COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2009

Prepared by:

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

www.rockinghamcountyva.gov

COUNTY OF ROCKINGHAM, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2009

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ROCKINGHAM COUNTY
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INTRODUCTORY SECTION

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PBGH
CERTIFIED PUBLIC ACCOUNTANTS
A LIMITED LIABILITY PARTNERSHIP
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RSM McGladrey Network
An Independently Owned Member

November 25, 2009

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

Gentlemen:

It is my pleasure to submit to you the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This report has been prepared in accordance with Section 15.2-2503 of the *Code of Virginia*, 1950, as amended.

Upon completing your review of this introductory section, you are encouraged to turn to 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 current economic downturn has resulted in a reduction in State budget allocations, which has shifted the financial burden to localities, particularly in areas such as education, transportation, social services, and services provided by the constitutional officers (law enforcement, court security, commonwealth's attorney, tax collection and assessment, and court records management). The economic recovery has been slow to positively impact State revenues; therefore, an even greater shift from the State to local governments is anticipated in the short term. The County Board of Supervisors and its management team, working with the Constitutional Officers and the Rockingham County School Board, continue to evaluate options to provide quality services for its citizens within a restrained financial environment.

Within the general government component of the CAFR, there is a significant increase in the cost of fire and rescue services, as the County is employing additional paid personnel to meet service demands with a reduction in the number of available volunteers.

In 2006, the Board of Supervisors and School Board agreed upon a school construction program designed to meet the education capacity needs for the next 5 to 8 years. Cub Run Elementary opened in the fall of 2008, River Bend Elementary in the fall of 2009, and East Rockingham High School will open in the fall of 2010. These three schools represent new school construction projects which address overcrowding issues at the elementary and high school level, and do not replace existing facilities. As a result, along with the significant one-time capital expenses for these schools, the County is facing additional annual operating and maintenance expenses, and debt service.

Other significant events and actions during this past year are:

- Completed addition and renovations to the County Administration Center.
- Substantially completed construction of the SRI-Shenandoah Valley research facility located in the Rockingham Center for Research and Technology on North Valley Pike.
- Completed construction of the Pleasant Run water and sewer project.
- Began construction of facilities to pipe methane gas generated at the Rockingham County landfill to the new Rockingham Memorial Hospital facility for use in heating the complex.
- Authorized engineering to submit Part A of permit application for expansion of the disposal area at the County landfill.
- Construction at the Harrisonburg-Rockingham Regional Sewer Authority (HRRSA) for an expansion of the capacity of the wastewater treatment plant and an upgrade to the facility to meet Chesapeake Bay standards.
- Began construction of a wastewater project designed to convey wastewater from the existing McGaheysville sewer treatment plant to the HRRSA facility. Upon completion of the project, the County will remove the McGaheysville plant from active operation.
- Substantially completed construction and placed into service an 800 MHz two-way emergency services and local government radio communications system for the County and City of Harrisonburg.

Looking to the future, a number of issues are under discussion by the Board which may result in capital projects and, therefore, need to be part of the County's long-term financial planning.

These issues include:

- The construction of a connector road on a new alignment to link western Rockingham County with eastern Rockingham County along a conceptual route that has State Commonwealth Transportation Board approval, which will redirect traffic around downtown Harrisonburg. The significant decline in available state funding for this project places an increased pressure on the County;
- Partnership with the City to develop water supply resources and related delivery infrastructure for County and City customers;
- Additional operational space for City-shared human service agencies such as the social services, community services board, and health department, as well as, potential co-location with other related state and federal agencies;
- Design (Part B) of expansion of the County landfill, which is critical for the area as it serves both the County and City;
- Expansion of the regional jail to provide secure housing for an increasing inmate population.

ROCKINGHAM COUNTY

JOSEPH S. PAXTON
County Administrator

November 25, 2009

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

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Website: www.rockinghamcountyva.gov

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These issues include:

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- Design (Part B) of expansion of the County landfill, which is critical for the area as it serves both the County and City;
- Expansion of the regional jail to provide secure housing for an increasing inmate population.

The economy of the region continues to be positively influenced by the presence of three local universities and colleges (James Madison University, Eastern Mennonite University and Seminary and Bridgewater College); and despite economic challenges in other areas of Virginia and the United States, the County is meeting the critical service demands for its citizens. However, as noted earlier, the State budget problems are impacting local operations. Given the projected level of State revenue shortfalls, it is anticipated that some additional cuts in State funding for Schools, Constitutional Officers, and other state-shared operations will occur. Federal stimulus funding has been used by the Commonwealth to stop gap much of the state funding shortfall at the local level in the short term; however, as these funds are depleted and unless significant economic recovery is seen in the more populous areas of the Commonwealth, state budget problems will continue. Locally, the County has experienced some negative revenue impact primarily in its personal property tax collections. A large portion of this tax is assessed to residents for motor vehicles. The decline in automobile replacements, coupled with a decline in the value of currently owned vehicles, is expected to reduce local revenues in the coming fiscal year by over $2 million. The Board of Supervisors and management team have taken steps to restructure employment levels to address the fiscal challenges, while maintaining core services required by County residents.

The County's focus continues to be to encourage steady, sustainable growth, which fosters a strong local economy and makes Rockingham County ***"A Great Place to Be"***. For more information on the services provided by the County please refer to our 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 the twenty-seventh consecutive year. This award certifies our continuing efforts to achieve the highest standards in government accounting and financial reporting.

On behalf of the County's management team, I extend our sincerest appreciation to the members of the Board of Supervisors for the confidence expressed and resources rendered to us throughout the year, which allow the implementation of the Board's policies. We look forward to continuing to work together with you in providing an efficient and effective level of service to the citizens of Rockingham County.

Respectfully submitted,

Joseph S. Paxton

ROCKINGHAM COUNTY

1778

VIRGINIA

ROCKINGHAM COUNTY

JOSEPH S. PAXTON
County Administrator

November 25, 2009

To the Board of Supervisors, County Administrator,
The Citizens of the County of Rockingham, and
The Financial Community:

The Finance Department is pleased to present the County of Rockingham's (the County) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. The report is designed to present fairly the respective financial position of the governmental activities, the 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 report adheres to the principle of full disclosure so that the reader may gain the maximum understanding of the County's financial affairs.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

PBGH, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the County's financial statements for the year ended June 30, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal 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 estimated population of 74,835. The independent city of Harrisonburg, with an estimated population of 45,632 serves as the County seat, and is the largest city in western Virginia between the Roanoke and the Washington, D.C. metropolitan areas.

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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 CAFR.

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 recreation 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 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 discretely presented component unit in the government-side financial statements.

The School, School Textbook, 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 April 23, 2008, the Board approved the budget for fiscal year 2009. During fiscal year 2009, as is customary, the Board also approved supplemental budget amendments.

Local Economy

The County continues to enjoy a relatively stable and diverse local economy and local indicators point to continued stability. The County has a varied manufacturing, industrial, distribution, services, and higher education base that adds to the relative stability of the unemployment rate (currently 5.3%). Major industries with headquarters or divisions located within the County's boundaries include a chemical manufacturer, national 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 21,000 students.

The front cover of the CAFR shows a photograph of the Rockingham Center for Research and Technology owned by Rockingham County. SRI International selected the County's Center to locate its new Center for Advanced Drug Research (CADRE) in the 40,000 square foot SRI-Shenandoah Valley facility also shown on the front cover of the CAFR. SRI is a premier research institute, which will serve as the cornerstone in the County's Center for Research and Technology, which consists of 365 prime commercial acres.

According to the 2007 U.S. Census of Agriculture published in February 2009, Rockingham County is ranked 1st in the state for total value of agricultural products sold ($534 million) with 1,970 farms totaling 233,087 acres. Also from the census, Rockingham County is ranked 1st in the state for the following four commodity group sales: Milk and other dairy products from cows, cattle and calves, poultry and eggs, and other crops and hay. Rockingham County further ranked 1st in the state for all five livestock categories.

While the County experienced a reduction in the amount of building activity for fiscal year 2009, there was still over $75 million authorized for new construction and renovations in the County for this time period including nine projects, each of which involved an investment of $500,000 or more. These projects were: Rockingham Memorial Hospital (medical office building addition); Covenant Presbyterian Church (addition); Broadway Metal Works (addition); City of Harrisonburg (new construction of a raw water intake facility); Wal-Mart Supercenter (remodel); Town of Elkton (sewer treatment facility remodel); Dunaway office Complex (new construction); Green Valley Auction (addition); and Merck (addition).

Long-Term Financial Planning

Unreserved, undesignated fund balance in the General Fund totaled over $22.5 million, which represents 17 percent of total General Fund expenditures. While there are no formal policy guidelines, the Board and its Finance Committee review this data regularly for budgetary and planning purposes. One of the key goals is to ensure that operational costs for critical services are funded from on-going revenues to ensure the quality of life for County residents.

The Board approved a Capital Improvements Plan totaling over $149 million, of which over $98 million is designated for the five-year period through 2014. This Capital Improvements Plan also included an outline of the various funding sources.

School projects totaling up to $90 million were authorized in March 2007 and have resulted in bond funding through the Virginia Public School Authority. The debt service to retire these bonds has created pressure on the revenue resources of the County. Also, since these are new and not replacement school facilities, the opening of each facility will have a significant impact on the cost of school operations.

The Board, with the assistance of staff, was aware that these capital projects will require long-term financial planning, and the Board has taken steps to begin to address these challenges by setting aside funds to meet start-up costs and by working with the School Division to project the funding necessary to meet operating needs.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Rockingham for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the 27th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Finance Department expresses its appreciation to County staff that assisted and contributed in the preparation of this report. A special thank you is extended to the Board members and the County Administrator for their continued strong leadership and dedicated pursuit of excellence in financial reporting.

Respectfully submitted,

James L. Allmendinger

James L. Allmendinger, CPA
Director of Finance

COUNTY OF ROCKINGHAM, VIRGINIA

Directory of Principal Officials
June 30, 2009

Board of Supervisors

Frederick E. Eberly, Chairman
District 2
Pablo Cuevas, Vice-Chairman
District 1

Dee E. Floyd
District 3

William B. Kyger, Jr.
District 4

Michael A. Breeden
District 5

County Administrator

Joseph S. Paxton

School Board

John Myers, Jr., Chairman
District 3
William Gamble, Vice-Chairman
District 4

Anthony Slater
District 1

Gayl Brunk
District 2

W. R. Good
District 5

Superintendent of Schools

Dr. Carol Fenn

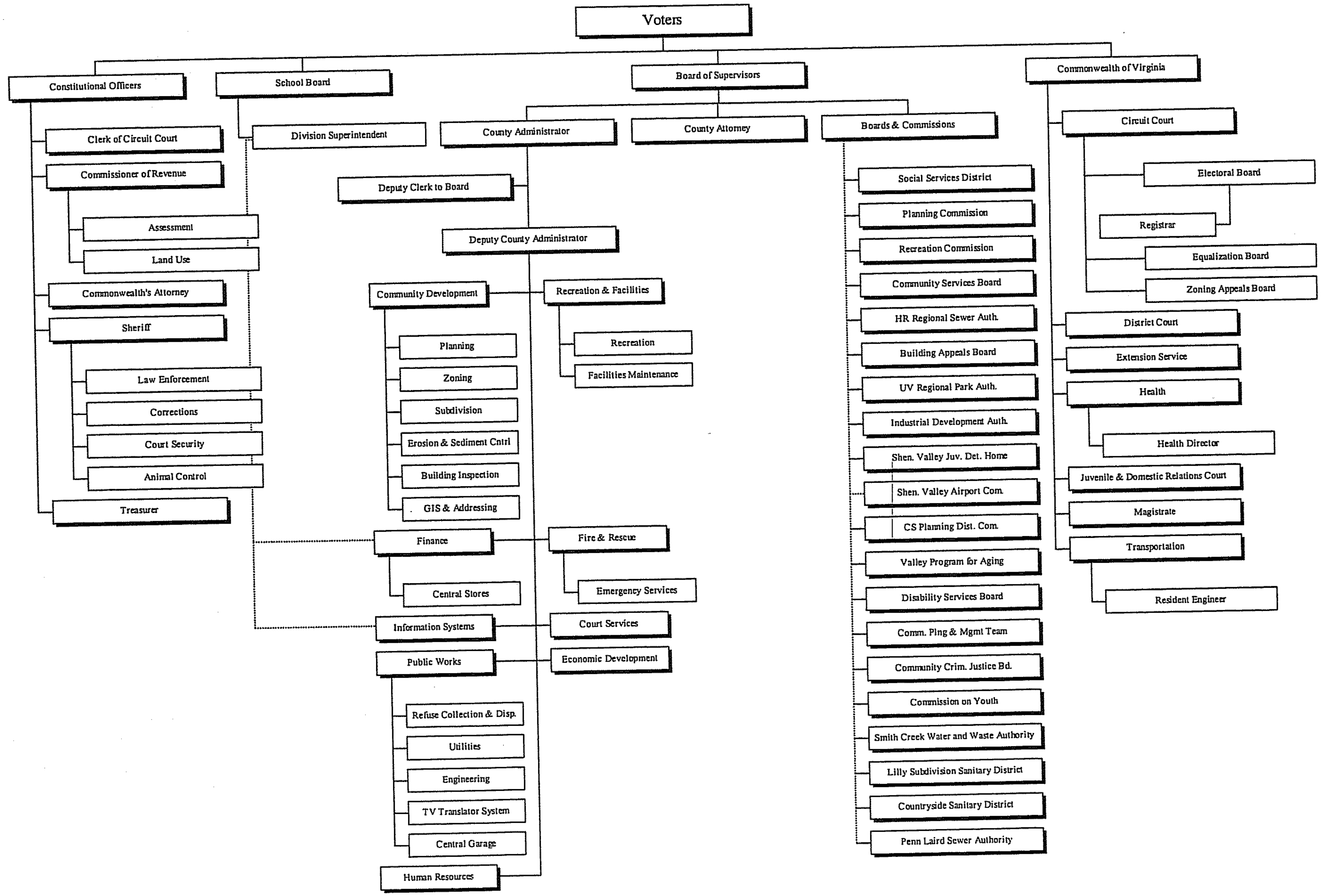
Other Officials

Stephen G. King	Deputy County Administrator
Thomas H. Miller	County Attorney
Lowell R. Barb	Commissioner of the Revenue
Donald W. Farley	Sheriff
L. Todd Garber	Treasurer
Marsha L. Garst	Commonwealth Attorney
Chaz W. Evans-Haywood	Clerk of the Circuit Court
James L. Allmendinger	Director of Finance
Donald D. Driver, Jr.	Director of Social Services
Franklin P. O'Byrne	Director of Information Services
Wendell J. Eberly	Director of Parks and Recreation
Rhonda G. Henderson	Director of Planning
Warren G. Heidt	Director of Public Works
Ann Marie Freeman	Director of Court Services
Stephen N. Riddlebarger	Director of Human Resources
Douglas L. Geib	Registrar
Robert A. Symons	Director of Fire and Rescue
William L. Vaughn	Director of Community Development

COUNTY OF ROCKINGHAM, VIRGINIA

GOVERNMENT ORGANIZATIONAL CHART

JUNE 30, 2009



Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Rockingham Virginia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

ROCKINGHAM COUNTY
1778
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FINANCIAL SECTION

tab

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements 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 of Rockingham, Virginia, (County) as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Rockingham, Virginia, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2009 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis (pages 13 to 30) and the required supplementary information (page 83) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the Table of Contents as supplementary information and supplemental schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

PBGH, LLP

Harrisonburg, Virginia
November 24, 2009

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, 2009. We encourage readers to consider the information presented here in conjunction with the letters 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 assets, excluding component units, totaled a negative $5,226 at June 30, 2009. Of this amount, there was $65,442 invested in the County's capital assets, net of related debt, $351 in restricted net assets, and a negative $71,019 in unrestricted funds as a result of recording the debt for the component unit – School Board within the governmental activities. Debt is recorded within the primary government since the County is legally obligated to make payments for this debt; however, the corresponding assets are reported in the component unit – School Board statements since the School Board holds title to the assets.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $42,629. Approximately 82 percent of this total amount, $35,160 is available for spending at the government's discretion (unreserved, undesignated fund balance).
- At the end of the current fiscal year, the unreserved, undesignated fund balance in the General Fund was $16,398, which represents 13 percent of total General Fund expenditures.
- The County's debt and other noncurrent liabilities increased by $36,338 (28 percent) during the current fiscal year. The key factor in this increase was the issuance of $37,261 in general obligation bonds for the new school construction.

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 assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 and a legally separate social services district 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 itself.

The government-wide financial statements can be found on pages 31-33 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 Special Revenue E-911 Fund, and the General Capital Projects Fund, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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 34-38 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 an accounting device used to accumulate and allocate costs internally among the County's various functions. The County has two internal service funds. The Central Stores Fund accounts for providing office supplies to various departments or agencies of the County and recording the related costs. 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 39-42 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 statement 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 statement can be found on page 43 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 on pages 44-82 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 83 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities exceeded assets by $5,226 at the close of the most recent fiscal year. This is a decrease of $28,504 in comparison with the prior year. The explanation for this decrease is provided below.

By far, the largest portion of the County's net assets, $65,442, reflects its investment in capital assets (e.g. land, buildings, improvements, machinery and equipment, and construction in progress, net of accumulated depreciation), 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.

An additional portion of the County's net assets, $351, represents resources that are subject to external restrictions on how they may be used. There was a decrease of $1,791 in restricted net assets reported in connection with the County's governmental activities.

The unrestricted portion of the County's net assets for the primary government changed from a negative $43,228 to a negative $71,019. This negative balance is 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)(9) of the financial statements for further explanation.

Net assets in the governmental activities decreased by $29,251 during the current fiscal year, while revenues increased by $5,950 primarily due to additional general property taxes, the offsetting key factor contributing to this outcome were the education expenses for school capital projects.

By far, the largest portion of the component unit School Board's net assets reflects its investment in capital assets (e.g. land, buildings, improvements, machinery and equipment, and construction in progress, net of accumulated depreciation). As explained above and in note 1(E)(9) of this report, 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 Assets
June 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	$ 52,851	$ 57,980	$ 12,947	$ 14,563	$ 65,798	$ 72,543
Capital assets, net	57,240	46,917	46,452	41,392	103,692	88,309
Total assets	110,091	104,897	59,399	55,955	169,490	160,852
Other liabilities	7,289	7,027	1,558	1,016	8,847	8,043
Noncurrent liabilities	140,284	106,101	25,585	23,430	165,869	129,531
Total liabilities	147,573	113,128	27,143	24,446	174,716	137,574
Net Assets:						
Investment in capital assets, net of related debt	33,331	34,024	32,111	30,339	65,442	64,364
Restricted	351	2,142	-	-	351	2,142
Unrestricted (deficit)	(71,164)	(44,397)	145	1,170	(71,019)	(43,228)
Total net assets	$ (37,482)	$ (8,231)	$ 32,256	$ 31,509	$ (5,226)	$ 23,278

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2009	2008	2009	2008
Current and other assets	$ 35,930	$ 31,157	$ 5,347	$ 4,948
Capital assets, net	150,699	119,304	119	163
Total assets	186,629	150,461	5,466	5,111
Other liabilities	21,053	23,502	2,650	2,862
Noncurrent liabilities	3,242	3,112	351	311
Total liabilities	24,295	26,614	3,001	3,173
Net Assets:				
Investment in capital assets, net of related debt	150,699	106,448	119	163
Unrestricted (deficit)	11,635	7,670	2,346	1,775
Total net assets	$ 162,334	$ 123,847	$ 2,465	$ 1,938

County of Rockingham, Virginia
Summary Statement of Changes in Net Assets
Years Ended June 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	$ 6,797	$ 7,101	$ 7,828	$ 8,799	$ 14,625	$ 15,900
Operating grants and contributions	10,015	10,120	-	-	10,015	10,120
Capital grants and contributions	84	-	1,016	2,009	1,100	2,009
General revenues:						
General property taxes	65,896	58,575	-	-	65,896	58,575
Other local taxes	9,997	10,343	-	-	9,997	10,343
Intergovernmental non-categorical aid	6,590	6,226	-	-	6,590	6,226
Use of money and property	786	1,666	200	381	986	2,047
Miscellaneous	279	120	243	198	522	318
Total revenues	100,444	94,494	9,287	11,490	109,731	105,984
Expenses:						
General government administration	5,172	4,933	-	-	5,172	4,933
Judicial administration	4,232	3,497	-	-	4,232	3,497
Public safety	20,558	19,040	-	-	20,558	19,040
Public works	2,516	2,567	8,540	8,479	11,056	11,046
Health and social services	5,088	4,792	-	-	5,088	4,792
Education	78,046	57,109	-	-	78,046	57,109
Parks, recreation and cultural	2,167	2,643	-	-	2,167	2,643
Community development	6,142	3,415	-	-	6,142	3,415
Interest	5,774	3,811	-	-	5,774	3,811
Total expenses	129,695	101,807	8,540	8,479	138,235	110,286
Changes in net assets before transfers	(29,251)	(7,313)	747	3,011	(28,504)	(4,302)
Transfers	-	(44)	-	44	-	-
Change in net assets	(29,251)	(7,357)	747	3,055	(28,504)	(4,302)
Net assets, beginning	(8,231)	(874)	31,509	28,454	23,278	27,580
Net assets, ending	$ (37,482)	$ (8,231)	$ 32,256	$ 31,509	$ (5,226)	$ 23,278

County of Rockingham, Virginia
Summary Statement of Changes in Net Assets (Continued)
Years Ended June 30, 2009 and 2008

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2009	2008	2009	2008
Revenues:				
Program revenues:				
Charges for services	$ 5,638	$ 5,130	$ -	$ -
Operating grants and contributions	77,327	72,166	14,844	14,121
Capital grants and contributions	3,560	1,104	-	-
General revenues:				
Grants and contributions not restricted to specific programs	78,046	57,109	7,148	6,472
Intergovernmental non-categorical aid	92	131	-	-
Use of money and property	145	408	43	110
Miscellaneous	153	192	272	254
Total revenues	164,961	136,240	22,307	20,957
Expenses:				
Health and social services	-	-	21,780	20,619
Education	126,474	118,055	-	-
Total expenses	126,474	118,055	21,780	20,619
Change in net assets	38,487	18,185	527	338
Net assets, beginning	123,847	105,662	1,938	1,600
Net assets, ending	$ 162,334	$ 123,847	$ 2,465	$ 1,938

Governmental activities. As previously mentioned, governmental activities decreased the County's net assets by $29,251. Key factors of this net decrease are as follows:

While most revenue categories remained relatively stable, general property taxes increased $7,321 (12 percent). This was due to an increase in the real property tax rate from 58 to 60 cents for the June 2008 semi-annual levy. Thus, this fiscal year ended June 30, 2009 reflected the first full year with the tax rate at 60 cents. In addition, machinery & tools tax increased due to a $300,000 investment by Miller Coors with the opening of a new brewery.

Expenses increased $27,888 over the last fiscal year. For the most part, increases in expenses closely paralleled any growth in the demand for services. There were, however, three categories which had the most impact as follows: education continued to be abnormally high due to $20,937 incurred almost entirely due for school capital projects; community development increased $2,727 due to economic grants in place to stimulate business investment (that was more than offset by the increase in machinery & tools tax collected on the investment); and interest expense, which increased $1,963 primarily due to higher school debt service.

Business-type activities. Business-type activities increased the County's net assets by $747 compared to $3,055 last fiscal year. Key factors for this change are as follows:

- Capital grants and contributions decreased by $993 (49 percent) compared to last year. This was mostly the result of $660 received for capital costs and expansion of the sanitary landfill of the Solid Waste Fund in the prior year versus only $61 received in the current year.

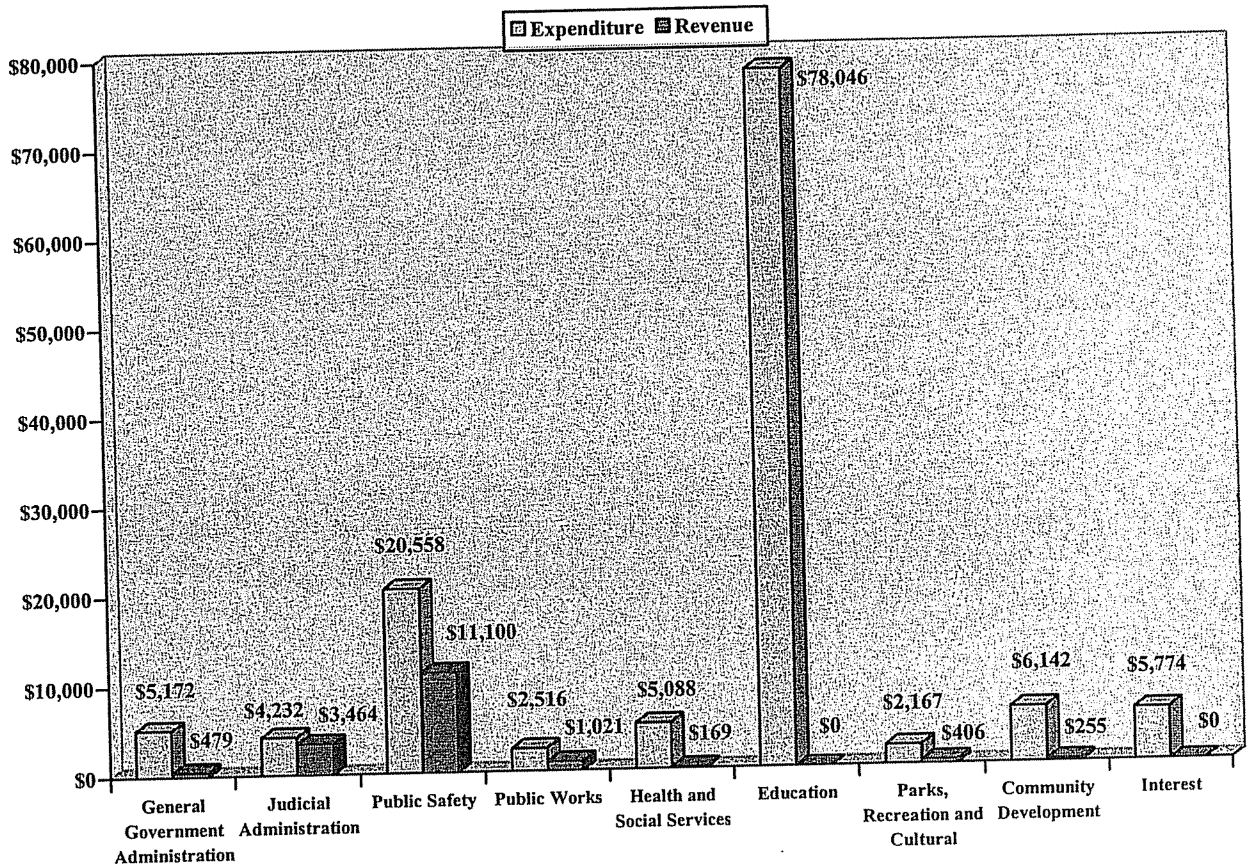
- Program revenues also decreased by $971 (11 percent) compared to last year. This was mainly the result of :

    1. Water and sewer charges for services decreased $490. This was the result of a reduction in the collection of connection availability fees, which decreased $754 due to the slowdown in economic activity, while being partially offset by more customers, higher usage, and an increase in the water and sewer charges effective July 1, 2008.

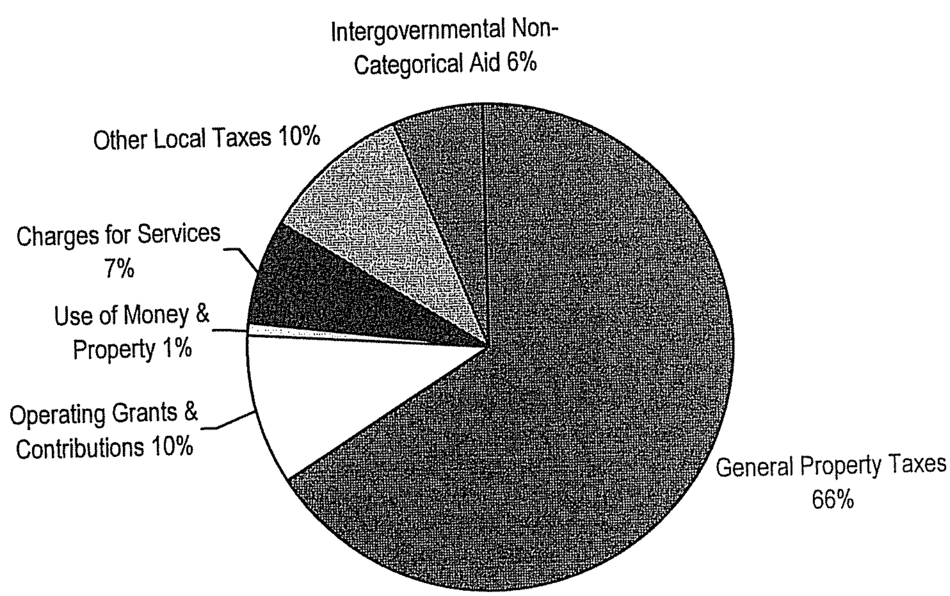
    2. Solid waste charges for services decreased $481. This was the result of lower tonnage received at the landfill due to completion of increased capacity at the City's waste to energy steam plant.

- Expenses for business-type activities increased only $61 compared to last year.

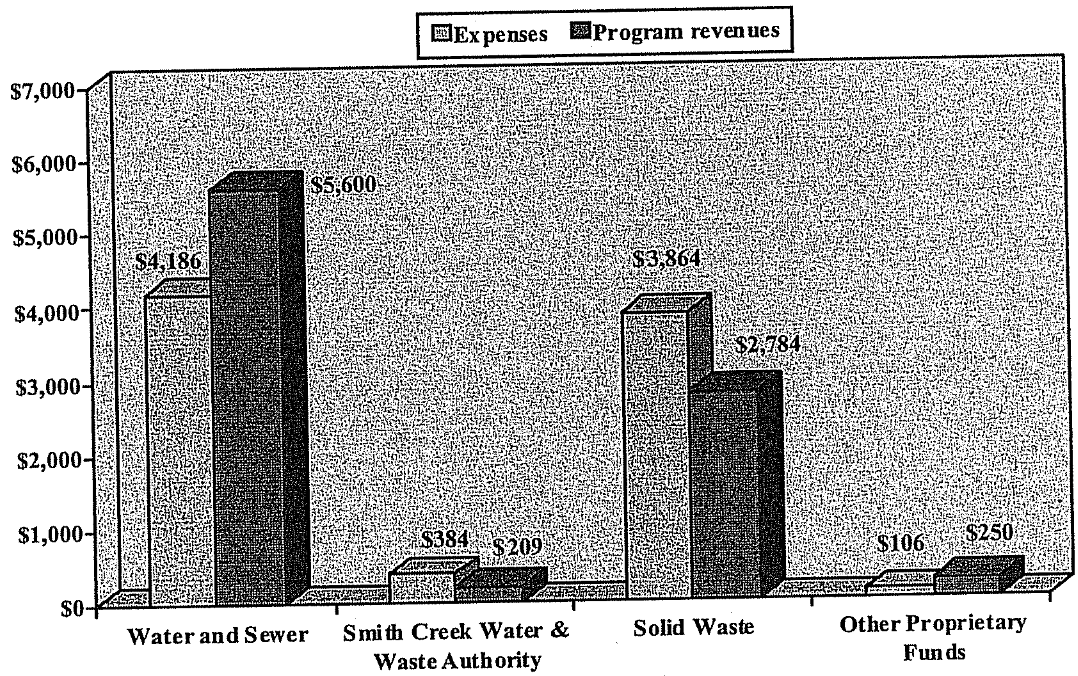
Expenses and Program Revenues - Governmental Activities



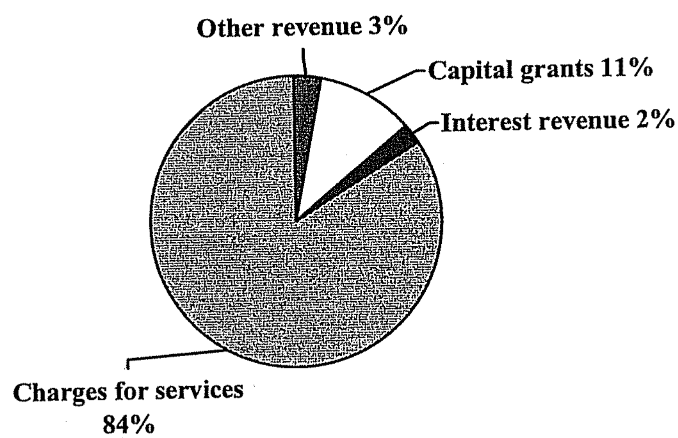
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Component Unit – School Board. The School Board's net assets increased by $38,487 this fiscal year. Key elements of this increase are as follows:

- Operating grants and contributions increased $5,161 over the prior fiscal year. The State provided $4,497 of this increase through State sales tax receipts, basic school aid, and other state school funding.

- Grants and contributions not restricted to specific programs increased $20,937 over the prior year. The County increased its appropriations to the School Capital Projects Fund by $20,395 for the construction of two new elementary schools and a new high school.

- Expenses of the School Board increased by $8,419 over the prior fiscal year. Increases in expenses occurred in each major category resulting from the opening of a new elementary school and increased Average Daily Membership requiring additional funding to meet the overall needs of the educational system. The largest category was Instruction (includes compensation of instructional staff) which increased $5,744.

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, *unreserved 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 $42,629, a decrease of $7,423 in comparison with the prior year.

Approximately 82 percent of this total amount ($35,160) constitutes *unreserved, undesignated fund balance,* which is available for spending at the government's discretion. The remainder of fund balance is *reserved or designated* to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was $16,398, while total fund balance reached $23,517. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 13 percent of total General Fund expenditures, while total fund balance represents 18 percent of that same amount.

The fund balance of the County's General Fund decreased by $4,067 during the current fiscal year. This is significantly better than the original budget which projected a $12,796 decrease, and the final budget projecting a $17,063 decrease. The key factors influencing this result are as follows:

- Revenue increased $5,958 from the prior fiscal year. The largest component of this increase was general property taxes which increased $6,715 over the prior fiscal year. The two main revenue sources of this increase were:

    - Real property taxes increased $1,328 primarily due to a two cent increase in the real property tax rate which had started with the June 2008 semi-annual levy last fiscal year. This current fiscal year is the first full year with the new tax rate.

    - Machinery and tools taxes increased $5,180 as a result of more investment in machinery and tools by manufacturers in the County, resulting from economic grants in place to stimulate business investment.

- Expenditures increased $28,222 over the prior fiscal year. While most of the expenditure categories remained relatively flat, the key components affecting this increase were:

    1. Education expenses increased $20,937 over the prior fiscal year. This is primarily due to a transfer of funds to the School Capital Projects Fund of $39,506 this fiscal year compared to $19,111 last fiscal year, while the transfer of funds for school operating costs increased $542.

    2. Public safety increased $2,164 over the prior fiscal year. A large portion of the increase was due to the closure of the Special Revenue E-911 Fund and reclassifying the emergency services expenditures into the General Fund under Public Safety in the current fiscal year.

    3. Community development increased $2,660 over the prior fiscal year. This was due to economic grants executed to stimulate business investment.

    4. Debt service increased $1,610 over the prior fiscal year. This is primarily the result of additional School Board debt and the SRI project capital lease.

The General Capital Projects Fund has a total fund balance of $18,761, of which the entire amount is unreserved and undesignated. The County had capital outlays of $13,532 during the current fiscal year which were funded by 1) a transfer of $11,736 from the General Fund, 2) revenues of $231, and 3) use of the General Capital Projects Fund Balance of $1,565.

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 assets of these funds increased $747 this fiscal year to $32,256. The largest portion of these net assets, $32,111, continues to reflect the County's investment in capital assets. The unrestricted net assets of the proprietary funds decreased from $1,170 last fiscal year to $145 this fiscal year.

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

During the year there was a $44,678 increase in appropriations between the original and final amended budget. The following are the largest components of the increase:

- $39,501 supplemental appropriation to transfer to the School Capital Projects Fund for the permanent financing received for the new River Bend Elementary School and the new East Rockingham High School.

- $2,515 supplemental appropriation to transfer to the Self-Funded Insurance Fund to establish sufficient reserves.

- $615 carry over to transfer to the School Fund for three projects previously approved.

- $376 supplemental appropriation for a re-formatting grant received for the Clerk of the Circuit Court.

- $338 supplemental appropriation to transfer to the Comprehensive Services Act Fund for estimated Medicaid adjustment costs.

The increase in appropriations was possible because of a number of factors including: receiving permanent financing for the construction of two new elementary schools; receiving permanent financing through a lease purchase contract for the SRI project; the receipt of additional anticipated revenues generated from an economic development grant; the reduction of other expenditures; and the use of the unreserved, undesignated fund balance in the General Fund.

There were also significant differences between the final amended budget for the General Fund and actual amounts (presented using the basis of budgeting). Actual revenues less expenditures were $11,171 over the final budget.

Actual total revenues were $2,273 over the final budgeted amounts and the key factor for this was:

- General property taxes were $2,637 over the final budget amount. Personal property taxes accounted for $976 of this increase and were the result of more vehicles and higher values in the current year. Machinery and tools taxes accounted for $1,360 of this increase and were due to more investment in machinery and tools by manufacturers in the County.

Actual total expenditures were $8,898 under the final budgeted amounts and the key factors were:

- The appropriation to the Rockingham County School Board for general operations was less than the final budget by $5,731. These funds were left unspent at year-end by the School Board in recognition of the need to be conservative given the substantial school capital projects.

- Community development expenditures were $939 less than the final budget due to economic development funds not being spent by year-end.

- All 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, 2009, amounts to $103,692 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, and machinery and equipment. The total increase in the County's investment in capital assets for the current fiscal year was 17 percent (a 22 percent increase for governmental activities and a 12 percent increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

Governmental Activities

- Construction In Progress
  - Construction in progress was completed on the addition to the County Administration building.
  - Construction on the SRI building continued; construction in progress as of the close of this fiscal year was $15,385, an increase of $10,379 during this current fiscal year.

- Buildings
  - The addition to the County Administrative building was completed for a total cost of $5,203.

Business-Type Activities

- Construction In Progress
  - Construction in progress was completed on the Pleasant Run water and sewer lines.
  - Construction on the McGaheysville Sewer Project continued; construction in progress as of the close of this fiscal year was $5,080, an increase of $4,830 during this fiscal year.
  - Construction on the Belmont and Highland Park pump stations continued; construction in progress as of the close of this fiscal year was $695, an increase of $650 during this fiscal year.

- Improvements
  - The Pleasant Run water and sewer lines were completed for a total cost of $4,961.

County of Rockingham, Virginia
Summary Statement of Capital Assets
June 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Non-Depreciable Assets:						
Land	$ 3,199	$ 3,199	$ 1,734	$ 1,644	$ 4,933	$ 4,843
Construction in progress	24,620	17,824	6,343	4,605	30,963	22,429
Depreciable Capital Assets:						
Buildings	30,032	24,853	85	85	30,117	24,938
Improvements	10,246	10,209	52,940	47,863	63,186	58,072
Machinery and equipment	7,816	7,944	5,038	5,288	12,854	13,232
Accumulated depreciation	(18,673)	(17,112)	(19,688)	(18,093)	(38,361)	(35,205)
Total	$ 57,240	$ 46,917	$ 46,452	$ 41,392	$103,692	$ 88,309

Major capital events of the component unit School Board during the current fiscal year include the following:

- Construction In Progress
  - Construction in progress was completed on the new Cub Run Elementary School.
  - Construction on the new River Bend Elementary School continued; construction in progress as of the close of this fiscal year was $11,912, an increase of $10,557 during this fiscal year.
  - Construction on the new East Rockingham High School continued; construction in progress as of the close of this fiscal year was $29,970, an increase of $24,077 during this fiscal year.

- Buildings
  - The new Cub Run Elementary School building was completed for a total cost of $17,661.

County of Rockingham, Virginia
Summary Statement of Capital Assets (Continued)
June 30, 2009 and 2008

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2009	2008	2009	2008
Non-Depreciable Assets:				
Land	$ 5,406	$ 5,394	$ -	$ -
Construction in progress	41,882	25,108	-	-
Depreciable Capital Assets:				
Buildings	118,918	101,257	-	-
Improvements	45,223	44,457	3	3
Machinery and equipment	25,871	24,412	522	521
Accumulated depreciation	(86,601)	(81,324)	(406)	(361)
Total	$ 150,699	$ 119,304	$ 119	$ 163

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 bonded debt outstanding of $107,667. All bonded debt issued by the County is for educational purposes, primarily for the construction of school facilities.

County of Rockingham, Virginia
Summary Statement of Long-Term Obligations
June 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	$ 107,351	$ 74,169	$ -	$ -	$ 107,351	$ 74,169
Literary fund loans	316	494	-	-	316	494
Capital leases	26,356	27,272	-	-	26,356	27,272
Unamortized premium	4,659	2,573	694	454	5,353	3,027
Revenue bonds	-	-	19,002	17,355	19,002	17,355
Landfill obligation	-	-	5,733	5,490	5,733	5,490
Compensated absences	1,602	1,593	156	131	1,758	1,724
Total	$140,284	$106,101	$ 25,585	$ 23,430	$165,869	$129,531

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 2009 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 2009 fiscal year is as follows:

Estimated Population	Assessed Valuation of All Taxable Property	Net Bonded Debt	Ratio of Debt to Assessed Valuation	Net Bonded Debt per Capita
74,835	$ 8,278,352,168	$107,667,397	.0130	$1,439

More detailed information about the County's long-term obligations is presented in Note 6 of the financial statements.

Economic factors and next year's budget and rates

- The unemployment rate for September 2009 in Rockingham County was 5.3 percent, which is higher than the 3.3 percent rate a year ago. This, however, compares favorably to the Virginia statewide unemployment rate of 6.7 percent and the United States national average of 9.8 percent.

- In April 2008, the Virginia General Assembly approved action for the 2008-2010 biennium to reduce funding of core local services by $100 million in response to shrinking revenue growth without identifying the extent to which the specific programs were to be reduced, thereby continuing to shift the financial burden to local governments. This reduction equaled to $1.07 million for Rockingham County for this biennium period ($535 thousand in FY2009 and $537 thousand in FY2010).

- In September 2009, Governor Kaine announced his FY2010 Budget Reduction Plan to address a $1.35 billion shortfall in funding for the fiscal year. The FY2010 state funding for constitutional officers was reduced by $252 thousand for Rockingham County.

- In November 2009, the House Appropriations Committee announced that "While the Governor has used his executive authority to reduce spending in fiscal year 2010, the reality is additional reduction will be necessary in order to close out the budget for the current fiscal year. The Governor is scheduled to release a formal plan in December 2009 to further address this shortfall, which is expected to further impact local governments, such as Rockingham County. Due to this challenging financial environment, any local expenditure that is dependent upon a state grant for funding will not be incurred until the County has received approval of the grant.

- 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 point out 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.

All of these factors were considered in preparing the County's budget for the 2010 fiscal year.

As mentioned earlier in the Financial Highlights, the unreserved, undesignated fund balance in the General Fund at fiscal year-end was $16,398. The County has appropriated $6,190 of this amount for spending in the 2010 fiscal year budget. This use of available fund balance is to offset one-time capital project expenditures and thus lessen the need to raise taxes.

Operating revenues in the Water and Sewer Fund were budgeted to increase due to increasing the rates for monthly usage and connections. These increases were effective July 1, 2009. The Board approved these rate changes to meet higher infrastructure costs and to build reserves to offset the costs of complying with the Chesapeake Bay clean water standards.

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, PO Box 1252, Harrisonburg, Virginia 22803, telephone (540)564-3010. The County's website address is www.rockinghamcountyva.gov.

BASIC FINANCIAL STATEMENTS

ROCKINGHAM COUNTY
1778
VIRGINIA

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Totals	School Board	Harrisonburg-Rockingham Social Services District
ASSETS					
Cash, cash equivalents and temporary cash investments	$ 43,263,374	$ 6,985,041	$ 50,248,415	$ 14,021,571	$ 2,434,466
Receivables, net:					
Property taxes	3,176,660	-	3,176,660	-	-
Utility taxes	114,555	-	114,555	-	-
Trade and other accounts	412,158	954,861	1,367,019	355,579	41,065
Accrued interest	65,218	10,090	75,308	9,763	3,929
Due from other governments	2,097,235	-	2,097,235	2,428,850	2,789,375
Internal balances	549,000	(549,000)	-	-	-
Prepaid items	374,402	44,200	418,602	2,130,412	77,995
Inventory	44,267	147,244	191,511	265,852	-
Restricted cash	2,753,462	5,149,449	7,902,911	16,717,738	-
Financing costs, net of accumulated amortization	-	206,150	206,150	-	-
Capital assets, net of accumulated depreciation:					
Land	3,198,581	1,734,066	4,932,647	5,406,189	-
Buildings	30,032,422	84,613	30,117,035	118,917,877	-
Improvements other than buildings	10,245,656	52,939,864	63,185,520	45,223,279	3,156
Machinery and equipment	7,816,619	5,037,841	12,854,460	25,870,735	521,667
Construction in progress	24,620,075	6,343,309	30,963,384	41,881,567	-
Less: accumulated depreciation	(18,673,157)	(19,688,083)	(38,361,240)	(86,600,765)	(405,624)
Total assets	110,090,527	59,399,645	169,490,172	186,628,647	5,466,029
LIABILITIES					
Accounts payable	1,989,319	1,207,581	3,196,900	5,845,268	2,067,216
Accrued payroll	911,114	109,646	1,020,760	11,403,455	219,369
Accrued liabilities	144,468	18,005	162,473	-	-
Accrued interest	2,247,417	181,058	2,428,475	-	-
Unearned revenue	1,310,075	-	1,310,075	1,017,405	290,530
Insurance and benefit claims	382,320	-	382,320	1,210,680	-
Due to other governments	-	-	-	412,551	-
Other postemployment benefits	303,640	41,990	345,630	1,163,235	73,328
Noncurrent liabilities:					
Due within one year	7,129,028	968,731	8,097,759	2,144,769	199,349
Due in more than one year	133,155,398	24,616,325	157,771,723	1,097,274	151,553
Total liabilities	147,572,779	27,143,336	174,716,115	24,294,637	3,001,345
NET ASSETS					
Invested in capital assets, net of related debt	33,331,094	32,111,181	65,442,275	150,698,882	119,199
Restricted:					
Nonexpendable trust principal	11,143	-	11,143	-	-
Expendable:					
Park maintenance	11,254	-	11,254	-	-
Law enforcement	44,551	-	44,551	-	-
Debt service	284,297	-	284,297	-	-
Unrestricted (deficit)	(71,164,591)	145,128	(71,019,463)	11,635,128	2,345,485
Total net assets	$ (37,482,252)	$ 32,256,309	$ (5,225,943)	$ 162,334,010	$ 2,464,684

See Notes to Financial Statements.

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
					Primary Government			Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	School Board	Harrisonburg-Rockingham Social Services District
Primary Government:									
Governmental activities:									
General government administration	$ 5,172,496	$ 1,511	$ 478,451	$ -	$ (4,692,534)	$ -	$ (4,692,534)	$ -	$ -
Judicial administration	4,231,590	1,286,689	2,177,711	-	(767,190)	-	(767,190)	-	-
Public safety	20,558,230	4,073,797	6,942,243	83,950	(9,458,240)	-	(9,458,240)	-	-
Public works	2,515,660	1,021,587	-	-	(1,494,073)	-	(1,494,073)	-	-
Health and social services	5,087,755	5,665	163,829	-	(4,918,261)	-	(4,918,261)	-	-
Education	78,046,276	-	-	-	(78,046,276)	-	(78,046,276)	-	-
Parks, recreation and cultural	2,166,951	405,709	-	-	(1,761,242)	-	(1,761,242)	-	-
Community development	6,142,118	1,786	252,985	-	(5,887,347)	-	(5,887,347)	-	-
Interest	5,773,990	-	-	-	(5,773,990)	-	(5,773,990)	-	-
Total governmental activities	129,695,066	6,796,744	10,015,219	83,950	(112,799,153)	-	(112,799,153)	-	-
Business-type activities:									
Water and sewer	4,675,849	5,128,660	-	930,509	-	1,383,320	1,383,320	-	-
Solid waste	3,864,456	2,699,300	-	85,181	-	(1,079,975)	(1,079,975)	-	-
Total business-type activities	8,540,305	7,827,960	-	1,015,690	-	303,345	303,345	-	-
Total primary government	$ 138,235,371	$ 14,624,704	$ 10,015,219	$ 1,099,640	(112,799,153)	303,345	(112,495,808)	-	-
Component Units:									
Rockingham County School Board:									
Education:									
Instruction	$ 98,007,696	$ 3,170,588	$ 74,792,721	$ 3,559,527	-	-	-	(16,484,860)	-
Administration, attendance and health	5,385,017	-	-	-	-	-	-	(5,385,017)	-
Pupil transportation services	8,086,880	-	-	-	-	-	-	(8,086,880)	-
Operation and maintenance services	10,227,516	-	-	-	-	-	-	(10,227,516)	-
School food services	4,766,860	2,467,740	2,534,397	-	-	-	-	235,277	-
Total school board	126,473,969	5,638,328	77,327,118	3,559,527	-	-	-	(39,948,996)	-

Harrisonburg-Rockingham Social Services District:									
Social Services:									
Public assistance	5,107,848	-	3,851,693	-	-	-	-	-	(1,256,155)
Comprehensive services	10,533,322	-	6,500,946	-	-	-	-	-	(4,032,376)
Administration:									
Welfare	6,138,996	-	4,491,339	-	-	-	-	-	(1,647,657)
Total social services district	21,780,166	-	14,843,978	-	-	-	-	-	(6,936,188)
Total component units	$ 148,254,135	$ 5,638,328	$ 92,171,096	$ 3,559,527	-	-	-	(39,948,996)	(6,936,188)
General Revenues:									
Taxes:									
General property taxes					65,895,837	-	65,895,837	-	-
Other local taxes:									
Local sales and use					4,567,854	-	4,567,854	-	-
Consumer utility and communications sales and use					2,667,992	-	2,667,992	-	-
Motor vehicle licenses					1,176,765	-	1,176,765	-	-
Other					1,584,576	-	1,584,576	-	-
Grants and contributions not restricted to specific programs					-	-	-	78,046,276	7,147,789
Intergovernmental, non-categorical aid					6,589,500	-	6,589,500	91,946	-
Use of money and property					786,523	199,683	986,206	144,563	42,704
Miscellaneous					279,146	243,675	522,821	152,919	272,696
Total general revenues and transfers					83,548,193	443,358	83,991,551	78,435,704	7,463,189
Change in net assets					(29,250,960)	746,703	(28,504,257)	38,486,708	527,001
Net assets, beginning					(8,231,292)	31,509,606	23,278,314	123,847,302	1,937,683
Net assets, ending					$ (37,482,252)	$ 32,256,309	$ (5,225,943)	$ 162,334,010	$ 2,464,684

See Notes to Financial Statements.

COUNTY OF ROCKINGHAM, VIRGINIA

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	General	General Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 22,038,185	$ 17,806,672	$ 45,368	$ 39,890,225
Receivables, net:				
Property taxes	3,176,660	-	-	3,176,660
Utility taxes	114,555	-	-	114,555
Trade and other accounts	318,352	88,931	-	407,283
Accrued interest	45,223	17,829	98	63,150
Due from other governments	2,096,354	-	-	2,096,354
Prepaid items	345,120	-	-	345,120
Inventory	34,168	-	-	34,168
Advance to other funds	549,000	-	-	549,000
Restricted cash	-	2,446,800	306,662	2,753,462
Total assets	$ 28,717,617	$ 20,360,232	$ 352,128	$ 49,429,977
LIABILITIES				
Accounts payable	$ 474,145	$ 1,514,084	$ 327	$ 1,988,556
Accrued payroll	911,114	-	-	911,114
Accrued liabilities	-	85,000	-	85,000
Deferred revenue	3,815,811	-	-	3,815,811
Total liabilities	5,201,070	1,599,084	327	6,800,481
FUND BALANCES				
Reserved for:				
Advance to other funds	549,000	-	-	549,000
Inventory	34,168	-	-	34,168
Prepaid items	345,120	-	-	345,120
Nonexpendable trust principal	-	-	11,143	11,143
Park maintenance	-	-	11,254	11,254
Law enforcement	-	-	44,551	44,551
Debt service	-	-	284,297	284,297
Unreserved:				
Designated for subsequent years' expenditures	6,189,638	-	-	6,189,638
Undesignated:				
General fund	16,398,621	-	-	16,398,621
Capital projects funds	-	18,761,148	556	18,761,704
Total fund balances	23,516,547	18,761,148	351,801	42,629,496
Total liabilities and fund balances	$ 28,717,617	$ 20,360,232	$ 352,128	$ 49,429,977

See Notes to Financial Statements.

COUNTY OF ROCKINGHAM, VIRGINIA

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2009

		Governmental Funds
Total fund balances - total governmental funds		$ 42,629,496
Amounts reported for governmental activities in the Statement of Net Assets 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	$ 75,913,353	
Less accumulated depreciation	(18,673,157)	
Net capital assets		57,240,196
Deferred revenue represents amounts that were not available to fund current expenditures and therefore is not reported as revenue in the governmental funds.		2,827,022
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 Assets.		2,715,985
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		
General obligation bonds, including unamortized premiums	(112,010,877)	
Literary loans	(315,859)	
Capital leases	(26,355,902)	
Compensated absences	(1,601,788)	
Arbitrage payable	(59,468)	
Interest payable	(2,247,417)	
Other postemployment benefits	(303,640)	
		(142,894,951)
Net assets of governmental activities		$ (37,482,252)

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	General	General Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
General property taxes	$ 65,570,241	$ -	$ -	$ 65,570,241
Other local taxes	9,997,187	-	-	9,997,187
Permits, privilege fees and regulatory licenses	749,140	-	-	749,140
Fines and forfeitures	109,429	-	39,106	148,535
Use of money and property	570,673	197,383	3,868	771,924
Charges for services	2,850,575	-	-	2,850,575
Miscellaneous	245,755	33,391	-	279,146
Recovered costs	3,048,135	-	-	3,048,135
Intergovernmental	16,688,669	-	-	16,688,669
Total revenues	99,829,804	230,774	42,974	100,103,552
Expenditures:				
Current:				
General government administration	4,659,357	-	-	4,659,357
Judicial administration	3,827,879	-	-	3,827,879
Public safety	19,861,644	-	12,554	19,874,198
Public works	2,482,615	-	-	2,482,615
Health and social services	5,044,027	-	-	5,044,027
Education	78,046,276	-	-	78,046,276
Parks, recreation and cultural	2,064,277	-	-	2,064,277
Community development	5,783,273	-	-	5,783,273
Capital outlay	-	12,088,043	-	12,088,043
Debt service:				
Principal	5,173,395	-	-	5,173,395
Interest and fiscal charges	4,027,825	1,443,969	1,359	5,473,153
Total expenditures	130,970,568	13,532,012	13,913	144,516,493
Revenues over (under) expenditures	(31,140,764)	(13,301,238)	29,061	(44,412,941)
Other financing sources (uses):				
Issuance of debt	37,261,410	-	-	37,261,410
Premium on issuance of debt	2,244,149	-	-	2,244,149
Transfers in	1,819,878	11,736,375	-	13,556,253
Transfers out	(14,251,801)	-	(1,819,878)	(16,071,679)
Total other financing sources (uses), net	27,073,636	11,736,375	(1,819,878)	36,990,133
Net change in fund balances	(4,067,128)	(1,564,863)	(1,790,817)	(7,422,808)
Fund balance, beginning	27,583,675	20,326,011	2,142,618	50,052,304
Fund balance, ending	$ 23,516,547	$ 18,761,148	$ 351,801	$ 42,629,496

See Notes to Financial Statements.

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, 2009

		Governmental Funds
Net change in fund balances - total governmental funds		$ (7,422,808)
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 expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for capital assets	$ 12,330,838	
Less depreciation expense	(1,990,027)	
Excess of capital outlays over depreciation		10,340,811
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) and is to decrease net assets.		(17,902)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in deferred revenue		325,596
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
Debt issued or incurred:		
General obligation debt	(37,261,410)	
Premium on general obligation debt	(2,244,149)	
Principal repayments:		
General obligation debt	5,173,395	
		(34,332,164)
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	(457,623)	
Compensated absences	(8,575)	
Arbitrage	(971)	
Other postemployment benefits	(303,640)	
Amortization of premium	157,757	
		(613,052)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds are reported with governmental activities.		
Total revenues	6,461,948	
Total expenses	(3,993,389)	
		2,468,559
Change in net assets of governmental activities		$ (29,250,960)

See Notes to Financial Statements.

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2009

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
General property taxes	$ 62,933,000	$ 62,933,000	$ 65,570,241	$ 2,637,241
Other local taxes	10,113,400	10,113,400	9,997,187	(116,213)
Permits, privilege fees and regulatory licenses	1,055,130	1,055,130	749,140	(305,990)
Fines and forfeitures	154,000	154,000	109,429	(44,571)
Use of money and property	666,983	666,983	570,673	(96,310)
Charges for services	2,693,647	2,790,647	2,850,575	59,928
Miscellaneous	108,000	114,608	245,755	131,147
Recovered costs	3,074,465	3,174,151	3,048,135	(126,016)
Intergovernmental	15,848,251	16,554,680	16,688,669	133,989
Total revenues	96,646,876	97,556,599	99,829,804	2,273,205
Expenditures:				
Current:				
General government administration	4,847,491	4,881,076	4,659,357	(221,719)
Judicial administration	3,366,668	4,306,253	3,827,879	(478,374)
Public safety	20,024,474	20,696,181	19,861,644	(834,537)
Public works	2,582,298	2,594,518	2,482,615	(111,903)
Health and social services	5,117,398	5,460,008	5,044,027	(415,981)
Education	43,561,480	83,777,325	78,046,276	(5,731,049)
Parks, recreation and cultural	2,157,813	2,157,813	2,064,277	(93,536)
Community development	6,775,682	6,722,537	5,783,273	(939,264)
Debt service:				
Principal	5,173,443	5,173,443	5,173,395	(48)
Interest and fiscal charges	4,099,773	4,099,773	4,027,825	(71,948)
Total expenditures	97,706,520	139,868,927	130,970,568	(8,898,359)
Revenues under expenditures	(1,059,644)	(42,312,328)	(31,140,764)	11,171,564
Other financing sources (uses):				
Issuance of debt	-	37,261,410	37,261,410	-
Premium on issuance of debt	-	2,239,311	2,244,149	4,838
Transfers in	-	-	1,819,878	1,819,878
Transfers out	(11,736,375)	(14,251,801)	(14,251,801)	-
Total other financing sources (uses), net	(11,736,375)	25,248,920	27,073,636	1,824,716
Net change in fund balance	(12,796,019)	(17,063,408)	(4,067,128)	12,996,280
Fund balance, beginning	12,796,019	17,063,408	27,583,675	10,520,267
Fund balance, ending	$ -	$ -	$ 23,516,547	$ 23,516,547

See Notes to Financial Statements.

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Other Proprietary Funds	Totals	
ASSETS						
Current Assets:						
Cash, cash equivalents and temporary cash investments	$ 4,553,835	$ 484,960	$ 1,854,165	$ 92,081	$ 6,985,041	$ 6,104,225
Trade and other accounts receivable	590,902	60,137	232,943	70,879	954,861	5,174
Accrued interest	6,724	695	2,544	127	10,090	8,617
Due from other governments	-	-	-	-	-	3,672
Prepaid items	21,471	-	22,729	-	44,200	122,009
Inventory	147,244	-	-	-	147,244	10,099
Restricted cash	2,612,055	21,673	2,513,687	2,034	5,149,449	-
Total current assets	7,932,231	567,465	4,626,068	165,121	13,290,885	6,253,796
Noncurrent Assets:						
Financing costs, net of accumulated amortization	105,230	6,934	72,708	21,278	206,150	-
Capital assets:						
Land	397,173	-	1,295,662	41,231	1,734,066	-
Buildings	12,995	-	62,718	8,900	84,613	-
Improvements other than buildings	28,414,053	6,616,233	15,886,657	2,022,921	52,939,864	-
Machinery and equipment	874,273	361,546	3,767,660	34,362	5,037,841	-
Construction in progress	5,966,611	-	376,698	-	6,343,309	-
Less accumulated depreciation	(8,671,052)	(812,303)	(10,084,181)	(120,547)	(19,688,083)	-
Total capital assets (net of accumulated depreciation)	26,994,053	6,165,476	11,305,214	1,986,867	46,451,610	-
Total noncurrent assets	27,099,283	6,172,410	11,377,922	2,008,145	46,657,760	-
Total assets	35,031,514	6,739,875	16,003,990	2,173,266	59,948,645	6,253,796
LIABILITIES						
Current Liabilities:						
Accounts payable and deposits	952,909	12,314	239,289	3,069	1,207,581	763
Compensated absences	45,685	-	47,241	-	92,926	-
Accrued payroll	52,714	-	56,932	-	109,646	-
Accrued liabilities	18,005	-	-	-	18,005	-
Accrued interest	117,263	17,811	36,700	9,284	181,058	-
Advance from other funds	445,000	-	-	104,000	549,000	-
Unearned revenue	-	-	-	-	-	1,338,691
Other postemployment benefits	20,569	-	21,421	-	41,990	-
Insurance and benefit claims	-	-	-	-	-	1,593,000
Revenue bonds	400,000	111,354	285,000	26,241	822,595	-
Landfill obligation	-	-	53,210	-	53,210	-
Total current liabilities	2,052,145	141,479	739,793	142,594	3,076,011	2,932,454
Noncurrent Liabilities:						
Compensated absences	30,176	-	32,493	-	62,669	-
Revenue bonds	10,233,889	2,742,932	4,989,659	906,953	18,873,433	-
Landfill obligation	-	-	5,680,223	-	5,680,223	-
Total noncurrent liabilities	10,264,065	2,742,932	10,702,375	906,953	24,616,325	-
Total liabilities	12,316,210	2,884,411	11,442,168	1,049,547	27,692,336	2,932,454
NET ASSETS						
Invested in capital assets, net of related debt	19,077,449	3,339,797	8,616,950	1,076,985	32,111,181	-
Unrestricted (deficit)	3,637,855	515,667	(4,055,128)	46,734	145,128	3,321,342
Total net assets	$ 22,715,304	$ 3,855,464	$ 4,561,822	$ 1,123,719	$ 32,256,309	$ 3,321,342

See Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS
Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Other Proprietary Funds	Totals	
Operating revenues:						
Charges for services	$ 4,190,090	$ 190,638	$ 2,699,300	$ 65,557	$ 7,145,585	$ 16,426,809
Connection fees	33,016	18,850	-	-	51,866	-
Other revenue	114,658	586	126,081	2,350	243,675	3,672
Total operating revenues	4,337,764	210,074	2,825,381	67,907	7,441,126	16,430,481
Operating expenses:						
Personal services	952,062	-	1,024,114	-	1,976,176	-
Fringe benefits	389,663	-	420,958	-	810,621	-
Contractual services	205,916	24,458	616,463	5,663	852,500	1,427,920
Regional Sewer Authority assessment:						
Operations and maintenance	456,379	-	-	-	456,379	-
Debt service	388,355	-	-	-	388,355	-
Risk financing and benefit payments	-	-	-	-	-	15,211,199
Internal services	69,580	-	39,624	-	109,204	-
Electrical services	372,549	5,645	36,478	898	415,570	-
Repairs and maintenance	39,555	-	31,640	-	71,195	-
Landfill closure	-	-	288,069	-	288,069	-
Other charges	409,014	63,273	259,898	21,505	753,690	49,028
Depreciation	663,753	188,925	1,024,064	40,820	1,917,562	-
Total operating expenses	3,946,826	282,301	3,741,308	68,886	8,039,321	16,688,147
Operating income (loss)	390,938	(72,227)	(915,927)	(979)	(598,195)	(257,666)
Nonoperating revenues (expenses):						
Connection availability fees	627,309	-	-	3,200	630,509	-
Interest revenue	160,184	8,885	29,354	1,260	199,683	62,327
Interest expense	(233,047)	(101,650)	(119,501)	(35,837)	(490,035)	-
Amortization of financing costs	(5,832)	(524)	(3,647)	(946)	(10,949)	-
Total nonoperating revenues (expenses), net	548,614	(93,289)	(93,794)	(32,323)	329,208	62,327
Income (loss) before contributions and transfers	939,552	(165,516)	(1,009,721)	(33,302)	(268,987)	(195,339)
Capital contributions	750,000	-	85,181	180,509	1,015,690	-
Transfers in	-	-	-	-	-	2,515,426
Change in net assets	1,689,552	(165,516)	(924,540)	147,207	746,703	2,320,087
Total net assets, beginning	21,025,752	4,020,980	5,486,362	976,512	31,509,606	1,001,255
Total net assets, ending	$ 22,715,304	$ 3,855,464	$ 4,561,822	$ 1,123,719	$ 32,256,309	$ 3,321,342

See Notes to Financial Statements.

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds					Governmental Activity - Internal Service Funds
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Other Proprietary Funds	Totals	
Cash Flows From Operating Activities:						
Receipts from interfund services provided	$ -	$ -	$ -	$ -	$ -	$ 16,525,106
Receipts from customers	4,012,294	203,723	2,729,732	89,483	7,035,232	-
Claims and benefits paid	-	-	-	-	-	(14,927,493)
Payments to suppliers for goods and services	(1,814,362)	(84,611)	(1,064,087)	(45,484)	(3,008,544)	(1,920,790)
Payments to employees for services	(1,305,255)	-	(1,409,488)	-	(2,714,743)	-
Internal activity - payments to other funds	(69,580)	-	(39,624)	-	(109,204)	-
Other receipts, net	114,658	586	126,081	2,350	243,675	3,672
Net cash provided by (used in) operating activities	937,755	119,698	342,614	46,349	1,446,416	(319,505)
Cash Flows from Noncapital Financing Activities:						
Transfers from other funds	-	-	-	-	-	2,515,426
Cash Flows From Capital and Related Financing Activities:						
Capital contributions	750,000	-	85,181	180,509	1,015,690	-
Proceeds from issuance of debt	-	-	2,551,965	-	2,551,965	-
Financing costs	-	-	(47,855)	-	(47,855)	-
Payment of advance from other funds	(70,000)	-	-	(6,500)	(76,500)	-
Connection availability fees	627,309	-	-	3,200	630,509	-
Principal paid on bonds	(190,000)	(107,915)	(270,000)	(64,786)	(632,701)	-
Interest paid on outstanding debt	(194,728)	(102,602)	(130,269)	(43,311)	(470,910)	-
Acquisition and construction of capital assets	(6,060,341)	(23,392)	(174,488)	(254,135)	(6,512,356)	-
Net cash provided by (used in) capital and related financing activities	(5,137,760)	(233,909)	2,014,534	(185,023)	(3,542,158)	-
Cash Flows From Investing Activities:						
Interest received on investment securities	166,307	9,866	31,934	1,301	209,408	64,013
Net cash provided by investing activities	166,307	9,866	31,934	1,301	209,408	64,013
Net increase (decrease) in cash and cash equivalents	(4,033,698)	(104,345)	2,389,082	(137,373)	(1,886,334)	2,259,934
Cash and Cash Equivalents:						
Beginning	11,199,588	610,978	1,978,770	231,488	14,020,824	3,844,291
Ending	$ 7,165,890	$ 506,633	$ 4,367,852	$ 94,115	$ 12,134,490	$ 6,104,225

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds					Governmental Activity - Internal Service Funds
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Other Proprietary Funds	Totals	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	$ 390,938	$ (72,227)	$ (915,927)	$ (979)	$ (598,195)	$ (257,666)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	663,753	188,925	1,024,064	40,820	1,917,562	-
Change in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	(210,812)	(5,765)	30,432	23,926	(162,219)	(2,228)
Due from other governments	-	-	-	-	-	(3,672)
Prepaid items	(792)	-	(2,409)	-	(3,201)	(122,009)
Inventory	(2,381)	-	-	-	(2,381)	(998)
Increase (decrease) in:						
Accounts payable	42,574	8,765	(72,384)	(17,418)	(38,463)	(442,844)
Accrued liabilities	54,475	-	35,584	-	90,059	-
Unearned revenue	-	-	-	-	-	104,197
Insurance and benefit claims	-	-	-	-	-	405,715
Landfill obligation	-	-	243,254	-	243,254	-
Net cash provided by (used in) operating activities	$ 937,755	$ 119,698	$ 342,614	$ 46,349	$ 1,446,416	$ (319,505)
Schedule of Noncash Capital and Related Financing Activities:						
Capital assets acquired through incurrence of accounts payable	$ 440,431	$ -	$ 157,346	$ (133,083)	$ 464,694	$ -

See Notes to Financial Statements.

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2009

		Agency Funds
ASSETS		
Cash, cash equivalents and temporary cash investments	$	1,932,915
Accounts receivable		74,857
Total assets		2,007,772
LIABILITIES		
Accounts payable		2,007,772
Total liabilities	$	2,007,772

See Notes to Financial Statements.

ROCKINGHAM COUNTY

1778

VIRGINIA

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. As required by GAAP, these financial statements present the activities of the County and its component units. Blended component units, although legally separate entities, are in substance, part of the County's operations and, therefore, data from these units are combined with data of the primary government.

In determining how to define the financial reporting entity, management considered all potential component units using the standards prescribed under GASB Statement No. 14, *The Financial Reporting Entity* and amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units.* Component units include any legally separate organizations for which the Board of Supervisors is financially accountable. Financial accountability results where the Board of Supervisors appoints a voting majority of the organization's governing body and 1) is able to impose its will on that organization or 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County. Financial accountability may also result where an organization is fiscally dependent on the county regardless of whether the organization has 1) a separately elected governing board, 2) a governing board appointed by higher level of government, or 3) a jointly appointed board.

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. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. Each blended and discretely presented component unit has a June 30 year end.

Blended Component Units:

The Lilly Subdivision Sanitary District, the Smith Creek Water & Waste Authority, the Penn Laird Sewer Authority, and the Countryside Sanitary District serve the citizens of the primary government that are in their respective districts and authority and are governed by a board comprised of the primary government's Board of Supervisors. The districts and authorities are reported as enterprise funds.

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units:

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. The School Board is presented as a governmental fund type and consists of four 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 Textbook Fund accounts for centralized school textbook operation.

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 funds are under the control of the Massanutten Technical Center Board of Control appointed by the Rockingham County School Board and Harrisonburg City School Board.

Additionally, the School Board reports two agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds consist of the School Activity Fund and Massanutten Technical Center Activity Fund.

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

Complete financial statements for the School Activity Fund, Massanutten Technical Center - Operating Fund, and Massanutten Technical Center Activity Fund can be obtained from their respective administrative offices.

School Activity Funds
Rockingham County School Board
100 Mt. Clinton Pike
Harrisonburg, Virginia 22802

Massanutten Technical Center
325 Pleasant Valley Road
Harrisonburg, Virginia 22801

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

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 of the District's fiscal dependency on the County and 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 approval. 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 – Comprehensive Services Act (CSA) 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 Comprehensive Annual Financial Report.

B. Government-Wide and Fund Financial Statements

Government-Wide Statements: The Statement of Net Assets 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 that have been 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 that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as *general revenues*.

Note 1. Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

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.

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, acquisitions under capital leases and sales of capital assets 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 net assets 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.

All governmental and business-type activities and enterprise funds of the County follow Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Note 1. Significant Accounting Policies (Continued)

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

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 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, other than those financed by proprietary funds.

The County reports the following major enterprise funds:

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

Smith Creek Water & Waste Authority. 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.

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 funds:

Central Stores Fund. This fund accounts for revenue and expenses associated with providing office supplies to other departments or agencies of the County on a cost-reimbursement basis.

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:

Agency Funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds consist of the following: Special Welfare, Employee Benefits, Rockingham County Industrial Development Authority, Bond Escrow, Workforce Investment Board, Massanutten Technical Center and Upper Valley Regional Park Authority.

Note 1. Significant Accounting Policies (Continued)

D. Budgetary Data

The Board of Supervisors' fiscal control is exercised through two distinct processes: budgeting and appropriations. The County budget is developed for informative and fiscal planning purposes only and presents an itemized listing of contemplated expenditures and estimated revenues for the ensuing fiscal year. Certain expenditures are mandated by statute and need to be included in the County budget. Mandated expenditures include the matching share of the expenditures of the Treasurer and Commissioner of the Revenue, support of public schools, Sheriff, Commonwealth Attorney, Clerk of Circuit Court, jail, voter registration, social service programs, and the operating costs of the state/local public health program. The Board of Supervisors approves the budget after a public hearing.

When the budget becomes effective at the beginning of the fiscal year, the Board of Supervisors must make appropriations before money may be expended for any budgeted program, project or operation. Appropriations are made on an annual basis with supplemental appropriations made as needed. Such appropriations may be greater than contemplated in the annual budget. All appropriations lapse at year-end.

The County Administrator is authorized to transfer budgeted amounts within the primary government functions. The discretely presented component units, the School Board and the District, are authorized to transfer budgeted amounts within their major categories. The County may amend its budget to increase the aggregate amount to be appropriated during the current fiscal year as shown in the currently adopted budget. A supplemental appropriation which exceeds one percent of the total expenditures shown in the currently adopted budget, must be accomplished by publishing a notice of a meeting and a public hearing in a newspaper having general circulation in that locality seven days prior to the meeting date. The notice shall state the County's intent to amend the amounts to be appropriated and include a brief synopsis of the proposed action.

The budgets are prepared using the same accounting basis and practices as are used to account for and prepare the financial reports for each fund; thus, the budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Budgetary compliance is monitored and reported at the operating function level. Budgetary control is maintained at the subfunction level by the encumbrance of estimated purchase orders prior to release of purchase orders to vendors. Purchase orders which will result in an overrun of function balances are not released until additional appropriations are made.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Liabilities and Equity

1. Deposits and Investments

The County considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Cash of individual funds other than the Special Welfare, Upper Valley Regional Park Authority, School Activity and the Massanutten Technical Center Activity Fund is combined to form a pool of cash and investments. The pool consists primarily of government and corporate obligations, commercial paper and an external local government investment pool. The government and corporate securities are stated at fair value based on quoted market prices and the investment in the local government investment pool (a 2a7-like pool) is reported at the pool's share price. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on average monthly balances.

Investments are stated at fair value based on quoted market prices.

2. Property Taxes

Property taxes are levied as of January 1 with real estate values determined every four years and personal property values assessed annually. The last general real property reassessment was effective January 1, 2006. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are due and collectible twice a year, on June 5 and December 5 in the same year as levied. Personal property taxes are due and collectible annually on 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 deferred revenue. A penalty of 10% of the tax is assessed after the applicable payment date. Interest is charged to all unpaid accounts beginning July 1 and January 1, as applicable, at an annual rate of 10%.

3. Prepaid Items

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

4. Inventory

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

Note 1. Significant Accounting Policies (Continued)

E. Assets, Liabilities and Equity (Continued)

5. Restricted Cash

In accordance with the capital lease for the Joint Judicial Complex, half of the highest annual lease payment is required to be restricted to provide additional security for the bondholders. This amount is classified as restricted cash on the Statement of Net Assets because its use is limited by applicable bond covenants. The Albert K. Long Trust Fund's cash balance is restricted in accordance with the trust agreement. General Capital Projects, School Capital Projects, Smith Creek Water & Waste Authority, Solid Waste, Water and Sewer Funds, and Penn Laird Sewer Authority have restricted a portion of their cash balances in accordance with their debt agreements.

6. Capital Assets

Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000. Capital assets are accounted for at cost. Assets acquired by gift are accounted for at the asset's fair market value at the date the property was received. The Commonwealth of Virginia, not the County, has primary responsibility to construct and maintain infrastructure, such as streets 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. Interest incurred during construction on governmental activities' capital assets is not capitalized.

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

Buildings	20 to 30 years
Improvements other than buildings	10 to 50 years
Machinery and equipment	5 to 15 years

7. Compensated Absences

Employees 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. Also, in the primary government, compensatory time can be earned at 1 ½ hours in lieu of overtime pay. Compensatory time must be used within 90 days after earning the time. If not used in the specified time period, payment of the time is made to the employee.

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.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Liabilities and Equity (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. 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 salary.

Compensated absences that are 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 Assets. Bond premiums and discounts, as well as issuance costs, 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. Net Asset Deficit

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.

Note 1. Significant Accounting Policies (Continued)

E. Assets, Liabilities and Equity (Continued)

9. Net Asset Deficit (Continued)

In the Statement of Net Assets, 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 assets of the primary government. The corresponding capital assets are reported as assets of the Component Unit - School Board (title holder), thereby increasing their net assets.

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 that, while joint tenancy would resolve a deficit in the primary government's net assets, 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.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Any deficits in fund balances will be remedied through the issuance of debt or interfund transfers.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Note 2. Deposits and Investments

Deposits. All cash of the County is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia* or covered by federal depository insurance.

Investments. The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The fair value of the position of the LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of $1 per share. The maturity of the LGIP is less than one year.

Investment Policy:

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

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

The County's investment policy establishes the maximum percentages of the portfolio permitted in each of the following instruments:

U. S. Treasury Obligations	100% maximum
U. S. Government Agency Securities and Instruments of Government Sponsored Corporations	100% maximum
Bankers' Acceptances	40% maximum
Repurchase Agreements	25% maximum
Certificate of Deposits – Commercial Banks	100% maximum
Certificate of Deposits – Savings and Loan Associations	10% maximum
Commercial Paper	35% maximum
Corporate Notes	35% maximum
Local Government Investment Pool	75% maximum
Money Market Funds	100% maximum

Further, no more than 25% of the total portfolio can be invested in Commercial Paper, Corporate Notes, Repurchase Agreements, or Bankers' Acceptances with any one institution, and no more than 5% of total portfolio in any one issue for any Bankers' Acceptance, Corporate Note, or Commercial Paper. No more than 80% of the total portfolio can be invested in Certificates of Deposits with no more than 10% with any one commercial bank and no more than $100,000 in any one Savings and Loan Association. No more than 50% of available investment balance can be invested in the LGIP.

Note 2. Deposits and Investments (Continued)

Credit Risk:

As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following; Moody's Investors Service, Standard & Poor's and Fitch Investor's Service. Corporate notes, negotiable certificates of deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investor Service. Notes having a maturity of greater than one year must be rated "AA" by Standard & Poor's and "Aa" by Moody's Investor Service.

As of June 30, 2009, 46% was invested in "AAA" U. S. Agency Securities, 32% was invested in "AAAm" rated Money Market Funds, and 22% was invested in the LGIP with a "AAAm" rating. All credit ratings presented in this paragraph are Standard and 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, 2009 the portion of the County's portfolio, excluding the LGIP, U. S. Government guaranteed obligations and money market mutual funds, that exceed 5% of the total portfolio are as follows:

Federal National Mortgage Association	10%
Federal Home Loan Mortgage Corporation	20%
Federal Home Loan Bank	28%

Interest Rate Risk:

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

As a means of limiting exposure to fair value losses arising from rising interest rates, the County's policy limits the investment of operating funds to investments with a stated maturity of no more than two years from the date of purchase. The allowable percentage of portfolio permitted in each maturity range is as follows:

Overnight	100% maximum
2 – 29 days	70% maximum
30 days – 1 year	70% maximum
1 – 2 years	30% maximum

		Investment Maturities (in years)	
	Fair Value	Less Than 1 Year	1 – 2 Years
U. S. Agencies	$ 69,889,960	$ 67,679,850	$ 2,210,110

Interest rate risk does not apply to the local government investment pool since it is a 2a7-like pool.

Note 3. Receivables

Receivables at June 30, 2009 for the County's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Primary Government

	General Fund	General Capital Projects	Water and Sewer Fund	Smith Creek Water & Waste Authority
Property taxes	$ 3,976,660	$ -	$ -	$ -
Utility taxes	114,555	-	-	-
Trade and other accounts	318,352	88,931	603,102	60,937
Gross receivables	4,409,567	88,931	603,102	60,937
Less allowance for uncollectible accounts	800,000	-	12,200	800
Net receivables	$ 3,609,567	$ 88,931	$ 590,902	$ 60,137

	Solid Waste Fund	Nonmajor Proprietary Funds	Internal Service Funds	Totals
Property taxes	$ -	$ -	$ -	$ 3,976,660
Utility taxes	-	-	-	114,555
Trade and other accounts	243,943	71,979	5,174	1,392,418
Gross receivables	243,943	71,979	5,174	5,483,633
Less allowance for uncollectible accounts	11,000	1,100	-	825,100
Net receivables	$ 232,943	$ 70,879	$ 5,174	$ 4,658,533

The County determines its allowance for uncollectible accounts using historical collection data and specific account analysis. The total allowance for uncollectible accounts amounted to $825,100 as of June 30, 2009.

Note 3. Receivables (Continued)

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	$ 2,827,022	$ -
Advance collection of 2009-2010 taxes (General Fund)	-	532,681
Personal Property Tax Relief Act – state reimbursement (General Fund)	-	456,108
	$ 2,827,022	$ 988,789

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

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

Note 4. Due From Other Governments

Amounts due from other governments include the following:

Primary Government:	
General Fund:	
Commonwealth of Virginia:	
Local sales and use taxes	$ 678,370
Communications sales and use taxes	241,081
Categorical aid:	
Shared costs:	
Commissioner of the revenue	19,298
Commonwealth attorney	68,925
Sheriff	481,681
Clerk of circuit court	44,111
Treasurer	17,114
Registrar and electoral board	61,353
Other	6,519
Federal government:	
Boarding and care of prisoners	29,477
Categorical aid:	
Project safe neighborhoods	24,322
COPS grants	31,818
Ground safety transportation	2,052
Other	2,012

Note 4. Due From Other Governments (Continued)

County of Augusta	$ 27,852
City of Harrisonburg	112,853
Other governments	247,516
Total General Fund	2,096,354
Internal Service Fund:	
Self-Insurance Fund:	
Federal government:	
COBRA assistance	3,672
Total Internal Service Fund	3,672
Total Primary Government	$ 2,100,026
Component Unit - School Board:	
School Operating Fund:	
Commonwealth of Virginia:	
State sales tax receipts	$ 1,776,088
Other	4,004
Federal government:	
Education grants	522,720
Total School Operating Fund	2,302,812
School Cafeteria Fund:	
Federal government:	
School food program	94,685
Total School Cafeteria Fund	94,685
Massanutten Technical Center:	
Federal government:	
Education grants	28,562
Total Massanutten Technical Center	28,562
Total Component Unit - School Board	$ 2,426,059

Note 4. Due From Other Governments (Continued)

Component Unit - Harrisonburg-Rockingham Social Services District:	
Operating fund:	
Commonwealth of Virginia:	
Public assistance and administration	$ 338,558
Other state funds	18,870
Federal government:	
Public assistance and administration	346,748
Total Operating Fund	704,176
Special Revenue – Comprehensive Service Act:	
Commonwealth of Virginia:	
Comprehensive Services Act	1,815,959
City of Harrisonburg:	
Comprehensive Services Act	269,240
Total Special Revenue Fund	2,085,199
Total Component Unit - Harrisonburg-Rockingham Social Services District	$ 2,789,375

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2009 is as follows:

Primary Government:

	Beginning Balance	Increases	(Deletions)/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 3,198,581	$ -	$ -	$ 3,198,581
Construction in progress	17,824,287	10,599,526	(3,803,738)	24,620,075
Total capital assets, not being depreciated	21,022,868	10,599,526	(3,803,738)	27,818,656
Capital assets, being depreciated:				
Buildings	24,853,234	1,432,242	3,746,946	30,032,422
Improvements other than buildings	10,209,229	12,140	24,287	10,245,656
Machinery and equipment	7,943,943	286,930	(414,254)	7,816,619
Total capital assets being depreciated	43,006,406	1,731,312	3,356,979	48,094,697
Less accumulated depreciation for:				
Buildings	(9,823,782)	(901,585)	11,215	(10,714,152)
Improvements other than buildings	(1,203,604)	(392,740)	3,389	(1,592,955)
Machinery and equipment	(6,084,601)	(695,702)	414,253	(6,366,050)
Total accumulated depreciation	(17,111,987)	(1,990,027)	428,857	(18,673,157)
Total capital assets being depreciated, net	25,894,419	(258,715)	3,785,836	29,421,540
Governmental activities capital assets, net	$ 46,917,287	$ 10,340,811	$ (17,902)	$ 57,240,196

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

Governmental activities:	
General government administration	$ 411,685
Judicial administration	370,650
Public safety	701,331
Public works	22,009
Health and social services	43,730
Parks, recreation and cultural	95,557
Community development	345,065
Total depreciation expense - governmental activities	$ 1,990,027

Note 5. Capital Assets (Continued)

	Beginning Balance	Increases	(Deletions)/ Reclassifications	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 1,644,790	$ 89,276	$ -	$ 1,734,066
Construction in progress	4,604,513	1,738,796	-	6,343,309
Total capital assets, not being depreciated	6,249,303	1,828,072	-	8,077,375
Capital assets, being depreciated:				
Buildings	84,613	-	-	84,613
Improvements other than buildings	47,862,895	5,076,969	-	52,939,864
Machinery and equipment	5,287,932	72,009	(322,100)	5,037,841
Total capital assets being depreciated	53,235,440	5,148,978	(322,100)	58,062,318
Less accumulated depreciation for:				
Buildings	(60,322)	(1,855)	-	(62,177)
Improvements other than buildings	(15,035,814)	(1,526,698)	-	(16,562,512)
Machinery and equipment	(2,996,485)	(389,009)	322,100	(3,063,394)
Total accumulated depreciation	(18,092,621)	(1,917,562)	322,100	(19,688,083)
Total capital assets being depreciated, net	35,142,819	3,231,416	-	38,374,235
Business-type activities capital assets, net	$ 41,392,122	$ 5,059,488	$ -	$ 46,451,610

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

Business-type activities:	
Water and Sewer	$ 663,753
Solid Waste	1,024,064
Smith Creek Water & Waste Authority	188,925
Lilly Subdivision Sanitary District	11,325
Countryside Sanitary District	6,120
Penn Laird Sewer Authority	23,375
Total depreciation expense - business-type activities	$ 1,917,562

Note 5. Capital Assets (Continued)

Component Unit - School Board:

	Beginning Balance	Increases	(Deletions)/ Reclassifications	Ending Balance
Capital assets, not being depreciated:				
Land	$ 5,394,537	$ 11,652	$ -	$ 5,406,189
Construction in progress	25,107,858	16,773,709	-	41,881,567
Total capital assets, not being depreciated	30,502,395	16,785,361	-	47,287,756
Capital assets, being depreciated:				
Buildings	101,256,476	17,661,401	-	118,917,877
Improvements other than buildings	44,457,533	765,746	-	45,223,279
Machinery and equipment	24,411,949	1,703,516	(244,730)	25,870,735
Total capital assets being depreciated	170,125,958	20,130,663	(244,730)	190,011,891
Less accumulated depreciation for:				
Buildings	(53,095,343)	(3,242,965)	-	(56,338,308)
Improvements other than buildings	(9,267,163)	(1,294,909)	-	(10,562,072)
Machinery and equipment	(18,961,483)	(892,919)	154,017	(19,700,385)
Total accumulated depreciation	(81,323,989)	(5,430,793)	154,017	(86,600,765)
Total capital assets being depreciated, net	88,801,969	14,699,870	(90,713)	103,411,126
School capital assets, net	$ 119,304,364	$ 31,485,231	$ (90,713)	$ 150,698,882

Depreciation expense was charged to functions of the Component Unit - School Board as follows:

Instruction	$ 4,647,216
Administration, attendance and health	8,587
Pupil transportation services	462,610
Operation and maintenance services	312,380
	$ 5,430,793

Note 5. Capital Assets (Continued)

Component Unit - Harrisonburg-Rockingham Social Services District:

	Beginning Balance	Increases	(Deletions)/ Reclassifications	Ending Balance
Capital assets being depreciated:				
Improvements other than buildings	$ 3,156	$ -	$ -	$ 3,156
Machinery and equipment	521,022	17,503	(16,858)	521,667
Total capital assets being depreciated	524,178	17,503	(16,858)	524,823
Less accumulated depreciation for:				
Improvements other than buildings	(894)	(105)	-	(999)
Machinery and equipment	(360,415)	(61,068)	16,858	(404,625)
Total accumulated depreciation	(361,309)	(61,173)	16,858	(405,624)
Harrisonburg-Rockingham Social Services District capital assets, net	$ 162,869	$ (43,670)	$ -	$ 119,199

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

Administration – Welfare	$ 58,327
Comprehensive Services Act	2,846
	$ 61,173

Construction Commitments

The County and its component units have active construction projects as of June 30, 2009. The governmental projects of the Primary Government include the E-911 system upgrade, the SRI project, and other minor projects with commitments below $500,000. The business-type projects of the Primary Government include the Methane Gas Utilization, the McGaheysville sewer, the Belmont/Highland Park Pump Stations, and other minor projects with commitments below $500,000.

The projects of the component unit – School Board include the construction of the new River Bend Elementary School and the new East Rockingham High School, as well as the new health and safety building sat Massanutten Technical Center.

Note 5. Capital Assets (Continued)

Primary Government:

At June 30, 2009 the construction commitments are as follows:

Governmental Activities

Project	Expended to June 30, 2009	Remaining Commitment
E-911 system upgrade	$ 8,925,511	$ 1,011,587
Document imaging project	274,493	-
SRI project	15,384,518	2,130,174
Others	35,553	-
	$ 24,620,075	$ 3,141,761

Business-type Activities

Project	Expended to June 30, 2009	Remaining Commitment
Belmont/Highland pump stations	$ 695,133	$ 25,989
McGaheysville sewer	5,079,857	475,370
Methane utilization project	183,140	2,313,179
Landfill upgrade phase 5	147,980	-
Others	237,199	8
	$ 6,343,309	$ 2,814,538

Component Unit – School Board

Project	Expended to June 30, 2009	Remaining Commitment
River Bend Elementary School	$ 11,911,845	$ 2,183,155
East Rockingham High School	29,969,722	26,955,278
Massanutten Technical Center project	87,440	1,462,360
	$ 41,969,007	$ 30,600,793

These projects are being financed through various sources, including general obligation bonds, revenue bonds, capital leases, and internal funding.

Note 6. Long-Term Obligations

The following is a summary of long-term liability activity of the primary government for the year ended June 30, 2009:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	$ 74,169,472	$ 37,261,410	$ (4,079,344)	$ 107,351,538	$ 5,033,169
Literary loans	493,886	-	(178,027)	315,859	173,500
Capital leases	27,271,926	-	(916,024)	26,355,902	959,331
Unamortized premium	2,572,947	2,244,149	(157,757)	4,659,339	-
	104,508,231	39,505,559	(5,331,152)	138,682,638	6,166,000
Compensated absences	1,593,213	1,134,572	(1,125,997)	1,601,788	963,028
Governmental activities long-term liabilities	$ 106,101,444	$ 40,640,131	$ (6,457,149)	$ 140,284,426	$ 7,129,028

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

Year Ending June 30,	General Obligation Bonds		Literary Loans		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 5,033,169	$ 4,934,981	$ 173,500	$ 9,477	$ 959,331	$ 1,363,184
2011	5,829,839	4,948,270	73,500	4,271	1,878,497	1,294,217
2012	5,803,219	4,646,039	68,859	2,066	1,925,623	1,198,399
2013	5,858,551	4,351,926	-	-	1,972,095	1,100,599
2014	5,761,687	4,059,338	-	-	2,021,971	1,000,133
2015-2019	27,809,961	15,989,691	-	-	7,364,040	3,740,903
2020-2024	25,926,880	9,310,604	-	-	4,984,345	2,115,524
2025-2029	23,473,232	3,048,194	-	-	4,375,000	866,381
2030	1,855,000	41,042	-	-	875,000	24,736
	$ 107,351,538	$ 51,330,085	$ 315,859	$ 15,814	$ 26,355,902	$ 12,704,076

Note 6. Long-Term Obligations (Continued)

General Obligation Bonds:

$1,840,000 1990 series, issued August 1990, due in annual maturities of $120,000 through July 2010, plus interest at 7.1%	$	240,000
$1,033,884 1992A series, issued November 1992, due in annual maturities of $56,481 to $63,848 through July 2012, plus interest at 6.20% to 6.35%		243,662
$5,200,000 1992B series, issued December 1992, due in annual maturities of $160,000 to $230,000 through December 2012, plus interest at 5.85%		770,000
$3,500,000 1993 series, issued November 1993, due in annual maturities of $20,000 to $125,000 through December 2013, plus interest at 4.98% to 5.0%		245,000
$3,800,000 1994A series, issued May 1994, due in annual maturities of $195,000 through July 2013, plus interest at 6.23% to 6.3%		975,000
$11,200,000 1996A series, issued May 1996, due in annual maturities of $560,000 through July 2016, plus interest at 5.4% to 5.8%		4,480,000
$7,471,945 1996B series, issued November 1996, due in annual maturities of $381,542 to $445,122 through July 2016, plus interest at 5.1% to 5.23%		3,320,171
$8,421,223 1999A series, issued November 1999, due in annual maturities of $398,518 to $517,103 through July 2019, plus interest at 5.35% to 6.1%		4,998,185
$4,190,343 2000 series, issued November 2000, due in annual maturities of $197,920 to $247,440 through July 2020, plus interest at 5.1% to 5.85%		2,685,799
$5,077,993 2003 series, issued November 2003, due in annual maturities of $232,200 to $297,277 through July 2023, plus interest at 4.6% to 5.35%		3,948,042

Note 6. Long-Term Obligations (Continued)

General Obligation Bonds: (Continued)

$9,404,190 2005 series, issued November 2005, due in annual maturities of $422,830 to $545,699 through July 2025, plus interest at 4.6% to 5.1%	$ 8,162,931
$13,147,200 2006 series, issued November 2006, due in annual maturities of $585,118 to $744,134 through July 15, 2026, plus interest at 4.23% to 5.1%	12,001,360
$10,610,000 2007 series, issued May 2007, due in annual maturities of $315,000 to $810,000 through July 15, 2027, plus interest at 4.1% to 5.1%	10,295,000
$6,364,713 2007 series, issued November 2007, due in annual maturities of $269,735 to $371,160 through July 2028, plus interest at 4.35% to 5.1%	6,094,978
$11,630,000 2008 series, issued May 2008, due in annual maturities of $345,000 to $900,000 through July 2028, plus interest at 4.1% to 5.1%	11,630,000
$12,701,410 2008 series, issued December 2008, due in annual maturities of $575,926 to $742,320 through July 2028, plus interest at 3.6% to 5.35%	12,701,410
$24,560,000 2009 series, issued May 2009, due in annual maturities of $765,000 to $1,855,000 through July 2029, plus interest at 2.55% to 5.05%	24,560,000
Total General Obligation Bonds	$ 107,351,538

Literary Loans: (interest rate on all loans at 3%)

$2,000,000, issued July 1989, due in an annual installment of $100,000 in July 2009	$ 100,000
$1,465,359, issued October 1991, due in annual installments of $73,500 through October 2010, with final payment of $68,859 on October 2011	215,859
Total State Literary Fund Loans	$ 315,859

All general obligation bonds and literary loans were issued for the purpose of school construction and renovation.

Note 6. Long-Term Obligations (Continued)

The following capital leases were entered into for general government purposes:

Capital Leases:	
Joint Judicial Complex:	
Payments to the City of Harrisonburg Redevelopment and Housing Authority in annual installments ranging from \$422,500 to \$540,000 through June 2014, plus interest payable semi-annually ranging from 4.5%-5.0%	\$ 2,457,500
Human Services Building:	
Payments to the City of Harrisonburg Redevelopment and Housing Authority in semi-annual installments ranging from \$87,549 to \$133,994, through February 2016, plus interest at 6.08%	787,585
Emergency Communications Center:	
\$7,150,000 lease purchase contract due in annual installments ranging from \$405,975 to \$609,297, through December 2019, plus interest payable semi-annually at 3.76%	5,610,817
SRI Project – tax exempt:	
\$10,500,000 lease purchase contract due in annual installments of \$525,000 through October 2029, plus interest payable semi-annually at 4.67%	10,500,000
SRI Project – taxable:	
\$7,000,000 lease purchase contract due in annual installments of \$350,000 through October 2029, plus interest payable semi-annually at 7.14%	7,000,000
Total Capital Leases	\$ 26,355,902

Pursuant to Article VII, Section 10, (b) of the Constitution of Virginia, no debt shall be contracted by or on behalf of any county or district thereof unless approved by a majority vote of the qualified voters of said county. There is no limit on the amount of debt which a county may incur. Repayment of the capital leases will be funded through the General Fund.

Note 6. Long-Term Obligations (Continued)

The capital leases with the City of Harrisonburg Redevelopment and Housing Authority are a result of Public Facility Lease Revenue Bonds issued under a Trust Agreement among the County of Rockingham, Virginia, the City of Harrisonburg, Virginia, and SunTrust Bank and Wachovia, as Trustees. The bonds associated with the first capital lease were issued to refund bonds used to finance the acquisition and construction of a Joint Judicial Complex which the Housing Authority leases to the County and the City under a lease agreement. The second capital lease bonds were issued to finance the acquisition, construction and equipping of a human services building. The bonds associated with the Emergency Communications Center lease were issued to finance the acquisition and construction of emergency use equipment and radio towers throughout the County. The bonds associated with the SRI Project lease were issued to finance the costs to construct and equip a research facility for the benefit of and use by SRI International in the County's technology park.

The assets acquired through capital leases, included in the Statement of Net Assets, are as follows:

	Governmental Activities			
	Joint Judicial Complex	Human Services Building	Emergency Communications Center	SRI
Capital assets:				
Land	$ 1,254,155	$ 162,300	$ -	$ -
Construction in progress	-	-	8,438,142	15,384,518
Buildings	9,419,396	1,311,904	-	-
Improvements other than buildings	-	8,518	-	-
Machinery and equipment	156,767	84,132	-	-
Less: accumulated depreciation	(4,819,980)	(683,007)	-	-
	$ 6,010,338	$ 883,847	$ 8,438,142	$ 15,384,518

Note 6. Long-Term Obligations (Continued)

The following is a summary of long-term liability activity for the County's business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	$ 17,355,181 $	2,280,000 $	(632,701) $	19,002,480 $	822,595
Landfill obligation	5,490,179	243,254	-	5,733,433	53,210
Compensated absences	131,250	173,337	(148,992)	155,595	92,926
Unamortized premium	453,365	271,965	(31,782)	693,548	-
Business-type activities long-term liabilities	$ 23,429,975 $	2,968,556 $	(813,475) $	25,585,056 $	968,731

Annual requirements to amortize revenue bonds are as follows:

Year Ending June 30,	Revenue Bonds Principal	Revenue Bonds Interest
2010	$ 822,595	$ 811,356
2011	1,072,021	789,148
2012	1,116,592	744,843
2013	1,126,312	696,477
2014	1,146,187	647,841
2015-2019	5,484,838	2,463,090
2020-2024	4,052,547	1,396,016
2025-2029	3,119,946	567,570
2030-2034	249,401	195,980
2035-2039	306,819	138,561
2040-2044	377,458	67,923
2045-2048	127,764	5,671
	$ 19,002,480	$ 8,524,476

Water and Sewer Fund:

Infrastructure Revenue Bonds (Virginia Pooled Financing Program): $1,580,000 issued June 2004, due in annual installments of $60,000 to $100,000 through October 2023, plus interest payable semi-annually ranging from 3.69%-5.1%	$ 1,170,000
Infrastructure Revenue Bonds (Virginia Pooled Financing Program): $3,065,000 issued June 2007, due in annual installments of $105,000 $230,000 through October 2026, plus interest payable semi-annually ranging from 4.1%-4.87%	2,915,000
Infrastructure Revenue Bonds (Virginia Pooled Financing Program): $6,215,000 issued in June 2008, due in annual installments of $205,000 to $465,000 through October 2028, plus interest payable semi-annually ranging from 2.95%-4.91%	6,215,000

Note 6. Long-Term Obligations (Continued)

Solid Waste	
Infrastructure Revenue Bonds (Virginia Pooled Financing Program): $3,015,000 issued June 2007, due in annual installments of $270,000 to $385,000 through October 2016, plus interest payable semi-annually ranging from 4.1%-4.8%	$ 2,635,000
Infrastructure Revenue Bonds (Virginia Pooled Financing Program): $2,280,000 issued June 2009, due in annual installments of $225,000 to $230,000 through October 2019, plus interest payable semi-annually ranging from 4.13%-5.13%	2,280,000
Smith Creek Water & Waste Authority	
Virginia Revolving Loan Fund: $2,078,500 issued November 2001, due in semi-annual installments of $92,616 to $136,396 through September 2022, including interest at 3.0%	1,562,002
Taxable Waste Water System Revenue Bond, Series 2005: $1,333,000 issued in September 2005, interest only first year, then due in monthly installments of $5,746 through September 2045, including interest at 4.125%	1,292,284
Countryside Sanitary District	
Virginia Revolving Loan Fund: $171,288 issued June 2006, due in semi-annual installments of $5,857 through April 2026, including interest at 3.25%	152,080
Lilly Subdivision	
Infrastructure Revenue Bonds (Virginia Pooled Financing Program): $456,490 issued April 2008, due in semi-annual installments of $15,615 through August 2028, including interest at 3.05%	401,586
Penn Laird Sewer Authority	
Taxable Waste Water System Revenue Bond: $382,800 issued August 2007, interest only first year then due in monthly installments of $1,677 through August 2047, including interest at 4.25%	379,528
	$ 19,002,480

Repayment of the revenue bonds will be funded through the Water and Sewer Fund, the Smith Creek Water & Waste Authority, Lilly Subdivision Sanitary District, Penn Laird Sewer Authority, Solid Waste Fund, and the Countryside Sanitary District.

Information relative to the County's landfill obligation is contained in Note 13.

Note 6. Long-Term Obligations (Continued)

The following is a summary of long-term debt transactions of the Component Unit - School Board, for the year ended June 30, 2009:

Component Unit - School Board:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	$ 3,075,391	$ 3,239,122	$ (3,072,470)	$ 3,242,043	$ 2,144,769

The following is a summary of long-term transactions of the Component Unit - Harrisonburg-Rockingham Social Services District, for the year ended June 30, 2009:

Component Unit - Harrisonburg-Rockingham Social Services District:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	$ 311,005	$ 293,347	$ (253,450)	$ 350,902	$ 199,349

Note 7. 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 2007 Sewer Revenue Bonds and 2008 Sewer Revenue and Refunding Bonds. In December 2007, the Authority issued $30,000,000 Sewer Revenue Bonds to upgrade and expand its treatment plant. In June 2008, the Authority issued $12,650,000 Sewer Revenue and Refunding Bonds, Series 2008. The proceeds from the 2008 bonds were used to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. At June 30, 2009, all of the defeased bonds have been called. The reacquisition price exceeded the net carrying amount of the old debt by $1,120,952, which is being netted against the new debt amortized over the remaining life of the new debt. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by $2,011,876 and resulted in an economic gain of $1,010,777. In November 2008, the Authority issued $34,000,000 Sewer Revenue Bonds, series 2008. As of June 30, 2009, $17,698,564 has been drawn.

The 2007 bond issue consists of Revenue Bonds with an outstanding total of $30,000,000. Currently, the Authority is making interest only payments.

The 2008 bond issue consists of Revenue and Refunding Bonds. The bonds currently outstanding of $11,880,000 are to be retired in annual principal installments increasing from $715,000 in 2009 to $1,170,000 in 2021. The bonds bear interest ranging from 2.95% to 4.8%.

Note 7. Government Services Provided by Authorities (Continued)

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 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 debt service expenditures for the ensuing year will approximate $512,000 and $674,000, 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 8. Defined Benefit Pension Plan

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)

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

Administering Entity: Virginia Retirement System (System)

The County of Rockingham, and its component units, the Harrisonburg-Rockingham Social Services District (District) and the Rockingham County School Board (School Board), contribute to the Virginia Retirement System (VRS), an agent and cost sharing multiple-employer defined benefit pension plan administered by the VRS.

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters and sheriffs) payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service (1.85% for sheriff's and if the employer elects, for other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at http://www.varetire.org/pdf/publications/2008annurept.pdf or obtained by writing to the system's Chief Financial Officer at P. O. Box 2500, Richmond, Virginia, 23218-2500.

Note 8. Defined Benefit Pension Plan (Continued)

B. Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their annual reported salary to the VRS. This 5% member contribution has been assumed by the County, the District, and the School Board. In addition, the County, the District, and the School Board are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Board of Trustees. For the fiscal year ended June 30, 2009, the contribution rate for the County and the District was 13.67% for the School Board's professional employees, 13.81%, and for the School Board's non-professional employees, 11.66% of annual covered payroll.

For the years ended June 30, 2009, 2008, and 2007, total employer and employee contributions made to the VRS statewide teacher cost-sharing pool for professional employees by the School Board were $8,134,392, $8,679,211, and $7,732,501, respectively, and were equal to 100% of the required contribution for professional employees for each year.

C. Annual Pension Cost (APC)

For fiscal year 2009, the County, the District, and the School Board's non-professional employees' annual pension costs of $3,748,497 were equal to the required and actual contributions.

Three-year trend information for the County and the District is as follows:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2009	$ 2,883,170	100%	$ -
June 30, 2008	2,575,425	100%	-
June 30, 2007	2,432,502	100%	-

The District and the County contribute to a combined account. Therefore, separate annual pension cost for this component unit and the primary government are not available.

Three-year trend information for the Component Unit - School Board non-professional employees, is as follows:

Fiscal Year Ended	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
June 30, 2009	$ 865,327	100%	$ -
June 30, 2008	764,638	100%	-
June 30, 2007	719,395	100%	-

Note 8. Defined Benefit Pension Plan (Continued)

C. Annual Pension Cost (APC) (Continued)

The required contributions were determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.5%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a COLA of 2.5% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.5%. The actuarial value of the assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County, the District, and the School Board's non-professional employees unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

D. Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the County and District's Plan was 87.18% funded. The actuarial accrued liability for benefits was $62,401,925, and the actuarial value of assets was $54,402,789, resulting in an unfunded actuarial accrued liability (UAAL) of $7,999,137. The covered payroll (annual payroll of active employees covered by the Plan) was $20,667,497, and ratio of the UAAL to the covered payroll was 38.70%.

At June 30, 2008, the most recent actuarial valuation date, the Plan for the School Board's non-professional employees was 95.24% funded. The actuarial accrued liability for benefits was $23,049,050, and the actuarial value of assets was $21,950,943, resulting in an unfunded actuarial accrued liability (UAAL) of $1,098,107. The covered payroll (annual payroll of active employees covered by the Plan) was $7,195,440, and ratio of the UAAL to the covered payroll was 15.26%.

The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

Note 9. Other Postemployment Benefits

A. Plan Description

Other postemployment benefits (OPEB) provided by the County, the Harrisonburg-Rockingham Social Services District (District) and the Rockingham County School Board (School Board) include single-employer defined benefit retiree health insurance premium plans.

The District and the County have the same plan. A retiree, eligible for the plan, is defined as a full-time employee who retires directly from the County or the District and is eligible to receive an early or regular retirement benefit from the VRS. 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 thirty years of service in the VRS. To be eligible for this premium credit, the retiree must have a minimum of fifteen 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. The plan was established by the County's Board of Supervisors and any amendments to the plan must be approved by the Board.

A School Board retiree, eligible for the School Board's retiree health insurance premium contribution plan must have served a minimum of ten consecutive years as an employee of the School board and be eligible for retirement under VRS. The School Board will pay $10 monthly for the retiree until the retiree becomes eligible for or obtains other health coverage. The plan was established by the School Board and any amendments to the plan must be approved by the School Board.

The plans do not issue stand-alone financial reports.

B. Funding Policy

The County's Board of Supervisors and the School Board establish employer contribution rates for their respective plan participants. The Boards have chosen to fund the healthcare benefits on a pay as you go basis.

C. Annual OPEB Cost and Net OPEB Obligation

In July 2007, the County and School Board had an actuarial valuation of postemployment benefits performed. The annual cost of OPEB under GASB Statement No. 45 is called the annual required contribution or ARC. The pay as you go cost for OPEB benefits for the County's plan is $134,000 and the annual benefit cost is $552,958. The percentage of annual OPEB cost contributed is 24.23%. The pay as you go cost for OPEB benefits for the School Board's plan is $430,700 and the annual benefit cost is $1,593,935. The percentage of OPEB cost contributed is 27.02%.

GASB Statement No. 45 does not require prefunding of OPEB liabilities and the County and School Board have elected not to prefund OPEB liabilities at this time. The difference between the OPEB annual expense and cash payments for OPEB benefits is treated as a liability in the financial statements when the liability is not prefunded. At June 30, 2009, the County has recorded a liability of $345,630, the District has recorded a liability of $73,328, and the School Board has recorded a liability of $1,163,235 on the Statement of Net Assets.

Note 9. Other Postemployment Benefits (Continued)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

The County and School Board are required to contribute the ARC of the employer an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the calculation of the net OPEB obligations at June 30, 2009.

	County and District	School Board
Annual required contribution (ARC)	$ 552,958	$ 1,593,935
Less: cash payments	134,000	430,700
Net OPEB obligation at year-end	$ 418,958	$ 1,163,235

D. Funding Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plans were not funded. The actuarial value of assets was $0 resulting in an unfunded actuarial liability (UAAL) of $4,477,648 for the County and District's plan and a UAAL of $15,047,425 for the School Board's plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan are compared with past expectations and new estimates are made for the future. The schedules of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a four percent rate of return and an annual healthcare cost trend rate of nine percent initially, reduced by decrements to an ultimate rate of five percent after seven years. The unfunded liability is amortized over a period of 30 years based on a level percent of payroll method.

Note 10. Advances To/From Other Funds

Interfund balances as of June 30, 2009 are as follows:

Payable Fund	Receivable Fund General Fund:
Primary Government:	
Water and Sewer	$ 445,000
Lilly Subdivision Sanitary District	104,000
Total primary government	$ 549,000

The advance from the General Fund to the Water and Sewer Fund is an interest bearing loan to aid in the construction of a water filtration plant and is to be repaid through 2014 with principal payments ranging from $70,000 to $95,000 annually plus interest at 5.5%. The advance from the General Fund to the Lilly Subdivision Sanitary District is to be repaid through 2024 with annual principal payments of $6,500 plus interest at 3.25%.

Note 11. Interfund Transfers

A summary of interfund transfer activity is presented as follows:

	Transfer From Fund			
Transfer To Fund:	General Fund	Joint Judicial Complex	E-911 Fund	**Total Transferred In**
Primary government:				
Governmental activities:				
General Fund	$ -	$ 1,877	$ 1,818,001	$ 1,819,878
General Capital Projects Fund	11,736,375	-	-	11,736,375
General Self-Insurance Fund	2,515,426	-	-	2,515,426
Total transferred out	$ 14,251,801	$ 1,877	$ 1,818,001	$ 16,071,679

The transfer from the Joint Judicial Complex to the General Fund was for the reduction of principal and interest paid on the Joint Judicial Complex debt.

The transfer from the General Fund to the General Capital Projects Fund was for capital project expenditures.

The transfer from the E-911 Fund to the General Fund was to close the E-911 Fund.

The transfer from the General Fund to the General Self-Insurance Fund was to establish an adequate reserve for potential increases in health insurance costs.

Note 12. Major Customers

The Water and Sewer Fund has one major customer. For the year ended June 30, 2009, water and sewer revenue from this customer was approximately $1.98 million. Accounts receivable from this customer was approximately $315,000 at June 30, 2009.

The Solid Waste Fund has two major customers. Revenues from these customers for the year ended June 30, 2009 were approximately $1.35 million. Accounts receivable from these customers were approximately $132,000 at June 30, 2009.

The Smith Creek Water & Waste Authority has one major customer. For the year ended June 30, 2009, revenue from this customer was approximately $72,000. Accounts receivable from this customer was approximately $7,000 at June 30, 2009.

Note 13. Landfill Closure and Postclosure Care Cost

Effective July 1, 1994, the County and the City of Harrisonburg (City) entered into an agreement to operate a consolidated landfill. Under the terms of the agreement, the operating and closure capital costs of the landfill are to be funded through fees and charges of the landfill. The remaining capital costs will be funded by the County and the City based on their respective usage before the agreement and based on their respective share of the total population after the agreement.

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 postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Solid Waste Fund reports a portion of these closure and postclosure care costs as an operating expense in each period based on the landfill capacity used as of each balance sheet date. This liability has been calculated for only the County's share of the capital cost, which amounts to approximately 69% at June 30, 2009. The $5,733,433 reported as landfill closure and postclosure care liability at June 30, 2009, represents the cumulative amount reported to date based on the use of 100% of the landfill's old cell, and the use of 47% of the landfill's new cell. The Solid Waste Fund will report the County's estimated liability of closure and postclosure care of $4,005,000 for the new cell as the remaining estimated capacity is filled. These amounts are based on the cost to perform all closure and postclosure care in 2009. The County closed the landfill's old cell in 2001. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City of Harrisonburg is responsible for the remaining 31% of the landfill closure and postclosure care liability as of June 30, 2009 estimated at $2,546,000.

Note 14. 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.

Health Insurance

County employees, retirees and employee dependents are eligible for medical benefits from a health insurance internal-service fund. 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 2009:

Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
$ 1,187,285	$ 15,616,914	$ 15,211,199	$ 1,593,000

Note 15. Pending GASB Statements

At June 30, 2009, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the County. The statements which might impact the County are as follows:

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets,* establishes accounting and financial reporting requirements for intangible assets, particularly in the areas of recognition, initial measurement, and amortization to reduce inconsistencies of reporting among state and local governments. Statement No. 51 will be effective for periods beginning after June 15, 2009.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Statement No. 53 will be effective for periods beginning after June 15, 2009.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* establishes standards to enhance the usefulness of fund balance information by providing clearer fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Statement No. 54 will be effective for periods beginning after June 15, 2010.

Note 16. Joint Venture

The Rockingham-Harrisonburg Emergency Communications Center (ECC) is a joint venture of the County and the City of Harrisonburg (City). The ECC 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 ECC 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 ECC. The ECC is a hybrid joint venture with certain capital assets and related debt being undivided interests and reported as assets and liabilities, respectively, by the County and City. Upon termination of the ECC, any property purchased and used jointly by the County and City shall be divided equally between the two localities. The ECC was not fully operational at year end; therefore, there is no equity interest to report at June 30, 2009. Complete financial statements for the ECC can be obtained from the Director Finance, City of Harrisonburg, 345 South Main Street, Harrisonburg, VA, 22801.

Note 17. Summary Disclosure of Subsequent Events and Contingencies

On August 26, 2009, the Rockingham County Board of Supervisors authorized staff to execute a contract for the construction of a new Landfill Maintenance Shop not to exceed $ 207,994.

On September 23, 2009, the Rockingham County Board of Supervisors adopted an ordinance amendment which permits the Board to establish a fee schedule of emergency transport services and to bill for such services. The Board further authorized staff to finalize a Billing Services Agreement contract with an effective date of January 1, 2010.

On September 23, 2009, the Rockingham County Board of Supervisors approved Rockingham County's withdrawal from the Upper Valley Regional Park Authority (UVRPA) effective on September 30, 2009. By withdrawing, the County gave up its right to UVRPA assets.

On November 3, 2009, the voters of Rockingham County approved a referendum authorizing the Board of Supervisors to levy a food and beverage (meals) tax at businesses located in Rockingham County. The next step in the process to levy the tax is for the Rockingham County Board of Supervisors to adopt an ordinance. The proceeds from the tax may be used only for the construction, addition, and operation of public schools in Rockingham County.

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.

ROCKINGHAM COUNTY

1778

VIRGINIA

REQUIRED SUPPLEMENTARY

INFORMATION

ROCKINGHAM COUNTY

1778

VIRGINIA

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF FUNDING PROGRESS - VIRGINIA RETIREMENT SYSTEM

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
A. Primary Government and Harrisonburg-Rockingham Social Services District, a component unit - employees:						
June 30, 2006	$ 41,793,896	$ 47,610,989	$ 5,817,093	87.78%	$ 18,007,185	32.30%
June 30, 2007	48,446,087	55,248,012	6,801,925	87.69%	19,377,279	35.10%
June 30, 2008	54,402,789	62,401,925	7,999,136	87.18%	20,667,497	38.70%
B. Component Unit - School Board non-professional employees:						
June 30, 2006	$ 17,700,619	$ 19,268,311	$ 1,567,692	91.86%	$ 6,235,148	25.14%
June 30, 2007	19,890,722	21,105,170	1,214,448	94.25%	6,695,940	18.14%
June 30, 2008	21,950,943	23,049,050	1,098,107	95.24%	7,195,440	15.26%

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
A. Primary Government and Harrisonburg-Rockingham Social Services District, a component unit - employees:						
July 1, 2007	$ -	$ 4,477,648	$ 4,477,648	0.00%	$ 18,007,185	24.87%
B. Component Unit - School Board employees:						
July 1, 2007	$ -	$ 15,047,425	$ 15,047,425	0.00%	$ 50,413,286	29.85%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS

Fiscal Year Ended June 30	Annual Required Contribution	Percentage Contributed
A. Primary Government and Harrisonburg-Rockingham Social Services District, a component unit - employees:		
2009	$ 552,958	24.23%
B. Component Unit - School Board employees:		
2009	$ 1,593,935	27.02%

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

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

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

E-911 Fund - This fund was used to account for funds designated for the E-911 emergency telephone system and was closed during fiscal year 2009.

Capital Projects Fund

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Joint Judicial Complex - This fund is used to account for financial resources established as a debt service reserve for one-half of the maximum annual debt service payment for the lease reserve bonds issued to permit the construction of a new jail and a lower courts complex built jointly by the City of Harrisonburg, Virginia and the County of Rockingham, Virginia. The amounts included in the combining statements reflect the County's share (50%) of this project.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Albert K. Long Trust - This fund is used to account for the trust principal amount received and the related interest income. The interest portion of the trust can be used for upkeep and maintenance of the Albert K. Long Park.

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

	Special Revenue	Capital Projects	Permanent Fund	
	Asset Forfeiture Fund	Joint Judicial Complex	Albert K. Long Trust	Total Nonmajor Governmental Funds
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 44,814	$ 554	$ -	$ 45,368
Accrued interest	64	2	32	98
Restricted cash	-	284,297	22,365	306,662
Total assets	$ 44,878	$ 284,853	$ 22,397	$ 352,128
LIABILITIES				
Accounts payable	$ 327	$ -	$ -	$ 327
Total liabilities	327	-	-	327
FUND BALANCES				
Reserved for:				
Nonexpendable trust principal	-	-	11,143	11,143
Expendable:				
Park maintenance	-	-	11,254	11,254
Law enforcement	44,551	-	-	44,551
Debt service	-	284,297	-	284,297
Unreserved:				
Designated for subsequent years' expenditures	-	556	-	556
Total fund balances	44,551	284,853	22,397	351,801
Total liabilities and fund balances	$ 44,878	$ 284,853	$ 22,397	$ 352,128

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	Special Revenue			Capital Projects	Permanent Fund	Total
	Asset Forfeiture Fund	E-911 Fund	Totals	Joint Judicial Complex	Albert K. Long Trust	Nonmajor Governmental Funds
Revenues:						
Fines and forfeitures	$ 39,106	$ -	$ 39,106	$ -	$ -	$ 39,106
Use of money	619	-	619	2,890	359	3,868
Total revenues	39,725	-	39,725	2,890	359	42,974
Expenditures:						
Current:						
Public safety	12,554	-	12,554	-	-	12,554
Debt service:						
Interest and fiscal charges	-	-	-	1,359	-	1,359
Total expenditures	12,554	-	12,554	1,359	-	13,913
Revenues over expenditures	27,171	-	27,171	1,531	359	29,061
Other financing uses:						
Transfers out	-	(1,818,001)	(1,818,001)	(1,877)	-	(1,819,878)
Net change in fund balances	27,171	(1,818,001)	(1,790,830)	(346)	359	(1,790,817)
Fund balance, beginning	17,380	1,818,001	1,835,381	285,199	22,038	2,142,618
Fund balance, ending	$ 44,551	$ -	$ 44,551	$ 284,853	$ 22,397	$ 351,801

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NONMAJOR PROPRIETARY FUNDS

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

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
June 30, 2009

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Penn Laird Sewer Authority	Total Nonmajor Proprietary Funds
ASSETS				
Current assets:				
Cash, cash equivalents and temporary cash investments	$ 4,246	$ 65,052	$ 22,783	$ 92,081
Trade and other accounts receivable	6,080	208	64,591	70,879
Accrued interest	5	90	32	127
Restricted cash	-	-	2,034	2,034
Total current assets	10,331	65,350	89,440	165,121
Noncurrent assets:				
Financing costs, net of accumulated amortization	7,188	6,082	8,008	21,278
Capital assets:				
Land	20,600	-	20,631	41,231
Buildings	8,900	-	-	8,900
Improvements other than buildings	596,932	306,022	1,119,967	2,022,921
Machinery and equipment	5,470	-	28,892	34,362
Less accumulated depreciation	(65,021)	(21,421)	(34,105)	(120,547)
Total capital assets (net of accumulated depreciation)	566,881	284,601	1,135,385	1,986,867
Total noncurrent assets	574,069	290,683	1,143,393	2,008,145
Total assets	584,400	356,033	1,232,833	2,173,266
LIABILITIES				
Current liabilities:				
Accounts payable and deposits	2,376	498	195	3,069
Accrued interest	7,920	1,236	128	9,284
Advance from other funds	104,000	-	-	104,000
Revenue bonds	15,342	6,827	4,072	26,241
Total current liabilities	129,638	8,561	4,395	142,594
Noncurrent liabilities:				
Revenue bonds	386,244	145,253	375,456	906,953
Total noncurrent liabilities	386,244	145,253	375,456	906,953
Total liabilities	515,882	153,814	379,851	1,049,547
NET ASSETS				
Invested in capital assets, net of related debt	172,483	138,603	765,899	1,076,985
Unrestricted (deficit)	(103,965)	63,616	87,083	46,734
Total net assets	$ 68,518	$ 202,219	$ 852,982	$ 1,123,719

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2009

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Penn Laird Sewer Authority	Total Nonmajor Proprietary Funds
Operating revenues:				
Charges for services	$ 35,288	$ 14,779	$ 15,490	$ 65,557
Other revenue	2,350	-	-	2,350
Total operating revenues	37,638	14,779	15,490	67,907
Operating expenses:				
Contractual services	4,093	1,570	-	5,663
Electrical services	898	-	-	898
Other charges	15,708	3,838	1,959	21,505
Depreciation	11,325	6,120	23,375	40,820
Total operating expenses	32,024	11,528	25,334	68,886
Operating income (loss)	5,614	3,251	(9,844)	(979)
Nonoperating revenues (expenses):				
Connection availability fees	-	-	3,200	3,200
Interest revenue	14	969	277	1,260
Interest expense	(14,897)	(5,050)	(15,890)	(35,837)
Amortization of financing costs	(377)	(362)	(207)	(946)
Total nonoperating expenses, net	(15,260)	(4,443)	(12,620)	(32,323)
Loss before contributions	(9,646)	(1,192)	(22,464)	(33,302)
Capital contributions	-	-	180,509	180,509
Change in net assets	(9,646)	(1,192)	158,045	147,207
Total net assets, beginning	78,164	203,411	694,937	976,512
Total net assets, ending	$ 68,518	$ 202,219	$ 852,982	$ 1,123,719

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2009

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Penn Laird Sewer Authority	Total Nonmajor Proprietary Funds
Cash Flows From Operating Activities:				
Receipts from customers	$ 32,191	$ 19,190	$ 38,102	$ 89,483
Payments to suppliers for goods and services	(38,297)	(5,423)	(1,764)	(45,484)
Other receipts (payments), net	2,350	-	-	2,350
Net cash provided by (used in) operating activities	(3,756)	13,767	36,338	46,349
Cash Flows From Capital and Related Financing Activities:				
Capital contributions	-	-	180,509	180,509
Payment of advance from other funds	(6,500)	-	-	(6,500)
Connection availability fees	-	-	3,200	3,200
Principal paid on outstanding debt	(54,904)	(6,610)	(3,272)	(64,786)
Interest paid on outstanding debt	(10,670)	(5,103)	(27,538)	(43,311)
Acquisition and construction of capital assets	(89,470)	-	(164,665)	(254,135)
Net cash used in capital and related financing activities	(161,544)	(11,713)	(11,766)	(185,023)
Cash Flows From Investing Activities:				
Interest received on investment securities	9	1,047	245	1,301
Net increase (decrease) in cash and cash equivalents	(165,291)	3,101	24,817	(137,373)
Cash and Cash Equivalents:				
Beginning	169,537	61,951	-	231,488
Ending	$ 4,246	$ 65,052	$ 24,817	$ 94,115
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	$ 5,614	$ 3,251	$ (9,844)	$ (979)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	11,325	6,120	23,375	40,820
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(3,097)	4,411	22,612	23,926
Increase (decrease) in accounts payable	(17,598)	(15)	195	(17,418)
Net cash provided by (used in) operating activities	$ (3,756)	$ 13,767	$ 36,338	$ 46,349
Schedule of Noncash Capital and Related Financing Activities:				
Capital assets acquired through incurrence of accounts payable	$ (44,264)	$ -	$ (88,819)	$ (133,083)

INTERNAL SERVICE FUNDS

Central Stores – This fund accounts for the costs of providing office supplies to various departments or agencies of the County.

Self-Insurance – 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.

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2009

	Central Stores	Self - Insurance	Total Internal Service Funds
ASSETS			
Current assets:			
Cash, cash equivalents and temporary cash investments	$ 8,161	$ 6,096,064	$ 6,104,225
Trade and other accounts receivable	4,780	394	5,174
Accrued interest	-	8,617	8,617
Due from other governments	-	3,672	3,672
Prepaid items	-	122,009	122,009
Inventory	10,099	-	10,099
Total assets	23,040	6,230,756	6,253,796
LIABILITIES			
Current liabilities:			
Accounts payable	763	-	763
Unearned revenue	-	1,338,691	1,338,691
Insurance and benefit claims	-	1,593,000	1,593,000
Total liabilities	763	2,931,691	2,932,454
NET ASSETS			
Unrestricted	22,277	3,299,065	3,321,342
Total net assets	$ 22,277	$ 3,299,065	$ 3,321,342

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2009

	Central Stores	Self - Insurance	Total Internal Service Funds
Operating revenues:			
Charges for services	$ 49,047	$ 16,377,762	$ 16,426,809
Other	-	3,672	3,672
Total operating revenues	49,047	16,381,434	16,430,481
Operating expenses:			
Contractual services	-	1,427,920	1,427,920
Risk financing and benefit payments	-	15,211,199	15,211,199
Other charges	49,028	-	49,028
Total operating expenses	49,028	16,639,119	16,688,147
Operating income (loss)	19	(257,685)	(257,666)
Nonoperating revenue:			
Interest revenue	-	62,327	62,327
Total nonoperating revenue	-	62,327	62,327
Income (loss) before transfers	19	(195,358)	(195,339)
Transfers in	-	2,515,426	2,515,426
Change in net assets	19	2,320,068	2,320,087
Total net assets, beginning	22,258	978,997	1,001,255
Total net assets, ending	$ 22,277	$ 3,299,065	$ 3,321,342

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2009

	Central Stores	Self - Insurance	Total Internal Service Funds
Cash Flows From Operating Activities:			
Receipts from interfund services provided	$ 46,912	$ 16,478,194	$ 16,525,106
Claims and benefits paid	-	(14,927,493)	(14,927,493)
Payments to suppliers for goods and services	(49,793)	(1,870,997)	(1,920,790)
Other receipts	-	3,672	3,672
Net cash used in operating activities	(2,881)	(316,624)	(319,505)
Cash Flows From Noncapital Financing Activities:			
Transfers from other funds	-	2,515,426	2,515,426
Cash Flows From Investing Activities:			
Interest received on investment securities	-	64,013	64,013
Net increase (decrease) in cash and cash equivalents	(2,881)	2,262,815	2,259,934
Cash and Cash Equivalents:			
Beginning	11,042	3,833,249	3,844,291
Ending	$ 8,161	$ 6,096,064	$ 6,104,225
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:			
Operating income (loss)	$ 19	$ (257,685)	$ (257,666)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(2,135)	(93)	(2,228)
Inventory	(998)	-	(998)
Due from other governments	-	(3,672)	(3,672)
Prepaid items	-	(122,009)	(122,009)
Increase (decrease) in:			
Accounts payable	233	(443,077)	(442,844)
Unearned revenue	-	104,197	104,197
Insurance and benefit claims	-	405,715	405,715
Net cash used in operating activities	$ (2,881)	$ (316,624)	$ (319,505)

FIDUCIARY FUNDS

Special Welfare – This fund is used to account for assets held by the County for individuals under custody of the Harrisonburg-Rockingham Social Services District.

Employee Benefits – This fund is used to account for assets held by the County for employees selecting voluntary benefits through payroll deductions and benefits provided through COBRA.

Industrial Development Authority – This fund is used to account for assets held by the County for the Rockingham County Industrial Development Authority.

Bond Escrow – This fund is used to account for subdivision, sediment and erosion control bonds held by the County for developers.

Workforce Investment Board – This fund is used to account for assets held by the County for the Shenandoah Valley Workforce Investment Board.

Massanutten Technical Center – This fund is used to account for assets held by the County for the Massanutten Technical Center.

Park Authority – This fund is used to account for assets held by the County for the Upper Valley Regional Park Authority.

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2009

	Agency Funds							
	Special Welfare	Employee Benefits	Industrial Development Authority	Bond Escrow	Workforce Investment Board	Massanutten Technical Center	Park Authority	Totals
ASSETS								
Cash, cash equivalents and temporary cash investments	$ 35,642	$ 479,155	$ 26,656	$ 349,168	$ 174,465	$ 758,098	$ 109,731	$ 1,932,915
Accounts receivable	-	30,551	38	537	-	43,731	-	74,857
Total assets	$ 35,642	$ 509,706	$ 26,694	$ 349,705	$ 174,465	$ 801,829	$ 109,731	$ 2,007,772
LIABILITIES								
Accounts payable	$ 35,642	$ 509,706	$ 26,694	$ 349,705	$ 174,465	$ 801,829	$ 109,731	$ 2,007,772
Total liabilities	$ 35,642	$ 509,706	$ 26,694	$ 349,705	$ 174,465	$ 801,829	$ 109,731	$ 2,007,772

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
SPECIAL WELFARE				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 78,426	$ 147,646	$ 190,430	$ 35,642
LIABILITIES				
Accounts payable	$ 78,426	$ 147,646	$ 190,430	$ 35,642
EMPLOYEE BENEFITS				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 454,917	$ 510,841	$ 486,603	$ 479,155
Accounts receivable	28,351	30,551	28,351	30,551
Total assets	$ 483,268	$ 541,392	$ 514,954	$ 509,706
LIABILITIES				
Accounts payable	$ 483,268	$ 541,392	$ 514,954	$ 509,706
INDUSTRIAL DEVELOPMENT AUTHORITY				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 25,019	$ 10,237	$ 8,600	$ 26,656
Accounts receivable	71	38	71	38
Total assets	$ 25,090	$ 10,275	$ 8,671	$ 26,694
LIABILITIES				
Accounts payable	$ 25,090	$ 10,275	$ 8,671	$ 26,694

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
BOND ESCROW				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 374,630	$ 92,334	$ 117,796	$ 349,168
Accounts receivable	1,060	537	1,060	537
Total assets	$ 375,690	$ 92,871	$ 118,856	$ 349,705
LIABILITIES				
Accounts payable	$ 375,690	$ 92,871	$ 118,856	$ 349,705
WORKFORCE INVESTMENT BOARD				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ -	$ 1,463,032	$ 1,288,567	$ 174,465
LIABILITIES				
Accounts payable	$ -	$ 1,463,032	$ 1,288,567	$ 174,465
MASSANUTTEN TECHNICAL CENTER				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 924,095	$ 5,122,036	$ 5,288,033	$ 758,098
Accounts receivable	49,093	43,731	49,093	43,731
Total assets	$ 973,188	$ 5,165,767	$ 5,337,126	$ 801,829
LIABILITIES				
Accounts payable	$ 973,188	$ 5,165,767	$ 5,337,126	$ 801,829

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
PARK AUTHORITY				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 88,213	$ 685,908	$ 664,390	$ 109,731
LIABILITIES				
Accounts payable	$ 88,213	$ 685,908	$ 664,390	$ 109,731
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 1,945,300	$ 8,032,034	$ 8,044,419	$ 1,932,915
Accounts receivable	78,575	74,857	78,575	74,857
Total assets	$ 2,023,875	$ 8,106,891	$ 8,122,994	$ 2,007,772
LIABILITIES				
Accounts payable	$ 2,023,875	$ 8,106,891	$ 8,122,994	$ 2,007,772

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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.

School Textbook Fund – This fund accounts for the centralized school textbook operation.

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, 2009

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash, cash equivalents and temporary cash investments	$ 7,576,608	$ 1,469,796	$ 351,460	$ 1,892,631	$ 11,290,495
Trade and other accounts receivable	333,639	6,097	-	15,544	355,280
Accrued interest	-	2,009	-	1,205	3,214
Due from other governments	2,302,812	94,685	-	28,562	2,426,059
Prepaid items	1,882,620	113,674	-	41,391	2,037,685
Inventory	81,532	34,531	-	149,789	265,852
Restricted cash	-	-	16,717,738	-	16,717,738
Total assets	$ 12,177,211	$ 1,720,792	$ 17,069,198	$ 2,129,122	$ 33,096,323
LIABILITIES					
Accounts payable	$ 1,314,790	$ 35,465	$ 4,254,027	$ 240,986	$ 5,845,268
Accrued payroll	10,862,421	338,951	5,186	196,897	11,403,455
Due to other governments	-	-	-	412,551	412,551
Total liabilities	12,177,211	374,416	4,259,213	850,434	17,661,274
FUND BALANCES					
Reserved for:					
—Inventory—	81,532	34,531	-	149,789	265,852
Prepaid items	1,882,620	113,674	-	-	1,996,294
Capital outlay	-	-	12,809,985	-	12,809,985
Unreserved:					
Designated for subsequent years' expenditures	-	1,198,171	-	1,128,899	2,327,070
Undesignated (deficit)	(1,964,152)	-	-	-	(1,964,152)
Total fund balances	-	1,346,376	12,809,985	1,278,688	15,435,049
Total liabilities and fund balances	$ 12,177,211	$ 1,720,792	$ 17,069,198	$ 2,129,122	$ 33,096,323

Total Fund balances		$ 15,435,049
Amounts reported for governmental activities in the Statement of Net Assets 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	$ 237,299,647	
Less accumulated depreciation	(86,600,765)	
Net Capital Assets		150,698,882
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 Assets.		605,357
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	(3,242,043)	
Other postemployment benefits	(1,163,235)	(4,405,278)
Net assets of governmental activities		$ 162,334,010

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
Year Ended June 30, 2009

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Use of money and property	$ 24,139	$ 14,966	$ 91,008	$ 14,450	$ 144,563
Charges for services	2,419,408	2,467,740	-	751,180	5,638,328
Miscellaneous	117,019	-	-	35,900	152,919
Appropriation from General Fund	38,540,717	-	39,505,559	-	78,046,276
Intergovernmental	69,637,549	2,534,397	3,559,527	5,247,118	80,978,591
Total revenues	110,738,832	5,017,103	43,156,094	6,048,648	164,960,677
Expenditures:					
Current:					
Education	110,738,832	4,684,901	-	5,697,129	121,120,862
Capital outlay	-	-	35,305,546	-	35,305,546
Total expenditures	110,738,832	4,684,901	35,305,546	5,697,129	156,426,408
Net change in fund balances	-	332,202	7,850,548	351,519	8,534,269
Fund balances, beginning	-	1,014,174	4,959,437	927,169	6,900,780
Fund balances, ending	$ -	$ 1,346,376	$ 12,809,985	$ 1,278,688	$ 15,435,049

Net change in fund balances		$ 8,534,269
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 expense. This is the amount by which capital outlays were more than depreciation in the current period.		
Expenditure for capital assets	$ 36,916,024	
Less depreciation expense	(5,430,793)	
Excess of capital outlays over depreciation		31,485,231
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets.		(90,713)
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	(166,652)	
Other postemployment benefits	(1,126,955)	
		(1,293,607)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds are reported with governmental activities.		
Total revenues	12,497,258	
Total expenses	(12,645,730)	
		(148,472)
Change in net assets of governmental activities		$ 38,486,708

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING BALANCE SHEET
NONMAJOR FUNDS OF THE DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
June 30, 2009

	School Textbook Fund	Massanutten Technical Center - Operating Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash, cash equivalents and temporary cash investments	$ 1,134,533	$ 758,098	$ 1,892,631
Trade and other accounts receivable	1,580	13,964	15,544
Accrued interest	-	1,205	1,205
Due from other governments	-	28,562	28,562
Prepaid items	-	41,391	41,391
Inventory	149,789	-	149,789
Total assets	$ 1,285,902	$ 843,220	$ 2,129,122
LIABILITIES			
Accounts payable	$ 7,214	$ 233,772	$ 240,986
Accrued payroll	-	196,897	196,897
Due to other governments	-	412,551	412,551
Total liabilities	7,214	843,220	850,434
FUND BALANCES			
Reserved for:			
Inventory	149,789	-	149,789
Unreserved:			
Designated for subsequent years' expenditures	1,128,899	-	1,128,899
Total fund balances	1,278,688	-	1,278,688
Total liabilities and fund balances	$ 1,285,902	$ 843,220	$ 2,129,122

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS OF THE DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
Year Ended June 30, 2009

	School Textbook Fund	Massanutten Technical Center - Operating Fund	Total Nonmajor Governmental Funds
Revenues:			
Use of money and property	$ -	$ 14,450	$ 14,450
Charges for services	-	751,180	751,180
Miscellaneous	-	35,900	35,900
Intergovernmental	919,829	4,327,289	5,247,118
Total revenues	919,829	5,128,819	6,048,648
Expenditures:			
Current:			
Education	568,310	5,128,819	5,697,129
Total expenditures	568,310	5,128,819	5,697,129
Net change in fund balances	351,519	-	351,519
Fund balance, beginning	927,169	-	927,169
Fund balance, ending	$ 1,278,688	-	$ 1,278,688

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FIDUCIARY FUNDS OF THE SCHOOL BOARD

School Activity Fund – This fund accounts for the activity funds at each individual school.

Massanutten Technical Center – Activity Fund – This fund accounts for activities to raise funds for school use. The Massanutten Technical Center Funds are under control of the Massanutten Technical Center Board of Control appointed by the Rockingham County School Board and Harrisonburg City School Board.

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF FIDUCIARY NET ASSETS - SCHOOL BOARD FIDUCIARY FUNDS
June 30, 2009

	Agency Funds		
	School Activity Fund	Massanutten Technical Center Activity Fund	Totals
ASSETS			
Cash, cash equivalents and temporary cash investments	$ 1,172,627	$ 104,976	$ 1,277,603
Accounts receivable	33,700	604	34,304
Total assets	$ 1,206,327	$ 105,580	$ 1,311,907
LIABILITIES			
Accounts payable	$ 1,206,327	$ 105,580	$ 1,311,907
Total liabilities	$ 1,206,327	$ 105,580	$ 1,311,907

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - SCHOOL BOARD
ALL AGENCY FUNDS
Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
SCHOOL ACTIVITY FUND				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 997,721	$ 4,020,900	$ 3,845,994	$ 1,172,627
Accounts receivable	66,484	33,700	66,484	33,700
Total assets	$ 1,064,205	$ 4,054,600	$ 3,912,478	$ 1,206,327
LIABILITIES				
Accounts payable	$ 1,064,205	$ 4,054,600	$ 3,912,478	$ 1,206,327
MASSANUTTEN TECHNICAL CENTER ACTIVITY FUND				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 84,202	$ 216,093	$ 195,319	$ 104,976
Accounts receivable	-	604	-	604
Total assets	$ 84,202	$ 216,697	$ 195,319	$ 105,580
LIABILITIES				
Accounts payable	$ 84,202	$ 216,697	$ 195,319	$ 105,580
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and temporary cash investments	$ 1,081,923	$ 4,236,993	$ 4,041,313	$ 1,277,603
Accounts receivable	66,484	34,304	66,484	34,304
Total assets	$ 1,148,407	$ 4,271,297	$ 4,107,797	$ 1,311,907
LIABILITIES				
Accounts payable	$ 1,148,407	$ 4,271,297	$ 4,107,797	$ 1,311,907

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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 - Comprehensive 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, 2009

	Operating Fund	Special Revenue Comprehensive Services Act	Total Governmental Funds
ASSETS			
Cash, cash equivalents and temporary cash investments	$ 2,411,851	$ 22,615	$ 2,434,466
Trade and other accounts receivable	20,037	21,028	41,065
Accrued interest	3,873	56	3,929
Due from other governments	704,176	2,085,199	2,789,375
Prepaid items	76,262	1,733	77,995
Total assets	$ 3,216,199	$ 2,130,631	$ 5,346,830
LIABILITIES			
Accounts payable	$ 468,230	$ 1,598,986	$ 2,067,216
Accrued payroll	213,957	5,412	219,369
Deferred revenue	-	290,530	290,530
Total liabilities	682,187	1,894,928	2,577,115
FUND BALANCES			
Reserved for minority interest	1,002,684	130,302	1,132,986
Unreserved, undesignated	1,531,328	105,401	1,636,729
Total fund balances	2,534,012	235,703	2,769,715
Total liabilities and fund balances	$ 3,216,199	$ 2,130,631	$ 5,346,830

Fund balances		$ 2,769,715
Amounts reported for governmental activities in the Statement of Net Assets 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	$ 524,823	
Less accumulated depreciation	(405,624)	
Net capital assets		119,199
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	(350,902)	
Other postemployment benefits	(73,328)	
		(424,230)
Net assets of governmental activities		$ 2,464,684

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE DISCRETELY PRESENTED COMPONENT UNIT - HARRISONBURG-ROCKINGHAM SOCIAL SERVICES DISTRICT

Year Ended June 30, 2009

	Operating Fund	Special Revenue Comprehensive Services Act	Total Governmental Funds
Revenues:			
Use of money and property	$ 36,821	$ 5,883	$ 42,704
Miscellaneous	1,489,138	2,242,169	3,731,307
Appropriation from General Fund	1,855,150	1,834,028	3,689,178
Intergovernmental	8,343,032	6,500,946	14,843,978
Total revenues	11,724,141	10,583,026	22,307,167
Expenditures:			
Current:			
Health and social services	11,096,234	10,527,037	21,623,271
Total expenditures	11,096,234	10,527,037	21,623,271
Revenues over expenditures	627,907	55,989	683,896
Other financing sources (uses):			
Transfers in	-	45,000	45,000
Transfers out	(45,000)	-	(45,000)
Net change in fund balances	582,907	100,989	683,896
Fund balances, beginning	1,951,105	134,714	2,085,819
Fund balances, ending	$ 2,534,012	$ 235,703	$ 2,769,715

Net change in fund balances		$ 683,896
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 expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Expenditure for capital assets	$ 17,503	
Less depreciation expense	(61,173)	
Excess of depreciation over capital outlays		(43,670)
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	(39,897)	
Other postemployment benefits	(73,328)	
		(113,225)
Change in net assets of governmental activities		$ 527,001

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SUPPLEMENTAL SCHEDULES

ROCKINGHAM COUNTY

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GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 38,850,000	$ 38,850,000	$ 39,018,225	$ 168,225
Real and personal public service corporation property taxes	901,000	901,000	936,772	35,772
Personal property taxes	10,120,000	10,120,000	11,095,653	975,653
Machinery and tools taxes	11,500,000	11,500,000	12,860,256	1,360,256
Merchants' capital taxes	1,000,000	1,000,000	1,040,306	40,306
Penalties and interest	562,000	562,000	619,029	57,029
Total general property taxes	62,933,000	62,933,000	65,570,241	2,637,241
Other local taxes:				
Local sales and use taxes	4,600,000	4,600,000	4,567,854	(32,146)
Consumer utility taxes	936,400	936,400	1,006,939	70,539
Utility gross receipts taxes	320,000	320,000	327,034	7,034
Communications sales and use taxes	1,800,000	1,800,000	1,661,053	(138,947)
Bank stock taxes	12,000	12,000	17,034	5,034
Motor vehicle licenses	1,190,000	1,190,000	1,176,765	(13,235)
Taxes on recordation and wills	1,120,000	1,120,000	1,091,116	(28,884)
Hotel and motel room taxes	135,000	135,000	149,392	14,392
Total other local taxes	10,113,400	10,113,400	9,997,187	(116,213)
Permits, privilege fees and regulatory licenses:				
Animal licenses	15,000	15,000	30,242	15,242
Permits and other licenses	1,040,130	1,040,130	718,898	(321,232)
Total permits, privilege fees and regulatory licenses	1,055,130	1,055,130	749,140	(305,990)
Fines and forfeitures	154,000	154,000	109,429	(44,571)
Use of money and property:				
Revenue from use of money	500,000	500,000	401,270	(98,730)
Revenue from use of property	166,983	166,983	169,403	2,420
Total use of money and property	666,983	666,983	570,673	(96,310)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Revenue from local sources:				
Charges for services:				
Excess fees of clerk	$ 487,000	$ 487,000	$ 494,662	$ 7,662
Commonwealth attorney's fees	213,000	245,000	289,120	44,120
Law enforcement and traffic control	200,187	265,187	259,655	(5,532)
Correction and detention	855,150	855,150	782,811	(72,339)
Parks and recreation	325,000	325,000	405,350	80,350
Computer services	2,000	2,000	1,511	(489)
Health	-	-	5,665	5,665
Garage fees	600,000	600,000	610,015	10,015
Planning and community development	11,310	11,310	1,786	(9,524)
Total charges for services	2,693,647	2,790,647	2,850,575	59,928
Miscellaneous	108,000	114,608	245,755	131,147
Recovered costs:				
City of Harrisonburg:				
Judicial administration	507,284	527,380	483,769	(43,611)
Public safety	2,028,137	2,109,522	1,952,353	(157,169)
Public works	281,825	292,989	279,449	(13,540)
Other entities:				
Public safety	187,219	159,260	200,441	41,181
Public works	70,000	85,000	132,123	47,123
Total recovered costs	3,074,465	3,174,151	3,048,135	(126,016)
Total revenue from local sources	80,798,625	81,001,919	83,141,135	2,139,216
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Mobile home titling taxes	100,000	100,000	92,602	(7,398)
Rental vehicle taxes	3,600	3,600	5,204	1,604
Personal property tax relief	5,860,000	5,860,000	5,711,521	(148,479)
Recordation taxes	225,000	225,000	327,701	102,701
Total non-categorical aid	6,188,600	6,188,600	6,137,028	(51,572)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Over
Entity, Fund, Major and Minor Revenue Source	Original	Final	Amounts	(Under)
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Shared costs:				
Commonwealth attorney	$ 820,000	$ 820,000	$ 831,223	$ 11,223
Sheriff	5,652,200	5,652,200	4,145,060	(1,507,140)
Commissioner of the revenue	210,760	210,760	217,089	6,329
Treasurer	191,600	191,600	196,338	4,738
Medical examiner	460	460	-	(460)
Registrar/Electoral Board	49,800	49,800	58,726	8,926
Clerk of circuit court	558,980	775,749	689,789	(85,960)
Jail operations	588,000	588,000	457,761	(130,239)
Total shared costs	8,071,800	8,288,569	6,595,986	(1,692,583)
Other categorical aid:				
Emergency medical services	74,000	74,000	76,881	2,881
Community corrections	355,657	355,657	338,533	(17,124)
Soil conservation	294,064	294,064	252,985	(41,079)
Fire program	140,000	197,707	143,607	(54,100)
Hazardous materials program	6,000	14,677	14,728	51
Victim witness	-	12,847	12,749	(98)
Resource officers	30,000	60,626	50,103	(10,523)
Records preservation	-	56,662	64,848	8,186
Domestic violence	20,000	20,000	35,262	15,262
OEMS training	-	8,600	9,331	731
Other	-	-	1,637	1,637
Total other categorical aid	919,721	1,094,840	1,000,664	(94,176)
Total categorical aid	8,991,521	9,383,409	7,596,650	(1,786,759)
Total revenue from the Commonwealth	15,180,121	15,572,009	13,733,678	(1,838,331)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the federal government:				
Non-categorical aid:				
Payment for federal lands	$ 195,000	$ 195,000	$ 452,472	$ 257,472
Categorical aid:				
Victim witness	50,000	51,380	50,994	(386)
FEMA	10,850	10,850	10,844	(6)
Highway safety	22,609	22,609	42,499	19,890
Welfare	100,000	100,000	163,829	63,829
Domestic violence coordinator	30,000	30,000	12,600	(17,400)
Edward Byrne memorial justice assistance	-	57,951	23,040	(34,911)
Byrne formula	60,000	186,960	78,519	(108,441)
State criminal alien assistance	85,000	85,000	69,976	(15,024)
Project safe neighborhoods	54,673	54,673	40,154	(14,519)
ARRA - State fiscal stabilization	-	-	1,762,569	1,762,569
Methampetamine	59,998	181,948	180,117	(1,831)
Other	-	6,300	67,378	61,078
Total categorical aid	473,130	787,671	2,502,519	1,714,848
Total revenue from the federal government	668,130	982,671	2,954,991	1,972,320
Total intergovernmental	15,848,251	16,554,680	16,688,669	133,989
Total General Fund	$ 96,646,876	$ 97,556,599	$ 99,829,804	$ 2,273,205

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
Special Revenue Fund:				
Asset Forfeiture Fund:				
Revenue from local sources:				
Fines and forfeitures:				
Seized funds - judicial administration	$ 15,000	$ 19,000	$ 19,138	$ 138
Seized funds - public safety	40,000	20,000	19,968	(32)
Total fines and forfeitures	55,000	39,000	39,106	106
Revenue from use of money	-	-	619	619
Total revenue from local sources	55,000	39,000	39,725	725
Total Special Revenue Fund	$ 55,000	$ 39,000	$ 39,725	$ 725
Capital Projects Funds:				
General Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	$ -	$ -	$ 197,383	$ 197,383
Miscellaneous	-	-	33,391	33,391
Total revenue from local sources	-	-	230,774	230,774
Total General Capital Projects Fund	$ -	$ -	$ 230,774	$ 230,774
Joint Judicial Complex Fund:				
Revenue from local sources:				
Revenue from use of money	$ -	$ -	$ 2,890	$ 2,890
Total Joint Judicial Complex Fund	-	-	2,890	2,890
Total Capital Projects Funds	$ -	$ -	$ 233,664	$ 233,664
Permanent Fund:				
Albert K. Long Trust Fund:				
Revenue from local sources:				
Revenue from use of money	$ -	$ -	$ 359	$ 359
Total Permanent Fund	$ -	$ -	$ 359	$ 359
Grand Total Revenues - Primary Government	$ 96,701,876	$ 97,595,599	$ 100,103,552	$ 2,507,953

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of property	$ 26,000	$ 26,000	$ 24,139	$ (1,861)
Charges for services	1,895,000	2,015,000	2,419,408	404,408
Miscellaneous	47,500	68,009	117,019	49,010
Appropriation from General Fund	43,561,480	44,276,604	38,540,717	(5,735,887)
Total revenue from local sources	45,529,980	46,385,613	41,101,283	(5,284,330)
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Rolling stock tax	50,000	50,000	51,332	1,332
Categorical aid:				
State sales tax receipts	12,031,954	12,031,954	10,930,073	(1,101,881)
Basic school aid	37,455,505	37,455,505	38,046,226	590,721
Other state school funds	15,876,285	15,975,604	15,827,593	(148,011)
Total categorical aid	65,363,744	65,463,063	64,803,892	(659,171)
Total revenue from the Commonwealth	65,413,744	65,513,063	64,855,224	(657,839)
Revenue from the federal government:				
Categorical aid:				
National forest receipts	40,000	40,000	40,614	614
Title I	1,500,000	1,500,000	1,478,825	(21,175)
Title VIB	2,420,000	2,420,000	2,371,302	(48,698)
Other school funds	751,200	944,200	891,584	(52,616)
Total revenue from the federal government	4,711,200	4,904,200	4,782,325	(121,875)
Total intergovernmental	70,124,944	70,417,263	69,637,549	(779,714)
Total School Operating Fund	115,654,924	116,802,876	110,738,832	(6,064,044)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Component Units:				
Component Unit - School Board:				
School Textbook Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Financial assistance/textbook rental	$ 918,228	$ 918,228	$ 919,829	$ 1,601
Total School Textbook Fund	918,228	918,228	919,829	1,601
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money	45,000	45,000	14,966	(30,034)
Charges for services	2,472,291	2,472,291	2,467,740	(4,551)
Total revenue from local sources	2,517,291	2,517,291	2,482,706	(34,585)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	88,000	88,000	87,985	(15)
Revenue from the federal government:				
Categorical aid:				
School food program grant	2,346,931	2,346,931	2,446,412	99,481
Total intergovernmental	2,434,931	2,434,931	2,534,397	99,466
Total School Cafeteria Fund	4,952,222	4,952,222	5,017,103	64,881
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	91,008	91,008
Appropriation from General Fund	40,882,597	40,882,597	39,505,559	(1,377,038)
Total revenue from local sources	40,882,597	40,882,597	39,596,567	(1,286,030)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Lottery	922,953	922,953	769,455	(153,498)
Other state revenues	258,950	2,264,729	2,790,072	525,343
Total intergovernmental	1,181,903	3,187,682	3,559,527	371,845
Total School Capital Projects Fund	42,064,500	44,070,279	43,156,094	(914,185)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Component Units:				
Component Unit - School Board:				
Massanutten Technical Center - Operating Fund:				
Revenue from local sources:				
Revenue from use of money	$ -	$ -	$ 14,450	$ 14,450
Charges for services	628,450	664,450	751,180	86,730
Miscellaneous	6,000	6,000	6,000	-
House project	20,000	20,000	29,900	9,900
Total revenue from local sources	654,450	690,450	801,530	111,080
Intergovernmental:				
Revenue from the Commonwealth	326,778	367,690	403,607	35,917
Revenue from the federal government	175,319	176,952	173,419	(3,533)
Local governments:				
Appropriation from Rockingham County	2,953,955	3,053,955	2,751,350	(302,605)
Appropriation from the City of Harrisonburg	1,083,799	1,108,799	998,913	(109,886)
Total local governments	4,037,754	4,162,754	3,750,263	(412,491)
Total intergovernmental	4,539,851	4,707,396	4,327,289	(380,107)
Total Massanutten Technical Center - Operating Fund	5,194,301	5,397,846	5,128,819	(269,027)
Total Revenues - Component Unit - School Board	$ 168,784,175	$ 172,141,451	$ 164,960,677	$ (7,180,774)
Component Unit - Harrisonburg-Rockingham Social Services District:				
Operating Fund:				
Revenue from local sources:				
Revenue from use of money	$ -	$ -	$ 36,821	$ 36,821
Miscellaneous:				
City of Harrisonburg share	1,211,442	1,216,442	1,216,442	-
Other	186,580	186,580	272,696	86,116
Total miscellaneous	1,398,022	1,403,022	1,489,138	86,116
Appropriation from the General Fund	1,850,150	1,855,150	1,855,150	-
Total revenue from local sources	3,248,172	3,258,172	3,381,109	122,937

COUNTY OF ROCKINGHAM, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Component Units:				
Component Unit - Harrisonburg-Rockingham Social Services District: (Continued)				
Operating Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Public assistance and administration	$ 4,141,206	$ 4,222,460	$ 3,851,693	$ (370,767)
Total revenue from the Commonwealth	4,141,206	4,222,460	3,851,693	(370,767)
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Welfare	7,261,170	7,283,566	4,491,339	(2,792,227)
Total intergovernmental	11,402,376	11,506,026	8,343,032	(3,162,994)
Total Harrisonburg-Rockingham Social Services District - Operating Fund	14,650,548	14,764,198	11,724,141	(3,040,057)
Special Revenue Fund:				
Comprehensive Services Act Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	5,883	5,883
Miscellaneous:				
City of Harrisonburg share	2,082,724	2,351,964	2,242,169	(109,795)
Appropriation from the General Fund	1,684,714	2,022,324	1,834,028	(188,296)
Total revenue from local sources	3,767,438	4,374,288	4,082,080	(292,208)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Comprehensive Services Act	6,253,051	6,253,051	6,500,946	247,895
Total Comprehensive Services Act Fund	10,020,489	10,627,339	10,583,026	(44,313)
Total Revenues - Component Unit - Harrisonburg-Rockingham Social Services District	$ 24,671,037	$ 25,391,537	$ 22,307,167	$ (3,084,370)
Grand Total Revenues - Component Units	$ 193,455,212	$ 197,532,988	$ 187,267,844	$ (10,265,144)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	$ 170,755	$ 170,755	$ 151,475	$ (19,280)
General and financial:				
Executive administration	397,541	397,541	383,876	(13,665)
Legal services	448,142	448,142	436,167	(11,975)
Independent auditor	99,750	93,750	80,750	(13,000)
Commissioner of the revenue	687,983	664,983	639,659	(25,324)
Reassessment and equalization	235,535	255,535	247,432	(8,103)
Treasurer	571,599	571,599	562,540	(9,059)
Fiscal services	724,502	724,502	695,421	(29,081)
Human resources	230,321	230,321	211,562	(18,759)
Information systems	956,069	956,069	880,038	(76,031)
Land use assessment	43,386	46,386	45,328	(1,058)
Central switchboard	62,221	62,221	65,608	3,387
Total general and financial	4,457,049	4,451,049	4,248,381	(202,668)
Board of elections:				
Electoral board and officials	86,807	126,392	125,733	(659)
Registrar	132,880	132,880	133,768	888
Total board of elections	219,687	259,272	259,501	229
Total general government administration	4,847,491	4,881,076	4,659,357	(221,719)
Judicial administration:				
Courts:				
Circuit court	200,105	200,105	161,816	(38,289)
General district court	16,400	16,400	18,214	1,814
Magistrate	5,500	12,678	13,666	988
Juvenile and domestic relations court	25,920	25,920	27,143	1,223
Clerk of the circuit court	938,131	1,623,987	1,512,686	(111,301)
Department of court services	601,317	847,868	568,216	(279,652)
Total courts	1,787,373	2,726,958	2,301,741	(425,217)
Commonwealth attorney	1,579,295	1,579,295	1,526,138	(53,157)
Total judicial administration	3,366,668	4,306,253	3,827,879	(478,374)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 5,202,450	$ 5,493,008	$ 5,164,316	$ (328,692)
Fire and rescue services:				
Fire department	4,229,791	4,492,088	4,365,565	(126,523)
Volunteer fire companies	640,114	640,114	605,585	(34,529)
Ambulance and rescue squads	573,753	631,685	573,803	(57,882)
Fire extinction service	16,173	16,173	16,051	(122)
Total fire and rescue services	5,459,831	5,780,060	5,561,004	(219,056)
Correction and detention:				
County operated institutions	6,508,409	6,569,329	6,479,837	(89,492)
Building inspections	816,531	816,531	675,535	(140,996)
Other protection:				
Animal control	286,249	286,249	248,680	(37,569)
Emergency services	1,751,004	1,751,004	1,732,272	(18,732)
Total other protection	2,037,253	2,037,253	1,980,952	(56,301)
Total public safety	20,024,474	20,696,181	19,861,644	(834,537)
Public works:				
General administration	78,464	78,464	84,787	6,323
Garage operations	697,342	697,342	682,919	(14,423)
Maintenance:				
General properties	374,699	374,699	358,633	(16,066)
Courthouse	204,553	212,888	218,838	5,950
School office building	151,320	151,320	137,320	(14,000)
Extension/central garage building	58,410	58,410	60,261	1,851
Human Services/Health department building	135,089	135,089	126,238	(8,851)
TV translator system	59,602	59,602	74,513	14,911
County administration complex	295,170	295,170	261,108	(34,062)
District courts	329,639	332,431	295,225	(37,206)
Sheriff department	198,010	199,103	182,773	(16,330)
Total public works	2,582,298	2,594,518	2,482,615	(111,903)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Health and social services:				
Health:				
Supplement to local health department	$ 731,033	$ 731,033	$ 495,240	$ (235,793)
Mental health and mental retardation:				
Community Services Board	376,365	376,365	376,365	-
Social services:				
Property tax relief for elderly/handicapped	175,000	175,000	176,370	1,370
Appropriation to the Harrisonburg-Rockingham Social Services District	3,534,864	3,877,474	3,689,178	(188,296)
Institutional care	300,136	300,136	306,874	6,738
Total health and social services	5,117,398	5,460,008	5,044,027	(415,981)
Education:				
Appropriation to the Rockingham County School Board	43,561,480	83,777,325	78,046,276	(5,731,049)
Total education	43,561,480	83,777,325	78,046,276	(5,731,049)
Parks, recreation and cultural:				
Parks and recreation:				
Administration	126,466	126,466	121,713	(4,753)
Maintenance	260,974	260,974	205,866	(55,108)
Athletic events/programs	991,373	991,373	957,698	(33,675)
Total parks and recreation	1,378,813	1,378,813	1,285,277	(93,536)
Cultural:				
Regional library	779,000	779,000	779,000	-
Total parks, recreation and cultural	2,157,813	2,157,813	2,064,277	(93,536)
Community development:				
Planning and community development	654,756	654,756	626,189	(28,567)
Geographic information systems	175,854	175,854	147,350	(28,504)
Economic development	4,297,992	4,297,992	4,004,899	(293,093)
Soil and water conservation district	294,064	294,064	285,758	(8,306)
Cooperative extension program	218,054	218,054	133,510	(84,544)
Gypsy moth program	12,000	12,000	1,275	(10,725)
Environmental management	210,587	210,587	174,388	(36,199)
Contributions, grants and other	912,375	859,230	409,904	(449,326)
Total community development	6,775,682	6,722,537	5,783,273	(939,264)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Debt service:				
Principal - County	$ 916,072	$ 916,072	$ 916,024	$ (48)
Principal - School Board	4,257,371	4,257,371	4,257,371	-
Total principal	5,173,443	5,173,443	5,173,395	(48)
Interest and fiscal charges - County	419,206	419,206	423,042	3,836
Interest and fiscal charges - School Board	3,680,567	3,680,567	3,604,783	(75,784)
Total interest and fiscal charges	4,099,773	4,099,773	4,027,825	(71,948)
Total debt service	9,273,216	9,273,216	9,201,220	(71,996)
Total General Fund	$ 97,706,520	$ 139,868,927	$ 130,970,568	$ (8,898,359)
Special Revenue Fund:				
Asset Forfeiture Fund:				
Public safety:				
Law enforcement	$ 55,000	$ 39,000	$ 12,554	$ (26,446)
Total Asset Forfeiture Fund	55,000	39,000	12,554	(26,446)
Total Special Revenue Fund	$ 55,000	$ 39,000	$ 12,554	$ (26,446)
Capital Projects Funds:				
General Capital Projects Fund:				
Capital projects	$ 22,736,375	$ 22,887,821	$ 12,088,043	$ (10,799,778)
Debt service:				
Interest and fiscal charges	-	-	1,443,969	1,443,969
Total General Capital Projects Fund	22,736,375	22,887,821	13,532,012	(9,355,809)
Joint Judicial Complex Fund:				
Debt service:				
Interest and fiscal charges	-	-	1,359	1,359
Total Joint Judicial Complex Fund	-	-	1,359	1,359
Total Capital Projects Funds	$ 22,736,375	$ 22,887,821	$ 13,533,371	$ (9,354,450)
Grand Total Expenditures - Primary Government	$ 120,497,895	$ 162,795,748	$ 144,516,493	$ (18,279,255)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction	$ 90,664,320	$ 91,088,665	$ 86,623,408	$ (4,465,257)
Administration, attendance and health	5,426,172	5,423,372	5,320,932	(102,440)
Pupil transportation services	8,540,343	8,611,626	8,154,567	(457,059)
Operation and maintenance services	11,024,089	11,679,213	10,639,925	(1,039,288)
Total School Operating Fund	115,654,924	116,802,876	110,738,832	(6,064,044)
School Textbook Fund:				
Education:				
Purchase of textbooks	1,351,129	1,351,129	568,310	(782,819)
Total School Textbook Fund	1,351,129	1,351,129	568,310	(782,819)
School Cafeteria Fund:				
Education:				
School food services	4,952,222	4,952,222	4,684,901	(267,321)
Total School Cafeteria Fund	4,952,222	4,952,222	4,684,901	(267,321)
School Capital Projects Fund:				
Capital projects	42,064,500	44,070,279	35,305,546	(8,764,733)
Total School Capital Projects Fund	42,064,500	44,070,279	35,305,546	(8,764,733)
Massanutten Technical Center - Operating Fund:				
Education:				
Secondary	3,685,876	3,810,876	3,590,210	(220,666)
Continuing education	852,558	852,558	801,568	(50,990)
Dayton Learning Center	655,867	734,412	737,041	2,629
Total Massanutten Technical Center - Operating Fund	5,194,301	5,397,846	5,128,819	(269,027)
Total Expenditures - Component Unit - School Board	$ 169,217,076	$ 172,574,352	$ 156,426,408	$ (16,147,944)

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2009

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Component Units:				
Component Unit - Harrisonburg-Rockingham Social Services District:				
Operating Fund:				
Social services:				
Public assistance	$ 8,124,120	$ 8,238,727	$ 5,107,848	$ (3,130,879)
Administration:				
Welfare	6,526,428	6,543,931	5,988,386	(555,545)
Total Operating Fund	14,650,548	14,782,658	11,096,234	(3,686,424)
Special Revenue Fund:				
Comprehensive Services Act Fund:				
Comprehensive Services Act	10,020,489	10,672,339	10,527,037	(145,302)
Total Comprehensive Services Act Fund	10,020,489	10,672,339	10,527,037	(145,302)
Total Expenditures - Component Unit - Harrisonburg-Rockingham Social Services District	$ 24,671,037	$ 25,454,997	$ 21,623,271	$ (3,831,726)
Grand Total Expenditures - Component Units	$ 193,888,113	$ 198,029,349	$ 178,049,679	$ (19,979,670)

ROCKINGHAM COUNTY

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VIRGINIA

STATISTICAL SECTION

tab

COUNTY OF ROCKINGHAM, VIRGINIA

STATISTICAL SECTION
CONTENTS

The statistical section of the County's comprehensive annual 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 comprehensive annual financial report for the relevant year. The County implemented GASB 34 in fiscal year 2002; tables presenting government-wide information include information beginning in that year.

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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. The only restriction counties must follow is pursuant to Article VII, Section 10 (b) of the Constitution of Virginia, no debt shall be contracted by or on behalf of any county or district thereof unless approved by a majority vote of the qualified voters of said county.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 2

NET ASSETS BY COMPONENT
Last Eight Fiscal Years (1)
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
Primary government:								
Governmental activities:								
Invested in capital assets, net of related debt	$ 12,155,566	$ 12,203,256	$ 14,393,817	$ 13,858,239	$ 21,591,028	$ 28,293,610	$ 34,024,527	$ 33,331,094
Restricted	621,406	641,075	435,684	4,223,450	5,060,638	4,007,776	2,141,716	351,245
Unrestricted (deficit)	(14,611,426)	(8,361,369)	(13,000,411)	(9,391,928)	(13,707,781)	(33,175,692)	(44,397,535)	(71,164,591)
Total governmental activities net assets (deficit)	$ (1,834,454)	$ 4,482,962	$ 1,829,090	$ 8,689,761	$ 12,943,885	$ (874,306)	$ (8,231,292)	$ (37,482,252)
Business-type activities:								
Invested in capital assets, net of related debt	$ 19,241,957	$ 19,694,606	$ 19,043,067	$ 22,919,503	$ 24,988,500	$ 27,157,689	$ 30,339,570	$ 32,111,181
Restricted	-	-	2,018,084	192,676	-	-	-	-
Unrestricted (deficit)	204,121	176,586	(478,118)	(16,595)	1,257,682	1,296,143	1,170,036	145,128
Total business-type activities net assets	$ 19,446,078	$ 19,871,192	$ 20,583,033	$ 23,095,584	$ 26,246,182	$ 28,453,832	$ 31,509,606	$ 32,256,309
Primary government:								
Invested in capital assets, net of related debt	$ 31,397,523	$ 31,897,862	$ 33,436,884	$ 36,777,742	$ 46,579,528	$ 55,451,299	$ 64,364,097	$ 65,442,275
Restricted	621,406	641,075	2,453,768	4,416,126	5,060,638	4,007,776	2,141,716	351,245
Unrestricted (deficit)	(14,407,305)	(8,184,783)	(13,478,529)	(9,408,523)	(12,450,099)	(31,879,549)	(43,227,499)	(71,019,463)
Total primary government net assets	$ 17,611,624	$ 24,354,154	$ 22,412,123	$ 31,785,345	$ 39,190,067	$ 27,579,526	$ 23,278,314	$ (5,225,943)
Component units: (2)								
Component unit - school board:								
Invested in capital assets, net of related debt	$ 73,226,795	$ 70,748,895	$ 71,481,509	$ 78,091,201	$ 86,187,275	$ 97,992,458	$ 106,448,102	$ 150,698,882
Restricted	-	-	7,124,235	22,976	-	-	-	-
Unrestricted (deficit)	6,038	1,248,182	1,339,750	(614,223)	(5,126,115)	7,669,973	17,399,200	11,635,128
Total component unit - school board net assets	$ 73,232,833	$ 71,997,077	$ 79,945,494	$ 77,499,954	$ 81,061,160	$ 105,662,431	$ 123,847,302	$ 162,334,010

Component unit - Harrisonburg-Rockingham Social Services District (HRSSD)								
Invested in capital assets, net of related debt	$ 90,578	$ 91,562	$ 84,871	$ 109,194	$ 170,053	$ 194,573	$ 162,869	$ 119,199
Unrestricted	712,964	1,149,654	1,480,989	1,295,333	1,283,243	1,405,048	1,774,814	2,345,485
Total component unit - HRSSD net assets	$ 803,542	$ 1,241,216	$ 1,565,860	$ 1,404,527	$ 1,453,296	$ 1,599,621	$ 1,937,683	$ 2,464,684
Component units:								
Invested in capital assets, net of related debt	$ 73,317,373	$ 70,840,457	$ 71,566,380	$ 78,200,395	$ 86,357,328	$ 98,187,031	$ 106,610,971	$ 150,818,081
Restricted	-	-	7,124,235	22,976	-	-	-	-
Unrestricted (deficit)	719,002	2,397,836	2,820,739	681,110	(3,842,872)	9,075,021	19,174,014	13,980,613
Total component units net assets	$ 74,036,375	$ 73,238,293	$ 81,511,354	$ 78,904,481	$ 82,514,456	$ 107,262,052	$ 125,784,985	$ 164,798,694
Total reporting entity: (3)								
Invested in capital assets, net of related debt	$ 65,326,891	$ 67,660,056	$ 68,375,203	$ 81,292,187	$ 92,025,796	$ 91,525,876	$ 93,738,763	$ 103,933,620
Restricted	621,406	641,075	9,578,003	4,439,102	5,060,638	4,007,776	2,141,716	351,245
Unrestricted (deficit)	25,699,702	29,291,316	25,970,271	24,958,537	24,618,089	39,307,926	53,182,820	55,287,886
Total reporting entity net assets	$ 91,647,999	$ 97,592,447	$ 103,923,477	$ 110,689,826	$ 121,704,523	$ 134,841,578	$ 149,063,299	$ 159,572,751

Notes:

(1) This table reports financial information based on the accrual basis of accounting. The County implemented GASB 34, the new reporting standard, in fiscal year 2002. Therefore, ten years of data is not available but will be accumulated over time.

(2) Component Unit net 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.

(3) The sum of the rows for the Reporting Entity identified as "Invested in capital assets, net of related debt" 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 "Invested in capital assets, net of related debt."

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
Page 1

CHANGES IN NET ASSETS
Last Eight Fiscal Years (1)
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
Primary government:								
Expenses:								
Governmental activities:								
General government administration	$ 3,902,963	$ 3,939,890	$ 3,950,687	$ 4,331,629	$ 4,564,294	$ 4,911,660	$ 4,932,635	$ 5,172,496
Judicial administration	2,431,187	2,506,361	2,595,053	2,690,201	3,109,327	3,537,795	3,496,761	4,231,590
Public safety	12,662,544	13,010,712	13,949,886	15,625,806	16,728,591	18,690,616	19,040,217	20,558,230
Public works	1,792,802	1,782,907	1,760,352	1,878,903	2,187,373	2,510,342	2,567,406	2,515,660
Health and social services	2,514,942	2,693,816	3,008,207	3,327,684	4,402,543	4,811,248	4,792,353	5,087,755
Education	31,225,243	33,798,748	42,671,090	33,315,177	39,932,203	60,500,234	57,109,186	78,046,276
Parks, recreation and cultural	1,422,312	1,111,503	1,632,593	2,174,207	2,083,985	2,201,115	2,642,462	2,166,951
Community development	1,342,947	1,400,302	2,221,753	2,618,587	3,830,069	2,491,258	3,415,397	6,142,118
Interest	2,779,634	2,382,799	2,380,870	2,449,883	2,572,000	3,077,757	3,811,072	5,773,990
Total governmental activities	60,074,574	62,627,038	74,170,491	68,412,077	79,410,385	102,732,025	101,807,489	129,695,066
Business-type activities:								
Water and sewer	2,059,717	2,232,039	2,573,701	2,862,348	3,330,466	3,833,638	4,233,280	4,675,849
Solid waste	2,762,090	3,112,398	3,569,076	2,509,976	3,541,130	3,680,963	4,244,472	3,864,456
Total business-type activities	4,821,807	5,344,437	6,142,777	5,372,324	6,871,596	7,514,601	8,477,752	8,540,305
Total primary government expenses	64,896,381	67,971,475	80,313,268	73,784,401	86,281,981	110,246,626	110,285,241	138,235,371
Program revenue:								
Governmental activities:								
Charges for services:								
General government administration	4,574	5,415	4,945	6,145	4,764	2,877	5,729	1,511
Judicial administration	778,468	975,080	1,346,906	1,206,212	1,213,214	1,157,469	1,149,624	1,286,689
Public safety	2,756,358	2,876,282	3,123,080	3,440,187	3,974,894	4,124,597	4,604,090	4,073,797
Public works	394,893	420,554	539,784	590,386	757,503	826,007	1,014,447	1,021,587
Health and social services	16,057	25,927	32,856	2,429	52,834	26,086	-	5,665
Parks, recreation and cultural	267,256	284,397	279,036	276,009	300,701	326,290	324,628	405,709
Community development	11,451	21,112	4,232	7,150	7,615	3,011	2,727	1,786
Operating grants and contributions:								
General government administration	433,351	395,922	387,113	440,535	446,138	472,051	512,537	478,451
Judicial administration	1,550,408	1,514,726	1,858,291	1,627,479	1,819,324	2,032,672	2,031,766	2,177,711
Public safety	5,855,190	6,014,815	6,095,750	6,483,737	6,556,093	7,382,949	7,200,334	6,942,243
Public works	16,460	-	-	-	-	117,009	-	-
Health and social services	125,669	98,394	82,283	99,123	116,012	121,558	139,069	163,829
Community development	3,170	139,860	118,445	129,303	1,638,937	206,836	236,640	252,985
Capital grants and contributions:								
General government administration	-	-	-	-	99,075	-	-	-
Judicial administration	-	-	-	-	67,119	57,501	-	-
Public safety	18,691	12,787	259,573	778,954	372,230	163,721	-	83,950
Total governmental activities	12,231,996	12,785,271	14,132,294	15,087,649	17,426,453	17,020,634	17,221,591	16,895,913

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
Page 2

CHANGES IN NET ASSETS
Last Eight Fiscal Years (1)
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
Primary government:								
Program revenue:								
Business-type activities:								
Charges for services:								
Water and sewer	$ 1,966,550	$ 2,351,194	$ 2,809,116	$ 4,163,147	$ 4,772,135	$ 4,285,196	$ 5,618,815	$ 5,128,660
Solid waste	2,678,472	2,587,332	2,805,457	2,388,453	2,329,945	2,377,044	3,180,166	2,699,300
Operating grants and contributions:								
Water and sewer	-	-	-	22,701	10,000	-	-	-
Solid waste	18,234	18,822	17,124	16,825	24,025	19,906	-	-
Capital grants and contributions:								
Water and sewer	-	-	-	-	1,861,994	244,227	1,302,827	930,509
Solid waste	-	-	-	-	261,494	2,270,953	706,052	85,181
Total business-type activities	4,663,256	4,957,348	5,631,697	6,591,126	9,259,593	9,197,326	10,807,860	8,843,650
Total primary government revenues	16,895,252	17,742,619	19,763,991	21,678,775	26,686,046	26,217,960	28,029,451	25,739,563
Net (expense) revenue:								
Governmental activities	(47,842,578)	(49,841,767)	(60,038,197)	(53,324,428)	(61,983,932)	(85,711,391)	(84,585,898)	(112,799,153)
Business-type activities	(158,551)	(387,089)	(511,080)	1,218,802	2,387,997	1,682,725	2,330,108	303,345
Total primary government, net expense	(48,001,129)	(50,228,856)	(60,549,277)	(52,105,626)	(59,595,935)	(84,028,666)	(82,255,790)	(112,495,808)
Governmental activities:								
Taxes:								
General property taxes	37,905,366	41,452,338	43,256,851	44,310,735	48,387,991	53,409,714	58,574,698	65,895,837
Local sales and use	3,405,473	3,479,862	3,709,024	4,173,990	4,358,695	4,528,481	4,764,451	4,567,854
Consumer utility and communications sales and use	1,509,605	1,562,062	1,570,123	1,552,430	1,554,418	2,070,502	2,809,135	2,667,992
Motor vehicles licenses	1,086,260	1,102,769	1,135,372	1,158,694	1,182,848	1,194,912	1,193,657	1,176,765
Other	1,233,296	1,455,244	1,460,257	2,014,632	2,868,462	2,252,937	1,575,825	1,584,576
Intergovernmental, non-categorical aid	5,949,658	6,294,699	6,316,216	6,027,401	6,605,919	6,502,475	6,226,104	6,589,500
Use of money and property	976,559	756,135	573,390	988,875	1,490,446	1,875,536	1,665,526	786,523
Miscellaneous	272,789	156,333	173,659	116,108	184,897	119,643	463,242	279,146
Gain on sale of capital assets	-	-	-	592,234	-	-	-	-
Transfers	(23,152)	(100,259)	(810,567)	(750,000)	(395,620)	(61,000)	(43,726)	-
Total governmental activities	52,315,854	56,159,183	57,384,325	60,185,099	66,238,056	71,893,200	77,228,912	83,548,193
Business-type activities:								
Use of money and property	294,179	106,833	79,486	124,469	213,845	265,494	381,280	199,683
Miscellaneous	211,400	605,111	332,868	278,209	153,136	198,431	300,660	243,675
Transfers	23,152	100,259	810,567	750,000	395,620	61,000	43,726	-
Total business-type activities	528,731	812,203	1,222,921	1,152,678	762,601	524,925	725,666	443,358
Total primary government	52,844,585	56,971,386	58,607,246	61,337,777	67,000,657	72,418,125	77,954,578	83,991,551
Changes in net assets:								
Governmental activities	4,473,276	6,317,416	(2,653,872)	6,860,671	4,254,124	(13,818,191)	(7,356,986)	(29,250,960)
Business-type activities	370,180	425,114	711,841	2,371,480	3,150,598	2,207,650	3,055,774	746,703
Total primary government	$ 4,843,456	$ 6,742,530	$ (1,942,031)	$ 9,232,151	$ 7,404,722	$ (11,610,541)	$ (4,301,212)	$ (28,504,257)

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN NET ASSETS
Last Eight Fiscal Years (1)
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
Component units: (3)								
Component unit - school board:								
Expenses:								
Instruction	$ 69,656,968	$ 73,743,072	$ 76,718,694	$ 82,963,375	$ 82,718,284	$ 90,637,877	$ 92,264,138	$ 98,007,696
Administration, attendance and health	2,596,316	2,779,792	2,701,575	3,207,704	3,577,646	3,830,297	4,168,083	5,385,017
Pupil transportation	4,376,845	4,686,549	5,260,280	5,790,881	6,327,098	6,959,384	7,426,354	8,086,880
Operation and maintenance services	6,175,379	7,075,922	6,773,293	7,445,756	8,131,472	9,285,011	9,598,863	10,227,516
School food services	3,650,577	3,570,536	3,831,693	3,989,993	4,226,604	4,466,752	4,597,701	4,766,860
Total expenses	86,456,085	91,855,871	95,285,535	103,397,709	104,981,104	115,179,321	118,055,139	126,473,969
Program revenues:								
Charges for services	3,706,917	4,217,990	3,909,179	4,277,812	4,574,290	4,990,446	5,130,225	5,638,328
Operating grants and contributions	46,715,522	48,030,050	51,934,037	58,007,681	62,089,635	70,737,460	72,165,686	77,327,118
Capital grants and contributions	1,158,218	1,033,219	1,034,559	1,079,671	2,200,194	2,623,344	1,103,648	3,559,527
Total program revenues	51,580,657	53,281,259	56,877,775	63,365,164	68,864,119	78,351,250	78,399,559	86,524,973
Net expense	(34,875,428)	(38,574,612)	(38,407,760)	(40,032,545)	(36,116,985)	(36,828,071)	(39,655,580)	(39,948,996)
General revenues and other changes in net assets:								
Grants and contributions not restricted to specific programs	31,225,243	33,798,748	42,671,090	33,315,177	39,932,203	60,500,234	57,109,186	78,046,276
Intergovernmental, non-categorical aid	128,825	128,943	127,102	130,361	132,008	129,462	130,477	91,946
Use of money and property	76,753	59,034	63,665	127,926	94,518	268,268	408,396	144,563
Miscellaneous	3,248,430	3,352,131	3,494,320	4,013,541	403,245	531,478	192,392	152,919
Total general revenues and other changes in net assets	34,679,251	37,338,856	46,356,177	37,587,005	40,561,974	61,429,442	57,840,451	78,435,704
Total component unit - school board change in net assets	$ (196,177)	$ (1,235,756)	$ 7,948,417	$ (2,445,540)	$ 4,444,989	$ 24,601,371	$ 18,184,871	$ 38,486,708
Component unit - HRSSD:								
Expenses:								
Public assistance	$ 2,431,115	$ 2,835,959	$ 3,650,031	$ 4,124,818	$ 4,928,848	$ 5,024,090	$ 4,769,948	$ 5,107,848
Comprehensive services act	3,891,140	5,274,645	5,438,545	6,362,925	7,500,224	8,599,794	10,237,263	10,533,322
Welfare	3,260,283	3,388,831	3,614,985	4,042,064	4,765,237	5,141,691	5,611,589	6,138,996
Food stamp	227,781	226,125	217,461	237,799	251,499	206,329	-	-
Fuel assistance	23,240	19,406	24,529	17,430	20,892	14,855	-	-
Total expenses	9,833,559	11,744,966	12,945,551	14,785,036	17,466,700	18,986,759	20,618,800	21,780,166
Program revenues:								
Operating grants and contributions	7,174,747	8,839,166	9,550,620	10,449,895	12,409,206	13,149,808	14,121,228	14,843,978
Total program revenues	7,174,747	8,839,166	9,550,620	10,449,895	12,409,206	13,149,808	14,121,228	14,843,978
Net expense	(2,658,812)	(2,905,800)	(3,394,931)	(4,335,141)	(5,057,494)	(5,836,951)	(6,497,572)	(6,936,188)

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
Page 4

CHANGES IN NET ASSETS
Last Eight Fiscal Years (1)
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30, 2002	2003	2004	2005	2006	2007	2008	2009
General revenues and other changes in net assets:								
Grants and contributions not restricted to specific programs	$ 2,549,438	$ 3,169,437	$ 3,542,594	$ 3,928,685	$ 4,802,418	$ 5,642,819	$ 6,472,194	$ 7,147,789
Use of money and property	31,987	8,558	17,396	36,235	61,494	82,948	109,362	42,704
Miscellaneous	149,412	165,479	159,585	208,888	242,351	257,509	254,078	272,696
Total general revenues and other changes in net assets	2,730,837	3,343,474	3,719,575	4,173,808	5,106,263	5,983,276	6,835,634	7,463,189
Total component unit - HRSSD change in net assets	$ 72,025	$ 437,674	$ 324,644	$ (161,333)	$ 48,769	$ 146,325	$ 338,062	$ 527,001
Total component units change in net assets	$ (124,152)	$ (798,082)	$ 8,273,061	$ (2,606,873)	$ 4,493,758	$ 24,747,696	$ 18,522,933	$ 39,013,709
Total reporting entity change in net assets	$ 4,719,304	$ 5,944,448	$ 6,331,030	$ 6,625,278	$ 11,898,480	$ 13,137,155	$ 14,221,721	$ 10,509,452

Notes:

(1) This table reports financial information based on the accrual basis of accounting. The County implemented GASB 34, the new reporting standards, in fiscal year 2002. Therefore, ten years of data is not available but will be accumulated over time.

(2) 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.

(3) Component units were included in this table due to their significance to the County.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 4

PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Eight Fiscal Years (1)
(accrual basis of accounting)
(Unaudited)

Function/Program	Fiscal Year June 30, 2002	2003	2004	2005	2006	2007	2008	2009
Primary government:								
Governmental activities:								
General government administration	$ 437,925	$ 401,337	$ 392,058	$ 446,680	$ 549,977	$ 474,928	$ 518,266	$ 479,962
Judicial administration	2,328,876	2,489,806	3,205,197	2,833,691	3,099,657	3,247,642	3,181,390	3,464,400
Public safety	8,630,239	8,903,884	9,478,403	10,702,878	10,903,217	11,671,267	11,804,424	11,099,990
Public works	411,353	420,554	539,784	590,386	757,503	943,016	1,014,447	1,021,587
Health and social services	141,726	124,321	115,139	101,552	168,846	147,644	139,069	169,494
Parks, recreation and cultural	267,256	284,397	279,036	276,009	300,701	326,290	324,628	405,709
Community development	14,621	160,972	122,677	136,453	1,646,552	209,847	239,367	254,771
Total governmental activities	12,231,996	12,785,271	14,132,294	15,087,649	17,426,453	17,020,634	17,221,591	16,895,913
Business-type activities:								
Water and sewer	1,966,550	2,351,194	2,809,116	4,185,848	6,644,129	4,529,423	6,921,642	6,059,169
Solid waste	2,696,706	2,606,154	2,822,581	2,405,278	2,615,464	4,667,903	3,886,218	2,784,481
Total business-type activities	4,663,256	4,957,348	5,631,697	6,591,126	9,259,593	9,197,326	10,807,860	8,843,650
Total primary government	$ 16,895,252	$ 17,742,619	$ 19,763,991	$ 21,678,775	$ 26,686,046	$ 26,217,960	$ 28,029,451	$ 25,739,563
Component units:								
Component unit - school board:								
Instruction	$ 47,938,281	$ 49,627,624	$ 53,037,748	$ 59,294,355	$ 64,604,063	$ 73,831,357	$ 73,762,964	$ 81,522,836
School food services	3,642,376	3,653,635	3,840,027	4,070,809	4,260,056	4,519,893	4,636,595	5,002,137
Total component unit - school board	51,580,657	53,281,259	56,877,775	63,365,164	68,864,119	78,351,250	78,399,559	86,524,973
Component unit - HRSSD:								
Public assistance	1,480,148	1,708,367	2,025,719	2,305,594	2,803,610	2,886,219	3,394,896	3,851,693
Comprehensive services	2,405,728	3,433,703	3,365,709	3,639,558	4,558,941	5,096,538	5,985,528	6,500,946
Welfare	3,288,871	3,697,096	4,159,192	4,504,743	5,046,655	5,167,051	4,740,804	4,491,339
Total component unit - HRSSD	7,174,747	8,839,166	9,550,620	10,449,895	12,409,206	13,149,808	14,121,228	14,843,978
Total component units	$ 58,755,404	$ 62,120,425	$ 66,428,395	$ 73,815,059	$ 81,273,325	$ 91,501,058	$ 92,520,787	$ 101,368,951
Total reporting entity	$ 75,650,656	$ 79,863,044	$ 86,192,386	$ 95,493,834	$ 107,959,371	$ 117,719,018	$ 120,550,238	$ 127,108,514

Note:

(1) This table reports financial information based on the accrual basis of accounting. The County implemented GASB 34, the new reporting standard, in fiscal year 2002. Therefore, ten years of data is not available but will be accumulated over time.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 5

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:										
Reserved	$ 3,964,405	$ 3,497,888	$ 2,896,089	$ 2,205,041	$ 1,585,765	$ 1,081,608	$ 839,896	$ 772,073	$ 1,003,102	$ 928,288
Unreserved	16,793,735	19,641,357	20,306,938	22,827,035	25,574,115	26,573,025	19,866,713	18,757,693	26,580,573	22,588,259
Total General Fund	$ 20,758,140	$ 23,139,245	$ 23,203,027	$ 25,032,076	$ 27,159,880	$ 27,654,633	$ 20,706,609	$ 19,529,766	$ 27,583,675	$ 23,516,547
All Other Governmental Funds:										
Reserved	$ -	$ -	$ 681,336	$ 641,075	$ 435,684	$ 4,223,450	$ 5,060,638	$ 4,007,776	$ 2,141,716	$ 351,245
Unreserved, reported in:										
Capital projects funds	1,382,788	308,558	32,517	169,820	4,193,201	4,451,532	5,600,527	11,856,272	20,326,913	18,761,704
Special revenue funds	235,818	401,471	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 1,618,606	$ 710,029	$ 713,853	$ 810,895	$ 4,628,885	$ 8,674,982	$ 10,661,165	$ 15,864,048	$ 22,468,629	$ 19,112,949

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years (1)
(modified accrual basis of accounting)
(Unaudited)

				Fiscal Year
	2000	2001	2002	2003
Revenues:				
General property taxes	$ 36,602,625	$ 36,802,773	$ 37,629,080	$ 41,485,976
Other local taxes	6,823,283	7,388,875	7,234,718	7,599,937
Permits, privilege fees and licenses	432,093	529,528	564,038	566,961
Fines and forfeitures	245,756	179,883	198,166	280,512
Use of money and property	1,531,052	1,965,753	977,396	756,500
Charges for services	1,648,572	1,728,948	1,998,313	2,334,588
Miscellaneous	458,593	808,221	274,834	206,725
Recovered costs	1,198,966	1,416,419	1,485,705	1,439,817
Intergovernmental	10,271,732	12,411,291	13,931,784	14,457,379
Total revenues	59,212,672	63,231,691	64,294,034	69,128,395
Expenditures:				
General government administration	2,844,829	3,303,140	3,534,242	3,680,361
Judicial administration	1,743,050	1,995,772	2,224,122	2,374,371
Public safety	10,396,069	11,529,163	12,357,708	12,677,941
Public works	1,494,111	1,629,314	1,695,038	1,778,941
Health and social services	2,344,336	2,274,100	2,473,227	2,649,174
Education	32,244,724	35,666,854	38,730,770	33,798,748
Parks, recreation and cultural	1,140,002	1,276,111	1,432,932	1,424,179
Community development	1,451,244	1,345,459	1,330,798	1,338,739
Capital outlay	3,764,468	1,356,819	231,379	226,616
Debt service:				
Principal	4,132,760	4,497,894	5,424,690	4,693,313
Interest and fiscal charges	2,672,818	2,895,769	2,821,598	2,450,662
Total expenditures	64,228,411	67,770,395	72,256,504	67,093,045
Revenues over (under) expenditures	(5,015,739)	(4,538,704)	(7,962,470)	2,035,350
Other financing sources (uses):				
Transfers in	3,384,197	197,924	226,744	451,675
Transfers out	(3,384,036)	(1,197,924)	(249,896)	(560,934)
Issuance of debt	8,421,223	4,193,986	768,250	-
Payment to refunded bond escrow agent	(10,000,000)	-	-	-
Premium on issuance debt	-	-	-	-
Insurance recoveries	-	-	-	-
Proceeds from sale of property	-	-	25,705	-
Total other financing sources (uses), net	(1,578,616)	3,193,986	770,803	(109,259)
Net change in fund balance	$ (6,594,355)	$ (1,344,718)	$ (7,191,667)	$ 1,926,091

Table 6
Page 1

June 30, 2004	2005	2006	2007	2008	2009
$ 43,549,045	$ 44,316,136	$ 48,094,569	$ 53,700,795	$ 58,855,180	$ 65,570,241
7,874,776	8,899,746	9,964,423	10,046,832	10,343,068	9,997,187
883,449	1,091,022	985,817	957,006	1,176,374	749,140
272,038	341,372	345,805	207,283	155,677	148,535
573,597	989,271	1,491,226	1,876,615	1,646,317	771,924
2,521,638	2,736,286	2,846,255	2,662,046	3,288,037	2,850,575
185,356	125,108	180,897	241,223	463,242	279,146
1,913,080	2,138,396	2,194,187	2,715,669	2,480,181	3,048,135
14,858,098	14,807,578	17,659,528	16,980,026	16,346,450	16,688,669
72,631,077	75,444,915	83,762,707	89,387,495	94,754,526	100,103,552
3,744,157	3,903,904	4,250,012	4,429,174	4,563,051	4,659,357
2,399,019	2,401,199	2,927,878	3,249,146	3,173,240	3,827,879
13,545,603	18,562,820	17,683,188	20,304,161	21,242,649	19,874,198
1,741,907	1,856,947	2,181,679	2,480,757	2,628,117	2,482,615
2,963,451	3,283,105	4,108,260	4,517,523	4,748,614	5,044,027
42,671,090	33,315,177	39,932,203	60,500,234	57,109,186	78,046,276
1,513,347	1,696,824	1,754,520	2,061,923	2,115,026	2,064,277
2,164,328	2,543,545	3,771,777	2,355,778	3,122,860	5,783,273
2,821,843	4,421,217	6,994,594	3,026,051	9,740,578	12,088,043
3,930,375	3,363,146	12,260,303	14,179,314	4,760,106	5,173,395
2,272,171	2,563,385	2,387,346	2,822,878	3,459,559	5,473,153
79,767,291	77,911,269	98,251,760	119,926,939	116,662,986	144,516,493
(7,136,214)	(2,466,354)	(14,489,053)	(30,539,444)	(21,908,460)	(44,412,941)
6,857,283	3,939,188	10,283,452	10,517,916	19,658,172	13,556,253
(7,667,850)	(4,689,188)	(10,679,072)	(10,578,916)	(19,701,898)	(16,071,679)
13,577,993	7,150,000	9,404,190	33,757,200	35,494,713	37,261,410
-	-	-	-	-	-
314,582	-	518,642	869,284	1,115,963	2,244,149
-	14,970	-	-	-	-
-	592,234	-	-	-	-
13,082,008	7,007,204	9,527,212	34,565,484	36,566,950	36,990,133
$ 5,945,794	$ 4,540,850	$ (4,961,841)	$ 4,026,040	$ 14,658,490	$ (7,422,808)

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years (1)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2000	2001	2002	2003
Debt Service as a percentage of noncapital expenditures:				
Primary government:				
Total debt service	$ 6,805,578	$ 7,393,663	$ 8,246,288	$ 7,143,975
Total expenditures	$ 64,228,411	$ 67,770,395	$ 72,256,504	$ 67,093,045
Less: Capital outlay - primary government	(3,444,165)	(1,484,705)	(520,406)	(820,817)
Noncapital expenditures	$ 60,784,246	$ 66,285,690	$ 71,736,098	$ 66,272,228
Debt service as a percentage of noncapital expenditures	11.20%	11.15%	11.50%	10.78%
Component units - School Board and HRSSD: (Notes 2, 3)				
Expenditures:				
School board	$ 84,421,116	$ 84,796,618	$ 86,380,339	$ 84,756,765
HRSSD	7,911,039	8,622,529	9,803,498	11,776,529
Less: Capital outlay - school board	(13,919,739)	(9,006,507)	(7,053,993)	(1,395,345)
Less: Capital outlay - HRSSD	(49,616)	(61,457)	(31,486)	(32,252)
Noncapital expenditures (Note 5)	$ 78,362,800	$ 84,351,183	$ 89,098,358	$ 95,105,697
Total reporting entity:				
Total noncapital expenditures	$ 105,684,395	$ 113,617,596	$ 117,722,659	$ 123,802,115
Debt service as a percentage of noncapital expenditures	6.44%	6.51%	7.00%	5.77%

June 30, 2004	2005	2006	2007	2008	2009
$ 6,202,546	$ 5,926,531	$ 6,147,649	$ 7,002,192	$ 8,219,665	$ 10,646,548
$ 79,767,291	$ 77,911,269	$ 98,251,760	$ 119,926,939	$ 116,662,986	$ 144,516,493
(2,922,826)	(7,365,247)	(8,292,345)	(5,178,774)	(12,251,238)	(12,330,838)
$ 76,844,465	$ 70,546,022	$ 89,959,415	$ 114,748,165	$ 104,411,748	$ 132,185,655
8.07%	8.40%	6.83%	6.10%	7.87%	8.05%
$ 92,605,357	$ 106,275,713	$ 112,940,930	$ 126,615,863	$ 140,207,962	$ 156,426,408
12,924,157	14,794,697	17,507,539	19,003,775	20,551,545	21,623,271
(4,693,088)	(10,634,666)	(12,132,999)	(15,933,797)	(26,060,681)	(36,916,024)
(26,764)	(62,982)	(108,097)	(81,992)	(30,132)	(17,503)
$ 100,809,662	$ 110,372,762	$ 118,207,373	$ 129,603,849	$ 134,668,694	$ 141,116,152
$ 130,560,527	$ 143,047,977	$ 163,224,530	$ 178,316,728	$ 176,379,713	$ 188,815,003
4.75%	4.14%	3.77%	3.93%	4.66%	5.64%

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years (1)
(modified accrual basis of accounting)
(Unaudited)

Notes:

(1) For the years 2000 through 2001, the amount used for capital outlay was obtained from the increase to the General Fixed Asset Account Group, which is no longer used under the GASB 34 reporting model. For fiscal years 2002 through 2009, the amounts used for capital outlay were obtained from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.

(2) Expenditures of the School Board do not include those associated with the School Activity Funds or the Massanutten Technical Center Activity Funds.

(3) 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.

(4) Prior to implementation of GASB 34, the County's contribution to the public schools and Social Services District were reported as transfers out. Implementation of GASB 34 required that the contribution to component units be reported as expenditures. For comparability, the fiscal years 2000 through 2001 have been restated on this table to reflect the transfers transfers as expenditures.

(5) For the reporting entity totals, 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.

(6) In fiscal year 2006, a short-term note of $8,500,000 was paid in full with the issuance of new debt. The amount shown as debt service has been reduced by this amount.

(7) In fiscal year 2007, a short-term note of $10,000,000 was paid in full with the issuance of new debt. The amount shown as debt service has been reduced by this amount.

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	Local Sales and Use	Motor Vehicle	Consumer Utility and Communications Sales and Use	Recordation and Wills	Other	Total
2000	$ 35,945,344	$ 3,263,036	$ 1,011,534	$ 1,497,905	$ 392,182	$ 658,626	$ 42,768,627
2000	36,232,694	3,549,252	1,044,124	1,528,635	422,660	844,204	43,621,569
2001	37,080,936	3,405,473	1,086,260	1,509,605	521,828	711,552	44,315,654
2002	40,899,975	3,479,862	1,102,769	1,562,062	573,736	881,508	48,499,912
2003	42,906,378	3,709,024	1,135,372	1,570,123	705,107	755,150	50,781,154
2004	43,718,481	4,173,990	1,158,694	1,552,430	1,099,537	1,089,069	52,792,201
2005	47,371,332	4,358,695	1,182,848	1,554,418	1,339,981	1,528,481	57,335,755
2006	53,030,324	4,528,481	1,194,912	2,070,502	1,229,289	1,023,648	63,077,156
2007	58,135,150	4,764,451	1,193,657	2,809,135	1,096,756	479,069	68,478,218
2009	65,570,241	4,567,854	1,176,765	2,667,992	1,091,116	493,460	75,567,428
Change 2000-2009	82.42%	39.99%	16.33%	78.11%	178.22%	-25.08%	76.69%

Note:

(1) Property tax revenue does not include penalties and interest collected on delinquent tax collections.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 8

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Calendar Years
(Unaudited)

Calendar Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Nontaxable Property	Total Assessed Value	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
1999	$ N/A	$ N/A	$ N/A	$ N/A	$ 375,185,300	$ 3,185,500,904	$ 2,983,270,464	N/A	$ 0.68	$ 2,983,182,729	100.00%
2000	N/A	N/A	N/A	N/A	139,583,223	3,298,471,470	3,093,609,910	3.70%	0.71	3,093,518,518	100.00%
2001	N/A	N/A	N/A	N/A	401,135,000	3,391,234,650	3,188,012,740	3.05%	0.71	3,187,903,303	100.00%
2002	N/A	N/A	N/A	N/A	144,077,065	3,957,473,750	3,630,296,110	13.87%	0.71	3,630,180,728	100.00%
2003	2,621,240,300	311,011,200	74,694,400	1,059,924,520	480,514,300	4,085,982,820	3,759,025,750	3.55%	0.71	3,758,922,211	100.00%
2004	2,704,721,500	339,385,200	75,199,000	980,876,800	494,591,600	4,188,863,900	3,864,864,330	2.82%	0.71	3,864,760,780	100.00%
2005	2,719,118,100	426,343,400	179,948,800	995,250,300	629,380,300	4,320,660,600	4,001,623,870	3.54%	0.71	4,001,525,015	100.00%
2006	4,175,920,000	561,138,500	199,329,900	1,563,332,100	808,595,000	6,499,720,800	5,777,597,000	44.38%	0.58	5,777,597,000	100.00%
2007	4,423,051,100	604,443,100	199,611,300	1,628,213,900	835,705,200	6,855,319,400	6,135,110,530	6.19%	0.58	6,135,110,530	100.00%
2008	4,590,978,700	610,682,700	261,590,000	1,656,580,500	847,847,400	7,119,831,900	6,393,150,330	4.21%	0.58	6,393,150,330	100.00%

Source:

Rockingham County land books

Notes:

(1) Rockingham County land books did not provide land classification break downs prior to 2003.

(2) Values are reassessed every four years. (2006 and 2002)

(3) Nontaxable property is principally governmental, religious, charitable or educational and is to be excluded from the total assessed value.

(4) The difference between total assessed value and total taxable assessed value is principally farm land use valuation.

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
2000	$ 0.68/0.71	$ 2.80	$ 0.68	$ 2.55	$ 0.87	$ 0.44
2001	0.71/0.71	2.80	0.71	2.55	0.87	0.44
2002	0.71/0.71	2.80	0.71	2.55	0.87	0.44
2003	0.71/0.71	2.80	0.71	2.55	0.87	0.44
2004	0.71/0.71	2.80	0.71	2.55	0.87	0.44
2005	0.71/0.71	2.80	0.71	2.55	0.87	0.44
2006	0.71/0.58	2.80	0.71	2.55	0.87	0.44
2007	0.58	2.80	0.58	2.55	0.87	0.44
2008	0.58/0.60	2.80	0.60	2.55	0.87	0.44
2009	0.60	2.80	0.60	2.55	0.87	0.44

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	Merchants' Capital	Farm Machinery
2000	$ 0.05-0.17	$ 0.20-0.75	$ 0.11-0.17	$ 0.30-0.75	$ -	$ -
2001	0.05-0.17	0.20-0.75	0.07-0.17	0.30-0.75	0.30	0.30
2002	0.05-0.16	0.20-0.75	0.07-0.16	0.30-0.75	0.30	0.30
2003	0.05-0.16	0.20-0.75	0.07-0.16	0.30-0.75	0.30	0.30
2004	0.05-0.16	0.20-0.75	0.07-0.16	0.30-0.75	0.30	0.30
2005	0.05-0.16	0.20-0.75	0.07-0.16	0.30-0.75	0.30	0.30
2006	0.05-0.16	0.20-0.75	0.07-0.16	0.30-0.75	0.30	0.30
2007	0.07-0.12	0.30-0.75	0.07-0.12	0.30-0.75	0.30-0.46	0.30-0.46
2008	0.05-0.12	0.20-0.75	0.07-0.12	0.30-0.75	0.46	0.46
2009	0.07-0.12	0.30-0.75	0.07-0.46	0.30-0.75	0.30-0.38	0.38-0.46

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 Ten Years Ago
(Unaudited)

	Fiscal Year June 30,					
	2009			2000		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Adolph Coors Company	$ 371,501,545	1	5.81%	$ 61,840,265	3	2.00%
Great Eastern Resort Management	311,730,345	2	4.88%	74,951,625	1	2.42%
Wal-Mart Retail and Distribution Centers	140,110,525	3	2.19%	-		-
Merck & Company, Inc.	97,192,345	4	1.52%	74,756,010	2	2.42%
White Wave (Morningstar Foods)	70,816,265	5	1.11%	-		-
Marshall's	60,176,385	6	0.94%	56,005,245	4	1.81%
Cargill (formerly Rocco)	44,589,790	8	0.70%	24,478,820	5	0.79%
R.R. Donnelley & Sons Co.	42,080,445	7	0.66%	-		-
Sysco	31,582,820	9	0.49%	17,705,235	7	0.57%
Virginia Poultry Growers	19,818,925	10	0.31%	-		-
Pilgrim's Pride (formerly WLR Foods)	19,467,735	11	0.30%	17,735,918	6	0.57%
Perdue Products	16,634,355	12	0.26%	-		-
Total	$1,225,701,480		19.17%	$ 327,473,118		10.58%

Source:

Under the State Code of Virginia, the Rockingham County Commissioner of the Revenue is required to keep all assessment books for a term of six years. After six years have passed, the records may be destroyed. Only the top seven taxpayers were available and shown here for fiscal year 2000.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 11

REAL PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Calendar Years
(Unaudited)

Calendar Year	Taxes Levied for the Calendar Year	Collected Within the Calendar Year of the Levy: Amount	Collected Within the Calendar Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
1999	$ 21,315,146	$ 20,477,252	96.07%	$ 917,804	$ 21,395,056	100.37%
2000	23,115,922	22,206,455	96.07%	912,191	23,118,646	100.01%
2001	23,811,974	22,762,818	95.59%	1,058,989	23,821,807	100.04%
2002	27,192,144	26,130,559	96.10%	1,086,363	27,216,922	100.09%
2003	28,095,459	27,080,003	96.39%	1,015,688	28,095,691	100.00%
2004	28,793,023	27,728,291	96.30%	1,074,897	28,803,188	100.04%
2005	29,636,444	28,599,152	96.50%	1,271,394	29,870,546	100.79%
2006	35,699,555	34,155,546	95.67%	1,425,172	35,580,718	99.67%
2007	36,959,743	35,490,137	96.02%	1,110,959	36,601,096	99.03%
2008	39,591,283	38,147,864	96.35%	-	38,147,864	96.35%

Source:

Rockingham County Treasurer.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 12

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

	Governmental Activities				Business-Type Activities				
Fiscal Year	General Obligation Bonds	Literary Loans	Note Payable	Capital Leases	Revenue Bonds	Landfill Obligation	Total Primary Government	Percentage of Per Capita Personal Income	Debt Per Capita
2000	$ 41,158,963	$ 2,407,494	$ -	$ 7,121,878	$ 406,866	$ 3,691,454	$ 54,786,655	6.08%	$ 809
2001	41,528,637	2,134,890	-	6,717,257	383,044	3,324,699	54,088,527	6.83%	787
2002	37,525,719	1,862,286	-	6,349,740	1,745,138	2,912,310	50,395,193	7.34%	726
2003	33,457,927	1,620,336	-	5,966,169	2,410,071	3,174,899	46,629,402	8.34%	669
2004	35,249,675	1,378,386	8,500,000	5,563,989	6,678,696	3,755,282	61,126,028	6.52%	863
2005	32,538,064	1,147,886	8,500,000	12,292,954	6,511,479	3,889,068	64,879,451	6.50%	908
2006	39,217,840	917,386	-	11,487,565	4,576,066	4,349,794	60,548,651	7.13%	830
2007	59,865,576	686,886	-	10,648,215	10,651,873	4,816,988	86,669,538	5.23%	1,170
2008	74,169,472	493,886	-	27,271,926	17,355,181	5,490,179	124,780,644	N/A	1,667
2009	107,351,538	315,859	-	26,355,902	19,002,480	5,733,433	158,759,212	N/A	2,121

General bonded debt outstanding:

Fiscal Year	General Obligation Bonds	Literary Loans	Total	Percentage of Actual Taxable Value of Property	Debt Per Capita
2000	$ 41,158,963	$ 2,407,494	$ 43,566,457	1.46%	$ 643
2001	41,528,637	2,134,890	43,663,527	1.41%	636
2002	37,525,719	1,862,286	39,388,005	1.24%	568
2003	33,457,927	1,620,336	35,078,263	0.97%	503
2004	35,249,675	1,378,386	36,628,061	0.97%	517
2005	32,538,064	1,147,886	33,685,950	0.87%	472
2006	39,217,840	917,386	40,135,226	1.00%	550
2007	59,865,576	686,886	60,552,462	1.05%	818
2008	74,169,472	493,886	74,663,358	1.22%	998
2009	107,351,538	315,859	107,667,397	1.68%	1,439

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.

N/A -Per capita personal income was unavailable at fiscal year end.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Year Ended June 30, 2009
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Town of Bridgewater, Virginia	$ 1,806,625	5.95%	$ 107,567
Town of Broadway, Virginia	-	4.11%	-
Town of Dayton, Virginia	413,970	1.91%	7,919
Town of Elkton, Virginia	-	3.15%	-
Town of Grottoes, Virginia	653,357	2.63%	17,174
Town of Timberville, Virginia	189,286	1.70%	3,214
Subtotal, overlapping debt			135,874
County Direct Debt			138,682,638
Total direct and overlapping debt			$ 138,818,512

COUNTY OF ROCKINGHAM, VIRGINIA

Table 14

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Water and Sewer Fund

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2000	$ 1,836,538	$ 1,178,799	$ 657,739	$ 22,629	$ 75,470	$ 98,099	6.70
2001	1,893,123	1,464,886	428,237	23,822	72,348	96,170	4.45
2002	2,038,336	1,461,306	577,030	25,076	69,163	94,239	6.12
2003	2,174,747	1,566,451	608,296	26,397	65,861	92,258	6.59
2004	2,804,100	1,816,675	987,425	331,571	67,119	398,690	2.48
2005	3,499,380	1,978,876	1,520,504	85,000	91,768	176,768	8.60
2006	4,781,488	2,379,487	2,402,001	75,000	101,597	176,597	13.60
2007	4,272,477	2,781,574	1,490,903	80,000	104,124	184,124	8.10
2008	5,630,238	3,062,217	2,568,021	136,896	130,042	266,938	9.62
2009	5,125,257	3,283,073	1,842,184	190,000	194,728	384,728	4.79

Smith Creek Water & Waste Authority Fund

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2004	$ 109,694	$ 19,327	$ 90,367	$ 79,804	$ 60,416	$ 140,220	0.64
2005	745,161	28,735	716,426	82,217	103,237	185,454	3.86
2006	2,060,090	27,700	2,032,390	3,184,701	100,676	3,285,377	0.62
2007	504,602	37,089	467,513	97,996	107,731	205,727	2.27
2008	227,067	32,316	194,751	104,581	105,936	210,517	0.93
2009	218,959	93,376	125,583	107,915	102,602	210,517	0.60

Countryside Sanitary District Fund

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2006	$ 25,760	$ 7,693	$ 18,067	$ -	$ 1,392	$ 1,392	12.98
2007	18,776	6,089	12,687	6,197	4,137	10,334	1.23
2008	18,980	5,526	13,454	6,401	5,314	11,715	1.15
2009	15,748	5,408	10,340	6,610	5,103	11,713	0.88

Solid Waste Fund

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2007	$ 4,823,118	$ 2,537,100	$ 2,286,018	$ -	$ 10,628	$ 10,628	215.09
2008	3,457,788	3,157,156	300,632	121,363	17,487	138,850	2.17
2009	2,854,735	2,717,244	137,491	270,000	130,269	400,269	0.34

Lilly Subdivision Sanitary District

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2009	$ 37,652	$ 20,699	$ 16,953	$ 54,904	$ 10,670	$ 65,574	0.26

Penn Laird Sewer Authority

Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2009	$ 18,967	$ 1,959	$ 17,008	$ 3,272	$ 27,538	$ 30,810	0.55

Notes:

(1) Utility service charges include all revenues of the fund except gains on sales of capital assets.

(2) Operating expenses are exclusive of depreciation and amortization, interest expense and losses on sales of capital assets.

(3) Smith Creek Water & Waste Authority began making payments on its outstanding debt in fiscal year 2004.

(4) In fiscal year 2006, the Smith Creek Water & Waste Authority received a grant of $1.9 million and a new loan, which was used to repay a short-term loan of $3.1 million.

(5) In fiscal year 2007, the Solid Waste Fund issued bonds totaling $3.015 million, none of which were retired during the fiscal year.

(6) Lilly Subdivision Sanitary District began making payments on its outstanding debt in fiscal year 2009.

(7) Penn Laird Sewer Authority began making payments on its outstanding debt in fiscal year 2009.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 15

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years
(Unaudited)

Fiscal Year	(1) Population	(2) Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2000	67,725	$ 2,385,241,000	$ 35,220	10,570	1.3%
2001	68,700	2,538,595,000	36,952	10,693	2.5%
2002	69,400	2,565,374,000	36,965	10,720	3.5%
2003	69,700	2,710,384,000	38,886	10,891	3.5%
2004	70,800	2,820,181,000	39,833	10,781	3.0%
2005	71,432	3,010,183,000	42,141	10,870	3.3%
2006	72,907	3,147,218,000	43,168	11,147	2.7%
2007	74,057	3,357,217,000	45,333	11,410	2.7%
2008	74,835	N/A	N/A	11,422	3.5%
2009	74,835	N/A	N/A	11,390	6.4%

Sources:

(1) Estimated by the Weldon Cooper Center, University of Virginia, on a calendar year basis for all years.

(2) Bureau of Economic Analysis - Harrisonburg/Rockingham County (calendar year).

(3) County of Rockingham School Division as of September 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 Three Years Ago
(Unaudited)

	Fiscal Year June 30,					
	2009			2006		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rockingham County School Board	1,000 and over	1	2.36%	1,000 and over	1	4.73%
Cargill Meat Solutions	1,000 and over	2	2.36%	1,000 and over	2	2.57%
Great Eastern Resort Management	1,000 and over	3	2.36%	500 to 999	7	1.28%
Wal-Mart	1,000 and over	4	2.36%	-	-	-
Merck & Company, Inc.	500 to 999	5	1.18%	-	-	-
R.R. Donnelly & Sons Co.	500 to 999	6	1.18%	500 to 999	3	1.28%
Perdue Products	500 to 999	7	1.18%	500 to 999	5	1.28%
Marshall's	500 to 999	8	1.18%	500 to 999	6	1.28%
Pilgrim's Pride	500 to 999	9	1.18%	500 to 999	9	1.37%
County of Rockingham	500 to 999	10	1.18%	500 to 999	10	1.28%

Source:

Virginia Employment Commission.

Note:

Fiscal year 2006 information is available and shown here instead of fiscal year 2000.

COUNTY OF ROCKINGHAM, VIRGINIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year 2000	2001	2002	2003
General government administration:				
Legislative	5	5	5	5
General and financial:				
Commissioner of the revenue	15	16	15	16
Treasurer	9	9	9	8
Executive administration and legal	4	4	4	4
Finance	12	13	13	11
Human resources	-	2	2	2
Information systems	10	13	14	12.5
Central switchboard	1	1.5	1.5	1.5
Board of elections	2	2	2	2
Judicial administration:				
Courts:				
Clerk of the circuit court	13	13	13	13
Court services	10	10	11	12
Commonwealth attorney	10	10	10.5	13
Public safety:				
Sheriff	147	156	158	159
Fire and rescue	28	37	38.5	39.5
Building inspections	17	20	22	23
Other protection	2	2	2	2
Public works:				
General administration	3	3	3	4
Garage operations	2	2	2	2
Maintenance	13	15	15.5	15
Parks, recreation and cultural	7	9	9	8
Community development:				
Planning and community development				
Extension	1	1	1	1
Economic development	1	-	-	-
Soil and water conservation	1	1	1	1
Nutrient management	1	-	-	-
Water and sewer:				
Utilities/water treatment	16.5	18.5	17.5	17.5
Solid waste:				
Landfill	17	19.5	19	21
Container site	7.5	7.5	7.5	10
Component unit school board:				
Education:				
Instruction	1,382	1,262	1,297	1,322
Administration, attendance and health	31	37	40	40
Pupil transportation services	193	187	190	197
Operation and maintenance services	84	89	92	96
School food services	112	114	118	114
Component unit HRSSD:				
Social services:				
Services	28	28	33	36
Public assistance	28	29	31	31
Comprehensive Services Act	-	-	1	1
Administration	7	7	7	7
Totals	2,220	2,143	2,205	2,247

Source:

Rockingham County Department of Human Resources.

Table 17

June 30, 2004	2005	2006	2007	2008	2009
5	5	5	5	5	5
16	16	16	18.3	18.3	18.3
8	8	8	8.3	8.3	8.3
6	6	6	7.5	7.5	8
10	10	10	9.7	10.5	10.5
2	2	2	2	3	2.5
12.5	10	11	11	11	11
1.5	1.5	1.5	1.5	1.5	1.5
2	2	2	2	2	2
13	13	13	15	15	15
12.5	13.5	13.5	11	11	8.5
14	14	21	24	25	26.5
158	166	165	174	175	173
41	44	57	58.5	62.5	65.5
22	26	28	28.5	26.8	26.8
2	2	2	2	2	2
4	5	4	0.8	0.8	1
2	2	2	2	2	2
16	18	19	18.4	18.4	19.4
8	9.5	9.5	9.6	10.6	10.6
1	1	1	1	1	1
-	-	-	-	-	0.5
1	1	1	6	6	6
-	-	-	-	-	-
16.5	17	21	24.5	25.5	27.8
21	21	22	20.3	23.0	21.3
9.5	8	8	12.9	12.9	12.7
1,317	1,351	1,377	1,361	1,483	1,481
40	46	46	47	48	63
201	207	210	215	219	223
97	99	100	104	106	110
115	113	112	115	116	114
37	40	43	50	53	52
33	37	38	44	44	44
1	1	1	2	3	3
7	8	8	9	9	9
2,253	2,324	2,384	2,421	2,565	2,586

COUNTY OF ROCKINGHAM, VIRGINIA

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

Function/Program	Fiscal Year 2000	2001	2002	2003
Police: (1)				
Calls for service	14,928	14,056	14,750	15,654
Adult arrest	4,993	4,775	4,731	4,843
Juvenile arrest	317	293	369	302
Traffic citations	4,097	3,291	4,583	3,939
Fire: (2)				
Total fire runs	6,330	6,469	6,256	6,453
Total rescue runs	8,234	7,372	7,344	7,730
Public service: (3)				
Garbage collected (ton)	N/A	N/A	52,187	120,069
Recycle collected (ton)	N/A	N/A	26,292	40,891
Parks and recreation: (4)				
Recreation program attendance	12,890	13,465	13,615	13,787
Aquatics program attendance	30	30	-	-
Water and sewer: (3)				
New water connections	88	202	169	544
New wastewater connections	273	63	219	149
Average daily water consumption (gallons)	21,268,148	20,079,250	25,259,064	26,516,367
Average daily sewage treatment (gallons)	20,129,967	23,366,307	25,219,729	24,438,880
Transportation: (5)				
Total route miles	1,102	1,104	1,105	1,105
Education: (6)				
Average daily membership	10,580	10,693	10,720	10,891
Kindergarteners	793	830	781	786
Grades 1-12	9,787	9,863	9,939	10,105

Sources:

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

Table 18

June 30,					
2004	2005	2006	2007	2008	2009
17,807	20,505	13,670	19,686	19,329	18,903
4,951	4,752	3,024	5,639	5,050	4,748
322	294	130	267	296	189
3,019	2,685	1,491	1,851	1,704	2,068
7,016	7,420	10,164	10,116	10,608	10,861
8,442	8,764	11,775	12,226	12,590	12,847
67,519	39,416	30,964	35,635	27,160	34,057
22,709	16,750	13,158	10,658	15,114	12,299
14,838	15,040	15,720	16,350	18,231	19,800
-	-	-	-	-	-
260	318	309	85	197	151
184	371	335	96	238	156
32,469,325	36,650,733	48,994,375	51,917,933	58,222,109	55,403,500
27,089,625	37,309,686	56,185,433	45,444,975	39,950,162	49,059,001
1,098	1,109	1,114	1,126	1,127	1,129
10,782	10,860	11,151	11,388	11,340	11,400
774	859	872	916	882	816
10,008	10,001	10,279	10,472	10,458	10,584

COUNTY OF ROCKINGHAM, VIRGINIA

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

Function/Program	Fiscal Year 2000	2001	2002	2003
Police Stations: (1)	1	1	1	1
Fire Companies (not County owned): (2)	12	12	12	12
Rescue Squads (not County owned): (2)	9	9	9	9
Refuse Collection: (3)				
Collection trucks				
Other public works				
Streets: (4)				
Centerline Mileage:				
Interstate	58	58	58	58
Primary	159	159	159	159
Secondary	885	887	888	888
Number of street lights	10	10	10	10
Traffic signals	23	24	26	27
Parks and Recreation: (5)				
Parks - number of acres	28	28	28	28
Neighborhood parks - number of acres	28	28	28	28
Baseball/softball diamonds	26	29	29	31
Soccer/football fields	9	9	9	13
Basketball courts	13	13	13	13
Parks with playground equipment	1	1	1	1
Picnic shelters	4	4	4	4
Community centers	2	2	2	2
Water: (3)				
Wells (County owned)	5	5	3	3
Water lines (feet)	282,747	299,857	316,766	354,868
Fire hydrants	365	388	410	460
Storage capacity (MGPD)	4,588,000	4,588,000	4,588,000	4,588,000
Average daily consumption (MGPD)	699,226	660,139	829,142	871,771
Peak consumption (MGPD)	1,223,645	1,155,243	1,450,998	1,525,599
Wastewater: (3)				
Sanitary sewers (feet)	222,354	240,394	274,411	283,487

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

Table 19

June 30, 2004	2005	2006	2007	2008	2009
1	1	1	1	1	1
12	12	12	12	12	12
9	9	9	9	9	10
58	58	58	54	54	54
159	170	170	184	184	184
881	881	886	888	889	891
10	10	10	16	16	16
27	31	32	33	35	35
28	28	28	28	28	28
28	28	28	28	28	28
31	31	32	32	32	32
13	13	13	13	13	13
13	13	13	13	13	13
1	1	1	1	1	1
4	4	4	4	4	4
3	3	3	3	3	3
3	3	3	3	3	3
369,583	394,969	444,139	455,503	488,664	503,321
479	512	576	592	643	678
6,588,000	6,588,000	10,088,000	10,088,000	10,088,000	10,088,000
1,067,484	1,204,955	1,610,774	1,925,997	1,940,737	1,995,682
1,868,098	2,108,671	2,818,854	3,068,500	3,035,000	2,549,500
301,007	330,799	409,498	429,585	466,242	495,002

ROCKINGHAM COUNTY

1778

VIRGINIA

COMPLIANCE SECTION

tab

COUNTY OF ROCKINGHAM, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

Federal Grantor/State Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
DEPARTMENT OF AGRICULTURE:		
Direct payments:		
Department of Agriculture:		
Cooperative Law Enforcement	10.000	$ 5,838
Water and Waste Disposal Systems for Rural Communities - grant	10.760	180,509
		186,347
Pass-through payments:		
Department of Social Services:		
State Administrative Matching Grants for Food Stamp Program	10.561	694,967
Department of Agriculture and Consumer Services:		
Commodity Distributions	10.555	367,760
Department of Education:		
Child Nutrition Cluster:		
School Breakfast Program	10.553	391,589
National School Lunch Program	10.555	1,687,063
Schools and Roads - Grants to States	10.665	40,614
		2,119,266
Total Department of Agriculture		3,368,340
DEPARTMENT OF TRANSPORTATION:		
Pass-through payments:		
Department of Motor Vehicles:		
State and Community Highway Safety	20.607	36,662
Total Department of Transportation		36,662
SOCIAL SECURITY ADMINISTRATION:		
Direct payments:		
Social Security Administration:		
Reward for Incarceration Notification	96.000	3,200
Total Social Security Administration		3,200

See Notes to Schedule of Expenditures of Federal Awards.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

Federal Grantor/State Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
DEPARTMENT OF LABOR:		
Direct payments:		
Employee Benefits Security Administration:		
ARRA - COBRA Premium Assistance	17.151	$ 3,672
Pass-through payments:		
Virginia Community Colleges System		
Workforce Investment Act (WIA) Cluster:		
WIA Administrative	17.000	160,921
ARRA - WIA Administrative	17.000	11,073
WIA Adult Program	17.258	260,687
ARRA - WIA Adult Program	17.258	40,484
WIA Youth Activities	17.259	256,669
ARRA - WIA Youth Activities	17.259	64,015
WIA Adult Dislocated Workers	17.260	718,425
ARRA - WIA Adult Dislocated Workers	17.260	101,946
		1,614,220
Total Department of Labor		1,617,892
DEPARTMENT OF HEALTH AND HUMAN SERVICES:		
Pass-through payments:		
Department of Social Services:		
Promoting Safe and Stable Families	93.556	2,200
Temporary Assistance to Needy Families	93.558	643,749
Refugee and Entrant Assistance - State Administered Programs	93.566	2,851
Low-Income Home Energy Assistance	93.568	25,360
Child Care Cluster:		
Child Care and Development Block Grant	93.575	410,179
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	336,381
ARRA - Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	1,560
ARRA - Child Care and Development Block Grant	93.713	3,239
Chafee Education and Training Vouchers Program (ETV)	93.599	3,890
Adoption Incentive Payments	93.603	2,624
Child Welfare Services - State Grants	93.645	4,283
Foster Care - Title IV-E	93.658	1,399,821
ARRA - Foster Care - Title IV-E	93.658	7,290
Adoption Assistance	93.659	303,853
ARRA - Adoption Assistance	93.659	3,306
Social Services Block Grant	93.667	277,194
Chafee Foster Care Independent Living	93.674	21,078
State Children's Insurance Program	93.767	50,098
Medical Assistance Program (Medicaid; Title XIX)	93.778	461,245
Total Department of Health and Human Services		3,960,201

See Notes to Schedule of Expenditures of Federal Awards.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

Federal Grantor/State Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
DEPARTMENT OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE:		
Direct payments:		
Department of Criminal Justice:		
State Criminal Alien Assistance Program	16.606	$ 69,976
Community Prosecution and Project Safe Neighborhoods	16.609	40,154
		110,130
Department of Community Oriented Policing Services:		
Public Safety Partnership and Community Policing Grant	16.710	180,117
Pass-through payments:		
Department of Criminal Justice Services:		
Violence Against Women Formula Grants	16.588	12,600
Byrne Formula Grant Program	16.579	78,519
Crime Victim Assistance - Discretionary Grants	16.575	50,994
Edward Byrne Memorial Justice Assistance Grant Program	16.738	23,820
		165,933
Total Department of Justice, Office of Justice Programs, Bureau of Justice Assistance		456,180
DEPARTMENT OF DEFENSE:		
Direct payments:		
Bureau of Land Management:		
Payments to States in Lieu of Real Estate Taxes	12.112	446,222
Total Department of Defense		446,222

See Notes to Schedule of Expenditures of Federal Awards.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

Federal Grantor/State Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
DEPARTMENT OF EDUCATION:		
Pass-through payments:		
Department of Education:		
Title I Grants to Local Educational Agencies	84.010	$ 1,478,825
Special Education Cluster:		
Special Education - Grants to States	84.027	2,371,302
Special Education - Preschool Grants	84.173	69,900
Adult Education - State Grant Program	84.002	173,419
Vocational Education - Basic Grants to States	84.048	157,134
Safe and Drug-Free Schools and Communities - State Grants	84.186	30,400
Education Technology State Grants	84.318	14,877
Reading First State Grants	84.357	134,899
English Language Acquisition Grants	84.365	99,331
Improving Teacher Quality State Grants	84.367	385,043
		4,915,130
Department of Compensation Board:		
ARRA - State Fiscal Stabilization Fund - Government Services, Recovery Act - Jail Block Grant	84.397	188,244
ARRA - State Fiscal Stabilization Fund - Government Services, Recovery Act - Sheriff	84.397	1,574,325
		1,762,569
Total Department of Education		6,677,699
DEPARTMENT OF HOMELAND SECURITY:		
Pass-through payments:		
Department of Emergency Management:		
HAZMAT Team Equipment and Training	97.073	54,100
Emergency Management Performance Grants	97.042	10,844
Total Department of Homeland Security		64,944

See Notes to Schedule of Expenditures of Federal Awards.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

Federal Grantor/State Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
DEPARTMENT OF THE INTERIOR:		
Pass-through payments:		
Department of Environmental Quality:		
Rents and Royalties paid on Federal Land	15.000	$ 6,250
Total Department of the Interior		6,250
DEPARTMENT OF THE COMMERCE:		
Direct payments:		
National Telecommunications and Information Administration:		
Low-Power Television and Translator Digital-to-Analog Conversion Program	11.554	3,000
Total Department of the Commerce		3,000
ELECTION ASSISTANCE COMMISSION:		
Pass-through payments:		
Election Assistance Commission:		
Help America Vote Act Requirements Payments	90.401	6,298
Total Election Assistance Commission		6,298
Total Federal Awards Expended		$ 16,646,888

See Notes to Schedule of Expenditures of Federal Awards.

Note 1. Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Rockingham, Virginia and component units of the Rockingham County School Board and the Harrisonburg-Rockingham Social Services District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133 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 of Expenditures of Federal Awards. 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 of Expenditures of Federal Awards.

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 – The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the criteria to be used in defining major programs. Major programs for the County of Rockingham, Virginia and its component units were determined using a risk-based approach in accordance with OMB Circular A-133.

Catalog of Federal Domestic Assistance – The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA Number), which is reflected in the accompanying schedule.

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 of Rockingham, Virginia and its component units: Child Nutrition, Special Education, Child Care, and Workforce Investment Act (WIA).

Note 2. Non-Cash Assistance

The County of Rockingham, Virginia participated in a federal program in which non-cash benefits are provided through the state to eligible program participants.

Food Distribution Program (CFDA Number 10.555) – The value of food commodities was calculated using the U.S. Department of Agriculture's Food and Nutrition Service commodity price lists. The accompanying schedule includes commodity distributions of $367,760 for CFDA Number 10.555.

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INDEPENDENT AUDITORS' 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 the financial statements of the County of Rockingham, Virginia, (County) as of and for the year ended June 30, 2009, and have issued our report thereon dated November 24, 2009. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential, will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 09-01 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions and specifications was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* which are described in the accompanying Schedule of Findings and Questioned Costs as item 09-02 and 09-03.

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the County's responses and, accordingly, we express no opinion on them.

We noted certain matters that we reported to management of the County in a separate letter dated November 24, 2009.

This report is intended solely for the information and use of the Board of Supervisors, management, the Auditor of Public Accounts, and other federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

PBGH, LLP

Harrisonburg, Virginia
November 24, 2009

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the County of Rockingham, Virginia's (County) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* and the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia that are applicable to each of its major federal programs for the year ended June 30, 2009. The County's major federal programs are identified in the Summary of Independent Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards, specifications, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in the County's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Supervisors, management, the Auditor of Public Accounts, and other federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

PBGH, LLP

Harrisonburg, Virginia
November 24, 2009

COUNTY OF ROCKINGHAM, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

I. SUMMARY OF INDEPENDENT AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified	√ Yes	___ No
Significant deficiencies identified that are not considered to be material weaknesses	√ Yes	___ No
Noncompliance material to financial statements noted	___ Yes	√ No

Federal awards

Internal control over major programs:

Material weaknesses identified	___ Yes	√ No
Significant deficiencies identified that are not considered to be material weaknesses	___ Yes	√ None Reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	___ Yes	√ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.397	ARRA – State Fiscal Stabilization Fund – Government Services, Recovery Act – Jail Block Grant
84.397	ARRA – State Fiscal Stabilization Fund – Government Services, Recovery Act – Sheriff
93.658	Foster Care – Title IV-E
93.658	ARRA – Foster Care – Title IV-E

Special Education Cluster:

84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Identification of major programs: (Continued)

CFDA Number	Name of Federal Program or Cluster
Child Care Cluster:	
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.713	ARRA – Child Care and Development Block Grant
93.596	ARRA – Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Workforce Investment Act (WIA) Cluster:	
17.000	WIA Administrative
17.258	WIA Adult Program
17.258	ARRA – WIA Adult Program
17.259	WIA Youth Activities
17.259	ARRA – WIA Youth Activities
17.260	WIA Adult Dislocated Workers
17.260	ARRA – WIA Adult Dislocated Workers

Dollar threshold used to distinguish between type A and type B programs $499,407

Auditee qualified as low-risk auditee? √ Yes ___ No

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

A. Significant Deficiency in Internal Control

09-01: Significant Deficiency in Internal Control over School Board Payroll Processing

Requirement: Internal controls are designed to safeguard assets and help prevent losses from employee dishonesty or error. A fundamental concept in an adequate system of internal control is the segregation of duties. Editing payroll master records and processing payroll are incompatible duties and should be segregated in such a way that the risk of paying fictitious employees or making unapproved changes to pay rates is minimized.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

A. Significant Deficiency in Internal Control (Continued)

09-01: Significant Deficiency in Internal Control over School Board Payroll Processing (Continued)

Condition: During our audit, we determined that the County's payroll department inputs new hires, pay rates, and terminations in EDEN's payroll master file based on data sheets provided by the School Board's human resources department throughout the year. The County's payroll department also processes the School Board's payroll. Data sheets are generated by FileMaker, the software used by the School Board's human resources department to maintain pertinent School Board employee information. EDEN has a human resources module to record employee information; however, EDEN does not appear to be able to track required public School Board information in the same manner that FileMaker can. For example, the School Board needs to track such items as teacher assignments, substitute information, contracts, salary contingencies, supplements, employee history, experience levels, and licensure. At the beginning of the school year, a script is run for 10 month employees (teachers) to export their rates from FileMaker to EDEN. This is the only time information is directly imported from FileMaker to EDEN during the fiscal year. For all other employees and for activity occurring during the fiscal year, the County's payroll department obtains the numerous data sheets from the School Board's human resources department and manually keys the information in EDEN's payroll master file. The data sheets provided to the County's payroll department do not show approvals of pay change notices. The original, signed, approved data sheets are maintained at the School Board. Our audit inquiries disclosed that there are no established procedures for the School Board's human resources department to review and approve the changes to the payroll master file input by the County's payroll department; therefore, the School Board does not verify that the information sent to the County's payroll department is what gets processed.

Effect: The duties of making changes to the payroll master file and processing payroll are incompatible and increase the risk that errors or irregularities will go undetected. Fictitious employees, unapproved pay changes, or incorrect pay rates could be entered into the system. Although some measure of control is exercised by the County's payroll department when performing payroll reconciliations and reviewing various edit reports and by the School Board's comparisons of actual to budget payroll information, the aforementioned risks still exist.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

A. Significant Deficiency in Internal Control (Continued)

09-01: Significant Deficiency in Internal Control over School Board Payroll Processing (Continued)

Recommendation: We suggest that management determine if additional scripts can be run to export the School Board's payroll information from FileMaker to EDEN. At that time, the County's information technology department should limit access to the School Board's payroll master file to only the School Board's human resources department. By segregating the duties of editing the payroll master file to the School Board's human resources department and processing payroll to the County's payroll department, the significant deficiency in the School Board's payroll process should be eliminated.

B. Compliance Findings

09-02: Comprehensive Services Act Fund

The Commonwealth requires that local governments receiving pool funds under the Comprehensive Youth Services Act must submit electronic pool reimbursement requests and that documentation must be maintained to support expenditures reported to demonstrate that all pool fund expenditures were made on behalf of a specific child. In performing our audit, we selected a sample of 16 disbursement transactions throughout the fiscal year to test requirements stipulated by the Commonwealth's Auditor of Public Accounts. Adequate supporting documentation was not provided for three of the disbursements selected for testing. We strongly suggest that management review supporting documentation for pool fund expenditures before payments are made to the vendors.

09-03: Virginia Department of Social Services (VDSS) Systems Access Privileges

When employees leave the District, their access privileges must be immediately removed from all VDSS systems they were authorized to use. The Commonwealth's Auditor of Public Accounts requires that the District's personnel records identify when access privileges to all VDSS systems were removed after employment was terminated. During our audit, we selected a sample of former employees of the District to verify their access privileges were removed immediately when they left the District. Not all of the personnel records provided for the former employees had documentation of the removal of access rights to the VDSS systems.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

COUNTY OF ROCKINGHAM, VIRGINIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2009

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from prior audit's Summary Schedule of Prior Audit Findings.

COUNTY OF ROCKINGHAM

CORRECTIVE ACTION PLAN
Year Ended June 30, 2009

Identifying Number:

09-01

Finding: Editing payroll master records and processing payroll are incompatible duties and were not segregated.

Corrective Actions Taken or Planned:

Management is currently exploring several options to eliminate this significant deficiency in the School Board's payroll process. While management explores whether additional scripts can be created to export the School Board's payroll information from FileMaker to the Eden payroll system, this will take some time and, therefore, cannot be quickly implemented. Other procedures/options are also being considered to address this issue. Interim policies and procedures will be implemented with the understanding of the need to finalize the long-term/permanent solution as soon as possible. Management takes this matter very seriously and shall diligently pursue the necessary corrective action in a timely manner.

Identifying Number:

09-02

Finding: The Harrisonburg-Rockingham Social Services District did not provide supporting documentation for all expenditures submitted for reimbursement by pool funds under the Comprehensive Youth Services Act as required by the Commonwealth.

Corrective Actions Taken or Planned:

The three disbursement exceptions occurred prior to the relocation and reorganization of the Comprehensive Services Act (CSA) program and staffing in April 2009. The CSA operations and staff have moved from their previous location to their current office in the Rockingham County Government Center. This physical move permits better interaction with and oversight by the County Finance Department. In addition, it allows better administrative oversight by the Deputy County Administrator who currently serves as the chairperson for the Community Planning and Management Team (CPMT). Supporting documentation continues to be reviewed by management before payments are made to the vendors and the above changes in location and staffing have produced assurances that the disbursement paperwork is now properly maintained and filed.

CORRECTIVE ACTION PLAN
Year Ended June 30, 2009

Identifying Number:

09-03

Finding: The Harrisonburg-Rockingham Social Services District did not provide documentation in all of the personnel files of former employees of the removal of access rights to all of the Virginia Department of Social Services (VDSS) Systems as required by the Commonwealth.

Corrective Actions Taken or Planned:

As per VDSS policy, all employee access to VDSS systems will be terminated within three days of termination of employment. Proof of said action will be documented on form "Employee Separation and Transfer Check List". For all employee terminations occurring during fiscal year 2009, review will be made to determine if proper action was taken. All records will be corrected by December 31, 2009.

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