	117,957,346	120,168,190	126,590,705	136,843,081	156,793,619
Business-type activities:										
Intergovernmental, non-categorical aid	-	-	26,640	-	-	-	-	-	-	-
Use of money and property	65,660	93,935	59,852	171,908	272,958	532,278	558,613	164,842	144,327	1,160,437
Miscellaneous	898,936	837,750	850,605	762,982	774,434	769,890	366,309	1,951,660	337,887	337,354
Transfers	-	(870,563)	-	-	-	-	57,730	-	-	-
Total business-type activities	964,596	61,122	937,097	934,890	1,047,392	1,302,168	982,652	2,116,502	482,214	1,497,791
Total primary government	90,985,835	92,932,137	100,721,951	103,664,266	111,081,533	119,259,514	121,150,842	128,707,207	137,325,295	158,291,410
Changes in net assets/net position:										
Governmental activities	8,153,173	4,839,207	(2,312,957)	6,902,657	(19,622,626)	16,033,092	(2,421,015)	20,514,295	22,883,928	39,051,250
Business-type activities	1,971,657	3,048,605	2,608,317	2,540,564	2,001,605	3,037,522	(1,397,567)	4,466,582	4,679,037	4,884,767

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN NET POSITION / ASSETS
LastTen Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Major component units: (2)										
Component unit - school board:										
Expenses:										
Instruction	$ 100,536,652	$ 105,050,310	$ 106,353,926	$ 113,232,867	$ 115,650,916	$ 113,318,228	$ 123,050,298	$ 123,848,194	$ 127,085,577	$ 138,234,710
Administration, attendance and health	5,552,174	5,895,218	6,431,820	5,824,903	4,995,480	5,574,296	5,935,639	7,047,955	6,734,274	7,851,122
Pupil transportation	9,338,770	9,196,500	9,339,985	9,555,551	9,519,163	9,861,011	11,342,603	9,295,923	10,155,248	10,485,942
Operation and maintenance services	11,573,942	11,746,547	11,417,995	14,110,378	13,290,806	13,566,374	13,961,370	14,405,484	14,613,059	16,146,724
School food services	5,053,123	5,105,966	5,166,363	5,243,049	5,213,331	5,033,504	5,473,498	4,936,653	5,918,740	6,295,817
Interest	-	-	-	-	-	-	-	-	142,721	159,396
Total expenses	132,054,661	136,994,541	138,710,089	147,966,748	148,669,696	147,353,413	159,763,408	159,534,209	164,649,619	179,173,711
Program revenues:										
Charges for services	5,084,433	5,436,058	5,426,333	5,596,541	5,451,679	5,020,707	4,421,516	750,282	1,001,722	2,298,711
Operating grants and contributions	68,365,556	72,137,991	72,854,877	76,638,660	79,994,313	82,460,795	84,032,792	92,135,682	105,445,911	114,647,652
Capital grants and contributions	32,720	71,650	83,333	175,791	98,915	-	-	756,704	1,109,034	3,691,304
Total program revenues	73,482,709	77,645,699	78,364,543	82,410,992	85,544,907	87,481,502	88,454,308	93,642,668	107,556,667	120,637,667
Net expense	(58,571,952)	(59,348,842)	(60,345,546)	(65,555,756)	(63,124,789)	(59,871,911)	(71,309,100)	(65,891,541)	(57,092,952)	(58,536,044)
General revenues and other changes in net assets:										
Grants and contributions not restricted to specific programs	49,859,613	53,790,738	55,511,622	60,961,694	85,030,486	61,691,628	79,869,506	60,327,400	60,605,742	66,568,478
Intergovernmental, non-categorical aid	79,643	72,671	75,166	77,475	74,224	71,192	69,005	66,915	65,439	65,672
Use of money and property	31,489	45,918	35,649	44,232	137,296	161,674	143,546	36,972	25,392	389,516
Miscellaneous	511,887	626,406	586,358	542,927	249,859	192,128	202,818	212,570	419,772	246,910
Total general revenues and other changes in net position	50,482,632	54,535,733	56,208,795	61,626,328	85,491,865	62,116,622	80,284,875	60,643,857	61,116,345	67,270,576
Total general revenues and other										
Total component unit - school board change in net position	$ (8,089,320)	$ (4,813,109)	$ (4,136,751)	$ (3,929,428)	$ 22,367,076	$ 2,244,711	$ 8,975,775	$ (5,247,684)	$ 4,023,393	$ 8,734,532
Component unit - HRSSD:										
Expenses:										
Public assistance	$ 6,452,300	$ 6,847,545	$ 6,397,049	$ 6,816,763	$ 7,451,225	$ 7,139,235	$ 7,438,854	$ 7,036,116	$ 7,840,953	$ 8,276,623
Comprehensive/children's services	8,874,411	9,146,513	8,883,443	9,573,881	9,755,890	9,909,365	10,697,613	11,490,213	12,719,836	16,189,731
Health and human services	6,233,209	5,997,127	7,515,831	7,642,598	9,037,932	8,655,093	10,003,642	8,394,826	12,518,037	12,014,500
VJCCA	-	82,081	83,474	87,171	86,672	72,575	67,801	45,761	45,928	44,661
Interest	-	-	-	-	-	-	-	-	13,632	11,510
Total expenses	21,559,920	22,073,266	22,879,797	24,120,413	26,331,719	25,776,268	28,207,910	26,966,916	33,138,386	36,537,025
Program revenues:										
Operating grants and contributions	15,586,617	16,200,010	16,033,541	17,128,620	17,606,083	18,053,327	19,297,447	20,062,801	22,334,924	25,274,767
Total program revenues	15,586,617	16,200,010	16,033,541	17,128,620	17,606,083	18,053,327	19,297,447	20,062,801	22,334,924	25,274,767
Net expense	(5,973,303)	(5,873,256)	(6,846,256)	(6,991,793)	(8,725,636)	(7,722,941)	(8,910,463)	(6,904,115)	(10,803,462)	(11,262,258)

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
Page 4

CHANGES IN NET POSITION / ASSETS
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net assets:										
Grants and contributions not restricted to specific programs	$ 6,348,530	$ 6,739,048	$ 7,722,610	$ 8,091,663	$ 8,209,413	$ 8,491,193	$ 8,587,413	$ 9,281,426	$ 9,474,506	$ 11,448,896
Use of money and property	16,177	20,951	12,362	32,086	40,755	134,457	145,160	23,199	12,888	242,135
Miscellaneous	71,814	57,963	48,660	50,286	48,830	47,022	52,552	50,603	50,291	42,778
Total general revenues and other changes in net position	6,436,521	6,817,962	7,783,632	8,174,035	8,298,998	8,672,672	8,785,125	9,355,228	9,537,685	11,733,809
Total component unit - HRSSD change in net position	$ 463,218	$ 944,706	$ 937,376	$ 1,182,242	$ (426,638)	$ 949,731	$ (125,338)	$ 2,451,113	$ (1,265,777)	$ 471,551
Total major component units change in net position	$ (7,626,102)	$ (3,868,403)	$ (3,199,375)	$ (2,747,186)	$ 21,940,438	$ 3,194,442	$ 8,850,437	$ (2,796,571)	$ 2,757,616	$ 9,206,083
Total reporting entity change in net position	$ 2,498,728	$ 4,019,409	$ (2,904,015)	$ 6,696,035	$ 4,319,417	$ 22,265,056	$ 5,031,855	$ 22,184,306	$ 30,320,581	$ 53,142,100

Notes:

(1) Net (expense) revenue is the difference between the expenses and program revenues. This difference indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in a parentheses are net expenses indicating that expenses were greater than program revenues and, therefore, general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, demonstrating that program revenues were more than sufficient to cover expenses.

(2) Component units were included in this table due to their significance to the County.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 4

PROGRAM REVENUES BY FUNCTION / PROGRAM
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary government:										
Governmental activities:										
General government administration	$ 420,011	$ 415,201	$ 463,593	$ 428,001	$ 436,128	$ 438,787	$ 498,214	$ 1,213,550	$ 515,517	$ 736,907
Judicial administration	3,168,758	3,232,856	3,391,496	3,653,643	3,762,934	4,462,991	5,030,788	4,992,251	4,877,631	5,049,461
Public safety	12,977,432	13,854,600	13,267,492	14,928,670	15,281,520	15,531,681	19,635,993	22,735,520	22,737,007	26,652,271
Public works	3,943,748	3,498,966	1,275,587	1,391,488	4,302,667	2,915,111	1,927,866	2,199,991	2,813,956	6,036,575
Health and social services	190,008	178,167	203,372	256,559	256,481	308,934	277,084	530,811	491,798	530,962
Education	-	-	-	-	-	-	-	2,040,427	-	150,690
Parks, recreation and cultural	756,422	805,431	785,225	863,175	843,541	972,572	670,810	617,524	827,434	246,539
Community development	3,727	2,540	100,508	255,855	143	25,000	-	1,783,883	-	1,763
Total governmental activities	21,460,106	21,987,761	19,487,273	21,777,391	24,883,414	24,655,076	28,040,755	36,113,957	32,263,343	39,405,168
Business-type activities:										
Water and sewer	7,436,597	8,088,703	7,522,685	9,005,087	8,820,147	9,368,754	9,567,063	11,254,433	12,731,486	13,687,668
Solid waste	5,057,086	6,332,268	5,488,882	5,788,028	6,123,869	6,643,315	6,540,144	6,544,430	7,093,394	7,611,820
Total business-type activities	12,493,683	14,420,971	13,011,567	14,793,115	14,944,016	16,012,069	16,107,207	17,798,863	19,824,880	21,299,488
Total primary government	$ 33,953,789	$ 36,408,732	$ 32,498,840	$ 36,570,506	$ 39,827,430	$ 40,667,145	$ 44,147,962	$ 53,912,820	$ 52,088,223	$ 60,704,656
Major component units:										
Component unit - school board:										
Instruction	$ 68,376,769	$ 72,551,314	$ 73,069,780	$ 76,995,702	$ 80,216,305	$ 82,046,967	$ 83,603,832	$ 88,002,363	$ 99,783,500	$ 114,040,596
Administration, attendance and health	-	-	-	-	-	-	-	-	-	127,236
Pupil transportation services	-	-	-	-	-	-	-	633,926	-	23,775
Operation and maintenance services	-	-	-	-	-	-	-	82,478	-	19,387
School food services	5,105,940	5,094,385	5,294,763	5,415,290	5,328,602	5,434,535	4,850,476	4,923,901	7,773,167	6,426,673
Total component unit - school board	73,482,709	77,645,699	78,364,543	82,410,992	85,544,907	87,481,502	88,454,308	93,642,668	107,556,667	120,637,667
Component unit - HRSSD:										
Public assistance	5,029,280	5,047,847	4,748,681	4,961,568	5,034,759	5,142,885	5,282,800	4,943,818	5,454,244	5,501,856
Comprehensive/children's services	5,237,254	5,377,628	5,113,599	5,215,483	5,527,679	5,516,368	6,044,493	7,010,078	8,081,101	10,272,712
Health and human services	5,320,083	5,712,054	6,069,231	6,868,035	6,956,814	7,321,658	7,902,353	8,063,144	8,753,651	9,455,538
VJCCA	-	62,481	102,030	83,534	86,831	72,416	67,801	45,761	45,928	44,661
Total component unit - HRSSD	15,586,617	16,200,010	16,033,541	17,128,620	17,606,083	18,053,327	19,297,447	20,062,801	22,334,924	25,274,767
Total major component units	$ 89,069,326	$ 93,845,709	$ 94,398,084	$ 99,539,612	$ 103,150,990	$ 105,534,829	$ 107,751,755	$ 113,705,469	$ 129,891,591	$ 145,912,434
Total reporting entity	$ 123,023,115	$ 130,254,441	$ 126,896,924	$ 136,110,118	$ 142,978,420	$ 146,201,974	$ 151,899,717	$ 167,618,289	$ 181,979,814	$ 206,617,090

COUNTY OF ROCKINGHAM, VIRGINIA

Table 5

FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	$ 483,343	$ 584,337	$ 712,636	$ 785,140	$ 695,007	$ 722,684	$ 699,185	$ 806,616	$ 781,855	$ 761,070
Restricted	2,105,608	2,058,400	2,551,574	3,026,483	3,088,162	3,804,263	3,880,583	-	-	-
Committed	-	-	-	82,374	171,434	452,880	4,889,739	1,034,013	3,194,659	10,126,413
Assigned	-	-	-	-	53,822	142,979	-	-	-	7,204,238
Unassigned	25,193,314	25,644,629	27,066,722	23,537,191	26,465,446	24,456,592	35,585,131	40,298,647	54,737,478	65,696,732
Total General Fund	$ 27,782,265	$ 28,287,366	$ 30,330,932	$ 27,431,188	$ 3,284,171	$ 29,579,398	$ 45,054,638	$ 42,139,276	$ 58,713,992	$ 83,788,453
All Other Governmental Funds:										
Nonspendable	$ 11,143	$ 11,143	$ -	$ -	$ -	$ -	$ 11,204	$ 1,242	$ 1,279	$ 16,364
Restricted	193,685	224,566	195,800	235,108	404,183	518,066	1,334,085	1,415,419	2,106,253	2,675,887
Committed	-	-	-	4,288,809	3,962,920	7,218,556	3,756,964	5,302,877	9,085,690	6,476,089
Assigned	22,093,893	17,828,714	14,456,621	7,312,400	3,979,016	2,375,979	3,115,432	4,036,000	481,868	6,636,344
Total all other governmental funds	$ 22,298,721	$ 18,064,423	$ 14,652,421	$ 11,836,317	$ 8,346,119	$ 10,112,601	$ 8,217,685	$ 10,755,538	$ 11,675,090	$ 15,804,684

COUNTY OF ROCKINGHAM, VIRGINIA

Table 6
Page 1

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
General property taxes	$ 70,426,736	$ 71,932,121	$ 77,123,724	$ 81,459,657	$ 88,474,133	$ 91,989,158	$ 94,559,498	$ 97,875,970	$ 107,460,311	$ 123,022,445
Other local taxes	9,925,245	10,374,792	11,216,975	11,483,710	11,722,078	12,546,685	14,809,820	17,242,739	19,106,576	19,616,016
Permits, privilege fees and licenses	1,003,449	1,085,078	1,056,984	1,730,059	1,364,545	1,166,099	1,312,113	1,532,890	1,597,855	1,799,136
Fines and forfeitures	159,842	184,583	151,516	240,396	208,051	202,191	181,988	128,829	206,906	233,080
Use of money and property	1,494,063	1,444,522	1,711,660	1,111,496	687,937	1,541,962	1,242,515	697,969	(414,417)	3,733,768
Charges for services	3,925,885	3,956,131	3,643,395	3,645,601	3,898,039	3,851,156	3,542,104	4,934,707	6,365,249	6,127,245
Miscellaneous	302,430	364,608	680,439	627,835	536,673	3,538,994	1,033,465	2,792,030	2,734,038	2,159,369
Recovered costs	4,134,950	5,064,878	4,563,572	4,957,855	5,457,543	7,246,686	7,709,501	7,206,313	7,078,528	7,797,119
Intergovernmental	20,315,305	19,535,622	19,056,078	19,254,149	22,183,133	20,733,206	23,711,014	30,094,689	24,723,585	31,084,289
Total revenues	111,687,905	113,942,335	119,204,343	124,510,758	134,532,132	142,816,137	148,102,018	162,506,136	168,858,631	195,572,467
Expenditures:										
General government administration	4,787,939	4,804,695	5,203,673	5,543,460	5,349,427	5,539,382	6,099,898	7,416,570	6,632,183	6,753,693
Judicial administration	3,540,441	3,740,215	3,827,334	4,187,990	4,279,035	4,917,656	5,116,568	5,520,971	5,680,952	6,134,154
Public safety	22,919,965	26,121,456	26,286,332	28,665,762	29,582,664	30,271,052	33,148,888	38,471,650	40,820,668	43,425,793
Public works	2,852,182	2,921,785	2,944,236	3,108,156	2,927,766	3,121,323	2,972,751	3,378,189	3,883,373	4,479,946
Health and social services	5,898,577	5,400,366	5,807,989	6,171,569	6,868,468	6,584,606	8,834,422	12,275,121	8,448,246	10,176,494
Education	49,859,613	53,790,738	55,511,622	60,961,694	85,030,486	61,691,628	79,869,506	62,367,827	60,605,742	66,568,478
Parks, recreation and cultural	2,130,299	2,197,829	2,251,615	2,365,854	2,392,388	2,476,069	2,521,162	2,828,855	2,772,129	2,480,959
Community development	2,497,658	2,753,660	3,090,881	3,959,791	3,479,239	3,691,910	4,186,445	6,707,455	4,260,250	9,134,530
Capital outlay	4,593,950	5,048,279	3,965,319	3,894,304	14,168,378	11,975,289	11,454,099	6,023,046	7,139,745	5,042,473
Debt service:										
Principal	7,528,018	7,182,006	7,762,776	7,809,066	6,975,972	7,668,695	8,085,187	11,077,345	7,324,771	8,781,560
Interest and fiscal charges	4,751,292	4,581,066	3,921,002	3,558,960	3,235,080	4,006,518	3,719,626	4,372,922	3,823,343	3,418,897
Total expenditures	111,359,934	118,542,095	120,572,779	130,226,606	164,288,903	141,944,128	166,008,552	160,439,951	151,391,402	166,396,977
Revenues over (under) expenditures	327,971	(4,599,760)	(1,368,436)	(5,715,848)	(29,756,771)	872,009	647,434	2,066,185	17,467,229	29,175,490
							-			
Other financing sources (uses):										
Transfers in	4,284,869	1,947,743	800,000	800,000	8,757,000	8,699,500	512,431	7,364,575	6,031,539	7,490,750
Transfers out	(4,284,869)	(1,077,180)	(800,000)	(800,000)	(7,232,000)	(8,699,500)	2,944,500	(6,374,149)	(6,004,500)	(7,490,750)
Issuance of subscription	-	-	-	-	-	-	-	-	-	28,565
Issuance of debt	-	13,125,000	-	-	25,822,000	-	11,924,666	-	-	-
Payment to refunded bond escrow agent	-	(13,125,000)	-	-	-	-	-	-	-	-
Premium on issuance debt	-	-	-	-	1,962,256	-	328,314	-	-	-
Total other financing sources (uses), net	-	870,563	-	-	29,309,256	-	-	990,426	27,039	28,565
Net change in fund balance	327,971	(3,729,197)	(1,368,436)	(5,715,848)	(447,515)	872,009	-	3,056,611	17,494,268	29,204,055

COUNTY OF ROCKINGHAM, VIRGINIA

Table 6
Page 2

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Service as a percentage of noncapital expenditures:										
Primary government:										
Total debt service	$ 12,279,310	$ 11,763,072	$ 11,683,778	$ 11,368,026	$ 10,211,052	$ 11,675,213	$ 11,804,813	$ 15,450,267	$ 11,148,114	$ 12,200,457
Total expenditures	$ 111,359,934	$ 118,542,095	$ 120,572,779	$ 130,226,606	$ 164,288,903	$ 141,944,128	$ 166,008,552	$ 160,439,951	$ 151,391,402	$ 166,396,977
Less: Capital outlay - primary government	(1,258,644)	(2,087,485)	(2,724,796)	(5,626,572)	(5,912,172)	(8,204,800)	(11,420,136)	(7,078,960)	(4,762,243)	(5,023,613)
Noncapital expenditures	$ 110,101,290	$ 116,454,610	$ 117,847,983	$ 124,600,034	$ 158,376,731	$ 133,739,328	$ 154,588,416	$ 153,360,991	$ 146,629,159	$ 161,373,364
Debt service as a percentage of noncapital expenditures	11.15%	10.10%	9.91%	9.12%	6.45%	8.73%	7.64%	10.07%	7.60%	7.56%
Major component units - School Board and HRSSD:										
Expenditures:										
School board	$ 123,811,920	$ 131,802,060	$ 134,799,313	$ 146,858,092	$ 162,739,989	$ 156,758,093	$ 160,118,201	$ 154,132,308	$ 169,059,262	$ 182,571,833
HRSSD	23,594,887	23,264,806	22,983,663	24,549,020	25,742,457	25,764,272	27,785,854	28,955,614	30,923,482	36,346,853
Less: Capital outlay - school board	(1,421,014)	(2,891,187)	(3,267,837)	(8,428,049)	(18,786,715)	(9,334,130)	(12,746,714)	(3,643,625)	(4,121,164)	(6,465,172)
Less: Capital outlay - HRSSD	(2,163,687)	(530,456)	(31,182)	(42,681)	(123,000)	-	-	(199,473)	-	-
Noncapital expenditures	$ 143,822,106	$ 151,645,223	$ 154,483,957	$ 162,936,382	$ 169,572,731	$ 173,188,235	$ 175,157,341	$ 179,244,824	$ 195,861,580	$ 212,453,514
Total reporting entity:										
Total noncapital expenditures	$ 197,938,726	$ 207,908,866	$ 212,140,973	$ 227,345,449	$ 238,142,511	$ 236,391,308	$ 241,423,662	$ 263,353,188	$ 272,351,641	$ 295,737,948
Debt service as a percentage of noncapital expenditures	6.20%	5.66%	5.51%	5.00%	4.29%	4.94%	4.89%	5.87%	4.09%	4.13%

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Notes:

(1) In Virginia, the County issues debt to finance the construction of school facilities for the public schools because the public schools do not have borrowing or taxing authority. Therefore, the debt service payments related to school facilities are presented as debt service of the primary government. Debt service as a percentage of noncapital expenditures for the total reporting entity more appropriately reflects the unique Virginia school debt requirement.

(2) For the "Total Reporting Entity" amounts, the total noncapital expenditures have been reduced by the amounts given by the primary government to the public schools, Massanutten Technical Center, and the Social Services District so those expenditures are not included twice.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 7

TAX REVENUES BY SOURCE – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year June 30,	Property (1)	Local Sales and Use	Motor Vehicle	Transient Occupancy Tax	Consumer Utility and Communications Sales and Use	Recordation and Wills	Food and Beverage	Other	Total
2014	$ 69,694,829	$ 5,309,256	$ 1,209,701	$ -	$ 1,078,402	$ 730,498	$ 925,336	$ 672,052	$ 79,620,074
2015	71,270,077	5,387,061	1,211,564	-	1,095,486	955,372	1,034,025	691,284	81,644,869
2016	76,369,114	6,105,799	1,227,518	-	1,156,055	942,381	1,070,535	714,687	87,586,089
2017	80,660,077	6,324,892	1,278,070	-	1,058,481	957,414	1,155,637	709,216	92,143,787
2018	87,582,204	6,276,421	1,304,491	-	1,116,085	1,036,421	1,242,234	746,426	99,304,282
2019	90,974,637	6,650,321	1,350,626	612,543	1,114,925	1,040,173	1,275,618	502,479	103,521,322
2020	93,669,919	8,015,055	1,342,514	827,571	1,733,524	1,221,494	1,187,022	482,640	108,479,739
2021	96,967,443	9,138,949	1,383,739	1,441,375	1,752,942	1,745,780	1,268,157	511,697	114,210,082
2022	106,444,152	9,829,852	1,396,287	1,599,148	1,801,969	1,807,256	2,171,602	500,462	125,550,728
2023	121,852,851	11,188,328	66,228	2,118,722	1,792,441	1,468,083	2,477,572	504,642	141,468,867
Change 2014-2023	74.84%	110.73%	-94.53%	0.00%	66.21%	100.97%	167.75%	-24.91%	77.68%

Notes:

(1) Property tax revenue does not include penalties and interest collected on delinquent tax collections.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 8

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Calendar Years
(Unaudited)

Calendar Year	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Farm Property (1)	Exempt & Nontaxable Property (1) (2)	Total Assessed Value	Percent Growth	Assessed Value of Tax Deferred Land Use (3)	Total Taxable Value	Total Direct Real Estate Tax Rate	Real Estate Tax Value as a Percentage of Assessed Value	Personal Property Value	Personal Property Tax	Total Direct Personal Property Tax Rate
2014	$ 5,131,903,600	$ 744,413,500	$ 260,799,200	$ 2,069,514,600	$ 1,155,622,900	$ 9,362,253,800	2.45%	$ 1,060,320,506	$ 7,146,310,394	$ 0.64	76.33%	$ 1,215,239,308	$ 28,311,213	$ 2.85
2015	5,198,957,000	765,627,500	258,445,700	2,073,139,200	1,155,559,900	9,451,729,300	0.96%	1,014,434,080	7,281,735,320	0.66/0.68	77.04%	1,257,521,262	29,402,197	2.90
2016	5,286,192,700	772,036,000	265,826,900	2,080,831,900	1,154,888,500	9,559,776,000	1.14%	1,016,281,990	7,388,605,510	0.68/0.70	77.29%	1,353,543,739	31,609,749	2.90
2017	5,360,674,700	801,922,900	263,991,000	2,083,044,800	1,169,407,400	9,679,040,800	1.25%	1,013,613,780	7,496,019,620	0.74	77.45%	1,420,103,739	33,932,001	3.00
2018	5,616,112,800	821,069,100	276,622,400	2,112,122,000	1,171,035,500	9,996,961,800	3.28%	1,029,749,840	7,796,176,460	0.74	77.99%	1,524,244,049	36,387,138	3.00
2019	5,715,245,600	862,187,600	277,993,700	2,111,197,800	1,172,733,700	10,139,358,400	1.42%	1,027,110,460	7,939,514,240	0.74	78.30%	1,586,377,475	38,113,105	3.00
2020	5,804,990,300	883,777,300	303,406,900	2,131,013,600	1,181,671,700	10,304,859,800	1.63%	1,029,216,830	8,093,971,270	0.74	78.55%	1,698,981,212	40,745,335	3.00
2021	5,911,663,600	906,602,000	402,607,600	2,046,666,300	1,188,370,700	10,455,910,200	1.47%	1,026,717,200	8,240,822,300	0.74	78.81%	1,763,157,277	44,868,033	3.00
2022	7,971,544,500	1,203,118,400	617,516,700	2,225,108,200	1,557,623,800	13,574,911,600	29.83%	1,032,157,640	10,985,130,160	0.68	80.92%	2,185,238,888	50,634,627	3.00
2023	8,239,307,200	1,208,314,200	619,717,000	2,225,524,600	1,558,463,400	13,851,326,400	2.04%	1,019,585,880	11,273,277,120	0.68	81.39%	2,338,337,183	54,424,847	3.00

Source:

Rockingham County real estate records.

Notes:

(1) Real estate assessed values are assessed for comparison to fair market value every four years. (2014, 2018 and 2022)

(2) Nontaxable and exempt property includes principally real estate owned by governmental, religious, charitable or educational entities.

(3) Rockingham County has adopted land use valuation for agricultural and open space land. Rather than fair market value, the value of this property is based upon its "use" value.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 9

DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(Unaudited)

Rockingham County

Fiscal Year June 30,	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Farm Machinery	Total Direct Rate
2014	$ 0.64	$ 2.85	$ 0.64	$ 2.55	$ 0.87	$ 0.44	$ 7.99
2015	0.66/0.68	2.90	0.68	2.55	0.87	0.44	8.11
2016	0.68/0.70	2.90	0.68/0.70	2.55	0.87	0.44	8.14
2017	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2018	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2019	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2020	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2021	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2022	0.68	2.65	0.68	2.55	0.87	0.44	7.87
2023	0.68	2.65	0.68	2.55	0.87	0.44	7.87

Note:

(1) Public Service Corporations are taxed at the real estate and the personal property tax rates for those classes of assessed values established by the State Corporation Commission.

Overlapping Governments

Fiscal Year June 30,	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2014	$ 0.05-0.12	$ 0.20-0.75	$ 0.07-0.46	$ 0.30-0.46
2015	0.07-0.12	0.20-0.75	0.07-0.46	0.30-0.46
2016	0.07-0.12	0.20-0.75	0.07-0.46	0.30-0.46
2017	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40
2018	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40
2019	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40
2020	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40
2021	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40
2022	0.07-0.12	0.30-0.75	0.07-0.38	0.30-0.40
2023	0.07-0.12	0.30-0.75	0.07-0.38	0.30-0.40

Notes:

(1) The above table shows ranges of tax rates since individual towns set varying rates. People residing in the following towns pay property taxes to the town in addition to the taxes paid to the County. The towns included in the above table include Bridgewater, Broadway, Dayton, Elkton, Grottoes, Mt. Crawford, and Timberville.

(2) Information obtained from the Rockingham County Commissioner of the Revenue.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 10

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

	2023					
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Property Taxes Paid	Rank	Percentage of Total Property Taxes Paid Value
Great Eastern Resort Management	$ 462,806,585	2	3.4%	$ 3,415,394	3	2.6%
Merck & Co., Inc.	612,567,525	1	4.5%	12,518,454	1	9.6%
MillerCoors	260,830,230	3	1.9%	4,355,443	2	3.3%
Wal-Mart Retail and Distribution Centers	175,327,620	4	1.3%	2,115,654	5	1.6%
White Wave	135,261,350	5	1.0%	2,172,839	4	1.7%
Sunnyside Retirement Community	89,105,400	6	0.7%	(2)		
Marshall's	83,550,915	7	0.6%	912,322	7	0.7%
LSC Communications (formerly RR Donnelley & Sons Co.)	72,242,030	8	0.5%	937,796	6	0.7%
Interchange	60,386,490	9	0.4%	702,885	10	0.5%
Cargill	58,880,385	10	0.4%	841,047	8	0.6%
Virginia Poultry Growers	(1)			776,722	9	0.6%
Total	$ 2,010,958,530		14.77%	$ 28,748,554		21.93%

	2014					
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Property Tax Paid	Rank	Percentage of Total Property Taxes Paid
Great Eastern Resort Management	$ 425,064,930	1	5.1%	$ 2,669,548	2	3.6%
Miller Coors (formerly Adolph Coors Company)	201,815,040	2	2.4%	3,382,657	1	4.6%
Merck & Company, Inc.	99,821,085	3	1.2%	1,295,619	5	1.7%
Wal-Mart Retail and Distribution Centers	96,419,910	4	1.1%	1,042,703	6	1.4%
RR Donnelley & Sons Co.	89,799,405	5	1.1%	1,470,146	4	2.0%
White Wave (formerly Morningstar Foods)	85,906,980	6	1.0%	1,598,339	3	2.1%
Marshall's	57,334,090	7	0.7%	660,259	8	0.9%
Sunnyside Retirement Community	52,508,500	8	0.6%	(2)		
Cargill (formerly Rocco)	47,027,945	9	0.6%	670,997	7	0.9%
Sysco	33,515,025	10	0.4%	407,672	10	0.6%
Dynamic Aviation	(1)			647,782	9	0.9%
Total	$ 1,189,212,910		14.20%	$ 13,845,722		18.70%

Notes:

(1) Not in the Top 10 Taxable Assessed Value

(2) Not in the Top 10 Property Taxes Paid

Source:

Rockingham County Commissioner of the Revenue.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 11

REAL PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Calendar Years
(Unaudited)

Calendar Year	Taxes Levied for the Calendar Year	Collected Within the Calendar Year of the Levy: Amount	Collected Within the Calendar Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2013	$ 46,913,491	$ 45,330,910	96.63%	$ 1,582,581	$ 46,913,491	100.00%
2014	47,679,732	46,160,931	96.81%	1,518,801	47,679,732	100.00%
2015	50,861,929	49,410,225	97.15%	1,492,635	50,902,860	100.08%
2016	53,997,527	53,187,098	98.50%	770,541	53,957,639	99.93%
2017	57,907,159	57,106,295	98.62%	728,490	57,834,785	99.88%
2018	60,063,608	59,254,109	98.65%	716,263	59,970,372	99.84%
2019	61,330,358	60,536,048	98.70%	686,145	61,222,193	99.82%
2020	62,389,728	61,744,639	98.97%	484,394	62,229,033	99.74%
2021	63,615,307	62,884,680	98.85%	428,042	63,312,722	99.52%
2022	77,401,272	76,583,380	98.94%	N/A	76,583,380	98.94%

Source:

Rockingham County Treasurer.

Note:

Amounts shown for levies and collections represent real estate taxes only.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 12

RATIOS OF OUTSTANDING DEBT BY TYPE AND GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities					Business-Type Activities			
Fiscal Year	General Obligation Bonds	Private Placement Notes	Lease Revenue Refunding Bonds	Leases Liabilities	Subscription Liabilities	Revenue Bonds	Total Primary Government	Percentage of Per Capita Personal Income	Debt Per Capita
2014	$ 82,458,757	$ -	$ 17,597,852	$ -	$ -	$ 13,602,412	$ 113,659,021	4.30%	$ 1,440
2015	76,531,468	-	16,090,003	-	-	12,359,388	104,980,859	3.74%	1,327
2016	70,472,680	8,714,153	14,132,883	-	-	20,383,318	113,703,034	3.99%	1,426
2017	64,260,913	7,826,952	12,282,453	-	-	29,711,540	114,081,858	3.74%	1,414
2018	83,339,596	9,866,514	10,411,515	-	-	31,844,345	135,461,970	4.21%	1,664
2019	77,216,875	8,320,437	8,514,297	-	-	29,686,640	123,738,249	3.64%	1,505
2020	102,069,244	6,723,467	6,595,000	-	-	27,299,897	142,687,608	3.99%	1,723
2021	94,801,461	5,094,984	2,115,000	-	-	25,292,544	127,303,989	4.42%	1,508
2022	87,360,723	3,434,360	1,590,000	627,241	-	23,179,526	116,191,850	N/A	1,361
2023	79,663,628	2,084,503	-	591,168	230,316	20,539,621	103,109,236	N/A	N/A

Bonded debt outstanding:

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Debt Per Capita	Revenue Bonds	Percentage of Actual Taxable Value of Property	Debt Per Capita
2014	$ 82,458,757	1.15%	$ 1,044	$ 13,602,412	0.19%	$ 172
2015	76,531,468	1.05%	967	12,359,388	0.17%	156
2016	70,472,680	0.95%	884	20,383,318	0.28%	256
2017	64,260,913	0.86%	797	29,711,540	0.40%	368
2018	83,339,596	1.07%	1,024	31,844,345	0.41%	391
2019	77,216,875	0.97%	939	29,686,640	0.37%	361
2020	102,069,244	1.26%	1,233	27,299,897	0.34%	330
2021	94,801,461	1.15%	1,123	25,292,544	0.31%	300
2022	87,360,723	0.80%	1,023	23,179,526	0.21%	271
2023	79,663,628	0.71%	N/A	20,539,621	0.18%	N/A

Notes:

(1) Details regarding the County's outstanding debt may be found in the notes to the basic financial statements.

(2) Population and personal income data can be found in table 15.

(3) See table 8 for property value data.

(4) The County implemented GASB 87, *Leases* , in fiscal year 2022. As of June 30, 2022, the County no longer has any capital leases but does have lease revenue refunding bonds.

(5) The County implemented GASB 96, *Subscription-Based Information Technology Arrangements* , in fiscal year 2023.

N/A - Per capita personal income was unavailable at fiscal year end.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Year Ended June 30, 2023
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Town of Bridgewater, Virginia	$ 3,436,532	0.48%	$ 16,495
Town of Broadway, Virginia	174,129	3.14%	5,468
Town of Mt. Crawford, Virginia	-	0.00%	-
Town of Dayton, Virginia	-	0.00%	-
Town of Elkton, Virginia	1,235,989	0.64%	7,910
Town of Grottoes, Virginia	-	0.00%	-
Town of Timberville, Virginia	-	0.00%	-
Subtotal, overlapping debt			29,873
County Direct Debt			115,387,710
Total direct and overlapping debt			$ 115,417,583

Note:

The estimated percentage applicable is based on total assessed value of taxable property.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 14
Page 1

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Water and Sewer Fund

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2014	$ 7,210,344	$ 4,754,001	$ 2,456,343	$ 425,000	$ 517,778	$ 942,778	2.61
2015	7,825,015	4,960,792	2,864,223	440,000	379,548	819,548	3.49
2016	7,270,371	4,982,413	2,287,958	540,000	565,731	1,105,731	2.07
2017	8,743,842	5,284,929	3,458,913	585,000	387,667	972,667	3.56
2018	8,451,441	5,737,979	2,713,462	610,000	499,011	1,109,011	2.45
2019	9,146,625	5,760,454	3,386,171	750,000	502,625	1,252,625	2.70
2020	9,329,252	6,415,417	2,913,835	790,000	477,897	1,267,897	2.30
2021	10,574,649	6,248,920	4,325,729	830,000	449,672	1,279,672	3.38
2022	11,678,541	6,510,025	5,168,516	860,000	410,118	1,270,118	4.07
2023	12,019,940	7,691,897	4,328,043	895,000	414,353	1,309,353	3.31

Smith Creek Water & Waste Authority Fund

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2014	$ 329,709	$ 156,716	$ 172,993	$ 172,419	$ 64,636	$ 237,055	0.73
2015	387,037	217,177	169,860	177,419	59,655	237,074	0.72
2016	355,029	203,397	151,632	182,562	54,501	237,063	0.64
2017	453,320	204,229	249,091	187,858	49,197	237,055	1.05
2018	605,657	273,915	331,742	193,305	43,748	237,053	1.40
2019	633,094	244,492	388,602	198,911	39,285	238,196	1.63
2020	642,100	304,707	337,393	204,682	32,112	236,794	1.42
2021	585,407	388,351	197,056	210,620	25,908	236,528	0.83
2022	741,135	438,913	302,222	216,730	19,524	236,254	1.28
2023	714,360	395,293	319,067	599,317	23,340	622,657	0.51

Countryside Sanitary District Fund

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2014	$ 15,946	$ 6,277	$ 9,669	$ 7,767	$ 3,948	$ 11,715	0.83
2015	14,306	7,522	6,784	8,021	3,694	11,715	0.58
2016	18,833	8,965	9,868	8,284	3,429	11,713	0.84
2017	15,738	9,492	6,246	8,555	3,159	11,714	0.53
2018	14,009	12,766	1,243	8,835	2,879	11,714	0.11
2019	14,995	10,264	4,731	9,125	2,515	11,640	0.41
2020	15,208	13,119	2,089	9,423	2,214	11,637	0.18
2021	15,080	14,179	901	9,732	1,903	11,635	0.08
2022	11,543	7,507	4,036	53,660	872	54,532	0.07
2023	10,363	7,452	2,911	-	-	-	-

COUNTY OF ROCKINGHAM, VIRGINIA

Table 14
Page 2

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Solid Waste Fund

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2014	$ 5,840,785	$ 3,851,399	$ 1,989,386	$ 565,000	$ 136,012	$ 701,012	2.84
2015	6,193,726	3,524,940	2,668,786	580,000	108,207	688,207	3.88
2016	6,232,808	3,560,345	2,672,463	595,000	66,424	661,424	4.04
2017	6,473,078	4,232,965	2,240,113	810,000	142,265	952,265	2.35
2018	6,866,481	4,098,618	2,767,863	925,000	384,137	1,309,137	2.11
2019	7,467,963	4,324,184	3,143,779	915,000	422,990	1,337,990	2.35
2020	6,970,164	5,273,583	1,696,581	930,000	410,799	1,340,799	1.27
2021	6,702,009	4,096,826	2,605,183	730,000	373,599	1,103,599	2.36
2022	7,256,779	4,699,905	2,556,874	755,000	335,226	1,090,226	2.35
2023	7,727,230	5,762,540	1,964,690	785,000	424,665	1,209,665	1.62

Lilly Subdivision Sanitary District

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2014	$ 34,761	$ 22,476	$ 12,285	$ 17,316	$ 12,692	$ 30,008	0.41
2015	35,671	28,300	7,371	17,849	11,949	29,798	0.25
2016	47,631	19,871	27,760	18,397	11,189	29,586	0.94
2017	29,877	17,874	12,003	18,961	10,414	29,375	0.41
2018	36,915	22,883	14,032	19,545	9,619	29,164	0.48
2019	33,157	18,967	14,190	20,146	8,375	28,521	0.50
2020	56,464	47,352	9,112	225,116	5,116	230,232	0.04
2021	68,837	30,815	38,022	-	-	-	-
2022	39,705	26,671	13,034	-	-	-	-
2023	42,241	40,941	1,300	-	-	-	-

Penn Laird Sewer Authority

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2014	$ 26,374	$ 2,071	$ 24,303	$ 19,218	$ 9,043	$ 28,261	0.86
2015	26,338	902	25,436	19,735	8,525	28,260	0.90
2016	23,992	898	23,094	20,269	7,996	28,265	0.82
2017	12,150	208	11,942	20,815	7,447	28,262	0.42
2018	16,905	1,519	15,386	21,375	6,885	28,260	0.54
2019	16,797	-	16,797	21,953	7,018	28,971	0.58
2020	18,941	-	18,941	22,544	6,021	28,565	0.66
2021	15,861	860	15,001	23,151	5,346	28,497	0.53
2022	17,319	928	16,391	23,776	4,652	28,428	0.58
2023	4,190	-	4,190	156,737	3,079	159,816	0.03

Notes:

(1) Utility service charges include all revenues of the fund except gains on sales of capital assets, interest income, and intergovernmental revenue.

(2) Operating expenses are exclusive of depreciation and amortization, expansion allocation in the Regional Sewer Authority, interest expense and losses on sales of capital assets.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 15

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years
(Unaudited)

Calendar Year	(1) Population	(1) Median Age	(2) Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2014	78,953	41.4	$ 2,642,433,157	$ 33,468	11,307	4.8%
2015	79,134	41.4	2,804,549,679	35,441	11,327	4.4%
2016	79,735	41.4	2,847,734,260	35,715	10,449	3.7%
2017	80,666	41.2	3,048,267,461	37,789	11,261	3.4%
2018	81,422	41.2	3,216,335,687	39,502	11,252	3.1%
2019	82,208	41.2	3,396,176,896	41,312	11,356	2.7%
2020	82,809	41.2	3,579,998,688	43,232	11,487	6.9%
2021	84,394	39.9	2,877,329,036	34,094	11,005	3.6%
2022	85,397	40.9	N/A	N/A	10,904	2.2%
2023	N/A	N/A	N/A	N/A	11,091	0.0%

Sources:

(1) Census Reported

(2) Bureau of Economic Analysis - Harrisonburg/Rockingham County (calendar year).

(3) County of Rockingham School Division as of March 30 each year.

(4) Virginia Employment Commission (fiscal year end).

N/A - Information unavailable at fiscal year end.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 16

PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago
(Unaudited)

	Fiscal Year June 30,	
	2023	2014
Employer	Rank	Rank
Rockingham County School Board	1	2
Sentara Healthcare	2	1
Wal-Mart	3	5
Cargill Meat Solutions	4	3
Merck Sharp & Dohme Corp.	5	8
Marshall's	6	7
LSC Communications	7	6
Great Eastern Resort Management	8	4
Pilgrims Pride Corp.	9	9
County of Rockingham	10	10

Source:

Virginia Employment Commission. Community Profile.

COUNTY OF ROCKINGHAM, VIRGINIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	Fiscal Year 2014	Fiscal Year 2015
General government administration:		
Legislative	5.00	5.00
General and financial:		
Commissioner of the revenue	13.00	13.50
Treasurer	6.00	6.50
Executive administration and legal	9.00	9.00
Finance	9.40	9.15
Human resources	2.40	3.00
Information systems	11.00	11.00
Central switchboard	1.40	1.50
Board of elections	2.00	2.00
Judicial administration:		
Courts:		
Clerk of the circuit court	14.00	15.00
Court services	10.00	11.00
Commonwealth attorney	26.30	26.30
Public safety:		
Sheriff	167.00	169.00
Fire and rescue	74.00	81.00
Building inspections	8.00	8.50
Other protection	2.00	2.00
Public works:		
General administration	0.70	0.65
Garage operations	2.00	2.00
Maintenance	17.00	17.00
Parks, recreation and cultural	9.00	11.00
Community development:		
Planning and community development	12.00	12.50
Economic development	1.00	1.00
Nutrient management	-	-
Water and sewer:		
Utilities/water treatment	19.60	20.10
Solid waste:		
Landfill	17.90	17.90
Container site	12.00	12.00
Component unit school board:		
Education:		
Instruction	1,402.00	1,414.00
Administration, attendance and health	62.00	63.00
Pupil transportation services	239.00	238.00
Operation and maintenance services	115.00	115.00
Technology	-	-
School food services	110.00	108.00
Component unit HRSSD:		
Social services:		
Services	57.00	58.50
Public assistance	45.00	48.50
Comprehensive Services Act	3.50	3.50
Administration	5.00	5.00
Totals	2,490.20	2,521.10

Source:

Table 17

2016	2017	2018	2019	2020	2021	2022	2023
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
14.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00
9.00	9.00	7.00	8.00	8.00	9.00	8.00	10.00
9.15	11.00	11.00	11.00	10.00	10.00	10.00	11.00
3.50	3.50	3.50	4.00	4.00	4.00	5.00	5.00
11.00	11.00	13.00	12.00	12.00	12.00	12.00	13.00
1.50	1.00	1.00	1.00	1.00	1.00	-	-
2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
15.00	15.00	16.00	15.00	15.00	17.00	17.00	19.00
11.00	11.00	12.00	12.00	13.00	13.00	13.00	14.00
27.30	26.00	26.30	24.00	24.00	25.00	25.00	25.00
175.00	175.00	178.00	179.00	187.00	190.00	196.00	199.00
76.00	90.00	86.00	95.00	96.00	105.00	117.00	129.00
9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
0.65	1.00	2.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
17.55	18.00	19.00	19.00	18.00	18.00	20.00	22.00
10.50	10.50	11.00	11.00	11.00	13.00	12.00	13.00
12.00	12.00	13.00	12.00	13.00	13.00	13.00	15.00
1.00	1.00	1.00	1.00	1.00	1.00	-	-
-	-			-		1.00	1.00
21.10	21.00	21.00	21.00	21.00	21.00	23.00	25.00
18.95	18.95	18.95	19.00	19.00	21.00	21.00	24.00
12.35	12.35	12.35	11.00	9.00	10.00	10.00	12.00
1,410.00	1,486.00	1,477.00	1,491.00	1,498.00	1,513.00	1,535.00	1,535.00
64.00	98.00	48.00	50.00	50.00	52.00	52.00	52.00
238.00	241.00	236.00	239.00	241.00	242.00	242.00	242.00
115.00	116.00	118.00	118.00	119.00	119.00	123.00	123.00
-	-	-	-	-	-	67.00	67.00
113.00	108.00	109.00	108.00	108.00	108.00	107.00	107.00
65.00	65.00	65.00	69.00	71.00	74.00	74.00	74.00
53.00	53.00	52.00	68.00	66.00	69.00	69.00	69.00
3.50	3.50	3.80	4.00	12.00	3.00	3.00	3.00
7.00	7.00	7.00	10.00	2.00	5.00	5.00	5.00
2,542.05	2,666.80	2,609.90	2,656.00	2,673.00	2,712.00	2,824.00	2,860.0

COUNTY OF ROCKINGHAM, VIRGINIA

OPERATING INDICATORS BY FUNCTION / PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	2014	2015
Commonwealth Attorney:		
Felony Cases	N/A	1,218
Misdemeanor Cases	N/A	142
General District Court: Teresa Brown		
Traffic Infraction, Misdemeanor, Felony, S/C & Capias	22,393	21,087
Criminal Misdemeanor, Felony, S/C & Capias	7,454	7,305
Civil Filings (All types)	10,199	10,300
Juvenile Domestic Relations Court: Teresa Rea		
New Cases	7,719	7,143
Garage:		
# of Inspections Performed	-	-
Human Resources:		
New Hires Processed	N/A	180
Terminations	N/A	146
Police: (1)		
Calls for service	23,546	22,714
Adult arrest	3,749	4,119
Juvenile arrest	373	257
Traffic citations	1,363	1,479
Fire: (2)		
Total fire runs	7,119	6,959
Total rescue runs	17,289	18,313
Public service: (3)		
Garbage collected (ton)	107,977	127,842
Recycle collected (ton)	16,343	12,714
Recreation:		
Trips	819	955
Football/Cheerleading	566	550
Basketball	707	687
Adult Volleyball	259	259
Adult Softball	368	336
Childcare Program:		
Afterschool	487	501
Summer Day Care	301	303
Water and sewer: (3)		
New water connections	115	118
New wastewater connections	115	129
Average daily water consumption (gallons)	69,591,675	74,113,083
Average daily sewage treatment (gallons)	63,479,583	62,545,110
Education: (6)		
Average daily membership	11,304	11,290
Kindergarteners	820	854
Grades 1-12	10,484	10,436

Sources:

(1) Rockingham County Sheriff's Department
(2) Rockingham County Fire and Rescue Department
(3) Rockingham County Public Works Department
(5) Virginia Department of Transportation
(6) Rockingham County School Board

Table 18

2016	2017	2018	2019	2020	2021	2022	2023
1,123	1,093	1,073	1,095	982	1,185	1,859	1,136
129	141	186	175	318	2,559	5,641	4,361
21,497	21,549	19,938	26,208	12,881	18,603	14,944	18,211
8,036	6,876	6,852	7,053	5,570	4,395	5,064	6,064
8,347	10,503	12,492	11,812	8,541	7,172	6,184	9,938
7,438	8,018	7,138	7,561	6,506	6,349	6,575	6,148
-	-	-	-	251	263	292	253
163	177	195	202	238	309	303	182
123	130	190	140	193	191	222	240
25,081	32,250	33,803	33,485	19,329	33,047	39,964	40,823
4,201	4,253	5,232	5,016	3,518	2,466	2,396	2,496
195	294	220	253	108	58	84	90
1,682	3,081	3,634	3,167	2,155	1,883	628	3,442
6,907	6,623	11,016	8,029	7,544	7,633	11,552	8,682
18,948	19,414	13,512	15,553	6,734	21,131	32,713	21,547
124,278	134,879	133,255	144,209	144,357	145,726	173,068	159,848
9,632	2,276	2,188	2,737	2,990	3,049	2,806	2,763
1,024	879	1,151	1,277	146	143	255	422
659	649	587	876	311	1,074	951	1,009
698	743	783	695	256	393	427	560
266	252	280	287	224	186	288	336
352	336	320	304	-	80	352	130
484	465	455	491	409	254	286	-
317	301	325	361	154	306	376	-
124	105	109	128	182	246	302	407
112	97	134	119	170	239	297	389
71,094,539	70,032,583	76,006,333	78,061,833	82,545,667	88,162,083	89,510,666	92,516,000
73,577,916	73,000,000	85,927,083	111,199,290	84,716,040	87,522,664	9,223,842	90,808,167
11,287	11,261	11,252	11,356	11,487	11,005	10,904	11,091
838	795	812	808	864	766	774	850
10,449	10,466	10,440	10,548	10,623	10,239	10,130	10,241

COUNTY OF ROCKINGHAM, VIRGINIA

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	2014	2015
Police Stations: (1)	1	1
Fire Companies (not County owned): (2)	11	11
Fire and Rescue Stations (County Owned)	-	-
Rescue Squads (not County owned): (2)	9	8
Rescue Squads (County owned): (2)	-	-
Streets: (4)		
Centerline Mileage:		
Interstate	54	54
Primary	187	192
Secondary	898	899
Number of street lights	16	16
Traffic signals	41	42
Parks and Recreation: (5)		
Parks - number of acres	81	81
Neighborhood parks - number of acres	22	19
Baseball/softball diamonds	31	31
Soccer/football fields	13	13
Basketball courts	13	13
Parks with playground equipment	1	1
Picnic shelters	3	3
Community centers	3	3
Water: (3)		
Wells (County owned)	2	2
Water lines (feet)	538,958	553,039
Fire hydrants	815	854
Storage capacity (MGPD)	10,088,000	10,088,000
Average daily consumption (MGPD)	2,287,945	2,436,595
Peak consumption (MGPD)	3,267,000	3,252,000
Wastewater: (3)		
Sanitary sewers (feet)	572,727	586,191

Sources:

(1) Rockingham County Sheriff's Department
(2) Rockingham County Fire and Rescue Department
(3) Rockingham County Public Works Department

Table 19

2016	2017	2018	2019	2020	2021	2022	2023
1	1	1	1	1	1	1	1
11	11	11	11	11	11	11	11
-	1	-	-	2	2	3	3
8	7	7	7	7	7	6	6
-	1	1	1	1	2	2	2
54	54	54	54	54	54	54	54
192	192	210	210	215	215	215	215
900	900	882	882	880	880	880	880
16	16	16	16	16	16	16	16
42	43	43	43	43	43	43	43
81	81	81	81	81	81	81	81
19	19	19	19	19	19	19	19
31	31	31	33	33	33	33	33
13	13	13	17	17	17	17	17
14	14	14	14	14	14	14	14
1	1	1	2	2	2	2	2
3	3	3	3	3	3	3	3
3	3	3	3	3	3	3	3
2	2	3	3	3	3	3	3
577,643	587,938	599,862	622,226	632,505	653,683	653,683	653,683
909	957	999	1,002	1,031	1,071	1,071	1,071
10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000
2,337,355	2,302,441	2,498,838	2,566,576	2,713,830	2,898,479	2,898,479	3,000,877
3,188,000	3,322,000	3,315,000	3,847,000	4,274,000	4,123,000	4,123,000	4,446,530
588,915	598,057	608,165	613,756	621,871	639,325	639,325	639,325

COMPLIANCE SECTION

PBMares
CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Members of the Board of Supervisors
County of Rockingham, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of the County of Rockingham, Virginia (County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 13 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

County's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
December 13, 2023

PBMares
CPAs and Consultants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Members of the Board of Supervisors
County of Rockingham, Virginia

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited the County of Rockingham, Virginia's (County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the County's major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the federal programs as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
December 13, 2023

COUNTY OF ROCKINGHAM, VIRGINIA

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE:				
Direct payments:				
Cooperative Law Enforcement	10.U01	N/A	$ -	$ 3,580
Pass-through payments:				
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not provided	-	2,271,141
Total SNAP Cluster				2,271,141
Department of Agriculture and Consumer Services				
Child Nutrition Cluster:				
Commodity Distributions	10.555	40623	-	525,138
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	402530	-	1,004,171
National School Lunch Program	10.555	402540	-	2,944,351
COVID-19: National School Lunch Program	10.555	865570/411080	-	261,117
Summer Food Service Program for Children	10.559	603020/603030	-	77,999
Total Child Nutrition Cluster				4,812,776
Department of Agriculture and Consumer Services				
COVID-19: Pandemic EBT Administrative Costs	10.649	865560	-	5,950
Department of Education:				
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	438410	-	20,344
Total Forest Service Schools and Roads Cluster				20,344
Total Department of Agriculture				7,113,791
DEPARTMENT OF DEFENSE:				
Direct payments:				
Payments to States in Lieu of Real Estate Taxes	12.112	N/A	-	555,635
Total Department of Defense				555,635

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DEPARTMENT OF JUSTICE:				
Direct payments:				
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	$ -	$ 338,771
Federal Forfeiture - Equitable Sharing Program	16.922	N/A	-	47,257
Pass-through payments:				
Violence Against Women Office:				
Violence Against Women Formula Grants	16.588	22-Z9349VA21, 23-A9349VA21	-	23,241
Department of Criminal Justice Services:				
Crime Victim Assistance - Discretionary Grants	16.575	23-O1013VW19	-	119,851
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-MU-BX-0035,15PBJA-21-GG-00258-MUMU	-	3,473
Total Department of Justice				532,593
DEPARTMENT OF TRANSPORTATION:				
Pass-through payments:				
Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	154AL-2022-52016-22016, BPT-2023-53202-23202	-	31,029
Total Department of Transportation				31,029
DEPARTMENT OF THE TREASURY:				
Pass-through payments:				
Department of Criminal Justice Services:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	494727	-	45,000
Department of Education:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	452770, 600540	-	1,849,740
Virginia Department of the Treasury:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT0022	-	10,450,000
Virginia Tourism Corporation:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	Not provided	-	9,963
Total COVID-19: Coronavirus State and Local Fiscal Recovery Funds			-	12,354,703
Virginia Department of the Treasury:				
COVID-19: Local Assistance & Tribal Consistency Fund	21.032	Not provided	-	141,092
Total Department of The Treasury				12,495,795
FEDERAL COMMUNICATION COMMISSION:				
Direct payments:				
Emergency Connectivity Fund Program	32.009	N/A	-	116,232
Total Federal Communication Commission				116,232
DEPARTMENT OF EDUCATION:				
Pass-through payments:				
Department of Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027A	430710, 600330	-	2,786,836
COVID-19: Special Education - Grants to States	84.027X	402870	-	362,337
Special Education - Preschool Grants	84.173A	625210	-	82,903
COVID-19: Special Education - Preschool Grants	84.173X	625210	-	27,490
Total Special Education Cluster				3,259,566
Adult Education - Basic Grants to States	84.002	V002A180047/STATE190002	-	331,560
Title I Grants to Local Educational Agencies	84.010	429010	-	2,401,695
Career and Technical Education - Basic Grants to States	84.048	600310, 600311	-	193,997
English Language Acquisition State Grants	84.365	605120	-	113,633
Supporting Effective Instruction State Grant	84.367	614800	-	321,330
Student Support and Academic Enrichment Program	84.424	600190	-	121,379
Education Stabilization Fund:				
COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	600530, 501950, 501930, 501920, 501750, 452780, 402850	-	5,387,035
Total Department of Education				12,130,195

See Notes to Schedule of Expenditures of Federal Awards.

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Direct payments:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	$ -	$ 234,490
COVID-19: Provider Relief Fund	93.498	N/A	-	7,353
Pass-through payments:				
Department of Education:				
Public Health Emergency Response	93.354	402970	-	91,696
Department of Social Services:				
Guardianship Assistance	93.090	Not provided	-	18,480
Title IV-E Prevention Program	93.472	Not provided	-	19,406
MaryLee Allen Promoting Safe and Stable Families	93.556	Not provided	-	49,504
Temporary Assistance to Needy Families	93.558	Not provided	-	761,790
Refugee and Entrant Assistance - State Administered Programs	93.566	Not provided	-	410,417
Low-Income Home Energy Assistance	93.568	Not provided	-	139,109
Child Care and Development Fund Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not provided	-	153,858
Total Child Care and Development Fund Cluster				153,858
Chafee Education and Training Vouchers Program (ETV)	93.599	Not provided	-	7,182
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not provided	-	1,405
Foster Care - Title IV-E	93.658	Not provided	-	1,406,753
Adoption Assistance	93.659	Not provided	-	2,754,742
Social Services Block Grant	93.667	Not provided	-	1,113,447
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not provided	-	24,845
COVID-19: John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not provided	-	48,175
COVID-19: Elder Abuse Prevention Interventions Program	93.747	Not provided	-	3,460
Children's Health Insurance Program	93.767	Not provided	-	9,977
Medicaid Cluster:				
Medical Assistance Program	93.778	Not provided	-	1,592,595
Total Medicaid Cluster				1,592,595
Total Department of Health and Human Services				8,848,684
SOCIAL SECURITY ADMINISTRATION:				
Direct payments:				
Social Security Administration:				
Reward for Incarceration Notification	96.U01	N/A	-	18,400
Total Social Security Administration				18,400
DEPARTMENT OF HOMELAND SECURITY:				
Pass-through payments:				
Department of Emergency Management:				
Hazard Mitigation Grants	97.039	FEMA-DR-4411-VA-017	-	527,333
Emergency Management Performance Grants	97.042	EMPG Local 2020	-	19,022
Total Department of Homeland Security				546,355
Total Expenditures of Federal Awards				$ 42,388,709

See Notes to Schedule of Expenditures of Federal Awards.

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the County of Rockingham, Virginia (the County) and component units of the Rockingham County School Board and the Harrisonburg-Rockingham Social Services District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Nonmonetary deferral assistance including food commodities is considered federal assistance and, therefore, is reported on the Schedule. Federal financial assistance does not include direct federal cash assistance to individuals.

Direct Payments – Assistance received directly from the Federal government is classified as direct payments on the Schedule.

Pass-through Payments – Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule of Expenditures of Federal Awards.

Major Programs – Major programs for the County and its component units were determined using a risk-based approach in accordance with Uniform Guidance.

Cluster of Programs – Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered as one federal program for determining major programs. The following are the clusters administered by the County and its component units: SNAP, Child Nutrition, Forest Service Schools and Roads, Child Care and Development Fund, Medicaid, and Special Education.

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2023

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Non-Cash Assistance

In addition to amounts reported on the Schedule, the County consumed non-cash assistance in the form of food commodities. Commodities with a fair value of $525,138 at the time received were consumed during the year ended June 30, 2023. These commodities were included in the determination of federal awards expended during the year ended June 30, 2023.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	√ Yes	___ No
Significant deficiencies identified?	___ Yes	√ None Reported
Noncompliance material to financial statements noted?	___ Yes	√ No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	___ Yes	√ No
Significant deficiencies identified?	___ Yes	√ None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	___ Yes	√ No

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
21.027	COVID-19: Coronavirus State and Local Fiscal Recovery Funds
84.425D	COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund

Section I. SUMMARY OF AUDITOR'S RESULTS (Continued)

Federal Awards (Continued)

Dollar threshold used to distinguish between type A and type B programs			$ 1,271,661
Auditee qualified as low-risk auditee?	______ Yes	√ No	

Section II. FINANCIAL STATEMENT FINDINGS

A. Material Weakness in Internal Control

2023-001: Material Weakness Due to Material Audit Adjustments

Criteria: The year-end financial statements obtained from the County to be audited should be final and free of material misstatements.

Condition: Upon auditing unearned revenue in the General Fund and the MTC Operating Fund of the School Board component unit, lease liabilities in the School Board component unit, accounts payable in the Capital Projects Fund, and accounts receivable in the Water & Sewer Fund, we identified material audit entries.

Cause: Errors in year-end entries and reconciliations for unearned revenue, lease liabilities, and accounts receivables. Also, invoices received after year end were not being properly reviewed to ensure they were recorded in the correct period.

Effect: The financial statements have been corrected to include the identified audit adjustments. The necessary entries were material to the financial statements, and were included as adjustments in order to more accurately represent the County's financial position. Failure to record the material items noted above is a departure from GAAP.

Recommendation: We recommend the County be more diligent in reviewing unearned revenues, lease liabilities, accounts receivable, and accounts payable.

Views of Responsible Official: The County agrees with this finding.

Section III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CORRECTIVE ACTION PLAN
Year Ended June 30, 2023

Identifying Number: 2023-001: Material Weakness Due to Material Audit Adjustments

Finding: Upon auditing unearned revenue in the General Fund and the MTC Operating Fund of the School Board component unit, lease liabilities in the School Board component unit, accounts payable in the Capital Projects Fund, and accounts receivable in the Water & Sewer Fund, we identified material audit entries.

Corrective Action Taken or Planned: The County and Schools experienced turnover of the County Deputy Finance Director and the School Chief Financial Officer, leaving the Finance Departments short on staff and new to the position. More diligence will be taken next fiscal year to ask questions when making judgement calls and to be more cautious in deciding on the proper accounting treatment of transactions.

Date: March 1, 2024 – the County plans to have hired a Deputy Director that will reduce the workload on the Senior Accountant, the newly appointed Chief Financial Officer for the School, and the Director of Finance for the County. Already hired is a school accountant that has partially reduced the workload of the Chief Financial Officer for the School.

Responsible person: Trish Davidson

BOARD OF SUPERVISORS
DEWEY L. RITCHIE
Election District No. 1
SALLIE WOLFE-GARRISON
Election District No. 2
RICK L. CHANDLER
Election District No. 3
WILLIAM B. KYGER, JR.
Election District No. 4
MICHAEL A. BREEDEN
Election District No. 5

STEPHEN G. KING
County Administrator

ROCKINGHAM COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2023

Identifying Number: 2022-001: Material Weakness Due to Material Audit Adjustments

Finding: Upon auditing accounts payables in the Capital Projects Fund, landfill depreciation in the Solid Waste Fund, and revenues in the Tourism Fund, we identified material audit entries.

Corrective Action Taken: The workload on the Senior Accountant increased with the resignation of the Deputy Director of Finance in February 2020. The County hired a new Deputy Director of Finance in December 2023, however, they resigned in July 2023. Since July 2023, the County has had a job posted for this position and is actively searching for the right candidate.

Identifying Number: 2022-002: Special Test – Wage Rate Requirement

Finding: Nonfederal entities shall include in their construction contracts subject to the Wage Rate Requirements (which still may be referenced as the Davis-Bacon Act) a provision that the contractor or subcontract comply with those requirements and the DOL regulations (29 CFR Part 5, Labor Standards Provisions Applicable to Contacts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the nonfederal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6; the A-102 Common Rule (section 36(i)(5)); OMB Circular A-110 (2 CFR Part 215, Appendix A, Contract Provisions); 2 CFR Part 176, Subpart C; and 2 CFR section 200.326). The School Board did not have adequate internal controls in place to verify this compliance requirement for this particular award prior to funds being spent. School Board employees were unaware the Wage Rate Requirement was applicable for this program.

Corrective Action Taken: The School Board Chief Financial Officer had been very diligent about the grant requirements for documenting the wage rate requirements.