

COUNTY  
OF  
ROCKBRIDGE  
VIRGINIA



**ROCKBRIDGE**  
**COUNTY • VIRGINIA**  
*Naturally Connected.*

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025

**COUNTY OF ROCKBRIDGE, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Prepared by

Ashton Harrison, Director of Fiscal Services

County of Rockbridge, Virginia

COUNTY OF ROCKBRIDGE, VIRGINIA

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2025

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

	<b><u>Page</u></b>
Letter of Transmittal .....	i
GFOA Certificate of Achievement .....	ii
Organizational Chart .....	iii
List of Elected and Appointed Officials .....	iv

**FINANCIAL SECTION**

	<b><u>Exhibit</u></b>	<b><u>Page</u></b>
Independent Auditors' Report .....		1-4
Management's Discussion and Analysis .....		5-16
<b>Basic Financial Statements:</b>		
Government-wide Financial Statements:		
Statement of Net Position .....	1	17-18
Statement of Activities .....	2	19-20
Fund Financial Statements:		
Balance Sheet-Governmental Funds .....	3	21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	4	22
Statement of Revenues, Expenditures, and Changes in Fund Balances— Governmental Funds .....	5	23
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	6	24
Statement of Net Position—Proprietary Funds .....	7	25
Statement of Revenues, Expenses, and Changes in Net Position— Proprietary Funds .....	8	26
Statement of Cash Flows—Proprietary Funds .....	9	27
Statement of Fiduciary Net Position—Fiduciary Funds .....	10	28
Statement of Changes in Fiduciary Net Position—Fiduciary Funds .....	11	29
Notes to Financial Statements .....		30-109

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2025

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

	<b><u>Exhibit</u></b>	<b><u>Page</u></b>
<b>Required Supplementary Information:</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual – General Fund.....	12	110
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Primary Government-Governmental Activities.....	13	111-112
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Primary Government-Business-type Activities.....	14	113
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Component Unit Rockbridge Regional Jail Commission.....	15	114-115
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Component Unit School Board (nonprofessional) .....	16	116-117
Schedule of Employer’s Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan.....	17	118-119
Schedule of Employer Contributions – Pension Plans.....	18	120
Notes to Required Supplementary Information – Pension Plans.....	19	121
Schedule of County’s Share of Net OPEB Liability – Group Life Insurance (GLI) Plan .....	20	122
Schedule of Employer Contributions– Group Life Insurance (GLI) Plan .....	21	123
Notes to Required Supplementary Information – Group Life Insurance (GLI) Plan .....	22	124
Schedule of School Board’s Share of Net OPEB Liability – Teacher Employee Health Insurance Credit (HIC) Plan.....	23	125
Schedule of Employer Contributions – Teacher Employee Health Insurance Credit (HIC) Plan.....	24	126
Notes to Required Supplementary Information – Teacher Employee Health Insurance Credit (HIC) Plan.....	25	127
Schedule of Changes in the School Board’s Net OPEB Liability and Related Ratios – Health Insurance Credit (HIC) Plan .....	26	128
Schedule of Employer Contributions – Health Insurance Credit (HIC) Plan .....	27	129
Notes to Required Supplementary Information – Health Insurance Credit (HIC) Plan .....	28	130

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2025

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

	<b><u>Exhibit</u></b>	<b><u>Page</u></b>
<b>Required Supplementary Information: (Continued)</b>		
Schedule of Changes in Total OPEB Liability and Related Ratios – Primary Government .....	29	131-132
Schedule of Changes in Total OPEB Liability and Related Ratios – Component Unit Rockbridge Regional Jail Commission .....	30	133-134
Schedule of Changes in Total OPEB Liability and Related Ratios – Component Unit School Board.....	31	135-136
Notes to Required Supplementary Information –OPEB .....	32	137
<b>Other Supplementary Information:</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual:		
County Capital Projects Fund.....	33	138
School Capital Projects Fund .....	34	139
Combining Statement of Fiduciary Net Position – Custodial Funds .....	35	140
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	36	141
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	37	142
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	38	143
Discretely Presented Component Unit - School Board:		
Combining Balance Sheet .....	39	144
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds.....	40	145
Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual.....	41	146-147
Statement of Fiduciary Net Position – Fiduciary Funds .....	42	148
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	43	149

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2025

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

	<u>Schedule</u>	<u>Page</u>
<b>Other Supplementary Information: (Continued)</b>		
Supporting Schedules:		
Schedule of Revenues—Budget and Actual—Governmental Funds .....	1	150-154
Schedule of Expenditures—Budget and Actual—Governmental Funds .....	2	155-158

**STATISTICAL SECTION**

	<u>Table</u>	<u>Page</u>
Net Position by Component .....	1	159-160
Changes in Net Position .....	2	161-164
Governmental Activities Tax Revenues by Source .....	3	165
Fund Balances of Governmental Funds .....	4	166-167
Changes in Fund Balances of Governmental Funds .....	5	168-169
General Governmental Tax Revenues by Source .....	6	170
Assessed Value and Estimated Actual Value of Taxable Property .....	7	171-172
Property Tax Rates .....	8	173
Property Tax Levies and Collections .....	9	174
Principal Property Taxpayers.....	10	175
Ratios of Outstanding Debt by Type.....	11	176-177
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita .....	12	178
Pledged-Revenue Coverage .....	13	179
Demographic and Economic Statistics .....	14	180
Principal Employers .....	15	181
Full-time Equivalent County Government Employees by Function.....	16	182-183
Operating Indicators by Function.....	17	184-185
Capital Asset Statistics by Function .....	18	186-187
Schedule of the City of Lexington’s and Buena Vista’s Share of Certain General Government Expenditures.....	19	188-189

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2025

---

**TABLE OF CONTENTS (CONTINUED)**

**COMPLIANCE SECTION**

	<b><u>Page</u></b>
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 <i>Government Auditing Standards</i> .....	190-191
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	192-194
Schedule of Expenditures of Federal Awards .....	195-196
Schedule of Findings and Questioned Costs .....	197
Summary Schedule of Prior Audit Findings.....	198

## **INTRODUCTORY SECTION**



**Office of the County Administrator**  
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**Rockbridge County Board of Supervisors:**

<b>Buffalo District</b>	<b>South River District</b>	<b>Walkers Creek District</b>	<b>Natural Bridge District</b>	<b>Kerrs Creek District</b>
Leslie E. Ayers	Robert W. Day	A.J. Lewis, II	David B. McDaniel	Daniel E. Lyons

December 26, 2025

**To the Honorable Board of Supervisors and the Citizens of the County of Rockbridge, Virginia:**

Commonwealth of Virginia law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2025.

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.

Robinson, Farmer, Cox Associates, Certified Public Accountants, have issued an unmodified ("clean") opinion on the County of Rockbridge's financial statements for the year ended June 30, 2025. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. This examination was conducted using guidelines set forth by Government Auditing Standards and the Specification for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts. The independent auditor's report is located at the front of the financial section of this document.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a management discussion analysis (MD&A). The MD&A complements the letter of transmittal and should be read in conjunction with it. The County of Rockbridge MD&A immediately follows the independent auditor's report.

## **Profile of Rockbridge County**

The County of Rockbridge was formed in 1778 and named after the Natural Bridge of Virginia, a historic geological wonder located in the southern part of the County. Two-thirds of the County's 607 square miles came from Botetourt County to the south and the remainder from Augusta County to the north. Rockbridge County is located in the southern portion of the Shenandoah Valley between the Alleghany and Blue Ridge Mountain ranges. Two major interstates, I-81 and I-64, intersect near the geographical center of the County, creating a superb transportation corridor. Thousands of tourists annually traverse the 17 miles of the Blue Ridge Parkway which lies along the County's eastern border. Many enjoy visits to the region's 95,371 acres of National Forest and Wildlife Management areas and the James and Maury Rivers, as well as the 1,400-acre Natural Bridge State Park. Additionally, the 560-acre Virginia Horse Center is located in Rockbridge County, just north of the City of Lexington. The Center provides year-round activities including equine competition events, major horse sales, instructional classes, and recreation opportunities.

The County of Rockbridge is a political subdivision of the Commonwealth of Virginia that is administered by a five-member Board of Supervisors. Policy-making and legislative authority are vested in the governing body (Board). Board members are elected by magisterial district and serve four-year, staggered terms. The Board appoints the County Administrator who oversees the County's operations.

The Board of Supervisors adopted mission, vision, and values statements on March 11, 2013. The Board envisions a community defined by first-class educational programs for youth and adults, enhanced through widespread and quality access to broadband connectivity; where our citizens enjoy a healthy, safe environment, and where rural character, scenic beauty and agricultural roots are respected, protected and balanced with sensible and managed growth to include high-technology development and promotion of local agriculture and outdoor recreation as part of the economic base; and where the levels of services provided meet or exceed the expectations of our residents at every level; and where our youth and succeeding generations can grow, play, and economically thrive. The Board has a mission to provide leadership, responsibly allocate resources, and establish policies which will promote safety, protection of our rural environment, education, and managed growth in a manner which is always open, honest, and respectful. In every interaction the Board will adhere to the tenets of integrity, openness, mutual respect, innovation and adaptability, humility, accountability, and loyalty.

The County of Rockbridge provides a full range of services, including law enforcement protection; building inspections; licenses and permits; refuse and recycling collection centers; and recreational facilities. Local volunteer fire and rescue departments and career Fire-Rescue staff deliver emergency medical response and transport services as well as fire protection when needed. The County furnishes support to the volunteer agencies through cash contributions for operational and capital expenditures and annual inspection and/or certification of equipment.

Rockbridge County is financially accountable for a legally separate school division (education), a public service authority (water & sewer), and a solid waste authority (refuse & disposal). Each organization is a component unit or blended component unit within the County's financial statements.

The Board of Supervisors adopts an initial budget for the fiscal year no later than May 31 preceding the beginning of the fiscal year on July 1, unless events beyond the Board's control preclude such action. This annual budget serves as the foundation for the Rockbridge County's financial planning and control. The budget is prepared by fund, function, department, and object class. All funds of the County are annually appropriated. Department heads may request to transfer resources within a department to meet changing program needs during a fiscal cycle. Transfers between departments, however, are coordinated between the County Administrator, Finance Director or the Board Finance Committee.

## **Local Economy**

Rockbridge County is a rural locality situated in the Shenandoah Valley at the center of a major regional transportation network, with direct access to air, rail, and highway systems. The County lies approximately 45 miles north of Roanoke, 140 miles west of Richmond, and 190 miles southwest of Washington, D.C. Key multi-state markets for local industries include Baltimore, MD (210 miles), Greensboro, NC (145 miles), New York, NY (460 miles), Cincinnati, OH (460 miles), and Atlanta, GA (440 miles).

Rockbridge County's economy is diverse, with major activity in manufacturing, transportation and logistics, agriculture, forestry, tourism, outdoor recreation, hospitality, and retail trade. Over the past decade, the County's economy has remained generally stable.

### ***Workforce & Employment Indicators- Labor Force Participation & Unemployment***

In 2024, Rockbridge County's civilian labor force totaled 11,179 individuals, reflecting steady growth over the past five years. Since 2020, the labor force has increased by approximately 9 percent, rising from about 10,267, indicating an expanding workforce base driven by population change, participation levels, or both. This growth has occurred despite periods of broader national economic uncertainty and suggests continued labor market resilience.

The estimated labor force participation rate of 64.7 percent aligns closely with the statewide benchmark and indicates solid engagement among working-age residents. Earlier American Community Survey estimates suggested a higher participation rate (approximately 74 percent), pointing to historically strong workforce engagement in the County, though these figures are survey-based and not part of official BLS county-level reporting. Rural communities often exhibit distinct labor dynamics, including higher participation among long-tenured workers.

Unemployment in Rockbridge County remains relatively low but has trended upward over the past year. The unemployment rate stood at 3.6 percent at the end of FY 2023, compared with 2.9 percent statewide, and increased to 4.4 percent by August 2024, according to Virginia Works economic analytics. While higher than recent lows, this level remains consistent with a tightening labor market and continued demand for workers.

Overall, sustained labor force growth combined with moderate unemployment levels underscores a stable and resilient local labor market, even as demographic shifts and broader economic pressures continue to shape workforce conditions.

### ***Industry Employment Trends***

The top five employment sectors in Rockbridge County continue to reflect a balanced economic structure: Retail Trade: 1,101 employees; Local Government: 956; Manufacturing: 871; Accommodations & Food Services: 626; Health Care & Social Assistance: 606.

Average weekly wages are highest in the following sectors: Information: \$1,624; Federal Government: \$1,358; State Government \$1,185; Finance & Insurance: \$1,110; Professional, Scientific & Technical Services: \$1,010; Real Estate, Rental, and Lodging \$998. These data points highlight the ongoing strength of both the service economy and high-skill professional sectors, providing insight into structural shifts and wage competitiveness across the region.

### ***Income, Poverty, and Cost-of-Living Context***

Median household income remains a reliable indicator of economic well-being. Based on the most recent American Community Survey estimates (2023–2024), Rockbridge County’s median household income is approximately \$64,000, compared with about \$91,000 statewide in Virginia. While local incomes have increased since 2021, the gap between Rockbridge County and the Commonwealth remains substantial.

To better understand how household earnings translate into lived economic conditions, income data must be considered alongside poverty levels and cost-of-living measures, including housing, transportation, childcare, healthcare, and food. New regional datasets, such as those compiled by the Rural Center, provide critical insight into how far incomes stretch for both single-earner and multi-earner households. These indicators offer a more complete picture of economic security than income alone, particularly in rural communities where wages are lower but essential costs continue to rise.

#### **Key Takeaways:**

- Persistent income gap: Median household income in Rockbridge County remains well below the Virginia average, limiting residents’ ability to absorb rising costs and build financial resilience.
- Cost pressures offset income growth: Although incomes have grown modestly, increases in housing, transportation, healthcare, and utilities reduce the real purchasing power of many households.
- Vulnerability of single-earner households: Cost-of-living benchmarks show that single-earner households—especially those with children—are more likely to struggle to meet basic needs, even when earning above the federal poverty threshold.
- Hidden economic strain: Official poverty rates understate financial stress, as many households earn too much to qualify for assistance but too little to comfortably cover essential expenses.
- Workforce and retention implications: Income constraints and cost pressures may affect workforce stability, young adult retention, and the county’s ability to attract new workers and employers.
- Importance of targeted policy responses: Strategies focused on wage growth, affordable housing, transportation access, and childcare affordability are essential to improving long-term economic security in Rockbridge County.

### ***Agriculture & Land Use***

Rockbridge County includes more than 384,000 acres, with 35% in farms and 55% in forest, including lands within the George Washington and Thomas Jefferson National Forests. Agricultural census data shows notable changes: 2017 Census: 752 farms utilizing 134,789 acres; 2024 Census: 640 farms utilizing 124,983 acres. From 2017–2024 there was a loss of 112 farms and 9,806 acres. Farm size distribution (2024 data): 69% of farms: 1–179 acres; 31%: 180+ acres; and 2.8%: Over 1,000 acres. Estimated market values: Land & Buildings: \$1,125,507; Machinery & Equipment: \$56,874,000. These figures reflect ongoing consolidation and structural transition within the agricultural sector.

### ***Population & Demographics***

The Commonwealth of Virginia’s population has continued to grow in recent years, rising to an estimated about 8.81 million residents in 2024, up from roughly 8.66 million in 2021. Rockbridge County’s population has shown modest change over time. According to U.S. Census estimates: 2012: ~22,090; 2021: ~22,498; 2024 estimate: 22,368 residents, slightly below the 2020 census figure.

A regional housing study of the broader Rockbridge area (including Rockbridge County, Lexington, Buena Vista, Glasgow, and Goshen) reports recent regional demographic and housing characteristics: Regional population (2023): ~36,600 people with ~13,631 households.

Homeownership rate in Rockbridge County: ~78% (based on latest ACS estimates). 71% of households are one- or two-person households (regional pattern). Approximately 4,000 households are single-person households (regional scale). The study noted that, although the region offers relatively affordable housing for many local professionals—including educators and healthcare workers—service and support workers frequently face significant affordability challenges, particularly among single-earner and single-income households. Future development strategies emphasize diversifying housing types to better align with local market needs and support workforce stability.

### ***Business Activity & Development***

In FY ending June 30, 2025, Rockbridge County issued 645 building permits totaling \$56,354,882 in value. The number of permits decreased by 24 (3.6%) from the prior year, the total valuation decreased by 33.3% or \$28,164,919. This large decrease in permit revenue is due to the fact that there was a substantial manufacturing plant expansion and renovation in 2024.

The County recorded 1,939 business licenses for tax year 2025, an increase of 27 from 2024. Most licenses represent small businesses, sole proprietors, farming operations, and agricultural enterprises. Across the County, 17 businesses are classified as manufacturers.

The county experienced both gains and losses as some businesses opened while others closed. XFS Global will close in December 2025 and relocate to South Carolina, and Journey Outdoors has closed. Dunham’s Sports has opened, and both the Residence Inn and Wawa are currently under construction, with completion expected in 2026.

### **Public School System**

The Rockbridge County Public School (RCPS) system currently serves approximately 2,600 students in kindergarten through 12th grade. RCPS operates four elementary schools for kindergarten through fifth grade, one middle school for grades six through eight, and one high school (shared with the City of Lexington) for grades nine through twelve. All schools are accredited by the State Department of Education.

All of the County schools have received major renovations in recent years. In 2024, a \$14 million renovation of the Rockbridge Innovation Center (formerly Floyd S. Kay) was completed to provide students with a modern facility for the Career & Technical Education (CTE) program.

RCPS serves a diverse student population and takes pride in meeting the educational needs of all students. Our teachers strive to include pedagogical strategies that transform teacher-centered traditional classrooms into more student-centered, highly engaging, deeper learning settings for all students. Because many of our students will someday be employed in careers that have yet to be invented, we connect students to real-world problems with an overarching emphasis on communication, collaboration, creative thinking, critical thinking, and civic mindedness. When these skills are taught in tandem with maintaining high

expectations and delivering content-rich curricula in a rigorous academic and Career & Technical Education (CTE) program, students will be better prepared for life in the 21st-century world beyond high school graduation.

To this end, RCPS continues a transformation of CTE offerings at both the middle school and high school level to 21st-century programs. RCPS's goal is for interested students to begin their CTE educational experience at the middle school so they may earn industry certifications earlier during their high school career. These early certifications will, in turn, lead to internship and work-based learning opportunities prior to high school graduation creating a more prepared workforce for business and industry. Rigorous academic expectations are a standard of RCPS.

## **Higher Education**

Within the Rockbridge County boundaries lie a unique set of higher education campuses offering various degrees. Washington and Lee, a private liberal arts university, ranks as the ninth oldest institution of higher learning in the nation and second oldest in the Commonwealth of Virginia (1749). The Virginia Military Institute is the first state-supported military college in the United States (1839) and is consistently ranked as one of the best public colleges in the nation. Southern Virginia University is a private, 4-year liberal arts college tracing its founding to 1867. Mountain Gateway Community College - Rockbridge Regional Center accommodates a diversity of day and night courses to support the pursuit of associate degrees, certification programs, and workforce training. More than a dozen additional two- and four-year institutions of higher education are within 140 miles of Rockbridge County.

## **Long-term financial planning and major initiatives**

The County of Rockbridge has a responsibility to its citizens to account for public funds, to manage its finances wisely, and to allocate its resources efficiently and effectively in order to provide the governmental services desired by the public. The primary objective of establishing financial management policies is to provide a framework wherein sound financial decisions may be made for the long-term development and stability of the County. The Board of Supervisors adopted a comprehensive set of financial policies on July 14, 2014 to include: Operating Budget, Capital Budget, Asset Maintenance and Replacement, Financial Reporting, Debt, and Fund Balance/Reserves. The policies can be found online at [www.co.rockbridge.va.us](http://www.co.rockbridge.va.us).

On January 26, 2015, the Board of Supervisors updated their strategic priorities. The targeted changes will drive planning efforts and future funding decisions. The approved strategic priorities remain unchanged and are listed below:

1. Continued dedication to a local solution to regional waste challenges.
2. Continued dedication to provision of Fire and EMS services which meet or exceed the expectations of the public served.
3. Proactively position the County to create and subsequently take full advantage of economic development opportunities in a nimble and responsive fashion.
4. Continued exploration of all opportunities for regional cooperation which are operationally and economically sensible and in the best interest of our citizens, with a focus on consideration of the potential to revisit major agreements such as the Annexation and Immunity Agreement with the City of Lexington.
5. Remain dedicated to ensuring the long-term viability of the County through proactive financial planning, with a focus on an ever-improving budget process.

In accordance with Section 15.2-2239 of the Code of Virginia, Rockbridge County prepares and annually updates a Capital Improvement Program (CIP). The CIP is intended to guide the acquisition and construction of the County's capital improvement plan by identifying needed capital projects/purchases, estimating their costs, listing the fiscal year each should begin, and determining the optimum method of funding them within our fiscal capabilities. A copy of the CIP is available online at [www.co.rockbridge.va.us](http://www.co.rockbridge.va.us).

As has become the standard, overall budget development for FY 2026 was again assisted via consideration of and adherence to the Board's overall Mission, Vision, and Values statements as well as budget priorities adopted in October 2025, as noted below:

1. The Board has a legal and/or moral obligation to fund debt-service payments, federal and state mandates, and existing contracts. Funding for these requirements will be included in the budget.
2. The Board will strive to support services that provide a critical "safety net" for citizens in need due to circumstances beyond their control, including child and social services programs. For their part, service agencies must pursue opportunities to enhance efficiencies or leverage current capabilities to optimize the delivery of these vital services.
3. Funding for public education, fire and EMS services, law enforcement, health and welfare, and solid waste management shall be leading objectives for the fiscal year. These budget categories may be determined to need and realize increased funding compared to prior years.
4. The Board will maintain a quality workforce via a compensation and benefits plan that is regionally competitive, with a continued focus on affordable health care options for individuals and families.

### **Relevant Financial Policies**

The County of Rockbridge Fund Balance and Reserve Policy includes the goal to maintain a fund balance for cash liquidity purposes that will provide sufficient cash flow to minimize the possibility of short-term revenue anticipation borrowing. At the close of each fiscal year, the County's unassigned General Fund balance should be equal to at least 20% of the County's total General Fund expenditures (i.e., General Fund expenditures plus School Fund operating expenditures less County contribution to School Division). If the County does not meet its target, it will develop a plan during the annual budget adoption process to replenish the unassigned fund balance to the 20% target level over a period of not more than three (3) years. The County's unassigned fund balance in the General Fund is 37.40% for fiscal year ended June 30, 2025.

A complete copy of the Financial Policies and Guidelines is available online at [www.co.rockbridge.va.us](http://www.co.rockbridge.va.us).

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Rockbridge for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy 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 ACFR 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 preparation of this report would not have been possible without the dedicated service and strong commitment of the entire staff of the Finance Department and the Office of the Treasurer. We also wish to thank all government departments for their assistance in providing the data necessary to prepare this report. In addition, credit is due to the Board of Supervisors for their unfailing support for maintaining the highest standards of professionalism in the management of Rockbridge County's finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Spencer H. Suter".

Spencer H. Suter  
County Administrator



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Rockbridge  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

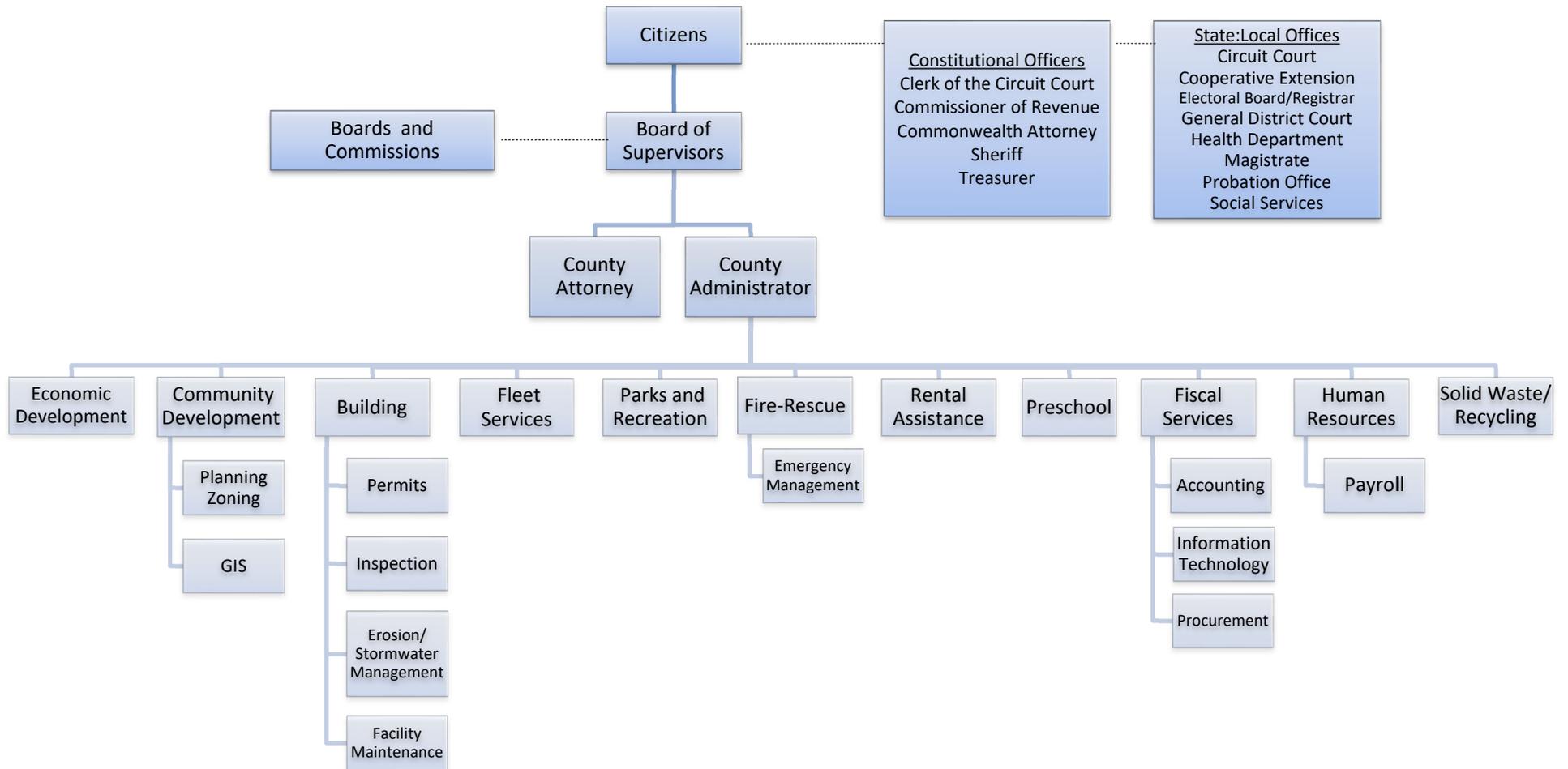
June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



# County of Rockbridge



**COUNTY OF ROCKBRIDGE, VIRGINIA**

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**BOARD OF SUPERVISORS**

Leslie E. Ayers, Chair  
David B. McDaniel, Vice-Chair  
R. W. Day  
Albert "Jay" Lewis, II  
Daniel E. Lyons

**ROCKBRIDGE COUNTY APPOINTED OFFICIALS**

County Administrator.....Spencer H. Suter  
County Attorney.....John D. Dryden

**COUNTY SCHOOL BOARD**

Kathy Burant, Chair  
Neil Whitmore, Vice-Chair  
Catie Brown  
Corey Berkstresser  
Lenna Ojure

**SCHOOL DIVISION APPOINTED OFFICIALS**

Superintendent of Schools.....Dr. Phillip Thompson  
Clerk of the School Board.....Rhonda Humphries

**LEGISLATIVE ELECTION**

Presiding Judge of the Circuit Court.....Honorable Christopher B. Russell  
Chief Judge of the Circuit Court.....Honorable Joel R. Branscom  
Judge of the General District Court.....Honorable Christopher M. Billias  
Judge of the Juvenile & Domestic District Court.....Honorable Linda Schorsch Jones

**CONSTITUTIONAL OFFICERS**

Commonwealth's Attorney.....Jared L. Moon  
Sheriff.....Tony A. McFaddin, Jr.  
Clerk of the Circuit Court.....Michelle M. Trout  
Commissioner of the Revenue.....Brooke N. Tomlin  
Treasurer.....Melissa A. Whitesell

## **FINANCIAL SECTION**



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**INDEPENDENT AUDITORS' REPORT**

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**TO THE HONORABLE MEMBERS  
OF THE BOARD OF SUPERVISORS  
COUNTY OF ROCKBRIDGE, VIRGINIA**

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements 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 of Rockbridge, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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 of Rockbridge, Virginia, as of and for the year ended June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Change in Accounting Principle***

As described in Note 1 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

***Restatement of Beginning Balances***

As described in Note 1 to the financial statements, in 2025, the County restated beginning balances. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2025, on our consideration of County of Rockbridge, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Rockbridge, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Rockbridge, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Assoc.*

Staunton, Virginia  
December 26, 2025

## Management's Discussion and Analysis

As management of the County of Rockbridge, Virginia, we offer the readers of the County's financial statements this narrative. The narrative provides an overview and analysis of our financial activities for the fiscal year ending June 30, 2025.

### Financial Highlights

#### Government-wide Financial Statements

The combined total assets and deferred outflows of the County of Rockbridge, Virginia exceeded its liabilities and deferred inflows by \$53,868,424 (net position) at the close of the most recent fiscal year. Of the total net position, \$55,821,987 is associated with governmental activities and (\$1,953,563) is associated with business-type activities. Of the total governmental activities net position, \$43,326,531 may be used to meet the government's ongoing obligations to creditors and citizens. There is \$4,361,359 presented under governmental activities which are restricted to ensure the availability of funds for specific functions, programs, and anticipated liabilities (ex. future capital projects, the annual pass-through funding to USDA for Virginia Horse Center debt, Four for Life expenditures, fire service program expenses, the Rental Assistance Program, Opioid Abatement, school health insurance, and special revenue funds). For the year ending June 30, 2025, the governmental activities assets include \$13,300,902 in taxes receivable while \$10,775,014 is reflected as deferred inflows of resources for property taxes. This is shown to meet GASB requirements. The \$13,300,902 in taxes receivable are recorded in the first half of calendar year 2025, but because of twice-a-year tax billing, second half real estate taxes of \$10,775,014 are not due until December 2025 and are shown as a deferred revenue. When compared to the net position at year end June 30, 2024, the total combined net position increased by \$3,280,721 (up 6.49%). The governmental activities net position is up \$3,217,564 and business-type activities net position is up \$63,157 compared to FY 2024. Explanation for the activity of the as compared to the prior year follows in the remainder of this discussion and analysis.

#### Fund Financial Statements

At the close of the fiscal year June 30, 2025, the County's governmental funds reported a combined ending fund balance of \$47,537,195. This is an decrease of (\$806,410) (down 1.67%) compared to the fund balance from the previous fiscal year. The decrease in total fund balance is associated with collections in general property, other local taxes, revenue from the use of money and change in prior one-time federal funding.

General property tax revenue was up \$1,488,572 compared to FY 2024, this is primarily attributable to a increase in reported personal property tax revenue of \$999,741. All categories of property taxes, real estate, and personal property revenues surpassed budgeted levels by a combined \$2,629,478 in FY25, with the exception of public service corporation and mobile home taxes, which came in under budget by \$147,449

Other local taxes, which includes sales, meals, lodging, recordation, and business license receipts, exceeded prior year levels by \$223,751. This increase is the net of the following changes by type of tax:

- Local sales taxes increased by \$300,507,
- Consumers' utility taxes increased by \$14,318,
- Business license taxes decreased by (\$18,770),
- Motor vehicle licenses increased by \$5,110,
- Bank stock taxes declined by (\$4,473),
- Taxes on recordation and wills increased by \$34,341,
- Lodging tax increased by \$148,218,
- Meals tax declined by (\$124,700),
- Cigarette taxes decreased by (\$31,112), and
- Admissions tax declined by (\$99,688).

Other significant changes in revenue categories when comparing FY24 to FY25 are:

- Revenue from the use of money and property decreased by \$558,792, due to change in interest yields between fiscal year of FY24 and FY25.
- Revenues from the Commonwealth of Virginia decreased by (\$1,155,195), including increases of \$159,852 of shared expenses from the Compensation Board and \$862,255 in categorical aid recorded in the General Fund, and a decrease of (\$2,409,570) in state school construction grant revenue recorded in the School Capital Projects Fund.

- Federal funding is up \$2,252,026 as a result of recognizing more in state and local fiscal recovery funding of \$2,651,884 in the General Fund, offset by a decrease in educational stabilization funding of (\$320,311) in the School Capital Projects Fund.

The total unassigned fund balance is reported as \$30,909,398, or 65.02% of total fund balance, and is available to meet the County's fund balance policy, unanticipated budget requests, costs to manage local emergencies and/or disasters, capital improvement projects, and the government's discretionary spending.

The \$30,909,398 of unassigned fund balance also represents 37.40% of total General Fund expenditures (i.e., General Fund expenditures plus School Fund operating expenditures less County contribution to School Division). This is a 3.11-point increase in fund balance to expenditure ratio compared to year ending June 30, 2024, still above the County's fund balance policy, which requires a 20% unassigned fund balance to expenditures ratio.

The County Capital Project Funds were established in FY 2016 to proactively establish dedicated fund sources for capital improvement plan (CIP) projects. This category includes: A) new construction and major upgrades to County facilities; and B) procurement of new vehicles and major equipment. The FY 2025 fund balance reflects \$246,382 to source ongoing and future CIP projects. During FY25, the County Capital Projects Funds sustained a combined decrease in fund balance of (\$381,390). The sole source of funding for these funds in FY25 consisted of budgeted transfers from the County's General Fund.

FY2025 facility projects included the following:

- 1) Construction of South River Collection Centers, \$274,236,
- 2) Courthouse Boiler Replacement, \$237,950,
- 3) Municipal Management Software(ERP Implementation), \$88,130.
- 4) Sherriff's Office Security System, \$64,638
- 5) Vision 8 CAMA Software Implementation, \$67,500

FY2025 Vehicle and equipment replacement efforts included:

- 1) General Administration equipment and vehicles, \$165,463
- 2) Parks and Recreation pool cleaning equipment, \$6,274
- 3) Sheriff Department vehicles, \$496,768,
- 4) EMS Equipment, \$156,828,
- 5) Fire/EMS Department vehicle, \$352,950,

The School Capital Projects Fund ended fiscal year 2025 with a fund balance of \$0, an decrease of (\$2,130,068) over the prior fiscal year. The decrease reflects the difference between funding sources of school projects, including debt financing received in the prior year along with a decrease in state and federal grants of \$21,346,900.

The Non-major Governmental Funds were first reported in FY 2021 to meet GASB 84 guidance on fiduciary activities. The two funds include restricted fund balances for the Veterans Memorial and Employee Benefit accounts. These funds ended June 30, 2025 at \$11,088, which was an increase of \$836 from FY 2024.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These statements include 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.

Local government accounting and financial reporting originally focused on funds that were designed to enhance and demonstrate fiscal accountability. Now, and in accordance with GASB 34, fund statements are accompanied by government-wide financial statements, to ensure objectives of operational accountability will also be met. These objectives will provide financial statement users with confirmation from the government that public monies have been used to comply with public decisions, and to confirm that operating objectives were met efficiently and effectively and can be met in the future.

## Government-wide Financial Statements

*Government-wide financial statements* provide users with a general overview of County finances. The statements include all assets and liabilities using the accrual basis of accounting. All current year revenue and expenses are taken into account regardless of when cash is received or paid. Both the financial overview and accrual accounting factors are used in the reporting of a private-sector business. Two financial statements are used to present this information: 1) the statement of net position and 2) the statement of activities.

The *statement of net position* presents all the County's permanent account assets, liabilities and net position. The difference between assets and liabilities is reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other non-financial factors such as changes in restricted accounts will also need to be considered to determine the overall financial position of the County.

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. The statement is focused on the gross and net cost of various government functions that are supported by general tax and other revenue. The statement of activities presents expenses before revenues, emphasizing that in government, revenues are generated for the express purpose of providing services rather than as an end in themselves.

The *government-wide financial statements* separate *governmental activities* and *business-type activities* of the County. *Governmental activities* are principally supported by taxes and intergovernmental revenues. They include general government administration; judicial administration; public safety; public works; health and welfare; parks, recreation and cultural; community development; and transfers to other funds.

*Business-type activities* recover all or a significant portion of their costs through user fees and charges. The County reports the Blue Ridge Resource Authority (BRR) as a business-type activity.

The *government-wide financial statements* include, in addition to the primary government, four component units: 1) the Rockbridge County School Board, 2) the Rockbridge Area Social Services Board, 3) the Rockbridge Regional Jail Commission, and 4) the Rockbridge County Public Service Authority. Although the component units are legally separate entities, the County is accountable or financially accountable for them. A primary government is accountable for an organization if the primary government appoints a majority of the organization's governing body. A primary government is financially accountable if, in addition, either the government is able to impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. For example, the primary government may approve debt issuances, rate structures, and/or provide significant funding for operations of the component unit.

## Fund Financial Statements

The *fund financial statements* present only major or significant funds. A fund is a group of related accounts used to maintain control over resources that are segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The County's funds 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, or services, reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds' focus is narrower than that of the government-wide financial statements, reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances.

### **Proprietary funds**

There are two types of proprietary funds: *enterprise funds*, which are established to account for the delivery of goods and services to the public and *internal service funds* that account for the delivery of goods and services to other departments or agencies of the government. Proprietary funds use accrual basis accounting, similar to private sector business.

The Blue Ridge Resource Authority is a blended component unit/business-type activity of the County of Rockbridge. The Authority's financial statements are shown as a proprietary/enterprise fund in the County's fund financial statements. The Authority owns the only permitted landfill site within the County of Rockbridge. The Authority has a separate annual financial report that provides more financial details.

**Fiduciary funds**

Fiduciary funds account for assets held by the government as a trustee or agent for another organization or individual. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the government-wide financial statement because the funds are not available to support the County's own activities.

Notes to the financial statements

These notes provide additional information that is needed to fully understand the data provided in the government-wide and fund financial statements.

**Government-wide Financial Analysis**

**Net Position**

As noted, net position may serve as a useful indicator of a government's financial position. For the County of Rockbridge, combined total assets exceeded liabilities by \$53,868,424 at the end of the fiscal year.

The County's net position is divided into three categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. A comparative analysis has been provided below.

COUNTY OF ROCKBRIDGE'S NET POSITION						
June 30, 2025						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 64,659,025	\$ 68,544,642	\$ 7,721,472	\$ 6,377,136	\$ 72,380,497	\$ 74,921,778
Capital Assets	63,782,356	65,739,492	8,338,427	9,319,469	72,120,783	75,058,961
Total Assets	\$ 128,441,381	\$ 134,284,134	\$ 16,059,899	\$ 15,696,605	\$ 144,501,280	\$ 149,980,739
Deferred Outflows of Resources	\$ 3,579,298	\$ 2,614,211	\$ 57,137	\$ 104,993	\$ 3,636,435	\$ 2,719,204
Long-term liabilities	\$ 60,772,309	\$ 63,203,719	\$ 17,751,430	\$ 17,627,134	\$ 78,523,739	\$ 80,830,853
Other liabilities	3,256,262	9,718,524	82,651	107,221	3,338,913	9,825,745
Total liabilities	\$ 64,028,571	\$ 72,922,243	\$ 17,834,081	\$ 17,734,355	\$ 81,862,652	\$ 90,656,598
Deferred Inflows of Resources	\$ 12,170,121	\$ 11,126,686	\$ 236,518	\$ 72,670	\$ 12,406,639	\$ 11,199,356
Net Position:						
Net investment in capital assets	\$ 8,134,097	\$ 8,432,433	\$ 1,747,429	\$ 2,072,139	\$ 9,881,526	\$ 10,504,572
Unrestricted (deficit)	43,326,531	40,954,905	(4,767,251)	(4,942,987)	38,559,280	36,011,918
Restricted	4,361,359	3,462,078	1,066,259	865,421	5,427,618	4,327,499
Total net position	\$ 55,821,987	\$ 52,849,416	\$ (1,953,563)	\$ (2,005,427)	\$ 53,868,424	\$ 50,843,989

**Governmental Activities**

For the County, investment in capital assets (i.e., land, buildings, machinery, and equipment), net of related outstanding debt used to acquire those assets is \$9,881,526 which represents 18.34% of total net position. The County uses these capital assets to provide services to citizens; therefore, these assets are not 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 cannot be used to liquidate these liabilities. It is also of note that a portion of the capital assets is used to encourage economic development and in turn may produce future revenue for operations in either fees or sale of property.

During the year ending June 30, 2025, total governmental liabilities decreased by \$8,793,946. There were no new debt issuances in FY25 for Governmental Activities or in the Business Type Activities. There were principal repayments of indebtedness based on scheduled debt amortization amounting to \$3,413,000 in Governmental Activities and \$544,959 in Business-Type Activities. Our net pension liability increased by \$328,648 as a result of changes in actuarial estimated costs. Short-term liabilities decreased by \$6,486,832, primarily due to an decrease in vendor payables of \$2,140,864, which was largely attributable to construction project payables being less in FY25 than FY24 by \$2,528,144 along with the utilization of prior unearned ARPA funding used on the VATI project in the amount of \$3,030,661.

The restricted net position represents resources that are subject to external or internal restrictions based on how the specific funds may be used. This reflects a \$5,427,618 balance in restricted net position, up \$1,100,119 or 25.42%. The restricted net position for fiscal year 2025 included assets restricted by both types of constraints, and is comprised of the following restricted balances:

- Board of Supervisors restrictions for future capital improvement projects for either the County or School Division, \$298,761.
- Local occupancy tax to support Virginia Horse Center debt-service payments, restricted per State code \$3,323,030.
- Staff continued to use restricted accounts to identify and manage state funds for:
  - the local fire service programs \$53,912,
  - the \$4 for Life (rescue) program \$168,144,
  - school health insurance \$80,000,
  - opioid abatement funds \$426,424, and
  - local special revenue funds \$11,088.
- The Blue Ridge Resource Authority continues to maintain a restricted balance for debt service of \$844,319 along with \$221,940 restricted for employee pensions and benefits.

The unrestricted net position is \$38,559,280, representing 71.58% of total net position, can be used to meet the government's ongoing obligations to citizens and creditors. At the end of the fiscal year, the County's governmental activities realized a decrease in net investment in capital assets of \$298,336; restricted assets increased by \$899,281; and unrestricted assets increased by \$2,371,626. In comparison, for the year ending June 30, 2024, the governmental activity total net position decreased by \$163,347 from the previous fiscal year.

### Business-type Activities

As identified earlier in the highlights of the government-wide financial statements, the business-type activities/enterprise fund (landfill) net position increased by \$63,157. This increase is \$1,186,881 less than the increase from the year ending June 30, 2024. This mainly results from a negative net change in landfill closure costs and post-closure liability in the amount of \$1,222,308. Operating revenues increased by \$111,774 while operating expenses increased by \$287,413. The increase in operating expenses was primarily due to an increase in expenses attributable to depreciation expense increasing by \$105,414 and contractual services increasing by \$100,959. There were slight fluctuations in all other expenditure categories.

## Changes in Net Position

The following table presents the revenues and expenses of the governmental and business-type activities. Following the table is a brief highlight and discussion on key elements of Rockbridge County's change in net position.

COUNTY OF ROCKBRIDGE'S CHANGES IN NET POSITION						
June 30, 2025						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 1,440,430	\$ 1,942,672	\$ 3,027,554	\$ 2,915,780	\$ 4,467,984	\$ 4,858,452
Operating grants	4,958,164	4,352,347	-	-	4,958,164	4,352,347
Capital grants	2,821,268	2,729,881	-	-	2,821,268	2,729,881
General Revenues:						
Property taxes	35,502,028	31,413,407	-	-	35,502,028	31,413,407
Other taxes	14,473,102	14,249,351	-	-	14,473,102	14,249,351
Use of money and property	1,585,155	2,415,544	324,952	266,322	1,910,107	2,681,866
Other	1,511,418	1,467,479	69,858	41,331	1,581,276	1,508,810
Grants and contributions not restricted to specific programs	2,846,684	2,843,557	-	-	2,846,684	2,843,557
Total Revenues	\$ 65,138,249	\$ 61,414,238	\$ 3,422,364	\$ 3,223,433	\$ 68,560,613	\$ 64,637,671
Expenses:						
General						
General Govt. Admin	\$ 3,821,313	\$ 3,304,837	\$ -	\$ -	\$ 3,821,313	\$ 3,304,837
Judicial administration	2,221,480	2,290,227	-	-	2,221,480	2,290,227
Public safety	15,259,881	14,369,785	-	-	15,259,881	14,369,785
Public works	4,194,540	4,187,643	3,359,207	1,973,395	7,553,747	6,161,038
Health and welfare	2,501,899	2,355,198	-	-	2,501,899	2,355,198
Education	23,684,360	25,427,777	-	-	23,684,360	25,427,777
Parks, recreation, and culture	1,846,846	1,644,511	-	-	1,846,846	1,644,511
Community development	4,149,207	3,932,976	-	-	4,149,207	3,932,976
Non-departmental	2,700,948	2,453,872	-	-	2,700,948	2,453,872
Interest on long-term debt	1,540,211	1,610,759	-	-	1,540,211	1,610,759
Total expenses	\$ 61,920,685	\$ 61,577,585	\$ 3,359,207	\$ 1,973,395	\$ 65,279,892	\$ 63,550,980
Increase (decrease) net position	\$ 3,217,564	\$ (163,347)	\$ 63,157	\$ 1,250,038	\$ 3,280,721	\$ 1,086,691
Net position - beginning, as restated	52,604,423	53,012,763	(2,016,720)	(3,255,465)	50,587,703	49,757,298
Net position - ending	\$ 55,821,987	\$ 52,849,416	\$ (1,953,563)	\$ (2,005,427)	\$ 53,868,424	\$ 50,843,989

Governmental Activities

Governmental activities increased the County’s net position by \$3,217,564. Key elements relating to FY 2025 activities compared to the prior fiscal year will be discussed below.

Total revenues increased by \$3,724,011 (up 6.06%). The following table provides a breakdown on the various revenues sources as of June 30, 2025:

Type	Revenue	% of Total
Charges for services	\$ 1,440,430	2.21%
Operating grants	4,958,164	7.61%
Capital grants	2,821,268	4.33%
Property taxes	35,502,028	54.50%
Other taxes	14,473,102	22.22%
Use of money and property	1,585,155	2.43%
Other general revenue	1,511,418	2.32%
Grants and contributions not restricted to specific programs	2,846,684	4.37%
<b>Total Revenues</b>	<b>\$ 65,138,249</b>	<b>100.00%</b>

Component changes in governmental revenues from FY 2024 to FY 2025 include:

- The largest source of revenues is property taxes. Property tax revenue increased by \$4,088,621 (up 13.02%). Real property, and personal property tax revenue increased as a result of growth in the assessed values and/or collection levels, while public service corporation, and machinery and tools tax decreased due to collection levels. The real estate tax rate in 2025 increased to \$0.64 and the personal property tax rate remained unchanged at \$4.25 per \$100 of assessed value. Tax relief applied to vehicle property tax decreased from \$2,727,566 to \$2,110,882. Assessed values for personal property across all categories increased by \$5,869,884.
- Other local taxes increased by \$223,751 (up 1.57%). Details of this change from year-to-year by category of tax can be found above in the Financial Highlights section.
- State and federal revenues incurred a net increase of \$700,331 (up 7.06%) over the prior year. Shared expenses for constitutional offices from the state compensation board increased by \$159,852. Other operating grants sustained minimal fluctuations. There was an additional \$2,681,884 recognized in state and local fiscal recovery funding (pandemic grant) operating grant. There was \$2,409,570 less in school construction grant revenue, \$91,494 less in education stabilization capital grant funding, and \$228,817 less in capital grants of state and local fiscal recovery funding.
- Charges for services decreased by \$502,242 (down 25.85%) due in part to a decrease in garage services charges of \$217,556 as compared to FY 2024. There was also a decrease in charges for court fines and forfeitures of \$107,685 and more modest fluctuations in other service categories of revenue.
- Other general miscellaneous revenues were higher by \$43,939 (up 2.99%) resulting from miscellaneous collections (public transportation/recycling cost-share, patron refunds/rebates, sale of surplus equipment, sale of recyclables/scrap) coming in higher than the previous year.
- Use of money and property decreased by \$830,389 (down 34.38%). Interest rates decreased in FY25 which was shift in prior year where they had been their strongest in many years.

The following table reflects the distribution of FY 2025 governmental expenses. Overall expenses increased by \$343,100 (up 0.56%) over the same period in FY 2024. For FY 2025, the County’s expenditure priorities included public education, public safety, public works, safety net programs, and economic development. As shown in the table below, education expenses account for 38.25% of total expenses, clearly the most significant category of expense for the County.

Type	Expense	% of Total
General Govt. Admin	\$ 3,821,313	6.17%
Judicial administration	2,221,480	3.59%
Public safety	15,259,881	24.64%
Public works	4,194,540	6.78%
Health and welfare	2,501,899	4.04%
Education	23,684,360	38.25%
Parks, recreation, and culture	1,846,846	2.98%
Community development	4,149,207	6.70%
Non-departmental	2,700,948	4.36%
Interest on long-term debt	1,540,211	2.49%
<b>Total Expenses</b>	<b>\$ 61,920,685</b>	<b>100.00%</b>

Component changes of functional expense categories from FY 2024 to FY 2025 include:

Governmental Activities

- General government administration increased by \$516,476 (up 15.63%).
- Judicial Administration decreased by \$68,747 (down 3.00%), reflecting decreases in several departments, the most significant of which was the Courthouse security (decrease of \$84,876).
- Public Safety reflects an increase of \$890,096 (up 6.19%). Expenditure growth in this category comes largely from Sheriff’s Department (increase of \$47,742), Fire and Rescue Services (increase of \$528,255, primarily due to increase in capital outlay for vehicles and equipment of \$380,789), Consolidated Dispatch office (increase of \$56,386 due to increase in required cost of service maintenance contracts), Contribution to Regional Jail Commission (decrease of \$133,134). The other departments in the Public Safety function, including building inspections, special enforcement and other protective services had modest fluctuations.
- Public Works increased by \$6,897 (up 0.16%). All departments in the Public Works department had modest fluctuations between fiscal years.
- Health and Welfare reflects an increase of \$146,701 (up 6.23%). The County’s cost-share funding for the Comprehensive Services Act, the Department of Social Services, the regional State Health Department, and Rockbridge Area Community Services Board are included in this category.
- Education expenses decreased by \$1,743,417 (down 6.86%). County local funding of School Division operations was less than last fiscal year (down \$28,501). The education expenses reflect the net current year transfer of a portion of debt-financed assets corresponding to the amount of debt repaid during the year, which amounted to \$1,522,492 and depreciation expense of \$870,592 on debt-financed assets allocable to the primary government.
- Parks, Recreation and Cultural increased by \$202,335 (up 12.3%). This functional category includes the Parks and Recreation (increase of \$133,863), Preschool (increase of \$14,550), and Contributions to County Libraries (increase of \$99,361).
- Community Development increased by \$216,231 (up 5.50%). There were minimal changes across departments.
- Non-departmental was up \$247,076 (up 10.07%). The Modified Voluntary Settlement of Annexation and Immunity payment from Rockbridge County to Lexington City; debt-service payments; and transfers to other funds and reserves are accounted in this function.
- Long-term debt interest payments increased by \$343,100 (up 0.56%) based on debt payment schedules.

## Business-type Activities

The business-type activities/enterprise fund, Blue Ridge Resources Authority (regional landfill), total net position ended at a deficit of (\$1,953,563) as of June 30, 2025, but sustained an increase of \$63,157 for the year.

In May 2020, the Authority adopted the FY 2021 master fee table. The tipping fees for FY25 were members (Rockbridge County and Lexington City) at \$60.50/ton; member jurisdiction commercial at \$62.50/ton; rates for non-member municipalities and commercial tonnage have an additional 25% surcharge added to the base fee. Total operating revenues increased by \$140,301 (4.75%) over the prior year. Commercial and noncommercial tipping fee operating revenues for FY 2025 increased by \$92,812 (up 6.88%). Rockbridge County fees increased by \$4,910, City of Lexington fees increased by \$16,392, and City of Buena Vista fees decreased by (\$2,340).

Operational expenses, without depreciation of \$1,133,566 reflect a increase of \$181,999 compared to FY 2024. All categories of expenses sustained modest fluctuations. The BRRR ended FY 2025 with a net operating income of \$659,236, a decrease of (\$147,112) (18.24%).

Net non-operating revenues/(expenses) amounted to (\$596,079). This included a negative adjustment to the landfill closure/post-closure liability of \$763,336, which generally resulted from a new engineering estimate reflecting a reduced post-closure monitoring cost of Phase 1. Other significant components of non-operating revenues and (expenses) are interest expense of (\$157,695) and investment income of \$317,053.

## Financial Analysis of the Government's Funds

As previously noted, 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 financial resources. Such information is useful in assessing the County's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the County's total governmental funds reported combined ending fund balances of \$47,537,195, a decrease of (\$806,410) over the prior fiscal year (down 1.66%). The combined change is primarily linked to activities in the General Fund which is discussed below.

The General Fund is the primary operating fund of the County. As of June 30, 2025, unassigned fund balance of the General Fund was \$31,054,405. This is an increase in unassigned fund balance of \$2,922,486 (up 10.39%) compared with the previous fiscal year. The total fund balance of the General Fund is \$47,279,725. This is an increase over the previous year of \$1,704,212 (up 3.74%). The General Fund sustained this net increase in fund balance of \$1,704,212 in FY 2025 largely due to property taxes exceeding budgeted revenue by \$2,482,029 and revenues from the use of money and property (interest earnings) exceeding budgeted revenue by \$279,896. State grant revenue exceeded budget due primarily to increase in state categorical funding revenue than budgeted by \$807,481. Several functional categories of expenditures came in under budget, including public safety, under budget by \$1,304,116; community development, under budget by \$4,025,752 and education, under budget by \$572,638.

As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures (General Fund and School Operating Fund = "General Fund"). Unassigned fund balance represents 37.49% of total "General Fund" expenditures which deducts the local transfer to the School Board component unit of \$16,317,141 for operational support. The Board of Supervisors financial policy is to maintain a minimum of 20% unassigned fund balance to expenditures ratio. The General Fund's total fund balance of \$45,575,513 represents 57.08% of total General Fund expenditures.

The County Capital Projects Fund reflects the accounting for the Construction Projects and Capital Purchases Funds, both of which align with our 5-year CIP. The net change in fund balance, down (\$381,390) to \$246,382, results from the decrease in reserves held to source projects identified earlier in the fund financial statement highlights, resulting from transfers from the General Fund. In addition, the School Capital Projects Fund is down (\$2,130,068) to \$0, reflecting the utilization of reserves on project completion.

Lastly, Non-major Governmental Funds, represents fund balance for the Veteran's Memorial (\$11,088) and Employee Benefits (\$0) accounts.

**Proprietary funds**

The County’s proprietary fund statements (Landfill Fund) provide the same type of information found in the government-wide financial statements, but in more detail.

The BRRA owns, maintains, and operates a permitted landfill. The previously active, unlined landfill cell was limited to construction and debris fill on December 31, 2017 in accordance with the VA DEQ approval of the landfill’s second extension request. Based on previously-agreed-to terms and conditions, the Authority submitted the required engineering documents to the VA DEQ that permitted the unlined facility to remain open until June 30, 2022. The Phase 1 project to cap this section of the formerly active cell was completed in FY 2021. The post-closure monitoring liability attributable to Phase I is \$4,413,092. The closure/post-closure liability on Cell 1 is up to \$5,141,070 based on the June 30, 2025 capacity used percentage (99.51%) and on Cell 2 is up to \$1,527,297 based on capacity used of 34.63%. The Landfill Fund net position increased \$63,157 compared to FY 2024 as a result of operating revenues exceeding expenses by \$659,236 offset by net nonoperating revenues/expenses totaling (\$596,079), including \$763,336 of increase in landfill closure and post-closure monitoring cost estimates. Additional information is provided in a separate BRRA financial report.

**General Fund Budgetary Highlights**

The difference between the originally budgeted appropriations and the final, amended-budget appropriations was a \$1,257,632 increase. This is 1.99% of the total original budget. The actual expenditures were \$5,813,084 below the final appropriation total. This total is 9.03% below the final budget. The major components of these appropriation changes are:

- Public safety final budget reflects an increase of \$639,625 from the original budget due to purchasing Sheriff vehicles out-of-cycle to take advantage of securing them due to a tight sales market and the purchase of new EMS rescue vehicles and equipment.

**Capital Asset and Debt Administration**

**Capital assets**

The County’s investment in capital assets for its governmental activities as of June 30, 2025 was \$63,782,356 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, machinery and equipment, and construction in progress. This is a decrease of \$1,957,136 from the previous fiscal year, or 2.98%. The building and systems category is up \$6,005,218. This results from County depreciation expense (\$1,754,448), additions (\$9,250,468). Machinery and equipment totals are up \$509,127 compared to 2024, the difference between \$1,481,097 in additions and \$871,970 in depreciation, and the allocation of debt financed school assets of a net (\$100,000). Construction in progress is down \$8,897,198 and reflects the completion of significant improvement projects in FY24 compared to FY25.

The County’s investment in capital assets for its business-type activities is \$8,338,427 a decrease of \$981,042 (down 10.53%) from the previous year. In FY 2025, the primary changes are the increase of \$152,524 in equipment offset by depreciation of \$1,132,319 and amortization of \$1,247.

<b>COUNTY OF ROCKBRIDGE'S CAPITAL ASSETS</b>						
<b>Net of Depreciation</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Land	\$ 3,119,782	\$ 3,119,782	\$ 531,037	\$ 531,037	\$ 3,650,819	\$ 3,650,819
Buildings and systems	54,236,527	48,231,309	6,412,863	7,322,289	60,649,390	55,553,598
Machinery & equipment	5,604,421	5,095,294	1,393,591	1,463,960	6,998,012	6,559,254
Construction in progress	362,366	9,259,564	-	-	362,366	9,259,564
Subscription assets	418,665	-	-	-	418,665	-
Leases	40,595	33,543	936	2,183	41,531	35,726
<b>Total</b>	<b>\$ 63,782,356</b>	<b>\$ 65,739,492</b>	<b>\$ 8,338,427</b>	<b>\$ 9,319,469</b>	<b>\$ 72,120,783</b>	<b>\$ 75,023,235</b>

Additional information on the County’s capital assets can be found in the Note 17 to the financial statements.

## Long-term debt

At the end of fiscal year 2025, the County had the following outstanding debt:

	COUNTY OF ROCKBRIDGE'S LONG-TERM OBLIGATIONS					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 39,263,019	\$ 41,445,634	\$ -	\$ -	\$ 39,263,019	\$ 41,445,634
Revenue bonds	14,146,000	15,160,000	6,590,039	7,245,106	20,736,039	22,405,106
Financed purchase - notes payable	3,156,000	3,480,000	-	-	3,156,000	3,480,000
Lease liabilities	40,641	33,526	959	2,224	41,600	35,750
Subscription liabilities	395,347	-	-	-	395,347	-
Compensated absences(as restated)	902,217	773,343 *	57,788	41,399 *	960,005	814,742
Net pension liability	2,218,276	1,826,962	-	8,666	2,218,276	1,835,628
Net OPEB liability	650,809	729,247	21,185	22,909	671,994	752,156
Landfill closure liability	-	-	11,081,459	10,318,123	11,081,459	10,318,123
Total long-term obligations	\$ 60,772,309	\$ 63,448,712	\$ 17,751,430	\$ 17,638,427	\$ 78,523,739	\$ 81,087,139

\*2024 Ending Compensated Absences were restated for the implementation of GASB 101- *Compensated Absences*

The County's total long-term debt includes the Rockbridge County School Board debt and the business-type activities debt (BRRRA). For the year, the total, combined long-term debt decreased by \$2,563,400 to a total of \$78,523,739. The decrease reflects changes in long-term obligations for governmental and business-type activities. There were new lease obligations pursuant to GASB 87 of \$26,032 and new subscription liabilities related to GASB 96 of net \$463,882 issued in FY 2025, which after current year principal retirements resulted in June 30, 2025 balances of \$40,641 and \$395,347. The governmental and business-type activities' compensated absences, net pension liability, and net OPEB liability are included in the long-term debt to meet GASB requirements. These categories changed as follows: 1) compensated absences (increased \$145,263); 2) net pension liability (increased \$382,648); and 3) net OPEB liability (decreased \$80,162). Lastly, the landfill's closure/post-closure liability increased by \$763,336 to \$11,081,459 from FY 2024 level. Please refer to Note 19 for additional details of closure and post-closure monitoring liabilities.

Additional information on the County's long-term debt can be found in Note 6 to the financial statements.

### Economic Factors and Next Year's Budgets and Rates

- The development of the FY 2026 budget was influenced by various internal and external factors. The predominant external factor affecting the budget is a stable local economy. The stable economy has led to modest increases in sales tax revenue and level lodging and meals taxes. The tax rate on real property was raised \$0.03 after six consecutive years of no increases to the tax rate. Overall, the Board of Supervisors adopted a budget requiring minimal reserves. However, significant reserves were utilized for planned capital purchases for both the County and School Division.
- A primary internal factor influencing the budget was the ongoing effort to ensure County departments are adequately staffed and employees are appropriately compensated. The Board of Supervisors approved a 3% raise for all County employees and a 3% raise for Constitutional Officers and their employees. In order to remain competitive with surrounding localities, Fire & Rescue personnel were provided a 10% raise. Senior Fire & rescue personnel received a 5% raise. Constitutional Officers and their employees also received a 1.5% bonus.
- The Board of Supervisors FY 2026 funding priorities include meeting legal and/or moral obligation to fund debt-service payments, federal and state mandates, and existing contracts; supporting services that provide a critical "safety net" for citizens in need due to circumstances beyond their control, including child and social services programs; funding public education, fire and EMS services, health and welfare, and solid waste management; and maintaining a quality workforce via a compensation and benefits plan that is regionally competitive, with a continued focus on affordable health care options for individuals and families.
- The FY 2026 Budget anticipates using \$3,913,796 in reserves to fund projects identified in the adopted Capital Improvement Plan including \$1,774,300 in matching funds for a broadband grant, School Division buses, Sheriff patrol vehicles, Courthouse security upgrades, and a new municipal ERP financial system.

- Rockbridge County's population was 22,090 in 2012, and 22,532 in 2021 and is now estimated at 22,583.
- Rockbridge County completed a property reassessment effective January 1, 2023. As of result of increased valuations, the tax rate was equalized downward from \$0.73 to \$0.61 per \$100 based on 100% valuation. The Board of Supervisors elected to raise property taxes rate from \$0.61 to \$.064 in FY 2025. In the previous six consecutive years property taxes have not been raised. Additionally, the Board of Supervisors did not raise the personal property tax rate or the business personal property tax rate which remains \$4.25 per \$100.
- The unemployment rate was 3.50% in FY 2025, a increase of 0.40% from FY 2024. With new businesses starting and an active economic development department, the budget outlook is cautiously optimistic for the near future.

All of these factors were considered in preparing the County's budget for the 2026 fiscal year.

### **Requests for Information**

This financial report is designed to provide readers with a general overview of the County of Rockbridge finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Rockbridge County Administrator, 150 S. Main Street, Lexington, Virginia 24450.

## **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

County of Rockbridge, Virginia

Statement of Net Position  
June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 38,457,939	\$ 4,142,517	\$ 42,600,456
Investments	-	-	-
Receivables (net of allowance for uncollectibles):			
Taxes receivable	13,300,902	-	13,300,902
Accounts receivable	1,471,675	242,487	1,714,162
Interest receivable	-	4,860	4,860
Lease receivable	-	63,918	63,918
Internal balances	12,847	(12,847)	-
Due from component units	4,439,336	-	4,439,336
Due from other governmental units	1,365,086	-	1,365,086
Inventories	280,187	-	280,187
Advances to other entities	4,496,131	-	4,496,131
Prepaid items	220,690	-	220,690
Restricted assets:			
Cash and cash equivalents	614,232	3,058,597	3,672,829
Net pension asset	-	221,940	221,940
Capital assets (net of accumulated depreciation):			
Land	3,119,782	531,037	3,650,819
Buildings and improvements	54,236,527	6,412,863	60,649,390
Machinery and equipment	5,604,421	1,393,591	6,998,012
Utility plant and equipment	-	-	-
Construction in progress	362,366	-	362,366
Subscription assets	418,665	-	418,665
Lease assets-building	-	-	-
Lease assets-equipment	40,595	936	41,531
Total assets	\$ 128,441,381	\$ 16,059,899	\$ 144,501,280
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	\$ 738,516	\$ -	\$ 738,516
Pension related items	2,674,428	42,579	2,717,007
OPEB related items	166,354	14,558	180,912
Total deferred outflows of resources	\$ 3,579,298	\$ 57,137	\$ 3,636,435
<b>LIABILITIES</b>			
Accounts payable	\$ 1,479,614	\$ 19,709	\$ 1,499,323
Retainage payable	-	-	-
Accrued interest payable	725,607	62,942	788,549
Due to component unit	114,885	-	114,885
Due to primary government	-	-	-
Performance deposits	7,580	-	7,580
Due to other governments	251,092	-	251,092
Unearned revenue	677,484	-	677,484
Deposits payable	-	-	-
Long-term liabilities:			
Due within one year	4,085,425	732,093	4,817,518
Due in more than one year	56,686,884	17,019,337	73,706,221
Total liabilities	\$ 64,028,571	\$ 17,834,081	\$ 81,862,652
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue-property taxes	\$ 10,775,014	\$ -	\$ 10,775,014
Lease related items	-	60,489	60,489
Pension related items	1,174,619	167,729	1,342,348
OPEB related items	220,488	8,300	228,788
Total deferred inflows of resources	\$ 12,170,121	\$ 236,518	\$ 12,406,639
<b>NET POSITION</b>			
Net investment in capital assets	\$ 8,134,097	\$ 1,747,429	\$ 9,881,526
Restricted			
Fire funds	53,912	-	53,912
Capital projects	298,761	-	298,761
Four for life	168,144	-	168,144
Opioid abatement	426,424	-	426,424
School health insurance	80,000	-	80,000
Virginia Horse Center debt service	3,323,030	-	3,323,030
Special revenue funds	11,088	-	11,088
Inmate funds	-	-	-
Reserve fund by participating localities	-	-	-
Employee pensions and benefits	-	221,940	221,940
Debt service	-	844,319	844,319
Unrestricted (deficit)	43,326,531	(4,767,251)	38,559,280
Total net position	\$ 55,821,987	\$ (1,953,563)	\$ 53,868,424

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

Exhibit 1

Component Unit				
School Board	Rockbridge Area Social Services	Rockbridge Regional Jail Commission	Rockbridge Public Service Authority	
\$ 850,893	\$ 1,041,848	\$ 49,267	\$ 10,176,581	
8,612	-	-	-	
-	-	-	-	
445,966	34,723	6,985	756,839	
-	-	-	449	
-	-	-	11,114	
-	-	114,885	-	
1,338,293	1,994,531	460,207	1,135,000	
58,346	-	-	120,518	
-	-	-	-	
1,362,714	-	32,944	-	
-	-	414,386	92,150	
1,234,962	749,892	-	-	
117,555	-	-	410,596	
32,607,442	-	1,804,852	27,906	
11,225,716	47,710	585,796	139,448	
-	-	-	21,682,449	
164,018	-	21,264	252,416	
9,675	-	-	-	
-	247,180	-	-	
197,537	19,304	70,415	-	
<u>\$ 49,621,729</u>	<u>\$ 4,135,188</u>	<u>\$ 3,561,001</u>	<u>\$ 34,805,466</u>	
\$ -	\$ -	\$ -	\$ -	
6,413,268	120,595	682,321	124,172	
1,320,930	23,664	47,234	10,617	
<u>\$ 7,734,198</u>	<u>\$ 144,259</u>	<u>\$ 729,555</u>	<u>\$ 134,789</u>	
\$ 184,094	\$ 1,050,538	\$ 180,711	\$ 825,180	
-	-	-	-	
550	1,105	130	12,256	
-	-	-	-	
2,799,117	1,640,219	-	-	
-	-	-	-	
-	380,345	-	-	
123,398	-	-	1,135,000	
-	-	-	92,150	
1,204,251	173,013	152,354	976,438	
28,066,144	271,932	1,191,425	8,006,834	
<u>\$ 32,377,554</u>	<u>\$ 3,517,152</u>	<u>\$ 1,524,620</u>	<u>\$ 11,047,858</u>	
\$ -	\$ -	\$ -	\$ -	
-	-	-	10,435	
3,995,719	160,598	341,471	63,656	
1,598,672	16,533	64,620	12,632	
<u>\$ 5,594,391</u>	<u>\$ 177,131</u>	<u>\$ 406,091</u>	<u>\$ 86,723</u>	
\$ 44,123,116	\$ 46,871	\$ 2,412,025	\$ 13,747,177	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	21,069	-	
-	-	393,000	-	
1,234,962	749,892	317	-	
-	-	-	-	
(25,974,096)	(211,599)	(466,566)	10,058,497	
<u>\$ 19,383,982</u>	<u>\$ 585,164</u>	<u>\$ 2,359,845</u>	<u>\$ 23,805,674</u>	

County of Rockbridge, Virginia

Statement of Activities  
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 3,821,313	\$ -	\$ 439,248	\$ -
Judicial administration	2,221,480	409,266	1,184,089	-
Public safety	15,259,881	35,211	2,092,213	-
Public works	4,194,540	452,441	39,966	-
Health and welfare	2,501,899	-	15,872	-
Education	23,684,360	-	-	2,821,268
Parks, recreation, and cultural	1,846,846	121,113	-	-
Community development	4,149,207	422,399	1,186,776	-
Nondepartmental	2,700,948	-	-	-
Interest on long-term debt	1,540,211	-	-	-
Total governmental activities	\$ 61,920,685	\$ 1,440,430	\$ 4,958,164	\$ 2,821,268
Business-type activities:				
Blue Ridge Resource Authority	\$ 3,359,207	\$ 3,027,554	\$ -	\$ -
Total business-type activities	\$ 3,359,207	\$ 3,027,554	\$ -	\$ -
Total primary government	\$ 65,279,892	\$ 4,467,984	\$ 4,958,164	\$ 2,821,268
<b>COMPONENT UNITS:</b>				
School Board	\$ 39,550,729	\$ 1,877,214	\$ 23,664,787	\$ -
Rockbridge Area Social Services Board	11,018,408	-	11,056,365	-
Rockbridge Regional Jail Commission	5,978,285	3,203,505	2,807,107	-
Rockbridge Public Service Authority	4,964,959	4,597,991	-	2,020,837
Total component units	\$ 61,512,381	\$ 9,678,710	\$ 37,528,259	\$ 2,020,837
General revenues and transfers:				
General property taxes				
Local sales tax				
Consumers utility tax				
Business license tax				
Meals tax				
Motor vehicle licenses				
Lodging tax				
Other local taxes				
Unrestricted revenues from use of money				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Total general revenues				
Change in net position				
Net position (deficit) - beginning, as previously reported				
Restatement				
Net position (deficit) - beginning, as restated				
Net position (deficit) - ending				

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

Net (Expense) Revenue and Changes in Net Position						
Primary Government			Component Unit			
Governmental Activities	Business-type Activities	Total	School Board	Rockbridge Area Social Services	Rockbridge Regional Jail Commission	Rockbridge Public Service Authority
\$ (3,382,065)	\$ -	\$ (3,382,065)	\$ -	\$ -	\$ -	\$ -
(628,125)	-	(628,125)	-	-	-	-
(13,132,457)	-	(13,132,457)	-	-	-	-
(3,702,133)	-	(3,702,133)	-	-	-	-
(2,486,027)	-	(2,486,027)	-	-	-	-
(20,863,092)	-	(20,863,092)	-	-	-	-
(1,725,733)	-	(1,725,733)	-	-	-	-
(2,540,032)	-	(2,540,032)	-	-	-	-
(2,700,948)	-	(2,700,948)	-	-	-	-
(1,540,211)	-	(1,540,211)	-	-	-	-
<u>\$ (52,700,823)</u>	<u>\$ -</u>	<u>\$ (52,700,823)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ (331,653)</u>	<u>\$ (331,653)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ (331,653)</u>	<u>\$ (331,653)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (52,700,823)</u>	<u>\$ (331,653)</u>	<u>\$ (53,032,476)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (14,008,728)	\$ -	\$ -	\$ -
-	-	-	-	37,957	-	-
-	-	-	-	-	32,327	-
-	-	-	-	-	-	1,653,869
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,008,728)</u>	<u>\$ 37,957</u>	<u>\$ 32,327</u>	<u>\$ 1,653,869</u>
\$ 35,502,028	\$ -	\$ 35,502,028	\$ -	\$ -	\$ -	\$ -
4,532,175	-	4,532,175	-	-	-	-
1,232,476	-	1,232,476	-	-	-	-
1,379,325	-	1,379,325	-	-	-	-
3,124,983	-	3,124,983	-	-	-	-
58,160	-	58,160	-	-	-	-
3,095,270	-	3,095,270	-	-	-	-
1,050,713	-	1,050,713	-	-	-	-
1,585,155	324,952	1,910,107	776	-	526	177,637
1,511,418	69,858	1,581,276	1,177,824	-	11,780	42,557
2,846,684	-	2,846,684	17,907,943	-	-	210,499
<u>\$ 55,918,387</u>	<u>\$ 394,810</u>	<u>\$ 56,313,197</u>	<u>\$ 19,086,543</u>	<u>\$ -</u>	<u>\$ 12,306</u>	<u>\$ 430,693</u>
3,217,564	63,157	3,280,721	5,077,815	37,957	44,633	2,084,562
52,849,416	(2,005,427)	50,843,989	16,463,721	569,196	2,609,309	21,721,112
(244,993)	(11,293)	(256,286)	(2,157,554)	(21,989)	(294,097)	-
52,604,423	(2,016,720)	50,587,703	14,306,167	547,207	2,315,212	21,721,112
<u>\$ 55,821,987</u>	<u>\$ (1,953,563)</u>	<u>\$ 53,868,424</u>	<u>\$ 19,383,982</u>	<u>\$ 585,164</u>	<u>\$ 2,359,845</u>	<u>\$ 23,805,674</u>

## **FUND FINANCIAL STATEMENTS**

**Balance Sheet  
Governmental Funds  
June 30, 2025**

	General Fund	County Capital Projects Fund	School Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 34,458,299	\$ 268,317	\$ 3,030,702	\$ 11,088	\$ 37,768,406
Receivables (net of allowance for uncollectibles):					
Taxes receivable	13,300,902	-	-	-	13,300,902
Accounts receivable	1,471,675	-	-	-	1,471,675
Advances to other entities	4,496,131	-	-	-	4,496,131
Due from other funds	3,914,386	-	-	-	3,914,386
Due from component units	4,439,336	-	-	-	4,439,336
Due from other governmental units	1,365,086	-	-	-	1,365,086
Inventories	280,187	-	-	-	280,187
Prepaid items	75,683	-	145,007	-	220,690
Restricted assets:					
Cash and cash equivalents	-	-	614,232	-	614,232
<b>Total assets</b>	<b>\$ 63,801,685</b>	<b>\$ 268,317</b>	<b>\$ 3,789,941</b>	<b>\$ 11,088</b>	<b>\$ 67,871,031</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,295,277	\$ 21,935	\$ 13,402	\$ -	\$ 1,330,614
Due to other governments	251,092	-	-	-	251,092
Due to component units	114,885	-	-	-	114,885
Due to other funds	-	-	3,776,539	-	3,776,539
Performance deposits	7,580	-	-	-	7,580
Unearned revenue	677,484	-	-	-	677,484
<b>Total liabilities</b>	<b>\$ 2,346,318</b>	<b>\$ 21,935</b>	<b>\$ 3,789,941</b>	<b>\$ -</b>	<b>\$ 6,158,194</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	\$ 13,814,118	\$ -	\$ -	\$ -	\$ 13,814,118
Unavailable revenue-opioid settlement	361,524	-	-	-	361,524
	<b>\$ 14,175,642</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,175,642</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	\$ 280,187	\$ -	\$ -	\$ -	\$ 280,187
Prepaid items	75,683	-	145,007	-	220,690
Advances to other entities	4,496,131	-	-	-	4,496,131
<b>Total nonspendable</b>	<b>\$ 4,852,001</b>	<b>\$ -</b>	<b>\$ 145,007</b>	<b>\$ -</b>	<b>\$ 4,997,008</b>
Restricted:					
Virginia Horse Center debt service	\$ 3,323,030	\$ -	\$ -	\$ -	\$ 3,323,030
Capital projects	298,761	-	-	-	298,761
Four for life	168,144	-	-	-	168,144
Fire program	53,912	-	-	-	53,912
School health insurance	80,000	-	-	-	80,000
Veterans memorial	-	-	-	11,088	11,088
Opioid abatement	41,354	-	-	-	41,354
<b>Total restricted</b>	<b>\$ 3,965,201</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,088</b>	<b>\$ 3,976,289</b>
Assigned:					
Industrial property	\$ 71,370	\$ -	\$ -	\$ -	\$ 71,370
School carryover	1,266,076	-	-	-	1,266,076
Partnership	82,097	-	-	-	82,097
Recreation	25,000	-	-	-	25,000
Revenue recovery	1,383,516	-	-	-	1,383,516
Economic development	130,544	-	-	-	130,544
Reassessment	200,000	-	-	-	200,000
Community schools	108,429	-	-	-	108,429
Security grant	76,071	-	-	-	76,071
Capital projects funds	4,065,015	246,382	-	-	4,311,397
<b>Total assigned</b>	<b>\$ 7,408,118</b>	<b>\$ 246,382</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,654,500</b>
Unassigned	\$ 31,054,405	\$ -	\$ (145,007)	\$ -	\$ 30,909,398
<b>Total unassigned</b>	<b>\$ 31,054,405</b>	<b>\$ -</b>	<b>\$ (145,007)</b>	<b>\$ -</b>	<b>\$ 30,909,398</b>
<b>Total fund balances</b>	<b>\$ 47,279,725</b>	<b>\$ 246,382</b>	<b>\$ -</b>	<b>\$ 11,088</b>	<b>\$ 47,537,195</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 63,801,685</b>	<b>\$ 268,317</b>	<b>\$ 3,789,941</b>	<b>\$ 11,088</b>	<b>\$ 67,871,031</b>

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

**Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2025**

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	47,537,195	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land	\$	3,119,782	
Buildings and improvements		54,236,527	
Machinery and equipment		5,604,421	
Construction in progress		362,366	
Subscription assets		418,665	
Lease assets		<u>40,595</u>	
			63,782,356
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			
Unavailable revenue - property taxes	\$	3,039,104	
Unavailable revenue - opioid settlement		<u>361,524</u>	
			3,400,628
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Deferred charge on refunding	\$	738,516	
Pension related items		2,674,428	
OPEB related items		<u>166,354</u>	
			3,579,298
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			
Health insurance fund	\$	<u>415,533</u>	
			415,533
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
General obligation bonds	\$	(37,390,000)	
Revenue bonds		(14,146,000)	
Notes payable		(3,156,000)	
Bond premium		(1,873,019)	
Lease liabilities		(40,641)	
Subscription liabilities		(395,347)	
Compensated absences		(902,217)	
Net pension liability		(2,218,276)	
Total OPEB liability		(295,000)	
Net OPEB liability		(355,809)	
Accrued interest payable		<u>(725,607)</u>	
			(61,497,916)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(1,174,619)	
OPEB related items		<u>(220,488)</u>	
			<u>(1,395,107)</u>
Net position of governmental activities	\$		<u><u>55,821,987</u></u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2025**

	General Fund	County Capital Projects Fund	School Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
General property taxes	\$ 33,499,468	\$ -	\$ -	\$ -	\$ 33,499,468
Other local taxes	14,473,102	-	-	-	14,473,102
Permits, privilege fees, and regulatory licenses	374,359	-	-	-	374,359
Fines and forfeitures	171,061	-	-	-	171,061
Revenue from the use of money and property	1,497,271	-	118,975	-	1,616,246
Charges for services	895,010	-	-	-	895,010
Miscellaneous	1,386,585	-	145,379	3,000	1,534,964
Recovered costs	603,843	-	-	-	603,843
Intergovernmental:					
Commonwealth	7,188,408	-	-	-	7,188,408
Federal	3,437,708	-	-	-	3,437,708
Total revenues	<u>\$ 63,526,815</u>	<u>\$ -</u>	<u>\$ 264,354</u>	<u>\$ 3,000</u>	<u>\$ 63,794,169</u>
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 3,819,847	\$ -	\$ -	\$ -	\$ 3,819,847
Judicial administration	2,304,618	-	-	-	2,304,618
Public safety	15,240,297	-	-	-	15,240,297
Public works	4,093,683	-	-	-	4,093,683
Health and welfare	2,499,756	-	-	-	2,499,756
Education	16,397,141	-	-	-	16,397,141
Parks, recreation, and cultural	1,899,091	-	-	-	1,899,091
Community development	4,184,341	-	-	-	4,184,341
Nondepartmental	2,700,948	-	-	-	2,700,948
Capital projects	-	1,656,756	4,899,187	-	6,555,943
Debt service:					
Principal retirement	3,500,452	-	-	-	3,500,452
Interest and other fiscal charges	1,894,376	-	-	-	1,894,376
Total expenditures	<u>\$ 58,534,550</u>	<u>\$ 1,656,756</u>	<u>\$ 4,899,187</u>	<u>\$ -</u>	<u>\$ 65,090,493</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,992,265</u>	<u>\$ (1,656,756)</u>	<u>\$ (4,634,833)</u>	<u>\$ 3,000</u>	<u>\$ (1,296,324)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 2,164	\$ 1,275,366	\$ 2,504,765	\$ -	\$ 3,782,295
Transfers out	(3,780,131)	-	-	(2,164)	(3,782,295)
Subscriptions	463,882	-	-	-	463,882
Leases (as lessee)	26,032	-	-	-	26,032
Total other financing sources (uses)	<u>\$ (3,288,053)</u>	<u>\$ 1,275,366</u>	<u>\$ 2,504,765</u>	<u>\$ (2,164)</u>	<u>\$ 489,914</u>
Net change in fund balances	\$ 1,704,212	\$ (381,390)	\$ (2,130,068)	\$ 836	\$ (806,410)
Fund balances - beginning	45,575,513	627,772	2,130,068	10,252	48,343,605
Fund balances - ending	<u>\$ 47,279,725</u>	<u>\$ 246,382</u>	<u>\$ -</u>	<u>\$ 11,088</u>	<u>\$ 47,537,195</u>

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

**Reconciliation of Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2025**

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

Net change in fund balances - total governmental funds \$ (806,410)

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 the depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 2,355,979	
Depreciation and amortization expense	(2,722,313)	
Allocation of debt financed school assets based on current year repayments	<u>(1,590,802)</u>	(1,957,136)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$ 2,002,560	
Opioid settlement	<u>(23,546)</u>	1,979,014

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

Principal repayments	\$ 3,413,000	
Lease repayments	18,917	
Subscription payments	68,535	
Proceeds from issuance of leases	(26,032)	
Proceeds from issuance of subscriptions	(463,882)	
Amortization of deferred charge on refunding	(63,419)	
Amortization of premium on general obligation bonds	107,615	
Accrued interest	<u>300,908</u>	3,355,642

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.

Change in compensated absences	\$ (128,874)	
Pension expense	556,908	
OPEB expense	<u>15,186</u>	443,220

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

203,234

Change in net position of governmental activities \$ 3,217,564

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

**Statement of Net Position  
Proprietary Funds  
June 30, 2025**

	<b>Business-type Activities - Enterprise Fund Blue Ridge Resource Authority</b>	<b>Governmental Activities Internal Service Fund</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,142,517	\$ 689,533
Interest receivable	4,860	-
Accounts receivable	242,487	-
Lease receivable - current portion	4,679	-
Total current assets	\$ 4,394,543	\$ 689,533
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	\$ 3,058,597	-
Lease receivable - net of current portion	59,239	-
Net pension asset	221,940	-
Capital assets, net of accumulated depreciation:		
Land	531,037	-
Buildings and improvements	6,412,863	-
Machinery and equipment	1,393,591	-
Lease assets	936	-
Total capital assets	\$ 8,338,427	-
Total noncurrent assets	\$ 11,678,203	-
Total assets	\$ 16,072,746	\$ 689,533
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related items	\$ 42,579	-
OPEB related items	14,558	-
Total deferred outflows of resources	\$ 57,137	-
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 19,709	-
Claims payable	-	149,000
Accrued interest payable	62,942	-
Due to other funds	12,847	125,000
Bonds payable - current portion	716,687	-
Lease liability - current portion	959	-
Compensated absences-current portion	14,447	-
Total current liabilities	\$ 827,591	\$ 274,000
Noncurrent liabilities:		
Compensated absences - net of current portion	\$ 43,341	-
Net OPEB liability	21,185	-
Closure and post-closure liability	11,081,459	-
Bonds payable - net of current portion	5,873,352	-
Total noncurrent liabilities	\$ 17,019,337	-
Total liabilities	\$ 17,846,928	\$ 274,000
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related items	\$ 167,729	-
OPEB related items	8,300	-
Lease related items	60,489	-
Total deferred inflows of resources	\$ 236,518	-
<b>NET POSITION</b>		
Net investment in capital assets	\$ 1,747,429	-
Restricted for employee pensions	221,940	-
Restricted for debt service	844,319	-
Unrestricted	(4,767,251)	415,533
Total net position	\$ (1,953,563)	\$ 415,533

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

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Business-type Activities - Enterprise Fund Blue Ridge Resource Authority</b>	<b>Governmental Activities Internal Service Fund</b>
<b>OPERATING REVENUES</b>		
Charges for services:		
Landfill Rockbridge County	\$ 1,018,358	\$ -
Landfill City of Lexington	230,801	-
Landfill City of Buena Vista	336,308	-
Commercial and noncommercial customers	1,442,087	-
Insurance premiums	-	2,566,830
Miscellaneous	69,858	-
Total operating revenues	<u>\$ 3,097,412</u>	<u>\$ 2,566,830</u>
<b>OPERATING EXPENSES</b>		
Personal services	\$ 436,971	\$ -
Fringe benefits	95,980	-
Contractual services	406,089	-
Other charges	365,570	-
Insurance claims and expenses	-	2,377,028
Depreciation	1,133,566	-
Total operating expenses	<u>\$ 2,438,176</u>	<u>\$ 2,377,028</u>
Operating income (loss)	<u>\$ 659,236</u>	<u>\$ 189,802</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	\$ 317,053	\$ 13,432
Revenue from the use of property	7,899	-
Interest expense	(157,695)	-
Landfill closure costs and post-closure liability	(763,336)	-
Total nonoperating revenues (expenses)	<u>\$ (596,079)</u>	<u>\$ 13,432</u>
Change in net position	<u>\$ 63,157</u>	<u>\$ 203,234</u>
Total net position (deficit) - beginning, as previously reported	\$ (2,005,427)	\$ 212,299
Restatement	(11,293)	-
Total net position (deficit) - beginning, as restated	<u>\$ (2,016,720)</u>	<u>\$ 212,299</u>
Total net position (deficit) - ending	<u>\$ (1,953,563)</u>	<u>\$ 415,533</u>

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

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Business-type Activities - Enterprise Fund Blue Ridge Resource Authority</b>	<b>Governmental Activities Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 3,060,035	\$ -
Receipts for insurance premiums		2,570,496
Payments to suppliers	(778,165)	-
Payments to employees	(531,689)	-
Payments for premiums	-	(2,397,494)
Net cash provided by (used for) operating activities	<u>\$ 1,750,181</u>	<u>\$ 173,002</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	\$ (152,524)	\$ -
Principal paid on capital debt	(546,224)	-
Interest expense	<u>(274,428)</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>\$ (973,176)</u>	<u>\$ -</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Revenue from the use of property	\$ 6,869	\$ -
Interest income	315,538	13,432
Net cash provided by (used for) investing activities	<u>\$ 322,407</u>	<u>\$ 13,432</u>
Net increase (decrease) in cash and cash equivalents	\$ 1,099,412	\$ 186,434
Cash and cash equivalents - beginning - including restricted	6,101,702	503,099
Cash and cash equivalents - ending - including restricted	<u>\$ 7,201,114</u>	<u>\$ 689,533</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ 659,236	\$ 189,802
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	1,133,566	-
(Increase) decrease in accounts receivable	(37,377)	3,666
(Increase) decrease in deferred outflows of resources	47,856	-
(Increase) decrease in net pension asset	(221,940)	-
Increase (decrease) in accounts payable	(17,945)	(20,466)
Increase (decrease) in compensated absences	16,389	-
Increase (decrease) in net OPEB liability	(1,724)	-
Increase (decrease) in net pension liability	(8,666)	-
Increase (decrease) in deferred inflows of resources	169,347	-
Increase (decrease) in due to other funds	11,439	-
Net cash provided by (used for) operating activities	<u>\$ 1,750,181</u>	<u>\$ 173,002</u>
Schedule of non-cash capital and related financing activities:		
Landfill closure and post-closure costs	<u>\$ (763,336)</u>	
Total non-cash capital and related financing activities	<u>\$ (763,336)</u>	

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

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2025**

	<u>Primary Government Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 110,537
Total assets	<u>\$ 110,537</u>
<b>NET POSITION</b>	
Restricted:	
Restricted for drug enforcement	\$ 91,860
Restricted for commonwealth attorney forfeitures	<u>18,677</u>
Total net position	<u>\$ 110,537</u>

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

**Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2025**

	<u>Primary Government Custodial Funds</u>
<b>ADDITIONS</b>	
Asset forfeitures	\$ 4,524
Total additions	<u>\$ 4,524</u>
<b>DEDUCTIONS</b>	
Safety equipment	\$ 65,100
Total deductions	<u>\$ 65,100</u>
Net increase (decrease) in fiduciary net position	\$ (60,576)
Net position, beginning of year	<u>171,113</u>
Net position, end of year	<u><u>\$ 110,537</u></u>

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

# COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements  
June 30, 2025

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## **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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The financial statements of the County conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

### **A. Financial Reporting Entity**

The County of Rockbridge, Virginia (government) is a municipal corporation governed by an elected five-member Board of Supervisors. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is both legally and substantively separate from the government.

**Blended component units** - The Blue Ridge Resource Authority has been determined to be a component unit of Rockbridge County in accordance with Governmental Accounting Standards Board Statement 14. The Authority is a legally separate organization whose Board members are composed of the 5 Rockbridge County Board of Supervisors members and 2 appointed members from the Lexington City Council, thus the Authority's board is substantially the same as the Rockbridge County Board. The primary government has a financial benefit and burden relationship with the Authority and is able to impose its will on the Authority. Complete financial statements for the Authority may be obtained at the Authority's administrative office at 225 Landfill Road, Buena Vista, Virginia 24416.

### **Discretely Presented Component Units:**

#### Rockbridge County School Board:

The School Board members are elected and are responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary local sources of funding are from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2025.

#### Rockbridge County Regional Jail Commission:

The Rockbridge County Regional Jail Commission is a regional board organized to manage and confine prisoners from the localities of Lexington City, Buena Vista City and Rockbridge County. The Rockbridge County Board of Supervisors appoints two (2) members to the Commission, while the City of Lexington and the City of Buena Vista each appoint one member, respectively. The County of Rockbridge serves as the fiscal agent for the Jail Commission. The Jail Commission is included in these financial statements because of the County's ability to designate the management and exercise significant control over the operations of the entity. The financial statements of the Commission are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2025. Complete financial statements of the Rockbridge County Regional Jail Commission are available at the Rockbridge County Jail, 258 Greenhouse Road, Lexington, Virginia 24450.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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#### A. Financial Reporting Entity (continued)

##### Discretely Presented Component Units: (continued)

###### Rockbridge County Public Service Authority:

The Rockbridge County Public Service Authority is organized to provide water and sewer services to customers located in the County. The Authority is a legally separate entity from the County. The County is financially accountable for the Authority in that the County appoints the Authority's five member Board of Directors and has a financial indebtedness burden related to the Authority. The financial statements of the Authority are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2025. Complete financial statements of the Rockbridge County Public Service Authority are available at the Authority's office: 150 South Main Street, Lexington, Virginia 24450.

###### Rockbridge Area Social Services Board:

The Rockbridge Area Social Services Board is a regional board organized to provide social services to Rockbridge County, and the Cities of Lexington and Buena Vista. All three participating entities appoint members of the Board. The Rockbridge County Treasurer serves as the fiscal agent for the Rockbridge Area Department of Social Services. The services provided to Rockbridge County and its residents amount to approximately 64% of the Rockbridge Area Social Services Board's annual operations. The Board is a legally separate organization, however the Board is included in the reporting entity because of the nature and significance of its relationship with the County of Rockbridge, Virginia. The financial statements of the Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2025. Complete financial statements of the Rockbridge Area Social Services Board are available at the Rockbridge Area Social Services office: 20 East Preston Street, Lexington, Virginia 24450.

#### B. Other Organizations

Included in the County's Financial Report: None

Excluded from the County's Financial Report:

###### Rockbridge County Economic Development Authority:

The County created the Economic Development Authority to assist with economic endeavors. The Authority is comprised of seven members appointed by the Board of Supervisors. The Authority was created by resolution pursuant to state statute, and it is legally separate from the County. The County cannot impose its will on the Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Authority. The Authority is fiscally independent, and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements.

###### Rockbridge Area Community Services Board:

The Rockbridge Area Community Services Board is considered an intergovernmental (joint) venture and therefore its operations are not included in the County's financial statements. The Cities of Lexington and Buena Vista and the County of Rockbridge provide the financial support for the Board and appoint its governing Board in which is vested the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. Summary financial information is included in Note 3 of these financial statements. Complete financial statements can be obtained from the Rockbridge Area Community Services Board offices: 241 Greenhouse Road, Lexington, Virginia 24450.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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#### B. Other Organizations (continued)

##### Maury Service Authority:

The Maury Service Authority is responsible for acquiring, financing, constructing, and maintaining facilities for the improvement, treatment, storage and transmission of potable water. The Maury Service Authority is considered an intergovernmental (joint) venture and therefore its operations are not included in the County's financial statements. The County of Rockbridge and the Cities of Lexington and Buena Vista appoint the Authority's Board of Directors. The City of Lexington and the Rockbridge Public Service Authority provide substantially all of the Authority's revenues. Summary financial information is included in Note 3 of these financial statements. Complete financial statements of the Maury Service Authority are available at the Authority's office at 130 Osage Lane, Lexington, Virginia 24450.

##### Rockbridge Regional Public Safety Communications Center:

The Rockbridge Regional Public Safety Communications Center is organized for the purpose of establishing a mutually beneficial basis for the use and operation of a consolidated public safety dispatch center for the County of Rockbridge and Cities of Lexington and Buena Vista, Virginia. The Cities of Buena Vista and Lexington and the County of Rockbridge appoint the Board of Directors and each provides substantially all of the Center's revenues. The City of Lexington serves as fiscal agent for the Center. The Center is not included in these financial statements because the County does not have ability to designate the management and exercise significant control over the operations of the entity. Summary financial information is included in Note 3 of these financial statements. Complete financial statements of the Rockbridge Regional Public Safety Communications Center are available at the Center's office at 300 E. Washington St., Lexington, Virginia 24450.

In addition, the Rockbridge Regional Industrial Development Authority, Rockbridge Regional Library, Rockbridge Area Network Authority, Rockbridge Area Recreation Organization, Regional Tourism Board, Regional Transit System Board, and Shenandoah Valley Detention Home Commission are considered intergovernmental (joint) ventures; therefore, their operations are not included in the County's financial report. Rockbridge County and the Cities of Lexington and Buena Vista provide financial support and appoint members to their governing bodies, in which is vested the administration and control over operations.

#### C. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The Statement of Net Position is designed to display financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expenses – the cost of “using up” capital assets – in the Statement of Activities. The net position of a government will be broken down into three categories – 1) net investment in capital assets, 2) restricted; and 3) unrestricted.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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#### C. Government-wide and fund financial statements (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### D. Measurement focus, basis of accounting, and financial statement presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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#### D. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following governmental funds:

The *general fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund. The general fund includes the activities of the central stores and the South River flood mitigation funds. The general fund is a major governmental fund.

*Special revenue funds* account for and report the proceeds of the specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The County does not have any major special revenue funds to report for fiscal year 2025. Nonmajor special revenue funds include the Veterans Memorial and Employee Benefit funds.

The *capital projects funds* account for and report financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. Capital project funds consist of the County Capital Projects fund and the School Capital Projects fund, which are both major funds of the government.

The government reports the following major proprietary funds:

The *Blue Ridge Resource Authority* accounts for and reports the activities of the Blue Ridge Resource Authority, a blended component unit of the government.

Additionally, the government reports the following fund types:

*Fiduciary (Trust and Custodial) funds* account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Custodial Fiduciary funds include the Drug and Commonwealth Attorney Forfeitures Funds.

*Internal service funds* primarily provide either benefits or goods or services to other funds, departments on a cost reimbursement basis. The County internal service fund consists of the self-insured health insurance fund.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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#### D. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's landfill and recycling funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### E. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance

##### 1. Cash and cash equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

##### 2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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#### **E. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance (continued)**

##### **3. Inventories and prepaid items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Quantities on hand at year-end are considered immaterial and have not been recorded, except in the School Cafeteria Fund and Discretely Presented Component Unit-Rockbridge Public Service Authority where it can be easily measured.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

##### **4. Property taxes**

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable in two installments on June 5th and December 5th. Personal property taxes are due and collectible annually on October 5th. The County bills and collects its own property taxes. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$371,986 at June 30, 2025 and is comprised solely of property taxes.

##### **5. Restricted assets**

The governmental funds maintain restricted cash for debt service, capital projects, garage, fire funds, industrial property, and the discretely presented component unit-school board. Restricted funds in the school capital projects fund represent the unspent portion of bond proceeds in the amount of \$614,232. The Blue Ridge Resource Authority maintains restricted assets in various accounts. \$2,137,780 is restricted for the payment of future closure and post-closure costs associated with the County's landfill. Additionally, the Blue Ridge Resource Authority has funds restricted for debt service of \$844,319, and funds restricted for capital projects of \$76,498. The Discretely Presented Component Unit Rockbridge Regional Jail maintains funds restricted for reserves by the participating localities in the amount of \$393,000, funds restricted for the benefit of inmates of \$21,069 and funds restricted for the benefit of employees of \$317. The Discretely Presented Component Unit Rockbridge Public Service Authority maintains restricted assets that are limited by applicable bond covenants.

##### **6. Capital assets**

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years.

Such assets are recorded at historical cost (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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**E. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance (continued)**

**6. Capital assets (continued)**

As the county and its Component Units construct or acquire capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded as acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, lease assets, subscription assets, and infrastructure of the primary government, as well as the component units, are depreciated/amortized using the straight-line method over the following estimated useful lives (or life of the associated contract for lease and subscription assets):

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Machinery and equipment	5-10
Utility, plant and equipment	5-30
Lease equipment	2-5
Lease building	3
Subscription assets	3

**7. Compensated absences**

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The County’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee’s current pay rate upon separation from employment.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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**E. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance (continued)**

**7. *Compensated absences (continued)***

*Sick Leave*

The County's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

**8. *Long-term obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discount, 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 on debt issuances are reported as other financing uses.

**9. *Fund equity***

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance – amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance – amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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#### E. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance (continued)

##### 9. Fund equity (continued)

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The County establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of the actual GAAP basis expenditures and other financing sources and uses.

##### 10. Net position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g. restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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#### F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

#### G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Primary Government has two items that qualify for reporting in this category. The Primary Government shows a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Primary Government has two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, the opioid settlement, and leases. For more detailed information on these items, reference the related notes.

#### I. Pensions

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's and School Board's Retirement Plan and the additions to/deductions from the County and School Board Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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#### J. Other Postemployment Benefits (OPEB)

##### *VRS OPEB Plans*

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### *Medical, Dental, and Prescription Insurance – Pay as You Go Program*

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined based on an actuarial valuation. Benefit payments are recognized when due and payable in accordance with the benefit terms.

#### K. Leases and Subscription-Based IT Arrangements

The County has various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

##### Lessee

The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subsequently, the lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

##### Lessor

The County recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives). Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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#### K. Leases and Subscription-Based IT Arrangements (Continued)

##### Subscriptions

The County recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$5,000, individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is measured at the initial amount of the subscription liability, adjusted for subscription payments made at or before commencement of the subscription term, and capitalizable implementation costs, less any incentives received. Subsequently, the subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

##### Key Estimates and Judgements

Lease and subscription-based IT arrangement accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease and subscription payments to present value, (2) lease and subscription term, and (3) lease and subscription payments.

- The County uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease liability (lessee), lease receivable (lessor), or subscription liability.

The County monitors changes in circumstances that would require a remeasurement or modification of its leases and subscriptions. The County will remeasure the lease receivable and deferred inflows of resources (lessor), the lease asset and liability (lessee) or the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease receivable, lease liability or subscription liability.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**L. Adoption of Accounting Principles and Restatement of Beginning Balances:**

During the current year, the County implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the County now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The change in accounting principle resulted in the following restatement of net position:

	Government-wide Financial Statements		
	Governmental Activities	Business-type Activities	Primary Government
Net position at June 30, 2024 as originally reported	\$ 52,849,416	\$ (2,005,427)	\$ 50,843,989
Restatement for GASB 101 implementation	<u>(244,993)</u>	<u>(11,293)</u>	<u>(256,286)</u>
Net position at June 30, 2024 as restated	<u>\$ 52,604,423</u>	<u>\$ (2,016,720)</u>	<u>\$ 50,587,703</u>

	Component Unit			Fund Financial Statements
	School Board	Rockbridge Area Social Services	Rockbridge Regional Jail Commission	Landfill Fund
Net position at June 30, 2024 as originally reported	\$ 16,463,721	\$ 569,196	\$ 2,609,309	\$ (2,005,427)
Restatement for GASB 101 implementation	<u>(2,157,554)</u>	<u>(21,989)</u>	<u>(294,097)</u>	<u>(11,293)</u>
Net position at June 30, 2024 as restated	<u>\$ 14,306,167</u>	<u>\$ 547,207</u>	<u>\$ 2,315,212</u>	<u>\$ (2,016,720)</u>

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**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

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**A. Budgetary information**

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The Board of Supervisors has authorized the County Administrator to revise appropriations for each department or category as needed to meet actual operational expenditures. The County Administrator is also authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements are the revised budget as of June 30.

**B. Excess of expenditures over appropriations:**

For the year ended June 30, 2025, the following funds had expenditures exceeding appropriations:

Fund	Excess of Expenditures over Appropriations
Component Unit School Cafeteria	\$ 38,951
Total	\$ <u>38,951</u>

**C. Deficit fund equity**

At June 30, 2025, the Blue Ridge Resource Authority had deficit fund equity in the amount of (\$1,953,563).

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 3—JOINT VENTURES:**

As described in Note 1-B, the following boards are construed as operating as joint ventures between the Cities of Lexington and Buena Vista, and the County of Rockbridge. Summary financial information for the Boards at June 30, 2025 is provided below:

	Maury Service Authority (1)	Rockbridge Area Community Services Board	Rockbridge Regional Public Safety Communications Center
Total assets and deferred outflows of resources	\$ 36,197,009	\$ 17,360,697	\$ 3,706,509
Total liabilities and deferred inflows of resources	9,375,272	5,663,787	2,623,641
Total net position	\$ 26,821,737	\$ 11,696,910	\$ 1,082,868
For the year ended June 30, 2025			
Operating revenue	\$ 5,392,832	\$ 4,631,372	\$ 2,386,305
Operating expenses	(5,794,614)	(9,788,349)	(2,583,700)
Nonoperating income (expense)	186,944	6,631,177	-
Capital contributions	144,224	-	-
Change in net position	\$ (70,614)	\$ 1,474,200	\$ (197,395)
Net position at beginning of year	26,892,351	10,222,710	430,105
Net position at end of year	\$ 26,821,737	\$ 11,696,910	\$ 232,710

(1) Maury Service Authority June 30, 2025 summary financial data was not available at the time of report issuance. June 30, 2024 data is presented above.

**NOTE 4—DUE FROM OTHER GOVERNMENTAL UNITS:**

Due from other governments consists of payments due from federal, state, and local governmental units at June 30, 2025 as follows:

	Governmental Activities	Component Unit		
		School Board	Jail Commission	Rockbridge Area Social Services Board
Commonwealth of Virginia:				
State sales taxes	\$ -	\$ 673,092	\$ -	\$ -
Local sales taxes	916,734	-	-	-
Public assistance grants	-	-	-	92,369
Comprehensive services act	-	-	-	1,760,102
Communications tax	96,569	-	-	-
Auto rental tax	13,959	-	-	-
Victim witness grant	3,324	-	-	-
Shared expenses	246,555	-	174,520	-
School resource officer grant	37,476	-	-	-
Other	25,454	235,610	127,582	-
Federal Government:				
Violence against women	13,290	-	-	-
Other	11,725	429,591	-	142,060
Other Governmental Units:				
City of Lexington	-	-	4,751	-
City of Buena Vista	-	-	33,583	-
County of Rockbridge	-	-	119,771	-
Totals	\$ 1,365,086	\$ 1,338,293	\$ 460,207	\$ 1,994,531

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 5—INTERFUND RECEIVABLES AND PAYABLES:**

The composition of interfund balances, due from/to other funds, as of June 30, 2025, is as follows:

	Payable Fund			Total
	Landfill Fund	School Capital Projects Fund	Self-insurance Fund	
Receivable fund:				
General fund	\$ 12,847	\$ 3,776,539	\$ 125,000	\$ 3,914,386

The purpose of obligations due to/from component unit is to report the balance of local appropriations unspent at year-end due back to the respective funds. The purpose of interfund obligations due to/from other funds is to repay the general fund for expenditures related to the landfill and school capital projects.

Fund	Due From Component Unit/Primary Government	Due To Component Unit/Primary Government
General	\$ 4,439,336	\$ 114,885
Component Unit Rockbridge Regional Jail Commission	114,885	-
Component Unit Rockbridge Area Social Services	-	1,640,219
Component Unit School Board	-	2,799,117
Total	\$ 4,554,221	\$ 4,554,221

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**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 6—LONG-TERM LIABILITIES:**

**Primary Government – Governmental Activities Indebtedness:**

Changes in long-term liabilities:

The following is a summary of long-term liabilities transactions of the County for the year ended June 30, 2025:

	Balance July 1, 2024, as Restated	Additions/ Issuances	Decreases/ Retirements	Balance June 30, 2025
<b><u>Governmental Activities:</u></b>				
Direct borrowings and direct placements				
General obligation bonds	\$ 39,465,000	\$ -	\$ 2,075,000	\$ 37,390,000
Revenue bonds	15,160,000	-	1,014,000	14,146,000
Bond premium	1,980,634	-	107,615	1,873,019
Total direct borrowings and direct placements	<u>\$ 56,605,634</u>	<u>\$ -</u>	<u>\$ 3,196,615</u>	<u>\$ 53,409,019</u>
Financed Purchase - note payable	\$ 3,480,000	\$ -	\$ 324,000	\$ 3,156,000
Lease liabilities	\$ 33,526	\$ 26,032	\$ 18,917	\$ 40,641
Subscription liabilities	\$ -	\$ 463,882	\$ 68,535	\$ 395,347
Other long-term obligations				
Compensated absences	\$ 773,343	\$ 708,881	\$ 580,007	\$ 902,217
Net pension liabilities	1,826,962	5,454,990	5,063,676	2,218,276
Total OPEB liability	350,000	54,212	109,212	295,000
Net OPEB liabilities	379,247	166,733	190,171	355,809
Total other long-term obligations	<u>\$ 3,329,552</u>	<u>\$ 6,384,816</u>	<u>\$ 5,943,066</u>	<u>\$ 3,771,302</u>
Total Governmental Activities	<u>\$ 63,448,712</u>	<u>\$ 6,874,730</u>	<u>\$ 9,551,133</u>	<u>\$ 60,772,309</u>
<b><u>Business-type Activities:</u></b>				
Direct borrowings and direct placements				
Revenue bonds	\$ 6,295,000	\$ -	\$ 544,959	\$ 5,750,041
Bond premium	950,106	-	110,108	839,998
Total direct borrowings and direct placements	<u>\$ 7,245,106</u>	<u>\$ -</u>	<u>\$ 655,067</u>	<u>\$ 6,590,039</u>
Lease liabilities	\$ 2,224	\$ -	\$ 1,265	\$ 959
Other long-term obligations				
Compensated absences	\$ 41,399	\$ 47,438	\$ 31,049	\$ 57,788
Total OPEB liability	3,000	1,000	-	4,000
Net OPEB liabilities	19,909	22,595	25,319	17,185
Net pension liability	8,666	-	8,666	-
Landfill closure and post-closure care	10,318,123	763,336	-	11,081,459
Total other long-term obligations	<u>\$ 10,391,097</u>	<u>\$ 834,369</u>	<u>\$ 65,034</u>	<u>\$ 11,160,432</u>
Total Business-type Activities	<u>\$ 17,638,427</u>	<u>\$ 834,369</u>	<u>\$ 721,366</u>	<u>\$ 17,751,430</u>
Total Long-Term Obligations	<u>\$ 81,087,139</u>	<u>\$ 7,709,099</u>	<u>\$ 10,272,499</u>	<u>\$ 78,523,739</u>

The County's outstanding revenue bonds from direct borrowings and direct placements contain a provision that in the event of default the entire unpaid principal and interest become immediately due and payable. In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 12.2-2659 of the Code of Virginia, 1950 as amended.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 6—LONG-TERM LIABILITIES: (CONTINUED)**

**Primary Government – Governmental Activities Indebtedness: (continued)**

Annual requirements to amortize long-term liabilities and related interest are as follows:

Year Ending June 30,	Direct Borrowings and Direct Placements				Financed Purchase	
	Revenue Bonds		General Obligation Bonds		Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,091,000	\$ 388,658	\$ 2,135,000	\$ 998,964	\$ 340,000	\$ 74,671
2027	1,113,000	362,391	1,915,000	1,282,234	357,000	66,627
2028	1,146,000	333,760	1,975,000	1,561,971	375,000	58,180
2029	1,180,000	303,101	2,430,000	1,481,296	382,000	49,307
2030	1,209,000	270,275	1,725,000	1,411,190	396,000	40,269
2031	1,248,000	234,794	1,775,000	1,198,938	415,000	30,900
2032	1,283,000	196,428	1,435,000	984,534	435,000	21,081
2033	1,320,000	156,535	1,495,000	928,026	456,000	10,789
2034	1,361,000	115,201	1,550,000	871,015	-	-
2035	1,215,000	77,880	1,605,000	812,751	-	-
2036	1,245,000	44,896	1,665,000	753,234	-	-
2037	360,000	21,119	1,730,000	692,285	-	-
2038	375,000	7,134	1,795,000	628,804	-	-
2039	-	-	1,860,000	562,159	-	-
2040	-	-	1,925,000	492,256	-	-
2041	-	-	2,000,000	419,503	-	-
2042	-	-	2,070,000	343,158	-	-
2043	-	-	775,000	285,334	-	-
2044	-	-	815,000	247,174	-	-
2045	-	-	855,000	207,094	-	-
2046	-	-	895,000	165,094	-	-
2047	-	-	940,000	121,054	-	-
2048	-	-	990,000	74,734	-	-
2049	-	-	1,035,000	25,485	-	-
<b>Total</b>	<b>\$ 14,146,000</b>	<b>\$ 2,512,172</b>	<b>\$ 37,390,000</b>	<b>\$ 16,548,287</b>	<b>\$ 3,156,000</b>	<b>\$ 351,824</b>

Year Ending June 30,	Subscription liabilities		Lease liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 155,113	\$ 9,074	\$ 16,144	\$ 1,063
2027	159,460	5,108	12,809	576
2028	80,774	861	9,169	191
2029	-	-	2,519	31
	<b>\$ 395,347</b>	<b>\$ 15,043</b>	<b>\$ 40,641</b>	<b>\$ 1,861</b>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 6—LONG-TERM LIABILITIES: (CONTINUED)**

**Primary Government – Governmental Activities Indebtedness: (continued)**

Details of long-term liabilities:

Type/Project	Issue Date/Term	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
Governmental activities:							
Direct borrowings and direct placements:							
Revenue bonds:							
2023 EDA Lease Revenue Bond	12/7/2023	\$ 1,315,000	6.95%	SA \$94,000-\$176,000	A 12/1/2033	\$ 1,221,000	\$ 101,000
Series 2016A refunding of 2007E bonds	5/25/2016	\$ 4,985,000	3.796%-5.125%	SA \$135,000-\$375,000	A 4/1/2038	3,875,000	225,000
Series 2020C VRA partial refunding of 2013A refunding bonds	1/18/2020	\$ 9,755,000	1.793%-2.298%	SA \$705,000-\$895,000	A 4/1/2036	9,050,000	765,000
Total revenue bonds						<u>\$ 14,146,000</u>	<u>\$ 1,091,000</u>
General obligation bonds:							
2003B VPSA bonds	10/6/2003	\$ 10,625,000	3.1% - 5.35%	SA \$250,000-\$760,000	A 7/15/2028	\$ 2,830,000	\$ 655,000
2023B VPSA bonds	11/9/2023	\$ 13,925,000	4.8% to 5.05%	SA \$385,000-\$1,035,000	A 1/15/2024	13,925,000	-
2005C VPSA bonds	5/12/2005	\$ 3,590,000	3.1% to 5.1%	SA \$110,000-\$275,000	A 7/15/2025	275,000	275,000
2011 School Tax Credit Bonds (QSCB)	12/15/2011	\$ 7,500,000	4.25%	A \$395,000	A 6/30/2031	2,370,000	395,000
2012C VPSA bonds	11/15/2012	\$ 20,460,000	3.1% - 5.35%	SA \$625,000-\$1,105,000	A 1/15/2042	14,875,000	680,000
2021A VPSA bonds	5/11/2021	\$ 3,465,000	2.050%-5.050%	SA \$110,000-\$225,000	A 1/15/2042	3,115,000	130,000
Total general obligation bonds						<u>\$ 37,390,000</u>	<u>\$ 2,135,000</u>
Total direct borrowings and direct placements						<u>\$ 51,536,000</u>	<u>\$ 3,226,000</u>
Financed purchase:							
Note payable for energy improvements	9/29/2017	\$ 5,236,000	2.366%	A \$236,000-\$456,000	A 7/1/2032	\$ 3,156,000	\$ 340,000
Lease liabilities:							
PrimeLink XC90702		\$ 29,446	3.795%	M \$538	M 11/30/2027	\$ 14,883	\$ 5,993
Bizhub C300i plus DF-714		6,407	4.041%	M \$118	M 10/23/2028	4,296	1,262
Send Pro P Series		2,585	3.373%	Q \$956	Q 9/1/2026	3,745	3,744
Sharp Copier		11,229	2.616%	M \$199	M 6/26/2029	8,899	2,186
Sharp GDC		14,803	2.230%	M \$260	M 6/27/2028	8,818	2,959
Total lease liabilities						<u>\$ 40,641</u>	<u>\$ 16,144</u>
Subscription liabilities:							
Archive Social	7/1/2024	\$ 12,995	3.378%	A \$ 6,829	A 6/30/2026	\$ 7,902	\$ 6,605
Tyler saas	2/1/2025	450,887	2.838%	Q \$ 40,818	Q 11/2/2027	387,445	148,508
Total subscription liabilities						<u>\$ 395,347</u>	<u>\$ 155,113</u>
Other obligations:							
Unamortized bond premium						\$ 1,873,019	\$ 107,614
Net pension liability						2,218,276	-
Total OPEB liability						295,000	15,000.0
Net OPEB liability						355,809	-
Compensated absences						902,217	225,554
Total other obligations						<u>\$ 5,644,321</u>	<u>\$ 348,168</u>
Total Long-term obligations from governmental activities						<u>\$ 60,772,309</u>	<u>\$ 4,085,425</u>

A = annual installments      M = monthly installments      SA= Semi-annual installments      Q=Quarterly installments

The County had no outstanding in-substance defeased debt as of June 30, 2025.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 6—LONG-TERM LIABILITIES: (CONTINUED)**

**Primary Government – Business-type Activities Liabilities:**

Annual requirements to amortize long-term liabilities and related interest are as follows:

Year Ending June 30,	Landfill Fund			
	Direct Borrowings and Direct Placements		Lease Liabilities	
	Revenue Bonds		Principal	Interest
	Principal	Interest	Principal	Interest
2026	\$ 606,579	\$ 247,386	\$ 959	\$ 5
2027	633,852	217,455	-	-
2028	671,196	186,213	-	-
2029	698,616	153,835	-	-
2030	731,111	119,845	-	-
2031	768,687	83,935	-	-
2032	180,000	60,538	-	-
2033	185,000	52,484	-	-
2034	140,000	45,956	-	-
2035	145,000	40,503	-	-
2036	150,000	34,869	-	-
2037	155,000	29,053	-	-
2038	160,000	23,056	-	-
2039	170,000	16,775	-	-
2040	175,000	10,209	-	-
2041	180,000	3,438	-	-
Total	\$ 5,750,041	\$ 1,325,550	\$ 959	\$ 5

**Details of long-term liabilities:**

Type/Project	Issue Date/Term	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
Business-type activities:							
Direct borrowings and direct placements:							
Revenue bonds:							
VRA 2012A revenue bond	5/31/2012	\$ 655,000	3.625% - 5.125% SA	\$30,000- \$50,000	A 4/1/2033	\$ 340,000	\$ 35,000
VRA 2016A revenue bond	5/25/2016	\$ 5,710,000	5.125% SA	\$625,000- \$360,000-	A 4/1/2041	2,210,000	100,000
VRA 2020C revenue bond	9/25/2020	\$ 3,475,000	5.125% SA	\$515,000- \$34,959-	A 4/1/2031	2,735,000	400,000
VRA 2024 revenue bond	6/1/2024	\$ 500,000	3.150% SA	\$42,170	A 6/1/2031	465,041	71,579
Total direct borrowings and direct placements						\$ 5,750,041	\$ 606,579
Financed purchase:							
VersaLink copier		\$ 3,216	1.335% M	\$ 107 M	3/1/2026	\$ 959	\$ 959
Total lease liabilities						959	959
Unamortized bond premium						\$ 839,998	\$ 110,108
Total OPEB liability						4,000	-
Net OPEB liability						17,185	-
Landfill closure and post-closure care						11,081,459	-
Compensated absences						57,788	14,447
Total other obligations						\$ 12,000,430	\$ 124,555
Total Long-term obligations from business-type activities						\$ 17,751,430	\$ 732,093

A = annual installments      M = monthly installments      SA= Semi-annual installments

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 6—LONG-TERM LIABILITIES: (CONTINUED)**

**Component Unit – Rockbridge County Public Service Authority:**

Changes in long-term liabilities:

	Balance June 30, 2024	Additions/ Issuances	Decreases/ Retirements	Balance June 30, 2025
Direct borrowings and direct placements:				
Revenue bonds	\$ 5,442,148	\$ -	\$ 904,794	\$ 4,537,354
Total direct borrowings and direct placements	<u>\$ 5,442,148</u>	<u>\$ -</u>	<u>\$ 904,794</u>	<u>\$ 4,537,354</u>
Other long-term obligations:				
Advances	\$ 4,202,204	\$ 26,080	\$ -	\$ 4,228,284
Net pension liability	71,206	314,230	262,730	122,706
Net OPEB liabilities	40,027	11,438	20,935	30,530
Compensated absences	48,256	16,142	-	64,398
Total other long-term obligations	<u>\$ 4,361,693</u>	<u>\$ 367,890</u>	<u>\$ 283,665</u>	<u>\$ 4,445,918</u>
Totals	<u>\$ 9,803,841</u>	<u>\$ 367,890</u>	<u>\$ 1,188,459</u>	<u>\$ 8,983,272</u>

Annual requirements to amortize the long-term bonds payable and the related interest are as follows:

Year Ending June 30,	Direct Borrowings and Direct Placements Revenue Bonds	
	Principal	Interest
2026	\$ 912,040	\$ 92,719
2027	573,255	86,083
2028	234,497	79,255
2029	241,827	72,233
2030	249,186	64,985
2031	256,575	57,509
2032	263,995	49,806
2033	272,446	41,873
2034	69,629	33,679
2035	71,445	32,163
2036-2040	381,164	136,876
2041-2045	424,425	93,255
2046-2050	388,415	46,183
2051-2055	113,577	19,863
2056-2059	84,878	4,063
Total	<u>\$ 4,537,354</u>	<u>\$ 910,545</u>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 6—LONG-TERM LIABILITIES: (CONTINUED)**

**Component Unit – Rockbridge County Public Service Authority: (continued)**

Details of long-term liabilities:

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
Direct borrowings and direct placements:		
Revenue bonds:		
\$14,700,000 Sewer System Revenue Bonds, Series 2005 issued through the Virginia Revolving Loan Fund payable through December 31, 2027 in equal installments with no interest. Amount advanced and outstanding at year-end.	\$ 1,035,174	\$ 690,117
\$2,081,000 Water System Revenue Bonds (Series 2012) issued through the United States Department of Agriculture, dated June 28, 2012, payable annually through June 28, 2052, stated interest rate of 2.0%.	1,461,294	48,140
\$2,461,000 Bank Qualified Sewer System Revenue Bonds, Series 2018 payable through April 1, 2033, with interest at .290% payable in semi-annual installments.	1,460,000	163,000
\$637,000 Water System Revenue Bonds, Series 2018 issued October 30, 2018 issued through the United States Department of Agriculture, payable annually through October 30, 2028, stated interest rate of 2.75%.	580,886	10,783
Total direct borrowings and direct placements	<u>\$ 4,537,354</u>	<u>\$ 912,040</u>
Other long-term liabilities:		
Advances (payable from the Water Fund):		
Loan from Rockbridge County, dated September 1, 2010. No agreed upon repayment terms.	\$ 4,228,284	-
Compensated absences	64,398	64,398
Net pension liability	122,706	-
Net OPEB liabilities	30,530	-
Total other long-term liabilities	<u>\$ 4,445,918</u>	<u>\$ 64,398</u>
Total long-term liabilities	<u>\$ 8,983,272</u>	<u>\$ 976,438</u>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 6—LONG-TERM LIABILITIES: (CONTINUED)**

**Component Unit – Rockbridge County Regional Jail Commission:**

Changes in long-term liabilities:

	Balance 6/30/2024, as restated	Additions/ Issuances	Decreases/ Retirements	Balance June 30, 2025
Net OPEB liability (payable from Rockbridge County Regional Jail Commission)	\$ 196,313	\$ 80,535	\$ 85,112	\$ 191,736
Net pension liability (payable from Rockbridge County Regional Jail Commission)	542,917	1,393,733	1,363,943	572,707
Compensated Absences (payable from Rockbridge County Regional Jail Commission)	545,657	372,620	409,243	509,034
Lease liabilities (payable from Rockbridge County Regional Jail Commission)	37,958	50,237	17,893	70,302
Total long-term liabilities	<u>\$ 1,322,845</u>	<u>\$ 1,897,125</u>	<u>\$ 1,876,191</u>	<u>\$ 1,343,779</u>

Details of long-term liabilities:

<u>Type/Project</u>	<u>Amount of Original Issue</u>	<u>Interest Rates</u>	<u>Amount of Principal Installments</u>	<u>Final Maturity Date</u>	<u>Balance</u>	<u>Amount Due Within One Year</u>
Governmental activities:						
Lease liabilities:						
Copiers	\$ 37,214	2.842% M	\$ 465 M	3/18/2029	\$ 27,734	\$ 7,280
Postage meter	6,453	1.943% M	\$ 108 M	1/25/2027	1,906	1,265
Dell equipment		2.321% M	\$ 1,443 M	12/8/2027	40,662	16,550
Total lease liabilities					<u>\$ 70,302</u>	<u>\$ 25,095</u>
Other liabilities:						
Net pension liability					\$ 572,707	\$ -
Net OPEB liability					191,736	-
Compensated absences					509,034	127,259
Total other liabilities					<u>\$ 1,273,477</u>	<u>\$ 127,259</u>
Total long-term liabilities from governmental activities					<u>\$ 1,343,779</u>	<u>\$ 152,354</u>

A = annual installments      M = monthly installments      SA= Semi-annual installments

Annual requirements to amortize the lease liabilities payable are as follows:

Years Ending June 30,	<u>Lease Liabilities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 25,095	\$ 1,488
2027	25,069	868
2028	14,880	310
2029	5,258	56
Total	<u>\$ 70,302</u>	<u>\$ 2,722</u>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 6—LONG-TERM LIABILITIES: (CONTINUED)**

**Component Unit – Rockbridge Area Social Services Board:**

Changes in long-term liabilities:

	Balance July 1, 2024 <u>as restated</u>	Additions/ <u>Issuances</u>	Decreases/ <u>Retirements</u>	Balance June 30, 2025
Lease liabilities (payable from Rockbridge Regional Social Services Board)	\$ 107,440	\$ 282,602	\$ 122,719	\$ 267,323
Net OPEB liability (payable from Rockbridge Regional Social Services Board)	80,163	31,455	40,577	71,041
Compensated Absences (payable from Rockbridge Area Social Services Board)	116,125	154,932	164,476	106,581
Total long-term liabilities	<u>\$ 303,728</u>	<u>\$ 468,989</u>	<u>\$ 327,772</u>	<u>\$ 444,945</u>

Details of long-term liabilities:

<u>Type/Project</u>	<u>Amount of Original Issue</u>	<u>Interest Rates</u>	<u>Amount of Principal Installments</u>	<u>Final Maturity Date</u>	<u>Balance</u>	<u>Amount Due Within One Year</u>
Governmental activities:						
Other obligations:						
Lease liabilities:						
Office space	\$ 282,602	1.977% M	\$ 12,000 M	3/31/2027	\$ 247,490	\$ 140,375
Postage meter	15,687	1.169% M	\$ 249 M	7/31/2025	249	249
Copier	24,127	3.196% M	\$ 435 M	6/12/2029	19,584	4,664
Total lease liabilities					<u>\$ 267,323</u>	<u>\$ 145,288</u>
Net OPEB liability					\$ 71,041	\$ -
Compensated absences					106,581	27,725
Total other obligations					<u>\$ 177,622</u>	<u>\$ 27,725</u>
Total Long-term obligations from governmental activities					<u>\$ 444,945</u>	<u>\$ 173,013</u>

A = annual installments      M = monthly installments      SA= Semi-annual installments

Annual requirements to amortize the lease liabilities payable are as follows:

Years Ending June 30,	Lease Liabilities	
	Principal	Interest
2026	\$ 145,288	\$ 4,184
2027	111,931	1,291
2028	4,972	251
2029	5,132	89
Total	<u>\$ 267,323</u>	<u>\$ 5,815</u>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 6—LONG-TERM LIABILITIES: (CONTINUED)**

**Component Unit – School Board:**

The following is a summary of long-term liabilities transactions of the School Board Component Unit for the year ended June 30, 2025:

	Balance July 1, 2024, as Restated	Additions/ Issuances	Deductions/ Retirements	Balance June 30, 2025
Net pension liability	\$ 19,409,876	\$ 7,697,236	\$ 9,474,694	\$ 17,632,418
Net OPEB liabilities	3,398,663	802,074	1,080,644	3,120,093
Total OPEB liability	4,705,000	625,000	311,000	5,019,000
Lease liabilities	203,406	97,510	102,089	198,827
Compensated absences	2,521,771	2,291,349	1,513,063	3,300,057
<b>Total</b>	<b>\$ 30,238,716</b>	<b>\$ 11,513,169</b>	<b>\$ 12,481,490</b>	<b>\$ 29,270,395</b>

Details of long-term liabilities:

Type/Project	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
Governmental activities:						
Lease liabilities:						
Copiers (17)	\$ 324,000	1.003%- 3.651% M	\$1,109- \$8,507 M	Various through 6/6/2027	\$ 198,827	\$ 68,237
Total lease liabilities					\$ 198,827	\$ 68,237
Other liabilities:						
Net pension liability					\$ 17,632,418	\$ -
Net OPEB liabilities					3,120,093	-
Total OPEB liability					5,019,000	311,000
Compensated absences					3,300,057	825,014
Total other liabilities					\$ 29,071,568	\$ 1,136,014
Total long-term liabilities from governmental activities					\$ 29,270,395	\$ 1,204,251

A = annual installments      M = monthly installments      SA= Semi-annual installments      Q=Quarterly

Annual requirements to amortize the leases payable are as follows:

Years Ending June 30,	Leases	
	Principal	Interest
2026	\$ 68,237	\$ 4,614
2027	65,911	2,877
2028	48,689	1,244
2029	14,454	224
2030	1,536	12
<b>Total</b>	<b>\$ 198,827</b>	<b>\$ 8,971</b>

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 7—PENSION PLANS:

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#### *Plan Description*

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

#### *Benefit Structures*

The System administers three different benefit structures for covered employees – Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 7—PENSION PLANS: (CONTINUED)**

***Average Final Compensation and Service Retirement Multiplier***

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee’s average final compensation multiplied by the employee’s total service credit. Under Plan 1, average final compensation is the average of the employee’s 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

***Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits***

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

***Employees Covered by Benefit Terms***

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b>Primary Government</b>		<b>Component Unit School Board (Nonprofessional)</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
Inactive members or their beneficiaries currently receiving benefits	137	1	90
Inactive members:			
Vested inactive members	28	-	21
Non-vested inactive members	54	3	37
Inactive members active elsewhere in VRS	60	-	19
Total inactive members	142	3	77
Active members	176	8	49
Total covered employees	455	12	216

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### NOTE 7—PENSION PLANS: (CONTINUED)

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#### **Contributions**

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

The Primary Government's Governmental Activities and Business-type Activities contractually required employer contribution rates for the year ended June 30, 2025 were 16.83%, and 0.00%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County's governmental activities were \$1,491,497 and \$1,309,325 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions to the pension plan from the County's business-type activities were \$0 and \$20,796 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit Rockbridge Regional Jail Commission's contractually required employer contribution rate for the year ended June 30, 2025 was 16.83% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit Rockbridge Regional Jail Commission were \$385,070 and \$383,257 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 0.70% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$10,381 and \$39,897 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$18,757, \$0, \$4,917, and \$99 for the County governmental activities, business-type activities, Component Unit Rockbridge Regional Jail Commission, and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer to contribute a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$24,322, \$0, \$6,283, and \$47 for the County governmental activities, business-type activities, Component Unit Rockbridge Regional Jail Commission, and School Board, respectively, for the year ended June 30, 2025. Total Hybrid plan participant covered payroll totaled \$1,904,375, \$250,496, \$491,667, and \$867,534 for the County governmental activities, business-type activities, Component Unit Rockbridge Regional Jail Commission, and School Board, respectively, for the year ended June 30, 2025.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 7—PENSION PLANS: (CONTINUED)**

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***Net Pension Liability***

The net pension liability/(asset) (NPL/NPA) is calculated separately for each employer and represents that particular employer’s total pension liability less that employer’s fiduciary net position. The Primary Government’s, Component Unit Rockbridge Regional Jail Commission’s and Component Unit School Board’s (nonprofessional) net pension liabilities (asset) were measured as of June 30, 2024. The total pension liabilities used to calculate the net pension liabilities (asset) were determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

***Actuarial Assumptions – General Employees***

The total pension liability for General Employees in the Primary Government’s, Component Unit Rockbridge Regional Jail Commission’s, and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

**Mortality rates:**

- All Others (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related Pre-Retirement:
  - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates or males; 105% of rates for females set forward 2 years
- Post-Retirement:
  - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement:
  - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
- Beneficiaries and Survivors:
  - Pub 2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement:
  - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 7—PENSION PLANS: (CONTINUED)**

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***Actuarial Assumptions – General Employees***

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

***Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits***

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Primary Government’s Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 7—PENSION PLANS: (CONTINUED)**

***Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits (continued)***

Mortality rates:

All Others (Non-10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service related  
Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study, and VRS Board action are as follows:

All Others (Non 10 Largest) – Hazardous Duty:

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

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 7—PENSION PLANS: (CONTINUED)**

***Long-Term Expected Rate of Return***

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

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

\* The above allocation provides a one-year expected return of 7.07% (includes 2.5% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

\*\* On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.5%.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 7—PENSION PLANS: (CONTINUED)**

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was or 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. Through the fiscal year ending June 30, 2024, the rate contributed by the employer for the County, Component Unit Rockbridge Regional Jail Commission, and Component Unit School Board (nonprofessional) Retirement Plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112%. From July 1, 2024 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

***Changes in Net Pension Liability (Asset)***

	Primary Government					
	Governmental Activities			Business-type Activities		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 34,880,341	\$ 33,053,379	\$ 1,826,962	\$ 496,262	\$ 487,596	\$ 8,666
Changes for the year:						
Service cost	\$ 1,406,984	\$ -	\$ 1,406,984	\$ 24,761	\$ -	\$ 24,761
Interest	2,454,442	-	2,454,442	33,455	-	33,455
Differences between expected and actual experience	1,515,449	-	1,515,449	(205,290)	-	(205,290)
Impact of change in proportion	1,081,011	1,024,390	56,621	-	-	-
Contributions - employer	-	1,344,710	(1,344,710)	-	20,797	(20,797)
Contributions - employee	-	405,907	(405,907)	-	17,162	(17,162)
Net investment income	-	3,312,360	(3,312,360)	-	45,874	(45,874)
Benefit payments, including refunds	(2,012,465)	(2,012,465)	-	(50,789)	(50,789)	-
Administrative expenses	-	(21,494)	21,494	-	(310)	310
Other changes	-	699	(699)	-	9	(9)
Net changes	\$ 4,445,421	\$ 4,054,107	\$ 391,314	\$ (197,863)	\$ 32,743	\$ (230,606)
Balances at June 30, 2024	\$ 39,325,762	\$ 37,107,486	\$ 2,218,276	\$ 298,399	\$ 520,339	\$ (221,940)

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 7—PENSION PLANS: (CONTINUED)**

**Changes in Net Pension Liability (Asset) (continued)**

	Component Unit School Board (nonprofessional)			Component Unit Rockbridge Regional Jail Commission		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 7,836,459	\$ 8,621,728	\$ (785,269)	\$ 10,365,390	\$ 9,822,472	\$ 542,918
Changes for the year:						
Service cost	\$ 105,418	\$ -	\$ 105,418	\$ 363,250	\$ -	\$ 363,250
Interest	515,191	-	515,191	633,679	-	633,679
Differences between expected and actual experience	(160,742)	-	(160,742)	391,254	-	391,254
Impact of change in proportion	-	-	-	(1,081,011)	(1,024,390)	(56,621)
Contributions - employer	-	41,278	(41,278)	-	347,172	(347,172)
Contributions - employee	-	59,659	(59,659)	-	104,796	(104,796)
Net investment income	-	814,226	(814,226)	-	855,174	(855,174)
Benefit payments, including refunds	(618,849)	(618,849)	-	(519,571)	(519,571)	-
Administrative expenses	-	(5,760)	5,760	-	(5,549)	5,549
Other changes	-	157	(157)	-	180	(180)
Net changes	\$ (158,982)	\$ 290,711	\$ (449,693)	\$ (212,399)	\$ (242,188)	\$ 29,789
Balances at June 30, 2024	\$ 7,677,477	\$ 8,912,439	\$ (1,234,962)	\$ 10,152,991	\$ 9,580,284	\$ 572,707

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

The following presents the net pension liability (asset) of the Primary Government, Component Unit School Board (nonprofessional), and Component Unit Rockbridge Regional Jail Commission using the discount rate of 6.75%, as well as what the Primary Government's, Component Unit Rockbridge Regional Jail's, and Component Unit School Board's (nonprofessional) net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Governmental Activities			
Net Pension Liability (Asset)	\$ 6,894,410	\$ 2,218,276	\$ (1,646,393)
Business-type Activities			
Net Pension Liability (Asset)	\$ (151,755)	\$ (221,940)	\$ (274,599)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	\$ (472,643)	\$ (1,234,962)	\$ (1,882,182)
Component Unit Rockbridge Regional Jail Commission			
Net Pension Liability (Asset)	\$ 1,779,975	\$ 572,707	\$ (425,060)

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 7—PENSION PLANS: (CONTINUED)**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2025, the Primary Government-Governmental Activities, Primary Government Business-type Activities, Component Unit Rockbridge Regional Jail Commission and Component Unit School Board (nonprofessional) recognized pension expense of \$977,148, (\$19,972), \$250,566 and (\$295,763), respectively. At June 30, 2025, the Primary Government, Component Unit Rockbridge Regional Jail Commission and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Primary Government</b>			
	<b>Governmental Activities</b>		<b>Business-type activities</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,146,238	\$ 208,250	\$ 42,579	\$ 163,479
Impact of change in proportional allocation	36,693	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	966,369	-	4,250
Employer contributions subsequent to the measurement date	1,491,497	-	-	-
<b>Total</b>	<b>\$ 2,674,428</b>	<b>\$ 1,174,619</b>	<b>\$ 42,579</b>	<b>\$ 167,729</b>

	<b>Component Units</b>			
	<b>School Board (Nonprofessional)</b>		<b>Rockbridge Regional Jail Commission</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 33,169	\$ 297,251	\$ 59,445
Impact of change in proportional allocation	-	-	-	36,693
Net difference between projected and actual earnings on pension plan investments	-	245,646	-	245,333
Employer contributions subsequent to the measurement date	10,381	-	385,070	-
<b>Total</b>	<b>\$ 10,381</b>	<b>\$ 278,815</b>	<b>\$ 682,321</b>	<b>\$ 341,471</b>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
 June 30, 2025

**NOTE 7—PENSION PLANS: (CONTINUED)**

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

\$1,491,497, \$0, \$385,070 and \$10,381 reported as deferred outflows of resources related to pensions resulting from the Primary Government’s Governmental Activities, Business-type activities, Component Unit Regional Jail Commission’s and Component Unit School Board’s (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30,	Primary Government		Component Units	
	Governmental Activities	Business-type Activities	School Board (Nonprofessional)	Rockbridge Regional Jail Commission
2026	\$ (594,078)	(28,855)	\$ (257,748)	\$ (180,336)
2027	676,008	(22,884)	73,729	172,365
2028	130,712	(32,685)	(44,812)	16,505
2029	(204,330)	(40,726)	(49,984)	(52,754)
2030	-	-	-	-
Thereafter	-	-	-	-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

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## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### **NOTE 7—PENSION PLANS: (CONTINUED)**

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#### **Component Unit School Board (professional)**

##### ***Plan Description***

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information regarding the plan description can be found in the first section of this note.

##### ***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$3,021,900 and \$3,168,167 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$1,725 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer contribute a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$766 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$8,411,472 for the year ended June 30, 2025.

##### ***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2025, the school division reported a liability of \$17,632,418 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was .18784% as compared to .19204% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$1,306,323. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 7—PENSION PLANS: (CONTINUED)**

**Component Unit School Board (professional) (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,058,976	\$ 363,064
Change in assumptions	320,052	-
Net difference between projected and actual earnings on pension plan investments	-	2,427,113
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,959	926,727
Employer contributions subsequent to the measurement date	<u>3,021,900</u>	<u>-</u>
Total	<u>\$ 6,402,887</u>	<u>\$ 3,716,904</u>

\$3,021,900 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	
2026	\$ (1,508,215)
2027	1,235,879
2028	208,517
2029	(272,098)
2030	-

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 7—PENSION PLANS: (CONTINUED)**

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**Component Unit School Board (professional) (continued)**

***Actuarial Assumptions***

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

**Mortality rates:**

Pre-Retirement:

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

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 7—PENSION PLANS: (CONTINUED)**

**Component Unit School Board (professional) (continued)**

***Actuarial Assumptions (continued)***

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan are as follows (amounts expressed in thousands):

	<b><u>Teacher Employee Retirement Plan</u></b>
Total Pension Liability	\$ 60,622,260
Plan Fiduciary Net Position	<u>51,235,326</u>
Employers' Net Pension Liability (Asset)	<u>\$ 9,386,934</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  84.52%

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

The long-term expected rate of return and discount rate information previously described also apply to this plan.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 7—PENSION PLANS: (CONTINUED)**

**Component Unit School Board (professional) (continued)**

***Sensitivity of the School Division’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the school division’s proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the school division’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<b>Rate</b>		
	<b>1% Decrease (5.75%)</b>	<b>Current Discount (6.75%)</b>	<b>1% Increase (7.75%)</b>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 32,757,577	\$ 17,632,418	\$ 5,245,394

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Primary Government and Component Units**

***Aggregate Pension Information***

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Net Pension Liability (Asset)</b>	<b>Pension Expense</b>
VRS Pension Plans:				
Primary Government				
Governmental activities	\$ 2,674,428	\$ 1,174,619	\$ 2,218,276	\$ 977,148
Business-type activities	\$ 42,579	\$ 167,729	\$ (221,940)	\$ (19,972)
Component Unit School Board				
School Board Nonprofessional	\$ 10,381	\$ 278,815	\$ (1,234,962)	\$ (295,763)
School Board Professional	6,402,887	3,716,904	17,632,418	1,306,323
Total Component Unit School Board	\$ 6,413,268	\$ 3,995,719	\$ 16,397,456	\$ 1,010,560
Component Unit Regional Jail Commission	\$ 682,321	\$ 341,471	\$ 572,707	\$ 250,566
Total VRS Pension Plans	\$ 9,812,596	\$ 5,679,538	\$ 18,966,499	\$ 2,218,302

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### **NOTE 8—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):**

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#### ***Plan Description***

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

#### ***Eligible Employees***

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

#### ***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

#### ***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%).

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### **NOTE 8—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

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#### ***Contributions (continued)***

Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Primary Government Governmental Activities contributions to the Group Life Insurance Plan were \$41,652 and \$44,206 for the years ended June 30, 2025 and June 30, 2024, respectively. Primary Government Business-type Activities contributions to the Group Life Insurance Plan were \$1,678 and \$2,135 for the years ended June 30, 2025 and June 30, 2024, respectively. Component Unit Rockbridge Regional Jail Commission contributions to the Group Life Insurance Plan were \$10,754 and \$13,137 for the years ended June 30, 2025 and June 30, 2024, respectively. School Board contributions to the Group Life Insurance Plan for nonprofessional employees were \$7,026 and \$6,875, for the years ended June 30, 2025 and June 30, 2024, respectively. School Board contributions to the Group Life Insurance Plan for professional employees were \$99,950 and \$107,410, for the years ended June 30, 2025 and June 30, 2024 respectively.

#### ***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB***

At June 30, 2025, the Primary Government Governmental Activities reported a liability of \$355,809 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was .03188% as compared to 0.03162% at June 30, 2023.

At June 30, 2025, the Primary Government Business-type Activities reported a liability of \$17,185 for its proportionate share of the Net GLI OPEB Liability. At June 30, 2024, the participating employer's proportion was .00154% as compared to .00166% at June 30, 2023.

At June 30, 2025, the Component Unit Rockbridge Regional Jail Commission reported a liability of \$105,736 for its proportionate share of the Net GLI OPEB Liability. At June 30, 2024, the participating employer's proportion was .00948% as compared to .00920% at June 30, 2023.

At June 30, 2025, the School Board reported liability of \$55,350 for nonprofessional employees and \$864,505 for professional employees for its proportionate share of the Net GLI OPEB Liability. At June 30, 2024 the participating employer's proportion for nonprofessional employees was .00496% as compared to .00525% at June 30, 2023. At June 30, 2024, the participating employer's proportion for School Board professional employees was .07747% as compared to .08039% at June 30, 2023.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 8—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (continued)***

For the year ended June 30, 2025, the Primary Government Governmental Activities recognized GLI OPEB expense of \$19,146, the Primary Government Business-type Activities recognized GLI OPEB expense of \$4,296, and the Component Unit Rockbridge Regional Jail recognized GLI OPEB expense of \$5,689. The School Board recognized GLI OPEB expense of (\$3,715), and (\$434) for nonprofessional and professional employees, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b>Primary Government</b>			
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 56,119	\$ 8,691	2,711	\$ 420
Net difference between projected and actual earnings on GLI OPEB plan investments	-	29,991	-	1,449
Change in assumptions	2,028	17,633	98	852
Changes in proportion	30,431	4,350	9,785	3,412
Employer contributions subsequent to the measurement date	41,652	-	1,678	-
<b>Total</b>	<b>\$ 130,230</b>	<b>\$ 60,665</b>	<b>14,272</b>	<b>\$ 6,133</b>

\$41,652, and 1,678 for the Primary Government Governmental Activities, and Primary Government Business-type Activities, respectively were reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<b>Year Ended June 30,</b>	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Business-type Activities</b>
2026	\$ (7,039)	\$ 3,120
2027	12,585	4,141
2028	8,388	(853)
2029	7,699	2
2030	6,280	51
Thereafter	-	-

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 8—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (continued)***

	Component Unit					
	School Board				Rockbridge	
	Nonprofessional Employees		Professional Employees		Regional Jail Commission	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,730	\$ 1,352	\$ 136,352	\$ 21,117	\$ 16,677	\$ 2,583
Net difference between projected and actual earnings on GLI OPEB plan investments	-	4,665	-	72,869	-	8,912
Change in assumptions	315	2,743	4,928	42,843	603	5,240
Changes in proportion	-	11,542	1,472	79,971	9,043	1,293
Employer contributions subsequent to the measurement date	7,026	-	99,950	-	10,754	-
Total	\$ 16,071	\$ 20,302	\$ 242,702	\$ 216,800	\$ 37,077	\$ 18,028

\$7,026, \$99,950, and \$10,754 for the School Board nonprofessional, School Board professional employees, and Rockbridge Regional Jail Authority, respectively, were reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

	Component Unit					
	Rockbridge Regional Jail Commission		School Board			
	Nonprofessional Employees		Professional Employees			
Year Ended June 30,		Year Ended June 30,		Year Ended June 30,		
2026	\$ (2,092)	2026	\$ (6,489)	2026	\$ (62,380)	
2027	3,740	2027	(2,160)	2027	(5,189)	
2028	2,493	2028	(1,871)	2028	(13,515)	
2029	2,288	2029	(1,073)	2029	(1,104)	
2030	1,866	2030	336	2030	8,140	
Thereafter	-	Thereafter	-	Thereafter	-	

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 8—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

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**Actuarial Assumptions**

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

**Mortality Rates – Teachers**

Pre-Retirement:

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

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 8—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***Actuarial Assumptions (continued)***

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**Mortality Rates – Non-Largest Ten Locality Employers – General Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 8—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

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**Actuarial Assumptions (continued)**

**Mortality Rates – Non-Largest Ten Locality Employers – General Employees (continued)**

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Health Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

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

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 8—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

**Actuarial Assumptions (continued)**

**Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees (continued)**

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		<b>GLI OPEB Plan</b>
Total GLI OPEB Liability	\$	4,196,055
Plan Fiduciary Net Position		3,080,133
Employers' Net GLI OPEB Liability (Asset)	\$	<u>1,115,922</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		73.41%

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

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 8—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***Long-Term Expected Rate of Return***

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
		Expected arithmetic nominal return**	<u>7.07%</u>

\*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

\*\* On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.5%.

***Discount Rate***

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 8—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Primary Government's - Governmental Activities proportionate share of the GLI Plan Net OPEB Liability	\$ 553,330	\$ 355,809	\$ 196,239
Primary Government's - Business-type Activities proportionate share of the GLI Plan Net OPEB Liability	\$ 26,725	\$ 17,185	\$ 9,478
Regional Jail's proportionate share of the GLI Plan Net OPEB Liability	\$ 164,433	\$ 105,736	\$ 58,316
School Board's proportionate share of the GLI Plan Net OPEB Liability-nonprofessional employees	\$ 86,076	\$ 55,350	\$ 30,527
School Board's proportionate share of the GLI Plan Net OPEB Liability-professional employees	\$ 1,344,417	\$ 864,505	\$ 476,799

***GLI Program Fiduciary Net Position***

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### **NOTE 9—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):**

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#### ***Plan Description***

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

#### ***Eligible Employees***

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

#### ***Benefit Amounts***

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

#### ***HIC Plan Notes***

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

#### ***Employees Covered by Benefit Terms***

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

	<b>Number</b>
Inactive members or their beneficiaries currently receiving benefits	<u>13</u>
Inactive members:	
Vested inactive members	3
Inactive members active elsewhere in VRS	18
Total inactive members	<u>21</u>
Active members	<u>49</u>
Total covered employees	<u><u>83</u></u>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 9—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

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**Contributions**

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County’s contractually required employer contribution rate for the year ended June 30, 2025 was 1.28% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the HIC Plan were \$18,728 and \$16,297 for the years ended June 30, 2025 and June 30, 2024, respectively.

**Net HIC OPEB Liability**

The County’s net HIC OPEB liability was measured as of June 30, 2024. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

**Actuarial Assumptions**

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

**Mortality Rates – Non-Largest Ten Locality Employers – General Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

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

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 9—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

**Actuarial Assumptions (continued)**

**Mortality Rates – Non-Largest Ten Locality Employers – General Employees (continued)**

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Long-Term Expected Rate of Return**

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

<u>Asset Class (Strategy)</u>	<u>Long-term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
	Expected arithmetic nominal return**		<u>7.07%</u>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 9—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

***Long-Term Expected Rate of Return (continued)***

\*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

***Discount Rate***

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

***Changes in Net HIC OPEB Liability***

	<b>Increase (Decrease)</b>		
	<b>Total HIC OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net HIC OPEB Liability (Asset) (a) - (b)</b>
Balances at June 30, 2023	\$ 108,180	\$ 36,848	\$ 71,332
Changes for the year:			
Service cost	\$ 1,299	\$ -	\$ 1,299
Interest	7,218	-	7,218
Differences between expected and actual experience	(4,822)	-	(4,822)
Contributions - employer	-	16,271	(16,271)
Net investment income	-	4,041	(4,041)
Benefit payments	(5,077)	(5,077)	-
Administrative expenses	-	(62)	62
Net changes	\$ (1,382)	\$ 15,173	\$ (16,555)
Balances at June 30, 2024	\$ 106,798	\$ 52,021	\$ 54,777

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 9—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

***Sensitivity of the County's HIC Net OPEB Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's			
Net HIC OPEB Liability	\$ 66,339	\$ 54,777	\$ 44,957

***HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB***

For the year ended June 30, 2025, the County recognized HIC Plan OPEB expense of (\$34,580). At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to the County's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 46,889
Net difference between projected and actual earnings on HIC OPEB plan investments	-	509
Change in assumptions	2,048	-
Employer contributions subsequent to the measurement date	18,728	-
Total	\$ 20,776	\$ 47,398

***HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB: (continued)***

\$18,728 reported as deferred outflows of resources related to the HIC OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30,	
2026	\$ (43,275)
2027	(1,466)
2028	(375)
2029	(234)
2030	-
Thereafter	-

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### **NOTE 9—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

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#### ***HIC Plan Data***

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2024 Annual Comprehensive Annual Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

### **NOTE 10—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):**

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#### ***Plan Description***

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information for the Teacher HIC OPEB, including eligibility, coverage, and benefits is described below:

#### ***Eligible Employees***

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

#### ***Benefit Amounts***

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

#### ***HIC Plan Notes***

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

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 10—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)**

**Contributions**

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division’s contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$257,319 and \$240,677 for the years ended June 30, 2025 and June 30, 2024, respectively.

**Teacher Employee HIC OPEB Liabilities, Teacher Employee HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC OPEB**

At June 30, 2025, the school division reported a liability of \$2,145,461 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The school division’s proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division’s actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division’s proportion of the VRS Teacher Employee Health Insurance Credit was .18565% as compared to .18988% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC Program OPEB expense of \$128,608. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Program OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 101,647
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	7,631
Change in assumptions	36,960	-
Changes in proportionate share and differences between actual and expected contributions	9,102	153,894
Employer contributions subsequent to the measurement date	<u>257,319</u>	<u>-</u>
Total	<u>\$ 303,381</u>	<u>\$ 263,172</u>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 10—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)**

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***Teacher Employee HIC OPEB Liabilities, Teacher Employee HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC OPEB (continued)***

\$257,319 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	
2026	\$ (48,962)
2027	(44,451)
2028	(50,779)
2029	(41,140)
2030	(21,722)
Thereafter	(10,056)

***Actuarial Assumptions***

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation: Teacher employees	3.50%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 10—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)**

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***Actuarial Assumptions (continued)***

**Mortality Rates – Teachers**

Pre-Retirement:

Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Continent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 10—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)**

***Net Teacher Employee HIC OPEB Liability***

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the VRS Teacher Employee HIC Plan are as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,478,105
Plan Fiduciary Net Position		322,457
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,155,648</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		21.82%

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

***Long-Term Expected Rate of Return***

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
		Expected arithmetic nominal return**	<u>7.07%</u>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 10—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)**

***Long-Term Expected Rate of Return (continued)***

\*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

***Discount Rate***

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

***Sensitivity of the School Division’s Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate***

The following presents the school division’s proportionate share of the VRS Teacher Employee HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division’s proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<b>Rate</b>		
	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 2,439,924	\$ 2,145,461	\$ 1,895,876

***Teacher Employee HIC OPEB Fiduciary Net Position***

Detailed information about the VRS Teacher Employee HIC Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### **NOTE 11—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):**

#### ***Plan Description***

In addition to the pension benefits described in Note 7, the Primary Government administers a single-employer defined benefit healthcare plan, the County of Rockbridge OPEB Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plans. The plan does not issue a publicly available financial report.

The School Board also administers a single-employer defined benefit healthcare plan, the Rockbridge County School Board OPEB Plan. Similar to the Rockbridge County OPEB Plan, this plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board's pension plans. The School Board plan does not issue a publicly available financial report.

#### ***Benefits Provided***

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Prescription insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the Primary Government who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits if they have at least 5 years of service with the Primary Government. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits if they have at least 10 years of services with the School Board.

#### ***Plan Membership***

At July 1, 2024 (the measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit	
		Rockbridge Regional Jail Commission	School Board
Total active employees with coverage	145	42	284
Total retirees with coverage	2	0	27
Total	147	42	311

#### ***Contributions***

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or the School board for the respective plans. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2025 was \$15,000. The amount paid by the Component Unit Rockbridge Regional Jail Commission during the year ended June 30, 2025 under the County plan was \$4,000. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$311,000.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 11—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):  
(CONTINUED)**

***Total OPEB Liability***

The County’s and School Board’s total OPEB liabilities were measured as of July 1, 2024. The total OPEB liabilities were determined by actuarial valuations as July 1, 2024.

***Actuarial Assumptions***

The total OPEB liability in the July 1, 2024 actuarial valuations for the County and for the School Board were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Salary Increases	2.50% per year for general salary inflations
Discount Rate	The discount rate has been set to equal 4.09%
Investment Rate of Return	N/A

Mortality rates for Active employees and healthy retirees were based on the RP-2021 Mortality Table, fully generational with base year 2010, projected using two-dimensional mortality improvement scale MP-2021.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

***Discount Rate***

The discount rate has been set to 3.86% and represents the Municipal GO AA 20-year yield curve rate as of July 1, 2024. The final equivalent single discount rate used for this year’s valuation is 4.09% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

***Changes in Total OPEB Liability***

		<b>Component Unit</b>	
	<b>Primary Government Total OPEB Liability</b>	<b>Rockbridge Regional Jail Total OPEB Liability</b>	<b>School Board Total OPEB Liability</b>
Balances at July 1, 2023	\$ 353,000	\$ 86,000	\$ 4,705,000
Changes for the year:			
Service cost	30,000	17,000	181,000
Interest	14,000	4,000	183,000
Difference between expected and actual experience	(88,000)	(19,000)	253,000
Changes in assumptions	5,000	2,000	8,000
Benefit payments	(15,000)	(4,000)	(311,000)
Net changes	(54,000)	-	314,000
Balances at July 1, 2023	\$ 299,000	\$ 86,000	\$ 5,019,000

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 11—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):  
(CONTINUED)**

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following amounts present the total OPEB liabilities of the Primary Government, Component Unit Rockbridge Regional Jail Commission, and Component Unit School Board, as well as what the total OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) than the current discount rate:

	<b>Rate</b>		
	<b>1% Decrease (3.09%)</b>	<b>Current Discount Rate (4.09%)</b>	<b>1% Increase (5.09%)</b>
<b>Primary Government</b>			
\$	331,825	\$	299,000
			\$ 269,742
<b>Component Unit Rockbridge Regional Jail Commission</b>			
\$	95,442	\$	86,000
			\$ 77,585
<b>Component Unit School Board</b>			
\$	5,393,000	\$	5,019,000
			\$ 4,677,000

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liabilities of the Primary Government, Component Unit Rockbridge Regional Jail Commission, and Component Unit School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<b>Rates</b>		
	<b>1% Decrease</b>	<b>Healthcare Cost Current trend rate</b>	<b>1% Increase</b>
<b>Primary Government</b>			
\$	263,320	\$	299,000
			\$ 341,816
<b>Component Unit Rockbridge Regional Jail Commission</b>			
\$	75,737	\$	86,000
			\$ 98,315
<b>Component Unit School Board</b>			
\$	4,587,000	\$	5,019,000
			\$ 5,519,000

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 11—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):  
(CONTINUED)**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources***

For the year ended June 30, 2024, the Primary Government recognized OPEB expense in the amount of \$49,000. The Component Unit Rockbridge Regional Jail recognized OPEB expense in the amount of \$10,000. The School Board recognized OPEB expense in the amount of \$198,000. At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to Pay as You Go OPEB plan are as follows:

	<b>Component Unit</b>					
	<b>Primary Government</b>		<b>Rockbridge Regional Jail Commission</b>		<b>School Board</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 9,278	\$ 121,313	\$ 2,668	\$ 34,893	\$ 262,000	\$ 611,000
Changes in assumptions	12,132	40,677	3,489	11,699	165,000	440,000
Employer contributions subsequent to the measurement date	15,000	-	4,000	-	311,000	-
<b>Total</b>	<b>\$ 36,410</b>	<b>\$ 161,990</b>	<b>\$ 10,157</b>	<b>\$ 46,592</b>	<b>\$ 738,000</b>	<b>\$ 1,051,000</b>

\$15,000, \$4,000, and \$311,000 reported as deferred outflows of resources related to OPEB resulting from the Primary Government’s, Rockbridge Regional Jail Commission’s, and School Board’s respective contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the fiscal year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pay as You Go OPEB Plan will be recognized in the OPEB expense in future reporting periods as follows:

<b>Year Ended June 30,</b>	<b>Component Unit</b>		
	<b>Primary Government</b>	<b>Rockbridge Regional Jail Commission</b>	<b>School Board (nonprofessional)</b>
2026	\$ (21,407)	\$ (6,158)	(219,000)
2027	(32,827)	(9,441)	(254,000)
2028	(35,680)	(10,263)	(215,000)
2029	(22,835)	(6,568)	38,000
2030	(14,272)	(4,105)	24,000
Thereafter	(13,559)	(3,900)	2,000

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found on the required supplementary information following the notes to the financial statements.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 12—AGGREGATION OF OPEB PLANS:**

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program (Note 8):				
Primary Government - Governmental Activities	\$ 130,230	\$ 60,665	\$ 355,809	\$ 19,146
Primary Government - Business-type Activities	14,272	6,133	17,185	4,296
County Stand-Alone Plan (Note 11)	36,410	161,990	299,000	49,000
Totals	<u>\$ 180,912</u>	<u>\$ 228,788</u>	<u>\$ 671,994</u>	<u>\$ 72,442</u>
	Component Unit			
	Rockbridge Regional Jail Commission			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS Group Life Insurance Program (Note 8):	\$ 37,077	\$ 18,028	\$ 105,736	\$ 5,689
Stand-Alone Plan (Note 11)	10,157	46,592	86,000	10,000
Totals	<u>\$ 47,234</u>	<u>\$ 64,620</u>	<u>\$ 191,736</u>	<u>\$ 15,689</u>
	Component Unit			
	School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program (Note 8):				
School Board Nonprofessional	\$ 16,071	\$ 20,302	\$ 55,350	\$ (3,715)
School Board Professional	242,702	216,800	864,505	(434)
County Health Insurance Credit Program (Note 9)	20,776	47,398	54,777	(34,580)
Teacher Health Insurance Credit Program (Note 10)	303,381	263,172	2,145,461	128,608
School Stand-Alone Plan (Note 11)	738,000	1,051,000	5,019,000	198,000
Totals	<u>\$ 1,320,930</u>	<u>\$ 1,598,672</u>	<u>\$ 8,139,093</u>	<u>\$ 287,879</u>

**NOTE 13—DEFERRED/UNAVAILABLE REVENUE PROPERTY TAXES AND INFLOWS/OUTFLOWS OF RESOURCES:**

Deferred revenue / unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Deferred and unavailable revenue in the government-wide and fund financial statements totaling \$10,775,014 and \$14,175,642 respectively, is comprised of the following:

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Deferred/unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 3,039,104
2nd half assessments due in December	9,956,000	9,956,000
Prepaid property taxes due after June 30 but paid in advance by taxpayers	819,014	819,014
Opioid settlement revenue due for fiscal years 2025 through 2034	-	361,524
Total unavailable/deferred revenue	<u>\$ 10,775,014</u>	<u>\$ 14,175,642</u>

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### **NOTE 13—DEFERRED/UNAVAILABLE REVENUE PROPERTY TAXES AND INFLOWS/OUTFLOWS OF RESOURCES: (CONTINUED)**

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Unearned revenue of the Primary Government is comprised of prepaid Department of Motor Vehicle fees in the amount of \$2,998, and \$674,486 in State and Local Fiscal Recovery Funds unspent as of June 30, 2025.

### **NOTE 14—CONTINGENT LIABILITIES:**

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Federal programs in which the County participates were audited in accordance with the Uniform Guidance. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

### **NOTE 15—DEPOSITS AND INVESTMENTS:**

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#### Deposits:

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

#### Investments:

Statutes authorize the County and its discretely component units to invest in obligations of the United States or 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 that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard & Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

#### Credit Risk of Debt Securities

The County investment policy for credit risk is consistent with the investments allowed by statutes as detailed above.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 15—DEPOSITS AND INVESTMENTS: (CONTINUED)**

The County and its discretely presented component units rated debt investments as of June 30, 2025 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale.

<b>County's Rated Debt Investments' Values</b>			
<b>Rated Debt Investments</b>	<b>Fair Quality Ratings</b>		
	<b>AAAm</b>	<b>AA+f</b>	
Local Government Investment Pool	\$ 64,914	\$	-
SNAP External Investment Pool	1,634,148		-
Virginia Investment Pool	29,472,497		3,518,835
Total	<u>\$ 31,171,559</u>	<u>\$</u>	<u>3,518,835</u>

Virginia Investment Pool

Fair value of the Virginia Investment Pool is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the above investments at the net asset value (NAV). Under the redemption restrictions, the County is limited to two withdrawals per month.

External Investment Pool

The fair value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of the pool shares. As LGIP and SNAP are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

Interest Rate Risk

All County investments must be in securities maturing within five years. Maturities of the County’s investments are as follows:

<b>Investments</b>	<b>Fair Value</b>	<b>Maturity</b>	
		<b>Less than 1 year</b>	<b>1-5 years</b>
Local Government Investment Pool	\$ 64,914	\$ 64,914	\$ -
SNAP External Investment Pool	1,634,148	1,634,148	-
Virginia Investment Pool	32,991,332	29,472,497	3,518,835
Total	<u>\$ 34,690,394</u>	<u>\$ 31,171,559</u>	<u>\$ 3,518,835</u>

**NOTE 16—RISK MANAGEMENT:**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance for all of these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 17—CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2025 was as follows:

**Primary Government:**

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 3,119,782	\$ -	\$ -	\$ -	\$ 3,119,782
Construction in progress	9,259,564	723,358	(9,620,556)	-	362,366
Total capital assets not being depreciated	<u>\$ 12,379,346</u>	<u>\$ 723,358</u>	<u>\$ (9,620,556)</u>	<u>\$ -</u>	<u>\$ 3,482,148</u>
Capital assets being depreciated:					
Buildings and improvements	\$ 70,222,875	\$ 9,250,468	\$ -	(2,301,145)	\$ 77,172,198
Machinery and equipment	9,286,252	1,481,097	(186,222)	(125,000)	10,456,127
Total capital assets being depreciated	<u>\$ 79,509,127</u>	<u>\$ 10,731,565</u>	<u>\$ (186,222)</u>	<u>\$ (2,426,145)</u>	<u>\$ 87,628,325</u>
Accumulated depreciation:					
Buildings and improvements	\$ (21,991,566)	\$ (1,754,448)	\$ -	\$ 810,343	\$ (22,935,671)
Machinery and equipment	(4,190,958)	(871,970)	186,222	25,000	(4,851,706)
Total accumulated depreciation	<u>\$ (26,182,524)</u>	<u>\$ (2,626,418)</u>	<u>\$ 186,222</u>	<u>\$ 835,343</u>	<u>\$ (27,787,377)</u>
Total capital assets being depreciated, net	<u>\$ 53,326,603</u>	<u>\$ 8,105,147</u>	<u>\$ -</u>	<u>\$ (1,590,802)</u>	<u>\$ 59,840,948</u>
Lease assets:					
Equipment	\$ 50,224	\$ 26,032	\$ -	\$ -	\$ 76,256
Accumulated amortization:					
Equipment	\$ (16,681)	\$ (18,980)	\$ -	\$ -	\$ (35,661)
Subscription assets:					
Subscriptions	\$ -	495,580	-	-	495,580
Accumulated amortization:					
Subscriptions	\$ -	(76,915)	-	-	(76,915)
Governmental activities capital assets, net	<u>\$ 65,739,492</u>	<u>\$ 9,254,222</u>	<u>\$ (9,620,556)</u>	<u>\$ (1,590,802)</u>	<u>\$ 63,782,356</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 531,037	\$ -	\$ -	\$ -	\$ 531,037
Total capital assets not being depreciated	<u>\$ 531,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 531,037</u>
Capital assets being depreciated:					
Buildings and improvements	\$ 12,081,638	\$ -	\$ -	\$ -	\$ 12,081,638
Machinery and equipment	3,160,159	152,524	-	-	3,312,683
Total capital assets being depreciated	<u>\$ 15,241,797</u>	<u>\$ 152,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,394,321</u>
Accumulated depreciation:					
Buildings and improvements	\$ (4,759,349)	\$ (909,426)	\$ -	\$ -	\$ (5,668,775)
Machinery and equipment	(1,696,199)	(222,893)	-	-	(1,919,092)
Total accumulated depreciation	<u>\$ (6,455,548)</u>	<u>\$ (1,132,319)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,587,867)</u>
Total capital assets being depreciated, net	<u>\$ 8,786,249</u>	<u>\$ (979,795)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,806,454</u>
Lease assets:					
Equipment	\$ 5,924	\$ -	\$ -	\$ -	\$ 5,924
Accumulated amortization:					
Equipment	\$ (3,741)	\$ (1,247)	\$ -	\$ -	\$ (4,988)
Net lease assets	<u>\$ 2,183</u>	<u>\$ (1,247)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 936</u>
Business-type activities capital assets, net	<u>\$ 9,319,469</u>	<u>\$ (981,042)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,338,427</u>

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 17—CAPITAL ASSETS: (CONTINUED)**

**Primary Government: (continued)**

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

Governmental activities:	
General government administration	\$ 1,181,510
Judicial administration	19,037
Public safety	584,292
Public works	121,391
Parks, recreation, and cultural	16,525
Community Development	2,328
Education	797,230
Total depreciation expense-governmental activities	<u>\$ 2,722,313</u>
Business-type activities:	
Blue Ridge Resource Authority	\$ 1,133,566
Total depreciation expense-business-type activities	<u>\$ 1,133,566</u>

**Discretely Presented Component Unit-School Board:**

Capital asset activity for the School Board for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Capital assets not being depreciated:					
Land	\$ 117,555	\$ -	\$ -	\$ -	\$ 117,555
Construction in progress	5,989,941	4,520,320	(10,346,243)	-	164,018
Total capital assets not being depreciated	<u>\$ 6,107,496</u>	<u>\$ 4,520,320</u>	<u>\$ (10,346,243)</u>	<u>\$ -</u>	<u>\$ 281,573</u>
Capital assets being depreciated:					
Buildings and improvements	\$ 58,968,492	\$ 7,011,432	\$ -	\$ 2,301,145	\$ 68,281,069
Machinery and equipment	17,123,822	4,561,395	(18,637)	125,000	21,791,580
Total capital assets being depreciated	<u>\$ 76,092,314</u>	<u>\$ 11,572,827</u>	<u>\$ (18,637)</u>	<u>\$ 2,426,145</u>	<u>\$ 90,072,649</u>
Accumulated depreciation:					
Buildings and improvements	\$ (32,962,033)	\$ (1,901,251)	\$ -	\$ (810,343)	\$ (35,673,627)
Machinery and equipment	(8,644,016)	(1,915,388)	18,540	(25,000)	(10,565,864)
Total accumulated depreciation	<u>\$ (41,606,049)</u>	<u>\$ (3,816,639)</u>	<u>\$ 18,540</u>	<u>\$ (835,343)</u>	<u>\$ (46,239,491)</u>
Total capital assets being depreciated, net	<u>\$ 34,486,265</u>	<u>\$ 7,756,188</u>	<u>\$ (97)</u>	<u>\$ 1,590,802</u>	<u>\$ 43,833,158</u>
Lease assets:					
Equipment	\$ 285,461	\$ 97,510	\$ (38,791)	\$ -	\$ 344,180
Accumulated amortization:					
Equipment	\$ (81,153)	\$ (101,554)	\$ 36,064	\$ -	\$ (146,643)
Net lease assets	<u>\$ 204,308</u>	<u>\$ (4,044)</u>	<u>\$ (2,727)</u>	<u>\$ -</u>	<u>\$ 197,537</u>
Subscription assets:					
Subscriptions	\$ -	\$ 11,520	\$ -	\$ -	\$ 11,520
Accumulated amortization:					
Subscriptions	\$ -	\$ (1,845)	\$ -	\$ -	\$ (1,845)
Net subscription assets	<u>\$ -</u>	<u>\$ 9,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,675</u>
School Board capital assets, net	<u>\$ 40,798,069</u>	<u>\$ 12,282,139</u>	<u>\$ (10,349,067)</u>	<u>\$ 1,590,802</u>	<u>\$ 44,321,943</u>

Depreciation and amortization expense for the year ended June 30, 2025 was \$3,920,038.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 17—CAPITAL ASSETS: (CONTINUED)**

**Discretely Presented Component Unit-School Board: (continued)**

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, changed the reporting of local school capital assets and related debt for financial statement purposes. Under the law, local governments have a tenancy in common with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Rockbridge, Virginia for the year ended June 30, 2025, is that school financed assets in the amount of \$35,947,996 are reported in the Primary Government for financial reporting purposes. During fiscal year 2025, debt financed assets in the amount of \$1,590,802 were removed from the governmental activities building and improvements and added to the School Board building and improvements as the result of principal payments on the related debt.

**Discretely Presented Component Unit—Rockbridge Area Social Services Board:**

Capital asset activity for the Social Services Board for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital assets being depreciated:				
Equipment and vehicles	\$ 254,875	\$ 27,550	\$ (52,088)	\$ 230,337
Total capital assets being depreciated	<u>\$ 254,875</u>	<u>\$ 27,550</u>	<u>\$ (52,088)</u>	<u>\$ 230,337</u>
Accumulated depreciation:				
Equipment and vehicles	\$ (223,946)	\$ (10,769)	\$ 52,088	\$ (182,627)
Total accumulated depreciation	<u>\$ (223,946)</u>	<u>\$ (10,769)</u>	<u>\$ 52,088</u>	<u>\$ (182,627)</u>
Total capital assets being depreciated, net	<u>\$ 30,929</u>	<u>\$ 16,781</u>	<u>\$ -</u>	<u>\$ 47,710</u>
Lease assets:				
Equipment	\$ 36,047	\$ -	\$ -	\$ 36,047
Building	311,616	282,602	-	594,218
Total lease assets being amortized	<u>\$ 347,663</u>	<u>\$ 282,602</u>	<u>\$ -</u>	<u>\$ 630,265</u>
Accumulated amortization:				
Equipment	\$ (8,997)	\$ (7,746)	\$ -	\$ (16,743)
Building	(233,712)	(113,326)	-	(347,038)
Total accumulated amortization	<u>\$ (242,709)</u>	<u>\$ (121,072)</u>	<u>\$ -</u>	<u>\$ (363,781)</u>
Net lease assets	<u>\$ 104,954</u>	<u>\$ 161,530</u>	<u>\$ -</u>	<u>\$ 266,484</u>
Net capital assets	<u>\$ 135,883</u>	<u>\$ 178,311</u>	<u>\$ -</u>	<u>\$ 314,194</u>

Depreciation and amortization expense for the year ended June 30, 2025 was \$131,841.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 17—CAPITAL ASSETS: (CONTINUED)**

**Component Unit—Rockbridge Regional Jail Commission:**

A summary of capital assets is summarized below:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 21,264	\$ -	\$ 21,264
Total capital assets not being depreciated	\$ -	\$ 21,264	\$ -	\$ 21,264
Capital assets being depreciated:				
Buildings and improvements	\$ 6,036,798	\$ -	\$ -	\$ 6,036,798
Machinery and equipment	1,197,850	187,658	(74,142)	1,311,366
Total capital assets being depreciated	\$ 7,234,648	\$ 187,658	\$ (74,142)	\$ 7,348,164
Accumulated depreciation:				
Buildings and improvements	\$ (4,079,572)	\$ (152,374)	\$ -	\$ (4,231,946)
Machinery and equipment	(621,609)	(167,035)	63,074	(725,570)
Total accumulated depreciation	\$ (4,701,181)	\$ (319,409)	\$ 63,074	\$ (4,957,516)
Total capital assets being depreciated, net	\$ 2,533,467	\$ (131,751)	\$ (11,068)	\$ 2,390,648
Lease assets:				
Equipment	\$ 43,369	\$ 50,237	\$ -	\$ 93,606
Accumulated amortization:				
Equipment	\$ (5,122)	\$ (18,069)	\$ -	\$ (23,191)
Net lease assets	\$ 38,247	\$ 32,168	\$ -	\$ 70,415
Jail Commission capital assets, net	\$ 2,571,714	\$ (78,319)	\$ (11,068)	\$ 2,482,327

Depreciation and amortization expense for the year ended June 30, 2025 totaled \$337,478.

**Component Unit—Rockbridge County Public Service Authority:**

A summary of changes in capital assets for the year ended June 30, 2025 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 410,596	\$ -	\$ -	\$ 410,596
Construction in progress	50,078	216,758	(14,420)	252,416
Total capital assets not being depreciated	\$ 460,674	\$ 216,758	\$ (14,420)	\$ 663,012
Capital assets being depreciated:				
Buildings and improvements	\$ 176,866	\$ -	\$ -	\$ 176,866
Machinery and equipment	979,580	39,084	(52,384)	966,280
Utility plant and equipment	43,418,236	43,081	-	43,461,317
Capital assets being depreciated	\$ 44,574,682	\$ 82,165	\$ (52,384)	\$ 44,604,463
Accumulated depreciation				
Buildings and improvements	\$ (144,541)	\$ (4,419)	\$ -	\$ (148,960)
Machinery and equipment	(821,704)	(57,512)	52,384	(826,832)
Utility plant and equipment	(20,740,641)	(1,038,227)	-	(21,778,868)
Total accumulated depreciation	\$ (21,706,886)	\$ (1,100,158)	\$ 52,384	\$ (22,754,660)
Capital assets being depreciated, net	\$ 22,867,796	\$ (1,017,993)	\$ -	\$ 21,849,803
Capital assets, net Public Service Authority	\$ 23,328,470	\$ (801,235)	\$ (14,420)	\$ 22,512,815

Depreciation expense for the fiscal year totaled \$1,100,158.

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### **NOTE 18—ADVANCES TO/FROM PARTICIPATING ENTITIES:**

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The general fund has established an asset for advances to other entities in the amount of \$4,496,131. The details for advances made to participating entities are as follows:

	Balance July 1, 2024	Increase (Decrease)	Balance June 30, 2025
Rockbridge County Public Service Authority	\$ 4,202,203	\$ 26,080	\$ 4,228,283
Rockbridge Area Net Authority	243,055	(4,440)	238,615
Town of Goshen, Virginia	25,907	(12,976)	12,931
Rockbridge Fire/EMS Agencies	16,302	-	16,302
	<u>\$ 4,487,467</u>	<u>\$ 8,664</u>	<u>\$ 4,496,131</u>

### **NOTE 19—LANDFILL CLOSURE AND POST-CLOSURE CARE COST:**

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The Blue Ridge Resource Authority owns the only permitted landfill site within the County of Rockbridge. The Cities of Lexington and Buena Vista also use the landfill site. Landfill costs are prorated to each jurisdiction based on tonnage of solid waste accepted each month. The Blue Ridge Resource Authority is responsible for the management and operation of the landfill. Rockbridge County's share of tonnage has historically been approximately 70%, the City of Lexington's share has been approximately 20%, and Buena Vista's approximately 10%.

State and federal laws and regulations require the Blue Ridge Resource Authority to place a final cover on the landfill site when it is filled to capacity or stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Blue Ridge Resource Authority reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity at each balance sheet date.

The landfill began operation during 1972 and reached capacity during fiscal year 2018. The Authority constructed a new landfill cell that began operations on July 1, 2017. The \$11,081,459 reported as accrued closure and post-closure liability at June 30, 2025 represents the cumulative amount reported for post closure of the landfill which has reached full capacity (\$4,413,092), and the estimated closure and post closure liability for the new landfill cells based on the estimated use of capacity as of June 30, 2025 (approximately 99.5% for cell I, and 34.63% for cell II). Closure and post closure cost based on estimated use of capacity is \$5,141,070, and \$1,527,297 for cell I and cell II, respectively. The estimated total current cost of the landfill closure and post-closure care of \$13,989,806 is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of June 30, 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Blue Ridge Resource Authority intends to fund these costs from tipping revenues and from any funds derived and accumulated for this purpose in the upcoming years.

The County demonstrated financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Government Financial Assurance Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 20—DUE TO OTHER GOVERNMENTS:**

During fiscal year 2013 the County entered into an agreement with the City of Buena Vista, Virginia and the City of Lexington, Virginia in order to fund certain renovation improvements to the Rockbridge County Regional Jail. The agreement stipulates that each locality shall be responsible for a portion of the debt issued to finance the project. The City of Lexington serves as fiscal agent for the project and as such, will pay the annual debt service through April 2028. The participating localities will reimburse the City of Lexington for the debt service. As of June 30, 2025, the portion of the debt allocable to the County of Rockbridge, Virginia amounted to \$251,092.

The Component Unit Rockbridge Area Social Services Board reported a balance due to other governments in the amount of \$380,345, which represents the net balance owed to or due from the Cities of Buena Vista and Lexington, Virginia. The details of balances due from or due to the Cities of Buena Vista and Lexington are as follows:

	Component Unit Rockbridge Area Social Services Board		
	Due From / (Due To)		
	Buena Vista	Lexington	Total
Administrative fees due from the Cities	\$ 14,206	\$ 11,182	\$ 25,388
CSA accounts payable, reimbursement is due from the Cities	193,628	139,863	333,491
CSA local accounts receivable due to the Cities	(2,213)	7,659	5,446
CSA pool reimbursements due to the Cities	(549,915)	(157,334)	(707,249)
State/federal reimbursements due to the Cities	(31,995)	(5,426)	(37,421)
	<u>(376,289)</u>	<u>(4,056)</u>	<u>(380,345)</u>
Total due from (due to) other governments	\$ <u>(376,289)</u>	\$ <u>(4,056)</u>	\$ <u>(380,345)</u>

**NOTE 21—SURETY BONDS:**

The County had the following surety bonds on hand at June 30, 2025:

	Amount
Department of Treasury - Division of Risk Management	
Michelle M. Trout, Clerk of the Circuit Court	\$ 230,000
Melissa A. Whitesell, Treasurer	400,000
Brooke N. Tomlin, Commissioner of the Revenue	3,000
Tony A. McFaddin, Jr., Sheriff	30,000
Above constitutional officers' employees-blanket bond	50,000
VACORP	
Rhonda Humphries, Clerk of the School Board	250,000
Blanket position - all employees	250,000

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 22—INTERFUND TRANSFERS:**

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Interfund transfers for the year ended June 30, 2025 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 2,164	\$ 3,780,131
County Capital Projects Fund	1,275,366	-
School Capital Projects Fund	2,504,765	-
Employee benefit Fund		2,164
Total	<u>\$ 3,782,295</u>	<u>\$ 3,782,295</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

**NOTE 23—SEGMENT INFORMATION FOR BUSINESS-TYPE ACTIVITIES:**

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	<u>Enterprise Fund</u>
	<u>Landfill</u>
	<u>Fund</u>
Operating revenue	\$ 3,097,412
Depreciation and amortization	1,133,566
Operating income (loss)	659,236
Property, plant and equipment additions	152,524
Net working capital	3,566,952
Total assets	16,072,746
Long-term liabilities	17,019,337
Net position	(1,953,563)

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

**NOTE 24—LEASES RECEIVABLE:**

The following is a summary of leases receivable transactions of the County for the year ended June 30, 2025:

	<u>Beginning Balance</u>		<u>Increases/ Issuances</u>		<u>Decreases/ Retirements</u>		<u>Ending Balance</u>		<u>Interest Revenue</u>
Business-type activities:									
Lease receivable	\$ 68,387	\$	-	\$	(4,469)	\$	63,918	\$	1,622

The details of leases receivable are as follows:

<u>Lease Description</u>	<u>Start Date</u>	<u>End Date</u>	<u>Payment Frequency</u>	<u>Discount Rate</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Cell tower space	7/1/2021	7/1/2035	Annual	2.37%	\$ 63,918	\$ 4,679

As of June 30, 2025, the primary government had 1 active lease. The lease receipts amounted to \$6,090 and the interest rate was 2.3714%. As of June 30, 2025, the total combined value of the lease receivable is \$63,918, the total combined value of the short-term lease receivable is \$4,679, and the combined value of the deferred inflow of resources is \$60,489. The lease had no variable receipts and no other receipts, not included in the lease receivable, within the Fiscal Year.

**NOTE 25—COMMITMENTS AND CONTINGENCIES:**

The County and the City of Lexington entered into a modified voluntary settlement of Annexation and Immunity Agreement on May 6, 1986. This agreement is based on real estate assessed values and on non-property local taxes. The amount due the City of Lexington is payable on January 1 of each year. Included in these financial statements is the payment for the year ended June 30, 2025 in the amount of \$2,599,414. The amount to be paid on January 1, 2026, and which is not included in the financial statements, totals \$2,628,040 for the fiscal year ended June 30, 2025.

The County has guaranteed debt issued by the Maury Service Authority (MSA) for the construction and upgrades of its current wastewater treatment plant. The MSA’s outstanding debt for the wastewater upgrades totaled \$1,938,051 as of June 30, 2025 and is scheduled to be completely retired by June 2031. The County paid \$161,504 to the MSA in fiscal year 2025 for half of the debt service, the City of Lexington pays an equal assessment. The annual assessment will remain the same for fiscal years 2025 to 2031.

The County along with the Cities of Lexington and Buena Vista, have entered into an agreement with the Rockbridge Regional Public Safety Communications Center, for the purpose of providing contributions for the payment of debt associated with its radio upgrade project through June 30, 2030. Each locality will contribute a percentage of the total cost of the upgrade based upon its annual assessed value of real estate. The amount owed by the Rockbridge Regional Public Safety Communications Center on the lease obligations at June 30, 2025 was \$2,457,627 and an annual payment of \$757,744 will be paid by the Center through June 2030.

**COUNTY OF ROCKBRIDGE, VIRGINIA**

Notes to Financial Statements (Continued)  
June 30, 2025

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**NOTE 26—LITIGATION:**

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At June 30, 2025, there were no matters of litigation involving the County for which would materially affect the County’s financial position should any court decisions on pending matters not be favorable to the County.

**NOTE 27—SELF-INSURED HEALTH INSURANCE:**

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The County established an internal service fund entitled Self-Insured Health Insurance Fund as of July 1, 2021 that has been included in the financial statements. The purpose of this fund is to disclose the County’s self-insured health insurance transactions for the fiscal year as required by GASB 10. The County uses Cigna Health and Life Insurance Company as the administrator of the self-insured plan. The Self-Insured Health Insurance fund pays Cigna Health and Life Insurance Company an administrative fee for these services. This fund serves the County and accounts for the health insurance activities of the aforementioned funds but does not constitute a transfer of risk from the County.

Significant losses, over \$100,000, are covered by commercial insurance. Stop loss insurance coverage began in July 2021. During fiscal year 2025, there were no settlement amounts exceeding coverage.

The County records an estimated liability for indemnity health care claims. Claims liabilities are based on estimates of the ultimate cost of reported claims and an estimate for claims incurred but not reported (IBNR) based on historical experience.

Cigna Health and Life Insurance Company has established a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. At June 30, 2025 the plan liability was \$149,000. The net position of the Plan maintained by the County can be found on Exhibit 7. The following represents the change in approximate aggregate liabilities for the fund:

	Beginning of Fiscal Year (Surplus) Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End (Surplus) Liability
2024-2025	\$ 169,466	\$ 1,847,640	\$ 1,827,174	\$ 149,000
2023-2024	\$ 210,912	\$ 1,540,774	\$ 1,499,328	\$ 169,466
2022-2023	\$ 263,917	\$ 1,929,683	\$ 1,876,678	\$ 210,912
2021-2022	\$ -	\$ 1,179,951	\$ 1,443,868	\$ 263,917

## COUNTY OF ROCKBRIDGE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2025

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### **NOTE 28—UPCOMING PRONOUNCEMENTS:**

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

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, *Implementation Guidance Update—2025*, effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with principles generally accepted in the United States of America

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 31,209,531	\$ 31,017,439	\$ 33,499,468	\$ 2,482,029
Other local taxes	14,849,836	14,849,836	14,473,102	(376,734)
Permits, privilege fees, and regulatory licenses	311,207	311,207	374,359	63,152
Fines and forfeitures	384,245	384,245	171,061	(213,184)
Revenue from the use of money and property	1,199,375	1,199,375	1,497,271	297,896
Charges for services	1,134,982	1,134,982	895,010	(239,972)
Miscellaneous	1,548,521	1,548,521	1,386,585	(161,936)
Recovered costs	481,663	481,663	603,843	122,180
Intergovernmental:				
Commonwealth	6,380,927	6,380,927	7,188,408	807,481
Federal	4,444,090	3,386,873	3,437,708	50,835
Total revenues	<u>\$ 61,944,377</u>	<u>\$ 60,695,068</u>	<u>\$ 63,526,815</u>	<u>\$ 2,831,747</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 3,215,845	\$ 3,511,145	\$ 3,819,847	\$ (308,702)
Judicial administration	2,493,787	2,471,180	2,304,618	166,562
Public safety	15,904,788	16,544,413	15,240,297	1,304,116
Public works	4,561,330	4,597,545	4,093,683	503,862
Health and welfare	2,041,201	2,041,201	2,499,756	(458,555)
Education	17,382,686	16,969,779	16,397,141	572,638
Parks, recreation, and cultural	1,862,840	1,966,190	1,899,091	67,099
Community development	8,139,016	8,230,933	4,184,341	4,046,592
Nondepartmental	2,698,841	2,812,673	2,700,948	111,725
Debt service:				
Principal retirement	3,401,609	3,690,643	3,500,452	190,191
Interest and other fiscal charges	1,388,059	1,511,932	1,894,376	(382,444)
Total expenditures	<u>\$ 63,090,002</u>	<u>\$ 64,347,634</u>	<u>\$ 58,534,550</u>	<u>\$ 5,813,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,145,625)</u>	<u>\$ (3,652,566)</u>	<u>\$ 4,992,265</u>	<u>\$ 8,644,831</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 2,164	\$ 2,164
Transfers out	(5,553,475)	(6,752,899)	(3,780,131)	2,972,768
Subscriptions	-	-	463,882	463,882
Leases (as lessee)	-	-	26,032	26,032
Total other financing sources (uses)	<u>\$ (5,553,475)</u>	<u>\$ (6,752,899)</u>	<u>\$ (3,288,053)</u>	<u>\$ 3,464,846</u>
Net change in fund balances	\$ (6,699,100)	\$ (10,405,465)	\$ 1,704,212	\$ 12,109,677
Fund balances - beginning	6,699,100	10,405,465	45,575,513	35,170,048
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,279,725</u>	<u>\$ 47,279,725</u>

**County of Rockbridge, Virginia**

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Primary Government - Governmental Activities  
 For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021 (1)</u>
<b>Total pension liability</b>				
Service cost	\$ 1,406,984	\$ 1,097,021	\$ 914,201	\$ 851,810
Interest	2,454,442	2,256,343	2,244,937	2,065,337
Changes of benefit terms	-	-	-	(256,562)
Differences between expected and actual experience	1,515,449	72,502	(1,075,961)	(163,020)
Impact of change in proportion	1,081,011	(302,724)	(188,475)	(403,380)
Changes in assumptions	-	-	-	1,209,846
Benefit payments, including refunds of employee contributions	<u>(2,012,465)</u>	<u>(1,751,639)</u>	<u>(1,837,000)</u>	<u>(1,707,716)</u>
<b>Net change in total pension liability</b>	<b>\$ 4,445,421</b>	<b>\$ 1,371,503</b>	<b>\$ 57,702</b>	<b>\$ 1,596,315</b>
<b>Total pension liability - beginning</b>	<b>34,880,341</b>	<b>33,508,838</b>	<b>33,451,136</b>	<b>31,854,821</b>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 39,325,762</u></b>	<b><u>\$ 34,880,341</u></b>	<b><u>\$ 33,508,838</u></b>	<b><u>\$ 33,451,136</u></b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 1,344,710	\$ 1,181,725	\$ 977,875	\$ 909,517
Contributions - employee	405,907	368,404	318,147	295,461
Impact of change in proportion	1,024,390	(284,847)	(182,010)	(333,895)
Net investment income	3,312,360	2,028,740	(31,408)	7,056,000
Benefit payments, including refunds of employee contributions	(2,012,465)	(1,751,639)	(1,837,000)	(1,707,716)
Administrative expense	(21,494)	(19,830)	(19,939)	(17,789)
Other	699	819	741	(265,476)
<b>Net change in plan fiduciary net position</b>	<b>\$ 4,054,107</b>	<b>\$ 1,523,372</b>	<b>\$ (773,594)</b>	<b>\$ 5,936,102</b>
<b>Plan fiduciary net position - beginning</b>	<b>33,053,379</b>	<b>31,530,007</b>	<b>32,303,601</b>	<b>26,367,499</b>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 37,107,486</u></b>	<b><u>\$ 33,053,379</u></b>	<b><u>\$ 31,530,007</u></b>	<b><u>\$ 32,303,601</u></b>
<b>County's net pension liability - ending (a) - (b)</b>	<b>\$ 2,218,276</b>	<b>\$ 1,826,962</b>	<b>\$ 1,978,831</b>	<b>\$ 1,147,535</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	94.36%	94.76%	94.09%	96.57%
<b>Covered payroll</b>	<b>\$ 8,186,330</b>	<b>\$ 7,447,084</b>	<b>\$ 6,653,863</b>	<b>\$ 6,033,640</b>
<b>County's net pension liability as a percentage of covered payroll</b>	27.10%	24.53%	29.74%	19.02%

(1) In 2021 the Blue Ridge Resource Authority, a blended component unit representing the Business-type Activities of the Primary Government, established a separate VRS account. Data for 2021 through 2023 reflects only the governmental activities of the primary government. All other years presented include both governmental activities and business-type activities of the primary government.

Exhibit 13

	2020	2019	2018	2017	2016	2015
\$	887,690	\$ 771,889	\$ 698,294	\$ 654,412	\$ 619,348	\$ 621,092
	2,027,193	1,904,325	1,853,927	1,753,002	1,679,621	1,589,147
	-	-	-	-	-	-
	(187,331)	509,632	(14,255)	(437,725)	(76,498)	56,853
	436,005	(409,875)	898,819	(18,739)	128,010	-
	-	844,739	-	(147,979)	-	-
	<u>(1,810,450)</u>	<u>(1,467,013)</u>	<u>(1,349,242)</u>	<u>(1,208,237)</u>	<u>(1,102,628)</u>	<u>(1,102,599)</u>
\$	1,353,107	\$ 2,153,697	\$ 2,087,543	\$ 594,734	\$ 1,247,853	\$ 1,164,493
	30,501,714	28,348,017	26,260,474	25,665,740	24,417,887	23,253,394
\$	<u>31,854,821</u>	<u>30,501,714</u>	<u>28,348,017</u>	<u>26,260,474</u>	<u>25,665,740</u>	<u>24,417,887</u>
\$	766,489	\$ 703,406	\$ 683,864	\$ 638,526	\$ 671,338	\$ 646,121
	300,110	275,440	263,176	251,702	237,691	229,869
	375,190	(368,164)	797,653	(15,398)	109,171	-
	506,999	1,657,963	1,779,935	2,565,014	363,336	921,330
	(1,810,450)	(1,467,013)	(1,349,242)	(1,208,237)	(1,102,628)	(1,102,599)
	(17,497)	(16,511)	(15,375)	(14,829)	(12,951)	(12,651)
	(594)	(1,048)	(1,581)	(2,278)	(153)	(194)
\$	120,247	\$ 784,073	\$ 2,158,430	\$ 2,214,500	\$ 265,804	\$ 681,876
	26,247,252	25,463,179	23,304,749	21,090,249	20,824,445	20,142,569
\$	<u>26,367,499</u>	<u>26,247,252</u>	<u>25,463,179</u>	<u>23,304,749</u>	<u>21,090,249</u>	<u>20,824,445</u>
\$	5,487,322	\$ 4,254,462	\$ 2,884,838	\$ 2,955,725	\$ 4,575,491	\$ 3,593,442
	82.77%	86.05%	89.82%	88.74%	82.17%	85.28%
\$	6,214,941	\$ 5,692,685	\$ 5,337,294	\$ 5,026,772	\$ 4,811,564	\$ 4,611,013
	88.29%	74.74%	54.05%	58.80%	95.09%	77.93%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Primary Government - Business-type Activities  
 For the Measurement Dates of June 30, 2021 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total pension liability</b>				
Service cost	\$ 24,761	\$ 24,663	\$ 36,849	\$ -
Interest	33,455	27,876	24,494	-
Changes of benefit terms	-	-	-	327,940
Differences between expected and actual experience	(205,290)	63,986	11,447	-
Benefit payments, including refunds of employee contributions	(50,789)	(17,151)	(3,842)	-
<b>Net change in total pension liability</b>	<u>\$ (197,863)</u>	<u>\$ 99,374</u>	<u>\$ 68,948</u>	<u>\$ 327,940</u>
<b>Total pension liability - beginning</b>	496,262	396,888	327,940	-
<b>Total pension liability - ending (a)</b>	<u><u>\$ 298,399</u></u>	<u><u>\$ 496,262</u></u>	<u><u>\$ 396,888</u></u>	<u><u>\$ 327,940</u></u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 20,797	\$ 21,734	\$ 22,554	\$ 13,016
Contributions - employee	17,162	16,914	15,283	9,078
Net investment income	45,874	29,377	(1,400)	42,093
Benefit payments, including refunds of employee contributions	(50,789)	(17,151)	(3,842)	-
Administrative expense	(310)	(265)	(236)	229
Other	9	12	10	340,190
<b>Net change in plan fiduciary net position</b>	<u>\$ 32,743</u>	<u>\$ 50,621</u>	<u>\$ 32,369</u>	<u>\$ 404,606</u>
<b>Plan fiduciary net position - beginning</b>	487,596	436,975	404,606	-
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 520,339</u></u>	<u><u>\$ 487,596</u></u>	<u><u>\$ 436,975</u></u>	<u><u>\$ 404,606</u></u>
<b>County's net pension liability - ending (a) - (b)</b>	\$ (221,940)	\$ 8,666	\$ (40,087)	\$ (76,666)
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	174.38%	98.25%	110.10%	123.38%
<b>Covered payroll</b>	\$ 395,341	\$ 390,750	\$ 339,891	\$ 400,115
<b>County's net pension liability as a percentage of covered payroll</b>	-56.14%	2.22%	-11.79%	-19.16%

Schedule is intended to show information for 10 years. Prior to 2021 the blended component unit Blue Ridge Resource Authority was included in the County of Rockbridge, Virginia's VRS account. In 2021 the Authority established a separate VRS account. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

**County of Rockbridge, Virginia**

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Component Unit Rockbridge Regional Jail Commission  
 For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total pension liability</b>				
Service cost	\$ 363,250	\$ 325,999	\$ 260,960	\$ 236,981
Interest	633,679	670,518	640,823	574,594
Changes of benefit terms	-	-	-	(71,378)
Differences between expected and actual experience	391,254	21,545	(307,134)	(45,353)
Impact of change in proportion	(1,081,011)	302,724	188,475	403,380
Changes in assumptions	-	-	-	336,589
Benefit payments, including refunds of employee contributions	(519,571)	(520,534)	(524,374)	(475,101)
<b>Net change in total pension liability</b>	<u>\$ (212,399)</u>	<u>\$ 800,252</u>	<u>\$ 258,750</u>	<u>\$ 959,712</u>
<b>Total pension liability - beginning</b>	10,365,390	9,565,138	9,306,388	8,346,676
<b>Total pension liability - ending (a)</b>	<u>\$ 10,152,991</u>	<u>\$ 10,365,390</u>	<u>\$ 9,565,138</u>	<u>\$ 9,306,388</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 347,172	\$ 351,173	\$ 279,136	\$ 253,035
Contributions - employee	104,796	109,479	90,815	82,200
Impact of change in proportion	(1,024,390)	284,847	182,010	333,895
Net investment income	855,174	602,881	(8,966)	1,963,039
Benefit payments, including refunds of employee contributions	(519,571)	(520,534)	(524,374)	(475,101)
Administrative expense	(5,549)	(5,893)	(5,691)	(4,949)
Other	180	243	211	(73,858)
<b>Net change in plan fiduciary net position</b>	<u>\$ (242,188)</u>	<u>\$ 822,196</u>	<u>\$ 13,141</u>	<u>\$ 2,078,261</u>
<b>Plan fiduciary net position - beginning</b>	9,822,472	9,000,276	8,987,135	6,908,874
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 9,580,284</u>	<u>\$ 9,822,472</u>	<u>\$ 9,000,276</u>	<u>\$ 8,987,135</u>
<b>Commission's net pension liability - ending (a) - (b)</b>	\$ 572,707	\$ 542,918	\$ 564,862	\$ 319,253
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	94.36%	94.76%	94.09%	96.57%
<b>Covered payroll</b>	\$ 2,432,731	\$ 2,166,163	\$ 1,834,396	\$ 1,618,995
<b>Commission's net pension liability as a percentage of covered payroll</b>	23.54%	25.06%	30.79%	19.72%

Exhibit 15

	2020	2019	2018	2017	2016	2015
\$	232,595	\$ 216,177	\$ 182,642	\$ 199,421	\$ 188,146	\$ 192,921
	531,170	533,329	484,903	534,198	510,237	493,614
	-	-	-	-	-	-
	(49,085)	142,729	(3,728)	(133,390)	(23,239)	17,662
	(436,006)	409,875	(898,819)	18,739	(128,010)	-
	-	236,580	-	(45,094)	-	-
	(474,378)	(410,855)	(352,900)	(368,190)	(334,957)	(342,487)
\$	(195,704)	\$ 1,127,835	\$ (587,902)	\$ 205,684	\$ 212,177	\$ 361,710
	8,542,380	7,414,545	8,002,447	7,796,763	7,584,586	7,222,876
\$	<u>8,346,676</u>	<u>\$ 8,542,380</u>	<u>\$ 7,414,545</u>	<u>\$ 8,002,447</u>	<u>\$ 7,796,763</u>	<u>\$ 7,584,586</u>
\$	200,837	\$ 196,997	\$ 178,867	\$ 194,580	\$ 203,940	\$ 200,696
	78,635	77,140	68,835	76,702	72,206	71,401
	(375,190)	368,164	(797,653)	15,398	(109,171)	-
	132,845	464,333	465,550	781,646	110,374	286,180
	(474,378)	(410,855)	(352,900)	(368,190)	(334,957)	(342,487)
	(4,584)	(4,624)	(4,022)	(4,519)	(3,934)	(3,929)
	(156)	(293)	(413)	(694)	(48)	(59)
\$	(441,991)	\$ 690,862	\$ (441,736)	\$ 694,923	\$ (61,590)	\$ 211,802
	7,350,865	6,660,003	7,101,739	6,406,816	6,468,406	6,256,604
\$	<u>6,908,874</u>	<u>\$ 7,350,865</u>	<u>\$ 6,660,003</u>	<u>\$ 7,101,739</u>	<u>\$ 6,406,816</u>	<u>\$ 6,468,406</u>
\$	1,437,802	\$ 1,191,515	\$ 754,542	\$ 900,708	\$ 1,389,947	\$ 1,116,180
	82.77%	86.05%	89.82%	88.74%	82.17%	85.28%
\$	1,622,774	\$ 1,552,742	\$ 1,445,076	\$ 1,506,551	\$ 1,453,599	\$ 1,430,478
	88.60%	76.74%	52.21%	59.79%	95.62%	78.03%

**County of Rockbridge, Virginia**

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Component Unit School Board (nonprofessional)  
 For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total pension liability</b>				
Service cost	\$ 105,418	\$ 106,363	\$ 121,199	\$ 129,125
Interest	515,191	519,052	519,198	502,404
Differences between expected and actual experience	(160,742)	(100,666)	(77,887)	(141,850)
Changes in assumptions	-	-	-	180,200
Benefit payments, including refunds of employee contributions	(618,849)	(543,169)	(556,512)	(528,027)
<b>Net change in total pension liability</b>	\$ (158,982)	\$ (18,420)	\$ 5,998	\$ 141,852
<b>Total pension liability - beginning</b>	<u>7,836,459</u>	<u>7,854,879</u>	<u>7,848,881</u>	<u>7,707,029</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 7,677,477</u>	<u>\$ 7,836,459</u>	<u>\$ 7,854,879</u>	<u>\$ 7,848,881</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 41,278	\$ 39,356	\$ 62,708	\$ 61,037
Contributions - employee	59,659	59,838	58,707	57,350
Net investment income	814,226	535,133	(1,537)	1,978,027
Benefit payments	(618,849)	(543,169)	(556,512)	(528,027)
Administrative expense	(5,760)	(5,586)	(5,698)	(5,184)
Other	157	214	201	184
<b>Net change in plan fiduciary net position</b>	\$ 290,711	\$ 85,786	\$ (442,131)	\$ 1,563,387
<b>Plan fiduciary net position - beginning</b>	<u>8,621,728</u>	<u>8,535,942</u>	<u>8,978,073</u>	<u>7,414,686</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 8,912,439</u>	<u>\$ 8,621,728</u>	<u>\$ 8,535,942</u>	<u>\$ 8,978,073</u>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	\$ (1,234,962)	\$ (785,269)	\$ (681,063)	\$ (1,129,192)
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	116.09%	110.02%	108.67%	114.39%
<b>Covered payroll</b>	\$ 1,291,415	\$ 1,237,026	\$ 1,254,637	\$ 1,216,201
<b>School Division's net pension liability as a percentage of covered payroll</b>	-95.63%	-63.48%	-54.28%	-92.85%

Exhibit 16

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	127,425	\$ 135,316	\$ 133,335	\$ 143,236	\$ 157,219	\$ 152,653
	498,265	513,796	505,893	511,555	509,337	497,766
	(37,817)	(238,076)	12,292	(192,440)	(139,545)	8,852
	-	178,774	-	(42,518)	-	-
	<u>(525,108)</u>	<u>(570,968)</u>	<u>(506,289)</u>	<u>(495,127)</u>	<u>(495,531)</u>	<u>(492,430)</u>
\$	62,765	\$ 18,842	\$ 145,231	\$ (75,294)	\$ 31,480	\$ 166,841
	7,644,264	7,625,422	7,480,191	7,555,485	7,524,005	7,357,164
\$	<u>7,707,029</u>	<u>7,644,264</u>	<u>7,625,422</u>	<u>7,480,191</u>	<u>7,555,485</u>	<u>7,524,005</u>
\$	78,393	\$ 79,673	\$ 82,778	\$ 86,267	\$ 121,091	\$ 131,850
	61,419	61,641	63,371	65,822	70,323	76,599
	142,613	490,205	540,197	827,254	117,293	317,602
	(525,108)	(570,968)	(506,289)	(495,127)	(495,531)	(492,430)
	(5,145)	(5,178)	(4,865)	(5,013)	(4,548)	(4,567)
	<u>(167)</u>	<u>(306)</u>	<u>(472)</u>	<u>(726)</u>	<u>(51)</u>	<u>(65)</u>
\$	(247,995)	\$ 55,067	\$ 174,720	\$ 478,477	\$ (191,423)	\$ 28,989
	7,662,681	7,607,614	7,432,894	6,954,417	7,145,840	7,116,851
\$	<u>7,414,686</u>	<u>7,662,681</u>	<u>7,607,614</u>	<u>7,432,894</u>	<u>6,954,417</u>	<u>7,145,840</u>
\$	292,343	\$ (18,417)	\$ 17,808	\$ 47,297	\$ 601,068	\$ 378,165
	96.21%	100.24%	99.77%	99.37%	92.04%	94.97%
\$	1,294,142	\$ 1,296,532	\$ 1,317,307	\$ 1,362,550	\$ 1,446,451	\$ 1,574,193
	22.59%	-1.42%	1.35%	3.47%	41.55%	24.02%

**County of Rockbridge, Virginia**

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan  
For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employer's Proportion of the Net Pension Liability	0.18784%	0.19204%	0.19525%	0.20062%
Employer's Proportionate Share of the Net Pension Liability	\$ 17,632,418	\$ 19,409,876	\$ 18,588,969	\$ 15,574,326
Employer's Covered Payroll	\$ 19,890,687	\$ 18,933,549	\$ 17,916,558	\$ 17,476,296
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	89%	103%	104%	89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.52%	82.45%	82.61%	85.46%

**Exhibit 17**

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<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.20490%	0.20870%	0.20489%	0.20453%	0.20544%	0.20958%
\$ 29,818,331	\$ 27,466,106	\$ 24,095,000	\$ 25,153,000	\$ 28,790,000	\$ 26,379,000
\$ 17,765,066	\$ 17,360,465	\$ 16,565,935	\$ 15,627,937	\$ 15,676,290	\$ 15,582,993
168%	158%	145%	161%	184%	169%
71.47%	73.51%	74.81%	72.92%	68.28%	70.68%

Schedule of Employer Contributions  
 Pension Plans  
 For the Years Ended June 30, 2015 through June 30, 2025

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government-Governmental Activities</b>					
2025	\$ 1,491,497	\$ 1,491,497	\$ -	\$ 8,862,134	16.83%
2024	1,309,325	1,309,325	-	8,186,330	15.99%
2023	1,187,871	1,187,871	-	7,447,084	15.95%
2022	978,083	978,083	-	6,653,863	14.70%
2021	885,707	885,707	-	6,033,640	14.68%
2020	759,952	759,952	-	6,214,941	12.23%
2019	703,568	703,568	-	5,692,685	12.36%
2018	679,019	679,019	-	5,337,294	12.72%
2017	641,341	641,341	-	5,026,772	12.76%
2016	671,338	671,338	-	4,811,564	13.95%
2015	646,121	646,121	-	4,611,013	14.01%
<b>Primary Government-Business-type Activities</b>					
2025	\$ -	\$ -	\$ -	\$ 357,054	0.00%
2024	20,796	20,796	-	395,341	5.26%
2023	21,735	21,735	-	390,750	5.56%
2022	22,495	22,495	-	339,891	6.62%
2021	27,821	27,821	-	400,115	6.95%
<b>Component Unit School Board (nonprofessional)</b>					
2025	\$ 10,381	\$ 10,381	\$ -	\$ 1,483,015	0.70%
2024	39,897	39,897	-	1,291,415	3.09%
2023	40,117	40,117	-	1,237,026	3.24%
2022	62,688	62,688	-	1,254,637	5.00%
2021	61,121	61,121	-	1,216,201	5.03%
2020	78,259	78,259	-	1,294,142	6.05%
2019	79,542	79,542	-	1,296,532	6.13%
2018	82,774	82,774	-	1,317,307	6.28%
2017	83,249	83,249	-	1,362,550	6.11%
2016	121,091	121,091	-	1,446,451	8.37%
2015	131,850	131,850	-	1,574,193	8.38%
<b>Component Unit School Board (professional)</b>					
2025	\$ 3,021,900	\$ 3,021,900	\$ -	\$ 21,266,013	14.21%
2024	3,168,167	3,168,167	-	19,890,687	15.93%
2023	3,031,431	3,031,431	-	18,933,549	16.01%
2022	2,900,587	2,900,587	-	17,916,558	16.19%
2021	2,838,183	2,838,183	-	17,476,296	16.24%
2020	2,722,770	2,722,770	-	17,765,066	15.33%
2019	2,673,769	2,673,769	-	17,360,465	15.40%
2018	2,649,728	2,649,728	-	16,565,935	16.00%
2017	2,325,915	2,325,915	-	15,627,937	14.88%
2016	2,202,239	2,202,239	-	15,676,290	14.05%
2015	2,259,447	2,259,447	-	15,582,993	14.50%
<b>Component Unit Rockbridge Regional Jail Commission</b>					
2025	\$ 385,070	\$ 385,070	\$ -	\$ 2,287,995	16.83%
2024	383,257	383,257	-	2,432,731	15.75%
2023	345,521	345,521	-	2,166,163	15.95%
2022	279,195	279,195	-	1,834,396	15.22%
2021	246,411	246,411	-	1,618,995	15.22%
2020	205,930	205,930	-	1,622,774	12.69%
2019	197,043	197,043	-	1,552,742	12.69%
2018	183,844	183,844	-	1,445,076	12.72%
2017	194,797	194,797	-	1,506,551	12.93%
2016	203,940	203,940	-	1,453,599	14.03%
2015	200,696	200,696	-	1,430,478	14.03%

\*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

Notes to Required Supplementary Information  
 Pension Plans  
 For the Year Ended June 30, 2025

**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of County's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

<b>Date</b>	<b>Employer's Proportion of the Net GLI OPEB Liability</b>	<b>Employer's Proportionate Share of the Net GLI OPEB Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4)</b>	<b>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
<b>Primary Government-Governmental Activities</b>					
2024	0.03188%	\$ 355,809	\$ 8,186,330	4.35%	73.41%
2023	0.03162%	379,247	7,449,122	5.09%	69.30%
2022	0.03034%	365,504	6,603,331	5.54%	67.21%
2021	0.02902%	337,565	5,987,079	5.64%	67.45%
2020	0.02980%	497,237	6,132,137	8.11%	52.64%
2019	0.02930%	476,743	5,692,685	8.37%	52.00%
2018	0.02734%	415,410	5,198,008	7.99%	51.22%
2017	0.02715%	408,491	5,007,139	8.16%	48.86%
<b>Primary Government-Business-type Activities</b>					
2024	0.00154%	\$ 17,185	\$ 395,341	4.35%	73.41%
2023	0.00166%	19,909	390,750	5.10%	69.30%
2022	0.00160%	19,627	354,173	5.54%	67.21%
2021	0.00190%	22,586	354,173	6.38%	67.45%
<b>Component Unit Rockbridge Regional Jail Commission</b>					
2024	0.00948%	\$ 105,736	\$ 2,432,731	4.35%	73.41%
2023	0.00920%	110,313	2,166,755	5.09%	69.30%
2022	0.00866%	104,334	1,884,928	5.54%	67.21%
2021	0.00808%	93,914	1,665,556	5.64%	67.45%
2020	0.00834%	139,257	1,717,308	8.11%	52.64%
2019	0.00766%	124,694	1,552,742	8.03%	52.00%
2018	0.00833%	126,590	1,584,362	7.99%	51.22%
2017	0.00827%	124,508	1,526,184	8.16%	48.86%
<b>Component Unit School Board (nonprofessional)</b>					
2024	0.00496%	\$ 55,350	\$ 1,273,221	4.35%	73.41%
2023	0.00525%	62,964	1,237,026	5.09%	69.30%
2022	0.00580%	69,476	1,254,637	5.54%	67.21%
2021	0.00590%	68,576	1,216,201	5.64%	67.45%
2020	0.00630%	104,970	1,294,142	8.11%	52.64%
2019	0.00662%	107,725	1,296,532	8.31%	52.00%
2018	0.00693%	105,000	1,317,307	7.97%	51.22%
2017	0.00739%	111,000	1,362,550	8.15%	48.86%
<b>Component Unit School Board (professional)</b>					
2024	0.07747%	\$ 864,505	\$ 19,890,687	4.35%	73.41%
2023	0.08039%	964,128	18,935,482	5.09%	69.30%
2022	0.08260%	994,584	17,966,733	5.54%	67.21%
2021	0.08470%	986,603	17,496,014	5.64%	67.45%
2020	0.08630%	1,440,540	17,765,066	8.11%	52.64%
2019	0.08890%	1,446,640	17,427,756	8.30%	52.00%
2018	0.08712%	1,323,000	16,565,935	7.99%	51.22%
2017	0.08737%	1,315,000	16,114,873	8.16%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available. The Business-type activities of the primary government, consist of the Blue Ridge Resource Authority. This Authority established a separate account with the Virginia Retirement System in fiscal year 2022. Data prior to 2021 is not available for the Authority however, it will be added in future years as it becomes available.

Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

Date	Contributions in Relation to					Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)		
<b>Primary Government-Governmental Activities</b>						
2025	\$ 41,652	\$ 41,652	\$ -	\$ 8,862,134		0.47%
2024	44,206	44,206	-	8,186,330		0.54%
2023	40,225	40,225	-	7,449,122		0.54%
2022	35,658	35,658	-	6,603,331		0.54%
2021	32,330	32,330	-	5,987,079		0.54%
2020	31,887	31,887	-	6,132,137		0.52%
2019	29,432	29,432	-	5,692,685		0.52%
2018	27,029	27,029	-	5,198,008		0.52%
2017	26,037	26,037	-	5,007,139		0.52%
2016	23,009	23,009	-	4,747,455		0.48%
<b>Primary Government-Business-type Activities</b>						
2025	\$ 1,678	\$ 1,678	\$ -	\$ 357,054		0.47%
2024	2,135	2,135	-	395,341		0.54%
2023	2,110	2,110	-	390,750		0.54%
2022	2,161	2,161	-	354,173		0.61%
<b>Component Unit Rockbridge Regional Jail Commission</b>						
2025	\$ 10,754	\$ 10,754	\$ -	\$ 2,287,995		0.47%
2024	13,137	13,137	-	2,432,731		0.54%
2023	11,701	11,701	-	2,166,755		0.54%
2022	10,179	10,179	-	1,884,928		0.54%
2021	8,994	8,994	-	1,665,556		0.54%
2020	8,930	8,930	-	1,717,308		0.52%
2019	8,244	8,244	-	1,552,742		0.53%
2018	8,239	8,239	-	1,584,362		0.52%
2017	7,936	7,936	-	1,526,184		0.52%
2016	7,087	7,087	-	1,522,515		0.47%
<b>Component Unit School Board (nonprofessional)</b>						
2025	\$ 7,026	\$ 7,026	\$ -	\$ 1,494,965		0.47%
2024	6,875	6,875	-	1,273,221		0.54%
2023	6,680	6,680	-	1,237,026		0.54%
2022	6,775	6,775	-	1,254,637		0.54%
2021	6,567	6,567	-	1,216,201		0.54%
2020	6,730	6,730	-	1,294,142		0.52%
2019	6,742	6,742	-	1,296,532		0.52%
2018	6,850	6,850	-	1,317,307		0.52%
2017	7,085	7,085	-	1,362,550		0.52%
2016	6,943	6,943	-	1,446,451		0.48%
<b>Component Unit School Board (professional)</b>						
2025	\$ 99,950	\$ 99,950	\$ -	\$ 21,266,013		0.47%
2024	107,410	107,410	-	19,890,687		0.54%
2023	102,252	102,252	-	18,935,482		0.54%
2022	97,020	97,020	-	17,966,733		0.54%
2021	94,478	94,478	-	17,496,014		0.54%
2020	92,378	92,378	-	17,765,066		0.52%
2019	90,624	90,624	-	17,427,756		0.52%
2018	86,143	86,143	-	16,565,935		0.52%
2017	83,797	83,797	-	16,114,873		0.52%
2016	75,872	75,872	-	15,806,765		0.48%

Schedule is intended to show information for 10 years. The Business-type activities of the primary government, consist of the Blue Ridge Resource Authority. This Authority established a separate account with the Virginia Retirement System in fiscal year 2022. Data prior to 2022 is not available for the Authority however, it will be added in future years as it becomes available.

Notes to Required Supplementary Information  
 Group Life Insurance (GLI) Plan  
 For the Year Ended June 30, 2025

**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Teachers**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

Schedule of School Board's Share of Net OPEB Liability  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

<b>Date (1)</b>	<b>Employer's Proportion of the Net HIC OPEB Liability (2)</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)</b>	<b>Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)</b>
2024	0.18565% \$	2,145,461 \$	19,890,687	10.79%	21.82%
2023	0.18988%	2,300,239	18,933,549	12.15%	17.90%
2022	0.19223%	2,401,042	17,916,558	13.40%	15.08%
2021	0.19761%	2,536,461	17,476,296	14.51%	13.15%
2020	0.20260%	2,643,472	17,765,066	14.88%	9.95%
2019	0.20668%	2,705,642	17,335,774	15.61%	8.97%
2018	0.20318%	2,580,000	16,431,998	15.70%	8.08%
2017	0.20363%	2,583,000	16,070,160	16.07%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

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Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2025	\$ 257,319	\$ 257,319	\$ -	\$ 21,266,013	1.21%
2024	240,677	240,677	-	19,890,687	1.21%
2023	229,096	229,096	-	18,933,549	1.21%
2022	216,790	216,790	-	17,916,558	1.21%
2021	211,463	211,463	-	17,476,296	1.21%
2020	213,181	213,181	-	17,765,066	1.20%
2019	208,029	208,029	-	17,335,774	1.20%
2018	202,114	202,114	-	16,431,998	1.23%
2017	178,379	178,379	-	16,070,160	1.11%
2016	166,037	166,037	-	15,663,859	1.06%

Notes to Required Supplementary Information  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2025

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**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios  
 Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2021 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total HIC OPEB Liability</b>				
Service cost	\$ 1,299	\$ 1,336	\$ 1,945	\$ 2,094
Interest	7,218	15,339	13,468	12,165
Differences between expected and actual experience	(4,822)	(131,952)	(22,269)	-
Changes of assumptions	-	-	40,427	5,911
Benefit payments	(5,077)	(4,893)	(5,610)	-
<b>Net change in total HIC OPEB liability</b>	<u>\$ (1,382)</u>	<u>\$ (120,170)</u>	<u>\$ 27,961</u>	<u>\$ 20,170</u>
<b>Total HIC OPEB Liability - beginning</b>	108,180	228,350	200,389	180,219
<b>Total HIC OPEB Liability - ending (a)</b>	<u><u>\$ 106,798</u></u>	<u><u>\$ 108,180</u></u>	<u><u>\$ 228,350</u></u>	<u><u>\$ 200,389</u></u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 16,271	\$ 15,639	\$ 14,177	\$ 13,743
Net investment income	4,041	1,910	(206)	1,647
Benefit payments	(5,077)	(4,893)	(5,610)	-
Administrator charges	(62)	(51)	(42)	(60)
Other	-	31	563	-
<b>Net change in plan fiduciary net position</b>	<u>\$ 15,173</u>	<u>\$ 12,636</u>	<u>\$ 8,882</u>	<u>\$ 15,330</u>
<b>Plan fiduciary net position - beginning</b>	36,848	24,212	15,330	-
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 52,021</u></u>	<u><u>\$ 36,848</u></u>	<u><u>\$ 24,212</u></u>	<u><u>\$ 15,330</u></u>
<b>School Board's net HIC OPEB liability - ending (a) - (b)</b>	\$ 54,777	\$ 71,332	\$ 204,138	\$ 185,059
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	48.71%	34.06%	10.60%	7.65%
<b>Covered payroll</b>	\$ 1,273,221	\$ 1,233,892	\$ 1,254,637	\$ 1,216,201
<b>School Board's net HIC OPEB liability as a percentage of covered payroll</b>	4.30%	5.78%	16.27%	15.22%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2021 through June 30, 2025

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<b>Date</b>	<b>Contractually Required Contribution (1)</b>	<b>Contributions in Relation to Contractually Required Contribution (2)</b>	<b>Contribution Deficiency (Excess) (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Contributions as a % of Covered Payroll (5)</b>
2025	\$ 18,728	\$ 18,728	\$ -	\$ 1,463,141	1.28%
2024	16,297	16,297	-	1,273,221	1.28%
2023	15,794	15,794	-	1,233,892	1.28%
2022	14,177	14,177	-	1,254,637	1.13%
2021	13,743	13,743	-	1,216,201	1.13%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information  
 Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2025

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**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**County of Rockbridge, Virginia**

Schedule of Changes in Total OPEB Liability and Related Ratios  
 Primary Government  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB liability</b>				
Service cost	\$ 30,000	\$ 30,000	\$ 33,000	\$ 29,000
Interest	14,000	14,000	10,000	10,000
Changes in assumptions	5,000	(18,000)	(57,000)	20,000
Difference between expected and actual experience	(88,000)	(27,000)	(64,000)	11,000
Benefit payments	(15,000)	17,000	(8,000)	(33,000)
Change in proportionate share	-	-	-	-
<b>Net change in total OPEB liability</b>	<u>\$ (54,000)</u>	<u>\$ 16,000</u>	<u>\$ (86,000)</u>	<u>\$ 37,000</u>
<b>Total OPEB liability - beginning</b>	<u>353,000</u>	<u>337,000</u>	<u>423,000</u>	<u>386,000</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 299,000</u></u>	<u><u>\$ 353,000</u></u>	<u><u>\$ 337,000</u></u>	<u><u>\$ 423,000</u></u>
 <b>Covered-employee payroll</b>	 \$ 10,168,141	 \$ 8,206,521	 \$ 8,521,178	 \$ 8,083,576
 <b>County's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 2.94%	 4.30%	 3.95%	 5.23%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Exhibit 29

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$	18,000	\$ 15,000	\$ 16,000	\$ 15,000
	7,000	7,000	10,000	9,000
	24,000	13,000	(17,000)	-
	131,000	11,000	(33,000)	-
	(38,000)	(7,000)	(8,000)	(9,000)
	-	(18,000)	-	-
\$	<u>142,000</u>	\$ <u>21,000</u>	\$ <u>(32,000)</u>	\$ <u>15,000</u>
	<u>244,000</u>	<u>223,000</u>	<u>255,000</u>	<u>240,000</u>
\$	<u><u>386,000</u></u>	\$ <u><u>244,000</u></u>	\$ <u><u>223,000</u></u>	\$ <u><u>255,000</u></u>
\$	5,692,685	\$ 5,692,685	\$ 5,337,294	\$ 5,026,772
	6.78%	4.29%	4.18%	5.07%

**County of Rockbridge, Virginia**

Schedule of Changes in Total OPEB Liability and Related Ratios  
 Component Unit Rockbridge Regional Jail Commission  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB liability</b>				
Service cost	\$ 17,000	\$ 16,000	\$ 14,000	\$ 12,000
Interest	4,000	3,000	2,000	2,000
Changes in assumptions	2,000	4,000	(13,000)	5,000
Differences between expected and actual experience	(19,000)	-	(13,000)	4,000
Benefit payments	(4,000)	(4,000)	(2,000)	(1,000)
<b>Net change in total OPEB liability</b>	\$ -	\$ 19,000	\$ (12,000)	\$ 22,000
<b>Total OPEB liability - beginning</b>	<u>86,000</u>	<u>67,000</u>	<u>79,000</u>	<u>57,000</u>
<b>Total OPEB liability - ending</b>	<u>\$ 86,000</u>	<u>\$ 86,000</u>	<u>\$ 67,000</u>	<u>\$ 79,000</u>
<b>Covered-employee payroll</b>	\$ 2,924,616	\$ 1,999,322	\$ 1,694,121	\$ 1,509,699
<b>Commission's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	2.94%	4.30%	3.95%	5.23%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

**Exhibit 30**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$	9,000	\$ 8,000	\$ 7,000	\$ 7,000
	4,000	4,000	4,000	4,000
	4,000	3,000	(8,000)	-
	(68,000)	5,000	(16,000)	-
	<u>(1,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(5,000)</u>
\$	<u>(52,000)</u>	\$ 14,000	\$ (19,000)	\$ 6,000
	109,000	95,000	114,000	108,000
\$	<u>57,000</u>	<u>109,000</u>	<u>95,000</u>	<u>114,000</u>
\$	1,552,742	\$ 1,552,742	\$ 1,445,076	\$ 1,506,551
	3.67%	7.02%	6.57%	7.57%

**County of Rockbridge, Virginia**

Schedule of Changes in Total OPEB Liability and Related Ratios  
 Component Unit School Board  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB liability</b>				
Service cost	\$ 181,000	\$ 232,000	\$ 285,000	\$ 264,000
Interest	183,000	178,000	117,000	154,000
Changes in assumptions	8,000	(243,000)	(583,000)	248,000
Differences between expected and actual experience	253,000	89,000	(784,000)	(618,000)
Benefit payments	<u>(311,000)</u>	<u>(259,000)</u>	<u>(245,000)</u>	<u>(279,000)</u>
<b>Net change in total OPEB liability</b>	\$ 314,000	\$ (3,000)	\$ (1,210,000)	\$ (231,000)
<b>Total OPEB liability - beginning</b>	<u>4,705,000</u>	<u>4,708,000</u>	<u>5,918,000</u>	<u>6,149,000</u>
<b>Total OPEB liability - ending</b>	<u>\$ 5,019,000</u>	<u>\$ 4,705,000</u>	<u>\$ 4,708,000</u>	<u>\$ 5,918,000</u>
<b>Covered-employee payroll</b>	\$ 15,046,000	\$ 16,924,000	\$ 16,924,000	\$ 18,083,000
<b>School Board's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	33.36%	27.80%	27.82%	32.73%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Exhibit 31

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$	213,000	\$ 183,000	\$ 232,000	\$ 226,000
	181,000	190,000	209,000	200,000
	335,000	215,000	(487,000)	-
	(16,000)	96,000	(386,000)	-
	<u>(250,000)</u>	<u>(100,000)</u>	<u>(183,000)</u>	<u>(179,000)</u>
\$	463,000	\$ 584,000	\$ (615,000)	\$ 247,000
	<u>5,686,000</u>	<u>5,102,000</u>	<u>5,717,000</u>	<u>5,470,000</u>
\$	<u><u>6,149,000</u></u>	<u><u>5,686,000</u></u>	<u><u>5,102,000</u></u>	<u><u>5,717,000</u></u>
\$	18,083,000	\$ 16,920,000	\$ 16,920,000	\$ 16,781,000
	34.00%	33.61%	30.15%	34.07%

Notes to Required Supplementary Information - OPEB  
 For the Year Ended June 30, 2025

Valuation Date: 7/1/2024  
 Measurement Date: 7/1/2024

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	4.09% which represents the Municipal GO AA 20-year yield curve rate as of the measurement date
Inflation	2.50% per year
Healthcare Trend Rate	7.00% for fiscal year end 2025, decreasing 0.50% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	<p>Employees:                      PUB – 2010 Amount-Weighted General Mortality Table – Employees with MP-2021 Projection Scale Fully Generational                      PUB – 2010 Amount-Weighted Safety Mortality Table – Employees with MP-2021 Projection Scale Fully Generational</p> <p>Retirees:                      PUB – 2010 Amount-Weighted General Mortality Table – Retiree with MP-2021 Projection Scale Fully Generational                      PUB – 2010 Amount-Weighted Safety Mortality Table – Retiree with MP-2021 Projection Scale Fully Generational</p> <p>Surviving Spouse:                      PUB – 2010 Amount-Weighted Mortality Table – Contingent Survivor with MP-2021 Projection Scale Fully Generational</p> <p>Disabled Retiree:                      PUB – 2010 Amount-Weighted Non-Safety Mortality Table – Disabled Retiree with MP-2021 Projection Scale Fully Generational                      PUB – 2010 Amount-Weighted Safety Mortality Table – Disabled Retiree with MP-2021 Projection Scale Fully Generational</p>

## **OTHER SUPPLEMENTARY INFORMATION**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
County Capital Projects Fund  
For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Current:				
Capital projects	\$ 1,281,475	\$ 2,594,296	\$ 1,656,756	\$ 937,540
Total expenditures	\$ 1,281,475	\$ 2,594,296	\$ 1,656,756	\$ 937,540
Excess (deficiency) of revenues over (under) expenditures	\$ (1,281,475)	\$ (2,594,296)	\$ (1,656,756)	\$ 937,540
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,281,475	\$ 1,281,475	\$ 1,275,366	\$ (6,109)
Total other financing sources (uses)	\$ 1,281,475	\$ 1,281,475	\$ 1,275,366	\$ (6,109)
Net change in fund balances	\$ -	\$ (1,312,821)	\$ (381,390)	\$ 931,431
Fund balances - beginning	-	1,312,821	627,772	(685,049)
Fund balances - ending	\$ -	\$ -	\$ 246,382	\$ 246,382

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**School Capital Projects Fund**  
**For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 118,975	\$ 118,975
Miscellaneous	-	-	145,379	145,379
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,354</u>	<u>\$ 264,354</u>
<b>EXPENDITURES</b>				
Current:				
Capital projects	\$ -	\$ 8,232,378	\$ 4,899,187	\$ 3,333,191
Total expenditures	<u>\$ -</u>	<u>\$ 8,232,378</u>	<u>\$ 4,899,187</u>	<u>\$ 3,333,191</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (8,232,378)</u>	<u>\$ (4,634,833)</u>	<u>\$ 3,597,545</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 2,504,765	\$ 2,504,765
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,504,765</u>	<u>\$ 2,504,765</u>
Net change in fund balances	\$ -	\$ (8,232,378)	\$ (2,130,068)	\$ 6,102,310
Fund balances - beginning	-	8,232,378	2,130,068	(6,102,310)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2025**

	<u>Drug Fund</u>	<u>Commonwealth Attorney Forfeitures Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 91,860	\$ 18,677	\$ 110,537
Total assets	<u>\$ 91,860</u>	<u>\$ 18,677</u>	<u>\$ 110,537</u>
<b>Net Position</b>			
Restricted:			
Restricted for drug enforcement	\$ 91,860	\$ -	\$ 91,860
Restricted commonwealth attorney forfeitures	-	18,677	18,677
Total net position	<u>\$ 91,860</u>	<u>\$ 18,677</u>	<u>\$ 110,537</u>

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended June 30, 2025**

	<u>Drug Fund</u>	<u>Commonwealth Attorney Forfeitures Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Asset forfeitures	\$ 3,566	\$ 958	\$ 4,524
Total additions	<u>\$ 3,566</u>	<u>\$ 958</u>	<u>\$ 4,524</u>
<b>DEDUCTIONS</b>			
Safety equipment	\$ 65,100	\$ -	\$ 65,100
Total deductions	<u>\$ 65,100</u>	<u>\$ -</u>	<u>\$ 65,100</u>
Net increase (decrease) in fiduciary net position	\$ (61,534)	\$ 958	\$ (60,576)
Net position, beginning of year	<u>153,394</u>	<u>17,719</u>	<u>171,113</u>
Net position, end of year	<u>\$ 91,860</u>	<u>\$ 18,677</u>	<u>\$ 110,537</u>

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2025**

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	<u>Veterans Memorial Fund</u>	<u>Total</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,088	\$ 11,088
Total assets	<u>\$ 11,088</u>	<u>\$ 11,088</u>
<b>FUND BALANCES</b>		
Restricted		
Veterans memorial	\$ 11,088	\$ 11,088
Total fund balances	<u>\$ 11,088</u>	<u>\$ 11,088</u>
Total liabilities and fund balances	<u>\$ 11,088</u>	<u>\$ 11,088</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2025**

	<b>Veterans Memorial Fund</b>	<b>Employee Benefit Fund</b>	<b>Total</b>
<b>REVENUES</b>			
General property taxes	\$ -	\$ -	\$ -
Miscellaneous	3,000	-	3,000
Total revenues	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>
<b>EXPENDITURES</b>			
Community development	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	\$ -	\$ (2,164)	\$ (2,164)
Total other financing sources and uses	<u>\$ -</u>	<u>\$ (2,164)</u>	<u>\$ (2,164)</u>
Net change in fund balances	\$ 3,000	\$ (2,164)	\$ 836
Fund balances - beginning	8,088	2,164	10,252
Fund balances - ending	<u><u>\$ 11,088</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,088</u></u>

**DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD**

**Combining Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2025**

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Permanent Scholarship Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 200	\$ 82,805	\$ 740,562	\$ 27,326	\$ 850,893
Investments	-	-	8,612	-	8,612
Receivables (net of allowance for uncollectibles):					
Accounts receivable	411,408	262	34,296	-	445,966
Due from other governmental units	1,330,454	7,839	-	-	1,338,293
Inventories	-	58,346	-	-	58,346
Prepaid items	1,362,714	-	-	-	1,362,714
Total assets	<u>\$ 3,104,776</u>	<u>\$ 149,252</u>	<u>\$ 783,470</u>	<u>\$ 27,326</u>	<u>\$ 4,064,824</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 182,261	\$ 1,261	\$ 572	\$ -	\$ 184,094
Due to primary government	2,799,117	-	-	-	2,799,117
Unearned revenue	123,398	-	-	-	123,398
Total liabilities	<u>\$ 3,104,776</u>	<u>\$ 1,261</u>	<u>\$ 572</u>	<u>\$ -</u>	<u>\$ 3,106,609</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventory	\$ -	\$ 58,346	\$ -	\$ -	\$ 58,346
Prepaid items	1,362,714	-	-	-	1,362,714
Restricted for:					
Endowments	-	-	-	27,326	27,326
Student activities	-	-	782,898	-	782,898
Committed:					
Special revenue funds	-	89,645	-	-	89,645
Unassigned	(1,362,714)	-	-	-	(1,362,714)
Total fund balances	<u>\$ -</u>	<u>\$ 147,991</u>	<u>\$ 782,898</u>	<u>\$ 27,326</u>	<u>\$ 958,215</u>
Total liabilities and fund balances	<u>\$ 3,104,776</u>	<u>\$ 149,252</u>	<u>\$ 783,470</u>	<u>\$ 27,326</u>	<u>\$ 4,064,824</u>

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

Total fund balances per above	\$ 958,215
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Land	\$ 117,555
Buildings and improvements	32,607,442
Machinery and equipment	11,225,716
Construction in progress	164,018
Subscription assets	9,675
Lease assets	197,537
	<u>44,321,943</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Net pension asset	\$ 1,234,962
	1,234,962
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds	
Pension related items	\$ 6,413,268
OPEB related items	1,320,930
	7,734,198
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	\$ (3,300,057)
Lease liabilities	(198,827)
Accrued interest	(550)
Total OPEB liability	(5,019,000)
Net OPEB liabilities	(3,120,093)
Net pension liability	(17,632,418)
	<u>(29,270,945)</u>
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
Pension related items	\$ (3,995,719)
OPEB related items	(1,598,672)
	<u>(5,594,391)</u>
Net position of governmental activities	<u>\$ 19,383,982</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds - Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2025**

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Permanent Scholarship Fund	Total Governmental Funds
<b>REVENUES</b>					
Revenue from the use of money and property	\$ -	\$ 774	\$ -	\$ 2	\$ 776
Charges for services	1,746,817	130,397	-	-	1,877,214
Miscellaneous	243,840	2	933,982	-	1,177,824
Intergovernmental:					
Local government	16,317,141	-	-	-	16,317,141
Commonwealth	19,981,078	40,152	-	-	20,021,230
Federal	2,228,000	1,415,557	-	-	3,643,557
Total revenues	<u>\$ 40,516,876</u>	<u>\$ 1,586,882</u>	<u>\$ 933,982</u>	<u>\$ 2</u>	<u>\$ 43,037,742</u>
<b>EXPENDITURES</b>					
Current:					
Education	\$ 40,506,237	\$ 1,787,884	\$ 893,319	\$ -	\$ 43,187,440
Debt service:					
Principal retirement	102,089	-	-	-	102,089
Interest and other fiscal charges	6,060	-	-	-	6,060
Total expenditures	<u>\$ 40,614,386</u>	<u>\$ 1,787,884</u>	<u>\$ 893,319</u>	<u>\$ -</u>	<u>\$ 43,295,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (97,510)</u>	<u>\$ (201,002)</u>	<u>\$ 40,663</u>	<u>\$ 2</u>	<u>\$ (257,847)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Leases (as lessee)	\$ 97,510	\$ -	\$ -	\$ -	\$ 97,510
Total other financing sources and uses	<u>\$ 97,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,510</u>
Net change in fund balances	\$ -	\$ (201,002)	\$ 40,663	\$ 2	\$ (160,337)
Fund balances - beginning	-	348,993	742,235	27,324	1,118,552
Fund balances - ending	<u>\$ -</u>	<u>\$ 147,991</u>	<u>\$ 782,898</u>	<u>\$ 27,326</u>	<u>\$ 958,215</u>

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ (160,337)

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 the depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 5,855,934	
Depreciation expense	(3,920,038)	
Allocation of debt financed school assets based on current year repayments	<u>1,590,802</u>	3,526,698

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net assets. (2,824)

The issuance of long-term liabilities (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term liabilities consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term liabilities and related items.

Lease payments	\$ 102,089	
Lease additions	(97,510)	
Accrued interest	<u>(231)</u>	4,348

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.

Change in compensated absences	\$ (778,286)	
Pension expense	2,023,101	
OPEB expense	<u>465,115</u>	1,709,930

Change in net position of governmental activities \$ 5,077,815

County of Rockbridge, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2025

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	1,688,220	1,688,220	1,746,817	58,597
Miscellaneous	91,592	91,592	243,840	152,248
Intergovernmental:				
Local government	17,302,686	16,889,777	16,317,141	(572,636)
Commonwealth	19,044,608	21,346,085	19,981,078	(1,365,007)
Federal	50,000	2,250,001	2,228,000	(22,001)
Total revenues	<u>\$ 38,177,106</u>	<u>\$ 42,265,675</u>	<u>\$ 40,516,876</u>	<u>\$ (1,748,799)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 38,177,106	\$ 42,265,675	\$ 40,506,237	\$ 1,759,438
Debt service:				
Principal retirement	-	-	102,089	(102,089)
Interest and other fiscal charges	-	-	6,060	(6,060)
Total expenditures	<u>\$ 38,177,106</u>	<u>\$ 42,265,675</u>	<u>\$ 40,614,386</u>	<u>\$ 1,651,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,510)</u>	<u>\$ 97,510</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases (as lessee)	\$ -	\$ -	\$ 97,510	\$ (97,510)
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,510</u>	<u>\$ (97,510)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 41

<b>School Cafeteria Fund</b>			
<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Original</b>	<b>Final</b>		
\$ 20	\$ 20	\$ 774	\$ 754
145,000	145,000	130,397	(14,603)
-	-	2	2
-	-	-	-
48,700	48,700	40,152	(8,548)
1,368,213	1,368,213	1,415,557	47,344
<u>\$ 1,561,933</u>	<u>\$ 1,561,933</u>	<u>\$ 1,586,882</u>	<u>\$ 24,949</u>
\$ 1,561,933	\$ 1,748,933	\$ 1,787,884	\$ (38,951)
-	-	-	-
-	-	-	-
<u>\$ 1,561,933</u>	<u>\$ 1,748,933</u>	<u>\$ 1,787,884</u>	<u>\$ (38,951)</u>
\$ -	\$ (187,000)	\$ (201,002)	\$ (14,002)
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ -	\$ (187,000)	\$ (201,002)	\$ (14,002)
-	187,000	348,993	161,993
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,991</u>	<u>\$ 147,991</u>

**Statement of Fiduciary Net Position**  
**Fiduciary Funds - Discretely Presented Component Unit School Board**  
**June 30, 2025**

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	<b>School Flex Benefits Fund</b>	<b>Scholarship Private-Purpose Trust</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 29,630	\$ 1,645	\$ 31,275
Total assets	\$ 29,630	\$ 1,645	\$ 31,275
<b>NET POSITION</b>			
Held in trust for scholarships	\$ -	\$ 1,645	\$ 1,645
Held for employee benefits	29,630	-	29,630
	\$ 29,630	\$ 1,645	\$ 31,275

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Discretely Presented Component Unit School Board**  
**For the Year Ended June 30, 2025**

	<u>School Flex Benefits Fund</u>	<u>Scholarship Private-Purpose Trust</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions:			
Employer			
Plan members	\$ 55,269	\$ -	\$ 55,269
Private donations	-	1,000	1,000
Total contributions	<u>\$ 55,269</u>	<u>\$ 1,000</u>	<u>\$ 56,269</u>
Investment earnings:			
Interest	\$ 9	\$ 1	\$ 10
Total additions	<u>\$ 55,278</u>	<u>\$ 1,001</u>	<u>\$ 56,279</u>
<b>DEDUCTIONS</b>			
Benefit claims	\$ (55,045)	\$ -	\$ (55,045)
Total deductions	<u>\$ (55,045)</u>	<u>\$ -</u>	<u>\$ (55,045)</u>
Change in net position	\$ 233	\$ 1,001	\$ 1,234
Net position - beginning	29,397	644	30,041
Net position - ending	<u><u>\$ 29,630</u></u>	<u><u>\$ 1,645</u></u>	<u><u>\$ 31,275</u></u>

## **SUPPORTING SCHEDULES**

**Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 20,142,667	\$ 20,142,667	\$ 21,056,570	\$ 913,903
Real and personal public service corporation taxes	1,985,396	1,985,396	1,846,151	(139,245)
Personal property taxes	7,974,441	7,782,349	9,350,096	1,567,747
Mobile home taxes	47,303	47,303	39,099	(8,204)
Machinery and tools taxes	513,708	513,708	529,972	16,264
Penalties	385,395	385,395	484,219	98,824
Interest	160,621	160,621	193,361	32,740
Total general property taxes	<u>\$ 31,209,531</u>	<u>\$ 31,017,439</u>	<u>\$ 33,499,468</u>	<u>\$ 2,482,029</u>
Other local taxes:				
Local sales and use taxes	\$ 4,436,160	\$ 4,436,160	\$ 4,532,175	\$ 96,015
Consumers' utility taxes	1,263,300	1,263,300	1,232,476	(30,824)
Business license taxes	987,450	987,450	1,379,325	391,875
Motor vehicle licenses	24,500	24,500	58,160	33,660
Bank stock taxes	215,509	215,509	231,707	16,198
Taxes on recordation and wills	302,697	302,697	322,927	20,230
Lodging tax	3,679,640	3,679,640	3,095,270	(584,370)
Meals tax	3,365,580	3,365,580	3,124,983	(240,597)
Cigarette tax	225,000	225,000	189,215	(35,785)
Admission tax	350,000	350,000	306,864	(43,136)
Total other local taxes	<u>\$ 14,849,836</u>	<u>\$ 14,849,836</u>	<u>\$ 14,473,102</u>	<u>\$ (376,734)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 1,500	\$ 1,500	\$ 7,675	\$ 6,175
Land use application fees	2,368	2,368	2,260	(108)
Transfer fees	895	895	793	(102)
Permits and other licenses	306,444	306,444	363,631	57,187
Total permits, privilege fees, and regulatory licenses	<u>\$ 311,207</u>	<u>\$ 311,207</u>	<u>\$ 374,359</u>	<u>\$ 63,152</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 384,245	\$ 384,245	\$ 171,061	\$ (213,184)
Revenue from use of money and property:				
Revenue from use of money	\$ 1,176,228	\$ 1,176,228	\$ 1,466,180	\$ 289,952
Revenue from use of property	23,147	23,147	31,091	7,944
Total revenue from use of money and property	<u>\$ 1,199,375</u>	<u>\$ 1,199,375</u>	<u>\$ 1,497,271</u>	<u>\$ 297,896</u>
Charges for services:				
Sheriff's fees	\$ 11,405	\$ 11,405	\$ 26,810	\$ 15,405
Charges for courthouse maintenance	31,914	31,914	34,009	2,095
Courthouse security fees	176,640	176,640	200,050	23,410
Charges for Commonwealth's Attorney	5,042	5,042	4,146	(896)
Charges for garage services	740,232	740,232	444,645	(295,587)
Charges for sanitation and waste removal	25,308	25,308	7,796	(17,512)
Charges for parks and recreation	103,770	103,770	121,113	17,343
Erosion Sediment Control Fee	39,654	39,654	55,715	16,061
DNA Fee	1,017	1,017	726	(291)
Total charges for services	<u>\$ 1,134,982</u>	<u>\$ 1,134,982</u>	<u>\$ 895,010</u>	<u>\$ (239,972)</u>

**Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025 (Continued)**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Revenue from local sources: (continued)				
Miscellaneous:				
Miscellaneous	\$ 1,548,521	\$ 1,548,521	\$ 1,386,585	\$ (161,936)
Total miscellaneous	<u>\$ 1,548,521</u>	<u>\$ 1,548,521</u>	<u>\$ 1,386,585</u>	<u>\$ (161,936)</u>
Recovered costs:				
Lexington contribution-court building	\$ 6,376	\$ 6,376	\$ 11,609	\$ 5,233
Joint services City of Lexington	273,357	273,357	302,347	28,990
Charges for hazard materials cleanup	3,668	3,668	-	(3,668)
Fiscal agent fees	50,100	50,100	52,472	2,372
Other recovered costs	148,162	148,162	237,415	89,253
Total recovered costs	<u>\$ 481,663</u>	<u>\$ 481,663</u>	<u>\$ 603,843</u>	<u>\$ 122,180</u>
Total revenue from local sources	<u>\$ 51,119,360</u>	<u>\$ 50,927,268</u>	<u>\$ 52,900,699</u>	<u>\$ 1,973,431</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 67,621	\$ 67,621	\$ 71,164	\$ 3,543
Mobile home titling tax	24,546	24,546	20,718	(3,828)
Timber sales	1,186	1,186	-	(1,186)
Motor vehicle rental tax	63,129	63,129	76,174	13,045
Personal property tax relief funds	2,449,624	2,449,624	2,449,624	-
Total noncategorical aid	<u>\$ 2,606,106</u>	<u>\$ 2,606,106</u>	<u>\$ 2,617,680</u>	<u>\$ 11,574</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 696,410	\$ 696,410	\$ 690,046	\$ (6,364)
Sheriff	1,633,797	1,633,797	1,611,157	(22,640)
Commissioner of revenue	156,032	156,032	153,560	(2,472)
Treasurer	149,313	149,313	147,688	(1,625)
Registrar/electoral board	75,000	75,000	80,146	5,146
Clerk of the Circuit Court	384,450	384,450	397,927	13,477
Total shared expenses	<u>\$ 3,095,002</u>	<u>\$ 3,095,002</u>	<u>\$ 3,080,524</u>	<u>\$ (14,478)</u>
Other categorical aid:				
Emergency medical services	\$ -	\$ -	\$ 2,250	\$ 2,250
Victim-witness grant	16,886	16,886	28,175	11,289
Fire program	77,668	77,668	108,956	31,288
NBSWCD support	184,135	184,135	259,705	75,570
Four for life	24,300	24,300	25,429	1,129
Other	143,140	143,140	162,725	19,585
School resource officer grant	233,690	233,690	141,670	(92,020)
Stillwater IRF Grant	-	-	414,494	414,494
Virginia racing grant	-	-	300,000	300,000
VDEP grant	-	-	46,800	46,800
Total other categorical aid	<u>\$ 679,819</u>	<u>\$ 679,819</u>	<u>\$ 1,490,204</u>	<u>\$ 810,385</u>
Total categorical aid	<u>\$ 3,774,821</u>	<u>\$ 3,774,821</u>	<u>\$ 4,570,728</u>	<u>\$ 795,907</u>
Total revenue from the Commonwealth	<u>\$ 6,380,927</u>	<u>\$ 6,380,927</u>	<u>\$ 7,188,408</u>	<u>\$ 807,481</u>

**Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025 (Continued)**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Intergovernmental: (continued)				
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 192,944	\$ 192,944	\$ 229,004	\$ 36,060
	<u>\$ 192,944</u>	<u>\$ 192,944</u>	<u>\$ 229,004</u>	<u>\$ 36,060</u>
Categorical aid:				
Ground transportation grant	\$ -	\$ -	\$ 12,812	\$ 12,812
Emergency management performance grant	7,500	7,500	-	(7,500)
Victim-witness grant	51,393	51,393	44,959	(6,434)
Domestic violence	-	-	45,718	45,718
State and local fiscal recovery fund	4,192,253	3,135,036	3,034,444	(100,592)
Other	-	-	70,771	70,771
Total categorical aid	<u>\$ 4,251,146</u>	<u>\$ 3,193,929</u>	<u>\$ 3,208,704</u>	<u>\$ 14,775</u>
Total revenue from the federal government	<u>\$ 4,444,090</u>	<u>\$ 3,386,873</u>	<u>\$ 3,437,708</u>	<u>\$ 50,835</u>
Total General Fund	<u>\$ 61,944,377</u>	<u>\$ 60,695,068</u>	<u>\$ 63,526,815</u>	<u>\$ 2,831,747</u>
<b>Capital Projects Funds:</b>				
<b>School Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 118,975	\$ 118,975
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,975</u>	<u>\$ 118,975</u>
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 145,379	\$ 145,379
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,379</u>	<u>\$ 145,379</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,354</u>	<u>\$ 264,354</u>
Total School Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,354</u>	<u>\$ 264,354</u>
<b>Total Primary Government Major Funds</b>	<u>\$ 61,944,377</u>	<u>\$ 60,695,068</u>	<u>\$ 63,791,169</u>	<u>\$ 3,096,101</u>

**Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025 (Continued)**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Charges for services:				
Tuition -private day school	\$ 19,000	\$ 19,000	\$ 39,750	\$ 20,750
Tuition-City of Lexington, Buena Vista	1,669,220	1,669,220	1,707,067	37,847
Total charges for services	<u>\$ 1,688,220</u>	<u>\$ 1,688,220</u>	<u>\$ 1,746,817</u>	<u>\$ 58,597</u>
Miscellaneous:				
Other miscellaneous	\$ 91,592	\$ 91,592	\$ 243,840	\$ 152,248
Total revenue from local sources	<u>\$ 1,779,812</u>	<u>\$ 1,779,812</u>	<u>\$ 1,990,657</u>	<u>\$ 210,845</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Rockbridge, Virginia	\$ 17,302,686	\$ 16,889,777	\$ 16,317,141	\$ (572,636)
Total revenues from local governments	<u>\$ 17,302,686</u>	<u>\$ 16,889,777</u>	<u>\$ 16,317,141</u>	<u>\$ (572,636)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 4,072,016	\$ 4,528,012	\$ 3,958,894	\$ (569,118)
Basic school aid	7,643,786	8,532,055	7,711,830	(820,225)
Remedial summer education	3,803	4,759	8,298	3,539
Regular foster care	185	222	320	98
Gifted and talented	72,554	80,930	72,722	(8,208)
Special education	1,294,208	1,442,484	1,287,308	(155,176)
Textbook payment	181,544	202,503	181,964	(20,539)
Vocational standards of quality payments	429,657	508,477	684,305	175,828
Social security fringe benefits	470,469	524,784	471,555	(53,229)
Retirement fringe benefits	1,012,358	1,129,234	1,014,696	(114,538)
Early reading intervention	68,003	76,846	76,777	(69)
Dropout prevention	6,563	7,319	6,563	(756)
Homebound education	3,070	3,531	3,998	467
Vocational education other	49,508	55,110	48,632	(6,478)
At risk payments	1,634,979	1,854,646	1,907,115	52,469
Mentor teacher	2,128	2,252	1,073	(1,179)
Standards of learning algebra readiness	24,750	27,584	24,605	(2,979)
Reduced class size	225,734	254,670	251,221	(3,449)
Group life insurance	29,475	32,878	29,543	(3,335)
Technology grant	206,000	229,728	206,000	(23,728)
At risk four-year olds	128,413	131,608	27,737	(103,871)
Compensation supplement	328,789	366,929	331,124	(35,805)
English as a second language	63,978	77,903	120,897	42,994
Hold harmless	610,522	680,844	610,522	(70,322)
Lottery proceeds	457,508	515,918	507,108	(8,810)
Adult Ed GED	24,608	32,698	70,235	37,537
Community schools	-	23,328	202,531	179,203
Other state funds	-	18,833	163,505	144,672
Total categorical aid	<u>\$ 19,044,608</u>	<u>\$ 21,346,085</u>	<u>\$ 19,981,078</u>	<u>\$ (1,365,007)</u>
Total revenue from the Commonwealth	<u>\$ 19,044,608</u>	<u>\$ 21,346,085</u>	<u>\$ 19,981,078</u>	<u>\$ (1,365,007)</u>

**Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025 (Continued)**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (continued)				
School Operating Fund: (continued)				
Intergovernmental: (continued)				
Revenue from the federal government:				
Categorical aid:				
Federal land use	\$ 50,000	\$ 50,000	\$ 9,588	\$ (40,412)
Cares Act ESSER	-	-	70,616	70,616
Adult literacy	-	22,111	21,586	(525)
Title I	-	628,665	613,748	(14,917)
Title VI-B, special education flow-through	-	863,793	843,296	(20,497)
Vocational education	-	71,623	69,923	(1,700)
Title VI-B, special education pre-school	-	16,466	16,075	(391)
Title II, Part A	-	115,800	113,052	(2,748)
Title IV, Part A	-	11,447	11,175	(272)
Twenty-first century community learning centers	-	470,096	458,941	(11,155)
Total categorical aid	<u>\$ 50,000</u>	<u>\$ 2,250,001</u>	<u>\$ 2,228,000</u>	<u>\$ (22,001)</u>
Total revenue from the federal government	<u>\$ 50,000</u>	<u>\$ 2,250,001</u>	<u>\$ 2,228,000</u>	<u>\$ (22,001)</u>
Total School Operating Fund	<u>\$ 38,177,106</u>	<u>\$ 42,265,675</u>	<u>\$ 40,516,876</u>	<u>\$ (1,748,799)</u>
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 20	\$ 20	\$ 774	\$ 754
Charges for services:				
Cafeteria sales	\$ 145,000	\$ 145,000	\$ 130,397	\$ (14,603)
Total charges for services	<u>\$ 145,000</u>	<u>\$ 145,000</u>	<u>\$ 130,397</u>	<u>\$ (14,603)</u>
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 2	\$ 2
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
Total revenue from local sources	<u>\$ 145,020</u>	<u>\$ 145,020</u>	<u>\$ 131,173</u>	<u>\$ (13,847)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 48,700	\$ 48,700	\$ 40,152	\$ (8,548)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 1,368,213	\$ 1,368,213	\$ 1,248,121	\$ (120,092)
Child and adult care food program	-	-	12,943	12,943
Commodities	-	-	154,493	154,493
Total categorical aid	<u>\$ 1,368,213</u>	<u>\$ 1,368,213</u>	<u>\$ 1,415,557</u>	<u>\$ 47,344</u>
Total revenue from the federal government	<u>\$ 1,368,213</u>	<u>\$ 1,368,213</u>	<u>\$ 1,415,557</u>	<u>\$ 47,344</u>
Total School Cafeteria Fund	<u>\$ 1,561,933</u>	<u>\$ 1,561,933</u>	<u>\$ 1,586,882</u>	<u>\$ 24,949</u>
<b>School Activity Funds:</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 933,982	\$ 933,982
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 933,982</u>	<u>\$ 933,982</u>
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 933,982</u>	<u>\$ 933,982</u>
<b>Permanent Scholarship Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 2	\$ 2
Total Permanent Scholarship Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 39,739,039</u>	<u>\$ 43,827,608</u>	<u>\$ 43,037,742</u>	<u>\$ (789,866)</u>

**Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025**

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of Supervisors	\$ 141,674	\$ 142,938	\$ 133,065	\$ 9,873
General and financial administration:				
County administrator	\$ 282,694	\$ 284,632	\$ 279,160	\$ 5,472
Legal services	244,455	262,744	246,015	16,729
Commissioner of the revenue	470,073	555,131	530,794	24,337
Land use	1,500	1,500	1,289	211
Treasurer	499,108	520,169	483,960	36,209
Central accounting	125,725	127,645	614,704	(487,059)
Human resources	265,742	294,288	281,230	13,058
Data processing	431,424	530,499	449,811	80,688
Director of fiscal services	419,182	457,331	441,390	15,941
Central stores	-	-	31,735	(31,735)
Total general and financial administration	\$ 2,739,903	\$ 3,033,939	\$ 3,360,088	\$ (326,149)
Board of elections:				
Electoral board and officials	\$ 334,268	\$ 334,268	\$ 326,694	\$ 7,574
Total board of elections	\$ 334,268	\$ 334,268	\$ 326,694	\$ 7,574
Total general government administration	\$ 3,215,845	\$ 3,511,145	\$ 3,819,847	\$ (308,702)
Judicial administration:				
Courts:				
Circuit court	\$ 92,936	\$ 97,044	\$ 90,987	\$ 6,057
County court	51,001	51,001	30,546	20,455
Victim witness coordinator	116,993	116,993	107,906	9,087
Clerk of the circuit court	699,113	685,095	650,226	34,869
Courthouse security	563,760	548,046	474,419	73,627
Total courts	\$ 1,523,803	\$ 1,498,179	\$ 1,354,084	\$ 144,095
Commonwealth's attorney:				
Commonwealth's attorney	\$ 969,984	\$ 973,001	\$ 950,534	\$ 22,467
Total Commonwealth's attorney	\$ 969,984	\$ 973,001	\$ 950,534	\$ 22,467
Total judicial administration	\$ 2,493,787	\$ 2,471,180	\$ 2,304,618	\$ 166,562
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 4,395,760	\$ 4,558,432	\$ 4,189,442	\$ 368,990
Fire and rescue services:				
Fire and rescue services	\$ 5,469,728	\$ 5,840,942	\$ 5,690,347	\$ 150,595
Consolidated dispatch	2,198,800	2,219,112	2,109,795	109,317
Total fire and rescue services	\$ 7,668,528	\$ 8,060,054	\$ 7,800,142	\$ 259,912
Correction and detention:				
Contribution to Component Unit Jail Commission	\$ 2,955,022	\$ 3,014,804	\$ 2,372,490	\$ 642,314
Probation office	6,163	6,282	4,089	2,193
Juvenile probation and detention	103,781	103,781	103,780	1
Total correction and detention	\$ 3,064,966	\$ 3,124,867	\$ 2,480,359	\$ 644,508

**Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025 (Continued)**

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (continued)</b>				
Public safety: (continued)				
Inspections:				
Building	\$ 299,882	\$ 309,731	\$ 297,727	\$ 12,004
Other protection:				
Special enforcement	\$ 179,377	\$ 195,054	\$ 189,020	\$ 6,034
Other protective services	296,275	296,275	283,607	12,668
Total other protection	\$ 475,652	\$ 491,329	\$ 472,627	\$ 18,702
Total public safety	\$ 15,904,788	\$ 16,544,413	\$ 15,240,297	\$ 1,304,116
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Road maintenance	\$ 18,000	\$ 18,000	\$ 15,235	\$ 2,765
Total maintenance of highways, streets, bridges & sidewalk	\$ 18,000	\$ 18,000	\$ 15,235	\$ 2,765
Sanitation and waste removal:				
Refuse and recycling	\$ 2,563,079	\$ 2,577,901	\$ 2,394,523	\$ 183,378
Total sanitation and waste removal	\$ 2,563,079	\$ 2,577,901	\$ 2,394,523	\$ 183,378
Maintenance of general buildings and grounds:				
General properties	\$ 568,995	\$ 650,361	\$ 623,094	\$ 27,267
Central garage	1,411,256	1,351,283	1,060,831	290,452
Total maintenance of general buildings and grounds	\$ 1,980,251	\$ 2,001,644	\$ 1,683,925	\$ 317,719
Total public works	\$ 4,561,330	\$ 4,597,545	\$ 4,093,683	\$ 503,862
Health and welfare:				
Health:				
Supplement of local health department	\$ 299,384	\$ 299,384	\$ 294,296	\$ 5,088
Other contributions	85,414	85,414	270,055	(184,641)
Total health	\$ 384,798	\$ 384,798	\$ 564,351	\$ (179,553)
Mental health and mental retardation:				
Community services board	\$ 242,148	\$ 242,148	\$ 242,148	\$ -
Welfare:				
Contribution to Rockbridge Area Social Services Board	\$ 1,360,690	\$ 1,360,690	\$ 1,307,215	\$ 53,475
Other public assistance and welfare administration	53,565	53,565	53,565	-
Tax relief for the elderly	-	-	332,477	(332,477)
Total welfare	\$ 1,414,255	\$ 1,414,255	\$ 1,693,257	\$ (279,002)
Total health and welfare	\$ 2,041,201	\$ 2,041,201	\$ 2,499,756	\$ (458,555)
Education:				
Other instructional costs:				
Community colleges/other programs	\$ 80,000	\$ 80,000	\$ 80,000	-
Contribution to County School Board	17,302,686	16,889,779	16,317,141	572,638
Total education	\$ 17,382,686	\$ 16,969,779	\$ 16,397,141	\$ 572,638

**Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025 (Continued)**

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (continued)</b>				
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 1,053,587	\$ 1,118,745	\$ 1,057,529	\$ 61,216
Preschool	158,417	162,667	156,784	5,883
Total parks and recreation	<u>\$ 1,212,004</u>	<u>\$ 1,281,412</u>	<u>\$ 1,214,313</u>	<u>\$ 67,099</u>
Library:				
Contribution to county libraries	\$ 650,836	\$ 684,778	\$ 684,778	\$ -
Total parks, recreation, and cultural	<u>\$ 1,862,840</u>	<u>\$ 1,966,190</u>	<u>\$ 1,899,091</u>	<u>\$ 67,099</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 512,599	\$ 522,955	\$ 389,888	\$ 133,067
Geographic information system	222,600	224,641	154,951	69,690
Rental assistance	-	636	635	1
Economic development	2,103,210	3,209,826	2,558,692	651,134
Other community development	4,352,073	3,296,440	374,581	2,921,859
Contribution to Public Service Authority	462,384	461,844	211,843	250,001
Total planning and community development	<u>\$ 7,652,866</u>	<u>\$ 7,716,342</u>	<u>\$ 3,690,590</u>	<u>\$ 4,025,752</u>
Environmental management:				
NBSWCD support	\$ 264,315	\$ 285,999	\$ 283,785	\$ 2,214
Other environmental management	108,179	114,936	106,247	8,689
Total environmental management	<u>\$ 372,494</u>	<u>\$ 400,935</u>	<u>\$ 390,032</u>	<u>\$ 10,903</u>
Cooperative extension program:				
Extension office	\$ 113,656	\$ 113,656	\$ 103,719	\$ 9,937
Total community development	<u>\$ 8,139,016</u>	<u>\$ 8,230,933</u>	<u>\$ 4,184,341</u>	<u>\$ 4,046,592</u>
Nondepartmental:				
Miscellaneous	\$ 301,852	\$ 213,249	\$ 101,534	\$ 111,715
Annexation payment	2,396,989	2,599,424	2,599,414	10
Total nondepartmental	<u>\$ 2,698,841</u>	<u>\$ 2,812,673</u>	<u>\$ 2,700,948</u>	<u>\$ 111,725</u>
Debt service:				
Principal retirement	\$ 3,401,609	\$ 3,690,643	\$ 3,500,452	\$ 190,191
Interest and other fiscal charges	1,388,059	1,511,932	1,894,376	(382,444)
Total debt service	<u>\$ 4,789,668</u>	<u>\$ 5,202,575</u>	<u>\$ 5,394,828</u>	<u>\$ (192,253)</u>
Total General Fund	<u>\$ 63,090,002</u>	<u>\$ 64,347,634</u>	<u>\$ 58,534,550</u>	<u>\$ 5,813,084</u>
<b>Capital Projects Funds:</b>				
<b>School Capital Projects Fund:</b>				
Capital projects expenditures:				
Capital projects	\$ -	\$ 8,232,378	\$ 4,899,187	\$ 3,333,191
Total capital projects	<u>\$ -</u>	<u>\$ 8,232,378</u>	<u>\$ 4,899,187</u>	<u>\$ 3,333,191</u>
Total School Capital Projects Fund	<u>\$ -</u>	<u>\$ 8,232,378</u>	<u>\$ 4,899,187</u>	<u>\$ 3,333,191</u>
<b>County Capital Projects Fund:</b>				
Capital projects expenditures:				
Capital projects expenditures	\$ 1,281,475	\$ 2,594,296	\$ 1,656,756	\$ 937,540
Total capital projects	<u>\$ 1,281,475</u>	<u>\$ 2,594,296</u>	<u>\$ 1,656,756</u>	<u>\$ 937,540</u>
Total County Capital Projects Fund	<u>\$ 1,281,475</u>	<u>\$ 2,594,296</u>	<u>\$ 1,656,756</u>	<u>\$ 937,540</u>
Total Primary Government	<u>\$ 64,371,477</u>	<u>\$ 75,174,308</u>	<u>\$ 65,090,493</u>	<u>\$ 10,083,815</u>

**Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025 (Continued)**

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
Instruction	\$ 27,326,930	\$ 30,840,455	\$ 29,998,848	\$ 841,607
Administration, attendance and health	2,976,806	3,074,562	2,652,165	422,397
Pupil transportation	2,739,351	2,782,351	2,584,914	197,437
Operation and maintenance	3,558,312	3,886,550	3,770,395	116,155
Facilities	1,575,707	1,681,757	1,499,915	181,842
Total education	<u>\$ 38,177,106</u>	<u>\$ 42,265,675</u>	<u>\$ 40,506,237</u>	<u>\$ 1,759,438</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 102,089	\$ (102,089)
Interest and other fiscal charges	-	-	6,060	(6,060)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,149</u>	<u>\$ (108,149)</u>
Total School Operating Fund	<u>\$ 38,177,106</u>	<u>\$ 42,265,675</u>	<u>\$ 40,614,386</u>	<u>\$ 1,651,289</u>
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,561,933	\$ 1,748,933	\$ 1,787,884	\$ (38,951)
Total School Cafeteria Fund	<u>\$ 1,561,933</u>	<u>\$ 1,748,933</u>	<u>\$ 1,787,884</u>	<u>\$ (38,951)</u>
<b>School Activity Funds:</b>				
Education:				
Miscellaneous	\$ -	\$ -	\$ 893,319	\$ (893,319)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 893,319</u>	<u>\$ (893,319)</u>
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 893,319</u>	<u>\$ (893,319)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 39,739,039</u>	<u>\$ 44,014,608</u>	<u>\$ 43,295,589</u>	<u>\$ 719,019</u>

## **STATISTICAL SECTION**

## Statistical Section

### 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.

1 - 4

#### Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

5-8

#### Debt Capacity

This table presents information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

9

#### Demographic and Economic Information

This table offers demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

10

#### Operating Information

These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relate to the services the County provides and the activities it performs.

11-14

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

**County of Rockbridge, Virginia**

Net Position by Component  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 13,222,296	\$ 12,935,258	\$ 12,425,263	\$ 11,897,277	\$ 11,596,017
Restricted	232,779	451,921	274,880	193,246	1,813,786
Unrestricted	<u>23,911,471</u>	<u>24,789,608</u>	<u>25,139,551</u>	<u>25,112,495</u>	<u>25,452,170</u>
Total governmental activities net position	<u>\$ 37,366,546</u>	<u>\$ 38,176,787</u>	<u>\$ 37,839,694</u>	<u>\$ 37,203,018</u>	<u>\$ 38,861,973</u>
Business-type activities					
Net investment in capital assets	\$ 2,592,481	\$ 2,096,784	\$ 2,579,553	\$ 3,005,550	\$ 3,382,024
Restricted	1,423,596	1,682,097	1,004,855	824,130	838,128
Unrestricted	<u>366,856</u>	<u>1,703,698</u>	<u>(894,497)</u>	<u>(1,703,291)</u>	<u>(4,196,565)</u>
Total business-type activities net position	<u>\$ 4,382,933</u>	<u>\$ 5,482,579</u>	<u>\$ 2,689,911</u>	<u>\$ 2,126,389</u>	<u>\$ 23,587</u>
Primary government					
Net investment in capital assets	\$ 15,814,777	\$ 15,032,042	\$ 15,004,816	\$ 14,902,827	\$ 14,978,041
Restricted	1,656,375	2,134,018	1,279,735	1,017,376	2,651,914
Unrestricted	<u>24,278,327</u>	<u>26,493,306</u>	<u>24,245,054</u>	<u>23,409,204</u>	<u>21,255,605</u>
Total primary government net position	<u>\$ 41,749,479</u>	<u>\$ 43,659,366</u>	<u>\$ 40,529,605</u>	<u>\$ 39,329,407</u>	<u>\$ 38,885,560</u>

Table 1

		Fiscal Year				
2021	2022	2023	2024	2025		
\$ 9,617,212	\$ 10,931,274	\$ 11,404,401	\$ 8,432,433	\$ 8,134,097		
2,545,583	1,292,071	2,251,726	3,462,078	4,361,359		
<u>30,415,352</u>	<u>35,092,844</u>	<u>39,356,636</u>	<u>40,954,905</u>	<u>43,326,531</u>		
<u>\$ 42,578,147</u>	<u>\$ 47,316,189</u>	<u>\$ 53,012,763</u>	<u>\$ 52,849,416</u>	<u>\$ 55,821,987</u>		
\$ 3,588,403	\$ 3,294,678	\$ 1,757,211	\$ 2,072,139	\$ 1,747,429		
839,678	-	966,830	865,421	1,066,259		
<u>(2,839,422)</u>	<u>(6,260,219)</u>	<u>(5,979,506)</u>	<u>(4,942,987)</u>	<u>(4,767,251)</u>		
<u>\$ 1,588,659</u>	<u>\$ (2,965,541)</u>	<u>\$ (3,255,465)</u>	<u>\$ (2,005,427)</u>	<u>\$ (1,953,563)</u>		
\$ 13,205,615	\$ 14,225,952	\$ 13,161,612	\$ 10,504,572	\$ 9,881,526		
3,385,261	1,292,071	3,218,556	4,327,499	5,427,618		
<u>27,575,930</u>	<u>28,832,625</u>	<u>33,377,130</u>	<u>36,011,918</u>	<u>38,559,280</u>		
<u>\$ 44,166,806</u>	<u>\$ 44,350,648</u>	<u>\$ 49,757,298</u>	<u>\$ 50,843,989</u>	<u>\$ 53,868,424</u>		

County of Rockbridge, Virginia

Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Expenses</b>					
Governmental activities:					
General government administration	\$ 2,888,023	\$ 2,905,137	\$ 2,921,147	\$ 2,732,902	\$ 2,955,095
Judicial administration	1,363,768	1,500,916	1,498,614	1,571,211	1,803,592
Public safety	7,165,176	8,332,745	9,210,516	9,924,693	10,807,553
Public works	3,257,681	3,458,387	3,508,528	3,229,210	3,485,100
Health and welfare	1,641,027	1,618,131	1,723,940	1,822,361	1,968,412
Education	15,794,029	16,455,148	16,750,090	18,406,357	16,656,304
Parks, recreation and cultural	1,431,206	1,403,936	1,502,900	1,421,876	1,555,092
Community development	2,933,943	2,792,737	3,106,501	3,265,388	2,755,834
Interest on long-term debt	1,780,693	1,805,264	1,856,695	1,913,840	1,648,736
Nondepartmental	2,488,358	2,209,563	2,207,499	2,153,345	1,930,638
<b>Total governmental activities expenses</b>	<b>\$ 40,743,904</b>	<b>\$ 42,481,964</b>	<b>\$ 44,286,430</b>	<b>\$ 46,441,183</b>	<b>\$ 45,566,356</b>
Business-type activities:					
Blue Ridge Resource Authority (Landfill)	\$ 1,183,842	\$ 1,166,417	\$ 4,942,934	\$ 3,046,258	\$ 4,788,902
Recycling	463,929	527,747	-	-	-
<b>Total business-type activities expenses</b>	<b>\$ 1,647,771</b>	<b>\$ 1,694,164</b>	<b>\$ 4,942,934</b>	<b>\$ 3,046,258</b>	<b>\$ 4,788,902</b>
<b>Total primary government expenses</b>	<b>\$ 42,391,675</b>	<b>\$ 44,176,128</b>	<b>\$ 49,229,364</b>	<b>\$ 49,487,441</b>	<b>\$ 50,355,258</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Judicial administration	\$ 707,067	\$ 867,615	\$ 877,266	\$ 793,781	\$ 738,368
Public safety	23,841	71,543	76,224	50,559	39,728
Public works	1,052,048	1,166,521	1,006,611	650,812	576,959
Parks, recreation and cultural	90,846	93,890	88,254	91,959	83,961
Community development	291,216	291,872	348,692	340,990	301,284
Operating grants and contributions	2,381,742	2,460,447	2,525,993	2,766,029	3,980,032
Capital grants and contributions	41,945	21,545	38,569	398,342	75,796
<b>Total governmental activities program revenues</b>	<b>\$ 4,588,705</b>	<b>\$ 4,973,433</b>	<b>\$ 4,961,609</b>	<b>\$ 5,092,472</b>	<b>\$ 5,796,128</b>

Table 2

		Fiscal Year							
		2021	2022	2023	2024	2025			
\$	4,104,091	\$	3,655,968	\$	3,271,211	\$	3,304,837	\$	3,821,313
	1,816,448		1,943,970		2,007,414		2,290,227		2,221,480
	11,650,127		11,824,665		12,867,536		14,369,785		15,259,881
	4,231,365		3,455,765		4,049,961		4,187,643		4,194,540
	1,964,137		1,752,445		2,241,830		2,355,198		2,501,899
	16,870,475		19,574,461		20,483,792		25,427,777		23,684,360
	1,386,232		1,508,941		1,538,317		1,644,511		1,846,846
	3,269,240		2,680,373		3,309,784		3,932,976		4,149,207
	1,617,948		1,293,991		1,214,937		2,453,872		2,700,948
	<u>1,931,552</u>		<u>2,087,480</u>		<u>2,223,164</u>		<u>1,610,759</u>		<u>1,540,211</u>
\$	<u>48,841,615</u>	\$	<u>49,778,059</u>	\$	<u>53,207,946</u>	\$	<u>61,577,585</u>	\$	<u>61,920,685</u>
\$	1,265,423	\$	3,671,696	\$	3,877,314	\$	1,973,395	\$	3,359,207
	-		-		-		-		-
\$	<u>1,265,423</u>	\$	<u>3,671,696</u>	\$	<u>3,877,314</u>	\$	<u>1,973,395</u>	\$	<u>3,359,207</u>
\$	<u>50,107,038</u>	\$	<u>53,449,755</u>	\$	<u>57,085,260</u>	\$	<u>63,550,980</u>	\$	<u>65,279,892</u>
\$	481,310	\$	601,303	\$	726,728	\$	537,695	\$	409,266
	40,364		31,589		45,207		33,987		35,211
	356,882		685,240		772,994		678,655		452,441
	91,597		119,084		112,129		129,762		121,113
	332,275		382,842		368,814		562,573		422,399
	6,481,010		3,580,571		4,032,174		4,352,347		4,958,164
	-		300,000		2,446,221		2,729,881		2,821,268
\$	<u>7,783,438</u>	\$	<u>5,700,629</u>	\$	<u>8,504,267</u>	\$	<u>9,024,900</u>	\$	<u>9,219,862</u>

COUNTY OF ROCKBRIDGE, VIRGINIA

Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
Business-type activities:					
Charges for services:					
Landfill	\$ 2,098,447	\$ 2,232,822	\$ 2,108,888	\$ 2,360,386	\$ 2,586,640
Operating grants and contributions	23,300	22,492	21,966	-	-
Total business-type activities program revenues	\$ 2,121,747	\$ 2,255,314	\$ 2,130,854	\$ 2,360,386	\$ 2,586,640
Total primary government program revenues	\$ 6,710,452	\$ 7,228,747	\$ 7,092,463	\$ 7,452,858	\$ 8,382,768
Net (expense) / revenue					
Governmental activities	\$ (36,155,199)	\$ (37,508,531)	\$ (39,324,821)	\$ (41,348,711)	\$ (39,770,228)
Business-type activities	473,976	561,150	(2,812,080)	(685,872)	(2,202,262)
Total primary government net expense	\$ (35,681,223)	\$ (36,947,381)	\$ (42,136,901)	\$ (42,034,583)	\$ (41,972,490)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 24,775,816	\$ 25,753,935	\$ 26,107,887	\$ 26,812,001	\$ 28,273,179
Local sales and use taxes	2,720,814	2,684,576	2,674,023	2,849,016	3,039,608
Motor vehicle licenses taxes	540,217	531,868	538,941	531,572	469,104
Consumer utility taxes	1,488,723	1,465,354	1,444,055	1,375,566	1,374,527
Business licenses taxes	849,796	872,532	882,385	959,186	942,041
Other local taxes	3,409,515	3,562,628	3,544,797	3,630,698	3,216,409
Unrestricted grants and contributions	2,749,809	2,764,276	2,764,409	2,833,135	2,844,367
Unrestricted revenues from use of money and property	113,017	169,275	253,575	474,123	358,087
Gain on sale of capital assets	-	23,210	-	-	-
Miscellaneous	833,978	939,045	1,216,150	1,236,036	911,861
Transfers	(449,951)	(447,927)	28,204	10,702	-
Total governmental activities	\$ 37,031,734	\$ 38,318,772	\$ 39,454,426	\$ 40,712,035	\$ 41,429,183
Business-type activities:					
Unrestricted revenues from use of money and property	\$ 11,162	\$ 43,456	\$ 63,798	\$ 111,965	\$ 59,201
Miscellaneous	25,869	47,113	13,587	21,087	40,259
Transfers	449,951	447,927	(28,204)	(10,702)	-
Total business-type activities	\$ 486,982	\$ 538,496	\$ 49,181	\$ 122,350	\$ 99,460
Total primary government	\$ 37,518,716	\$ 38,857,268	\$ 39,503,607	\$ 40,834,385	\$ 41,528,643
<b>Change in Net Position</b>					
Governmental activities	\$ 876,535	\$ 810,241	\$ 129,605	\$ (636,676)	\$ 1,658,955
Business-type activities	960,958	1,099,646	(2,762,899)	(563,522)	(2,102,802)
Total primary government	\$ 1,837,493	\$ 1,909,887	\$ (2,633,294)	\$ (1,200,198)	\$ (443,847)

Table 2

		Fiscal Year							
		2021	2022	2023	2024	2025			
\$	2,769,967	\$	2,761,470	\$	2,810,808	\$	2,915,780	\$	3,027,554
	-		-		-		-		-
\$	<u>2,769,967</u>	\$	<u>2,761,470</u>	\$	<u>2,810,808</u>	\$	<u>2,915,780</u>	\$	<u>3,027,554</u>
\$	<u>10,553,405</u>	\$	<u>8,462,099</u>	\$	<u>11,315,075</u>	\$	<u>11,940,680</u>	\$	<u>12,247,416</u>
\$	(41,058,177)	\$	(44,077,430)	\$	(44,703,679)	\$	(52,552,685)	\$	(52,700,823)
	1,504,544		(910,226)		(1,066,506)		942,385		(331,653)
\$	<u>(39,553,633)</u>	\$	<u>(44,987,656)</u>	\$	<u>(45,770,185)</u>	\$	<u>(51,610,300)</u>	\$	<u>(53,032,476)</u>
\$	29,880,026	\$	31,408,889	\$	32,457,498	\$	31,413,407	\$	35,502,028
	3,398,247		3,806,590		4,027,554		4,231,668		4,532,175
	474,363		523,978		63,685		53,050		58,160
	1,262,648		1,276,224		1,278,430		1,218,158		1,232,476
	922,051		985,942		1,269,349		1,398,095		1,379,325
	5,066,776		6,608,339		6,934,484		7,348,380		7,270,966
	2,832,106		2,803,414		2,805,566		2,843,557		2,846,684
	109,347		78,805		1,033,557		2,415,544		1,585,155
	-		-		-		-		-
	894,931		1,323,291		1,092,168		1,467,479		1,511,418
	-		-		(350,000)		-		-
\$	<u>44,840,495</u>	\$	<u>48,815,472</u>	\$	<u>50,612,291</u>	\$	<u>52,389,338</u>	\$	<u>55,918,387</u>
\$	5,419	\$	(2,194)	\$	98,669	\$	266,322	\$	324,952
	55,109		36,442		41,644		41,331		69,858
	-		-		350,000		-		-
\$	<u>60,528</u>	\$	<u>34,248</u>	\$	<u>490,313</u>	\$	<u>307,653</u>	\$	<u>394,810</u>
\$	<u>44,901,023</u>	\$	<u>48,849,720</u>	\$	<u>51,102,604</u>	\$	<u>52,696,991</u>	\$	<u>56,313,197</u>
\$	3,782,318	\$	4,738,042	\$	5,908,612	\$	(163,347)	\$	3,217,564
	1,565,072		(875,978)		(576,193)		1,250,038		63,157
\$	<u>5,347,390</u>	\$	<u>3,862,064</u>	\$	<u>5,332,419</u>	\$	<u>1,086,691</u>	\$	<u>3,280,721</u>

Governmental Activities Tax Revenues by Source  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local sales and use Tax</b>	<b>Consumer Utility Tax</b>	<b>Motor Vehicle License Tax</b>	<b>Recordation and Wills Tax</b>	<b>Business License Tax</b>	<b>Total</b>
2025 \$	35,502,028	\$ 4,532,175	\$ 1,232,476	\$ 58,160	\$ 322,927	\$ 1,379,325	\$ 43,027,091
2024	31,413,407	4,231,668	1,218,158	53,050	288,586	1,398,095	38,602,964
2023	32,457,498	4,027,554	1,278,430	63,685	275,961	1,269,349	39,372,477
2022	31,408,889	3,806,590	1,276,224	523,978	435,892	985,942	38,437,515
2021	29,880,026	3,398,247	1,262,648	474,363	401,383	922,051	36,338,718
2020	28,273,179	3,039,608	1,374,527	469,104	285,043	942,041	34,383,502
2019	26,812,001	2,849,016	1,375,566	531,572	202,609	959,186	32,729,950
2018	26,107,887	2,674,023	1,444,055	538,941	224,903	882,385	31,872,194
2017	25,753,935	2,684,576	1,465,354	531,868	203,536	872,532	31,511,801
2016	24,775,816	2,720,814	1,488,723	540,217	181,979	849,796	30,557,345

**County of Rockbridge, Virginia**

Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
General fund					
Nonspendable	\$ 104,915	\$ 97,188	\$ 134,527	\$ 149,337	\$ 4,273,509
Restricted	63,889	281,823	274,880	193,246	1,813,786
Committed	-	78,036	17,535	-	-
Assigned	2,021,502	3,673,682	3,613,452	3,364,713	3,017,813
Unassigned	<u>20,713,488</u>	<u>21,887,717</u>	<u>21,821,167</u>	<u>23,087,925</u>	<u>19,886,046</u>
Total general fund	<u>\$ 22,903,794</u>	<u>\$ 26,018,446</u>	<u>\$ 25,861,561</u>	<u>\$ 26,795,221</u>	<u>\$ 28,991,154</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	168,890	170,098	-	-	-
Assigned, reported in:					
Capital projects funds	4,119,737	2,076,736	2,896,605	1,435,250	1,079,467
Unassigned, reported in:					
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 4,288,627</u>	<u>\$ 2,246,834</u>	<u>\$ 2,896,605</u>	<u>\$ 1,435,250</u>	<u>\$ 1,079,467</u>

**Table 4**

		<b>Fiscal Year</b>							
		<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>			
\$	4,682,225	\$	4,998,221	\$	4,713,374	\$	4,821,462	\$	4,852,001
	997,970		1,012,072		2,034,266		3,066,756		3,965,201
	-		-		-		-		-
	2,912,505		6,283,108		6,467,187		9,555,376		7,408,118
	<u>25,597,988</u>		<u>25,911,172</u>		<u>29,861,632</u>		<u>28,131,919</u>		<u>31,054,405</u>
\$	<u>34,190,688</u>	\$	<u>38,204,573</u>	\$	<u>43,076,459</u>	\$	<u>45,575,513</u>	\$	<u>47,279,725</u>
\$	-	\$	-	\$	320,310	\$	-	\$	145,007
	1,547,613		14,448		10,252		10,252		11,088
	865,008		616,385		267,975		2,757,840		246,382
	-		-		-		-		(145,007)
\$	<u>2,412,621</u>	\$	<u>630,833</u>	\$	<u>598,537</u>	\$	<u>2,768,092</u>	\$	<u>257,470</u>

County of Rockbridge, Virginia

Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Revenues</b>					
General property taxes	\$ 24,843,541	\$ 25,725,668	\$ 26,131,707	\$ 26,821,285	\$ 27,975,985
Other local taxes	9,009,065	9,116,958	9,084,201	9,346,038	9,041,689
Permits, privilege fees and regulatory licenses	275,060	255,426	283,671	341,802	273,100
Fines and forfeitures	445,370	601,336	626,580	572,049	558,259
Revenue from use of money and property	113,017	169,275	253,575	474,123	358,087
Charges for services	1,444,588	1,634,679	1,486,796	1,014,250	908,941
Miscellaneous	833,978	1,514,145	1,216,150	1,236,036	911,861
Recovered costs	469,735	460,945	387,604	499,845	455,639
Intergovernmental:					
Commonwealth	4,965,583	4,993,539	5,012,009	5,408,397	5,331,069
Federal	207,913	252,729	316,962	589,109	1,569,126
<b>Total revenues</b>	<b>\$ 42,607,850</b>	<b>\$ 44,724,700</b>	<b>\$ 44,799,255</b>	<b>\$ 46,302,934</b>	<b>\$ 47,383,756</b>
<b>Expenditures</b>					
General government administration	\$ 2,117,583	\$ 2,023,012	\$ 1,963,707	\$ 2,029,406	\$ 2,159,442
Judicial administration	1,472,432	1,497,223	1,537,279	1,661,334	1,738,139
Public safety	7,403,041	8,292,069	9,256,857	9,924,315	10,577,209
Public works	3,312,600	3,377,393	3,532,420	3,281,203	3,399,588
Health and welfare	1,639,246	1,617,640	1,731,697	1,821,605	1,968,785
Education	13,082,282	13,875,717	14,478,618	14,278,558	13,836,464
Parks, recreation and cultural	1,427,654	1,389,469	1,471,789	1,434,036	1,523,038
Community development	2,808,451	2,791,218	3,222,033	3,292,580	2,749,528
Non-Departmental	1,780,693	1,805,264	1,856,695	1,913,840	1,932,141
Capital projects	486,825	2,098,566	5,790,077	2,039,995	716,974
Debt service:					
Principal	2,502,118	2,064,665	2,437,709	2,876,909	3,108,090
Interest and other fiscal charges	2,746,012	2,371,678	2,291,692	2,287,550	1,834,208
<b>Total expenditures</b>	<b>\$ 40,778,937</b>	<b>\$ 43,203,914</b>	<b>\$ 49,570,573</b>	<b>\$ 46,841,331</b>	<b>\$ 45,543,606</b>
Excess of revenues over (under) expenditures	\$ 1,828,913	\$ 1,520,786	\$ (4,771,318)	\$ (538,397)	\$ 1,840,150
<b>Other financing sources (uses)</b>					
Transfers in	\$ 4,575,622	\$ 61,675	\$ 1,211,673	\$ 587,593	\$ 361,191
Transfers out	(5,025,573)	(509,602)	(1,183,469)	(576,891)	(361,191)
Leases (as lessee)	-	-	-	-	-
Subscriptions	-	-	-	-	-
Issuance of refunding bonds	4,985,000	-	-	-	-
Bonds issued	-	-	-	-	-
Premium on bonds issued	835,950	-	-	-	-
Capital leases	-	-	5,236,000	-	-
Payment to refunded bond escrow agent	(5,579,876)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ (208,877)</b>	<b>\$ (447,927)</b>	<b>\$ 5,264,204</b>	<b>\$ 10,702</b>	<b>\$ -</b>
<b>Net change in fund balances</b>	<b>\$ 1,620,036</b>	<b>\$ 1,072,859</b>	<b>\$ 492,886</b>	<b>\$ (527,695)</b>	<b>\$ 1,840,150</b>
Debt service as a percentage of noncapital expenditures	13.15%	10.77%	10.85%	11.19%	11.02%

Table 5

		Fiscal Year				
		2021	2022	2023	2024	2025
\$	30,277,937	\$ 30,963,754	\$ 32,555,748	\$ 32,010,896	\$ 33,499,468	
	11,124,085	13,201,073	13,573,502	14,249,351	14,473,102	
	317,930	339,855	297,020	518,408	374,359	
	277,228	345,831	477,364	278,746	171,061	
	109,347	78,805	1,056,907	2,447,243	1,616,246	
	707,270	1,134,372	1,251,488	1,145,518	895,010	
	894,931	1,057,740	1,150,512	1,289,617	1,534,964	
	469,287	475,331	469,860	526,187	603,843	
	5,375,550	5,597,429	7,596,618	8,740,003	7,188,408	
	<u>3,937,567</u>	<u>1,086,556</u>	<u>1,687,246</u>	<u>1,185,782</u>	<u>3,437,708</u>	
\$	<u>53,491,132</u>	<u>54,280,746</u>	<u>60,116,265</u>	<u>62,391,751</u>	<u>63,794,169</u>	
\$	3,311,290	\$ 2,923,708	\$ 2,915,377	\$ 3,035,482	\$ 3,819,847	
	1,735,360	2,031,210	2,164,547	2,341,293	2,304,618	
	11,366,562	12,103,815	13,066,176	14,605,482	15,240,297	
	4,090,554	3,403,379	4,029,973	4,131,322	4,093,683	
	1,963,904	1,753,106	1,960,198	2,354,230	2,499,756	
	14,101,758	16,190,262	15,528,471	16,368,640	16,397,141	
	1,341,590	1,507,932	1,551,340	1,651,318	1,899,091	
	3,227,122	2,708,334	3,388,962	5,246,400	4,184,341	
	1,931,552	2,087,480	2,223,164	2,453,872	2,700,948	
	2,827,846	2,528,262	3,444,747	16,756,385	6,555,943	
	3,278,438	3,391,271	3,339,018	3,362,977	3,500,452	
	<u>1,806,507</u>	<u>1,419,890</u>	<u>1,319,770</u>	<u>1,279,059</u>	<u>1,894,376</u>	
\$	<u>50,982,483</u>	<u>52,048,649</u>	<u>54,931,743</u>	<u>73,586,460</u>	<u>65,090,493</u>	
\$	<u>2,508,649</u>	<u>2,232,097</u>	<u>5,184,522</u>	<u>(11,194,709)</u>	<u>(1,296,324)</u>	
\$	282,387	\$ 446,067	\$ 966,133	\$ 1,490,947	\$ 3,782,295	
	(282,387)	(446,067)	(1,316,133)	(1,490,947)	(3,782,295)	
	-	-	5,068	42,812	26,032	
	-	-	-	-	463,882	
	9,755,000	-	-	-	-	
	3,954,125	-	-	15,240,000	-	
	-	-	-	580,506	-	
	-	-	-	-	-	
	<u>(9,618,942)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
\$	<u>4,090,183</u>	<u>-</u>	<u>(344,932)</u>	<u>15,863,318</u>	<u>489,914</u>	
\$	<u>6,598,832</u>	<u>2,232,097</u>	<u>4,839,590</u>	<u>4,668,609</u>	<u>(806,410)</u>	
	<u>10.59%</u>	<u>9.69%</u>	<u>8.70%</u>	<u>7.51%</u>	<u>8.60%</u>	

General Governmental Tax Revenues by Source  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local sales and use Tax</b>	<b>Consumer Utility Tax</b>	<b>Motor Vehicle License Tax</b>	<b>Recordation and Wills Tax</b>	<b>Business License Tax</b>	<b>Total</b>
2025 \$	33,499,468 \$	4,532,175 \$	1,232,476 \$	58,160 \$	322,927 \$	1,379,325 \$	41,024,531
2024	32,010,896	4,231,668	1,218,158	53,050	288,586	1,398,095	39,200,453
2023	32,555,748	4,027,554	1,278,430	63,685	275,961	1,269,349	39,470,727
2022	30,963,754	3,806,590	1,276,224	523,978	435,892	985,942	37,992,380
2021	30,277,937	3,398,247	1,262,648	474,363	401,383	922,051	36,736,629
2020	27,975,985	3,039,608	1,374,527	469,104	285,043	942,041	34,086,308
2019	26,821,285	2,849,016	1,375,566	531,572	202,609	959,186	32,739,234
2018	26,131,707	2,674,023	1,444,055	538,941	224,903	882,385	31,896,014
2017	25,725,668	2,684,576	1,465,354	531,868	203,536	872,532	31,483,534
2016	24,843,541	2,720,814	1,488,723	540,217	181,979	849,796	30,625,070

**County of Rockbridge, Virginia**

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Real Estate (1)</b>	<b>Personal Property</b>	<b>Mobile Homes</b>	<b>Machinery and Tools</b>	<b>Public Service (2)</b>	<b>Total Taxable Assessed Value</b>
2025	\$ 3,384,414,077	\$ 310,543,633	\$ 7,553,008	\$ 21,145,754	\$ 302,605,160	\$ 4,026,261,632
2024	3,335,281,300	305,770,050	7,421,511	20,180,950	325,474,797	3,994,128,608
2023	3,320,159,400	334,207,432	6,563,302	20,106,183	243,063,912	3,924,100,229
2022	2,732,679,500	253,299,427	6,370,196	21,848,242	272,597,430	3,286,794,795
2021	2,701,834,100	220,877,856	6,199,161	18,861,706	276,632,910	3,224,405,733
2020	2,667,749,200	214,597,409	6,455,543	20,419,513	238,322,735	3,147,544,400
2019	2,655,783,600	212,796,687	6,568,155	16,960,239	212,415,903	3,104,524,584
2018	2,648,474,200	206,515,010	6,342,995	16,449,119	203,142,456	3,080,923,780
2017	2,631,621,600	201,464,825	6,550,990	15,378,673	184,195,145	3,039,211,233
2016	2,439,031,715	193,324,971	6,606,563	15,010,380	179,117,907	2,833,091,536

Source: Commissioner of the Revenue

- (1) Real estate is assessed at 100% of market value.
- (2) Assessed values are established by the State Corporation Commission
- (3) Source: Virginia Department of Taxation

Table 7

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<b>Estimated Actual Taxable Value</b>	<b>State Sales Assessment Ratio (3)</b>	<b>Total Direct Rate</b>
\$ 5,237,072,882	76.88% \$	8.05
4,652,992,321	85.84%	8.02
4,900,225,061	80.08%	7.89
3,570,274,598	92.06%	8.53
3,090,583,469	104.33%	8.53
3,149,749,224	99.93%	8.53
3,054,732,445	101.63%	8.26
3,124,669,148	98.60%	8.20
2,977,867,169	102.06%	8.20
2,872,735,283	98.62%	8.27

Property Tax Rates (1)  
 Direct and Overlapping Governments  
 Last Ten Fiscal Years

<b>Direct Rates</b>						
<b>Tax Year</b>	<b>Real Estate</b>	<b>Personal Property (2)</b>	<b>Mobile Homes</b>	<b>Machinery and Tools</b>	<b>Total Direct Rate</b>	
2025	\$ 0.64	\$ 4.25	\$ 0.61	\$ 2.55	\$ 8.05	
2024	0.61	4.25	0.61	2.55	8.02	
2023	0.74	3.86	0.74	2.55	7.89	
2022	0.74	4.50	0.74	2.55	8.53	
2021	0.74	4.50	0.74	2.55	8.53	
2020	0.74	4.50	0.74	2.55	8.53	
2019	0.73	4.25	0.73	2.55	8.26	
2018	0.70	4.25	0.70	2.55	8.20	
2017	0.70	4.25	0.70	2.55	8.20	
2016	0.735	4.25	0.735	2.55	8.27	

Source: Commissioner of the Revenue

(1) Per \$100 of assessed value.

(2) Beginning in tax year 2023, qualifying automotive property was taxed at a different rate than other personal property. As a result, the direct rate included in the table is the blended rate for personal property.

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	\$ 36,305,347	\$ 33,682,976	92.78%	\$ -	\$ 33,682,976	92.78%
2024	34,426,807	31,432,211	91.30%	2,013,039	33,445,250	97.15%
2023	34,065,967	32,914,656	96.62%	711,152	33,625,808	98.71%
2022	32,743,396	31,344,460	95.73%	1,152,645	32,497,105	99.25%
2021	31,523,349	30,493,159	96.73%	911,697	31,404,856	99.62%
2020	30,082,752	28,593,477	95.05%	1,409,798	30,003,275	99.74%
2019	29,022,230	27,867,556	96.02%	1,091,248	28,958,804	99.78%
2018	28,195,589	27,044,729	95.92%	1,145,501	28,190,230	99.98%
2017	27,587,034	26,685,209	96.73%	896,975	27,582,184	99.98%
2016	26,614,006	25,756,651	96.78%	851,810	26,608,461	99.98%

Source: Commissioner of the Revenue, Treasurer's office.

(1) Exclusive of penalties and interest, includes Commonwealth of Virginia PPTRA reimbursement.

(2) Does not include land redemptions.

Principal Property Taxpayers  
 Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2025		Fiscal Year 2015	
		2025 Assessed Valuation	% of Total Assessed Valuation	2015 Assessed Valuation	% of Total Assessed Valuation
Virginia Elec. & Power Company	Utility	\$ 178,142,759	5.341%	\$ 105,665,465	3.730%
BARC Electric	Utility	63,426,088	1.902%	21,511,530	0.759%
TA Operating	Industry & Service	34,425,200	1.032%	n/a	n/a
Lexington Retirement Community, Inc.	Health Provider	34,118,900	1.023%	27,726,900	0.979%
Norfolk & Western Railway Co	Utility	12,582,561	0.377%	n/a	n/a
Wal-Mart	Retail	9,926,500	0.298%	8,992,900	0.317%
Mountain View Brewery LLC	Manufacturer/Retail	9,866,200	0.296%	n/a	n/a
Lowe's Home Center	Retail	9,219,503	0.276%	7,912,500	0.279%
Stonewall Associates LLC	Retail	9,155,300	0.274%	21,166,800	0.747%
Mogensen Eric C	Retail/Individual	8,925,300	0.268%	n/a	n/a
		<u>\$ 369,788,311</u>	<u>11.087%</u>	<u>\$ 126,079,090</u>	<u>2.248%</u>

Source: Commissioner of Revenue

**County of Rockbridge, Virginia**

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities	
	General Obligation Bonds	Revenue Bonds	Literary Fund Loans	Subscriptions/Notes/Leases Payable	General Obligation Bonds	Notes/Leases Payable
2025	\$ 39,263,019	\$ 14,146,000	\$ -	\$ 3,591,988	\$ 6,590,039	\$ 959
2024	41,445,634	15,160,000	-	3,513,526	7,245,106	2,224
2023	29,408,717	14,580,000	-	3,800,300	7,335,214	3,471
2022	31,884,168	15,285,000	-	4,121,000	8,100,322	32,084
2021	34,281,893	15,960,000	180,000	4,430,000	8,908,489	86,359
2020	33,706,337	15,420,000	360,000	4,724,000	5,246,275	199,149
2019	35,991,654	16,005,000	540,000	4,984,644	5,902,133	391,895
2018	38,210,078	16,440,000	715,000	5,236,000	6,532,992	606,418
2017	40,365,658	16,745,000	895,000	-	7,143,851	643,359
2016	42,453,194	16,745,000	1,075,000	-	7,264,710	916,590

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. Overlapping governments for the County of Rockbridge, Virginia include the Town of Glasgow, Virginia and the Town of Goshen, Virginia. The Town of Goshen, Virginia has no overlapping debt for the County of Rockbridge, Virginia. Information on outstanding debt of the Town of Glasgow, Virginia was not available for inclusion in the Table.

Table 11

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<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
\$ 63,592,005	5.81%	\$ 2,816
67,366,490	6.15%	2,974
55,127,702	5.48%	2,450
59,422,574	9.04%	2,857
63,846,741	9.72%	3,070
59,655,761	8.39%	2,651
63,815,326	7.26%	2,831
67,740,488	7.87%	2,990
65,792,868	7.95%	2,958
68,454,494	8.87%	3,089

**Ratio of Net General Bonded Debt to  
Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Assessed Value (2)	Gross and Net Bonded Debt (3)	Less: Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2025	22,583	\$ 3,384,414,077	\$ 39,263,019	\$ -	\$ 39,263,019	1.16%	\$ 1,739
2024	22,650	3,335,281,300	41,445,634	-	41,445,634	1.24%	1,830
2023	22,498	3,320,159,400	29,408,717	-	30,957,425	0.96%	1,376
2022	22,641	2,732,679,500	31,884,168	-	31,884,168	1.17%	1,408
2021	22,532	2,701,834,100	34,461,893	-	34,461,893	1.28%	1,529
2020	22,500	2,667,749,200	34,066,337	-	34,066,337	1.28%	1,514
2019	22,539	2,655,783,600	36,531,654	-	36,531,654	1.38%	1,621
2018	22,659	2,648,474,200	38,925,078	-	38,925,078	1.47%	1,718
2017	22,241	2,631,621,600	41,260,658	-	41,260,658	1.57%	1,855
2016	22,163	2,439,031,715	43,528,194	-	43,528,194	1.78%	1,964

(1) www.coopercenter.org; See the Schedule of Demographic and Economic Statistics - Table 14

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property- Table 7

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans which are repaid from general government resources. Excludes revenue bonds, landfill closure/post-closure care liability, notes payable, and compensated absences.

Pledged-Revenue Coverage  
Last Ten Fiscal Years

Fiscal Year	Landfill Revenue Bonds						Coverage
	Landfill Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2025	\$ 3,097,412	\$ 1,304,610	\$ 1,792,802	\$ 544,959	\$ 274,406	218.80%	
2024	2,957,111	1,122,611	1,834,500	480,000	285,294	239.71%	
2023	2,852,452	1,145,347	1,707,105	655,000	314,353	201.57%	
2022	2,797,912	985,985	1,811,927	625,000	347,053	186.40%	
2021	2,825,076	1,778,113	1,046,963	590,000	280,656	120.25%	
2020	2,626,899	1,686,907	939,992	560,000	228,637	119.19%	
2019	2,381,473	1,484,858	896,615	535,000	254,172	113.61%	
2018	2,122,475	1,103,408	1,019,067	515,000	277,803	128.54%	
2017	2,252,340	967,399	1,284,941	25,000	272,475	431.95%	
2016	2,113,441	777,930	1,335,511	20,000	29,656	2689.53%	

Note: Landfill charges and other include landfill charges and miscellaneous revenues but not investment earnings or capital contributions. Operating expenses include all operating expenses except depreciation expense.

Demographic and Economic Statistics  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income*</b>	<b>Per Capita Personal Income*</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2025	22,578	\$ 1,228,062,576	\$ 54,392	50	2,460	3.50%
2024	22,650	1,184,595,000	52,300	49	2,393	3.10%
2023	22,641	1,138,615,890	50,290	49	2,630	2.60%
2022	22,641	1,094,828,196	48,356	49	2,605	2.90%
2021	22,650	946,634,100	41,794	49	2,665	3.90%
2020	22,500	907,200,000	40,320	49	2,643	8.00%
2019	22,609	881,321,429	38,981	47	2,743	2.70%
2018	22,659	860,792,751	37,989	47	2,740	3.20%
2017	22,241	827,587,610	37,210	47	2,737	4.50%
2016	22,163	772,070,268	34,836	47	2,755	4.20%

Sources: Weldon Cooper Institute, U.S. Bureau of Economic Analysis, Rockbridge County School Division, and the Virginia Employment Commission.

\* Independent Cities of Buena Vista and Lexington included with Rockbridge County. Data not available separately.

Principal Employers  
Current Year and Nine Years Ago

Employer	Fiscal Year 2025			Fiscal Year 2015		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Rockbridge County Schools	500-749	1	5.33%	n/a		
Mohawk	250-499	2	4.01%	688	1	7.14%
Walmart	250-499	3	2.36%	213	3	2.21%
Truck Stops of America (White's)	250-499	4	2.36%	390	2 and 5	4.04%
Modine Manufacturing	100-249	5	2.36%	n/a		
County of Rockbridge	100-249	6	2.30%	n/a		
Kendal at Lexington	100-249	7	1.65%	175	4	1.82%
Lowes Home Improvement Center	100-249	8	1.13%	115	5	1.19%
Byers, Inc	100-249	9	1.10%	n/a		
Rockbridge Area Health Center	100-249	10	0.96%	n/a		
Totals			23.59%			16.40%

Businesses with 2015 employment figure marked 'n/a' do not maintain their records to this timeframe, were unable to provide requested information, were not considered in the audit, or not in business at that time.

Note: Trucks Stops of America bough Lee Hi and White's those figures are now combined.

Sources: Virginia Employment Commission LMI

County of Rockbridge, Virginia

Full-time County Government Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year				
	2016	2017	2018	2019	2020
<b>General government</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>18</b>
County Administration	2	2	2	2	2
County Attorney	1	1	1	1	1
Central Accounting	1	1	1	1	1
Information Technology	1	1	1	1	1
Human Resources	1	1	1	1	1
Commissioner of Revenue	4	5	5	5	5
Treasurer	4	4	4	4	4
Finance	2	2	2	2	3
<b>Registrar</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Judicial administration</b>	<b>19</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>23</b>
Clerk of Circuit Court	6	6	6	6	7
Circuit Court	1	1	1	1	1
Combined Court Security	6	6	7	7	7
Commonwealth's Attorney	5	5	5	6	7
Victim Witness Coordinator	1	1	1	1	1
<b>Public safety</b>	<b>43</b>	<b>43</b>	<b>41</b>	<b>60</b>	<b>60</b>
Sheriff Office	35	35	33	38	38
Fire, Rescue, & Emergency Mgmt.	2	2	2	16	16
Building inspections	3	3	3	3	3
E&S Control-Storm Water Mgmt.	1	1	1	1	1
Special Enforcement	2	2	2	2	2
<b>Public works</b>	<b>18</b>	<b>17</b>	<b>20</b>	<b>17</b>	<b>17</b>
Refuse & Recycling Collections	5	4	3	3	3
Landfill (Blue Ridge Resource Auth.)	7	7	9	6	6
Combined Courthouse Maint.	1	1	2	2	2
Engineering	0	0	0	0	0
Fleet Services	5	5	6	6	6
<b>Health and welfare</b>					
<b>Department of Social Services</b>	<b>26</b>	<b>28</b>	<b>33</b>	<b>33</b>	<b>33</b>
<b>Culture and recreation</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Parks and recreation	4	4	4	4	4
Preschool Program	2	2	2	2	2
<b>Community development</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Planning & Zoning	3	3	3	3	3
Geographic Information System	2	2	2	2	2
Economic Development					
Rental Assistance	1	1	1	1	1
<b>Totals</b>	<b>135</b>	<b>136.5</b>	<b>144</b>	<b>161</b>	<b>165</b>

Source: Individual County departments

Table 16

Fiscal Year				
2021	2022	2023	2024	2025
18	18	19	19	21
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
1	1	1	1	2
1	1	2	2	2
5	5	5	5	5
4	4	4	4	5
3	3	3	3	3
<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>23</b>	<b>23</b>	<b>24</b>	<b>24</b>	<b>26</b>
7	7	7	7	8
1	1	1	1	1
7	6	7	7	8
7	8	8	8	8
1	1	1	1	1
<b>62</b>	<b>62</b>	<b>59</b>	<b>78</b>	<b>79</b>
38	38	32	45	44
18	18	21	27	29
3	3	3	3	3
1	1	1	1	1
2	2	2	2	2
<b>20</b>	<b>21</b>	<b>18</b>	<b>18</b>	<b>17</b>
4	4	3	2	1
8	9	8	8	8
2	2	2	2	2
0	0	0	0	0
6	6	5	6	6
<b>33</b>	<b>33</b>	<b>33</b>	<b>38</b>	<b>38</b>
<b>6</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>8</b>
4	4	4	6	6
2	2	2	2	2
<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
2	2	4	3	3
2	2	2	2	1
	1	1	1	2
1	1	1	0	0
<b>169</b>	<b>171</b>	<b>167</b>	<b>193</b>	<b>197</b>

**County of Rockbridge, Virginia**

Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year				
	2016	2017	2018	2019	2020
Public safety					
Fire and rescue:					
Number of calls answered*	5,580	5,908	5,610	6,104	6,125
Building inspections:					
Permits issued	535	533	503	515	591
Public works					
Landfill:					
Refuse collected (tons/day)**	144	141	132	169	152
Recycling (tons/day)***	13	13	10	9	6
Health and welfare					
Department of Social Services:					
Caseload	6,239	5,829	5,804	5,497	5,898

\*Calls dispatched; includes Lexington and Buena Vista Fire and Rescue calls into County

\*\*Tons per day based on 310 work days

\*\*\*Includes Lexington City, excludes Buena Vista City and private enterprises

Source: Individual County departments--only information that is currently available.

**Table 17**

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<b>Fiscal Year</b>				
<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
6,223	7,859	7,644	7,775	7,406
646	706	687	669	591
149	147	150	157	157
3	4	5	4	4
6,969	8,062	8,138	8,039	7,735

## County of Rockbridge, Virginia

### Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year				
	2016	2017	2018	2019	2020
General government					
Administration buildings	1	1	1	1	1
Judicial Administration					
Courthouse	1	1	1	1	1
Vehicles (Courthouse Security)	3	3	3	4	4
Public safety					
Sheriff (Law Enforcement):					
Vehicles	40	42	44	36	36
Fire, EMS & Emg. Mgmt.:					
Vehicles	3	3	3	4	4
Building inspections/maintenance:					
Vehicles	4	4	4	4	4
Animal control:					
Vehicles	2	2	2	2	2
Public works					
Collections:					
Vehicles	1	1	1	1	1
Sites	5	5	5	6	6
Landfill:					
Vehicles	N/A	4	4	6	6
Sites	1	1	1	1	1
Fleet Services:					
Vehicles	N/A	4	5	8	7
Facilities	1	1	1	1	1
Health and welfare					
Department of Social Services:					
Vehicles	5	6	6	6	6
Parks, culture and recreation					
Parks and recreation:					
Vehicles	3	3	3	3	3
Swimming pools	2	2	2	2	2
Community development					
Planning/GIS:					
Vehicles	3	3	3	3	3

Source: Individual County departments--only information that is currently available

Table 18

---

Fiscal Year				
2021	2022	2023	2024	2025
1	1	1	1	1
1 4	1 3	1 4	1 4	1 4
43	50	60	57	57
4	6	6	8	8
4	4	4	4	4
2	2	2	2	2
1 6	1 7	1 7	1 7	1 7
7 1	7 1	7 1	7 1	7 1
7 1	6 1	6 1	4 1	4 1
6	6	6	8	8
3 2	3 2	3 2	3 3	3 3
3	3	3	3	3

County of Rockbridge, Virginia

Schedule of the City of Lexington's and Buena Vista's Share of Certain General Government Expenditures  
Year Ended June 30, 2025

Description	Total Cost to the County	State and Other Reimbursement	City of Lexington Share		
			Net County Cost	% Used	Total Cost
Clerk of the Circuit Court	\$ 650,226	\$ 397,927	\$ 252,299	24.53%	\$ 61,888
Circuit Court - Expenses	90,987	-	90,987	24.53%	22,319
General District and J&D Court	30,546	-	30,546	24.53%	7,493
Courthouse Maintenance	492,925	34,009	458,916	24.53%	112,570
Administration Building, 150 S. Main Street	90,701	-	90,701	3.17%	2,879
Administration Building, 150 S. Main Street - Advancement of Agriculture Portion	13,947	-	13,947	15.00%	2,092
25th Court Services Unit-Juvenile Probation	4,089	-	4,089	20.08%	821
Commonwealth's Attorney	950,534	690,046	260,488	24.53%	63,897
Sheriff's Salary	200,570	129,792	70,778	24.53%	17,362
Advancement of Agriculture (City Agent)	<u>103,719</u>	<u>-</u>	<u>103,719</u>	15.00%	<u>15,558</u>
Totals	\$ <u>2,628,244</u>	\$ <u>1,251,774</u>	\$ <u>1,376,470</u>		\$ <u>306,879</u>

Table 19

---

<u>City of Buena Vista Share</u>	
<u>% Used</u>	<u>Total Cost</u>
- \$	-
-	-
-	-
-	-
-	-
-	-
18.14%	742
-	-
-	-
-	-
-	<u>-</u>
\$	<u><u>742</u></u>

# **COMPLIANCE**



**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**

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**TO THE HONORABLE MEMBERS  
OF THE BOARD OF SUPERVISORS  
COUNTY OF ROCKBRIDGE, VIRGINIA**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Rockbridge, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Rockbridge, Virginia's basic financial statements, and have issued our report thereon dated December 26, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Rockbridge, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Rockbridge, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Rockbridge, Virginia's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Rockbridge, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Farmer, Cox Assoc.*

Staunton, Virginia  
December 26, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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**TO THE HONORABLE MEMBERS  
OF THE BOARD OF SUPERVISORS  
COUNTY OF ROCKBRIDGE, VIRGINIA**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited County of Rockbridge, Virginia's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of County of Rockbridge, Virginia's major federal programs for the year ended June 30, 2025. County of Rockbridge, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Rockbridge, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Rockbridge, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Rockbridge, Virginia's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Rockbridge, Virginia's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Rockbridge, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Rockbridge, Virginia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Rockbridge, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Rockbridge, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Rockbridge, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

## Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Robinson, Farmer, Cox Assoc.*

Staunton, Virginia  
December 26, 2025

County of Rockbridge, Virginia

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025**

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Treasury			
Direct Payments:			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	Not applicable	\$ 3,034,444
Total Department of Treasury			<u>\$ 3,034,444</u>
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster			
Department of Agriculture:			
Food Distribution	10.555	Not available	\$ 154,493
Department of Education:			
National School Lunch Program	10.555	APE402540000	914,633
Subtotal AL 10.555			<u>\$ 1,069,126</u>
Summer Food Service Program for Children	10.559	APE603020000; APE603030000	7,839
School Breakfast Program	10.553	APE402530000	<u>325,649</u>
Total Child Nutrition Cluster			<u>\$ 1,402,614</u>
Department of Education			
Child and Adult Care Food Program	10.558	APE700270000	<u>\$ 12,943</u>
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE438410000	<u>\$ 9,588</u>
Total Forest Service Schools and Roads Cluster			<u>\$ 9,588</u>
Total Department of Agriculture			<u>\$ 1,425,145</u>
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Service:			
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	\$ 44,959
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA23GG03038MUMU; 2020MUBX0035	55,850
Violence Against Women Formula Grants	16.588	15JOVW23GG00605STOP	<u>45,718</u>
Total Department of Justice			<u>\$ 146,527</u>
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	Not available	\$ 12,812
Total Department of Transportation			<u>\$ 12,812</u>
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management:			
Homeland Security Grant Program	97.067	EMW-2024-SS-05162	\$ 14,921
Total Department of Homeland Security			<u>\$ 14,921</u>
Department of Education:			
Pass Through Payments:			
Department of Education:			
Adult Education-Basic Grants to States	84.002	Not available	\$ 21,586
Title I: Grants to Local Educational Agencies	84.010	APE429010000	613,748
Special Education Cluster:			
Special Education Grants to States	84.027	APE430710000	843,296
Special Education Preschool Grants	84.173	APE625210000	<u>16,075</u>
Total Special Education Cluster			<u>\$ 859,371</u>
Career and Technical Education - Basic Grants to States	84.048	APE600310000; APE600311005	\$ 69,923
Supporting Effective Instruction State Grants	84.367	APE614800000	113,052
Twenty-First Century Community Learning Centers	84.287	APE605650000	458,941
Student Support and Academic Enrichment Program	84.424	APE602810000	11,175
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210008	<u>70,616</u>
Total Department of Education			<u>\$ 2,218,412</u>
Total Expenditures of Federal Awards			<u>\$ 6,852,261</u>

County of Rockbridge, Virginia

**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2025**

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Notes to Schedule of Expenditures of Federal Awards:

NOTE 1-BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Rockbridge, Virginia under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Rockbridge, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Rockbridge, Virginia.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) County of Rockbridge, Virginia has elected not to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(3) Pass-through entity identifying numbers are presented where available.

NOTE 3-FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, the County had food commodities totaling \$18,189 in inventory. The value of food commodities expended during the year ended June 30, 2025 amounted to \$154,493.

NOTE 4 - LOANS

The County did not have any loans or loan guarantees which are subject to reporting requirements in the current year.

NOTE 5 - RELATIONSHIP TO FINANCIAL STATEMENTS

Federal expenditures, revenues, and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

Governmental funds	
General fund	\$ 3,437,708
Department of the Interior - Payment in Lieu of Taxes	(229,004)
Total primary government	<u>\$ 3,208,704</u>

Discretely presented component unit - School Board:

School operating fund	\$ 2,228,000
School cafeteria fund	1,415,557
Total discretely presented component unit - School Board	<u>\$ 3,643,557</u>

Total federal expenditures per the Schedule of Expenditures of Federal awards	<u><u>\$ 6,852,261</u></u>
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NOTE 6 - SUBRECIPIENTS

No awards were passed through to subrecipients.

**COUNTY OF ROCKBRIDGE, VIRGINIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no

- Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  yes  no

- Significant deficiency(ies) identified?  yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?  yes  no

Identification of major programs:

<i>Assistance Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>
	<b>Child Nutrition Cluster:</b>
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Food Distribution
10.559	Summer Food Service Program for Children
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund
84.010	Title I: Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

**Section II - Financial Statement Findings**

There are no financial statement findings to report.

**Section III - Federal Award Findings and Questioned Costs**

There are no federal award findings to report.

**COUNTY OF ROCKBRIDGE, VIRGINIA**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2025**

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**2024-001 Significant Deficiency**

*Summary of Finding:* The County did not successfully reconcile two bank accounts to the general ledger on a monthly basis or in a timely manner. Bank reconciliations for two cash accounts for the period of April 1, 2024 through June 30, 2024 were not completed until January 2025.

*Corrective Action Taken:* The County Treasurer implemented measures to reconcile bank accounts on a monthly basis. Measures include cross-training staff, recruiting new staff with banking experience, and expediently acquiring the services of outside CPA firms when and if needed.

*Current Status:* This finding has been resolved.