

Annual Comprehensive Financial Report



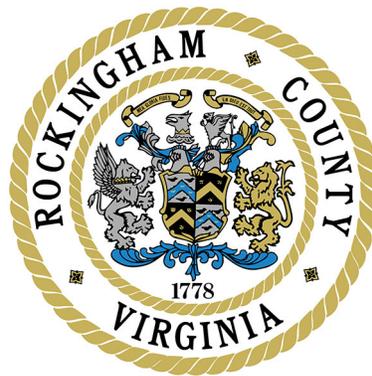
Rockingham County, Virginia

Fiscal Year Ended June 30, 2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2024



Prepared by:

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www.rockinghamcountyva.gov

COUNTY OF ROCKINGHAM, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION



STEPHEN G. KING
County Administrator



ROCKINGHAM COUNTY

November 27, 2024

BOARD OF SUPERVISORS
DEWEY L. RITCHIE
Election District No. 1
SALLIE WOLFE-GARRISON
Election District No. 2
RICK L. CHANDLER
Election District No. 3
LEILA C. LONGCOR
Election District No. 4
JOEL L. HENSLEY
Election District No. 5

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

Citizens of Rockingham County and Members of the Board:

It is our pleasure to submit to you the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. 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 (ACFR) 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, 2024, 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 2024. During fiscal year 2024, 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 2024 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 2023, Merck completed a one-billion-dollar expansion for the production of the Gardasil vaccine that was started in 2019. Veronessi, an Italian charcuterie company, has completed phase 1 of its planned \$170 million-dollar further processing facility. The company broke ground in July on phase II of the project which will add approximately 200,000 sq. ft. Additionally, the nationally renowned travel center Buc-ee's announced its first Virginia location would be constructed in Rockingham County in 2023. The project is slated for completion in early 2025. The combination of these 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. 2024 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. A new mountain roller coaster is set to open in 2025.

Significant events and actions during this past year include:

- American Rescue Plan Act provided \$3,560,000 in funds to bring broadband to all County citizens. The capacity for electrical power providers across the state to make the significant infrastructure improvements necessary to provide required utility pole structural capacity to handle the added weight associated with the broadband cabling has delayed project completion to 2026.
- Completed construction of the Elkton Emergency Response Station with the grand opening scheduled for October of 2024.
- Continued actions to acquire the Massanutten water and sewer system.
- Continued construction of a Recreation Center at the Rockingham Park at the Crossroads, to be opened in early 2025 with indoor track events being planned for early 2025.
- Completed the purchase of the old Rockingham Motors Building in downtown Harrisonburg to accommodate future court space needs.
- Started a space needs study for the Department of Social Services, to be concluded in the fall of 2024.

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 Administrative offices of the County.
- 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.
- The increase in school population is driving the need for expanded, improved and possibly new schools.

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.

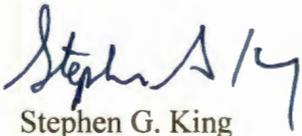
Rockingham County holds a "AAA" credit rating from one of the United States' largest credit rating agencies - Standard & Poor's. In 2015, the County was notified by Standard & Poor's that after a review of the County's financial position the firm was upgrading Rockingham County from a "AA+" to "AAA" 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. A strong rating reflects 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-nine 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, 2024**

Board of Supervisors

Dewey L. Ritchie, Chair
District 1
Joel Hensley, Vice-Chair
District 5

Sallie Wolfe-Garrison
District 2

Rick Chandler
District 3

Leila Longcor
District 4

County Administrator

Stephen G. King

School Board

Matthew Cross, Chair
District 3
Sara Horst, Vice-Chair
District 4

Jackie Lohr
District 1

Ashley Burgoyne
District 2

Hollie Cave
District 5

Superintendent of Schools

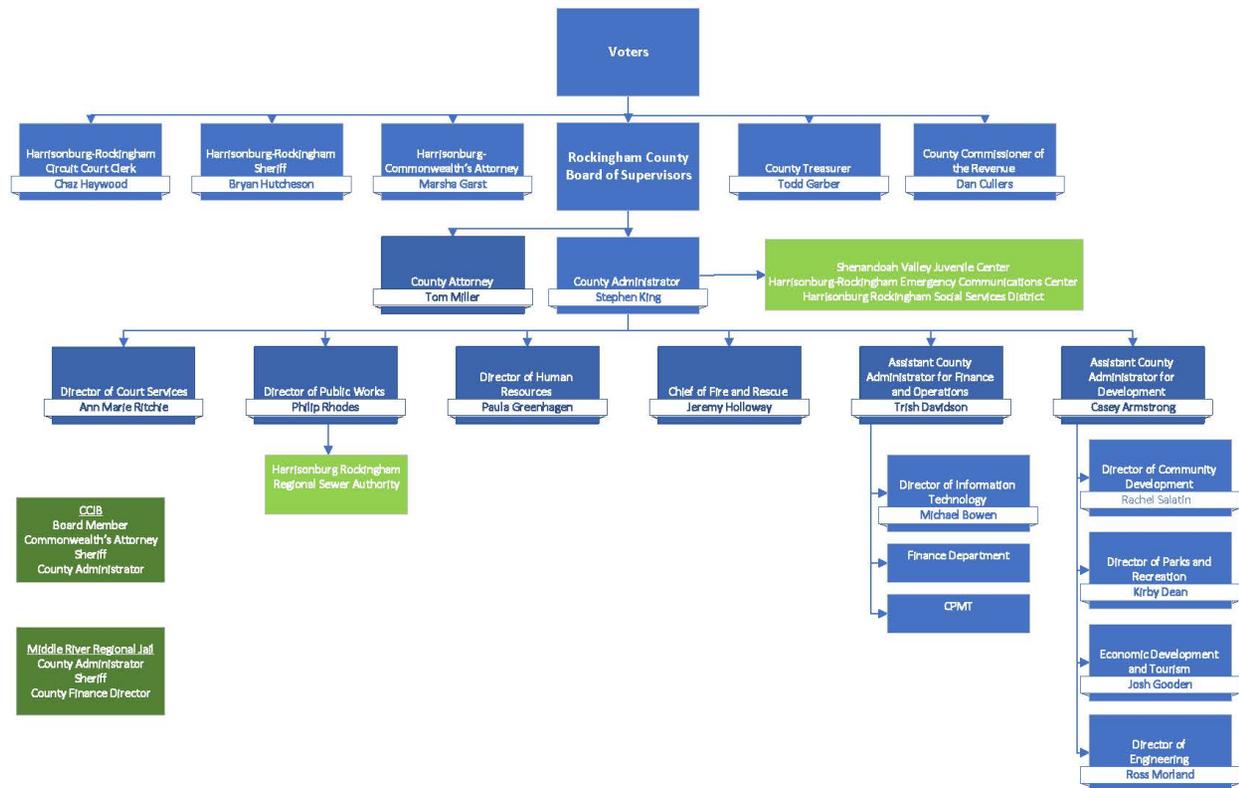
Larry Shifflett

Other Officials

Casey Armstrong
Patricia D. Davidson
Thomas H. Miller, Jr.
Dan Cullers
Bryan F. Hutcheson
L. Todd Garber
Marsha L. Garst
Chaz W. Haywood
Celest D. Williams
Michael L. Bowen
Kirby Dean
Phillip Rhodes
Ann Marie Ritchie
Paula Greenhagen
Lisa B. Gooden
Jeremy C. Holloway
Rachel Salatin

Assistant County Administrator
Assistant County Administrator for Finance and Operations
County Attorney
Commissioner of the Revenue
Sheriff
Treasurer
Commonwealth Attorney
Clerk of the Circuit Court
Director of Social Services
Director of Technology
Director of Parks and Recreation
Director of Public Works
Director of Court Services
Director of Human Resources
Registrar
Director of Fire and Rescue
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, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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 comparisons of the General Fund and Tourism Fund of the County of Rockingham, Virginia (County), as of and for the year ended June 30, 2024, 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, 2024, and the respective changes in financial position and the budgetary comparisons of the General Fund and Tourism 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 144-164, 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 November 27, 2024 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.

PBMars, LLP

Harrisonburg, Virginia
November 27, 2024

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, 2024. 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 \$173,363 at June 30, 2024. Of this amount, there was \$116,146 invested in the County's capital assets, net of related debt, \$371 in restricted funds assets, and \$56,846 in unrestricted funds.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$113,997. Approximately 45 percent of this total amount, \$62,069 is available for spending at the government's discretion (unassigned fund balance). There is an additional \$4,308 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 \$64,271, which represents 37 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, the General Capital Projects Fund, and Tourism Fund, which are considered to be major funds and the Asset Forfeiture Fund, 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 30-35 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 36-39 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 40-41 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 \$173,363 at the close of the most recent fiscal year. This is an increase of \$38,814 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, \$116,146, 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 \$102,053 to \$116,146.

An additional portion of the County's net position, \$371, represents resources that are subject to external restrictions on how they may be used. There was a decrease of \$2,305 in restricted net position reported in connection with the County's primary government activities.

The unrestricted portion of the County's net position for the governmental activities increased \$20,523, from \$11,207 to \$31,730 due to revenues exceeding expenditures for the year. Business-type activities unrestricted portion of net position increased \$6,503, from \$18,613 to \$25,116.

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)(11) 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)(11) 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, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 141,659	\$ 124,312	\$ 46,228	\$ 38,929	\$ 187,887	\$ 163,241
Capital assets, net	78,357	64,050	63,358	62,403	141,715	126,453
Total assets	220,016	188,362	109,586	101,332	329,602	289,694
Deferred outflows of resources	6,974	6,949	762	804	7,736	7,753
Other liabilities	10,221	8,398	1,932	1,052	12,153	9,450
Noncurrent liabilities	101,732	102,409	39,134	40,047	140,866	142,456
Total liabilities	111,953	110,807	41,066	41,099	153,019	151,906
Deferred inflows of resources	10,613	10,627	343	365	10,956	10,992
Net position:						
Net investment in capital assets	72,323	59,994	43,823	42,059	116,146	102,053
Restricted	371	2,676	-	-	371	2,676
Unrestricted (deficit)	31,730	11,207	25,116	18,613	56,846	29,820
Total net position	\$ 104,424	\$ 73,877	\$ 68,939	\$ 60,672	\$ 173,363	\$ 134,549

	Component Units			
	School Board		Harrisonburg- Rockingham Social Services District	
	2024	2023	2024	2023
Current and other assets	\$ 50,755	\$ 51,963	\$ 15,938	\$ 13,891
Capital assets, net	131,629	127,071	1,909	1,726
Total assets	182,384	179,034	17,847	15,617
Deferred outflows of resources	35,042	29,382	1,872	1,914
Other liabilities	30,790	26,756	4,302	3,190
Noncurrent liabilities	132,351	128,465	5,336	5,134
Total liabilities	163,141	155,221	9,638	8,324
Deferred inflows of resources	17,236	22,186	1,001	1,162
Net position:				
Net investment in capital assets	128,448	124,874	1,544	1,726
Restricted	971	2,530	-	-
Unrestricted (deficit)	(92,370)	(96,395)	7,536	6,319
Total net position	\$ 37,049	\$ 31,009	\$ 9,080	\$ 8,045

County of Rockingham, Virginia
Summary Statement of Changes in Net Position
Years Ended June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 18,439	\$ 15,957	\$ 17,282	\$ 16,842	\$ 35,721	\$ 32,799
Operating grants and contributions	16,515	23,449	1,382	4,458	17,897	27,907
Capital grants and contributions	229	-	4,973	-	5,202	-
General revenues:						
General property taxes	129,083	123,473	-	-	129,083	123,473
Other local taxes	20,648	19,616	-	-	20,648	19,616
Intergovernmental	7,620	7,669	-	-	7,620	7,669
Use of money and property	7,374	3,876	1,894	1,160	9,268	5,036
Miscellaneous	2,239	2,159	436	337	2,675	2,496
Total revenues	202,147	196,199	25,967	22,797	228,114	218,996
Expenses:						
General government	8,575	7,402	-	-	8,575	7,402
Judicial administration	7,245	6,519	-	-	7,245	6,519
Public safety	50,039	45,362	-	-	50,039	45,362
Public works	4,989	5,369	17,700	17,912	22,689	23,281
Health and social services	10,650	10,129	-	-	10,650	10,129
Education	74,067	66,568	-	-	74,067	66,568
Parks, recreation and cultural	3,167	3,235	-	-	3,167	3,235
Community development	10,293	9,912	-	-	10,293	9,912
Interest	2,575	2,651	-	-	2,575	2,651
Total expenses	171,600	157,147	17,700	17,912	189,300	175,059
Change in net position	30,547	39,052	8,267	4,885	38,814	43,937
Net position, beginning	73,877	34,825	60,672	55,787	134,549	90,612
Net position, ending	\$ 104,424	\$ 73,877	\$ 68,939	\$ 60,672	\$ 173,363	\$ 134,549

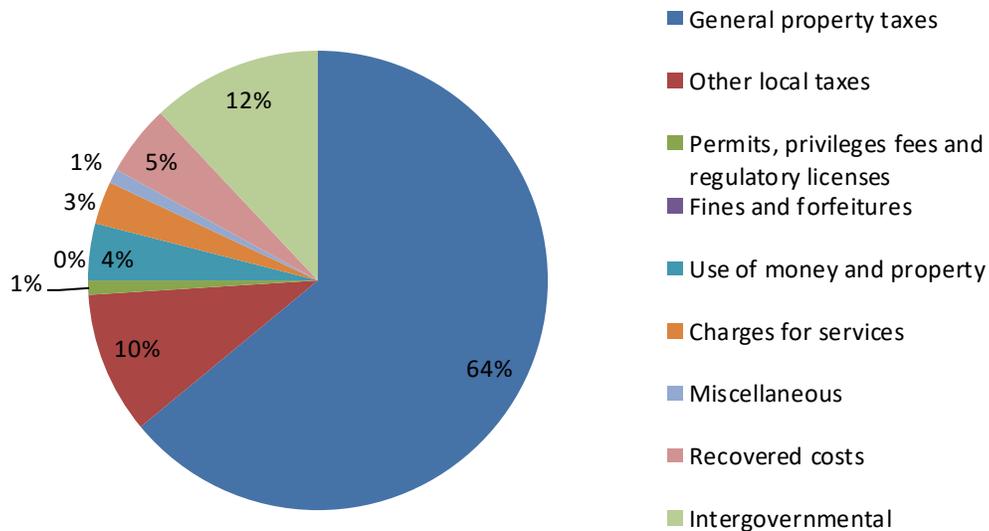
County of Rockingham, Virginia
Summary Statement of Changes in Net Position (Continued)
Years Ended June 30, 2024 and 2023

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2024	2023	2024	2023
Revenues:				
Program revenues:				
Charges for services	\$ 2,234	\$ 2,299	\$ -	\$ -
Operating grants and contributions	119,239	114,648	27,727	25,275
Capital grants and contributions	1,431	3,691	-	-
General revenues:				
Grants and contributions not restricted to specific programs	74,068	66,568	12,936	11,449
Intergovernmental non-categorical aid	72	66	-	-
Use of money and property	735	390	410	242
Miscellaneous	140	247	37	43
Total revenues	197,919	187,909	41,110	37,009
Expenses:				
Health and social services	-	-	40,056	36,525
Education	191,760	179,015	-	-
Interest	119	159	19	12
Total expenses	191,879	179,174	40,075	36,537
Change in net position	6,040	8,735	1,035	472
Net position, beginning	31,009	22,274	8,045	7,573
Net position, ending	\$ 37,049	\$ 31,009	\$ 9,080	\$ 8,045

Governmental activities. Governmental activities increased the County’s net position by \$30,547 compared to an increase in the County’s net position by \$39,051 in fiscal year 2023. Key factors for this change are as follows:

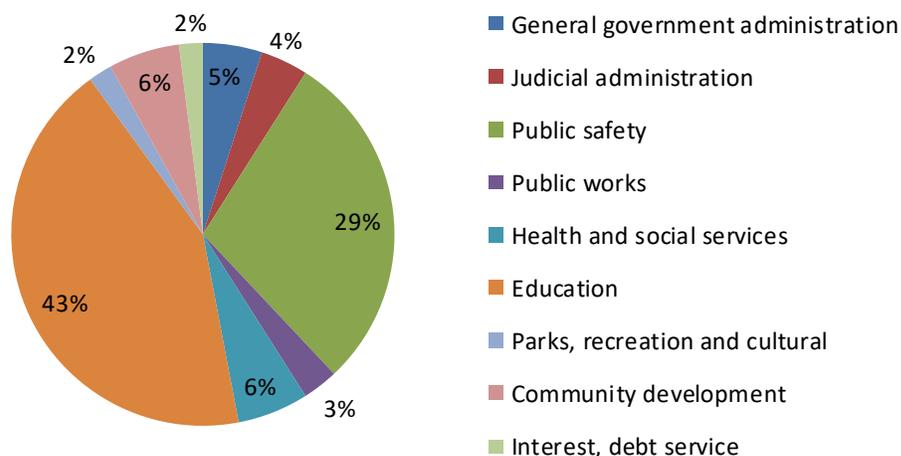
Total revenues increased \$5,948 (from \$196,199 to \$202,147) compared to last year. Tax revenues increased primarily due to an increase in general property taxes of \$5,610, primarily as a result of an increase in personal property assessed values and an increase in real property tax values due to new construction. Local sales and use tax also increased by \$795. Revenues by source are shown in the chart below. Revenues from general property taxes make up 64 percent of total revenues.

Revenues by Source - Governmental Activities



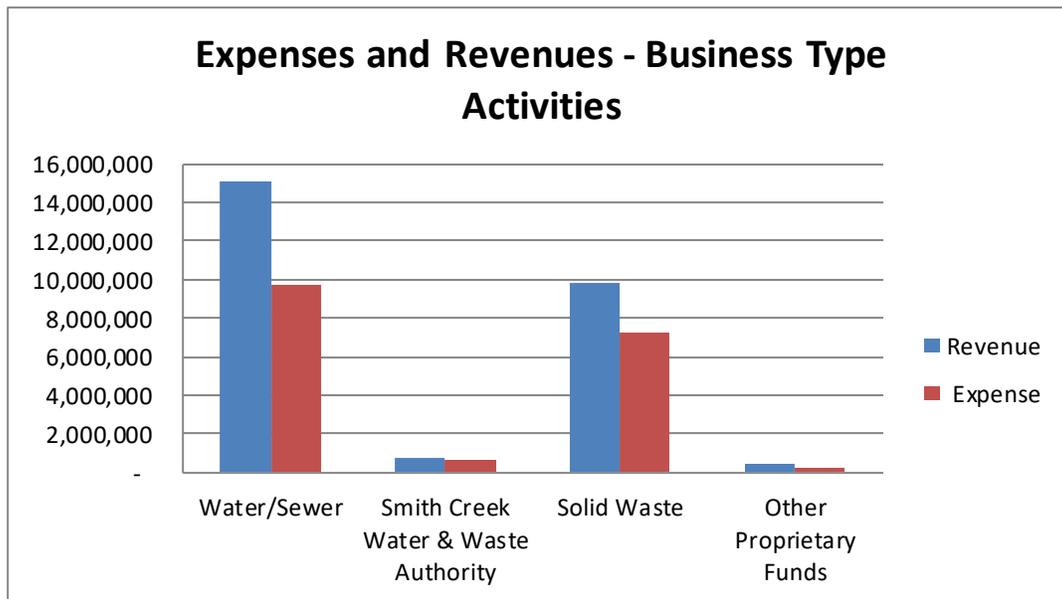
Total expenses increased by \$14,454 (from \$157,147 to \$171,601) compared to last year. The local transfer to Education in the amount of \$74,068 makes up 43 percent of total Governmental activities with Public Safety coming in second at 29 percent of the total.

Expenditures by Type - Governmental Activities



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 \$8,267 compared to an increase of \$4,885 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 \$6,040 this fiscal year compared to an increase of \$8,735 in fiscal year 2023. Key elements of this increase are as follows:

1. Revenues increased by \$10,010 (from \$187,909 to \$197,919) primarily due to increase in additional funds received from the Commonwealth.
2. Expenses also increased by a total of \$12,705 (from \$179,174 to \$191,879) due to increased expenses related to instruction.
3. Included in 2024 expenses are depreciation and amortization totaling \$11,078, 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 \$113,997, an increase of \$14,404 in comparison with the prior year.

Approximately 45 percent of this total amount \$62,069 constitutes unassigned fund balance, which is available for spending at the government’s discretion. In addition, another 4 percent of this total amount \$4,308 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 \$64,271 while total fund balance reached \$104,974. 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 37 percent of total General Fund expenditures, while total fund balance represents 60 percent of that same amount.

The fund balance of the County's General Fund increased \$21,186 during the current fiscal year compared to an increase of \$25,074 for fiscal year 2023. This \$21,186 increase is better than the original budget, which projected a \$13,043 decrease, and the final budget projecting a \$25,199 decrease. The key factors influencing these results are as follows:

- Total revenue was \$4,053 higher than last year. The key components with changes were:
 - General property tax revenue was \$5,845 over last year primarily as a result of an increase in personal property and real estate tax values.
 - Other local taxes were \$939 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 \$3,000 higher than last fiscal year due to the increase in interest rates as seen in the county investments.
 - Intergovernmental revenue was lower than last fiscal year by \$6,800 due to the funding received from the American Rescue Plan.
- Total expenditures increased by \$14,485 compared to last year. The key components with changes were:
 - Public safety increased \$4,764 compared to the prior fiscal year total of \$43,353 due to the increase in fire and rescue and sheriff personnel expenses.
 - Public works increased \$1,224 compared to the prior fiscal year total of \$4,480 primarily due to planned facilities maintenance that took place during the fiscal year.
 - Education increased \$7,500 compared to the prior fiscal year total of \$66,568 due to an increase in state and federal funding provided for education expenses.
 - Debt service decreased \$1,695 compared to the prior fiscal year total of \$12,172 due to the retirement of debt in FY23.

The General Capital Projects Fund has a total fund balance of \$10,852, of which the majority is committed to specified future capital outlays or assigned to unspecified future capital outlays. The County had capital outlays of \$19,026 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 \$8,267 this fiscal year to \$68,939. The largest portion of the net position, \$43,823, 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 \$175,799; the final amended General Fund budget was \$189,226 representing an increase of \$9,427.

- Total revenue was \$19,742 higher than budgeted. The key components with changes were:
 - General property tax revenue was \$10,272 higher than the final budget primarily as a result of an increase in personal property and real estate tax values.
 - Other local taxes were \$1,233 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 \$4,838 higher than the final budget due to the increase in interest rates as seen in the county investments.
 - Intergovernmental revenue was higher than the final budget by \$2,175 due to the realization of unearned revenue.
- Total expenditures were \$14,245 lower than the final budget. The key components with changes were:
 - Debt service was \$2,853 lower than the final budget due to the county's new financial policy to budget a flat amount in preparation for the expected debt service in the next five years.
 - Judicial administration was \$767 lower than the final budget due to the delayed implementation of a new program within the court services unit.
 - Education was \$9,340 lower than the final budget due to an increase in one-time state and federal funding provided for education expenses.
 - Public works was \$1,009 lower than the final budget due to the planned facilities maintenance that will be carried forward into FY25.
 - 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, 2024, amounted to \$141,715 (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 lease buildings and improvements, intangible right-to-use subscriptions, and software. The County's investment in capital assets for the current fiscal year increased to \$141,715 compared to \$126,453 last year.

County of Rockingham, Virginia
Summary Statement of Capital Assets
June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Non-depreciable assets:						
Land	\$ 4,714	\$ 4,331	\$ 3,520	\$ 3,520	\$ 8,234	\$ 7,851
Easements	-	-	227	227	227	227
Construction in progress	12,293	1,587	1,019	58	13,312	1,645
Depreciable capital assets:						
Buildings	63,240	60,431	1,633	1,661	64,873	62,092
Intangible right-to-use lease buildings and improvements	1,091	662	157	-	1,248	662
Improvements	33,270	31,618	100,370	98,949	133,640	130,567
Machinery and equipment	30,381	26,302	8,335	7,308	38,716	33,610
Intangible right-to-use subscriptions	156	367	-	-	156	367
Software	992	794	-	-	992	794
Accumulated depreciation and amortization	(67,780)	(62,042)	(51,903)	(49,320)	(119,683)	(111,362)
Capital assets, net	\$ 78,357	\$ 64,050	\$ 63,358	\$ 62,403	\$ 141,715	\$ 126,453

The key changes in capital assets were:

An increase to Land under Governmental Activities of \$383 was for the purchase of the property for the Dayton Emergency Response Station.

A net increase to construction in progress under Governmental Activities of \$10,706 was mainly comprised of the construction of the Elkton Emergency Response Station (\$4,543) and the construction of the Rockingham County Recreation Center (\$7,018). The additions were offset by the capitalization of CAMA Software (\$287), Rockingham Park Bioretention Project (\$252) and the Jail Camera Upgrade Project (\$524).

An increase to buildings under Governmental Activities of \$2,809 for the purchase of the RMCO LLC Building.

An increase to improvements under Governmental Activities of \$1,652 due to the Court HVAC Replacement Project (\$607), replacing the Chillers and Condensers (\$323), the Hot Water System Project (\$214), and the transfer of the Rockingham Park Bioretention Project from CIP to improvements (\$252).

A net increase to machinery and equipment under Governmental Activities of \$4,079 was comprised of the purchase of eleven public safety vehicles (\$424), two Fire Apparatus (\$1,881), an ambulance (\$224), voting machines (\$357), Jail Camera Upgrade (\$524), Recreation Bus (\$123), and other vehicle replacement purchases (\$366).

A net decrease to intangible right-to-use subscriptions under Governmental Activities of \$211 for the subscriptions of internet services and technology.

A net increase to software in the amount of \$199 due to capitalization of the CAMA Software (\$322) offset by the disposal of Crime View Software (\$71) and Hyland Document Imaging Software (\$52).

An increase to construction in progress under Business-type Activities of \$961 due to the 3 Springs Water Filtration Expansion Project (\$811).

A decrease in Buildings under Business-type Activities of \$28 due to the disposal of an office trailer.

A total increase to improvements under Business-type Activities of \$1,421 for the following: \$1,349 for the construction of the 3 Springs Well #3 and \$74 for the Landfill Sediment Pond.

A net increase to machinery and equipment under Business-type Activities of \$1,028 was due to the purchase of a 2024 John Deere Crawler Loader (\$443), Dump Truck (\$114), Truck Hoist (\$41), Public Utilities Vehicles (\$83) and a Landfill Compactor (\$1,064) offset by the disposal of a Track Loader (\$70) and Compactor (\$647).

County of Rockingham, Virginia
Summary Statement of Capital Assets (Continued)
June 30, 2024 and 2023

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2024	2023	2024	2023
Non-depreciable assets:				
Land	\$ 5,469	\$ 5,470	\$ 202	\$ 202
Easements	37	37	-	-
Construction in progress	14,690	2,580	-	-
Depreciable capital assets:				
Buildings	181,748	181,748	501	501
Intangible right-to-use lease buildings and improvements	-	-	447	-
Improvements	95,288	93,504	2,119	2,119
Machinery and equipment	43,474	42,360	69	69
Intangible right-to-use lease machinery & equipment	3,308	4,062	-	-
Intangible right-to-use subscriptions	649	246	-	-
Accumulated depreciation and amortization	(213,034)	(202,936)	(1,429)	(1,165)
Capital assets, net	\$ 131,629	\$ 127,071	\$ 1,909	\$ 1,726

The key changes in capital assets were:

A net increase to construction in progress for the component unit School Board of \$12,110 was comprised of \$10,770 for renovations at Broadway High School; \$586 for renovations at Elkton Elementary School; \$140 for renovations for McGaheysville Elementary School; and \$625 for the Keyless Entry System.

An increase to improvements for the component unit School Board of \$1,784 was comprised of \$876 for sewer renovations at LEES; Canopies at SHS \$59; HVAC Control upgrades at PES for \$199; Roof Handler Replacement at TAHS for \$393; Chilled Water Piping at SHS for \$41; HVAC Controls at SRES for \$61; Ramp at WPMS for \$76; and \$59 for casework in FCS kitchen.

A net increase in machinery and equipment for the component unit School Board of \$1,114 was mostly comprised of \$547 for bulk purchases of computers and \$651 for the purchase of seven new school buses.

A decrease to right-to-use lease machinery and equipment for the component unit School Board of \$754 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 \$403 is for multi-year contracts for instructional and professional software.

An increase to right-to-use lease buildings and improvements for the component unit Harrisonburg-Rockingham Social Services District of \$447 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 \$71,685. 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, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 66,513	\$ 73,905	\$ -	\$ -	\$ 66,513	\$ 73,905
Unamortized premiums	5,172	5,759	2,071	2,275	7,243	8,034
Lease revenue refunding bonds	-	-	16,510	-	16,510	-
Lease liabilities	974	591	147	-	1,121	591
Subscription liabilities	106	230	-	-	106	230
Notes from direct borrowings and direct placements	1,053	2,085	-	-	1,053	2,085
Revenue bonds	-	-	-	18,265	-	18,265
Literary loan payable	7,962	-	-	-	7,962	-
Landfill obligation	-	-	18,558	17,674	18,558	17,674
Compensated absences	1,701	1,493	204	166	1,905	1,659
Net pension liability	11,517	10,826	983	912	12,500	11,738
Other postemployment benefits	6,734	7,520	661	755	7,395	8,275
	<u>\$ 101,732</u>	<u>\$ 102,409</u>	<u>\$ 39,134</u>	<u>\$ 40,047</u>	<u>\$ 140,866</u>	<u>\$ 142,456</u>

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 2024 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
86,568	\$13,851,326,400	\$ 71,684,838	0.52%	\$ 828

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 2024 in Rockingham County was 2.7 percent, which is higher than the 2.4 percent rate a year ago. This is lower than the Virginia statewide unemployment rate of 2.9 percent and the United States national average of 4.1 percent.
- Fiscal year 2025 General Fund revenue is budgeted to increase by \$36,497 to \$223,786 in comparison to the fiscal year 2024 Adopted Budget of \$187,289. This increase is largely attributed to the use of fund balance for one-time capital projects.
- 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 2025 General Fund expenditures are budgeted to increase \$36,497 to \$223,786 in comparison to the fiscal year 2024 Adopted Budget of \$187,289.
- The unassigned fund balance in the General Fund at fiscal year-end was \$104,974. The County has appropriated \$29,762 of this amount for spending in the fiscal year 2025 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 2025.

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, 2024

	Primary Government			Component Units		
	Governmental	Business-type	Totals	School	Harrisonburg- Rockingham Social Services	Nonmajor
	Activities	Activities		Board	District	
ASSETS						
Cash and cash equivalents	\$ 82,459,228	\$ 31,074,267	\$ 113,533,495	\$ 26,121,197	\$ 6,286,605	\$ 77,763
Investments	33,739,878	12,768,497	46,508,375	10,560,613	2,583,241	20,123
Receivables, net:						
Property taxes	5,515,711	-	5,515,711	-	-	-
Utility taxes	172,713	-	172,713	-	-	-
Trade and other accounts	2,943,937	1,804,253	4,748,190	713,930	75,916	14,061
Leases	3,428,848	-	3,428,848	-	-	-
Accrued interest	468,722	177,906	646,628	82,925	31,847	232
Due from component unit	817,896	-	817,896	-	-	-
Due from other governments	10,241,355	-	10,241,355	7,667,685	6,711,665	-
Prepaid items	1,254,983	80,540	1,335,523	4,328,188	248,616	-
Inventory	52,345	322,762	375,107	308,590	-	-
Restricted cash and cash equivalents	399,395	-	399,395	-	-	-
Restricted investments	164,116	-	164,116	-	-	-
Net pension asset	-	-	-	971,440	-	-
Capital assets, net of accumulated depreciation and amortization:						
Land	4,713,726	3,519,940	8,233,666	5,469,535	202,036	-
Easements	-	227,156	227,156	36,654	-	-
Buildings and improvements	63,240,268	1,633,027	64,873,295	181,749,425	500,979	-
Intangible right-to-use lease buildings and improvements	1,090,833	157,138	1,247,971	-	447,056	-
Improvements other than buildings	33,270,340	100,369,704	133,640,044	95,287,621	2,119,334	-
Machinery and equipment	30,381,351	8,335,085	38,716,436	43,472,744	69,484	-
Intangible right-to-use lease machinery & equipment	-	-	-	3,308,054	-	-
Intangible right-to-use subscription assets	155,602	-	155,602	649,135	-	-
Software	992,258	-	992,258	-	-	-
Construction in progress	12,293,175	1,019,198	13,312,373	14,690,100	-	-
Less accumulated depreciation and amortization	(67,780,435)	(51,903,048)	(119,683,483)	(213,034,118)	(1,429,879)	-
Total assets	220,016,245	109,586,425	329,602,670	182,383,718	17,846,900	112,179
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	152,809	152,809	-	-	-
Pension plan	5,661,101	483,423	6,144,524	28,504,128	1,514,374	-
Other postemployment benefits	1,312,600	126,189	1,438,789	6,538,196	357,643	-
Total deferred outflows of resources	6,973,701	762,421	7,736,122	35,042,324	1,872,017	-

See Notes to Financial Statements.

LIABILITIES						
Accounts payable	\$ 3,946,073	\$ 1,392,695	\$ 5,338,768	\$ 5,501,168	\$ 2,763,265	\$ -
Accrued payroll	2,733,271	259,986	2,993,257	21,457,096	683,770	-
Accrued liabilities	350,000	-	350,000	-	-	-
Accrued interest	1,364,591	216,098	1,580,689	-	-	-
Unearned revenue	1,259,819	16,889	1,276,708	2,223,623	15,485	-
Due to primary government	-	-	-	-	817,896	-
Insurance and benefit claims	481,240	-	481,240	1,443,720	-	-
Due to other governments	86,475	46,484	132,959	164,546	21,573	-
Noncurrent liabilities:						
Due within one year:						
Bonds payable	7,382,829	1,735,000	9,117,829	-	-	-
Lease liabilities	78,485	10,244	88,729	868,151	136,131	-
Subscription liabilities	51,832	-	51,832	172,754	-	-
Private placement notes	1,053,438	-	1,053,438	-	-	-
Compensated absences	1,170,110	110,629	1,280,739	2,981,663	31,838	-
Due in more than one year:						
Bonds payable, net	64,302,009	16,845,770	81,147,779	-	-	-
Literary loan payable	7,962,427	-	7,962,427	-	-	-
Lease liabilities	895,085	137,109	1,032,194	349,508	228,896	-
Subscription liabilities	54,212	-	54,212	163,679	-	-
Landfill obligation	-	18,557,515	18,557,515	-	-	-
Compensated absences	530,865	93,464	624,329	1,503,722	17,351	-
Net pension liability	11,516,613	983,447	12,500,060	84,370,903	3,080,754	-
Other postemployment benefits	6,734,455	661,317	7,395,772	41,940,540	1,841,359	-
Total liabilities	111,953,829	41,066,647	153,020,476	163,141,073	9,638,318	-
DEFERRED INFLOWS OF RESOURCES						
Property taxes collected in advance	3,654,476	-	3,654,476	-	-	-
Pension plan	1,755,726	149,927	1,905,653	10,068,665	469,666	-
Other postemployment benefits	1,936,689	193,484	2,130,173	7,167,177	531,070	-
Leases related	3,265,812	-	3,265,812	-	-	-
Total deferred inflows of resources	10,612,703	343,411	10,956,114	17,235,842	1,000,736	-
NET POSITION						
Net investment in capital assets	72,322,723	43,823,027	116,145,750	128,447,658	1,543,983	-
Restricted:						
Education	-	-	-	971,440	-	-
Judicial administration	107,066	-	107,066	-	-	-
Public safety	135,658	-	135,658	-	-	-
Health and social services	112,487	-	112,487	-	-	-
Parks, recreation and cultural	15,877	-	15,877	-	-	-
Unrestricted (deficit)	31,729,603	25,115,761	56,845,364	(92,369,971)	7,535,880	112,179
Total net position	\$ 104,423,414	\$ 68,938,788	\$ 173,362,202	\$ 37,049,127	\$ 9,079,863	\$ 112,179

COUNTY OF ROCKINGHAM, VIRGINIA

**STATEMENT OF ACTIVITIES
Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Harrisonburg-Rockingham Social Services District	Nonmajor Discretely Presented	
					Governmental Activities	Business-type Activities	Totals			
Primary Government:										
Governmental activities:										
General government administration	\$ 8,574,839	\$ 7,454	\$ 1,000,866	\$ -	\$ (7,566,519)	\$ -	\$ (7,566,519)	\$ -	\$ -	\$ -
Judicial administration	7,245,124	3,231,343	3,398,149	-	(615,632)	-	(615,632)	-	-	-
Public safety	50,039,202	12,752,121	10,046,152	229,293	(27,011,636)	-	(27,011,636)	-	-	-
Public works	4,988,994	1,998,710	303	-	(2,989,981)	-	(2,989,981)	-	-	-
Health and social services	10,649,616	169,978	361,717	-	(10,117,921)	-	(10,117,921)	-	-	-
Education	74,068,063	-	199,405	-	(73,868,658)	-	(73,868,658)	-	-	-
Parks, recreation and cultural	3,167,153	279,457	40,219	-	(2,847,477)	-	(2,847,477)	-	-	-
Community development	10,292,514	10	1,467,856	-	(8,824,648)	-	(8,824,648)	-	-	-
Interest	2,575,211	-	-	-	(2,575,211)	-	(2,575,211)	-	-	-
Total governmental activities	171,600,716	18,439,073	16,514,667	229,293	(136,417,683)	-	(136,417,683)	-	-	-
Business-type activities:										
Water and sewer	10,528,563	9,590,300	400,696	4,972,635	-	4,435,068	4,435,068	-	-	-
Solid waste	7,170,395	7,691,500	981,033	-	-	1,502,138	1,502,138	-	-	-
Total business-type activities	17,698,958	17,281,800	1,381,729	4,972,635	-	5,937,206	5,937,206	-	-	-
Total primary government	\$ 189,299,674	\$ 35,720,873	\$ 17,896,396	\$ 5,201,928	(136,417,683)	5,937,206	(130,480,477)	-	-	-
Component Units:										
Rockingham County School Board:										
Education:										
Instruction	\$ 147,041,697	\$ 1,018,258	\$ 114,083,317	\$ 805,427	-	-	-	(31,134,695)	-	-
Administration, attendance and health	9,239,187	-	42,726	-	-	-	-	(9,196,461)	-	-
Pupil transportation services	10,602,626	-	8,369	-	-	-	-	(10,594,257)	-	-
Operation and maintenance services	17,801,841	-	6,529	625,187	-	-	-	(17,170,125)	-	-
School food services	7,072,698	1,215,517	5,098,035	-	-	-	-	(759,146)	-	-
Interest	119,346	-	-	-	-	-	-	(119,346)	-	-
Total school board	191,877,395	2,233,775	119,238,976	1,430,614	-	-	-	(68,974,030)	-	-

Harrisonburg-Rockingham Social Services District:

Social Services:

Public assistance	\$ 7,776,115	\$ -	\$ 5,514,516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,261,599)	\$ -
Children's services	19,230,412	-	12,491,602	-	-	-	-	-	(6,738,810)	-
Administration:										
Health and human services	13,004,300	-	9,676,776	-	-	-	-	-	(3,327,524)	-
VJCCA	43,766	-	43,766	-	-	-	-	-	-	-
Interest	18,990	-	-	-	-	-	-	-	(18,990)	-
Total social services district	40,073,583	-	27,726,660	-	-	-	-	-	(12,346,923)	-

Economic Development Authority:

Economic development	410,820	20,061	-	407,150	-	-	-	-	-	16,391
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Rockingham County Recreation Foundation:

Parks and recreation	-	-	695	-	-	-	-	-	-	695
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Total component units	\$ 232,361,798	\$ 2,253,836	\$ 146,966,331	\$ 1,837,764	-	-	-	(68,974,030)	(12,346,923)	17,086
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General revenues:

Taxes:

General property taxes	129,082,655	-	129,082,655	-	-	-
Other local taxes:						
Local sales and use	11,983,458	-	11,983,458	-	-	-
Consumer utility	1,789,958	-	1,789,958	-	-	-
Transient occupancy taxes	2,260,430	-	2,260,430	-	-	-
Food and beverage	2,606,381	-	2,606,381	-	-	-
Recordation and wills	1,467,454	-	1,467,454	-	-	-
Other	540,674	-	540,674	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	74,068,063	12,935,677	-
Intergovernmental, non-categorical aid	7,620,080	-	7,620,080	71,939	-	-
Use of money and property	7,373,948	1,893,986	9,267,934	734,500	409,543	5,470
Miscellaneous	2,239,437	435,615	2,675,052	139,876	36,901	-
Total general revenues	166,964,475	2,329,601	169,294,076	75,014,378	13,382,121	5,470

Change in net position	30,546,792	8,266,807	38,813,599	6,040,348	1,035,198	22,556
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Net position, beginning	73,876,622	60,671,981	134,548,603	31,008,779	8,044,665	89,623
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Net position, ending	<u>\$ 104,423,414</u>	<u>\$ 68,938,788</u>	<u>\$ 173,362,202</u>	<u>\$ 37,049,127</u>	<u>\$ 9,079,863</u>	<u>\$ 112,179</u>
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COUNTY OF ROCKINGHAM, VIRGINIA

**BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2024**

	General	General Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 70,059,374	\$ 8,095,396	\$ 1,172,348	\$ 194,958	\$ 79,522,076
Investments	28,632,752	3,326,494	481,731	80,111	32,521,088
Receivables, net:					
Property taxes	5,515,711	-	-	-	5,515,711
Utility taxes	172,713	-	-	-	172,713
Trade and other accounts	1,711,690	-	208,049	1,022,806	2,942,545
Leases	3,428,848	-	-	-	3,428,848
Accrued interest	393,515	51,934	5,585	3,058	454,092
Due from component unit	817,896	-	-	-	817,896
Advances to other funds	4,000,000	-	-	-	4,000,000
Due from other governments	5,057,104	1,426,166	40,000	-	6,523,270
Prepaid items	1,006,470	246,988	1,415	110	1,254,983
Inventory	52,345	-	-	-	52,345
Restricted cash and cash equivalents	-	-	-	399,395	399,395
Restricted investments	-	-	-	164,116	164,116
Total assets	\$ 120,848,418	\$ 13,146,978	\$ 1,909,128	\$ 1,864,554	\$ 137,769,078
LIABILITIES					
Accounts payable	\$ 1,637,989	\$ 2,045,183	\$ 1,536	\$ 29,113	\$ 3,713,821
Due to other governments	86,475	-	-	-	86,475
Accrued payroll	2,722,522	-	7,419	3,330	2,733,271
Accrued liabilities	-	250,000	100,000	-	350,000
Advances from other funds	-	-	4,000,000	-	4,000,000
Total liabilities	4,446,986	2,295,183	4,108,955	574,235	11,425,359
DEFERRED INFLOWS OF RESOURCES					
Property taxes collected in advance	3,654,476	-	-	-	3,654,476
Unavailable revenue - property taxes	4,507,066	-	-	-	4,507,066
Unavailable revenue - opioid settlement funds	-	-	-	919,121	919,121
Leases related	3,265,812	-	-	-	3,265,812
Total deferred inflows of resources	11,427,354	-	-	919,121	12,346,475
FUND BALANCES					
Nonspendable:					
Prepaid items	1,006,470	246,988	1,415	110	1,254,983
Inventory	52,345	-	-	-	52,345
Restricted for:					
Judicial administration	-	-	-	107,066	107,066
Public safety	-	-	-	135,658	135,658
Health and social services	-	-	-	112,487	112,487
Parks, recreation and cultural	-	-	-	15,877	15,877
Committed to:					
General government administration	-	208,216	-	-	208,216
Judicial administration	250,000	-	-	-	250,000
Public safety	65,252	5,982,772	-	-	6,048,024
Public works	403,738	-	-	-	403,738
Health and social services	1,000,000	-	-	-	1,000,000
Education	30,764,625	-	-	-	30,764,625
Parks, recreation and cultural	7,102,482	105,507	-	-	7,207,989
Community development	58,453	-	-	-	58,453
Assigned to:					
Capital outlay	-	4,308,312	-	-	4,308,312
Unassigned:					
General fund	64,270,713	-	(2,201,242)	-	62,069,471
Total fund balances (deficit)	104,974,078	10,851,795	(2,199,827)	371,198	113,997,244
Total liabilities, deferred inflows of resources and fund balances	\$ 120,848,418	\$ 13,146,978	\$ 1,909,128	\$ 1,864,554	\$ 137,769,078

COUNTY OF ROCKINGHAM, VIRGINIA

**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024**

	Governmental Funds	
Total fund balances - total governmental funds	\$ 113,997,244	
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	\$ 146,137,553	
Less accumulated depreciation and amortization	<u>(67,780,435)</u>	
Net capital assets		78,357,118
Unavailable revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.		
		5,426,187
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	5,661,101	
Other postemployment benefits	<u>1,312,600</u>	
		6,973,701
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.		
		2,740,445
Long-term due from other government - pension		1,889,687
Long-term due from other government - other postemployment benefits		1,828,398
Long-term liabilities, including bonds payable, are not due and payable in the funds.		
General obligation bonds, including unamortized premiums	(71,684,838)	
Literary loan	(7,962,427)	
Private placement notes	(1,053,438)	
Lease liabilities	(973,570)	
Subscription liabilities	(106,044)	
Compensated absences	(1,700,975)	
Interest payable	(1,364,591)	
Other postemployment benefits	(6,734,455)	
Net pension liability	<u>(11,516,613)</u>	
		(103,096,951)
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	(1,755,726)	
Other postemployment benefits	<u>(1,936,689)</u>	
		<u>(3,692,415)</u>
Net position of governmental activities		<u><u>\$ 104,423,414</u></u>

COUNTY OF ROCKINGHAM, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
Year Ended June 30, 2024**

	General	General Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
General property taxes	\$ 128,867,589	\$ -	\$ -	\$ -	\$ 128,867,589
Other local taxes	19,288,124	-	1,360,231	-	20,648,355
Permits, privilege fees and regulatory licenses	1,788,849	-	-	-	1,788,849
Fines and forfeitures	143,380	-	-	21,923	165,303
Use of money and property	6,238,440	814,680	89,116	34,255	7,176,491
Charges for services	6,529,543	-	-	-	6,529,543
Miscellaneous	1,625,219	(420,404)	-	115,501	1,320,316
Recovered costs	8,300,262	1,615,852	-	39,264	9,955,378
Intergovernmental	24,227,156	-	40,000	85,321	24,352,477
Total revenues	197,008,562	2,010,128	1,489,347	296,264	200,804,301
Expenditures:					
Current:					
General government administration	7,507,292	-	-	-	7,507,292
Judicial administration	6,687,628	-	-	138,075	6,825,703
Public safety	48,117,649	-	-	58,806	48,176,455
Public works	5,704,360	-	-	-	5,704,360
Health and social services	10,702,553	-	-	-	10,702,553
Education	74,068,063	-	-	-	74,068,063
Parks, recreation and cultural	2,586,366	-	-	22,617	2,608,983
Community development	9,129,346	-	471,946	-	9,601,292
Capital outlays	-	19,025,813	-	-	19,025,813
Debt service:					
Principal	7,419,568	-	-	-	7,419,568
Interest and fiscal charges	3,057,538	-	100,000	-	3,157,538
Total expenditures	174,980,363	19,025,813	571,946	219,498	194,797,620
Excess (deficiency) of revenues over (under) expenses	22,028,199	(17,015,685)	917,401	76,766	6,006,681
Other financing sources (uses):					
Issuance of literary loan	7,962,427	-	-	-	7,962,427
Issuance of leases	279,397	-	-	-	279,397
Issuance of subscriptions	155,602	-	-	-	155,602
Transfers in	-	14,740,000	-	-	14,740,000
Transfers out	(9,240,000)	-	(5,500,000)	-	(14,740,000)
Other financing sources (uses), net	(842,574)	14,740,000	(5,500,000)	-	8,397,426
Net change in fund balances	21,185,625	(2,275,685)	(4,582,599)	76,766	14,404,107
Fund balance, beginning	83,788,453	13,127,480	2,382,772	294,432	99,593,137
Fund balance (deficit), ending	\$ 104,974,078	\$ 10,851,795	\$ (2,199,827)	\$ 371,198	\$ 113,997,244

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, 2024**

	Governmental Funds	
Net change in fund balances - total governmental funds	\$	14,404,107
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 capital outlays exceeded depreciation and amortization in the current period.		
Expenditures for capital assets	\$	20,856,674
Less depreciation and amortization expense		<u>(6,485,688)</u>
Excess of capital outlays over depreciation and amortization		14,370,986
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(518,798)
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		11,563
Unavailable revenue		1,134,187
Long-term due from other government - pension		(283,358)
Long-term due from other government - other postemployment benefits		<u>32,706</u>
		895,098
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 leases		(279,397)
Issuance of subscriptions		(155,602)
Issuance of literary loan		(7,962,427)
Removal of subscription liability		230,316
Removal of lease liability due to termination of agreement		291,017
Adjustment of lease liability due to remeasurement		(14,385)
Principal repayments:		
General obligation bonds		7,295,019
General obligation bonds - payments recorded in health and social services		96,667
Lease liabilities		74,991
Subscription liabilities		49,558
Private placement notes - payments recorded in public safety		<u>1,031,065</u>
		656,822
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		(4,777)
Compensated absences		(206,541)
Changes in OPEB liabilities and related deferred outflows and inflows of resources		(302,240)
Amortization of premium		587,104
Changes in pension liabilities and related deferred outflows and inflows of resources		<u>935,301</u>
		1,008,847
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		8,893,834
Total expenses		<u>(9,164,104)</u>
		(270,270)
Change in net position of governmental activities	\$	<u>30,546,792</u>

COUNTY OF ROCKINGHAM, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2024**

	General Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$ 118,475,500	\$ 118,595,500	\$ 128,867,589	\$ 10,272,089
Other local taxes	18,055,000	18,055,000	19,288,124	1,233,124
Permits, privilege fees and regulatory licenses	1,675,500	1,675,500	1,788,849	113,349
Fines and forfeitures	175,500	175,500	143,380	(32,120)
Use of money and property	1,400,000	1,400,000	6,238,440	4,838,440
Charges for services	6,274,500	6,274,500	6,529,543	255,043
Miscellaneous	265,000	305,000	1,625,219	1,320,219
Recovered costs	7,958,991	8,733,992	8,300,262	(433,730)
Intergovernmental	21,716,494	22,051,701	24,227,156	2,175,455
Total revenues	175,996,485	177,266,693	197,008,562	19,741,869
Expenditures:				
Current:				
General government administration	7,715,302	7,713,302	7,507,292	(206,010)
Judicial administration	7,382,432	7,454,639	6,687,628	(767,011)
Public safety	45,001,007	48,219,194	48,117,649	(101,545)
Public works	5,826,524	6,713,482	5,704,360	(1,009,122)
Health and social services	9,586,380	10,706,380	10,702,553	(3,827)
Education	83,407,760	83,407,760	74,068,063	(9,339,697)
Parks, recreation and cultural	2,718,098	2,798,098	2,586,366	(211,732)
Community development	4,961,865	8,882,538	9,129,346	246,808
Debt service:				
Principal	7,295,019	7,391,257	7,419,568	28,311
Interest and fiscal charges	5,904,980	5,938,872	3,057,538	(2,881,334)
Total expenditures	179,799,367	189,225,522	174,980,363	(14,245,159)
Excess (deficiency) of revenues over (under) expenditures	(3,802,882)	(11,958,829)	22,028,199	33,987,028
Other financing sources (uses):				
Issuance of literary loan	-	-	7,962,427	7,962,427
Issuance of leases	-	-	279,397	279,397
Issuance of subscriptions	-	-	155,602	155,602
Transfers out	(9,240,000)	(13,240,000)	(9,240,000)	4,000,000
Total other financing uses, net	(9,240,000)	(13,240,000)	(842,574)	12,397,426
Net change in fund balance	(13,042,882)	(25,198,829)	21,185,625	46,384,454
Fund balance, beginning	13,042,882	25,198,829	83,788,453	58,589,624
Fund balance, ending	\$ -	\$ -	\$ 104,974,078	\$ 104,974,078

COUNTY OF ROCKINGHAM, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – TOURISM FUND
Year Ended June 30, 2024**

	Tourism Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Transient occupancy taxes	\$ 1,125,000	\$ 1,125,000	\$ 1,360,231	\$ 235,231
Use of money	10,000	10,000	89,116	79,116
Intergovernmental	-	-	40,000	40,000
Total revenues	1,135,000	1,135,000	1,489,347	354,347
Expenditures:				
Current:				
Community development	552,770	552,770	471,946	(80,824)
Debt service:				
Interest and fiscal charges	-	20,000	100,000	80,000
Total expenditures	552,770	572,770	571,946	(824)
Excess of revenues over expenditures	582,230	562,230	917,401	355,171
Other financing uses:				
Transfers out	(1,500,000)	(5,500,000)	(5,500,000)	-
Total other financing uses	(1,500,000)	(5,500,000)	(5,500,000)	-
Net change in fund balance	(917,770)	(4,937,770)	(4,582,599)	355,171
Fund balance, beginning	917,770	4,937,770	2,382,772	(2,554,998)
Fund balance (deficit), ending	\$ -	\$ -	\$ (2,199,827)	\$ (2,199,827)

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF NET POSITION –
 PROPRIETARY FUNDS
 June 30, 2024

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Fund - Self Insurance
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 15,403,633	\$ 296,038	\$ 14,385,615	\$ 988,981	\$ 31,074,267	\$ 12,245,601
Investments	2,229,624	42,851	2,082,224	143,153	4,497,852	1,717,333
Trade and other accounts receivable, net	1,089,150	76,076	619,619	19,408	1,804,253	5,569
Accrued interest	106,793	1,240	65,471	4,402	177,906	58,522
Advances to other funds	272,844	-	-	-	272,844	-
Prepaid items	36,287	-	43,726	527	80,540	-
Inventory	322,762	-	-	-	322,762	-
Total current assets	19,461,093	416,205	17,196,655	1,156,471	38,230,424	14,027,025
Noncurrent assets:						
Investments	4,099,829	78,795	3,828,790	263,231	8,270,645	3,157,827
Advances to other funds	1,408,394	-	-	-	1,408,394	-
Capital assets:						
Land	397,328	-	2,166,225	956,387	3,519,940	-
Easements	227,156	-	-	-	227,156	-
Buildings and improvements	821,784	-	811,243	-	1,633,027	-
Intangible right-to-use lease buildings and improvements	104,759	-	52,379	-	157,138	-
Improvements other than buildings	51,933,082	6,616,233	39,943,505	1,876,884	100,369,704	-
Machinery and equipment	1,685,016	244,227	6,405,842	-	8,335,085	-
Construction in progress	811,200	-	207,998	-	1,019,198	-
Less accumulated depreciation and amortization	(22,503,025)	(2,913,536)	(26,120,807)	(365,680)	(51,903,048)	-
Total capital assets, net of accumulated depreciation and amortization	33,477,300	3,946,924	23,466,385	2,467,591	63,358,200	-
Total noncurrent assets	38,985,523	4,025,719	27,295,175	2,730,822	73,037,239	3,157,827
Total assets	58,446,616	4,441,924	44,491,830	3,887,293	111,267,663	17,184,852
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	152,809	-	-	-	152,809	-
Pension plan	224,310	-	254,949	4,164	483,423	-
Other postemployment benefits	54,238	-	70,985	966	126,189	-
Total deferred outflows of resources	431,357	-	325,934	5,130	762,421	-
LIABILITIES						
Current liabilities:						
Accounts payable and deposits	283,108	19,047	1,089,082	1,458	1,392,695	929,008
Due to other governments	9,188	31,813	4,090	1,393	46,484	-
Compensated absences	48,210	-	62,419	-	110,629	-
Accrued payroll	116,790	-	141,438	1,758	259,986	-
Accrued interest	86,592	3,661	90,695	35,150	216,098	-
Unearned revenue	-	-	-	16,889	16,889	2,872,108
Advance from other funds	-	89,355	-	183,489	272,844	-
Insurance and benefit claims	-	-	-	-	-	1,924,960
Revenue bonds	890,000	-	845,000	-	1,735,000	-
Lease liabilities	6,829	-	3,415	-	10,244	-
Total current liabilities	1,440,717	143,876	2,236,139	240,137	4,060,869	5,726,076
Noncurrent liabilities:						
Compensated absences	47,309	-	46,155	-	93,464	-
Advance from other funds	-	185,903	-	1,222,491	1,408,394	-
Revenue bonds	8,144,210	-	8,701,560	-	16,845,770	-
Lease liabilities	91,406	-	45,703	-	137,109	-
Net pension liability	456,324	-	518,652	8,471	983,447	-
Other postemployment benefits liability	280,536	-	375,825	4,956	661,317	-
Landfill obligation	-	-	18,557,515	-	18,557,515	-
Total noncurrent liabilities	9,019,785	185,903	28,245,410	1,235,918	38,687,016	-
Total liabilities	10,460,502	329,779	30,481,549	1,476,055	42,747,885	5,726,076
DEFERRED INFLOWS OF RESOURCES						
Pension plan	69,567	-	79,069	1,291	149,927	-
Other postemployment benefits	81,214	-	110,844	1,426	193,484	-
Total deferred inflows of resources	150,781	-	189,913	2,717	343,411	-
NET POSITION						
Net investment in capital assets	24,497,664	3,946,924	12,910,848	2,467,591	43,823,027	-
Unrestricted (deficit)	23,769,026	165,221	1,235,454	(53,940)	25,115,761	11,458,776
Total net position	\$ 48,266,690	\$ 4,112,145	\$ 14,146,302	\$ 2,413,651	\$ 68,938,788	\$ 11,458,776

COUNTY OF ROCKINGHAM, VIRGINIA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
Year Ended June 30, 2024**

	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	\$ 8,601,558	\$ 637,964	\$ 7,691,500	\$ 350,778	\$ 17,281,800	\$ 34,785,509
Connection fees	371,466	3,220	-	-	374,686	-
Recovered costs	-	-	899,322	-	899,322	-
Other revenue	240,423	-	195,192	-	435,615	-
Total operating revenues	9,213,447	641,184	8,786,014	350,778	18,991,423	34,785,509
Operating expenses:						
Personal services	1,272,869	-	1,661,334	21,879	2,956,082	-
Fringe benefits	453,756	-	626,072	14,532	1,094,360	-
Contractual services	944,018	243,147	810,237	18,687	2,016,089	-
Regional Sewer Authority assessment:						
Operations and maintenance	2,075,029	-	-	-	2,075,029	-
Debt service	1,811,158	-	-	-	1,811,158	-
Risk financing and benefit payments	-	-	-	-	-	36,656,415
Internal services	77,781	-	68,521	-	146,302	-
Electrical services	585,551	19,768	39,081	-	644,400	-
Repairs and maintenance	-	-	457,402	-	457,402	-
Landfill closure	-	-	883,226	-	883,226	-
Other charges	767,291	265,062	773,769	15,730	1,821,852	-
Depreciation and amortization	1,360,321	132,325	1,700,222	70,087	3,262,955	-
Total operating expenses	9,347,774	660,302	7,019,864	140,915	17,168,855	36,656,415
Operating income (loss)	(134,327)	(19,118)	1,766,150	209,863	1,822,568	(1,870,906)
Nonoperating revenues (expenses):						
Intergovernmental	457	-	81,711	25,553	107,721	-
Gain on disposal of capital assets	-	-	105,800	-	105,800	-
Interest revenue	961,457	19,296	855,541	57,692	1,893,986	789,828
Interest expense	(328,023)	(8,479)	(256,331)	(43,070)	(635,903)	-
Total nonoperating revenues, net	633,891	10,817	786,721	40,175	1,471,604	789,828
Income (loss) before capital contributions	499,564	(8,301)	2,552,871	250,038	3,294,172	(1,081,078)
Capital contributions:						
Connection availability fees	4,935,185	37,450	-	-	4,972,635	-
Change in net position	5,434,749	29,149	2,552,871	250,038	8,266,807	(1,081,078)
Total net position, beginning	42,831,941	4,082,996	11,593,431	2,163,613	60,671,981	12,539,854
Total net position, ending	\$ 48,266,690	\$ 4,112,145	\$ 14,146,302	\$ 2,413,651	\$ 68,938,788	\$ 11,458,776

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2024**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,978,754
Receipts from customers	8,993,605	638,695	7,752,899	348,542	17,733,741	-
Recovered costs	-	-	899,322	-	899,322	-
Claims and benefits paid	-	-	-	-	-	(36,375,843)
Payments to suppliers for goods and services	(6,367,258)	(509,642)	(2,167,084)	(40,700)	(9,084,684)	-
Payments to employees for services	(1,751,068)	-	(2,261,446)	(30,528)	(4,043,042)	-
Internal activity - payments to other funds	(77,781)	-	(68,521)	-	(146,302)	-
Other receipts	240,423	-	195,192	-	435,615	-
Net cash provided by (used in) operating activities	1,037,921	129,053	4,350,362	277,314	5,794,650	(1,397,089)
Cash flows from noncapital financing activities:						
Intergovernmental - grants	457	-	81,711	25,553	107,721	-
Net cash provided by noncapital financing activities	457	-	81,711	25,553	107,721	-
Cash flows from capital and related financing activities:						
Advance from other funds	265,184	-	-	-	265,184	-
Advance to other funds	-	(87,039)	-	(178,145)	(265,184)	-
Connection availability fees	4,935,185	37,450	-	-	4,972,635	-
Principal paid on outstanding debt	(940,000)	-	(815,000)	-	(1,755,000)	-
Principal paid on lease liability	(6,524)	-	(3,261)	-	(9,785)	-
Interest paid and fiscal charges on outstanding debt	(375,130)	(9,637)	(386,003)	(47,523)	(818,293)	-
Proceeds on the sale of capital assets	-	-	170,500	-	170,500	-
Acquisition and construction of capital assets	(2,375,863)	-	(789,661)	-	(3,165,524)	-
Net cash provided by (used in) capital and related financing activities	1,502,852	(59,226)	(1,823,425)	(225,668)	(605,467)	-
Cash flows from investing activities:						
Proceeds on sale of investments	-	-	-	-	-	562,761
Purchases of investments	(595,302)	(18,257)	(614,140)	(9,865)	(1,237,564)	-
Interest received on investment securities	929,185	18,573	817,491	55,294	1,820,543	760,059
Net cash provided by investing activities	333,883	316	203,351	45,429	582,979	1,322,820
Net change in cash and cash equivalents	2,875,113	70,143	2,811,999	122,628	5,879,883	(74,269)
Cash and cash equivalents:						
Beginning	12,528,520	225,895	11,573,616	866,353	25,194,384	12,319,870
Ending	\$ 15,403,633	\$ 296,038	\$ 14,385,615	\$ 988,981	\$ 31,074,267	\$ 12,245,601

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2024**

	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)	\$ (134,327)	\$ (19,118)	\$ 1,766,150	\$ 209,863	\$ 1,822,568	\$ (1,870,906)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	1,360,321	132,325	1,700,222	70,087	3,262,955	-
Change in assets and liabilities:						
Decrease (increase) in:						
Trade and other accounts receivable	20,581	(2,489)	61,399	162	79,653	2,131
Prepaid items	(8,089)	-	(2,641)	(37)	(10,767)	-
Inventory	(177,589)	-	-	-	(177,589)	-
Pension related deferred outflows of resources	(3,394)	-	5,338	(4,164)	(2,220)	-
OPEB related deferred outflows of resources	(83)	-	(5,485)	(49)	(5,617)	-
Increase (decrease) in:						
Accounts payable and deposits	(6,043)	2,463	(84,190)	(6,283)	(94,053)	387,014
Due to other governments	7,510	15,872	236	-	23,618	-
Accrued liabilities	15,005	-	44,325	149	59,479	-
Unearned revenue	-	-	-	(2,398)	(2,398)	191,114
Insurance and benefit claims	-	-	-	-	-	(106,442)
Net pension liability	37,450	-	25,127	8,471	71,048	-
Other postemployment benefits liability	(57,227)	-	(35,502)	(622)	(93,351)	-
Landfill obligation	-	-	883,226	-	883,226	-
Pension related deferred inflows of resources	(63,161)	-	(77,314)	1,291	(139,184)	-
OPEB related deferred inflows of resources	46,967	-	69,471	844	117,282	-
Net cash provided by (used in) operating activities	\$ 1,037,921	\$ 129,053	\$ 4,350,362	\$ 277,314	\$ 5,794,650	\$ (1,397,089)
Schedule of noncash capital and related financing activities:						
Capital assets acquired through incurrence of accounts payable	\$ -	\$ -	\$ 959,859	\$ -	\$ 959,859	\$ -

COUNTY OF ROCKINGHAM, VIRGINIA

**STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUND
June 30, 2024**

	<u>Custodial Fund</u> <u>Special Welfare</u>
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 108,176
Total assets	<u>108,176</u>
NET POSITION	
Unrestricted	<u>108,176</u>
Total net position	<u><u>\$ 108,176</u></u>

COUNTY OF ROCKINGHAM, VIRGINIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUND
Year Ended June 30, 2024**

	<u>Custodial Fund</u> <u>Special Welfare</u>
<hr/>	
ADDITIONS	
Miscellaneous revenue	\$ 202,522
	<hr/>
Total additions	202,522
	<hr/>
DEDUCTIONS	
Other professional services	162,648
	<hr/>
Total deductions	162,648
	<hr/>
Net change in fiduciary net position	39,874
Total net position, beginning	68,302
	<hr/>
Total net position, ending	\$ 108,176
	<hr/> <hr/>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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. 99, *Omnibus 2022*, and GASB Statement 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. 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 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO 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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 or 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, 2024 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, 2024 as a discretely presented component unit.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

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

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

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.

The County reports the following Internal Service Fund:

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

5. Capital Assets

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 and improvements	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
Intangible right-to-use subscriptions	2 to 12 years
Software	3 to 5 years

6. Deferred Outflows/Inflows of Resources

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 13 and 14 for details regarding these items.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 and Opioid Settlement funds. 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 13 and 14 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 recognizes 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 buildings 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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)

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 seven 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 November 27, 2024, 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 \$129,904,988, 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. The County did not have any investments in the LGIP-EM at the end of the fiscal 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, 2024, 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Credit Risk

As of June 30, 2024, 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, 2024, 58% was invested in “AA+” U.S. Agency Securities and 42% was invested in “AAA, AAAM, AA, AA+, AA-, A+, A-1+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, 2024, there were no investments in any single issuer that exceed 5% of the total portfolio.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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	\$ 23,983,673	\$ 4,069,548	\$ 19,914,125	\$ -
Corporate Notes	25,105,743	13,822,420	11,283,323	-
Federal Agency Obligations	<u>10,747,052</u>	3,380,691	7,157,726	208,635
	<u>\$ 59,836,468</u>			

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, 2024:

- U.S. Treasury obligations of \$23,983,673 are valued using quoted market prices (Level 1 inputs).
- Federal agency obligations of \$548,911 are valued using quoted market prices (Level 1 inputs).
- Federal agency obligations of \$10,198,141 are valued using market inputs of trades in the exact item near pricing date (Level 2 inputs).
- Corporate notes of \$6,905,295 are valued using quoted market prices (Level 1 inputs).
- Corporate notes of \$17,068,306 are valued using market inputs of trades in the exact item near pricing date (Level 2 inputs).
- Corporate notes of \$1,132,142 are valued using significant unobservable inputs (Level 3 inputs).

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 3. Receivables

Receivables at June 30, 2024 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	Tourism Fund	Nonmajor Governmental Fund	Water and Sewer Fund	Smith Creek Water & Waste Authority Fund
Property taxes	\$ 6,315,711	\$ -	\$ -	\$ -	\$ -
Utility taxes	172,713	-	-	-	-
Trade and other accounts	1,711,690	208,049	1,022,806	1,112,666	80,582
Leases	3,428,848	-	-	-	-
Gross receivables	11,628,962	208,049	1,022,806	1,112,666	80,582
Less allowance for uncollectable accounts	800,000	-	-	23,516	4,506
Net receivables	\$ 10,828,962	\$ 208,049	\$ 1,022,806	\$ 1,089,150	\$ 76,076

	Solid Waste Fund	Nonmajor Proprietary Funds	Internal Service Fund	Totals
Property taxes	\$ -	\$ -	\$ -	\$ 6,315,711
Utility taxes	-	-	-	172,713
Trade and other accounts	621,108	20,174	5,569	4,782,644
Leases	-	-	-	3,428,848
Gross receivables	621,108	20,174	5,569	14,699,916
Less allowance for uncollectable accounts	1,489	766	-	830,277
Net receivables	\$ 619,619	\$ 19,408	\$ 5,569	\$ 13,869,639

The County determines its allowance for uncollectible accounts using historical collection data and specific account analysis. The total allowance for uncollectible accounts amounted to \$830,277 as of June 30, 2024.

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 \$ 2,263,369

Communications sales and use taxes 163,397

Categorical aid:

Shared costs:

Commissioner of the Revenue 24,282

Commonwealth Attorney 107,131

Sheriff 671,187

Clerk of Circuit Court 70,024

Treasurer 22,945

Other 119,779

Federal government:

Boarding and care of prisoners 5,688

Categorical aid:

Health and Human Services - SAMHSA 88,244

Ground transportation

Emergency Management Performance 16,181

Bureau of Justice Assistance 5,000

Other 15,581

City of Harrisonburg 1,484,296

Total General Fund 5,057,104

Capital Projects Fund:

City of Harrisonburg 1,426,166

Total General Capital Projects Fund 1,426,166

Tourism Fund:

Federal government:

ARPA 40,000

Total Tourism Fund 40,000

Total Governmental Funds 6,523,270

Government-wide:

Governmental Activities:

City of Harrisonburg – pension 1,889,687

City of Harrisonburg – other postemployment benefits 1,828,398

Total Governmental Activities 3,718,085

Total Primary Government \$ 10,241,355

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

Component Unit - School Board:

Governmental Funds:

School Operating Fund:

Commonwealth of Virginia:

State sales tax receipts	\$ 2,886,770
Other	47,278

Federal government:

Education grants	2,787,414
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Total School Operating Fund	5,721,462
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School Cafeteria Fund:

Commonwealth of Virginia:

School food program	410
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Federal government:

School food program	87,233
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Total School Cafeteria Fund	87,643
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Massanutten Technical Center - Operating Fund:

Commonwealth of Virginia:

Education grants	31,794
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Federal government:

Education grants	128,805
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Total Massanutten Technical Center - Operating Fund	160,599
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Total Component Unit - School Board - Governmental Funds	5,969,704
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Government-wide:

Governmental Activities:

City of Harrisonburg – pension	1,233,196
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City of Harrisonburg – other postemployment benefits	464,785
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Total Component Unit – School Board - Governmental Activities	\$ 7,667,685
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COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 \$ 338,691

Federal government:

Public assistance and administration 645,201

Total Operating Fund 983,892

Special Revenue – Children's Services Act Fund:

Commonwealth of Virginia:

Children's Services Act 2,662,843

City of Harrisonburg:

Children's Services Act 1,039,516

Total Special Revenue Fund 3,702,359

**Total Component Unit – Harrisonburg-Rockingham
Social Services District – Governmental Funds** 4,686,251

Government-wide:

Governmental Activities:

City of Harrisonburg – pension 1,018,023

City of Harrisonburg – other postemployment benefits 1,007,391

**Total Component Unit – Harrisonburg-Rockingham
Social Services District – Governmental Activities** \$ 6,711,665

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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	\$ 25,247
City of Harrisonburg	60,466
Other local governments	762
Total General Fund	<u>86,475</u>

Total Government Funds	<u>86,475</u>
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Business-type activities:

Water & Sewer Fund:

Commonwealth of Virginia	20
City of Harrisonburg	832
Other Local Governments	8,336
Total Water & Sewer Fund	<u>9,188</u>

Smith Creek Water & Waste Authority Fund:

City of Harrisonburg	31,813
Total Smith Creek Water & Waste Authority Fund	<u>31,813</u>

Solid Waste Fund:

Commonwealth of Virginia	2
City of Harrisonburg	3,847
Other	241
Total Solid Waste Fund	<u>4,090</u>

Non-Major Proprietary Funds

City of Harrisonburg	1,023
Other Local Governments	370
Total Non-Major Proprietary Funds	<u>1,393</u>

Total Business-type activities	<u>46,484</u>
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Total Primary Government	<u>\$ 132,959</u>
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Component Unit - School Board:

Governmental Funds:

School Operating Fund:

Commonwealth of Virginia	\$ 15
City of Harrisonburg	1,635
Other	19,032
Total School Operating Fund	<u>20,682</u>

Massanutten Technical Center - Operating Fund:

Commonwealth of Virginia	27
City of Harrisonburg	143,837
Total Massanutten Technical Center - Operating Fund	<u>143,864</u>

Total Component Unit - School Board - Governmental Funds	<u>\$ 164,546</u>
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COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

Component Unit - Rockingham-Harrisonburg Social Services District:

Governmental Funds:

Operating Fund:

Commonwealth of Virginia	\$ 21,360
City of Harrisonburg	213

Total Component Unit - Rockingham-Harrisonburg Social Services District - Governmental Funds	\$ 21,573
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Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2024 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	\$ 382,567	\$ -	\$ -	\$ 4,713,726
Construction in progress	1,587,373	11,785,944	-	(1,080,142)	12,293,175
Total capital assets not being depreciated or amortized	5,918,532	12,168,511	-	(1,080,142)	17,006,901
Capital assets being depreciated or amortized:					
Buildings and improvements	60,431,278	2,808,990	-	-	63,240,268
Improvements other than buildings	31,617,771	1,382,983	-	269,586	33,270,340
Machinery and equipment	26,301,513	4,025,941	(444,696)	498,593	30,381,351
Intangible right-to-use lease buildings and improvements	1,116,338	279,397	(304,902)	-	1,090,833
Intangible right-to-use subscription assets	367,480	155,602	(367,480)	-	155,602
Software	794,233	35,250	(123,750)	286,525	992,258
Total capital assets being depreciated or amortized	120,628,613	8,688,163	(1,240,828)	1,054,704	129,130,652
Less accumulated depreciation and amortization for:					
Buildings and improvements	(33,117,131)	(1,960,335)	-	-	(35,077,466)
Improvements other than buildings	(11,695,456)	(1,830,195)	-	-	(13,525,651)
Machinery and equipment	(16,249,848)	(2,482,896)	437,720	25,438	(18,269,586)
Intangible right-to-use lease buildings and improvements	(104,892)	(91,766)	42,403	-	(154,255)
Intangible right-to-use subscription assets	(118,157)	(51,867)	118,157	-	(51,867)
Software	(756,731)	(68,629)	123,750	-	(701,610)
Total accumulated depreciation and amortization	(62,042,215)	(6,485,688)	722,030	25,438	(67,780,435)
Total capital assets being depreciated or amortized, net	58,586,398	2,202,475	(518,798)	1,080,142	61,350,217
Governmental activities capital assets, net	\$ 64,504,930	\$ 14,370,986	\$ (518,798)	\$ -	\$ 78,357,118

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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	\$ 461,096
Judicial administration	479,518
Public safety	3,497,158
Public works	380,349
Health and social services	43,730
Parks, recreation and cultural	707,953
Community development	915,884

Total depreciation and amortization expense - governmental activities \$ 6,485,688

	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	57,728	983,240	-	(21,770)	1,019,198
Total capital assets not being depreciated or amortized	<u>3,804,824</u>	<u>983,240</u>	<u>-</u>	<u>(21,770)</u>	<u>4,766,294</u>
Capital assets being depreciated or amortized:					
Buildings and improvements	1,661,099	-	(28,072)	-	1,633,027
Intangible right-to-use lease buildings and improvements	157,138	-	-	-	157,138
Improvements other than buildings	98,949,421	1,398,513	-	21,770	100,369,704
Machinery and equipment	7,307,955	1,743,630	(716,500)	-	8,335,085
Total capital assets being depreciated or amortized	<u>108,075,613</u>	<u>3,142,143</u>	<u>(744,572)</u>	<u>21,770</u>	<u>110,494,954</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	(470,683)	(58,331)	28,072	-	(500,942)
Intangible right-to-use lease buildings and improvements	-	(12,827)	-	-	(12,827)
Improvements other than buildings	(43,876,032)	(2,488,213)	-	-	(46,364,245)
Machinery and equipment	(4,973,250)	(703,584)	651,800	-	(5,025,034)
Total accumulated depreciation and amortization	<u>(49,319,965)</u>	<u>(3,262,955)</u>	<u>679,872</u>	<u>-</u>	<u>(51,903,048)</u>
Total capital assets being depreciated and amortized, net	<u>58,755,648</u>	<u>(120,812)</u>	<u>(64,700)</u>	<u>21,770</u>	<u>58,591,906</u>
Business-type activities capital assets, net	<u>\$ 62,560,472</u>	<u>\$ 862,428</u>	<u>\$ (64,700)</u>	<u>\$ -</u>	<u>\$ 63,358,200</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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	\$ 1,360,321
Solid Waste	1,700,222
Smith Creek Water & Waste Authority	132,325
Lilly Subdivision Sanitary District	9,717
Countryside Sanitary District	6,120
Lake Shenandoah Stormwater Control Authority	<u>54,250</u>

Total depreciation and amortization expense - business-type activities	<u><u>\$ 3,262,955</u></u>
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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	2,579,523	12,120,797	-	(10,220)	14,690,100
Total capital assets not being depreciated or amortized	<u>8,085,712</u>	<u>12,120,797</u>	<u>-</u>	<u>(10,220)</u>	<u>20,196,289</u>
Capital assets being depreciated or amortized:					
Buildings and improvements	181,749,425	-	-	-	181,749,425
Improvements other than buildings	93,503,829	1,773,572	-	10,220	95,287,621
Machinery and equipment	42,360,407	1,338,284	(251,385)	25,438	43,472,744
Intangible right-to-use lease machinery and equipment	4,062,105	-	(754,051)	-	3,308,054
Intangible right-to-use subscriptions	245,862	403,273	-	-	649,135
Total capital assets being depreciated or amortized	<u>321,921,628</u>	<u>3,515,129</u>	<u>(1,005,436)</u>	<u>35,658</u>	<u>324,466,979</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	(125,544,960)	(4,551,702)	-	-	(130,096,662)
Improvements other than buildings	(40,229,704)	(3,791,463)	-	-	(44,021,167)
Machinery and equipment	(34,980,037)	(1,681,127)	251,385	(25,438)	(36,435,217)
Intangible right-to-use lease machinery and equipment	(2,080,912)	(827,014)	754,051	-	(2,153,875)
Intangible right-to-use subscriptions	(100,576)	(226,621)	-	-	(327,197)
Total accumulated depreciation and amortization	<u>(202,936,189)</u>	<u>(11,077,927)</u>	<u>1,005,436</u>	<u>(25,438)</u>	<u>(213,034,118)</u>
Total capital assets being depreciated and amortized, net	<u>118,985,439</u>	<u>(7,562,798)</u>	<u>-</u>	<u>10,220</u>	<u>111,432,861</u>
School Board capital assets, net	<u>\$ 127,071,151</u>	<u>\$ 4,557,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,629,150</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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	\$ 8,953,495
Administration, attendance and health	176,584
Pupil transportation services	1,029,670
Operation and maintenance services	<u>918,178</u>

Total depreciation and amortization expense - Component Unit - School Board

\$ 11,077,927

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	<u>202,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,036</u>
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 and improvements	104,759	342,297	-	-	447,056
Total capital assets being depreciated or amortized	<u>2,794,556</u>	<u>342,297</u>	<u>-</u>	<u>-</u>	<u>3,136,853</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	(237,965)	(25,049)	-	-	(263,014)
Improvements other than buildings	(858,789)	(115,940)	-	-	(974,729)
Machinery and equipment	(69,485)	-	-	-	(69,485)
Intangible right-to-use lease buildings and improvements	-	(122,651)	-	-	(122,651)
Total accumulated depreciation and amortization	<u>(1,166,239)</u>	<u>(263,640)</u>	<u>-</u>	<u>-</u>	<u>(1,429,879)</u>
Total capital assets being depreciated and amortized, net	<u>1,628,317</u>	<u>78,657</u>	<u>-</u>	<u>-</u>	<u>1,706,974</u>
Harrisonburg-Rockingham Social Services District capital assets, net	<u>\$ 1,830,353</u>	<u>\$ 78,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,909,010</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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	\$ 263,640
	<hr/>
Total depreciation and amortization expense - Component Unit - Harrisonburg-Rockingham Social Services District	\$ 263,640
	<hr/> <hr/>

Note 6. Commitments

The County has active projects and significant project commitments as of June 30, 2024 as follows:

Primary Government

Project	Expended to June 30, 2024	Remaining Commitment
2025 Pierce Enforcer Pumper	\$ 450,000	\$ 433,986
Parks and Recreation Center (Fieldhouse)	6,809,634	6,987,846
Elkton Emergency Response Center	4,523,537	382,265
Fulks Run Emergency Response Center	-	3,657,457
Dayton Emergency Response Center	-	4,082,813
	<hr/>	<hr/>
	\$ 11,783,171	\$ 15,544,367
	<hr/> <hr/>	<hr/> <hr/>

Note 7. 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	\$ 642,324
Capital projects fund	6,260,998
Water and sewer fund	736,153
Solid Waste fund	990,461
Harrisonburg-Rockingham Social Services District	135,539
	<hr/>
Total	\$ 8,765,475
	<hr/> <hr/>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. 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, 2024:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 73,904,919	\$ -	\$ (7,391,686)	\$ 66,513,233	\$ 7,382,829
Unamortized premiums	5,758,709	-	(587,104)	5,171,605	-
Total bonds payable	79,663,628	-	(7,978,790)	71,684,838	7,382,829
Lease liabilities	1,045,796	293,782	(366,008)	973,570	78,485
Subscription liabilities	230,316	155,602	(279,874)	106,044	51,832
Private placement notes	2,084,503	-	(1,031,065)	1,053,438	1,053,438
Literary loan payable	-	7,962,427	-	7,962,427	-
Compensated absences	1,494,434	445,062	(238,521)	1,700,975	1,170,110
Governmental activities long-term activities	\$ 84,518,677	\$ 8,856,873	\$ (9,894,258)	\$ 83,481,292	\$ 9,736,694

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

Year(s) Ending June 30,	General Obligation Bonds		Private Placement Notes	
	Principal	Interest	Principal	Interest
2025	\$ 7,382,829	\$ 2,696,039	\$ 1,053,438	\$ 22,860
2026	7,683,662	2,329,714	-	-
2027	7,430,918	1,959,927	-	-
2028	7,003,504	1,601,668	-	-
2029	6,077,320	1,278,395	-	-
2030-2034	17,175,000	3,632,488	-	-
2035-2039	12,445,000	1,021,081	-	-
2040	1,315,000	19,232	-	-
	\$ 66,513,233	\$ 14,538,544	\$ 1,053,438	\$ 22,860

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

\$9,404,190 2005 series, issued November 2005, due in annual maturities of \$536,635 to \$545,699 through July 2025, plus interest at 4.60% to 4.85%	\$ 1,082,334
\$13,147,200 2006 series, issued November 2006, due in annual maturities of \$722,158 to \$744,134 through July 15, 2026, plus interest at 4.48% to 4.60%	2,198,960
\$10,610,000 2007 series, issued May 2007, due in annual maturities of \$700,000 to \$810,000 through July 15, 2027, plus interest at 4.50% to 5.10%	3,015,000
\$6,364,713 2007 series, issued November 2007, due in annual maturities of \$349,794 to \$371,160 through July 2027, plus interest at 5.10%	1,441,183
\$11,630,000 2008 series, issued May 2008, due in annual maturities of \$740,000 to \$900,000 through July 2028, plus interest at 4.60% to 5.10%	4,090,000
\$12,701,410 2008 series, issued December 2008, due in annual maturities of \$684,242 to \$742,320 through July 2028, plus interest at 5.10% to 5.35%	3,565,756
\$24,560,000 2009 series, issued May 2009, due in annual maturities of \$1,470,000 to \$1,855,000 through July 2029, plus interest at 4.05% to 5.05%	9,935,000
\$22,540,000 2017 series, issued November 2017 due in annual maturities of \$955,000 to \$1,585,000 through July 2037, plus interest at 3.05% to 5.05%	17,930,000
\$18,675,000 2019 series, issued November 2019 due in annual maturities of \$710,000 to \$1,315,000 through July 2039, plus interest at 2.80% to 5.05%	16,335,000
\$4,965,000 2019 VRA bond, entered into August 2019, due in annual maturities of \$305,000 to \$480,000 through October 2033, plus interest payable semi-annually at 4.52% to 5.13%	3,885,000
\$3,785,000 2019 VRA Fall Pool, entered into October 2019, due in annual maturities of \$210,000 to \$340,000 through October 2034, plus interest payable semi-annually at 3.59% to 5.13%	<u>3,035,000</u>
Total General Obligation Bonds	<u><u>\$ 66,513,233</u></u>

All general obligation bonds series 2005 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.

The School Board entered into an agreement in August 2023 with the Commonwealth of Virginia to receive a temporary literary loan not to exceed \$14,000,000 for renovations at Broadway High School. Upon disbursement of the entire authorized amount, this loan will be replaced by a permanent bond. The principal balance of the permanent bond shall bear interest at 3% and be payable in annual installments on such date and in such amounts as determined upon issuance. The temporary loan bears interest at 3% and interest is to be paid upon cancellation of the temporary note. At June 30, 2024, the literary loan had an outstanding balance of \$7,962,427.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. 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, with a final payment of \$1,053,438 in December 2024, plus interest payable at 2.17%

\$ 1,053,438

Total private placement notes

\$ 1,053,438

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	\$ 18,265,000	\$ -	\$ (1,755,000)	\$ 16,510,000	\$ 1,735,000
Lease liabilities	157,138	-	(9,785)	147,353	10,244
Landfill obligation	17,674,289	883,226	-	18,557,515	-
Compensated absences	165,835	82,188	(43,930)	204,093	110,629
Unamortized premiums	2,274,621	-	(203,851)	2,070,770	-
Business-type activities long-term liabilities	<u>\$ 38,536,883</u>	<u>\$ 965,414</u>	<u>\$ (2,012,566)</u>	<u>\$ 37,489,731</u>	<u>\$ 1,855,873</u>

Annual requirements to amortize the revenue bonds are as follows:

Year(s) Ending June 30,	Revenue Bonds	
	Principal	Interest
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	1,790,000	333,756
2030-2034	5,655,000	837,078
2035-2038	1,905,000	100,603
	<u>\$ 16,510,000</u>	<u>\$ 3,406,887</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. 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% \$ 5,120,000

Infrastructure Revenue Bonds (Virginia Pooled Financing Program):

\$3,695,000 issued November 2017, due in installments of \$150,000 to \$265,000 in October 2037, plus interest payable semi-annually ranging from 3.13% to 5.13% 2,925,000

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% 2,400,000

Infrastructure Revenue Bond (Virginia Pooled Financing Program):

\$9,845,000 issued May 2017, due in annual installments of \$645,000 to \$870,000 through October 2032, plus interest payable semi-annually ranging from 3.13% to 5.13% 6,065,000

\$ 16,510,000

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 18.

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. 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, 2024:

Component Unit – School Board

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 4,290,354	\$ 5,605,714	\$ (5,410,683)	\$ 4,485,385	\$ 2,981,663
Lease liabilities	2,047,711	-	(830,052)	1,217,659	868,151
Subscription liabilities	149,136	403,273	(215,976)	336,433	172,754
School Board Component Unit long-term liabilities	\$ 6,487,201	\$ 6,008,987	\$ (6,456,711)	\$ 6,039,477	\$ 4,022,568

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, 2024:

Component Unit – Harrisonburg-Rockingham Social Services District

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 43,085	\$ 291,189	\$ (285,085)	\$ 49,189	\$ 31,838
Lease liabilities	104,759	342,297	(82,029)	365,027	136,131
Social Services District Component Unit long-term liabilities	\$ 147,844	\$ 633,486	\$ (367,114)	\$ 414,216	\$ 167,969

Note 9. Leases

Primary Government

Lease Receivable

During the current fiscal year, the County leased five 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, one is a building being leased for 10 years ending on January 2034, one is a building being leased for 4 years ending on January 2028, and a tower being leased for fifteen years ending on August 31, 2027. The County will receive monthly payments ranging from \$3,000 to \$61,160 for the buildings and \$1,000 to \$1,463 for the tower. The County recognized \$897,580 in lease revenue and \$145,633 in interest revenue during the current fiscal year related to these leases. As of June 30, 2024, the County’s receivable for lease payments was \$3,428,848. 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, 2024, the balance of the deferred inflows of resources was \$3,265,812.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Leases (Continued)

Primary Government (Continued)

Leases Payable

Governmental Activities

The County has a twelve-year lease agreement as lessee for a building. As of June 30, 2024, the value of the lease liability was \$290,029. The County is required to make monthly principal and interest payments ranging from \$3,203, to \$3,362. The lease has an interest rate of 4.59%. The building has a twelve-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$356,808 and had accumulated amortization of \$89,202.

The County had a ten-year lease agreement as lessee for a parking lot. As of June 30, 2024, the value of the lease liability was \$257,222. The County is required to make annual principal and interest payments ranging from \$35,000 to \$36,050. The lease has an interest rate of 4.59%. The parking lot has a ten-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$279,397 and had accumulated amortization of \$27,940. This lease began during the current fiscal year, resulting in \$279,397 of issuance of lease reported in other financing sources.

The County had a twelve-year lease agreement as lessee for ethernet cables. As of June 30, 2024, the value of the lease liability was \$426,319. The County is required to make monthly principal and interest payments of \$4,049. The lease has an interest rate of 4.59%. The ethernet cables have a twelve-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$454,628 and had accumulated amortization of \$37,113.

The future principal and interest lease payments as of June 30, 2024 are as follows:

Year(s) Ending June 30,	Governmental activities	
	Leases	
	Principal	Interest
2025	\$ 78,485	\$ 54,449
2026	82,141	49,993
2027	85,967	45,328
2028	89,974	40,446
2029	97,179	35,294
2030-2034	480,905	89,699
2035-2036	58,919	2,867
	<u>\$ 973,570</u>	<u>\$ 318,076</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Leases (Continued)

Primary Government (Continued)

Leases Payable (Continued)

Business-type Activities

The Water and Sewer fund had a twelve-year lease agreement as lessee for ethernet cables. As of June 30, 2024, the value of the lease liability was \$98,235. The Water and Sewer fund is required to make monthly principal and interest payments of \$933. The lease has an interest rate of 4.59%. The ethernet cables have a twelve-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$104,759 and had accumulated amortization of \$8,552.

The Solid Waste fund had a twelve-year lease agreement as lessee for ethernet cables. As of June 30, 2024, the value of the lease liability was \$49,118. The Solid Waste fund is required to make monthly principal and interest payments of \$467. The lease has an interest rate of 4.59%. The ethernet cables have a twelve-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$52,379 and had accumulated amortization of \$4,275.

The future principal and interest lease payments as of June 30, 2024 are as follows:

Year Ending June 30,	Business-type activities	
	Leases	
	Principal	Interest
2025	\$ 10,244	\$ 6,550
2026	10,724	6,070
2027	11,227	5,567
2028	11,754	5,041
2029	12,304	4,489
2030-2034	70,735	13,235
2035-2036	20,365	629
	<u>\$ 147,353</u>	<u>\$ 41,581</u>

Component Unit – School Board

Lease Payable

During the current fiscal year, the School Board had three agreements as a lessee for equipment, with lease lengths of four years. As of June 30, 2024, the total value of the lease liability was \$1,217,659. The School Board is required to make annual principal and interest payments ranging from \$263,758 to \$365,551. The leases have an interest rate of 4.59%. The equipment has a four-year estimated useful life. The value of the intangible right-to-use lease assets as of the end of the current fiscal year was \$3,308,054 and had accumulated amortization of \$2,153,875.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Leases (Continued)

Component Unit – School Board (Continued)

Leases Payable (Continued)

The future principal and interest lease payments as of June 30, 2024 are as follows:

Year Ending June 30,	School Board	
	Leases	
	Principal	Interest
2025	\$ 868,151	\$ 55,891
2026	349,508	16,042
	<u>\$ 1,217,659</u>	<u>\$ 71,933</u>

Component Unit – Harrisonburg-Rockingham Social Services District

Lease Payable

The District has a three-year lease agreement as lessee for a building. As of June 30, 2024, the value of the lease liability was \$266,792. The District is required to make monthly principal and interest payments ranging from \$6,688, to \$11,744. The lease has an interest rate of 4.59%. The building has a three-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$342,297 and had accumulated amortization of \$114,099. This lease began during the current fiscal year, resulting in \$342,297 of other financing sources.

The District had a twelve-year lease agreement as lessee for ethernet cables. As of June 30, 2024, the value of the lease liability was \$98,235. The District is required to make monthly principal and interest payments of \$933. The lease has an interest rate of 4.59%. The ethernet cables have a twelve-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$104,759 and had accumulated amortization of \$8,552.

The future principal and interest lease payments as of June 30, 2024 are as follows:

Year Ending June 30,	Harrisonburg-Rockingham Social Services District	
	Leases	
	Principal	Interest
2025	\$ 136,131	\$ 13,915
2026	144,640	7,488
2027	7,485	3,711
2028	7,836	3,360
2029	8,203	2,993
2030-2034	47,157	8,823
2035-2036	13,575	419
	<u>\$ 365,027</u>	<u>\$ 40,709</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Subscription-Based Information Technology Arrangements

Primary Government

Governmental Activities

The County had a three-year subscription agreement for Geographic Information System software. As of June 30, 2024, the value of the subscription liability was \$106,044. The County is required to make annual principal and interest payments of \$56,700. The subscription has an interest rate of 4.59%. The intangible right-to-use subscription asset has a three year estimated useful life. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was \$155,602 and had accumulated amortization of \$51,867. This subscription began during the current fiscal year, resulting in \$155,602 of other financing sources.

The future principal and interest subscription payments as of June 30, 2024 are as follows:

Year(s) Ending June 30,	Primary Government	
	Subscriptions	
	Principal	Interest
2025	\$ 51,832	\$ 4,867
2026	54,212	2,488
	<u>\$ 106,044</u>	<u>\$ 7,355</u>

Component Unit – School Board

The School Board has seven SBITAs at June 30, 2024, with subscription liabilities totaling \$336,433. The School Board is required to make annual principal and interest payments ranging from \$10,662 to \$73,990. The subscriptions have an interest rate of 4.59%. The intangible right-to-use subscription assets range from two to five years estimated useful life. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was \$649,135 and had accumulated amortization of \$327,197. Four of the subscriptions began during the current fiscal year, resulting in \$403,273 of other financing sources.

The future principal and interest SBITA payments as of June 30, 2024 are as follows:

Year Ending June 30,	School Board	
	Subscriptions	
	Principal	Interest
2025	\$ 172,754	\$ 15,443
2026	134,420	7,513
2027	9,319	1,343
2028	9,746	915
2029	10,194	468
	<u>\$ 336,433</u>	<u>\$ 25,682</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. 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, 2024, the bonds have an aggregate outstanding principal amount payable of \$215,297,016.

Note 12. 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 July 1, 2024 (most recent available) consist of the following:

Series	Amount	Interest
Series 2007	\$ 11,734,642	2.52%
Series 2008B	13,217,408	2.72%
Series 2015	5,784,626	1.20%
Series 2017	11,106,255	2.25%
Series 2020	6,157,943	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 \$1,728,620, \$460,000, and \$1,810,000, 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 13. 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)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

	Net Pension Asset	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
County	\$ -	\$ 12,500,060	\$ 6,144,524	\$ 1,905,653	\$ 3,489,666
District	-	3,080,754	1,514,374	469,666	860,060
School Board:					
Professional	-	84,370,903	27,642,215	9,308,319	8,959,039
Non-professional	971,440	-	861,913	760,346	342,782
Total School Board	971,440	84,370,903	28,504,128	10,068,665	9,301,821
	<u>\$ 971,440</u>	<u>\$ 99,951,717</u>	<u>\$ 36,163,026</u>	<u>\$ 12,443,984</u>	<u>\$ 13,651,547</u>

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 Virginia*, 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
<p>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.</p>	<p>About Plan 2 <i>Political subdivision employees:</i> Same as Plan 1. <i>School division employees (teachers):</i> 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.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Eligible Members</p> <p><i>Political subdivision employees:</i> 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.</p> <p><i>School division employees (teachers):</i> 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.</p> <p><i>Hybrid Opt-In Election</i> 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.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>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.</p>	<p>Eligible Members</p> <p><i>Political subdivision employees:</i> 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.</p> <p><i>School division employees (teachers):</i> 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.</p> <p><i>Hybrid Opt-In Election</i> 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.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>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.</p>	<p>Eligible Members</p> <p>Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • 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. <p><i>*Non-Eligible Members</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. <p>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.</p>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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.</p>	<p>Retirement Contributions Same as Plan 1.</p>	<p>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.</p>
<p>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.</p>	<p>Service Credit Same as Plan 1.</p>	<p>Service Credit <i>Defined Benefit Component</i> 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.</p> <p><i>Defined Contribution Component</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <i>Defined Benefit Component</i> 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.</p>
<p>Members are always 100% vested in the contributions that they make.</p>		<p><i>Defined Contribution Component</i> 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.</p>
		<p>Members are always 100% vested in the contributions that they make.</p>
		<p>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.</p>
		<ul style="list-style-type: none">• 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. <p>After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</p>
		<p>Distribution is not required, except as governed by law until age 73.</p>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier.</p> <p>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.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <i>Defined Benefit Component</i> See definition under Plan 1.</p> <p><i>Defined Contribution Component</i> 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.</p>
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier <i>VRS:</i> 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%.</p>	<p>Service Retirement Multiplier <i>VRS:</i> 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.</p>	<p>Service Retirement Multiplier <i>Defined Benefit Component</i> <i>VRS:</i> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p>
<p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p>	<p>Sheriffs and regional jail superintendents: Same as Plan 1.</p>	<p>Sheriffs and regional jail superintendents: Not applicable.</p>
<p>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.</p>	<p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Political subdivision hazardous duty employees: Not applicable.</p> <p><i>Defined Contribution Component</i> Not applicable.</p>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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%.</p> <p><i>Eligibility:</i> 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.</p> <p>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.</p> <p><u>Exceptions to COLA</u> <u>Effective Dates:</u> 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:</p> <ul style="list-style-type: none"> • 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. 	<p>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%.</p> <p><i>Eligibility:</i> Same as Plan 1.</p> <p><u>Exceptions to COLA</u> <u>Effective Dates:</u> School Division (Teachers) and Political Subdivision Employees: Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement <i>Defined Benefit Component</i> Same as Plan 2.</p> <p><i>Defined Contribution Component</i> Not applicable.</p> <p><i>Eligibility:</i> Same as Plan 1 and Plan 2.</p> <p><u>Exceptions to COLA</u> <u>Effective Dates:</u> School Division (Teachers) and Political Subdivision Employees: Same as Plan 1 and Plan 2.</p>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued) <u>Exceptions to COLA Effective Dates: (Continued)</u> School Division (Teachers) and Political Subdivision Employees (continued):</p> <ul style="list-style-type: none"> • 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. 		
<p>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.</p>	<p>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.</p>	<p>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.</p> <p>Hybrid plan 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.</p>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service <i>Defined Benefit Component</i> Same as Plan 1, with the following exception: <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. <i>Defined Contribution Component</i> Not applicable.</p>

B. Employees Covered by Benefit Terms

County and the District Plan (Agent Plan)

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>406</u>
Inactive members:	
Vested	138
Non-vested	237
Active elsewhere in VRS	372
Active members	<u>679</u>
Total covered employees	<u><u>1,832</u></u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

B. Employees Covered by Benefit Terms (Continued)

School Board Non-Professional Plan (Agent Plan)

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>314</u>
Inactive members:	
Vested	70
Non-vested	101
Active elsewhere in VRS	56
Active members	<u>367</u>
Total covered employees	<u><u>908</u></u>

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, 2024 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 \$5,667,155 and \$4,746,659 for the years ended June 30, 2024 and 2023, respectively.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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, 2024 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 \$476,126 and \$462,418 for the years ended June 30, 2024 and 2023, 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, 2024 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 \$14,072,215 and \$13,177,237 for the years ended June 30, 2024 and 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The School Board's proportionate share totaling \$1,230,912 is reflected in the Statement of Activities as following, instruction for \$1,179,073, administration, attendance and health for \$40,822, pupil transportation services for \$6,487, and operations and maintenance services for \$4,530.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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, 2023. The total pension liabilities used to calculate the NPLs were determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2024, the School Board reported a liability for the professional plan of \$84,370,903 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to a measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Board's proportion was 0.83476% as compared to 0.82428% at June 30, 2022.

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, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 57,574,609
Plan fiduciary net position	47,467,405
Employers' net pension liability	\$ 10,107,204

Plan fiduciary net position as a percentage of the
total pension liability 82.45%

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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, 2022, 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, 2023.

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, 2022 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, 2021. 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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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, 2022, 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, 2023.

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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, 2022 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, 2021. 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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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 standard rates.

The actuarial assumptions used in the June 30, 2022 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, 2021. 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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi - Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
	Inflation		2.50%
			8.25%

*The above allocation provides a one-year expected return of 8.25%. 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 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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, 2022, actuarial valuations, whichever is greater. From July 1, 2023 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, 2023, 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, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers are assumed to contribute 112% 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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, 2022	\$ 143,575,604	\$ 128,863,520	\$ 14,712,084
Changes for the Year:			
Service cost	4,607,297	-	4,607,297
Interest	9,782,588	-	9,782,588
Difference between expected and actual experience	1,264,088	-	1,264,088
Contributions – employer	-	4,746,659	(4,746,659)
Contributions – employee	-	1,710,797	(1,710,797)
Net investment income	-	8,406,457	(8,406,457)
Benefit payments, including refunds of employee contributions	(6,511,328)	(6,511,328)	-
Administrative expense	-	(82,066)	82,066
Other changes	-	3,396	(3,396)
Net changes	9,142,645	8,273,915	868,730
Balances at June 30, 2023	\$ 152,718,249	\$ 137,137,435	\$ 15,580,814

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

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

School Board Non-Professional Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balances at June 30, 2022	\$ 40,639,480	\$ 42,230,118	\$ (1,590,638)
Changes for the Year:			
Service cost	822,744	-	822,744
Interest	2,715,984	-	2,715,984
Difference between expected and actual experience	622,466	-	622,466
Contributions – employer	-	462,418	(462,418)
Contributions – employee	-	427,432	(427,432)
Net investment income	-	2,678,476	(2,678,476)
Benefit payments, including refunds of employee contributions	(2,450,843)	(2,450,843)	-
Administrative expense	-	(27,402)	27,402
Other changes	-	1,072	(1,072)
Net changes	1,710,351	1,091,153	619,198
Balances at June 30, 2023	\$ 42,349,831	\$ 43,321,271	\$ (971,440)

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:

	Current		
	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Primary Government net pension liability	\$ 30,638,446	\$ 12,500,060	\$ (2,206,703)
District net pension liability	7,551,126	3,080,754	(543,859)
Total primary government and District net pension liability (asset)	38,189,572	15,580,814	(2,750,562)
School Board non-professional net pension liability (asset)	3,721,763	(971,440)	(4,958,600)
School Board professional net pension liability	149,559,518	84,370,903	30,780,499

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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, 2024, the County and District recognized pension expense of \$4,349,726. At June 30, 2024, 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	\$ 809,815	\$ (316,331)	\$ 199,586	\$ (77,963)	\$ 1,009,401	\$ (394,294)
Changes in assumptions	788,106	-	194,236	-	982,342	-
Net differences between projected and actual earnings on pension plan investments	-	(1,589,322)	-	(391,703)	-	(1,981,025)
Employer contributions subsequent to the measurement date	4,546,603	-	1,120,552	-	5,667,155	-
Total	\$ 6,144,524	\$ (1,905,653)	\$ 1,514,374	\$ (469,666)	\$ 7,658,898	\$ (2,375,319)

The \$5,667,155 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, 2025. 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
2025	\$ (368,125)	\$ (90,728)	\$ (458,853)
2026	(1,646,016)	(405,676)	(2,051,692)
2027	1,660,302	409,197	2,069,499
2028	46,107	11,363	57,470
	\$ (307,732)	\$ (75,844)	\$ (383,576)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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, 2024, the School Board recognized pension expense related to its non-professional plan of \$342,782. At June 30, 2024, 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	\$ 385,787	\$ (50,706)
Net difference between projected and actual earnings on pension plan investments	-	(709,640)
Employer contributions subsequent to the measurement date	476,126	-
Total	<u>\$ 861,913</u>	<u>\$ (760,346)</u>

The 476,126 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, 2025. 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
2025	\$ (314,113)
2026	(695,412)
2027	611,269
2028	23,697
	<u>\$ (374,559)</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. 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, 2024, the School Board recognized pension expense related to the professional plan of \$8,959,039 and the Commonwealth’s special contribution of \$1,230,912. 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, 2024, 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	\$ 7,247,532	\$ (3,292,513)
Changes in assumptions	3,824,829	-
Net difference between projected and actual earnings on pension plan investments	-	(5,485,811)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	2,497,639	(529,995)
Employer contributions subsequent to the measurement date	14,072,215	-
Total	\$ 27,642,215	\$ (9,308,319)

The \$14,072,215 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, 2025. 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
2025	\$ (1,028,910)
2026	(3,927,464)
2027	7,399,154
2028	1,818,901
	<u>\$ 4,261,681</u>

K. Pension Plan Data

Detailed information about the VRS Political Subdivision Retirement Plan and VRS Teacher Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. 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	\$ 7,395,772	\$ 1,438,789	\$ 2,130,173	\$ 454,837
District	1,841,359	357,643	531,070	113,243
Total County and District	9,237,131	1,796,432	2,661,243	568,080
Total School Board	41,940,540	6,538,196	7,167,177	2,589,588
	<u>\$ 51,177,671</u>	<u>\$ 8,334,628</u>	<u>\$ 9,828,420</u>	<u>\$ 3,157,668</u>

14.1. 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
<p><i>Eligible Employees</i> 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.</p>
<p><i>Retirement Eligibility</i> Employees may retire under the VRS with an unreduced pension benefit under the following age and service requirements:</p> <ul style="list-style-type: none"> • Plan 1 eligible employees <ul style="list-style-type: none"> ○ Age 50 and 30 years of service ○ Age 65 and 5 years of service • Plan 2 and Hybrid plan eligible employees <ul style="list-style-type: none"> ○ Age 65 with 5 years of service ○ Rule of 90

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. Medical Insurance Program (Continued)

A. Plan Description (Continued)

County and the District (Continued)

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS (Continued)
<p><i>Benefit Amounts</i></p> <p>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.</p>
<p><i>Reduction in Benefit Amounts</i></p> <p>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.</p>
<p><i>Death of a Retiree</i></p> <p>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.</p>

School Board

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS
<p><i>Eligible Employees</i></p> <p>Retired employees may participate in the School Board health insurance program in accordance with the following terms and conditions:</p> <ul style="list-style-type: none">• 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.
<p><i>Retirement Eligibility</i></p> <p>School Board employees may retire under the VRS according to the same eligibility requirements as the County and the District employees described above.</p>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. Medical Insurance Program (Continued)

A. Plan Description (Continued)

School Board (Continued)

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS (Continued)
<p><i>Benefit Amounts</i> The School Board will pay \$20 monthly for the retiree until the retiree becomes eligible for or obtains other health coverage.</p>
<p><i>Death of a Retiree</i> 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.</p>

B. Employees Covered by Benefit Terms

At July 1, 2023, the following employees were covered by the benefit terms:

County and the District

	<u>Number</u>
Inactive employees or beneficiaries currently receiving benefit payments	17
Inactive employees entitled to but not yet receiving benefit payments	2
Active employees	<u>618</u>
Total	<u><u>637</u></u>

School Board

	<u>Number</u>
Inactive employees or beneficiaries currently receiving benefit payments	54
Inactive employees entitled to but not yet receiving benefit payments	20
Active employees	<u>1,726</u>
Total	<u><u>1,800</u></u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. Medical Insurance Program (Continued)

C. Total Medical Insurance Program OPEB Liability

The County and the District's total Medical Insurance OPEB liability of \$7,388,389 was measured as of June 30, 2024 with a reporting date of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023. The School Board's total Medical Insurance OPEB liability of \$26,555,048 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

D. Actuarial Assumptions and Other Inputs

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2023, 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	4.13% per annum
Healthcare cost trend rates	6.25% in 2023, then decreasing from 7.00% to 5.60% over 3 years to then follow the Getzen model to an 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, 2023.

County and the District

Mortality Rates

The following mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2022 Comprehensive Annual Financial Statement for the Virginia Retirement System.

Pre-Commencement: Pub-2010 General Government Healthy Annuitant Headcount Weighted Tables; set forward 2 years for females with no adjustment for males. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Post-Commencement: Pub-2010 General Government Healthy Annuitant Headcount Weighted Tables; 110% for females with no adjustment for males. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Post-Disablement: Pub-2010 General Government Disabled Headcount Weighted Tables; set forward 3 years for males and females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Beneficiaries and Survivors: Pub-2010 General Government Contingent Survivor Headcount Weighted Tables; 110% for males and females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. 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: Pub-2010 Headcount-Weighted Teachers Employee Rates projected generationally; 110% of rates for males; with 75% of improvement scale MP2021

Post-Commencement: Pub-2010 Headcount- Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females; with 75% of improvement scale MP2021.

Post-Disablement: Pub-2010 Headcount-Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females with 75% of improvement scale MP2021.

Beneficiaries and Survivors: Pub-2010 Headcount-Weighted Teachers Contingent Annuitant Rates projected generationally, with 75% of improvement scale MP2021.

E. Changes in the Total Medical Insurance OPEB Liability

County and the District

	Total Medical Insurance OPEB Liability
Balance at June 30, 2023	\$ 8,596,050
Changes for the year:	
Service cost	530,187
Interest	368,674
Experience losses	332,850
Changes in assumptions	(2,239,871)
Benefits paid	(199,501)
Net changes	(1,207,661)
Balance at June 30, 2024	\$ 7,388,389

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. 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, 2023	\$ 27,909,020
Changes for the year:	
Service cost	1,475,692
Interest	1,181,568
Benefit changes	158,485
Experience losses	1,749,493
Changes in assumptions	(5,143,895)
Benefits paid	(775,315)
Net changes	<u>(1,353,972)</u>
Balance at June 30, 2024	<u>\$ 26,555,048</u>

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 (3.13%) or 1-percentage-point higher (5.13%) than the current discount rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Primary Government	\$ 6,645,008	\$ 5,912,507	\$ 5,278,303
District	1,659,176	1,475,882	1,317,927
Total primary government and District	<u>8,304,184</u>	<u>7,388,389</u>	<u>6,596,230</u>
School Board	29,515,371	26,555,048	23,951,855

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. 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 or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Rate	1% Increase
Primary Government	\$ 5,127,339	\$ 5,912,189	\$ 6,864,657
District	1,280,233	1,476,200	1,714,019
Total primary government and District	6,407,572	7,388,389	8,578,676
School Board	23,234,096	26,555,048	30,521,443

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, 2024, the County and the District and the School Board recognized Medical Insurance OPEB expense of \$349,397, \$87,010, and \$1,538,859, respectively.

County and the District

At June 30, 2024, 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	\$ 587,302	\$ -	\$ 146,578	\$ -	\$ 733,880	\$ -
Changes in assumptions	383,153	(1,922,376)	95,668	(479,868)	478,821	(2,402,244)
Total	\$ 970,455	\$ (1,922,376)	\$ 242,246	\$ (479,868)	\$ 1,212,701	\$ (2,402,244)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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
2025	\$ (210,415)	\$ (52,538)	\$ (262,953)
2026	(210,413)	(52,537)	(262,950)
2027	(47,522)	(11,866)	(59,388)
2028	(47,524)	(11,866)	(59,390)
2029	(218,000)	(54,432)	(272,432)
Thereafter	(218,047)	(54,383)	(272,430)
Total	\$ (951,921)	\$ (237,622)	\$ (1,189,543)

School Board

At June 30, 2024, 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	\$ 2,191,999	\$ (8,247)
Change in assumptions	1,343,368	(5,802,361)
Total	\$ 3,535,367	\$ (5,810,608)

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
2025	\$ (501,571)
2026	(501,571)
2027	(151,134)
2028	(151,133)
2029	(484,914)
Thereafter	(484,918)
Total	\$ (2,275,241)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. 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:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <p>The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.</p> <p>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.</p>
<p>Benefit Amounts</p> <p>The benefits payable under the GLI have several components.</p> <ul style="list-style-type: none">• 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:<ul style="list-style-type: none">○ Accidental dismemberment benefit○ Seatbelt benefit○ Repatriation benefit○ Felonious assault benefit○ Accelerated death benefit option

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

A. Plan Description (Continued)

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS (Continued)
<p>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.</p>
<p>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 \$9,254 as of June 30, 2024.</p>

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, 2024 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, 2024 and 2023 were as follows.

	2024	2023
County and the District	\$ 219,424	\$ 196,073
School Board Non-Professional	54,518	50,540
School Board Professional	481,908	448,496

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

B. Contributions (Continued)

In June 2023, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The primary government's proportionate share totaling \$12,548 is reflected in the Statement of Activities as follows, general government administration for \$1,652, judicial administration for \$1,413, public safety for \$7,558, public works for \$303, parks, recreation and cultural for \$219, community development for \$418, water and sewer for \$466, and solid waste for \$519. The District's proportionate share is reflected in the Statement of Activities in health and human services for \$3,093. The School Board's proportionate share totaling \$39,805 is reflected in the Statement of Activities as follows, instruction for \$34,447, administration, attendance and health for \$985, pupil transportation services for \$1,616, operation and maintenance services for \$1,877, and school food services for \$880.

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, 2024, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	2024
Primary Government	\$ 1,483,265
District	365,477
Total primary government and District	1,848,742
School Board Non-Professional	476,487
School Board Professional	4,228,659

The net GLI OPEB Liability was measured as of June 30, 2023 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, comparisons of the participating employers' proportions to June 30, 2021 are as follows:

	2024	2023
County and the District	0.15415%	0.14913%
School Board Non-Professional	0.03973%	0.03987%
School Board Professional	0.35259%	0.35190%

For the year ended June 30, 2024, the County and the District, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of \$131,673, \$11,340, and \$196,945, 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. 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, 2024, 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	\$ 148,142	\$ (45,025)	\$ 36,502	\$ (11,094)	\$ 184,644	\$ (56,119)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(59,606)	-	(14,687)	-	(74,293)
Change in assumptions	31,706	(102,766)	7,812	(25,322)	39,518	(128,088)
Changes in proportionate share	112,440	(400)	27,705	(99)	140,145	(499)
Employer contribution subsequent to the measurement date	176,046	-	43,378	-	219,424	-
Total	\$ 468,334	\$ (207,797)	\$ 115,397	\$ (51,202)	\$ 583,731	\$ (258,999)

The \$219,424 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, 2025. 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
2025	\$ 23,379	\$ 5,761	\$ 29,140
2026	(30,401)	(7,491)	(37,892)
2027	49,415	12,176	61,591
2028	19,064	4,697	23,761
2029	23,034	5,674	28,708
Total	\$ 84,491	\$ 20,817	\$ 105,308

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. 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	\$ 47,589	\$ (14,464)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(19,148)
Change in assumptions	10,185	(33,013)
Changes in proportionate share	2,633	(21,353)
Employer contribution subsequent to the measurement date	54,518	-
Total	\$ 114,925	\$ (87,978)

The \$54,518 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, 2025. 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
2025	\$ (11,036)
2026	(26,658)
2027	4,365
2028	1,346
2029	4,412
Total	\$ (27,571)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. 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	\$ 422,340	\$ (128,361)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(169,932)
Change in assumptions	90,389	(292,978)
Changes in proportionate share	118,768	(53,389)
Employer contribution subsequent to the measurement date	481,908	-
Total	\$ 1,113,405	\$ (644,660)

The \$481,908 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, 2025. 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (22,619)
2026	(160,639)
2027	100,579
2028	26,339
2029	43,177
Total	\$ (13,163)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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, 2022 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, 2021. 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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. 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, 2022 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, 2021. 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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. 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, 2022 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, 2021. 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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. 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, 2023, NOL amounts for the GLI are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$ 3,907,052
Plan fiduciary net position	<u>2,707,739</u>
GLI OPEB liability	<u>\$ 1,199,313</u>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	69.30%

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. 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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi - Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
	Inflation		2.50%
			8.25%

* Expected arithmetic nominal return

* The above allocation provides a one-year return of 8.25%. 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 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, 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, 2023, 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 113% of the actuarially determined contribution rate. From July 1, 2023 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. 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	\$ 2,198,662	\$ 1,483,265	\$ 904,862
District	541,751	365,477	222,958
Total primary government and District	2,740,413	1,848,742	1,127,820
School Board Non-Professional	706,303	476,487	290,680
School Board Professional	6,268,194	4,228,659	2,579,682

I. Group Life Insurance Program Fiduciary Net Position

Detailed information about the GLI's fiduciary net position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. 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
<p><i>Eligible Employees</i> 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.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none">• Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
<p><i>Benefit Amounts</i> The political subdivision's Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none">• 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

A. Plan Description (Continued)

School Board Non-Professional Plan (Continued)

POLITICAL SUBDIVISION HIC PLAN PROVISIONS (Continued)
<p><i>Health Insurance Credit Program Notes</i></p> <ul style="list-style-type: none"> • 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
<p><i>Eligible Employees</i></p> <p>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.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.
<p><i>Benefit Amounts</i></p> <p>The Teacher Employee Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ \$4.00 per month, multiplied by twice the amount of service credit, or ○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.
<p><i>Health Insurance Credit Program Notes</i></p> <ul style="list-style-type: none"> • 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

B. Employees Covered by Benefit Terms

School Board Non-Professional Plan

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan.

	<u>Number</u>
Inactive members:	
Inactive members or their beneficiaries currently receiving benefits	246
Vested	9
Total inactive members	<u>255</u>
Active members	<u>376</u>
Total covered employees	<u><u>631</u></u>

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, 2024, 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, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
School Board Professional	\$ 1,077,563	\$ 1,003,541
School Board Non-Professional	83,797	77,658

In June 2023, the Commonwealth made a special contribution of approximately \$4.0 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The School Board's proportionate share totaling \$33,307 is reflected in the Statement of Activities as follows, instruction for \$31,930, administration, attendance and health for \$919, pupil transportation services for \$266, operation and maintenance services for \$122, and school food services for \$70.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. 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, 2023. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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, 2023, 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	\$ 1,475,471
Plan fiduciary net position	<u>264,054</u>
Teacher employee net HIC OPEB liability	<u><u>\$ 1,211,417</u></u>
Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	17.90%

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. 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, 2022, 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, 2023.

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. 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, 2022 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, 2021. 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. 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, 2022 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, 2021. 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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. 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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi - Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
	Inflation		2.50%
			8.25%

* The above allocation provides a one-year expected return of 8.25%. 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 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

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, 2023, 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, 2023 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.

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, 2022	\$ 1,161,853	\$ 529,897	\$ 631,956
Changes for the year:			
Service cost	12,371	-	12,371
Interest	76,403	-	76,403
Differences between expected and actual experience	(7,631)	-	(7,631)
Contributions - employer	-	77,658	(77,658)
Net investment income	-	31,782	(31,782)
Benefit payments, including refunds of employee contributions	(84,649)	(84,649)	-
Administrative expenses	-	(762)	762
Other changes	-	403	(403)
Net changes	(3,506)	24,432	(27,938)
Balance at June 30, 2023	\$ 1,158,347	\$ 554,329	\$ 604,018

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

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	\$ 11,397,452	\$ 10,076,328	\$ 8,956,790
School Board Non-Professional	710,166	604,018	512,412

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, 2024, the School Board non-professional plan recognized HIC OPEB expense of \$47,511. At June 30, 2024, 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	Deferred
Differences between expected and actual experience	\$ 3,049	\$ (14,341)
Net difference between projected and actual earnings on	-	(5,544)
Change in assumptions	7,762	-
Employer contributions subsequent to the measurement date	83,797	-
Total	\$ 94,608	\$ (19,885)

The \$83,797 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, 2025. 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
2025	\$ (6,656)
2026	(10,030)
2027	6,866
2028	746
Total	\$ (9,074)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. 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, 2024, the School Board professional plan reported a liability of \$10,076,328 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, 2023, the School Board professional plan’s proportion of the Teacher Employee HIC was 0.83178% as compared to 0.82013% at June 30, 2022.

For the year ended June 30, 2024, the School Board professional plan recognized Teacher Employee HIC OPEB expense of \$794,933. 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, 2024, 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	\$ -	\$ (443,510)
Net difference between projected and actual earnings on HIC OPEB program investments	5,057	-
Change in assumptions	234,560	(10,154)
Changes in proportionate share	362,711	(150,382)
Employer contributions subsequent to the measurement date	1,077,563	-
Total	\$ 1,679,891	\$ (604,046)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. 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 \$1,077,563 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, 2025. 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (24,845)
2026	(17,411)
2027	20,126
2028	12,715
2029	4,617
Thereafter	<u>3,080</u>
Total	<u>\$ (1,718)</u>

K. HIC Credit Program Plan Data

Information about the VRS Political Subdivision and Teacher Employee HIC is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 15. Advances To/From Other Funds

Interfund balances as of June 30, 2024 are as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	
	<u>General Fund</u>	<u>Water and Sewer Fund</u>
Primary Government:		
Tourism Fund	\$ 4,000,000	\$ -
Lake Shenandoah Stormwater Control Authority Fund	-	1,405,980
Smith Creek Water and Waste Authority Fund	-	<u>275,258</u>
	<u>\$ 4,000,000</u>	<u>\$ 1,681,238</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 15. Advances To/From Other Funds (Continued)

Annual maturities for the General Fund advance to the Tourism Fund are as follows:

<u>Year(s) Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 199,764	\$ 160,000
2026	207,755	152,009
2027	216,065	143,699
2028	224,708	135,057
2029	233,696	126,068
2030-2034	1,316,404	482,417
2035-2039	1,601,608	197,214
	<u>\$ 4,000,000</u>	<u>\$ 1,396,464</u>

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

<u>Year(s) Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 183,489	\$ 42,179
2026	188,994	36,675
2027	194,664	31,005
2028	200,504	25,165
2029	206,519	19,150
2030-2031	431,810	19,527
	<u>\$ 1,405,980</u>	<u>\$ 173,701</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 89,355	\$ 7,322
2026	91,732	4,945
2027	94,171	-
	<u>\$ 275,258</u>	<u>\$ 12,267</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 16. Interfund Transfers

A summary of interfund transfer activity is presented as follows:

Transfer to Fund	General Fund	Tourism Fund	School Operating Fund	Total Transferred In
Primary Government:				
Governmental funds:				
General Capital Projects Fund	\$ 9,240,000	\$ 5,500,000	\$ -	\$ 14,740,000
School Cafeteria Fund	-	-	5,945	5,945
Total transferred out	\$ 9,240,000	\$ 5,500,000	\$ 5,945	\$ 14,745,945

The transfer from the General Fund to the General Capital Projects Fund was to transfer funds for capital projects adopted in FY24 budget.

The transfer from the Tourism Fund to the General Capital Projects Fund was for Rockingham Park recreation center.

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

Note 17. Major Customers

The Water and Sewer Fund has one major customer. For the year ended June 30, 2024, water and sewer revenue from this customer was approximately \$4.07 million. There were no accounts receivable from this customer at June 30, 2024.

The Solid Waste Fund has one major customer. Revenues from this customer for the year ended June 30, 2024 were approximately \$2.88 million. Accounts receivable from this customer was approximately \$52,600 at June 30, 2024.

The Smith Creek Water & Waste Authority Fund has one major customer. For the year ended June 30, 2024, revenue from this customer was approximately \$259,400. There were no accounts receivable from this customer at June 30, 2024.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 18. 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 \$18,557,515 as landfill closure and post-closure liability at June 30, 2024. The landfill's total capacity used to date is 13.24% for active cells.

The Solid Waste Fund will report the County's estimated liability of closure and post-closure care of \$6,485,550 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 2024. 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 19. 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 19. 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 2024, 2023, and 2022:

Fiscal Year Ended	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
June 30, 2024	\$ 2,031,402	\$ 37,125,427	\$ 37,231,869	\$ 1,924,960
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

The ending liability is reported by the following:

Fiscal Year Ended	Governmental Activities	Component Unit - School Board	Total
June 30, 2024	\$ 481,240	\$ 1,443,720	\$ 1,924,960
June 30, 2023	507,850	1,523,552	2,031,402
June 30, 2022	588,250	1,741,127	2,329,377

Note 20. 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 20. Tax Abatements and the Technology Zone Grant Program (Continued)

For the fiscal year ended June 30, 2024, the County abated property taxes totaling \$407,150 under this grant program, including the following tax abatement agreements:

- Property tax abatement to a pharmaceutical facility in the amount of \$11,514.
- Property tax abatement to a beverage facility in the amount of \$50,057.
- Property tax abatement to a food packaging and beverage facility in the amount of \$345,579.

Note 21. Pending GASB Statements

At June 30, 2024, 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. 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.

GASB Statement No. 102, *Certain Risk Disclosures*, requires all state and local governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. Statement No. 102 will be effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Statement 103 will be effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosures of Certain Capital Assets*, objective is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets not disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Statement 104 will be effective for the Authority beginning with its year ending June 30, 2026

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 22. 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 2024, the County's contributions to the HRECC totaled approximately \$3,791,455.

Note 23. 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 8 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 \$1,031,065 in fiscal year 2024, 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 \$1,607,359 in fiscal year 2024.

Note 24. 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 25. Subsequent Events

Subsequent to year end, the County entered into a purchase agreement for two parcels of land totaling \$3,500,000 for future school sites.

Subsequent to year end, the County signed contracts for Dayton and Fulks Run Emergency Response Station in the amount of \$7,288,324.

Subsequent to year end, the County signed contract with A&J for construction of Landfill Phase 5B in an amount not to exceed \$6.0 million.

Subsequent to year end, the County approved a revision to the Financial policy that states how funds will be set aside for future large capital projects.

**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	2023
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	\$ 4,607,297
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	9,782,588
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	1,264,088
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)	(6,511,328)
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	9,142,645
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	143,575,604
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	\$ 152,718,249
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	\$ 4,746,659
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	1,710,797
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)	8,406,457
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)	(6,511,328)
Administrative expense	(56,223)	(48,216)	(49,968)	(57,528)	(58,179)	(63,953)	(66,505)	(69,531)	(80,755)	(82,066)
Other changes	558	(753)	(602)	(8,946)	(6,042)	(4,092)	(2,324)	2,671	3,028	3,396
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)	8,273,915
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	128,863,520
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	\$ 137,137,435
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	\$ 15,580,814
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%	89.80%
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
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%	45.00%

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	2023
Total Pension Liability:										
Service cost	\$ 832,108	\$ 817,545	\$ 820,429	\$ 811,126	\$ 767,863	\$ 784,209	\$ 798,398	\$ 778,711	\$ 735,063	\$ 822,744
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	2,715,984
Differences between expected and actual experience	-	(294,432)	(259,762)	(176,386)	(229,654)	(11,453)	(224,426)	(234,687)	(180,722)	622,466
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)	(2,450,843)
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	1,710,351
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	40,639,480
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	\$ 42,349,831
Plan Fiduciary Net Position:										
Contributions - employer	\$ 722,711	\$ 635,842	\$ 641,139	\$ 458,757	\$ 457,883	\$ 421,138	\$ 379,560	\$ 364,357	\$ 442,584	\$ 462,418
Contributions - employee	390,659	394,565	407,589	388,720	388,565	396,178	370,426	344,186	403,143	427,432
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)	2,678,476
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)	(2,450,843)
Administrative expense	(21,667)	(18,317)	(18,743)	(21,471)	(21,318)	(23,172)	(24,024)	(24,812)	(27,646)	(27,402)
Other changes	212	(283)	(223)	(3,254)	(2,168)	(1,451)	(1,468)	901	(2,664)	1,072
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)	1,091,153
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	42,230,118
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	\$ 43,321,271
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)	\$ (971,440)
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%	102.29%
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	\$ 7,959,002
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%	-12.21%

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	2023
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%	0.83476%
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	\$ 84,370,903
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
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%	106.41%
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%	82.45%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF COUNTY AND DISTRICT CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution (CRC)	\$ 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	\$ 5,667,155
Contributions in relation to the CRC	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	5,667,155
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 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	\$ 41,335,923
Contributions as a percentage of covered payroll	12.73%	12.73%	10.88%	10.88%	10.30%	10.30%	11.90%	11.90%	13.71%	13.71%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution (CRC)	\$ 635,842	\$ 641,139	\$ 458,757	\$ 457,883	\$ 421,138	\$ 379,560	\$ 364,357	\$ 442,584	\$ 462,418	\$ 476,126
Contributions in relation to the CRC	635,842	641,139	458,757	457,883	421,138	379,560	364,357	442,584	462,418	476,126
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 7,801,742	\$ 7,866,736	\$ 7,671,522	\$ 7,656,906	\$ 7,741,507	\$ 6,977,206	\$ 6,228,325	\$ 7,565,538	\$ 7,959,002	\$ 8,194,940
Contributions as a percentage of covered payroll	8.15%	8.15%	5.98%	5.98%	5.44%	5.44%	5.85%	5.85%	5.81%	5.81%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

**SCHEDULE OF SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS –
VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution (CRC)	\$ 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	\$ 14,072,215
Contributions in relation to the CRC	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	14,072,215
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 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	\$ 84,670,367
Contributions as a percentage of covered payroll	14.50%	14.06%	14.66%	16.32%	15.68%	15.68%	16.62%	16.62%	16.62%	16.62%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
VIRGINIA RETIREMENT SYSTEM
For the Year Ended June 30, 2024**

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, 2022 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, 2021. 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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
VIRGINIA RETIREMENT SYSTEM
For the Year Ended June 30, 2024**

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

**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	2024
Total Medical Insurance OPEB liability:							
Service cost	\$ 390,913	\$ 410,459	\$ 393,352	\$ 406,569	\$ 661,777	\$ 676,204	\$ 530,187
Interest	183,392	195,244	224,816	191,810	138,244	183,396	368,674
Experience losses	-	-	263,293	-	653,367	-	332,850
Changes in assumptions	-	-	(1,688,245)	-	837,939	-	(2,239,871)
Contributions - employer	(196,975)	(212,733)	(175,592)	(188,761)	(220,760)	(234,558)	(199,501)
Net change in total OPEB liability	377,330	392,970	(982,376)	409,618	2,070,567	625,042	(1,207,661)
Total Medical Insurance OPEB liability - beginning	5,702,899	6,080,229	6,473,199	5,490,823	5,900,441	7,971,008	8,596,050
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	\$ 7,388,389
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%	0.00%
Covered employee payroll	\$ 25,476,397	\$ 26,377,748	\$ 28,061,466	\$ 28,807,387	\$ 30,969,101	\$ 34,621,875	\$ 41,335,923
Total OPEB liability as a percentage of covered employee payroll	23.87%	24.54%	19.57%	20.48%	25.74%	24.83%	17.87%

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.
- (2) There are no assets accumulated in a trust that meets the criteria of GASB P22.1011 or P52.101 to pay related benefits for OPEB.

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

**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	2024
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	\$ 1,475,692
Interest	605,681	646,053	736,318	694,934	499,581	595,436	1,181,568
Benefit changes	-	-	-	-	-	-	158,485
Experience losses	-	-	2,423,524	-	(14,433)	-	1,749,493
Changes in assumptions	-	-	(4,876,583)	-	2,350,894	-	(5,143,895)
Contributions - employer	(468,646)	(506,138)	(635,447)	(683,106)	(285,274)	(303,104)	(775,315)
Net change in total OPEB liability	1,278,553	1,338,509	(1,221,972)	1,180,019	4,375,092	2,156,426	(1,353,972)
Total Medical Insurance OPEB liability - beginning	18,802,393	20,080,946	21,419,455	20,197,483	21,377,502	25,752,594	27,909,020
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	\$ 26,555,048
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%	0.00%
Covered employee payroll	\$ 69,760,595	\$ 75,521,380	\$ 76,745,388	\$ 81,242,909	\$ 81,242,909	\$ 87,244,423	\$ 92,865,307
Total OPEB liability as a percentage of covered employee payroll	28.79%	28.36%	26.32%	26.31%	31.70%	31.99%	28.60%

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

	Fiscal Year June 30,							2024
	2018	2019	2020	2021	2022	2023		
Contractually required contribution (CRC)	\$ 581,319	\$ 610,641	\$ 175,592	\$ 188,761	\$ 220,760	\$ 234,558	\$	199,501
Contributions in relation to the CRC	581,319	610,641	175,592	188,761	220,760	234,558		199,501
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	\$	41,335,923
Contributions as a percentage of covered employee payroll	2.28%	2.31%	0.63%	0.66%	0.71%	0.68%		0.48%

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 for which information is available.

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	2024
Contractually required contribution (CRC)	\$ 1,947,789	\$ 2,053,750	\$ 635,447	\$ 683,106	\$ 285,274	\$ 303,104	\$ 775,315
Contributions in relation to the CRC	1,947,789	2,053,750	635,447	683,106	285,274	303,104	775,315
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 69,760,595	\$ 75,521,380	\$ 76,745,388	\$ 75,051,147	\$ 81,242,909	\$ 87,244,423	\$ 92,865,307
Contributions as a percentage of covered employee payroll	2.79%	2.72%	0.83%	0.91%	0.35%	0.35%	0.83%

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 School Board will present information for those years for which information is available.

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	2023
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%	0.15415%
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	\$ 1,848,742
Employer's covered payroll	\$ 25,071,813	\$ 26,053,355	\$ 27,160,577	\$ 29,190,962	\$ 30,001,481	\$ 32,438,704	\$ 36,309,815
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%	5.09%
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%	69.30%
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%	0.03973%
Employer's proportionate share of the net GLI OPEB liability	\$ 651,000	\$ 649,000	\$ 693,704	\$ 681,386	\$ 460,935	\$ 480,073	\$ 476,487
Employer's covered payroll	\$ 7,987,977	\$ 8,112,786	\$ 8,357,500	\$ 8,403,654	\$ 8,173,333	\$ 8,673,704	\$ 9,359,259
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%	5.09%
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%	69.30%
School Board Professional:							
Employer's proportion of the net GLI OPEB liability	0.34950%	0.35010%	0.34568%	0.33878%	0.34504%	0.35190%	0.35259%
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	\$ 4,228,659
Employer's covered payroll	\$ 64,465,823	\$ 66,570,938	\$ 67,764,423	\$ 69,723,077	\$ 71,238,148	\$ 76,546,296	\$ 83,054,815
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%	5.09%
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%	69.30%

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
County and the District:										
Contractually required contribution (CRC)	\$ 107,086	\$ 114,244	\$ 130,373	\$ 134,478	\$ 141,235	\$ 151,793	\$ 162,008	\$ 175,169	\$ 196,073	\$ 219,424
Contributions in relation to the CRC	107,086	114,244	130,373	134,478	141,235	151,793	162,008	175,169	196,073	219,424
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 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	\$ 40,634,074
Contributions as a percentage of covered payroll	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%
School Board Non-Professional:										
Contractually required contribution (CRC)	\$ 37,831	\$ 38,363	\$ 41,537	\$ 42,045	\$ 43,459	\$ 43,699	\$ 44,136	\$ 46,838	\$ 50,540	\$ 54,518
Contributions in relation to the CRC	37,831	38,363	41,537	42,045	43,459	43,699	44,136	46,838	50,540	54,518
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 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	\$ 10,095,926
Contributions as a percentage of covered payroll	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%
School Board Professional:										
Contractually required contribution (CRC)	\$ 295,802	\$ 302,707	\$ 335,222	\$ 346,483	\$ 352,375	\$ 362,560	\$ 384,686	\$ 413,350	\$ 448,496	\$ 481,908
Contributions in relation to the CRC	295,802	302,707	335,222	346,483	352,375	362,560	384,686	413,350	448,496	481,908
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 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	\$ 89,242,222
Contributions as a percentage of covered payroll	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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	2023
Total HIC OPEB liability:							
Service cost	\$ 19,552	\$ 18,080	\$ 18,979	\$ 20,511	\$ 22,330	\$ 24,929	\$ 12,371
Interest	65,388	65,306	68,683	69,108	73,245	75,778	76,403
Differences between expected and actual experience	-	33,710	207	(9,827)	(24,874)	5,689	(7,631)
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)	(84,649)
Net change in total OPEB liability	7,584	44,627	44,492	64,286	18,050	21,216	(3,506)
Total HIC OPEB liability - beginning	961,598	969,182	1,013,809	1,058,301	1,122,587	1,140,637	1,161,853
Total HIC OPEB liability - ending (a)	\$ 969,182	\$ 1,013,809	\$ 1,058,301	\$ 1,122,587	\$ 1,140,637	\$ 1,161,853	\$ 1,158,347
Plan Fiduciary Net Position:							
Contributions - employer	\$ 51,835	\$ 52,735	\$ 58,393	\$ 55,438	\$ 57,893	\$ 67,614	\$ 77,658
Net investment income	43,842	28,613	27,512	8,916	114,158	832	31,782
Benefit payments, including refunds of employee	(54,976)	(72,469)	(65,253)	(68,943)	(74,952)	(85,856)	(84,649)
Administrative expense	(702)	(666)	(591)	(843)	(1,314)	(894)	(762)
Other changes	2,239	(1,625)	(32)	(4)	-	7,431	403
Net change in plan fiduciary net position	42,238	6,588	20,029	(5,436)	95,785	(10,873)	24,432
Plan fiduciary net position - beginning	381,566	423,804	430,392	450,421	444,985	540,770	529,897
Plan fiduciary net position - ending (b)	\$ 423,804	\$ 430,392	\$ 450,421	\$ 444,985	\$ 540,770	\$ 529,897	\$ 554,329
School Board non-professional net HIC OPEB liability - ending (a) - (b)	\$ 545,378	\$ 583,417	\$ 607,880	\$ 677,602	\$ 599,867	\$ 631,956	\$ 604,018
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%	47.86%
Covered payroll	\$ 7,979,559	\$ 8,112,786	\$ 8,983,538	\$ 8,528,923	\$ 8,171,026	\$ 8,668,462	\$ 9,356,386
Net OPEB liability as a percentage of covered payroll	6.83%	7.19%	6.77%	7.94%	7.34%	7.29%	6.46%

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,										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Contractually required contribution (CRC)	\$ 48,730	\$ 49,492	\$ 51,835	\$ 52,735	\$ 58,393	\$ 55,438	\$ 63,734	\$ 67,614	\$ 77,658	\$ 83,797	
Contributions in relation to the CRC	48,730	49,492	51,835	52,735	58,393	55,438	63,734	67,614	77,658	83,797	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 7,859,697	\$ 7,982,504	\$ 7,979,559	\$ 8,112,786	\$ 8,983,538	\$ 8,528,923	\$ 8,171,026	\$ 8,668,462	\$ 9,356,386	\$ 10,096,024	
Contributions as a percentage of covered payroll	0.62%	0.62%	0.65%	0.65%	0.65%	0.65%	0.78%	0.78%	0.83%	0.83%	

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	2023
Employer's proportion of the net HIC OPEB liability	0.81579%	0.82261%	0.80768%	0.79495%	0.80417%	0.82013%	0.83178%
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	\$ 10,076,328
Employer's covered payroll	\$ 64,382,624	\$ 66,527,647	\$ 66,717,131	\$ 68,549,098	\$ 71,122,066	\$ 76,437,273	\$ 82,937,273
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%	12.15%
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%	17.90%

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,										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Contractually required contribution (CRC)	\$ 652,216	\$ 667,472	\$ 714,647	\$ 807,757	\$ 813,949	\$ 836,299	\$ 860,577	\$ 924,891	\$ 1,003,541	\$ 1,077,563	
Contributions in relation to the CRC	652,216	667,472	714,647	807,757	813,949	836,299	860,577	924,891	1,003,541	1,077,563	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 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	\$ 89,054,793	
Contributions as a percentage of covered payroll	1.06%	1.06%	1.11%	1.21%	1.22%	1.22%	1.21%	1.21%	1.21%	1.21%	1.21%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS
Year Ended June 30, 2024**

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, 2023.

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

2022	4.13%
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, 2022 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, 2021. 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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS
Year Ended June 30, 2024**

Note 2. Group Life Insurance Program (Continued)

B. Changes of Assumptions (Continued)

School Board Professional (Continued)

Teachers (Continued)

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

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS
Year Ended June 30, 2024**

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, 2022 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, 2021. 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.

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, 2024**

	Special Revenue			Total Nonmajor Governmental Funds
	Asset Forfeiture Fund	LLC Library Fund	Opioid Settlement Fund	
ASSETS				
Cash and cash equivalents	\$ 183,030	\$ 11,928	\$ -	\$ 194,958
Investments	75,209	4,902	-	80,111
Accrued interest	876	53	2,129	3,058
Trade and other accounts	12,600	-	1,010,206	1,022,806
Prepaid items	-	-	110	110
Restricted cash and cash equivalents	-	-	399,395	399,395
Restricted investments	-	-	164,116	164,116
Total assets	\$ 271,715	\$ 16,883	\$ 1,575,956	\$ 1,864,554
LIABILITIES				
Accounts payable	\$ 28,107	\$ 1,006	\$ -	\$ 29,113
Accrued payroll	884	-	2,446	3,330
Unearned revenue	-	-	541,792	541,792
Total liabilities	28,991	1,006	544,238	574,235
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - opioid settlement funds	-	-	919,121	919,121
FUND BALANCE				
Nonspendable:				
Prepaid items	-	-	110	110
Restricted for:				
Judicial administration	107,066	-	-	107,066
Public safety	135,658	-	-	135,658
Health and social services	-	-	112,487	112,487
Parks, recreation and cultural	-	15,877	-	15,877
Total fund balance	242,724	15,877	112,597	371,198
Total liabilities and fund balance	\$ 271,715	\$ 16,883	\$ 1,575,956	\$ 1,864,554

COUNTY OF ROCKINGHAM, VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024**

	Special Revenue			Total Nonmajor Governmental Funds
	Asset Forfeiture Fund	LLC Library Fund	Opioid Settlement Fund	
Revenues:				
Fines and forfeitures	\$ 21,923	\$ -	\$ -	\$ 21,923
Use of money	12,836	688	20,731	34,255
Miscellaneous	-	28,523	86,978	115,501
Recovered costs	-	-	39,264	39,264
Intergovernmental	11,739	-	73,582	85,321
Total revenues	46,498	29,211	220,555	296,264
Expenditures:				
Current:				
Judicial administration	29,336	-	108,739	138,075
Public safety	58,806	-	-	58,806
Parks, recreation and cultural	-	22,617	-	22,617
Total expenditures	88,142	22,617	108,739	219,498
Net change in fund balance	(41,644)	6,594	111,816	76,766
Fund balance, beginning	284,368	9,283	781	294,432
Fund balance, ending	\$ 242,724	\$ 15,877	\$ 112,597	\$ 371,198

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.

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, 2024

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 56,451	\$ 19,231	\$ 913,299	\$ 988,981
Investments	8,171	2,783	132,199	143,153
Trade and other accounts receivable, net	5,110	1,552	12,746	19,408
Prepaid items	-	-	527	527
Accrued interest	264	92	4,046	4,402
Total current assets	69,996	23,658	1,062,817	1,156,471
Noncurrent assets:				
Investments	15,025	5,119	243,087	263,231
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	(171,077)	(113,228)	(81,375)	(365,680)
Total capital assets, net of accumulated depreciation and amortization	335,381	192,794	1,939,416	2,467,591
Total noncurrent assets	350,406	197,913	2,182,503	2,730,822
Total assets	420,402	221,571	3,245,320	3,887,293
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	-	-	4,164	4,164
Other postemployment benefits	-	-	966	966
Total deferred outflows of resources	-	-	5,130	5,130
LIABILITIES				
Current liabilities:				
Accounts payable and deposits	685	773	-	1,458
Due to other governments	1,023	370	-	1,393
Accrued payroll	-	-	1,758	1,758
Accrued interest	-	-	35,150	35,150
Unearned revenue	-	-	16,889	16,889
Advance from other funds	-	-	183,489	183,489
Total current liabilities	1,708	1,143	237,286	240,137
Noncurrent liabilities:				
Advance from other funds	-	-	1,222,491	1,222,491
Net pension liability	-	-	8,471	8,471
Other postemployment benefits liability	-	-	4,956	4,956
Total noncurrent liabilities	-	-	1,235,918	1,235,918
Total liabilities	1,708	1,143	1,473,204	1,476,055
DEFERRED INFLOWS OF RESOURCES				
Pension plan	-	-	1,291	1,291
Other postemployment benefits	-	-	1,426	1,426
Total deferred inflows of resources	-	-	2,717	2,717
NET POSITION				
Net investment in capital assets	335,381	192,794	1,939,416	2,467,591
Unrestricted (deficit)	83,313	27,634	(164,887)	(53,940)
Total net position	\$ 418,694	\$ 220,428	\$ 1,774,529	\$ 2,413,651

COUNTY OF ROCKINGHAM, VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION – NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2024**

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
Operating revenues:				
Charges for services	\$ 35,903	\$ 10,563	\$ 304,312	\$ 350,778
Total operating revenues	35,903	10,563	304,312	350,778
Operating expenses:				
Contractual services	11,304	3,368	4,015	18,687
Personnel Services	-	-	21,879	21,879
Fringe Benefits	-	-	14,532	14,532
Other charges	9,966	4,244	1,520	15,730
Depreciation and amortization	9,717	6,120	54,250	70,087
Total operating expenses	30,987	13,732	96,196	140,915
Operating income (loss)	4,916	(3,169)	208,116	209,863
Nonoperating revenues (expenses):				
Intergovernmental	-	-	25,553	25,553
Interest revenue	3,332	1,198	53,162	57,692
Interest expense	-	-	(43,070)	(43,070)
Total nonoperating revenues, net	3,332	1,198	35,645	40,175
Change in net position	8,248	(1,971)	243,761	250,038
Total net position, beginning	410,446	222,399	1,530,768	2,163,613
Total net position, ending	\$ 418,694	\$ 220,428	\$ 1,774,529	\$ 2,413,651

COUNTY OF ROCKINGHAM, VIRGINIA

**COMBINING STATEMENT OF CASH FLOWS –
NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2024**

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
Cash flows from operating activities:				
Receipts from customers	\$ 35,965	\$ 10,707	\$ 301,870	\$ 348,542
Payments to suppliers for goods and services	(23,629)	(7,158)	(9,913)	(40,700)
Payments to employees	-	-	(30,528)	(30,528)
Net cash provided by operating activities	12,336	3,549	261,429	277,314
Cash flows from noncapital financing activities:				
Intergovernmental - grants	-	-	25,553	25,553
Net cash provided by noncapital financing activities	-	-	25,553	25,553
Cash flows from capital and related financing activities:				
Advance to other funds	-	-	(178,145)	(178,145)
Interest paid and fiscal charges	-	-	(47,523)	(47,523)
Net cash used in capital and related financing activities	-	-	(225,668)	(225,668)
Cash flows from investing activities:				
Purchase of investments	(3,058)	(856)	(5,951)	(9,865)
Interest received on investment securities	3,173	1,143	50,978	55,294
Net cash provided by investing activities	115	287	45,027	45,429
Net change in cash and cash equivalents	12,451	3,836	106,341	122,628
Cash and Cash Equivalents:				
Beginning	44,000	15,395	806,958	866,353
Ending	\$ 56,451	\$ 19,231	\$ 913,299	\$ 988,981
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 4,916	\$ (3,169)	\$ 208,116	\$ 209,863
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	9,717	6,120	54,250	70,087
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	62	144	(44)	162
Increase in prepaid items	-	-	(37)	(37)
Increase in pension related deferred outflows of resources	-	-	(4,164)	(4,164)
Increase in OPEB related deferred outflows of resources	-	-	(49)	(49)
Increase (decrease) in accounts payable and deposits	(2,359)	454	(4,378)	(6,283)
Increase in accrued liabilities	-	-	149	149
Increase in net pension liability	-	-	8,471	8,471
Decrease in other post employment benefit liability	-	-	(622)	(622)
Increase in pension related deferred inflows of resources	-	-	1,291	1,291
Increase in OPEB related deferred inflows of resources	-	-	844	844
Decrease in unearned revenue	-	-	(2,398)	(2,398)
Net cash provided by operating activities	\$ 12,336	\$ 3,549	\$ 261,429	\$ 277,314

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, 2024**

	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	\$ 9,079,593	\$ 2,060,270	\$ 5,049,422	\$ 623,463	\$ 16,812,748
Investments	3,730,707	842,480	2,074,868	256,188	6,904,243
Trade and other accounts receivable	500,971	194,787	-	13,995	709,753
Accrued interest	-	9,722	26,329	2,982	39,033
Due from other governments	5,721,462	87,643	-	160,599	5,969,704
Prepaid items	4,011,725	210,833	-	105,630	4,328,188
Inventory	238,675	69,915	-	-	308,590
Total assets	\$ 23,283,133	\$ 3,475,650	\$ 7,150,619	\$ 1,162,857	\$ 35,072,259
LIABILITIES					
Accounts payable	\$ 2,733,147	\$ 13,112	\$ 1,467,465	\$ 590,688	\$ 4,804,412
Accrued payroll	20,459,762	566,664	2,365	428,305	21,457,096
Unearned revenue	69,542	-	-	-	69,542
Due to other governments	20,682	-	-	143,864	164,546
Total liabilities	23,283,133	579,776	1,469,830	1,162,857	26,495,596
FUND BALANCES					
Nonspendable:					
Prepaid items	4,011,725	210,833	-	105,630	4,328,188
Inventory	238,675	69,915	-	-	308,590
Assigned to:					
Capital projects	-	-	5,680,789	-	5,680,789
Cafeteria	-	2,615,126	-	-	2,615,126
Unassigned (deficit)	(4,250,400)	-	-	(105,630)	(4,356,030)
Total fund balances	-	2,895,874	5,680,789	-	8,576,663
Total liabilities and fund balances	\$ 23,283,133	\$ 3,475,650	\$ 7,150,619	\$ 1,162,857	\$ 35,072,259
Total fund balances				\$	8,576,663
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				\$ 344,663,268	
Less accumulated depreciation and amortization				(213,034,118)	
Net capital assets					131,629,150
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				28,504,128	
Other postemployment benefits				6,538,196	
					35,042,324
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.					
					8,718,331
Long-term due from other government - pension				1,233,196	
Long-term due from other government - other postemployment benefits				464,785	
					1,697,981
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					971,440
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				(4,485,385)	
Lease liabilities				(1,217,659)	
Subscription liabilities				(336,433)	
Other postemployment benefits				(41,940,540)	
Net pension liability				(84,370,903)	
					(132,350,920)
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				(10,068,665)	
Other postemployment benefits				(7,167,177)	
					(17,235,842)
Net position of governmental activities				\$	<u>37,049,127</u>

COUNTY OF ROCKINGHAM, VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2024**

	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	\$ 16,477	\$ 127,048	\$ 570,612	\$ 20,363	\$ 734,500
Charges for services	236,580	1,215,517	-	781,678	2,233,775
Miscellaneous	113,089	-	-	26,787	139,876
Appropriation from Primary Government	64,526,813	-	9,541,250	-	74,068,063
Intergovernmental	107,892,135	5,097,085	-	6,417,885	119,407,105
Total revenues	172,785,094	6,439,650	10,111,862	7,246,713	196,583,319
Expenditures:					
Current:					
Education	172,017,048	7,021,285	-	7,246,713	186,285,046
Capital outlays	-	-	13,163,159	-	13,163,159
Debt Service:					
Principal	1,046,028	-	-	-	1,046,028
Interest	119,346	-	-	-	119,346
Total expenditures	173,182,422	7,021,285	13,163,159	7,246,713	200,613,579
Deficiency of revenues under expenditures	(397,328)	(581,635)	(3,051,297)	-	(4,030,260)
Other financing sources (uses):					
Issuance of subscription	403,273	-	-	-	403,273
Transfers in	-	5,945	-	-	5,945
Transfers out	(5,945)	-	-	-	(5,945)
Other financing sources, net	397,328	5,945	-	-	403,273
Net change in fund balances	-	(575,690)	(3,051,297)	-	(3,626,987)
Fund balances, beginning	-	3,471,564	8,732,086	-	12,203,650
Fund balances, ending	\$ -	\$ 2,895,874	\$ 5,680,789	\$ -	\$ 8,576,663
Net change in fund balances					\$ (3,626,987)
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				\$ 15,605,526	
Less depreciation and amortization expense				(11,077,927)	
Excess of capital outlays over depreciation and amortization					4,527,599
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net position.					
					30,400
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.					
Pension non-employer contributions from the Commonwealth				1,230,912	
OPEB non-employer contributions from the Commonwealth				73,112	
Long-term due from other government - pension				(203,857)	
Long-term due from other government - other postemployment benefits				17,529	
					1,117,696
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				(403,273)	
Principal repayments:					
Lease liabilities				830,052	
Subscription liabilities				215,976	
					642,755
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				(195,031)	
Changes in pension liabilities and related deferred outflows and inflows of resources				5,246,518	
Changes in OPEB liabilities and related deferred outflows and inflows of resources				(891,794)	
					4,159,693
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				26,681,503	
Total expenses				(27,492,311)	
					(810,808)
Change in net position of governmental activities					\$ 6,040,348

**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, 2024**

	Operating Fund	Special Revenue Children's Services Act Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 6,286,605	\$ -	\$ 6,286,605
Investments	2,583,241	-	2,583,241
Trade and other accounts receivable	7,727	68,189	75,916
Accrued interest	31,847	-	31,847
Due from other governments	983,892	3,702,359	4,686,251
Prepaid items	232,802	15,814	248,616
Total assets	\$ 10,126,114	\$ 3,786,362	\$ 13,912,476
LIABILITIES			
Accounts payable	\$ 401,841	\$ 2,361,424	\$ 2,763,265
Accrued payroll	683,770	-	683,770
Due to primary government	-	817,896	817,896
Due to other governments	21,573	-	21,573
Unearned revenues	-	15,485	15,485
Total liabilities	1,107,184	3,194,805	4,301,989
FUND BALANCES			
Nonspendable:			
Prepaid items	232,802	15,814	248,616
Committed:			
Health and social services	135,539	-	135,539
Assigned to:			
Health and social services	8,650,589	575,743	9,226,332
Total fund balances	9,018,930	591,557	9,610,487
Total liabilities and fund balances	\$ 10,126,114	\$ 3,786,362	\$ 13,912,476
Fund balances			\$ 9,610,487
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		\$ 3,338,889	
Less accumulated depreciation and amortization		(1,429,879)	
Net capital assets			1,909,010
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		1,514,374	
Other postemployment benefits		357,643	
			1,872,017
Long-term due from other government - pension		1,018,023	
Long-term due from other government - other postemployment benefits		1,007,391	
			2,025,414
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		(49,189)	
Leases payable		(365,027)	
Other postemployment benefits		(1,841,359)	
Net pension liability		(3,080,754)	
			(5,336,329)
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		(469,666)	
Other postemployment benefits		(531,070)	
			(1,000,736)
Net position of governmental activities			\$ 9,079,863

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, 2024**

	Operating Fund	Special Revenue Children's Services Act Fund	Total Governmental Funds
Revenues:			
Use of money and property	\$ 403,196	\$ 6,347	\$ 409,543
Miscellaneous	2,643,941	2,713,276	5,357,217
Appropriation from Primary Government	3,514,861	4,100,500	7,615,361
Intergovernmental	15,231,965	12,491,602	27,723,567
Total revenues	<u>21,793,963</u>	<u>19,311,725</u>	<u>41,105,688</u>
Expenditures:			
Current:			
Health and social services	21,037,512	19,230,412	40,267,924
Debt Service:			
Principal	82,029	-	82,029
Interest	18,990	-	18,990
Total expenditures	<u>21,138,531</u>	<u>19,230,412</u>	<u>40,368,943</u>
Excess of revenues over expenditures	655,432	81,313	736,745
Other financing sources:			
Issuance of lease	342,297	-	342,297
Other financing sources	<u>342,297</u>	<u>-</u>	<u>342,297</u>
Net change in fund balances	997,729	81,313	1,079,042
Fund balances, beginning	8,021,201	510,244	8,531,445
Fund balances, ending	<u>\$ 9,018,930</u>	<u>\$ 591,557</u>	<u>\$ 9,610,487</u>
Net change in fund balances			\$ 1,079,042
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 capital outlays exceeded depreciation and amortization in the current period.			
Expenditure for capital assets		\$ 342,297	
Less depreciation and amortization expense		<u>(263,640)</u>	
Excess of capital outlays over depreciation and amortization			78,657
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			3,093
Long-term due from other government - pension plan		(155,886)	
Long-term due from other government - other postemployment benefits		<u>12,011</u>	(143,875)
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		(342,297)	
Principal repayments:			
Lease liabilities		<u>82,029</u>	(260,268)
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		(6,104)	
Changes in pension liabilities and related deferred outflows and inflows of resources		311,772	
Changes in OPEB liabilities and related deferred outflows and inflows of resources		<u>(27,119)</u>	278,549
Change in net position of governmental activities			<u>\$ 1,035,198</u>

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, 2024**

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
ASSETS			
Cash and cash equivalents	\$ 48,972	\$ 28,791	\$ 77,763
Investments	20,123	-	20,123
Accounts receivable	14,061	-	14,061
Accrued interest	232	-	232
Total assets	83,388	28,791	112,179
NET POSITION			
Unrestricted	83,388	28,791	112,179
Total net position	\$ 83,388	\$ 28,791	\$ 112,179

COUNTY OF ROCKINGHAM, VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION – NONMAJOR DISCRETELY
PRESENTED COMPONENT UNITS
Year Ended June 30, 2024**

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
Operating revenues:			
Charges for services	\$ 20,061	\$ -	\$ 20,061
Miscellaneous - gifts and donations	-	695	695
Total operating revenues	20,061	695	20,756
Operating expenditures:			
Economic development	410,820	-	410,820
Total operating expenditures	410,820	-	410,820
Operating (loss) income	(390,759)	695	(390,064)
Nonoperating revenues:			
Revenue from use of money	5,470	-	5,470
(Loss) income before capital grants and contributions	(385,289)	695	(384,594)
Capital grants and contributions	407,150	-	407,150
Change in net position	21,861	695	22,556
Net position, beginning	61,527	28,096	89,623
Net position, ending	\$ 83,388	\$ 28,791	\$ 112,179

COUNTY OF ROCKINGHAM, VIRGINIA

**COMBINING STATEMENT OF CASH FLOWS –
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2024**

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
Cash flows from operating activities:			
Receipts from customers	\$ 14,352	\$ -	\$ 14,352
Payments to suppliers for goods and services	(410,820)	-	(410,820)
Other receipts	-	695	695
Net cash (used in) provided by operating activities	(396,468)	695	(395,773)
Cash flows from capital and related financing activities:			
Intergovernmental - grants	407,150	-	407,150
Net cash provided by capital and related financing activities	407,150	-	407,150
Cash flows from investing activities:			
Purchase of investments	(3,454)	-	(3,454)
Interest received on investment securities	5,325	-	5,325
Net cash provided by investing activities	1,871	-	1,871
Net change in cash and cash equivalents	12,553	695	13,248
Cash and cash equivalents:			
Beginning	36,419	28,096	64,515
Ending	\$ 48,972	\$ 28,791	\$ 77,763
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (390,759)	\$ 695	\$ (390,064)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Accounts receivable	291	-	291
Unearned revenue	(6,000)	-	(6,000)
Net cash (used in) provided by operating activities	\$ (396,468)	\$ 695	\$ (395,773)

SUPPLEMENTAL SCHEDULES

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
 COMPONENT UNITS – SCHEDULE OF REVENUES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2024**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 76,650,000	\$ 76,770,000	\$ 77,767,449	\$ 997,449
Real and personal public service corporation property taxes	2,540,000	2,540,000	2,604,749	64,749
Personal property taxes	21,400,500	21,400,500	24,432,054	3,031,554
Machinery and tools taxes	15,410,000	15,410,000	21,095,308	5,685,308
Merchants' capital taxes	1,555,000	1,555,000	1,775,830	220,830
Penalties and interest	920,000	920,000	1,192,199	272,199
Total general property taxes	118,475,500	118,595,500	128,867,589	10,272,089
Other local taxes:				
Local sales and use taxes	10,750,000	10,750,000	11,983,458	1,233,458
Consumer utility taxes	1,840,000	1,840,000	1,789,958	(50,042)
Utility gross receipts taxes	325,000	325,000	319,710	(5,290)
Bank stock taxes	150,000	150,000	171,604	21,604
Motor vehicle licenses	-	-	12,725	12,725
Taxes on recordation and wills	1,800,000	1,800,000	1,467,454	(332,546)
Transient occupancy taxes	750,000	750,000	900,199	150,199
Food and beverage taxes	2,400,000	2,400,000	2,606,381	206,381
ATV and moped sales tax	40,000	40,000	36,635	(3,365)
Total other local taxes	18,055,000	18,055,000	19,288,124	1,233,124
Permits, privilege fees and regulatory licenses:				
Animal licenses	25,000	25,000	18,858	(6,142)
Permits and other licenses	1,650,500	1,650,500	1,769,991	119,491
Total permits, privilege fees and regulatory licenses	1,675,500	1,675,500	1,788,849	113,349
Fines and forfeitures	175,500	175,500	143,380	(32,120)
Use of money and property:				
Revenue from use of money	400,000	400,000	5,118,087	4,718,087
Revenue from use of property	1,000,000	1,000,000	1,120,353	120,353
Total use of money and property	1,400,000	1,400,000	6,238,440	4,838,440

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
 COMPONENT UNITS – SCHEDULE OF REVENUES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2024**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
Charges for services:				
Excess fees of clerk	\$ 553,200	\$ 553,200	\$ 447,570	\$ (105,630)
Commonwealth attorney	187,500	187,500	202,686	15,186
Law enforcement and traffic control	285,700	285,700	323,516	37,816
EMS transport	2,950,000	2,950,000	3,462,098	512,098
Correction and detention	1,050,600	1,050,600	949,778	(100,822)
Parks and recreation	290,000	290,000	279,457	(10,543)
Computer services	2,000	2,000	7,454	5,454
Health	25,000	25,000	7,599	(17,401)
Garage fees	930,000	930,000	849,375	(80,625)
Planning and community development	500	500	10	(490)
Total charges for services	6,274,500	6,274,500	6,529,543	255,043
Miscellaneous	265,000	305,000	1,625,219	1,320,219
Recovered costs:				
City of Harrisonburg:				
Judicial administration	2,003,797	2,216,648	2,533,283	316,635
Public safety	4,383,016	4,848,596	3,925,336	(923,260)
Public works	909,110	1,005,680	1,149,335	143,655
Other entities:				
Public safety	500,689	500,689	529,929	29,240
Health and social services	162,379	162,379	162,379	-
Total recovered costs	7,958,991	8,733,992	8,300,262	(433,730)
Total revenue from local sources	154,279,991	155,214,992	172,781,406	17,566,414
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Communications sales and use taxes	1,300,000	1,300,000	1,038,789	(261,211)
Mobile home titling taxes	150,000	150,000	120,448	(29,552)
Rental vehicle taxes	20,000	20,000	9,234	(10,766)
Personal property tax relief	5,860,515	5,860,515	5,860,515	-
Total non-categorical aid	7,330,515	7,330,515	7,028,986	(301,529)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
 COMPONENT UNITS – SCHEDULE OF REVENUES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2024**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Shared costs:				
Commonwealth attorney	\$ 1,173,334	\$ 1,173,334	\$ 1,181,048	\$ 7,714
Sheriff	8,551,843	8,551,843	8,890,642	338,799
Commissioner of the revenue	253,482	253,482	275,728	22,246
Treasurer	222,637	222,637	251,288	28,651
Registrar/Electoral Board	90,000	90,000	98,314	8,314
Clerk of circuit court	898,695	898,695	953,124	54,429
Jail operations	433,186	433,186	494,029	60,843
Total shared costs	11,623,177	11,623,177	12,144,173	520,996
Other categorical aid:				
Emergency medical services	93,480	93,480	93,603	123
Community corrections	480,258	480,258	510,652	30,394
Fire program	200,000	200,000	279,440	79,440
Hazardous materials program	10,000	10,000	10,000	-
Victim witness	45,000	45,000	51,152	6,152
Resource officers	-	-	199,405	199,405
Records preservation	-	32,207	31,807	(400)
Domestic violence	45,000	45,000	45,000	-
Other	102,000	152,000	373,884	221,884
Total other categorical aid	975,738	1,057,945	1,594,943	536,998
Total categorical aid	12,598,915	12,681,122	13,739,116	1,057,994
Total revenue from the Commonwealth	19,929,430	20,011,637	20,768,102	756,465
Revenue from the federal government:				
Non-categorical aid:				
Payment for federal lands	500,000	500,000	591,094	91,094

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2024**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Victim witness	\$ 130,000	\$ 130,000	\$ 108,692	\$ (21,308)
FEMA	19,022	19,022	16,181	(2,841)
Highway safety	36,692	36,692	29,815	(6,877)
Health and human services	330,000	330,000	361,717	31,717
Domestic violence coordinator	22,850	22,850	24,055	1,205
Drug court	400,000	400,000	363,738	(36,262)
Mental health and substance abuse	336,000	336,000	84,258	(251,742)
Incarceration	10,000	10,000	16,200	6,200
ARPA	-	253,000	1,720,438	1,467,438
Other federal funds	2,500	2,500	142,866	140,366
Total categorical aid	1,287,064	1,540,064	2,867,960	1,327,896
Total revenue from the federal government	1,787,064	2,040,064	3,459,054	1,418,990
Total intergovernmental	21,716,494	22,051,701	24,227,156	2,175,455
Total General Fund	\$ 175,996,485	\$ 177,266,693	\$ 197,008,562	\$ 19,741,869
Special Revenue Funds:				
Tourism Fund:				
Revenue from local sources:				
Transient occupancy taxes	\$ 1,125,000	\$ 1,125,000	\$ 1,360,231	\$ 235,231
Revenue from use of money	10,000	10,000	89,116	79,116
Total revenue from local sources	1,135,000	1,135,000	1,449,347	314,347
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
ARPA Funding	-	-	40,000	40,000
Total categorical aid	-	-	40,000	40,000
Total revenue from the federal government	-	-	40,000	40,000
Total intergovernmental	-	-	40,000	40,000
Total Tourism Fund	\$ 1,135,000	\$ 1,135,000	\$ 1,489,347	\$ 354,347

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2024**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Special Revenue Funds:				
Non-major Special Revenue Funds:				
Asset Forfeiture Fund:				
Revenue from local sources:				
Fines and forfeitures:				
Seized funds - judicial administration	\$ 18,900	\$ 18,900	\$ 8,540	\$ (10,360)
Seized funds - public safety	18,900	18,900	13,383	(5,517)
Total fines and forfeitures	37,800	37,800	21,923	(15,877)
Revenue from use of money	-	-	12,836	12,836
Total revenue from local sources	37,800	37,800	34,759	(3,041)
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Seized funds - judicial administration	41,800	41,800	(32,146)	(73,946)
Seized funds - public safety	41,800	41,800	43,885	2,085
Total intergovernmental	83,600	83,600	11,739	(71,861)
Total Asset Forfeiture Fund	121,400	121,400	46,498	(74,902)
LLC Library:				
Revenue from local sources:				
Revenue from use of money	500	500	688	188
Other	30,000	30,000	28,523	(1,477)
Total revenue from local sources	30,500	30,500	29,211	(1,289)
Total LLC Library	30,500	30,500	29,211	(1,289)
Opioid Settlement Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	20,731	20,731
Other	-	58,896	86,978	28,082
Recovered costs:				
City of Harrisonburg	-	58,896	39,264	(19,632)
Total revenue from local sources	-	117,792	146,973	29,181
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Cross systems mapping grant	-	34,000	16,608	(17,392)
Crisis response unit grant	-	150,000	56,974	(93,026)
CITAC co-op planning grant	-	85,000	-	(85,000)
Total categorical aid	-	269,000	73,582	(195,418)
Total revenue from the Commonwealth	-	269,000	73,582	(195,418)
Total intergovernmental	-	269,000	73,582	(195,418)
Total Opioid Settlement Fund	-	386,792	220,555	(166,237)
Total Non-major Special Revenue Funds	\$ 151,900	\$ 538,692	\$ 296,264	\$ (242,428)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
 COMPONENT UNITS – SCHEDULE OF REVENUES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2024**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Capital Projects Fund:				
General Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	\$ 200,000	\$ 200,000	\$ 814,680	\$ 614,680
Miscellaneous	-	-	(420,404)	(420,404)
Recovered costs:				
City of Harrisonburg share	1,500,000	1,500,000	1,615,852	115,852
Total revenue from local sources	1,700,000	1,700,000	2,010,128	310,128
Total General Capital Projects Fund	\$ 1,700,000	\$ 1,700,000	\$ 2,010,128	\$ 310,128
Grand Total Revenues - Primary Government	\$ 177,848,385	\$ 179,505,385	\$ 199,314,954	\$ 19,809,569
Major Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of property	\$ 8,000	\$ 8,000	\$ 16,477	\$ 8,477
Charges for services	85,000	85,000	236,580	151,580
Miscellaneous	170,000	170,000	113,089	(56,911)
Appropriation from Primary Government	73,866,510	73,866,510	64,526,813	(9,339,697)
Total revenue from local sources	74,129,510	74,129,510	64,892,959	(9,236,551)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
 COMPONENT UNITS – SCHEDULE OF REVENUES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2024**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
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	\$ 71,939	\$ (2,061)
Categorical aid:				
State sales tax receipts	18,027,405	18,027,405	17,264,686	(762,719)
Basic school aid	36,384,699	37,678,226	38,413,272	735,046
Other state school funds	35,919,703	40,635,758	41,359,480	723,722
Total categorical aid	90,331,807	96,341,389	97,037,438	696,049
Total revenue from the Commonwealth	90,405,807	96,415,389	97,109,377	693,988
Revenue from the federal government:				
Categorical aid:				
Title I	2,450,000	2,450,000	2,281,508	(168,492)
Title VIB	2,800,000	2,800,000	2,805,437	5,437
ARPA funds	503,000	503,000	1,642,027	1,139,027
ESSER	387,000	387,000	2,334,270	1,947,270
Other school funds	1,380,000	1,380,000	1,719,516	339,516
Total revenue from the federal government	7,520,000	7,520,000	10,782,758	3,262,758
Total intergovernmental	97,925,807	103,935,389	107,892,135	3,956,746
Total School Operating Fund	172,055,317	178,064,899	172,785,094	(5,279,805)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money	10,000	127,000	127,048	48
Charges for services	1,679,000	1,679,000	1,215,517	(463,483)
Total revenue from local sources	1,689,000	1,806,000	1,342,565	(463,435)
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	56,000	56,000	142,129	86,129

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2024**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - School Board:				
School Cafeteria Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
School food program	\$ 4,540,000	\$ 4,583,000	\$ 4,954,956	\$ 371,956
Total intergovernmental	4,596,000	4,639,000	5,097,085	458,085
Total School Cafeteria Fund	6,285,000	6,445,000	6,439,650	(5,350)
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	570,612	570,612
Appropriation from Primary Government	9,541,250	9,541,250	9,541,250	-
Total revenue from local sources	9,541,250	9,541,250	10,111,862	570,612
Total School Capital Projects Fund	9,541,250	9,541,250	10,111,862	570,612
Massanutten Technical Center - Operating Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	20,363	20,363
Charges for services	592,100	592,100	781,678	189,578
Miscellaneous	6,000	6,000	26,787	20,787
Total revenue from local sources	598,100	598,100	828,828	230,728
Intergovernmental:				
Revenue from the Commonwealth	578,637	578,637	656,210	77,573
Revenue from the federal government	230,698	230,698	333,455	102,757
Local governments:				
Appropriation from Rockingham County School Board	4,647,368	4,647,368	4,169,612	(477,756)
Appropriation from the City of Harrisonburg	1,401,314	1,401,314	1,258,608	(142,706)
Total local governments	6,048,682	6,048,682	5,428,220	(620,462)
Total intergovernmental	6,858,017	6,858,017	6,417,885	(440,132)
Total Massanutten Technical Center - Operating Fund	7,456,117	7,456,117	7,246,713	(209,404)
Total Revenues - Component Unit - School Board	\$ 195,337,684	\$ 201,507,266	\$ 196,583,319	\$ (4,923,947)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2024**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - Harrisonburg-Rockingham				
Social Services District:				
Operating Fund:				
Revenue from local sources:				
Revenue from use of money	\$ -	\$ -	\$ 403,196	\$ 403,196
Miscellaneous:				
City of Harrisonburg share	2,607,040	2,607,040	2,607,040	-
Other	80,012	80,012	36,901	(43,111)
Total miscellaneous	2,687,052	2,687,052	2,643,941	(43,111)
Appropriation from the Primary Government	3,621,842	3,621,842	3,514,861	(106,981)
Total revenue from local sources	6,308,894	6,308,894	6,561,998	253,104
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Public assistance and administration	6,496,506	6,496,506	5,514,516	(981,990)
Virginia department of juvenile justice:				
Virginia juvenile community crime control act grant	90,503	90,503	43,766	(46,737)
Total revenue from the Commonwealth	6,587,009	6,587,009	5,558,282	(1,028,727)
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Health and human services	10,136,221	10,136,221	9,530,684	(605,537)
Health and human services- COVID	-	-	49,396	49,396
TANF	-	-	93,603	93,603
Total revenue from the federal government	10,136,221	10,136,221	9,673,683	(462,538)
Total intergovernmental	16,723,230	16,723,230	15,231,965	(1,491,265)
Total Harrisonburg-Rockingham Social Services District - Operating Fund	23,032,124	23,032,124	21,793,963	(1,238,161)
Special Revenue Fund:				
Children's Services Act Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	6,347	6,347
Miscellaneous:				
City of Harrisonburg share	1,673,760	2,713,280	2,713,276	(4)
Appropriation from the Primary Government	3,100,500	4,100,500	4,100,500	-
Total revenue from local sources	4,774,260	6,813,780	6,820,123	6,343

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
 COMPONENT UNITS – SCHEDULE OF REVENUES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2024**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Special Revenue Fund:				
Children's Services Act Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Children's Services Act	\$ 8,625,740	\$ 8,625,740	\$ 12,140,561	\$ 3,514,821
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Children's Services Act	-	-	351,041	351,041
Total intergovernmental	<u>8,625,740</u>	<u>8,625,740</u>	<u>12,491,602</u>	<u>3,865,862</u>
Total Children's Services Act Fund	<u>13,400,000</u>	<u>15,439,520</u>	<u>19,311,725</u>	<u>3,872,205</u>
Total Revenues - Component Unit - Harrisonburg-Rockingham Social Services District	<u>\$ 36,432,124</u>	<u>\$ 38,471,644</u>	<u>\$ 41,105,688</u>	<u>\$ 2,634,044</u>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2024**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	\$ 219,191	\$ 219,191	\$ 208,134	\$ (11,057)
General and financial:				
Executive administration	204,671	435,884	422,773	(13,111)
Legal services	791,273	833,273	832,500	(773)
Independent auditor and actuarial services	106,900	106,900	105,450	(1,450)
Commissioner of the revenue	1,015,412	1,015,412	1,014,521	(891)
Reassessment and equalization	440,684	476,684	440,457	(36,227)
Treasurer	1,008,716	955,816	955,815	(1)
Fiscal services	1,207,312	1,052,312	1,027,097	(25,215)
Human resources	554,761	580,761	580,117	(644)
Technology	1,500,956	1,371,643	1,329,645	(41,998)
Land use assessment	68,579	68,579	67,591	(988)
Total general and financial	6,899,264	6,897,264	6,775,966	(121,298)
Board of elections:				
Electoral board and officials	147,518	147,518	108,476	(39,042)
Registrar	449,329	449,329	414,716	(34,613)
Total board of elections	596,847	596,847	523,192	(73,655)
Total general government administration	7,715,302	7,713,302	7,507,292	(206,010)
Judicial administration:				
Courts:				
Circuit court	267,580	267,580	252,943	(14,637)
General district court	45,100	45,100	19,882	(25,218)
Magistrate	11,450	12,950	12,758	(192)
Juvenile and domestic relations court	53,760	53,760	35,614	(18,146)
Clerk of the circuit court	1,713,774	1,771,981	1,771,966	(15)
Department of court services	2,105,381	2,145,381	1,568,691	(576,690)
Total courts	4,197,045	4,296,752	3,661,854	(634,898)
Commonwealth attorney	3,185,387	3,157,887	3,025,774	(132,113)
Total judicial administration	7,382,432	7,454,639	6,687,628	(767,011)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2024**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 9,192,447	\$ 9,604,447	\$ 9,329,637	\$ (274,810)
Fire and rescue services:				
Fire and rescue	13,153,905	14,319,848	14,302,895	(16,953)
Volunteer fire companies	1,204,009	1,204,009	1,153,670	(50,339)
Ambulance and rescue squads	493,635	548,962	427,363	(121,599)
Emergency medical services transportation	1,750,000	1,750,000	2,140,473	390,473
Fire extinction service	21,768	21,768	20,116	(1,652)
Total fire and rescue services	16,623,317	17,844,587	18,044,517	199,930
Correction and detention:				
County operated institutions	13,816,480	15,392,397	15,379,839	(12,558)
Building inspections	820,974	820,974	807,023	(13,951)
Other protection:				
Animal control	756,334	765,334	765,178	(156)
Emergency services	3,791,455	3,791,455	3,791,455	-
Total other protection	4,547,789	4,556,789	4,556,633	(156)
Total public safety	45,001,007	48,219,194	48,117,649	(101,545)
Public works:				
Garage operations	990,332	1,022,332	1,017,935	(4,397)
Maintenance:				
County property	1,436,490	1,476,490	1,364,765	(111,725)
Shared property	2,305,956	2,866,636	2,382,747	(483,889)
Human Services/Health department building	623,454	627,732	366,993	(260,739)
TV translator system	156,500	156,500	9,298	(147,202)
Research and technology center	313,792	563,792	562,622	(1,170)
Total public works	5,826,524	6,713,482	5,704,360	(1,009,122)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2024**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Health and social services:				
Health:				
Supplement to local health department	\$ 671,641	\$ 678,641	\$ 678,361	\$ (280)
Mental health:				
Community Services Board	1,270,647	1,270,647	1,270,647	-
Social services:				
Property tax relief for elderly/handicapped	800,000	920,000	917,668	(2,332)
Appropriation to the Harrisonburg-Rockingham Social Services District	6,615,361	7,615,361	7,615,361	-
Institutional care	228,731	221,731	220,516	(1,215)
Total health and social services	9,586,380	10,706,380	10,702,553	(3,827)
Education:				
Appropriation to the Rockingham County School Board	83,407,760	83,407,760	74,068,063	(9,339,697)
Total education	83,407,760	83,407,760	74,068,063	(9,339,697)
Parks, recreation and cultural:				
Parks and recreation:				
Administration	253,040	253,040	231,473	(21,567)
Athletic events/programs	979,553	1,019,553	834,969	(184,584)
Rockingham Park	478,898	518,898	513,317	(5,581)
Total parks and recreation	1,711,491	1,791,491	1,579,759	(211,732)
Cultural:				
Regional library	1,006,607	1,006,607	1,006,607	-
Total parks, recreation and cultural	2,718,098	2,798,098	2,586,366	(211,732)
Community development:				
Planning and community development	1,178,614	1,309,384	1,003,050	(306,334)
Geographic information systems	333,975	449,578	366,895	(82,683)
Economic development	1,720,851	1,718,351	1,027,327	(691,024)
Cooperative extension program	196,348	196,348	154,947	(41,401)
Broadband project	-	3,560,000	3,560,000	-
Environmental management	439,514	439,514	426,359	(13,155)
Soil and Water Conservation District	37,500	37,500	895,421	857,921
Bond escrow	-	-	963,963	963,963
Contributions, grants and other	1,055,063	1,171,863	731,384	(440,479)
Total community development	4,961,865	8,882,538	9,129,346	246,808

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2024**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Debt service:				
Principal:				
County	\$ 393,333	\$ 489,571	\$ 517,882	\$ 28,311
School Board	6,901,686	6,901,686	6,901,686	-
Total principal	7,295,019	7,391,257	7,419,568	28,311
Interest and fiscal charges:				
County	277,956	311,848	332,125	20,277
School Board	5,627,024	5,627,024	2,725,413	(2,901,611)
Total interest and fiscal charges	5,904,980	5,938,872	3,057,538	(2,881,334)
Total debt service	13,199,999	13,330,129	10,477,106	(2,853,023)
Total General Fund	\$ 179,799,367	\$ 189,225,522	\$ 174,980,363	\$ (14,245,159)
Special Revenue Funds:				
Tourism Fund:				
Community development:				
Marketing and promotion	\$ 552,770	\$ 552,770	\$ 471,946	\$ (80,824)
Interest and fiscal charges				
	-	20,000	100,000	80,000
Total Tourism Fund	\$ 552,770	\$ 572,770	\$ 571,946	\$ (824)
Non-major Special Revenue fund:				
Asset Forfeiture Fund:				
Judicial administration:				
Commonwealth attorney	\$ 65,660	\$ 65,660	\$ 29,336	\$ (36,324)
Public safety:				
Law enforcement	55,740	55,740	58,806	3,066
Total Asset Forfeiture Fund	121,400	121,400	88,142	(33,258)
LLC Library:				
Parks, recreation and cultural:				
Library	34,391	34,391	22,617	(11,774)
Total LLC Library	34,391	34,391	22,617	(11,774)
Opioid Settlement Fund:				
Health and social services:				
Other contributions	-	132,423	-	(132,423)
Judicial administration:				
Department of court services	-	386,792	108,739	(278,053)
Total Opioid Settlement Fund	-	519,215	108,739	(410,476)
Total Non-major Special Revenue Funds	\$ 155,791	\$ 675,006	\$ 219,498	\$ (455,508)
General Capital Projects Fund:				
Capital projects				
	\$ 12,440,000	\$ 30,726,497	\$ 19,025,813	\$ (11,700,684)
Total General Capital Projects Fund	\$ 12,440,000	\$ 30,726,497	\$ 19,025,813	\$ (11,700,684)
Grand Total Expenditures - Primary Government	\$ 192,947,928	\$ 221,199,795	\$ 194,797,620	\$ (26,402,175)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2024**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 136,161,778	\$ 142,171,360	\$ 135,218,759	\$ (6,952,601)
Administration, attendance and health	8,570,736	8,570,736	9,371,486	800,750
Pupil transportation services	10,746,150	10,746,150	10,255,673	(490,477)
Operation and maintenance services	16,576,653	16,576,653	17,171,130	594,477
Total education	172,055,317	178,064,899	172,017,048	(6,047,851)
Debt service:				
Principal	-	-	1,046,028	1,046,028
Interest and fiscal charges	-	-	119,346	119,346
Total debt service	-	-	1,165,374	1,165,374
Total School Operating Fund	172,055,317	178,064,899	173,182,422	(4,882,477)
School Cafeteria Fund:				
Education:				
School food services	6,285,000	7,030,000	7,021,285	(8,715)
Total School Cafeteria Fund	6,285,000	7,030,000	7,021,285	(8,715)
School Capital Projects Fund:				
Capital projects	15,480,000	15,499,250	13,163,159	(2,336,091)
Total School Capital Projects Fund	15,480,000	15,499,250	13,163,159	(2,336,091)
Massanutten Technical Center - Operating Fund:				
Education:				
Secondary	6,169,517	6,169,517	5,953,719	(215,798)
Continuing education	1,286,600	1,286,600	1,292,994	6,394
Total Massanutten Technical Center - Operating Fund	7,456,117	7,456,117	7,246,713	(209,404)
Total Expenditures - Component Unit - School Board	\$ 201,276,434	\$ 208,050,266	\$ 200,613,579	\$ (7,436,687)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
 COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2024**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - Harrisonburg-Rockingham				
Social Services District:				
Operating Fund:				
Social services:				
Public assistance	\$ 9,333,061	\$ 8,990,061	\$ 7,776,115	\$ (1,213,946)
Administration:				
Health and human services	13,419,060	13,762,060	12,688,248	(1,073,812)
Virginia juvenile community crime control act grant	90,503	90,503	43,766	(46,737)
Capital projects	189,500	532,500	529,383	(3,117)
 Total Health and Human Services	23,032,124	23,375,124	21,037,512	(2,337,612)
Debt service:				
Principal	-	75,506	82,029	6,523
Interest and fiscal charges	-	14,320	18,990	4,670
 Total debt service	-	89,826	101,019	11,193
 Total Operating Fund	23,032,124	23,464,950	21,138,531	(2,326,419)
Special Revenue Fund:				
Children's Services Act Fund:				
Children's Services Act	13,400,000	19,230,412	19,230,412	-
 Total Children's Services Act Fund	13,400,000	19,230,412	19,230,412	-
Total Expenditures - Component Unit - Harrisonburg-Rockingham Social Services District	\$ 36,432,124	\$ 42,695,362	\$ 40,368,943	\$ (2,326,419)

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.

Contents	Tables
Financial Trends These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	2-6
Revenue Capacity These tables contain information to help the reader assess the County's most significant local revenue sources, the property tax, as well as other revenue sources.	7-11
Debt Capacity These tables present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	12-14
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	15-16
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	17-19

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial report for the relevant year.

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

Table 2
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NET POSITION / ASSETS BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Primary government:										
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 72,322,723
Restricted	235,709	195,800	235,108	404,183	624,258	1,334,085	1,415,419	2,106,253	2,675,887	371,088
Unrestricted (deficit)	(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	31,729,603
Total governmental activities net position	\$ (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	\$ 104,423,414
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 43,823,027
Restricted	-	5,545,857	10,566,691	4,739,335	-	-	-	-	-	-
Unrestricted	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	25,115,761
Total business-type activities net position	\$ 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	\$ 68,938,788
Primary government:										
Net investment in capital assets	\$ 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	\$ 116,145,750
Restricted	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	371,088
Unrestricted (deficit)	(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	56,845,364
Total primary government net position	\$ 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	\$ 173,362,202
Major component units: (1)										
Component unit - school board:										
Net investment in capital assets	\$ 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	\$ 128,447,658
Restricted	-	-	-	4,133,596	-	2,620,846	565,038	-	2,530,302	971,440
Unrestricted (deficit)	(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)	(92,369,971)
Total component unit - school board net position	\$ 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	\$ 37,049,127
Component unit - Harrisonburg-Rockingham Social Services District										
Net investment in capital assets	\$ 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	\$ 1,543,983
Restricted	1,393,537	1,740,887	2,019,613	2,120,558	2,472,376	2,586,582	-	-	-	-
Unrestricted	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	7,535,880
Total component unit - HRSSD net position	\$ 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	\$ 9,079,863

COUNTY OF ROCKINGHAM, VIRGINIA

NET POSITION / ASSETS BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Major component units:										
Net investment in capital assets	\$ 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	\$ 129,991,641
Restricted	1,393,537	1,740,887	2,019,613	6,254,154	2,472,376	5,207,428	565,038	-	2,530,302	971,440
Unrestricted (deficit)	(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)	(84,834,091)
Total major component units net position	\$ 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	\$ 46,128,990
Total reporting entity: (2)										
Net investment in capital assets	\$ 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	\$ 190,552,196
Restricted	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	1,342,528
Unrestricted	(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	27,596,468
Total reporting entity net position	\$ 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	\$ 219,491,192

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, 2018 net position was restated for the implementation of GASB Statement No. 75.
- (4) June 30, 2018 net position was restated for change in accounting policy.
- (5) June 30, 2021 net position was restated for change in accounting policy.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
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CHANGES IN NET POSITION / ASSETS
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Primary government:										
Expenses:										
Governmental activities:										
General government administration	\$ 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	\$ 8,574,839
Judicial administration	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	7,245,124
Public safety	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	50,039,202
Public works	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	4,988,994
Health and social services	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	10,649,616
Education	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	74,068,063
Parks, recreation and cultural	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	3,167,153
Community development	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	10,292,514
Interest	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	2,575,211
Total governmental activities	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	171,600,716
Business-type activities:										
Water and sewer	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	10,528,563
Solid waste	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	7,170,395
Total business-type activities	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	17,698,958
Total primary government expenses	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	189,299,674
Program revenue:										
Governmental activities:										
Charges for services:										
General government administration	3,511	2,383	1,768	1,727	1,940	1,784	2,896	3,086	1,447	7,454
Judicial administration	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	3,231,343
Public safety	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	12,752,121
Public works	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	1,998,710
Health and social services	1,204	2,428	18,565	26,013	24,152	-	208,737	163,484	174,295	169,978
Parks, recreation and cultural	805,431	785,225	863,175	843,541	872,572	585,312	404,983	647,434	235,947	279,457
Community development	2,540	508	1,855	143	-	-	-	-	-	10
Operating grants and contributions:										
General government administration	411,690	461,210	426,233	434,401	436,847	496,430	1,070,074	512,431	735,460	1,000,866
Judicial administration	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	3,398,149
Public safety	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	10,046,152
Public works	-	-	-	-	-	-	91,944	-	4,450,941	303
Health and social services	176,963	200,944	237,994	230,468	284,782	277,084	322,074	328,314	356,667	361,717
Education	-	-	-	-	-	-	2,040,427	-	150,690	199,405
Parks, recreation and cultural	-	-	-	-	-	85,498	77,571	180,000	10,592	40,219
Community development	-	100,000	254,000	-	25,000	-	1,275,201	-	1,763	1,467,856
Capital grants and contributions:										
General government administration	-	-	-	-	-	-	140,580	-	-	-
Judicial administration	-	-	-	-	-	-	11,487	-	-	-
Public safety	-	-	-	-	-	-	1,047,898	-	-	229,293
Public works	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	21,987,761	19,487,273	21,777,391	24,883,414	24,655,076	28,040,755	36,113,957	32,263,343	39,405,168	35,183,033

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Primary government:										
Program revenue:										
Business-type activities:										
Charges for services:										
Water and sewer	\$ 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	\$ 9,590,300
Solid waste	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	7,691,500
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	400,696
Solid waste	-	-	23,830	73,273	75,918	20,926	23,753	33,754	51,951	981,033
Capital grants and contributions:										
Water and sewer	-	-	-	-	-	-	-	-	-	4,972,635
Solid waste	870,563	-	-	-	-	-	-	-	-	-
Total business-type activities	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	23,636,164
Total primary government revenues	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	58,819,197
Net (expense) revenue:										
Governmental activities	(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)	(136,417,683)
Business-type activities	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	5,937,206
Total primary government, net expense	(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)	(130,480,477)
Governmental activities:										
Taxes:										
General property taxes	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	129,082,655
Local sales and use	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	11,983,458
Consumer utility and communications sales and use	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	1,789,958
Motor vehicles licenses	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	12,725
Transient occupancy tax	-	-	-	-	612,543	827,571	1,441,375	1,599,148	2,118,722	2,260,430
Food and beverage	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	2,606,381
Recordation & Wills	955,372	942,381	957,414	1,036,421	1,040,173	1,221,494	1,745,780	1,807,256	1,468,083	1,467,454
Other	691,284	714,687	709,216	746,426	502,479	482,640	511,697	500,462	504,642	527,949
Intergovernmental, non-categorical aid	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	7,620,080
Use of money and property	1,460,029	1,720,204	1,133,428	711,810	1,612,133	1,324,348	715,728	(405,807)	3,876,174	7,373,948
Miscellaneous	364,608	680,439	627,835	536,673	3,438,994	1,033,465	2,792,030	2,734,038	2,159,369	2,239,437
Transfers	870,563	-	-	-	-	(57,730)	-	-	-	-
Total governmental activities	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	166,964,475
Business-type activities:										
Intergovernmental, non-categorical aid	-	26,640	-	-	-	-	-	-	-	-
Use of money and property	93,935	59,852	171,908	272,958	532,278	558,613	164,842	144,327	1,160,437	1,893,986
Miscellaneous	837,750	850,605	762,982	774,434	769,890	366,309	1,951,660	337,887	337,354	435,615
Transfers	(870,563)	-	-	-	-	57,730	-	-	-	-
Total business-type activities	61,122	937,097	934,890	1,047,392	1,302,168	982,652	2,116,502	482,214	1,497,791	2,329,601
Total primary government	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	169,294,076
Changes in net assets/net position:										
Governmental activities	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	30,546,792
Business-type activities	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	8,266,807
Total primary government	\$ 7,887,812	\$ 295,360	\$ 9,443,221	\$ (17,621,021)	\$ 19,070,614	\$ (3,818,582)	\$ 24,980,877	\$ 27,562,965	\$ 43,936,017	\$ 38,813,599

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
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CHANGES IN NET POSITION / ASSETS
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Major component units: (2)										
Component unit - school board:										
Expenses:										
Instruction	\$ 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	\$ 147,041,697
Administration, attendance and health	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	9,239,187
Pupil transportation	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	10,602,626
Operation and maintenance services	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	17,801,841
School food services	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	7,072,698
Interest	-	-	-	-	-	-	-	142,721	159,396	119,346
Total expenses	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	191,877,395
Program revenues:										
Charges for services	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	2,233,775
Operating grants and contributions	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	119,238,976
Capital grants and contributions	71,650	83,333	175,791	98,915	-	-	756,704	1,109,034	3,691,304	1,430,614
Total program revenues	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	122,903,365
Net expense	(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)	(68,974,030)
General revenues and other changes in net assets:										
Grants and contributions not restricted to specific programs	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	74,068,063
Intergovernmental, non-categorical aid	72,671	75,166	77,475	74,224	71,192	69,005	66,915	65,439	65,672	71,939
Use of money and property	45,918	35,649	44,232	137,296	161,674	143,546	36,972	25,392	389,516	734,500
Miscellaneous	626,406	586,358	542,927	249,859	192,128	202,818	212,570	419,772	246,910	139,876
Total general revenues and other changes in net position	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	75,014,378
Total general revenues and other change in net position	\$ (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	\$ 6,040,348
Component unit - HRSSD:										
Expenses:										
Public assistance	\$ 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	\$ 7,776,115
Comprehensive/children's services	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	19,230,412
Health and human services	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	13,004,300
VJCCA	82,081	83,474	87,171	86,672	72,575	67,801	45,761	45,928	44,661	43,766
Interest	-	-	-	-	-	-	-	13,632	11,510	18,990
Total expenses	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	40,073,583
Program revenues:										
Operating grants and contributions	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	27,726,660
Total program revenues	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	27,726,660
Net expense	(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)	(12,346,923)

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
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CHANGES IN NET POSITION / ASSETS
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net assets:										
Grants and contributions not restricted to specific programs	\$ 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	\$ 12,935,677
Use of money and property	20,951	12,362	32,086	40,755	134,457	145,160	23,199	12,888	242,135	409,543
Miscellaneous	57,963	48,660	50,286	48,830	47,022	52,552	50,603	50,291	42,778	36,901
Total general revenues and other changes in net position	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	13,382,121
Total component unit - HRSSD change in net position	\$ 944,706	\$ 937,376	\$ 1,182,242	\$ (426,638)	\$ 949,731	\$ (125,338)	\$ 2,451,113	\$ (1,265,777)	\$ 471,551	\$ 1,035,198
Total major component units change in net position	\$ (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	\$ 7,075,546
Total reporting entity change in net position	\$ 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	\$ 45,889,145

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.

PROGRAM REVENUES BY FUNCTION / PROGRAM
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Function/Program	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Primary government:										
Governmental activities:										
General government administration	\$ 415,201	\$ 463,593	\$ 428,001	\$ 436,128	\$ 438,787	\$ 498,214	\$ 1,213,550	\$ 515,517	\$ 736,907	\$ 1,008,320
Judicial administration	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	6,629,492
Public safety	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	23,027,566
Public works	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	1,999,013
Health and social services	178,167	203,372	256,559	256,481	308,934	277,084	530,811	491,798	530,962	531,695
Education	-	-	-	-	-	-	2,040,427	-	150,690	199,405
Parks, recreation and cultural	805,431	785,225	863,175	843,541	972,572	670,810	617,524	827,434	246,539	319,676
Community development	2,540	100,508	255,855	143	25,000	-	1,783,883	-	1,763	1,467,866
Total governmental activities	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	35,183,033
Business-type activities:										
Water and sewer	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	14,963,631
Solid waste	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	8,672,533
Total business-type activities	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	23,636,164
Total primary government	\$ 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	\$ 58,819,197
Major component units:										
Component unit - school board:										
Instruction	\$ 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	\$ 115,907,002
Administration, attendance and health	-	-	-	-	-	-	-	-	127,236	42,726
Pupil transportation services	-	-	-	-	-	-	633,926	-	23,775	8,369
Operation and maintenance services	-	-	-	-	-	-	82,478	-	19,387	631,716
School food services	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	6,313,552
Total component unit - school board	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	122,903,365
Component unit - HRSSD:										
Public assistance	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	5,514,516
Comprehensive/children's services	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	12,491,602
Health and human services	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	9,676,776
VJCCA	62,481	102,030	83,534	86,831	72,416	67,801	45,761	45,928	44,661	43,766
Total component unit - HRSSD	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	27,726,660
Total major component units	\$ 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	\$ 150,630,025
Total reporting entity	\$ 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	\$ 209,449,222

COUNTY OF ROCKINGHAM, VIRGINIA

Table 5

FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable	\$ 584,337	\$ 712,636	\$ 785,140	\$ 695,007	\$ 722,684	\$ 699,185	\$ 806,616	\$ 781,855	\$ 761,070	\$ 1,058,815
Restricted	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	39,644,550
Assigned	-	-	-	53,822	142,979	-	-	-	7,204,238	-
Unassigned	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	64,270,713
Total General Fund	\$ 28,287,366	\$ 30,330,932	\$ 27,431,188	\$ 30,473,871	\$ 29,579,398	\$ 45,054,638	\$ 42,139,276	\$ 58,713,992	\$ 83,788,453	\$ 104,974,078
All Other Governmental Funds:										
Nonspendable	\$ 11,143	\$ -	\$ -	\$ -	\$ -	\$ 11,204	\$ 1,242	\$ 1,279	\$ 16,364	\$ 248,513
Restricted	224,566	195,800	235,108	404,183	518,066	1,334,085	1,415,419	2,106,253	2,675,887	371,088
Committed	-	-	4,288,809	3,962,920	7,218,556	3,756,964	5,302,877	9,085,690	6,476,089	6,296,495
Assigned	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	4,308,312
Unassigned	-	-	-	-	-	-	-	-	-	(2,201,242)
Total all other governmental funds	\$ 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	\$ 9,023,166

COUNTY OF ROCKINGHAM, VIRGINIA

Table 6
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CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
General property taxes	\$ 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	\$ 128,867,589
Other local taxes	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	20,648,355
Permits, privilege fees and licenses	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	1,788,849
Fines and forfeitures	184,583	151,516	240,396	208,051	202,191	181,988	128,829	206,906	233,080	165,303
Use of money and property	1,444,522	1,711,660	1,111,496	687,937	1,541,962	1,242,515	697,969	(414,417)	3,733,768	7,176,491
Charges for services	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	6,529,543
Miscellaneous	364,608	680,439	627,835	536,673	3,538,994	1,033,465	2,792,030	2,734,038	2,159,369	1,320,316
Recovered costs	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	9,955,378
Intergovernmental	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	24,352,477
Total revenues	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	200,804,301
Expenditures:										
General government administration	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	7,507,292
Judicial administration	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	6,825,703
Public safety	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	48,176,455
Public works	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	5,704,360
Health and social services	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	10,702,553
Education	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	74,068,063
Parks, recreation and cultural	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	2,608,983
Community development	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	9,601,292
Capital outlay	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	19,025,813
Debt service:										
Principal	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	7,419,568
Interest and fiscal charges	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	3,157,538
Total expenditures	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	194,797,620
Revenues over (under) expenditures	(4,599,760)	(1,368,436)	(5,715,848)	(29,756,771)	872,009	(17,906,534)	2,066,185	17,467,229	29,175,490	6,006,681
Other financing sources (uses):										
Transfers in	1,947,743	800,000	800,000	8,757,000	8,699,500	512,431	7,364,575	6,031,539	7,490,750	14,740,000
Transfers out	(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)	(14,740,000)
Issuance of subscriptions	-	-	-	-	-	-	-	-	28,565	155,602
Issuance of leases	-	-	-	-	-	-	-	-	-	279,397
Issuance of literary loan	-	-	-	-	-	-	-	-	-	7,962,427
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	-	-	-	-
Proceeds from sale of property	-	-	-	-	-	180,000	-	-	-	-
Total other financing sources (uses), net	870,563	-	-	29,309,256	-	15,889,911	990,426	27,039	28,565	8,397,426
Net change in fund balance	(3,729,197)	(1,368,436)	(5,715,848)	(447,515)	872,009	(2,016,623)	3,056,611	17,494,268	29,204,055	14,404,107

COUNTY OF ROCKINGHAM, VIRGINIA

Table 6
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CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Service as a percentage of noncapital expenditures:										
Primary government:										
Total debt service	\$ 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	\$ 10,577,106
Total expenditures	\$ 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	\$ 194,797,620
Less: Capital outlay - primary government	(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)	(20,856,674)
Noncapital expenditures	\$ 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	\$ 173,940,946
Debt service as a percentage of noncapital expenditures	10.10%	9.91%	9.12%	6.45%	8.73%	7.64%	10.07%	7.60%	7.56%	6.08%
Major component units - School Board and HRSSD:										
Expenditures:										
School board	\$ 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	\$ 200,613,579
HRSSD	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	40,368,943
Less: Capital outlay - school board	(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)	(15,605,526)
Less: Capital outlay - HRSSD	(530,456)	(31,182)	(42,681)	(123,000)	-	-	(199,473)	-	-	(342,297)
Noncapital expenditures	\$ 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	\$ 225,034,699
Total reporting entity:										
Total noncapital expenditures	\$ 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	\$ 313,122,609
Debt service as a percentage of noncapital expenditures	5.66%	5.51%	5.00%	4.29%	4.94%	4.89%	5.87%	4.09%	4.13%	3.38%

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Table 6

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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
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
2024	127,675,390	11,983,458	12,725	2,260,430	1,789,958	1,467,454	2,606,381	527,949	148,323,745
Change 2015-2024	79.14%	122.45%	-98.95%	0.00%	63.39%	53.60%	152.06%	-23.63%	81.67%

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	Real Estate Residential Property (1)	Real Estate Commercial Property (1)	Real Estate Industrial Property (1)	Real Estate Farm Property (1)	Real Estate 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		Property Taxes		Percentage of Total Property Taxes Paid
			Value	Assessed Value	Paid	Rank	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		14.7%		\$ 28,748,554		21.9%

2014							
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County		Property Tax		Percentage of Total Property Taxes Paid
			Value	Assessed Value	Paid	Rank	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		14.2%		\$ 13,845,722		18.7%

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		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 47,634,558	\$ 46,160,931	96.91%	\$ 1,473,627	\$ 47,634,558	100.00%
2015	50,861,929	49,410,225	97.15%	1,451,704	50,861,929	100.00%
2016	53,997,527	53,187,098	98.50%	786,911	53,974,009	99.96%
2017	57,907,159	57,106,295	98.62%	752,018	57,858,313	99.92%
2018	60,063,608	59,254,109	98.65%	748,738	60,002,847	99.90%
2019	61,330,358	60,536,048	98.70%	727,139	61,263,187	99.89%
2020	62,389,728	61,744,639	98.97%	551,138	62,295,777	99.85%
2021	63,615,307	62,884,680	98.85%	581,043	63,465,723	99.76%
2022	77,401,272	76,583,380	98.94%	427,034	77,010,414	99.50%
2023	79,063,780	78,295,366	99.03%	N/A	78,295,366	99.03%

Source:

Rockingham County Treasurer.

Note:

Amounts shown for levies and collections represent real estate taxes only.

RATIOS OF OUTSTANDING DEBT BY TYPE AND GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities						Business-Type Activities		Total Primary Government
	General Obligation Bonds	Private Placement Notes	Lease Revenue Refunding Bonds	Literary Loan Payable	Leases Liabilities	Subscription Liabilities	Revenue Bonds	Leases Liabilities	
2015	\$ 76,531,468	\$ -	\$ 16,090,003	\$ -	\$ -	\$ -	\$ 12,359,388	\$ -	\$ 104,980,859
2016	70,472,680	8,714,153	14,132,883	-	-	-	20,383,318	-	113,703,034
2017	64,260,913	7,826,952	12,282,453	-	-	-	29,711,540	-	114,081,858
2018	83,339,596	9,866,514	10,411,515	-	-	-	31,844,345	-	135,461,970
2019	77,216,875	8,320,437	8,514,297	-	-	-	29,686,640	-	123,738,249
2020	102,069,244	6,723,467	6,595,000	-	-	-	27,299,897	-	142,687,608
2021	94,801,461	5,094,984	2,115,000	-	-	-	25,292,544	-	127,303,989
2022	87,360,723	3,434,360	1,590,000	-	627,241	-	23,179,526	-	116,191,850
2023	79,663,628	2,084,503	-	-	591,168	230,316	20,539,621	-	103,109,236
2024	71,684,838	1,053,438	-	7,962,427	973,570	106,044	18,580,770	147,353	100,508,440

Bonded debt outstanding:

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Debt Per Capita	Percentage of Actual Taxable Value of Property		
				Revenue Bonds	Debt Per Capita	Debt Per Capita
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%	920	20,539,621	0.18%	237
2024	71,684,838	N/A	N/A	18,580,770	N/A	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 bond
- (5) The County implemented GASB 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Year Ended June 30, 2024
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Town of Bridgewater, Virginia	\$ 3,218,378	0.48%	\$ 15,403
Town of Broadway, Virginia	85,000	3.14%	2,666
Town of Mt. Crawford, Virginia	-	0.00%	-
Town of Dayton, Virginia	-	0.00%	-
Town of Elkton, Virginia	1,112,035	0.64%	36,696
Town of Grottoes, Virginia	-	0.00%	-
Town of Timberville, Virginia	-	0.00%	-
Subtotal, overlapping debt			<u>54,765</u>
County Direct Debt			<u>81,780,317</u>
Total direct and overlapping debt			<u><u>\$ 81,835,082</u></u>

Note:

The estimated percentage applicable is based on total assessed value of taxable property.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 14

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Page 1

Water and Sewer Fund							
Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
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
2024	14,148,632	7,987,453	6,161,179	940,000	375,130	1,315,130	4.68

Smith Creek Water & Waste Authority Fund							
Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
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
2024	678,634	527,977	150,657	-	9,637	9,637	15.63

Countryside Sanitary District Fund							
Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
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	-	-	-	-
2024	10,563	7,612	2,951	-	-	-	-

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Solid Waste Fund							
Fiscal Year	Utility Service	Operating Expenses	Net Available	Debt Service			Coverage
	Charges		Revenue	Principal	Interest	Total	
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
2024	8,786,014	5,319,642	3,466,372	815,000	386,003	1,201,003	2.89

Lilly Subdivision Sanitary District							
Fiscal Year	Utility Service	Operating Expenses	Net Available	Debt Service			Coverage
	Charges		Revenue	Principal	Interest	Total	
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	-	-	-	-
2024	35,903	21,270	14,633	-	-	-	-

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	11,287	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	2,815,637,022	33,363	11,005	3.6%
2022	85,397	40.9	2,911,525,318	34,094	10,904	2.2%
2023	86,568	40.5	3,240,499,944	37,433	11,091	2.7%

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)**

Employer	Fiscal Year June 30,	
	2024	2015
	Rank	Rank
Rockingham County School Board	1	1
Sentara Healthcare	2	2
Wal-Mart	3	4
Cargill Meat Solutions	4	3
Merck Sharp & Dohme Corp.	5	10
Marshall's	6	7
Great Eastern Resort Management	7	5
Pilgrims Pride Corp.	8	8
LSC Communications	9	6
County of Rockingham	10	9

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	
	2015	2016
General government administration:		
Legislative	5.00	5.00
General and financial:		
Commissioner of the revenue	13.50	14.00
Treasurer	6.50	7.00
Executive administration and legal	9.00	9.00
Finance	9.15	9.15
Human resources	3.00	3.50
Information systems	11.00	11.00
Central switchboard	1.50	1.50
Board of elections	2.00	2.00
Judicial administration:		
Courts:		
Clerk of the circuit court	15.00	15.00
Court services	11.00	11.00
Commonwealth attorney	26.30	27.30
Public safety:		
Sheriff	169.00	175.00
Fire and rescue	81.00	76.00
Building inspections	8.50	9.00
Other protection	2.00	2.00
Public works:		
General administration	0.65	0.65
Garage operations	2.00	2.00
Maintenance	17.00	17.55
Parks, recreation and cultural	11.00	10.50
Community development:		
Planning and community development	12.50	12.00
Economic development	1.00	1.00
Nutrient management	-	-
Water and sewer:		
Utilities/water treatment	20.10	21.10
Solid waste:		
Landfill	17.90	18.95
Container site	12.00	12.35
Component unit school board:		
Education:		
Instruction	1,414.00	1,410.00
Administration, attendance and health	63.00	64.00
Pupil transportation services	238.00	238.00
Operation and maintenance services	115.00	115.00
Technology	-	-
School food services	108.00	113.00
Component unit HRSSD:		
Social services:		
Services	58.50	65.00
Public assistance	48.50	53.00
Comprehensive Services Act	3.50	3.50
Administration	5.00	7.00
Totals	2,521.10	2,542.05

Source: Rockingham County Department of Human Resources.

Table 17

Fiscal Year							
2017	2018	2019	2020	2021	2022	2023	2024
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
15.00	15.00	15.00	15.00	15.00	15.00	15.00	18.00
7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00
9.00	7.00	8.00	8.00	9.00	8.00	10.00	10.00
11.00	11.00	11.00	10.00	10.00	10.00	11.00	11.00
3.50	3.50	4.00	4.00	4.00	5.00	5.00	5.00
11.00	13.00	12.00	12.00	12.00	12.00	13.00	14.00
1.00	1.00	1.00	1.00	1.00	-	-	-
2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
15.00	16.00	15.00	15.00	17.00	17.00	19.00	21.00
11.00	12.00	12.00	13.00	13.00	13.00	14.00	14.00
26.00	26.30	24.00	24.00	25.00	25.00	25.00	25.00
175.00	178.00	179.00	187.00	190.00	196.00	199.00	207.00
90.00	86.00	95.00	96.00	105.00	117.00	129.00	134.00
9.00	9.00	10.00	10.00	10.00	10.00	10.00	11.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
1.00	2.00	1.00	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
18.00	19.00	19.00	18.00	18.00	20.00	22.00	21.00
10.50	11.00	11.00	11.00	13.00	12.00	13.00	10.00
12.00	13.00	12.00	13.00	13.00	13.00	15.00	17.00
1.00	1.00	1.00	1.00	1.00	-	-	-
-	-	-	-	-	1.00	1.00	1.00
21.00	21.00	21.00	21.00	21.00	23.00	25.00	25.00
18.95	18.95	19.00	19.00	21.00	21.00	24.00	24.00
12.35	12.35	11.00	9.00	10.00	10.00	12.00	12.00
1,486.00	1,477.00	1,491.00	1,498.00	1,513.00	1,535.00	1,535.00	1,579.00
98.00	48.00	50.00	50.00	52.00	52.00	52.00	48.00
241.00	236.00	239.00	241.00	242.00	242.00	242.00	240.00
116.00	118.00	118.00	119.00	119.00	123.00	123.00	127.00
-	-	-	-	-	67.00	67.00	68.00
108.00	109.00	108.00	108.00	108.00	107.00	107.00	111.00
65.00	65.00	69.00	71.00	74.00	74.00	74.00	83.00
53.00	52.00	68.00	66.00	69.00	69.00	69.00	78.00
3.50	3.80	4.00	12.00	3.00	3.00	3.00	4.00
7.00	7.00	10.00	2.00	5.00	5.00	5.00	6.00
2,666.80	2,609.90	2,656.00	2,673.00	2,712.00	2,824.00	2,860.00	2,945.00

COUNTY OF ROCKINGHAM, VIRGINIA

OPERATING INDICATORS BY FUNCTION / PROGRAM Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year	
	2015	2016
Commonwealth Attorney:		
Felony Cases	1,218	1,123
Misdemeanor Cases	142	129
General District Court: Teresa Brown		
Traffic Infraction, Misdemeanor, Felony, S/C & Capias	21,087	21,497
Criminal Misdemeanor, Felony, S/C & Capias	7,305	8,036
Civil Filings (All types)	10,300	8,347
Juvenile Domestic Relations Court: Teresa Rea		
New Cases	7,143	7,438
Garage:		
# of Inspections Performed	-	-
Human Resources:		
New Hires Processed	180	163
Terminations	146	123
Police: (1)		
Calls for service	22,714	25,081
Adult arrest	4,119	4,201
Juvenile arrest	257	195
Traffic citations	1,479	1,682
Fire: (2)		
Total fire runs	6,959	6,907
Total rescue runs	18,313	18,948
Public Service: (3)		
Garbage collected (ton)	127,842	124,278
Recycle collected (ton)	12,714	9,632
Recreation:		
Trips	955	1,024
Football/Cheerleading	550	659
Basketball	687	698
Adult Volleyball	259	266
Adult Softball	336	352
Childcare Program:		
Afterschool	501	484
Summer Day Care	303	317
Water and Sewer: (3)		
New water connections	118	124
New wastewater connections	129	112
Average daily water consumption (gallons)	74,113,083	71,094,539
Average daily sewage treatment (gallons)	62,545,110	73,577,916
Education: (6)		
Average daily membership	11,290	11,287
Kindergarteners	854	838
Grades 1-12	10,436	10,449

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

Fiscal Year							
2017	2018	2019	2020	2021	2022	2023	2024
1,093	1,073	1,095	982	1,185	1,859	1,136	2,723
141	186	175	318	2,559	5,641	4,361	7,194
21,549	19,938	26,208	12,881	18,603	14,944	18,211	20,035
6,876	6,852	7,053	5,570	4,395	5,064	6,064	5,947
10,503	12,492	11,812	8,541	7,172	6,184	9,938	9,585
8,018	7,138	7,561	6,506	6,349	6,575	6,148	6,399
-	-	-	251	263	292	253	292
177	195	202	238	309	303	182	234
130	190	140	193	191	222	240	193
32,250	33,803	33,485	19,329	33,047	39,964	40,823	38,065
4,253	5,232	5,016	3,518	2,466	2,396	2,496	2,411
294	220	253	108	58	84	90	113
3,081	3,634	3,167	2,155	1,883	628	3,442	3,068
6,623	11,016	8,029	7,544	7,633	11,552	8,682	9,814
19,414	13,512	15,553	6,734	21,131	32,713	21,547	21,481
134,879	133,255	144,209	144,357	145,726	173,068	159,848	162,811
2,276	2,188	2,737	2,990	3,049	2,806	2,763	2,143
879	1,151	1,277	146	143	255	422	611
649	587	876	311	1,074	951	1,009	1,085
743	783	695	256	393	427	560	595
252	280	287	224	186	288	336	480
336	320	304	-	80	352	130	135
465	455	491	409	254	286	-	-
301	325	361	154	306	376	-	-
105	109	128	182	246	302	407	424
97	134	119	170	239	297	389	403
70,032,583	76,006,333	78,061,833	82,545,667	88,162,083	89,510,666	92,516,000	100,679,249
73,000,000	85,927,083	111,199,290	84,716,040	87,522,664	9,223,842	90,808,167	87,173,827
11,261	11,252	11,356	11,487	11,005	10,904	11,091	11,166
795	812	808	864	766	774	850	804
10,466	10,440	10,548	10,623	10,239	10,130	10,241	10,362

COUNTY OF ROCKINGHAM, VIRGINIA

Table 19

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	Fiscal Year					Fiscal Year				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police Stations: (1)	1	1	1	1	1	1	1	1	1	1
Fire Companies (not County owned): (2)	11	11	11	11	11	11	11	11	11	9
Fire and Rescue Stations (County Owned)	-	-	1	-	-	2	2	3	3	3
Rescue Squads (not County owned): (2)	8	8	7	7	7	7	7	6	6	6
Rescue Squads (County owned): (2)	-	-	1	1	1	1	2	2	2	2
Streets: (4)										
Centerline Mileage:										
Interstate	54	54	54	54	54	54	54	54	54	54
Primary	192	192	192	210	210	215	215	215	215	215
Secondary	899	900	900	882	882	880	880	880	880	883
Number of street lights	16	16	16	16	16	16	16	16	16	16
Traffic signals	42	42	43	43	43	43	43	43	43	43
Parks and Recreation: (5)										
Parks - number of acres	81	81	81	81	81	81	81	81	81	81
Neighborhood parks - number of acres	19	19	19	19	19	19	19	19	19	-
Baseball/softball diamonds	31	31	31	31	33	33	33	33	33	4
Soccer/football fields	13	13	13	13	17	17	17	17	17	12
Basketball courts	13	14	14	14	14	14	14	14	14	14
Parks with playground equipment	1	1	1	1	2	2	2	2	2	2
Picnic shelters	3	3	3	3	3	3	3	3	3	3
Community centers	3	3	3	3	3	3	3	3	3	3
Water: (3)										
Wells (County owned)	2	2	2	3	3	3	3	3	3	3
Water lines (feet)	553,039	577,643	587,938	599,862	622,226	632,505	653,683	653,683	653,683	777,904
Fire hydrants	854	909	957	999	1,002	1,031	1,071	1,071	1,071	1,229
Storage capacity (MGPD)	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000
Average daily consumption (MGPD)	2,436,595	2,337,355	2,302,441	2,498,838	2,566,576	2,713,830	2,898,479	2,898,479	3,000,877	3,302,219
Peak consumption (MGPD)	3,252,000	3,188,000	3,322,000	3,315,000	3,847,000	4,274,000	4,123,000	4,123,000	4,446,530	4,283,000
Wastewater: (3)										
Sanitary sewers (feet)	586,191	588,915	598,057	608,165	613,756	621,871	639,325	639,325	639,325	668,454

Sources:

- (1) Rockingham County Sheriff's Department
- (2) Rockingham County Fire and Rescue Department
- (3) Rockingham County Public Works Department
- (4) Virginia Department of Transportation
- (5) Rockingham County Parks and Recreation Department

COMPLIANCE SECTION



**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 comparisons of the General Fund and Tourism Fund of the County of Rockingham, Virginia (County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 27, 2024.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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.

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.

YBMares, LLP

Harrisonburg, Virginia
November 27, 2024



**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, 2024. 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 programs for the year ended June 30, 2024.

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.

PBMarus, LLP

Harrisonburg, Virginia
November 27, 2024

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2024**

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:				
<u>Direct payments:</u>				
Cooperative Law Enforcement	10.U01	N/A	\$ -	<u>\$ 2,780</u>
<u>Pass-through payments:</u>				
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not provided	-	2,273,012
Total SNAP Cluster			-	<u>2,273,012</u>
Department of Agriculture and Consumer Services				
Child Nutrition Cluster:				
National School Lunch Program - Commodity Distributions	10.555	40623	-	414,181
National School Lunch Program	10.555	411080	-	223,018
Summer Food Service Program for Children - Commodity Distributions	10.559	40623	-	2,899
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	402530	-	1,197,360
National School Lunch Program	10.555	402540	-	3,040,230
Summer Food Service Program for Children	10.559	603020/603030	-	70,038
Total Child Nutrition Cluster			-	<u>4,947,726</u>
Department of Agriculture and Consumer Services				
Team Nutrition Grant	10.574	600720	-	1,050
COVID-19: Pandemic EBT Administrative Costs	10.649	DOE865560	-	<u>6,180</u>
Department of Education:				
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	438410	-	22,082
Total Forest Service Schools and Roads Cluster			-	<u>22,082</u>
Total Department of Agriculture				<u>7,252,830</u>
DEPARTMENT OF DEFENSE:				
<u>Direct payments:</u>				
Payments to States in Lieu of Real Estate Taxes	12.112	N/A	-	<u>591,094</u>
Total Department of Defense				<u>591,094</u>

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2024**

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:				
<u>Direct payments:</u>				
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	\$ -	\$ 84,258
Federal Forfeiture - Equitable Sharing Program	16.922	N/A	-	36,301
<u>Pass-through payments:</u>				
Department of Criminal Justice Services:				
Violence Against Women Formula Grants	16.588	23-A9349VA21, 24-A9349VA22	-	24,055
Crime Victim Assistance - Discretionary Grants	16.575	24-O1013VW20	-	108,692
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03038-MUMU	-	1,774
Total Department of Justice				255,080
DEPARTMENT OF TRANSPORTATION:				
<u>Pass-through payments:</u>				
Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	BPT-2023-53202-23202, BPT-2024-54019-24019	-	27,035
Total Department of Transportation				27,035
DEPARTMENT OF THE TREASURY:				
<u>Pass-through payments:</u>				
Department of Criminal Justice Services:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	510510	-	253,000
Department of Social Services:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	not provided	-	41,271
Department of Education:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	452770, 600530	-	1,549,927
Virginia Department of the Treasury:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT0022	-	1,467,438
Virginia Tourism Corporation:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	Not provided	-	40,000
Total COVID-19: Coronavirus State and Local Fiscal Recovery Funds				3,351,636
Virginia Department of the Treasury:				
COVID-19: Local Assistance & Tribal Consistency Fund	21.032	Not provided	-	141,092
Total Department of The Treasury				3,492,728
DEPARTMENT OF EDUCATION:				
<u>Pass-through payments:</u>				
Department of Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027A	402870, 430710	-	2,805,437
COVID-19: Special Education - Grants to States	84.027X	402870	-	5,425
Special Education - Preschool Grants	84.173A	402860, 626850, 65210	-	71,921
Total Special Education Cluster				2,882,783
Adult Education - Basic Grants to States	84.002	V002A180047/STATE190002	-	333,455
Title I Grants to Local Educational Agencies	84.010	429010	-	2,281,508
Career and Technical Education - Basic Grants to States	84.048	600310, 600311, DOE866490	-	193,085
English Language Acquisition State Grants	84.365	605120	-	131,531
Supporting Effective Instruction State Grant	84.367	614800	-	349,938
Student Support and Academic Enrichment Program	84.424	600190	-	478,249
Education Stabilization Fund:				
COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	501920, 501930	-	2,334,270
Total Department of Education				8,984,819

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2024**

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:				
<u>Direct payments:</u>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	\$ -	\$ 363,738
<u>Pass-through payments:</u>				
Department of Social Services:				
Guardianship Assistance	93.090	Not provided	-	17,593
Title IV-E Prevention Program	93.472	Not provided	-	23,832
MaryLee Allen Promoting Safe and Stable Families	93.556	Not provided	-	45,294
Temporary Assistance to Needy Families	93.558	Not provided	-	768,839
Refugee and Entrant Assistance - State Administered Programs	93.566	Not provided	-	332,578
Low-Income Home Energy Assistance	93.568	Not provided	-	151,480
Child Care and Development Fund Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not provided	-	156,978
Total Child Care and Development Fund Cluster				<u>156,978</u>
Chafee Education and Training Vouchers Program (ETV)	93.599	Not provided	-	38,289
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not provided	-	777
Foster Care - Title IV-E	93.658	Not provided	-	1,104,689
Adoption Assistance	93.659	Not provided	-	2,605,455
Social Services Block Grant	93.667	Not provided	-	960,530
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not provided	-	55,031
Elder Abuse Prevention Interventions Program	93.747	Not provided	-	2,269
COVID-19: Elder Abuse Prevention Interventions Program	93.747	Not provided	-	5,857
Children's Health Insurance Program	93.767	Not provided	-	20,283
Medicaid Cluster:				
Medical Assistance Program	93.778	Not provided	-	2,341,770
Total Medicaid Cluster				<u>2,341,770</u>
Total Department of Health and Human Services				<u><u>8,995,282</u></u>
SOCIAL SECURITY ADMINISTRATION:				
<u>Direct payments:</u>				
Social Security Administration:				
Reward for Incarceration Notification	96.U01	N/A	-	16,200
Total Social Security Administration				<u>16,200</u>
DEPARTMENT OF HOMELAND SECURITY:				
<u>Pass-through payments:</u>				
Department of Emergency Management:				
Hazard Mitigation Grants	97.039	FEMA-DR-4411-VA-017	-	20,167
Emergency Management Performance Grants	97.042	EMPG Local 2023	-	16,181
Total Department of Homeland Security				<u>36,348</u>
Total Expenditures of Federal Awards				<u><u>\$ 29,651,416</u></u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS Year Ended June 30, 2024

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, 2024. 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS Year Ended June 30, 2024

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 \$417,080 at the time received were consumed during the year ended June 30, 2024. These commodities were included in the determination of federal awards expended during the year ended June 30, 2024.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

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?	<u> </u> Yes	<u> √ </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> √ </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> √ </u> No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	<u> </u> Yes	<u> √ </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> √ </u> 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)?

<u> </u> Yes	<u> √ </u> No
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Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
<i>Child Nutrition Cluster:</i>	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
21.027	COVID-19: Coronavirus State and Local Fiscal Recovery Funds
<i>Special Education Cluster:</i>	
84.027A	Special Education – Grants to States
84.027X	COVID-19: Special Education – Grants to States
84.173A	Special Education – Preschool Grants
84.425D	COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund

SCHEDULE OF FINDING AND QUESTIONED COSTS
Year Ended June 30, 2024

Section I. SUMMARY OF AUDITOR'S RESULTS (Continued)

Federal Awards (Continued)

Dollar threshold used to distinguish between type A and type B programs \$ 889,542

Auditee qualified as low-risk auditee? Yes No

Section II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

Section III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.



COUNTY of ROCKINGHAM

Finance Department

Trish Davidson, CPFO
Assistant County
Administrator

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2024

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: The County hired a Deputy Director of Finance in May 2024 which helped reduce the workload on the Senior Accountant, Chief Financial Officer for the School, and the Director of Finance for the County. The additional staff increased review on year-end entries and no such material weakness was noted in FY24.