

ANNUAL

COMPREHENSIVE FINANCIAL REPORT

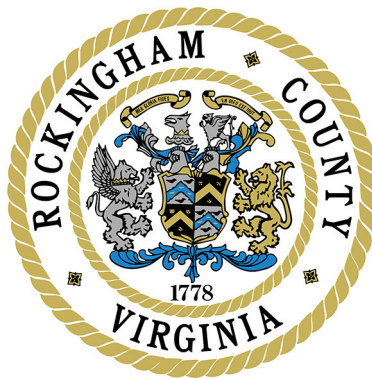


ROCKINGHAM COUNTY, VA

For the Fiscal Year Ended June 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2025



Prepared by:

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

www.rockinghamcountyva.gov

COUNTY OF ROCKINGHAM, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

<i>INTRODUCTORY SECTION</i>	
Letter of Transmittal	1 – 5
Directory of Principal Officials	6
Organizational Chart	7
Certificate of Achievement for Excellence in Financial Reporting – 2024	8
<i>FINANCIAL SECTION</i>	
Independent Auditor's Report	9 – 11
Management's Discussion and Analysis	12 – 25
<i>Basic Financial Statements</i>	
Statement of net position	26 – 27
Statement of activities	28 – 29
Balance sheet – governmental funds	30
Reconciliation of the balance sheet of the governmental funds to the statement of net position	31
Statement of revenues, expenditures and changes in fund balances – governmental funds	32
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	33
Statement of revenues, expenditures and changes in fund balance – budget and actual – general fund	34
Statement of revenues, expenditures and changes in fund balance – budget and actual – tourism fund	35
Statement of net position – proprietary funds	36
Statement of revenues, expenses and changes in net position – proprietary funds	37
Statement of cash flows – proprietary funds	38 – 39
Statement of fiduciary net position – fiduciary fund	40
Statement of changes in fiduciary net position – fiduciary fund	41
Notes to financial statements	42 – 143
<i>Required Supplementary Information</i>	
Schedule of changes in the County and the District net pension liability and related ratios – Virginia Retirement System	144
Schedule of changes in the School Board non-professional net pension liability (asset) and related ratios – Virginia Retirement System	145
Schedule of School Board share of net pension liability – VRS Teacher Retirement Plan (cost-sharing) – Virginia Retirement System	146
Schedule of County and District contributions – Virginia Retirement System	147
Schedule of School Board non-professional contributions – Virginia Retirement System	148
Schedule of School Board professional contributions – Virginia Retirement System	149
Notes to required supplementary information – Virginia Retirement System	150 – 151
Schedule of changes in the County and the District's total OPEB liability and related ratios – Medical Insurance Program	152

Required Supplementary Information (Continued)

Schedule of changes in the School Board's total OPEB liability and related ratios – Medical Insurance Program	153
Schedule of the County and the District's plan contributions – OPEB – Medical Insurance Program	154
Schedule of School Board plan contributions – OPEB – Medical Insurance Program	155
Schedule of Employer's share of net OPEB liability – Group Life Insurance Program	156
Schedule of Employer contributions – OPEB – Group Life Insurance Program	157
Schedule of changes in the School Board non-professional plan's net OPEB liability and related ratios – Health Insurance Credit Program	158
Schedule of School Board non-professional Plan contributions – OPEB – Health Insurance Credit Program	159
Schedule of changes in the School Board professional plan's net OPEB liability and related ratios – Health Insurance Credit Program	160
Schedule of School Board professional plan contributions – OPEB – Health Insurance Credit Program	161
Notes to required supplementary information – Other Postemployment Benefits	162 – 164

Supplementary Information

Combining balance sheet – nonmajor governmental funds	165
Combining statement of revenues, expenditures and changes in fund balance – nonmajor governmental funds	166
Combining statement of net position – nonmajor proprietary funds	167
Combining statement of revenues, expenses and changes in net position – nonmajor proprietary funds	168
Combining statement of cash flows – nonmajor proprietary funds	169
Combining balance sheet – discretely presented component unit – School Board	170
Combining statement of revenues, expenditures and changes in fund balances – discretely presented component unit – School Board	171
Combining balance sheet – discretely presented component unit – Harrisonburg-Rockingham Social Services District	172
Combining statement of revenues, expenditures and changes in fund balances – discretely presented component unit – Harrisonburg-Rockingham Social Services District	173
Combining statement of net position – nonmajor discretely presented component units	174
Combining statement of revenues, expenses and changes in net position – nonmajor discretely presented component units	175
Combining statement of cash flows – nonmajor discretely presented component units	176

Supplemental Schedules

Governmental funds and major discretely presented component units – schedule of revenues – budget and actual	177 – 186
Governmental funds and major discretely presented component units – schedule of expenditures – budget and actual	187 – 192

STATISTICAL SECTION

Tables

1	Comments relative to statistical section	193
2	Net position by component	194 – 195
3	Changes in net position	196 – 199
4	Program revenues by function/program	200
5	Fund balances – governmental funds	201
6	Changes in fund balances – governmental funds	202 – 204
7	Tax revenues by source – governmental funds	205
8	Assessed value and estimated actual value of taxable property	206
9	Direct and overlapping property tax rates	207
10	Principal property taxpayers	208
11	Real property tax levies and collections	209
12	Ratios of outstanding debt by type and general bonded debt outstanding	210
13	Direct and overlapping governmental activities debt	211
14	Pledged-revenue coverage	212 – 213
15	Demographic and economic statistics	214
16	Principal employers	215
17	Full-time equivalent County government employees by function/program	216 – 217
18	Operating indicators by function/program	218 – 219
19	Capital asset statistics by function/program	220

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	221 – 222
---	-----------

INTRODUCTORY SECTION



CASEY B. ARMSTRONG
County Administrator



ROCKINGHAM COUNTY

November 25, 2025

BOARD OF SUPERVISORS

DEWEY L. RITCHIE

Election District No. 1

SALLIE WOLFE-GARRISON

Election District No. 2

RICK L. CHANDLER

Election District No. 3

LEILA C. LONGCOR

Election District No. 4

JOEL L. HENSLEY

Election District No. 5

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

Citizens of Rockingham County and Members of the Board:

It is our pleasure to submit to you the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. The Code of the Commonwealth of Virginia requires that all local governments shall be audited annually with a report to the Governing Body. The Annual Comprehensive Financial Report (ACFR) fulfills this reporting requirement. The report is designed to present the respective financial position of the government activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County in all material respects, and to demonstrate compliance with applicable finance-related legal and contractual provisions.

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

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

The County's financial statements have been audited by PBMares LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by County management; and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the Financial Section of the Annual Comprehensive Financial Report.

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

Profile of the Government

The County of Rockingham, located in the heart of the Shenandoah Valley, is the third largest county in Virginia in land area with 853.65 square miles and an approximate population of 87,000. The independent city of Harrisonburg, with an approximate population of 51,200, serves as the County seat and is the largest city in western Virginia between the Roanoke and the Washington, D.C. metropolitan areas.

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

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

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

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

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

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

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

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

The Board establishes a time and place for a public hearing on the budget. A hearing must be held at least seven days prior to the adoption of the budget. Except for the School's budget, which may only be increased or decreased by major category or as a whole, the Board may insert new items of expenditure or may increase, decrease or remove items of expenditure (other than debt service or other legal requirements). On April 24, 2024, the Board approved the budget for fiscal year 2025. During fiscal year 2025, as is customary, the Board also approved supplemental budget amendments.

Local Economy

The County continues to exhibit a relatively stable economy, seeing growth particularly in single and multi-family housing. The unemployment rate for the County in June 2025 was 3.5, as compared to the State unemployment rate of 3.9.

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

According to the 2022 U.S. Census of Agriculture, Rockingham County is ranked 1st in the state and 35th in the U.S. for total value of agricultural products sold (\$1.2 billion) with 1,722 farms totaling 191,588 acres. Also from the census, Rockingham County is ranked 1st in the state for the following two commodity group sales: Milk and other dairy products from cows and poultry & eggs. Rockingham County further ranked 1st in the state and 19th in the U.S. for all eight livestock categories. Rockingham County ranks 2nd in the state and 1,015th in the U.S. for all eight crop categories.

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

Rockingham County continues to benefit from strong performance among its major employers, including Molson Coors, Sysco, Danone, Shenandoah Growers, Virginia Poultry Growers Cooperative, Dynamic Aviation, and Interchange among others. These established industries remain stable contributors to the local economy. In 2025, Merck announced a \$3 billion expansion of its Center of Excellence for Pharmaceutical Manufacturing, further solidifying Rockingham County as a national leader in advanced medicine and biomanufacturing bringing 500 new jobs to the Rockingham County facility. Negroni, an Italian cured meats producer, is completing Phase 2 of its operations, adding approximately 200,000 square feet, and building on two years of successful production. The nationally recognized travel center Buc-ee's opened its first Virginia location in Rockingham County in June 2025, generating more than 200 new jobs and contributing to continued growth in meals tax revenue.

Tourism assets remain robust, driven by major investments from Great Eastern Resorts at Massanutten Resort. The company has completed a comprehensive master planning process focused on long-term growth across its undeveloped properties. In early 2026, the resort will introduce an all-new 140+ unit hotel and indoor waterpark expansion, alongside enhancements to its ski operations through state-of-the-art snowmaking technology. A new Mountain Coaster attraction is scheduled to open in December 2025, adding another year-round recreational amenity for visitors.

Significant events and actions during this past year include:

- American Rescue Plan Act provided \$3,560,000 in funds to bring broadband to all County citizens. The capacity for electrical power providers across the state to make the significant infrastructure improvements necessary to provide required utility pole structural capacity to handle the added weight associated with the broadband cabling has delayed project completion to 2026.
- Completed construction of the Elkton Emergency Response Station with the grand opening on October 19, 2024.
- Completed construction of a Recreation Center at Rockingham Park at the Crossroads in January 2025 and hosted the Valley District High School Indoor Track and Field District Championship as its first major event.
- Completed construction of the Broadway High School Addition.
- Continued construction on the Elkton Elementary Renovation and began construction on Pleasant Valley Elementary and McGaheysville Elementary Renovations.
- Completed a space needs study for the Department of Social Services and concluded the most appropriate space would be in the current County Administration Building on 20 East Gay Street.
- Began construction on Fulks Run Emergency Response Station and Dayton Emergency Response Station. Fulks Run open house was November 8, 2025, and Dayton is estimated to be completed by June 2026.

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

These items include:

- Acquired the Massanutten water and sewer system effective October 6, 2025.
- Continue to work toward a long-term plan to address space needs in the District Courts and Circuit Courts buildings.
- Through a design-build process, the County is working with five contractors to submit proposals for the construction of a new Administration Building for Social Services to move into 20 East Gay Street and fulfill their growing needs. Proposals will be submitted March 2026.
- Evaluate partnerships with the City and the seven towns in the County to develop water supply resources and related delivery infrastructure and look to acquire additional wastewater treatment capacity to meet long-term County needs.

- The demand for County-funded fire and rescue services continues to grow as volunteer participation wanes. The upcoming Capital Improvement Plan will consider a Fire-Rescue Training Center to include a burn building as well as an Emergency Response Station located in Massanutten.
- The increase in school population is driving the need for expanded, improved and possibly new schools. Additionally, increasing population of children with special needs provide additional budgeting considerations to ensure students and teachers are being provided adequate support.

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

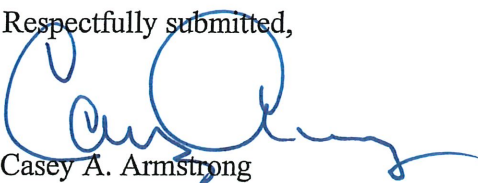
Rockingham County holds a "AAA" credit rating from one of the United States' largest credit rating agencies - Standard & Poor's. In 2015, the County was notified by Standard & Poor's that after a review of the County's financial position the firm was upgrading Rockingham County from a "AA+" to "AAA"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

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

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

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

Respectfully submitted,



Casey A. Armstrong
County Administrator



Rebecca F. Guthrie
Director of Finance

COUNTY OF ROCKINGHAM, VIRGINIA

Directory of Principal Officials June 30, 2025

Board of Supervisors

Joel Hensley, Chair District 5	
Leila Longcor, Vice-Chair District 4	
Dewey Ritchie District 1	Sallie Wolfe-Garrison District 2
Rick Chandler District 3	

County Administrator

Casey B. Armstrong

School Board

Sara Horst, Chair District 4	
Ashley Burgoyne, Vice-Chair District 2	
Jackie Lohr District 1	Matthew Cross District 3
Hollie Cave District 5	

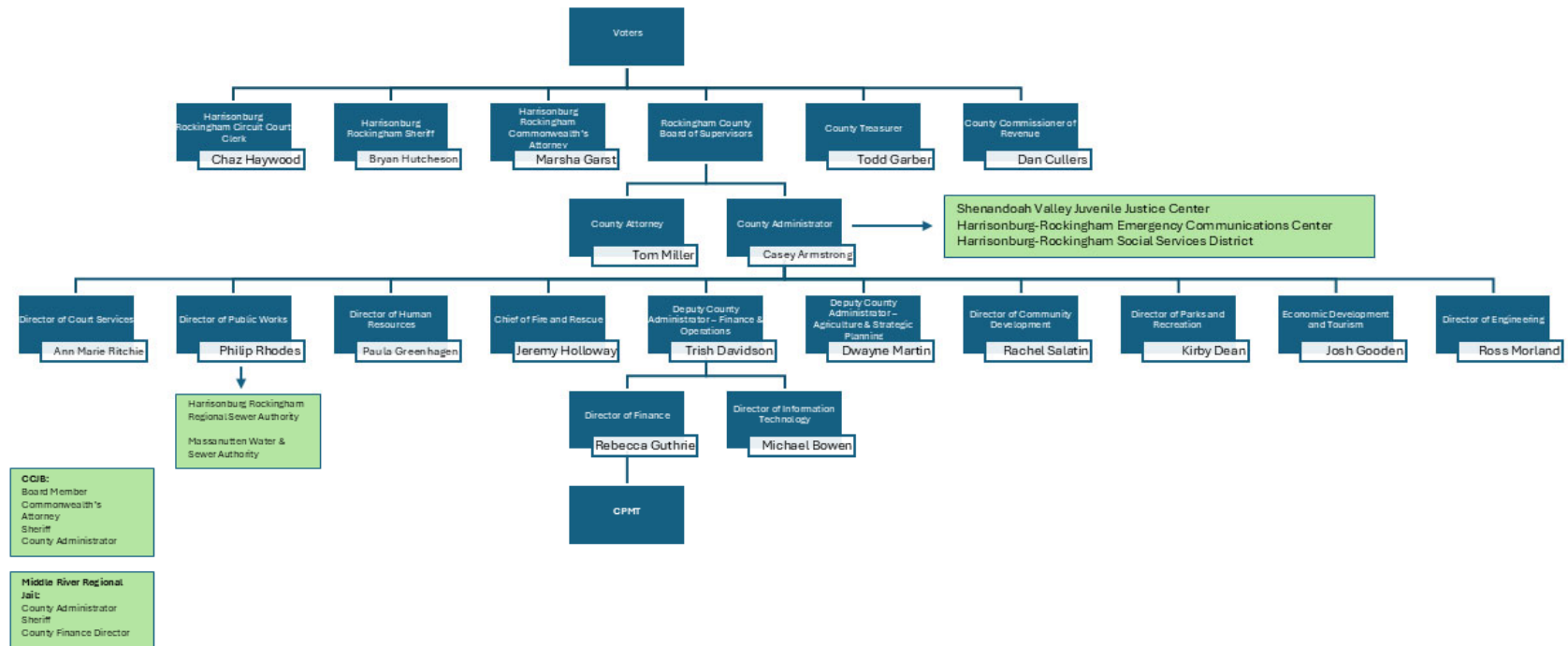
Superintendent of Schools

Larry Shifflett

Other Officials

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

Rockingham County, VA Government Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Rockingham
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the General Fund and Tourism Fund of the County of Rockingham, Virginia (County), as of and for the year ended June 30, 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 respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position and the budgetary comparisons of the General Fund and Tourism Fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 25 to the financial statements, in fiscal year 2025, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. 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's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis and the required supplementary information on pages 12-25 and 144-164, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

YB Mares, LLP

Harrisonburg, Virginia
November 25, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Rockingham, Virginia, (County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the letter of transmittal in the Introductory Section of this report and the County's financial statements following this analysis. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

Financial Highlights

- The County's total net position, excluding component units, totaled \$178,806 at June 30, 2025. Of this amount, there was \$138,324 invested in the County's capital assets, net of related debt, \$707 in restricted funds assets, and \$39,775 in unrestricted funds.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$98,625. Approximately 60 percent of this total amount, \$59,253, is available for spending at the government's discretion (unassigned fund balance). There is an additional \$5,708 in the General Capital Projects Fund assigned to unspecified future capital outlays that could be returned to the General Fund at the Board of Supervisors' (Board) discretion.
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$68,993, which represents 34 percent of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 30-35 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 36-39 of this report.

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

The basic fiduciary fund financial statements can be found on pages 40-41 of this report.

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

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

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$178,806 at the close of the most recent fiscal year. This is an increase of \$5,443 in comparison with the prior year's net position. The explanation for this change is provided below.

By far, the largest portion of the County's net position, \$138,324, reflects its investment in capital assets (e.g. land, easements, buildings, improvements, machinery and equipment, software, intangible right-to-use lease assets, intangible right-to-use subscription assets, and construction in progress, net of accumulated depreciation and amortization), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not readily available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves would not likely be used to liquidate these liabilities. The balance increased from the prior year's balance of \$116,146 to \$138,324.

An additional portion of the County's net position, \$707, represents resources that are subject to external restrictions on how they may be used. There was an increase of \$336 in restricted net position reported in connection with the County's primary government activities.

The unrestricted portion of the County's net position for the governmental activities decreased \$15,848, from \$31,730 to \$15,882 due to expenditures exceeding revenues for the year as well as the adjustment for implementing GASB Statement No. 101, *Compensated Absences*, which reduced beginning net position by \$904. Business-type activities unrestricted portion of net position decreased \$1,223, from \$25,116 to \$23,893. The implementation of GASB Statement No. 101, *Compensated Absences*, reduced beginning net position by \$45 for business-type activities.

The unrestricted portion of the County's net position for the primary government is lower than the preferred balance due to the County financing the necessary capital asset projects of the component unit School Board. Since the County is legally obligated for the retirement of the debt, it is required to record the liability for this financing; however, the capital asset which statutorily is owned by the School Board is recorded with the component unit. Please refer to Note 1(E)(11) of the financial statements for further explanation.

The largest portion of the component unit School Board's net position reflects its investment in capital assets (e.g. land, easements, buildings, improvements, equipment, right-to-use leased assets, and construction in progress, net of accumulated depreciation and amortization). As explained above and in Note 1(E)(11) of the financial statements, the School Board does not have taxing authority by law and, therefore, cannot incur debt through general obligation bonds for its capital assets.

County of Rockingham, Virginia
Summary Statement of Net Position
June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$125,006	\$ 141,659	\$ 48,831	\$ 46,228	\$173,837	\$ 187,887
Capital assets, net	92,399	78,357	67,827	63,358	160,226	141,715
Total assets	217,405	220,016	116,658	109,586	334,063	329,602
Deferred outflows of resources	10,303	6,974	1,086	762	11,389	7,736
Other liabilities	9,875	10,221	1,594	1,932	11,469	12,153
Noncurrent liabilities	103,645	101,732	41,021	39,134	144,666	140,866
Total liabilities	113,520	111,953	42,615	41,066	156,135	153,019
Deferred inflows of resources	10,086	10,613	425	343	10,511	10,956
Net position:						
Net investment in capital assets	87,513	72,323	50,811	43,823	138,324	116,146
Restricted	707	371	-	-	707	371
Unrestricted (deficit)	15,882	31,730	23,893	25,116	39,775	56,846
Total net position	\$104,102	\$ 104,424	\$ 74,704	\$ 68,939	\$178,806	\$ 173,363

	Component Units			
	School Board		Harrisonburg- Rockingham Social Services District	
	2025	2024	2025	2024
Current and other assets	\$ 55,578	\$ 50,755	\$ 17,242	\$ 15,938
Capital assets, net	135,101	131,629	1,813	1,909
Total assets	190,679	182,384	19,055	17,847
Deferred outflows of resources	36,276	35,042	2,898	1,872
Other liabilities	31,505	30,790	4,740	4,302
Noncurrent liabilities	143,441	132,351	6,375	5,336
Total liabilities	174,946	163,141	11,115	9,638
Deferred inflows of resources	19,883	17,236	1,229	1,001
Net position:				
Net investment in capital assets	131,351	128,448	1,543	1,544
Restricted	2,108	971	-	-
Unrestricted (deficit)	(101,333)	(92,370)	8,066	7,536
Total net position	\$ 32,126	\$ 37,049	\$ 9,609	\$ 9,080

County of Rockingham, Virginia
Summary Statement of Changes in Net Position
Years Ended June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 18,111	\$ 18,439	\$ 18,185	\$ 17,282	\$ 36,296	\$ 35,721
Operating grants and contributions	16,241	16,515	2,046	1,382	18,287	17,897
Capital grants and contributions	-	229	4,379	4,973	4,379	5,202
General revenues:						
General property taxes	131,076	129,083	-	-	131,076	129,083
Other local taxes	22,645	20,648	-	-	22,645	20,648
Intergovernmental	7,651	7,620	-	-	7,651	7,620
Use of money and property	6,486	7,374	2,106	1,894	8,592	9,268
Miscellaneous	2,236	2,239	379	436	2,615	2,675
Total revenues	204,446	202,147	27,095	25,967	231,541	228,114
Expenses:						
General government	9,744	8,575	-	-	9,744	8,575
Judicial administration	8,915	7,245	-	-	8,915	7,245
Public safety	54,910	50,039	-	-	54,910	50,039
Public works	6,293	4,989	21,284	17,700	27,577	22,689
Health and social services	12,211	10,650	-	-	12,211	10,650
Education	91,181	74,067	-	-	91,181	74,067
Parks, recreation and cultural	4,280	3,167	-	-	4,280	3,167
Community development	13,612	10,293	-	-	13,612	10,293
Interest	2,718	2,575	-	-	2,718	2,575
Total expenses	203,864	171,600	21,284	17,700	225,148	189,300
Change in net position	582	30,547	5,811	8,267	6,393	38,814
Net position, beginning (as restated)	103,520	73,877	68,893	60,672	172,413	134,549
Net position, ending	\$ 104,102	\$ 104,424	\$ 74,704	\$ 68,939	\$ 178,806	\$ 173,363

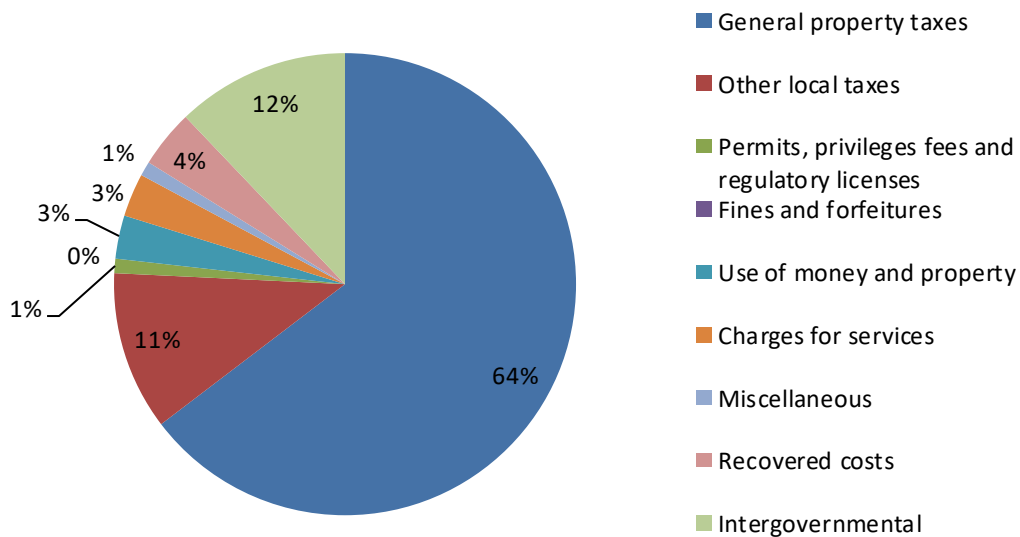
County of Rockingham, Virginia
Summary Statement of Changes in Net Position (Continued)
Years Ended June 30, 2025 and 2024

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2025	2024	2025	2024
Revenues:				
Program revenues:				
Charges for services	\$ 2,380	\$ 2,234	\$ -	\$ -
Operating grants and contributions	112,160	119,239	29,924	27,727
Capital grants and contributions	-	1,431	-	-
General revenues:				
Grants and contributions not restricted to specific programs	91,182	74,068	14,990	12,936
Intergovernmental non-categorical aid	79	72	-	-
Use of money and property	1,026	735	422	410
Miscellaneous	144	140	45	37
Total revenues	206,971	197,919	45,381	41,110
Expenses:				
Health and social services	-	-	44,813	40,056
Education	196,527	191,760	-	-
Interest	115	119	17	19
Total expenses	196,642	191,879	44,830	40,075
Change in net position	10,329	6,040	551	1,035
Net position, beginning (as restated)	21,797	31,009	9,058	8,045
Net position, ending	\$ 32,126	\$ 37,049	\$ 9,609	\$ 9,080

Governmental activities. Prior to the implementation of GASB Statement No. 101, *Compensated Absences*, governmental activities slightly increased the County’s net position by \$582. The retrospective implementation of GASB 101 decreased net position \$904, thus governmental activities overall decreased \$321 as compared to an increase in the County’s net position by \$30,547 in fiscal year 2024. Key factors for this change are as follows:

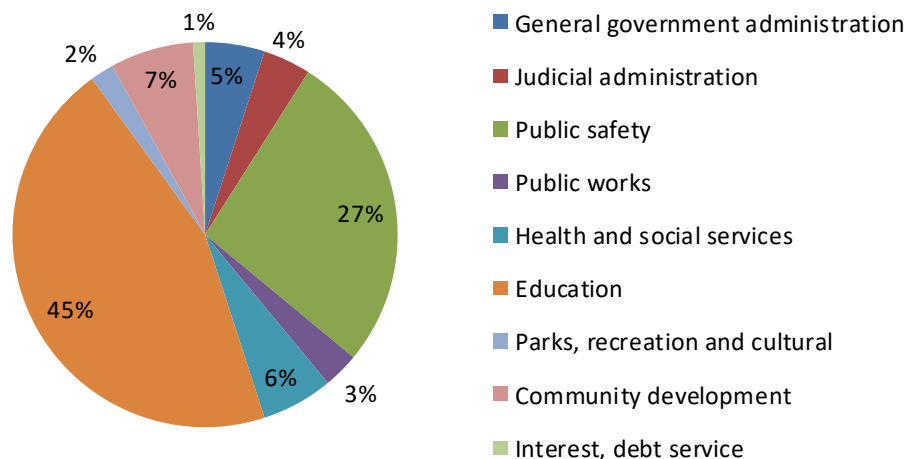
Total revenues increased \$2,299 (from \$202,147 to \$204,446) compared to last year. Tax revenues increased primarily due to an increase in general property taxes of \$1,993, primarily as a result of an increase in personal property assessed values and an increase in real property tax values due to new construction. Rockingham County continues to have steady growth increasing population from 86,568 to 87,051 in calendar years 2023 and 2024 respectively. Local sales and use tax also increased by \$756. Revenues by source are shown in the chart below. Revenues from general property taxes make up 64% percent of total revenues.

Revenues by Source - Governmental Activities



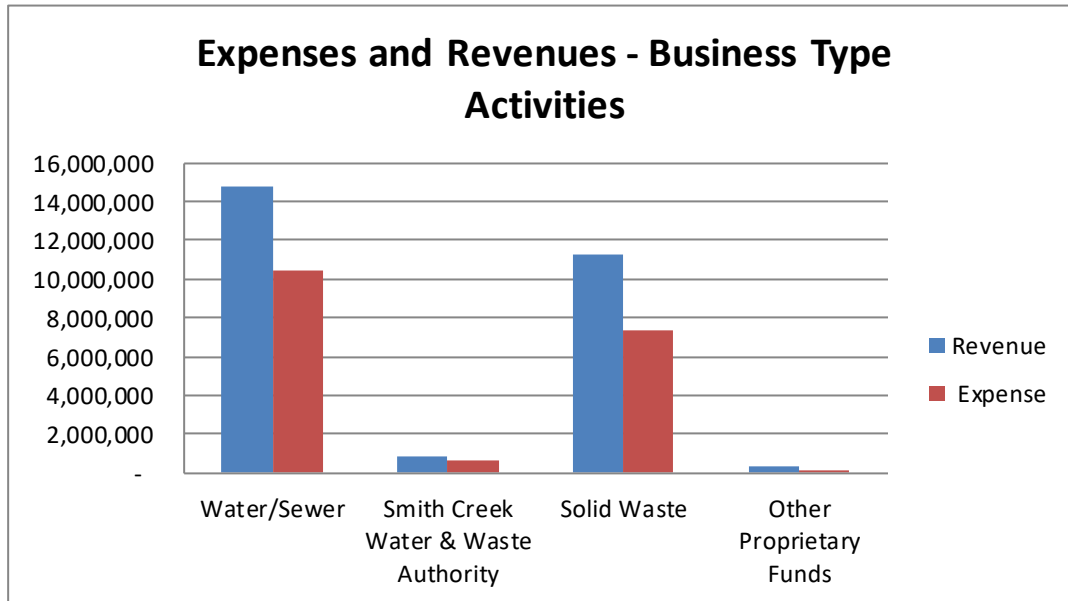
Total expenses increased by \$32,264 (from \$171,600 to \$203,864) compared to last year. The majority of the increase (53%) was due to the increase of the local transfer to Education in the amount of \$91,181. This transfer makes up 45 percent of total Governmental activities with Public Safety coming in second at 27 percent of the total.

Expenditures by Type - Governmental Activities



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

Business-type activities. Prior to the implementation of GASB Statement No. 101, *Compensated Absences*, business-type activities increased the County’s net position by \$5,811. The retrospective implementation of GASB 101 decreased net position \$45, thus business-type activities overall increased \$5,766 compared to an increase of \$8,267 last fiscal year. The increase in the net position as compared to the prior year is primarily due to the City of Harrisonburg paying their portion of the landfill closure expenses in the amount of \$2,698. Each of these businesses is monitored on a regular basis to ensure they are operating as a self-sustaining enterprise.



Component Unit – School Board. The School Board’s net position increased by \$10,329 this fiscal year compared to an increase of \$6,040 in fiscal year 2024. Key elements of this increase are as follows:

1. Revenues increased by \$9,052 (from \$197,919 to \$206,971) primarily due to increase in additional funds received from the County.
2. Expenses also increased by a total of \$4,763 (from \$191,879 to \$196,642) due to increased expenses related to instruction.
3. Included in 2025 expenses are depreciation and amortization totaling \$11,515, which are a non-cash reduction in net position.

Financial Analysis of the Government’s Funds

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

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

As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$98,625, a decrease of \$15,372 in comparison with the prior year.

Approximately 60 percent of this total amount of \$59,253 constitutes unassigned fund balance, which is available for spending at the government’s discretion. In addition, another 6 percent of this total amount of \$5,708 constitutes fund balance assigned to future unspecified capital outlays in the General Capital Projects Fund. However, these funds may be returned to the General Fund at the Board’s discretion.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$68,993 while total fund balance reached \$96,009. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34 percent of total General Fund expenditures, while total fund balance represents 47 percent of that same amount.

The fund balance of the County's General Fund decreased \$8,965 during the current fiscal year compared to an increase of \$21,186 for fiscal year 2024. This \$8,965 decrease is better than the original budget, which projected a \$30,652 decrease, and the final budget projected a \$40,791 decrease. The key factors influencing these results are as follows:

- Total revenue was \$3,360 higher than last year. The key components with changes were:
 - General property tax revenue was \$1,747 over last year primarily as a result of an increase in personal property assessed values and an increase in real property tax values due to new construction as the County's population continues to grow.
 - Other local taxes were \$1,820 higher than last year primarily due to an increase in local sales and use tax and food and beverage tax collections due to continued business growth.
 - Use of money and property were \$901 lower than last fiscal year due to the decrease in interest rates as seen in the county investments.
- Total expenditures increased by \$27,622 compared to last year. The key components with changes were:
 - General administration increased \$1,293 compared to the prior fiscal year total of \$7,507 due to the increase in administrative positions, personnel costs and additional software and license agreements.
 - Public safety increased \$3,206 compared to the prior fiscal year total of \$48,118 due to the increase in fire and rescue positions to staff a new fire station as well as increase in sheriff personnel expenses.
 - Health and social services increased \$1,462 compared to the prior fiscal year total of \$10,703 as we serve additional clients as needs evolve in the community and service providers increase cost.
 - Education increased \$17,114 compared to the prior fiscal year total of \$74,068 due to an increase in County transfer provided for education expenses primarily related to personnel costs (total increase of \$10,817) and capital projects (increase of \$6,297).
 - Community development increased \$3,585 compared to the prior fiscal year total of \$9,129 due to a new Technology Zone Grant (\$6,663) offset by a reduction in Broadband Project expenditure (\$2,670).

The General Capital Projects Fund has a total fund balance of \$11,647 of which the majority is committed to specified future capital outlays or assigned to unspecified future capital outlays. The County had capital outlays of \$21,067 during the current fiscal year, which were funded by revenues and the fund balance.

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

Restated net position of these funds increased \$5,766 this fiscal year to \$74,704. The largest portion of the net position, \$50,811, continues to reflect the County's net investment in capital assets.

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

General Fund Budgetary Highlights

The General Fund's original budgeted appropriations amounted to \$196,129; the final amended General Fund budget was \$196,892, representing an increase of \$763.

- Total revenue was \$3,477 higher than budgeted. The key components with changes were:
 - General property tax revenue was \$1,583 lower than the final budget primarily as a result of an increase in personal property and real estate revenues increasing higher than the previous year but not at a rate expected in the budget.
 - Other local taxes were \$1,753 higher than the final budget primarily due to an increase in local sales and use tax and recordation tax collections.
 - Use of money and property were \$2,812 higher than the final budget due to the continued high-interest rate environment as the Fed was hesitant to reduce rates with uncertainty related to inflation and unemployment.
 - Miscellaneous revenue was higher than the final budget by \$1,563 primarily due to the Shenandoah Valley Soil and Water Conservation reimbursement (\$902) construction bond payments (\$323) and VPSA Refunding (\$244).
- Total expenditures were \$15,335 lower than the final budget. The key components with changes were:
 - Judicial administration was \$1,089 lower than the final budget due to the delayed implementation of a new program as well as vacancy savings within the court services unit.
 - Public safety was \$1,168 lower than the final budget due to the delay of fire and emergency apparatus purchases that will be carried forward into FY26 as well as vacancy savings for the Fire and Sheriff Departments.
 - Education was \$3,523 lower than the final budget due to vacancy savings and timing of projects that will be carried into fiscal year 2026.
 - Debt service was \$7,666 lower than the final budget due to the county's new financial policy to budget a flat amount in preparation for the expected debt service in the next five years.
 - Most of the other expenditure categories were less than the final budget amounts to varying degrees but primarily due to containment of costs.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounted to \$160,226 (net of accumulated depreciation and amortization). This investment in capital assets includes land, easements, construction in progress, buildings, improvements, machinery and equipment, intangible right-to-use lease buildings and improvements, intangible right-to-use subscriptions, and software. The County's investment in capital assets for the current fiscal year increased to \$160,226 compared to \$141,715 last year.

County of Rockingham, Virginia Summary Statement of Capital Assets June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Non-depreciable assets:						
Land	\$ 9,743	\$ 4,714	\$ 3,520	\$ 3,520	\$ 13,263	\$ 8,234
Easements	-	-	286	227	286	227
Construction in progress	6,392	12,293	6,917	1,019	13,309	13,312
Depreciable capital assets:						
Buildings	82,700	63,240	1,633	1,633	84,333	64,873
Intangible right-to-use lease buildings and improvements	1,114	1,091	165	157	1,279	1,248
Improvements	33,971	33,270	100,496	100,370	134,467	133,640
Machinery and equipment	31,643	30,381	9,746	8,335	41,389	38,716
Intangible right-to-use subscriptions	156	156	-	-	156	156
Software	958	992	-	-	958	992
Accumulated depreciation and amortization	(74,278)	(67,780)	(54,936)	(51,903)	(129,214)	(119,683)
Capital assets, net	\$ 92,399	\$ 78,357	\$ 67,827	\$ 63,358	\$ 160,226	\$ 141,715

The key changes in capital assets were:

An increase to Land under Governmental Activities of \$5,029 was for the purchase of the property for a future school site (\$3,522) and other land purchases for future County use (\$1,507).

A net decrease to construction in progress under Governmental Activities of \$5,901 was mainly comprised of the completion of the Rockingham Recreation Center (\$7,018) and the completion of the Elkton Emergency Response Station (\$4,571). These transfers to buildings were offset by the construction of the Fulks Run Emergency Response Station (\$2,765), the Dayton Emergency Response Station (\$1,910), and the Innovation Village Pad Site (\$617).

An increase to buildings under Governmental Activities of \$19,460 as mentioned above was due to the completion of the Rockingham Recreation Center (\$14,492) and Elkton Emergency Response Station (\$4,968) including current year expenditures.

An increase to improvements under Governmental Activities of \$701 due to various HVAC Replacement Projects (\$460) and rebuilding the Jail detention doors (\$241).

A net increase to machinery and equipment under Governmental Activities of \$1,262 was primarily comprised of the purchase of twelve public safety vehicles (\$556) and two Fire Apparatus (\$718).

An increase to construction in progress under Business-type Activities of \$5,898 was due to the following projects: Three Springs Water Filtration Expansion Project (\$437), Landfill Cell Phase 5B (\$5,310), and the Landfill Closure Cells I-IV (\$151).

An increase in machinery and equipment under Business-type Activities of \$1,411 primarily due to the purchase of heavy-duty equipment vehicles (\$938) and a D6-20LGPVW (\$699).

County of Rockingham, Virginia
Summary Statement of Capital Assets (Continued)
June 30, 2025 and 2024

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2025	2024	2025	2024
Non-depreciable assets:				
Land	\$ 5,469	\$ 5,469	\$ 202	\$ 202
Easements	37	37	-	-
Construction in progress	10,550	14,690	-	-
Depreciable capital assets:				
Buildings	195,685	181,748	501	501
Intangible right-to-use lease buildings and improvements	-	-	452	447
Improvements	96,564	95,288	2,255	2,119
Machinery and equipment	45,944	43,474	69	69
Intangible right-to-use lease machinery & equipment	3,030	3,308	-	-
Intangible right-to-use subscriptions	720	649	69	-
Accumulated depreciation and amortization	(222,898)	(213,034)	(1,735)	(1,429)
Capital assets, net	\$ 135,101	\$ 131,629	\$ 1,813	\$ 1,909

The key changes in capital assets were:

A net decrease to construction in progress for the component unit School Board of \$4,140 was comprised of \$13,026 for the completion of the renovations at Broadway High School and \$625 for the completion of the Keyless Entry System. These transfers were offset by the following additions to CIP: \$8,954 for renovations at Elkton Elementary School; \$416 for renovations for Pleasant Valley Elementary School; and \$139 for the renovations of McGaheysville Elementary School.

As mentioned above, the increase to buildings for the component unit School Board of \$13,937 was for the completion of the renovations at Broadway High School (\$13,989 including current year additions).

An increase to improvements for the component unit School Board of \$1,276 was comprised of \$410 for track renovations at RHS and TAHS; \$1,066 for the completion of the Keyless Entry System (including current year additions); and \$41 for the installation of an intercom system. These increases were offset by the disposal of TAHS and BHS track resurfacing projects (\$276).

A net increase in machinery and equipment for the component unit School Board of \$2,470 was comprised of \$997 for bulk purchases of computers, bleachers for SHS and TAHS \$456, security software systems \$391 and \$691 for the purchase of four new school buses and five vehicles.

An increase to improvements for the component unit Harrisonburg-Rockingham Social Services District of \$136 for the purchase of office space cubicles.

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

Long-term obligations. At the end of the current fiscal year, the County had total net bonded debt outstanding of \$63,731. General obligation bonds issued by the County are for educational purposes to construct and renovate school facilities, the construction of the Community Services Board and the Port Road Emergency Response Station.

County of Rockingham, Virginia
Summary Statement of Long-Term Obligations
June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 59,131	\$ 66,513	\$ -	\$ -	\$ 59,131	\$ 66,513
Unamortized premiums	4,600	5,172	1,867	2,071	6,467	7,243
Lease revenue refunding bonds	-	-	14,775	16,510	14,775	16,510
Lease liabilities	917	974	145	147	1,062	1,121
Subscription liabilities	54	106	-	-	54	106
Notes from direct borrowings and direct placements	-	1,053	-	-	-	1,053
Literary loan payable	13,953	7,962	-	-	13,953	7,962
Landfill obligation	-	-	21,925	18,558	21,925	18,558
Compensated absences	3,750	1,701	227	204	3,977	1,905
Net pension liability	14,203	11,517	1,347	983	15,550	12,500
Other postemployment benefits	7,037	6,734	735	661	7,772	7,395
	\$ 103,645	\$ 101,732	\$ 41,021	\$ 39,134	\$ 144,666	\$ 140,866

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

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the County's debt position to management, citizens, and investors. Data for the County at the end of the 2025 fiscal year is presented as actual amounts as follows:

Estimated Population	Assessed Valuation of All Taxable Property	Net Bonded Debt	Ratio of Debt to Assessed Valuation	Net Bonded Debt per Capita
87,051	\$ 14,000,582,482	\$ 63,730,635	0.46%	\$ 732

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

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for September 2025 in Rockingham County was 3.5 percent, which is higher than the 2.7 percent rate a year ago. This is lower than the Virginia statewide unemployment rate of 3.9 percent and the United States national average of 4.1 percent.
- Fiscal year 2026 General Fund revenue is budgeted to increase by \$973 to \$224,759 in comparison to the fiscal year 2025 Adopted Budget of \$223,786. This increase is composed of increase to real property taxes (\$3,910), local sales and use tax (\$1,000), use of property (\$1,347), other state categorical aid (\$3,965). However, these significant increases are offset by the reduction in use of fund balance for one-time capital projects in FY26 (8,687) and reduction in machinery and tools taxes (\$1,131).
- Federal revenues are primarily from grant sources, and with the federal fiscal year not beginning until October 1, it is difficult to predict which grants will be approved. However, it is important to mention that those expenditures dependent upon federal grants will not be incurred until the grant is approved and the County has assurances that it will receive those funds.
- Revenue estimates continue to be projected conservatively by staff to be responsible to the County's citizens in funding planned levels of service for next year.
- Similarly to revenues, fiscal year 2026 General Fund expenditures are budgeted increase by \$973 to \$224,759 in comparison to the fiscal year 2025 Adopted Budget of \$223,786. Further details can be found in the budget document which is posted on the County's website.
- The unassigned fund balance in the General Fund at fiscal year-end was \$96,009. The County has appropriated \$21,075 of this amount for spending in the fiscal year 2026 budget. The drawdown in the fund balance is used for one-time capital and maintenance expenditures and, therefore, lessens the need to raise taxes.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2025

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Totals	School Board	Harrisonburg- Rockingham Social Services District	Nonmajor
ASSETS						
Cash and cash equivalents	\$ 68,051,703	\$ 31,177,038	\$ 99,228,741	\$ 27,813,840	\$ 6,548,771	\$ 197,644
Investments	32,166,075	14,626,374	46,792,449	12,866,856	3,072,355	26,845
Receivables, net:						
Property taxes	5,752,898	-	5,752,898	-	-	-
Utility taxes	166,422	-	166,422	-	-	-
Trade and other accounts	3,296,989	2,300,915	5,597,904	493,790	55,411	13,763
Leases	2,588,272	-	2,588,272	-	-	-
Accrued interest	615,345	162,249	777,594	81,446	31,268	264
Due from component unit	1,066,928	-	1,066,928	-	-	-
Due from other governments	9,461,904	-	9,461,904	7,665,558	7,265,805	-
Prepaid items	1,260,105	121,299	1,381,404	4,280,135	268,852	-
Inventory	44,086	443,456	487,542	268,520	-	-
Restricted cash and cash equivalents	363,871	-	363,871	-	-	-
Restricted investments	170,710	-	170,710	-	-	-
Net pension asset	-	-	-	2,107,662	-	-
Capital assets, net of accumulated depreciation and amortization:						
Land	9,742,798	3,519,940	13,262,738	5,469,535	202,036	-
Easements	-	285,459	285,459	36,654	-	-
Buildings and improvements	82,700,385	1,633,027	84,333,412	195,685,444	500,979	-
Intangible right-to-use lease buildings and improvements	1,113,837	164,457	1,278,294	-	451,935	-
Improvements other than buildings	33,970,909	100,496,351	134,467,260	96,564,049	2,254,968	-
Machinery and equipment	31,643,117	9,746,271	41,389,388	45,944,127	69,484	-
Intangible right-to-use lease machinery & equipment	-	-	-	3,029,622	-	-
Intangible right-to-use subscription assets	155,602	-	155,602	720,415	68,770	-
Software	957,822	-	957,822	-	-	-
Construction in progress	6,392,501	6,916,770	13,309,271	10,549,617	-	-
Less accumulated depreciation and amortization	(74,278,070)	(54,935,731)	(129,213,801)	(222,898,438)	(1,735,038)	-
Total assets	217,404,209	116,657,875	334,062,084	190,678,832	19,055,596	238,516
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	103,249	103,249	-	-	-
Pension plan	9,174,567	870,146	10,044,713	30,724,236	2,579,285	-
Other postemployment benefits	1,128,243	113,090	1,241,333	5,551,366	318,527	-
Total deferred outflows of resources	10,302,810	1,086,485	11,389,295	36,275,602	2,897,812	-

See Notes to Financial Statements.

LIABILITIES						
Accounts payable	\$ 3,857,764	\$ 1,063,516	\$ 4,921,280	\$ 4,496,957	\$ 2,846,098	\$ -
Accrued payroll	3,269,587	285,299	3,554,886	22,366,906	806,589	-
Accrued liabilities	322,009	5,867	327,876	-	-	-
Accrued interest	1,123,039	176,198	1,299,237	-	-	-
Unearned revenue	847,680	11,047	858,727	3,390,308	7,829	3,000
Due to primary government	-	-	-	-	1,066,928	-
Insurance and benefit claims	377,221	-	377,221	1,121,174	-	-
Due to other governments	77,402	51,604	129,006	129,486	12,664	-
Noncurrent liabilities:						
Due within one year:						
Bonds payable	8,229,103	2,008,850	10,237,953	-	-	-
Literary loan payable	700,000	-	700,000	-	-	-
Lease liabilities	84,644	10,833	95,477	539,137	144,319	-
Subscription liabilities	54,212	-	54,212	177,515	36,188	-
Compensated absences	1,731,906	115,350	1,847,256	8,736,257	29,843	-
Other postemployment benefits	153,995	15,633	169,628	823,772	42,342	-
Due in more than one year:						
Bonds payable, net	55,501,532	14,633,070	70,134,602	-	-	-
Literary loan payable	13,252,863	-	13,252,863	-	-	-
Lease liabilities	831,960	133,937	965,897	405,767	89,683	-
Subscription liabilities	-	-	-	127,973	-	-
Landfill obligation	-	21,924,861	21,924,861	-	-	-
Compensated absences	2,018,358	111,821	2,130,179	12,300,540	40,127	-
Net pension liability	14,203,278	1,347,085	15,550,363	78,319,889	3,993,028	-
Other postemployment benefits	6,882,676	719,547	7,602,223	42,010,161	1,999,444	-
Total liabilities	113,519,229	42,614,518	156,133,747	174,945,842	11,115,082	3,000
DEFERRED INFLOWS OF RESOURCES						
Property taxes collected in advance	3,377,607	-	3,377,607	-	-	-
Pension plan	2,796,900	265,267	3,062,167	13,832,362	786,305	-
Other postemployment benefits	1,518,752	160,003	1,678,755	6,050,564	443,138	-
Leases related	2,392,566	-	2,392,566	-	-	-
Total deferred inflows of resources	10,085,825	425,270	10,511,095	19,882,926	1,229,443	-
NET POSITION						
Net investment in capital assets	87,512,722	50,811,399	138,324,121	131,351,020	1,542,944	-
Restricted:						
Education - Net pension asset	-	-	-	2,107,662	-	-
Judicial administration	87,861	-	87,861	-	-	-
Public safety	145,198	-	145,198	-	-	-
Health and social services	447,307	-	447,307	-	-	-
Parks, recreation and cultural	26,931	-	26,931	-	-	-
Unrestricted (deficit)	15,881,946	23,893,173	39,775,119	(101,333,016)	8,065,939	235,516
Total net position	\$ 104,101,965	\$ 74,704,572	\$ 178,806,537	\$ 32,125,666	\$ 9,608,883	\$ 235,516

See Notes to Financial Statements.

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF ACTIVITIES Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Expenses	Program Revenues			Primary Government			Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	School Board	Harrisonburg- Rockingham Social Services District	Nonmajor Discretely Presented
Primary Government:										
Governmental activities:										
General government administration	\$ 9,744,097	\$ 11,767	\$ 689,526	\$ -	\$ (9,042,804)	\$ -	\$ (9,042,804)	\$ -	\$ -	\$ -
Judicial administration	8,915,381	2,200,564	4,040,329	-	(2,674,488)	-	(2,674,488)	-	-	-
Public safety	54,909,825	13,511,513	10,345,652	-	(31,052,660)	-	(31,052,660)	-	-	-
Public works	6,293,308	1,822,820	-	-	(4,470,488)	-	(4,470,488)	-	-	-
Health and social services	12,211,138	244,810	353,418	-	(11,612,910)	-	(11,612,910)	-	-	-
Education	91,181,575	-	298,972	-	(90,882,603)	-	(90,882,603)	-	-	-
Parks, recreation and cultural	4,280,536	319,950	42,579	-	(3,918,007)	-	(3,918,007)	-	-	-
Community development	13,611,646	-	470,989	-	(13,140,657)	-	(13,140,657)	-	-	-
Interest	2,717,900	-	-	-	(2,717,900)	-	(2,717,900)	-	-	-
Total governmental activities	203,865,406	18,111,424	16,241,465	-	(169,512,517)	-	(169,512,517)	-	-	-
Business-type activities:										
Water and sewer	11,291,150	9,830,525	178,657	4,378,922	-	3,096,954	3,096,954	-	-	-
Solid waste	9,992,908	8,354,720	1,867,366	-	-	229,178	229,178	-	-	-
Total business-type activities	21,284,058	18,185,245	2,046,023	4,378,922	-	3,326,132	3,326,132	-	-	-
Total primary government	\$ 225,149,464	\$ 36,296,669	\$ 18,287,488	\$ 4,378,922	(169,512,517)	3,326,132	(166,186,385)	-	-	-

Component Units:

Rockingham County School Board	\$ 196,643,323	\$ 2,380,366	\$ 112,160,296	\$ -	\$ -	\$ -	\$ -	\$ (82,102,661)	\$ -	\$ -
Harrisonburg-Rockingham Social Services District	44,830,877	-	29,924,477	-	-	-	-	-	(14,906,400)	-
Economic Development Authority	6,665,433	10,763	-	6,663,124	-	-	-	-	-	8,454
Rockingham County Recreation Foundation	7,387	-	-	-	-	-	-	-	-	(7,387)
Total component units	\$ 248,147,020	\$ 2,391,129	\$ 142,084,773	\$ 6,663,124	-	-	-	(82,102,661)	(14,906,400)	1,067

General revenues:

Taxes:										
General property taxes	131,075,695	-	131,075,695	-	-	-				
Other local taxes:										
Local sales and use	12,739,477	-	12,739,477	-	-	-				
Consumer utility	1,824,343	-	1,824,343	-	-	-				
Transient occupancy taxes	2,562,724	-	2,562,724	-	-	-				
Food and beverage	2,786,999	-	2,786,999	-	-	-				
Recordation and wills	1,767,319	-	1,767,319	-	-	-				
Other	964,577	-	964,577	-	-	-				
Grants and contributions not restricted to specific programs	-	-	-	91,181,575	14,989,730	-				
Intergovernmental, non-categorical aid	7,650,943	-	7,650,943	79,251	-	-				
Use of money and property	6,485,738	2,105,819	8,591,557	1,026,232	421,842	4,517				
Miscellaneous	2,236,299	379,423	2,615,722	143,983	45,486	117,753				
Total general revenues	170,094,114	2,485,242	172,579,356	92,431,041	15,457,058	122,270				
Change in net position	581,597	5,811,374	6,392,971	10,328,380	550,658	123,337				
Net position, beginning, as previously reported	104,423,414	68,938,788	173,362,202	37,049,127	9,079,863	112,179				
Restatement for adoption of GASB Statement No. 101	(903,046)	(45,590)	(948,636)	(15,251,841)	(21,638)	-				
Total net position, beginning of year, as restated	103,520,368	68,893,198	172,413,566	21,797,286	9,058,225	112,179				
Net position, ending	\$ 104,101,965	\$ 74,704,572	\$ 178,806,537	\$ 32,125,666	\$ 9,608,883	\$ 235,516				

COUNTY OF ROCKINGHAM, VIRGINIA

BALANCE SHEET – GOVERNMENTAL FUNDS June 30, 2025

	General	General Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 56,173,143	\$ 8,584,092	\$ 727,242	\$ 177,423	\$ 65,661,900
Investments	26,562,352	4,027,226	341,186	83,238	31,014,002
Receivables, net:					
Property taxes	5,752,898	-	-	-	5,752,898
Utility taxes	166,422	-	-	-	166,422
Trade and other accounts	2,091,522	-	268,362	935,396	3,295,280
Leases	2,588,272	-	-	-	2,588,272
Accrued interest	557,479	41,018	3,256	2,218	603,971
Due from component unit	1,066,928	-	-	-	1,066,928
Advances to other funds	10,800,236	-	-	-	10,800,236
Due from other governments	5,713,911	8,815	-	-	5,722,726
Prepaid items	1,078,788	168,454	1,165	1,208	1,249,615
Inventory	44,086	-	-	-	44,086
Restricted cash and cash equivalents	-	-	-	363,871	363,871
Restricted investments	-	-	-	170,710	170,710
Total assets	\$ 112,596,037	\$ 12,829,605	\$ 1,341,211	\$ 1,734,064	\$ 128,500,917
LIABILITIES					
Accounts payable	\$ 2,490,483	\$ 1,132,324	\$ 2,906	\$ 61,012	\$ 3,686,725
Due to other governments	77,402	-	-	-	77,402
Accrued payroll	3,258,029	-	5,404	6,154	3,269,587
Accrued liabilities	-	50,000	272,009	-	322,009
Advances from other funds	-	-	10,800,236	-	10,800,236
Unearned revenue	23,724	-	-	94,144	117,868
Total liabilities	5,849,638	1,182,324	11,080,555	161,310	18,273,827
DEFERRED INFLOWS OF RESOURCES					
Property taxes collected in advance	3,377,607	-	-	-	3,377,607
Unavailable revenue - property taxes	4,967,402	-	-	-	4,967,402
Unavailable revenue - opioid settlement funds	-	-	-	864,249	864,249
Leases related	2,392,566	-	-	-	2,392,566
Total deferred inflows of resources	10,737,575	-	-	864,249	11,601,824
FUND BALANCES					
Nonspendable:					
Prepaid items	1,078,788	168,454	1,165	1,208	1,249,615
Inventory	44,086	-	-	-	44,086
Restricted for:					
Judicial administration	-	-	-	87,861	87,861
Public safety	-	-	-	145,198	145,198
Health and social services	-	-	-	447,307	447,307
Parks, recreation and cultural	-	-	-	26,931	26,931
Committed to:					
General government administration	200,000	254,194	-	-	454,194
Judicial administration	-	-	-	-	-
Public safety	5,527,701	5,286,450	-	-	10,814,151
Public works	656,068	-	-	-	656,068
Health and social services	1,000,000	-	-	-	1,000,000
Education	18,000,000	-	-	-	18,000,000
Parks, recreation and cultural	9,016	230,073	-	-	239,089
Community development	500,000	-	-	-	500,000
Assigned to:					
Capital outlay	-	5,708,110	-	-	5,708,110
Unassigned:					
General fund	68,993,165	-	(9,740,509)	-	59,252,656
Total fund balances (deficit)	96,008,824	11,647,281	(9,739,344)	708,505	98,625,266
Total liabilities, deferred inflows of resources and fund balances	\$ 112,596,037	\$ 12,829,605	\$ 1,341,211	\$ 1,734,064	\$ 128,500,917

COUNTY OF ROCKINGHAM, VIRGINIA

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION June 30, 2025

	Governmental Funds	
Total fund balances - total governmental funds	\$	98,625,266
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$	166,676,971
Less accumulated depreciation and amortization		(74,278,070)
Net capital assets		92,398,901
Unavailable revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.		
		5,831,651
Deferred outflows of resources represent a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan		9,174,567
Other postemployment benefits		1,128,243
		10,302,810
Internal Service Funds are used by management to charge the costs of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
		2,287,377
Long-term due from other government - pension		1,925,932
Long-term due from other government - other postemployment benefits		1,813,246
Long-term liabilities, including bonds payable, are not due and payable in the funds.		
General obligation bonds, including unamortized premiums		(63,730,635)
Literary loan		(13,952,863)
Lease liabilities		(916,604)
Subscription liabilities		(54,212)
Compensated absences		(3,750,264)
Interest payable		(1,123,039)
Other postemployment benefits		(7,036,671)
Net pension liability		(14,203,278)
		(104,767,566)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan		(2,796,900)
Other postemployment benefits		(1,518,752)
		(4,315,652)
Net position of governmental activities	\$	104,101,965

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS Year Ended June 30, 2025

	General	General Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
General property taxes	\$ 130,615,359	\$ -	\$ -	\$ -	\$ 130,615,359
Other local taxes	21,107,805	-	1,537,634	-	22,645,439
Permits, privilege fees and regulatory licenses	2,148,392	-	-	-	2,148,392
Fines and forfeitures	219,577	-	-	29,718	249,295
Use of money and property	5,336,754	904,555	22,683	38,174	6,302,166
Charges for services	6,710,692	-	-	-	6,710,692
Miscellaneous	1,830,142	-	-	461,029	2,291,171
Recovered costs	8,920,656	62,757	-	19,632	9,003,045
Intergovernmental	23,479,645	-	-	412,763	23,892,408
Total revenues	200,369,022	967,312	1,560,317	961,316	203,857,967
Expenditures:					
Current:					
General government administration	8,800,298	-	-	-	8,800,298
Judicial administration	7,476,792	-	-	561,987	8,038,779
Public safety	51,323,637	-	-	39,134	51,362,771
Public works	5,309,058	-	-	-	5,309,058
Health and social services	12,165,482	-	-	-	12,165,482
Education	91,181,575	-	-	-	91,181,575
Parks, recreation and cultural	2,917,667	-	-	22,888	2,940,555
Community development	12,714,255	-	617,825	-	13,332,080
Capital outlays	-	21,067,330	-	-	21,067,330
Debt service:					
Principal	7,514,632	-	-	-	7,514,632
Interest and fiscal charges	3,198,816	-	332,009	-	3,530,825
Total expenditures	202,602,212	21,067,330	949,834	624,009	225,243,385
Excess (deficiency) of revenues over (under) expenses	(2,233,190)	(20,100,018)	610,483	337,307	(21,385,418)
Other financing sources (uses):					
Issuance of literary loan	5,990,436	-	-	-	5,990,436
Issuance of leases	23,004	-	-	-	23,004
Transfers in	150,000	20,895,504	-	-	21,045,504
Transfers out	(12,895,504)	-	(8,150,000)	-	(21,045,504)
Other financing sources (uses), net	(6,732,064)	20,895,504	(8,150,000)	-	6,013,440
Net change in fund balances	(8,965,254)	795,486	(7,539,517)	337,307	(15,371,978)
Fund balance (deficit), beginning	104,974,078	10,851,795	(2,199,827)	371,198	113,997,244
Fund balance (deficit), ending	\$ 96,008,824	\$ 11,647,281	\$ (9,739,344)	\$ 708,505	\$ 98,625,266

COUNTY OF ROCKINGHAM, VIRGINIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended June 30, 2025

		Governmental Funds
Net change in fund balances - total governmental funds		\$ (15,371,978)
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Expenditures for capital assets	\$ 21,475,412	
Less depreciation and amortization expense	(7,409,549)	
Excess of capital outlays over depreciation and amortization		14,065,863
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(24,080)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue	405,464	
Long-term due from other government - pension	36,245	
Long-term due from other government - other postemployment benefits	(15,152)	
		426,557
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Issuance of leases	(23,004)	
Issuance of literary loan	(5,990,436)	
Principal repayments:		
General obligation bonds	7,382,830	
Lease liabilities	79,970	
Subscription liabilities	51,832	
Private placement notes - payments recorded in public safety	1,053,438	
		2,554,630
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest	241,552	
Compensated absences	(1,146,243)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(68,636)	
Amortization of premium	571,373	
Changes in pension liabilities and related deferred outflows and inflows of resources	(214,373)	
		(616,327)
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net loss of the Internal Service Funds are reported with governmental activities.		
Total revenues	9,148,613	
Total expenses	(9,601,681)	
		(453,068)
Change in net position of governmental activities		\$ 581,597

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND Year Ended June 30, 2025

	General Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$ 132,163,013	\$ 132,198,013	\$ 130,615,359	\$ (1,582,654)
Other local taxes	19,205,000	19,355,000	21,107,805	1,752,805
Permits, privilege fees and regulatory licenses	1,756,500	1,756,500	2,148,392	391,892
Fines and forfeitures	200,500	200,500	219,577	19,077
Use of money and property	2,365,000	2,525,000	5,336,754	2,811,754
Charges for services	6,700,700	6,700,700	6,710,692	9,992
Miscellaneous	250,000	266,808	1,830,142	1,563,334
Recovered costs	8,912,647	8,978,800	8,920,656	(58,144)
Intergovernmental	24,575,618	24,910,584	23,479,645	(1,430,939)
Total revenues	196,128,978	196,891,905	200,369,022	3,477,117
Expenditures:				
Current:				
General government administration	9,141,851	9,331,760	8,800,298	(531,462)
Judicial administration	8,423,398	8,565,395	7,476,792	(1,088,603)
Public safety	51,710,566	52,491,320	51,323,637	(1,167,683)
Public works	5,027,205	5,817,715	5,309,058	(508,657)
Health and social services	11,145,678	12,180,678	12,165,482	(15,196)
Education	95,704,763	94,704,763	91,181,575	(3,523,188)
Parks, recreation and cultural	2,912,637	3,015,119	2,917,667	(97,452)
Community development	13,510,312	13,450,865	12,714,255	(736,610)
Debt service:				
Principal	7,479,496	7,479,496	7,514,632	35,136
Interest and fiscal charges	5,728,118	10,900,326	3,198,816	(7,701,510)
Total expenditures	210,784,024	217,937,437	202,602,212	(15,335,225)
Deficiency of revenues under expenditures	(14,655,046)	(21,045,532)	(2,233,190)	18,812,342
Other financing sources (uses):				
Issuance of literary loan	-	-	5,990,436	5,990,436
Issuance of leases	-	-	23,004	23,004
Transfers in	150,000	150,000	150,000	-
Transfers out	(16,146,544)	(19,895,504)	(12,895,504)	7,000,000
Total other financing uses, net	(15,996,544)	(19,745,504)	(6,732,064)	13,013,440
Net change in fund balance	(30,651,590)	(40,791,036)	(8,965,254)	31,825,782
Fund balance, beginning	30,651,590	40,791,036	104,974,078	64,183,042
Fund balance, ending	\$ -	\$ -	\$ 96,008,824	\$ 96,008,824

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – TOURISM FUND Year Ended June 30, 2025

	Tourism Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Transient occupancy taxes	\$ 1,380,000	\$ 1,380,000	\$ 1,537,634	\$ 157,634
Use of money	100,000	100,000	22,683	(77,317)
Total revenues	1,480,000	1,480,000	1,560,317	80,317
Expenditures:				
Current:				
Community development	605,695	605,695	617,825	12,130
Debt service:				
Principal	199,764	199,764	-	(199,764)
Interest and fiscal charges	160,000	160,000	332,009	172,009
Total expenditures	965,459	965,459	949,834	(15,625)
Excess of revenues over expenditures	514,541	514,541	610,483	95,942
Other financing sources (uses):				
Transfers in	7,000,000	7,000,000	-	(7,000,000)
Transfers out	(8,150,000)	(8,150,000)	(8,150,000)	-
Total other financing uses, net	(1,150,000)	(1,150,000)	(8,150,000)	-
Net change in fund balance	(635,459)	(635,459)	(7,539,517)	95,942
Fund balance (deficit), beginning	635,459	635,459	(2,199,827)	(2,835,286)
Fund balance (deficit), ending	\$ -	\$ -	\$ (9,739,344)	\$ (2,739,344)

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS June 30, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Self Insurance
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 17,685,857	\$ 408,572	\$ 12,484,918	\$ 597,691	\$ 31,177,038	\$ 10,065,951
Investments	2,536,465	58,597	1,790,507	85,720	4,471,289	1,398,965
Trade and other accounts receivable, net	989,729	82,743	1,218,574	9,869	2,300,915	6,788
Accrued interest	100,710	1,878	56,934	2,727	162,249	45,182
Advances to other funds	786,902	-	-	-	786,902	-
Prepaid items	80,886	-	39,871	542	121,299	41,667
Inventory	443,456	-	-	-	443,456	-
Total current assets	22,624,005	551,790	15,590,804	696,549	39,463,148	11,558,553
Noncurrent assets:						
Investments	5,760,758	133,084	4,066,556	194,687	10,155,085	3,177,296
Advances to other funds	94,171	-	-	-	94,171	-
Capital assets:						
Land	397,328	-	2,166,225	956,387	3,519,940	-
Easements	285,459	-	-	-	285,459	-
Buildings and improvements	821,784	-	811,243	-	1,633,027	-
Intangible right-to-use lease buildings and improvements	109,638	-	54,819	-	164,457	-
Improvements other than buildings	52,059,729	6,616,233	39,943,505	1,876,884	100,496,351	-
Machinery and equipment	2,399,454	213,001	7,133,816	-	9,746,271	-
Construction in progress	1,248,000	-	5,668,770	-	6,916,770	-
Less accumulated depreciation and amortization	(23,956,302)	(3,014,635)	(27,529,026)	(435,768)	(54,935,731)	-
Total capital assets, net of accumulated depreciation and amortization	33,365,090	3,814,599	28,249,352	2,397,503	67,826,544	-
Total noncurrent assets	39,220,019	3,947,683	32,315,908	2,592,190	78,075,800	3,177,296
Total assets	61,844,024	4,499,473	47,906,712	3,288,739	117,538,948	14,735,849
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	103,249	-	-	-	103,249	-
Pension plan	396,701	-	467,324	6,121	870,146	-
Other postemployment benefits	50,480	-	61,821	789	113,090	-
Total deferred outflows of resources	550,430	-	529,145	6,910	1,086,485	-
LIABILITIES						
Current liabilities:						
Accounts payable and deposits	250,825	23,441	788,673	577	1,063,516	679,399
Due to other governments	3,984	36,071	9,187	2,362	51,604	-
Compensated absences	51,621	-	63,729	-	115,350	-
Accrued payroll	128,384	-	154,949	1,966	285,299	-
Accrued liabilities	5,867	-	-	-	5,867	-
Accrued interest	76,477	2,473	79,869	17,379	176,198	-
Unearned revenue	-	-	-	11,047	11,047	2,898,955
Advance from other funds	-	91,732	-	695,170	786,902	-
Insurance and benefit claims	-	-	-	-	-	1,498,395
Revenue bonds	1,009,622	-	999,228	-	2,008,850	-
Lease liabilities	7,222	-	3,611	-	10,833	-
Other postemployment benefits liability	6,498	-	9,022	113	15,633	-
Total current liabilities	1,540,500	153,717	2,108,268	728,614	4,531,099	5,076,749
Noncurrent liabilities:						
Compensated absences	43,219	-	68,602	-	111,821	-
Advance from other funds	-	94,171	-	-	94,171	-
Revenue bonds	7,049,967	-	7,583,103	-	14,633,070	-
Lease liabilities	89,291	-	44,646	-	133,937	-
Net pension liability	614,139	-	723,470	9,476	1,347,085	-
Other postemployment benefits liability	319,137	-	395,566	4,844	719,547	-
Landfill obligation	-	-	21,924,861	-	21,924,861	-
Total noncurrent liabilities	8,115,753	94,171	30,740,248	14,320	38,964,492	-
Total liabilities	9,656,253	247,888	32,848,516	742,934	43,495,591	5,076,749
DEFERRED INFLOWS OF RESOURCES						
Pension plan	120,936	-	142,465	1,866	265,267	-
Other postemployment benefits	70,763	-	88,168	1,072	160,003	-
Total deferred inflows of resources	191,699	-	230,633	2,938	425,270	-
NET POSITION						
Net investment in capital assets	25,312,237	3,814,599	19,287,060	2,397,503	50,811,399	-
Unrestricted (deficit)	27,234,265	436,986	(3,930,352)	152,274	23,893,173	9,659,100
Total net position	\$ 52,546,502	\$ 4,251,585	\$ 15,356,708	\$ 2,549,777	\$ 74,704,572	\$ 9,659,100

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Self Insurance
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
Operating revenues:						
Charges for services	\$ 8,971,080	\$ 595,244	\$ 8,354,720	\$ 264,201	\$ 18,185,245	\$ 35,610,888
Other revenue	223,794	-	155,629	-	379,423	-
Total operating revenues	9,194,874	595,244	8,510,349	264,201	18,564,668	35,610,888
Operating expenses:						
Personal services	1,504,787	-	1,908,199	23,683	3,436,669	-
Fringe benefits	683,592	-	839,586	8,707	1,531,885	-
Contractual services	987,853	144,698	772,581	14,837	1,919,969	-
Regional Sewer Authority assessment:						
Operations and maintenance	2,033,539	-	-	-	2,033,539	-
Debt service	1,791,000	-	-	-	1,791,000	-
Risk financing and benefit payments	-	-	-	-	-	38,139,747
Internal services	64,543	-	45,049	-	109,592	-
Electrical services	605,232	18,596	38,958	-	662,786	-
Repairs and maintenance	-	-	339,894	-	339,894	-
Landfill closure	-	-	3,367,346	-	3,367,346	-
Other charges	981,602	361,439	838,978	29,893	2,211,912	-
Depreciation and amortization	1,487,320	132,325	1,694,061	70,088	3,383,794	-
Total operating expenses	10,139,468	657,058	9,844,652	147,208	20,788,386	38,139,747
Operating income (loss)	(944,594)	(61,814)	(1,334,303)	116,993	(2,223,718)	(2,528,859)
Nonoperating revenues (expenses):						
Intergovernmental	-	-	68,723	-	68,723	-
Connection fees	175,007	3,650	-	-	178,657	-
Recovered costs	-	-	1,798,643	-	1,798,643	-
Gain (loss) on disposal of capital assets	(31,548)	-	65,000	-	33,452	-
Interest revenue	1,184,599	24,983	852,695	43,542	2,105,819	729,183
Interest expense	(285,326)	(6,133)	(213,256)	(24,409)	(529,124)	-
Total nonoperating revenues, net	1,042,732	22,500	2,571,805	19,133	3,656,170	729,183
Income (loss) before capital contributions	98,138	(39,314)	1,237,502	136,126	1,432,452	(1,799,676)
Capital contributions:						
Connection availability fees	4,200,168	178,754	-	-	4,378,922	-
Change in net position	4,298,306	139,440	1,237,502	136,126	5,811,374	(1,799,676)
Total net position, beginning, as previously reported	48,266,690	4,112,145	14,146,302	2,413,651	68,938,788	11,458,776
Restatement for adoption of GASB Statement No. 101	(18,494)	-	(27,096)	-	(45,590)	-
Total net position, beginning of year, as restated	48,248,196	4,112,145	14,119,206	2,413,651	68,893,198	11,458,776
Total net position, ending	\$ 52,546,502	\$ 4,251,585	\$ 15,356,708	\$ 2,549,777	\$ 74,704,572	\$ 9,659,100

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2025**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Self Insurance
	Smith Creek				Totals	
	Water and Sewer	Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds		
Cash flows from operating activities:						
Receipts from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,636,516
Receipts from customers	9,070,501	588,577	7,755,765	267,898	17,682,741	-
Claims and benefits paid	-	-	-	-	-	(38,607,979)
Payments to suppliers for goods and services	(6,596,139)	(516,081)	(2,358,398)	(44,644)	(9,515,262)	(249,609)
Payments to employees for services	(2,120,759)	-	(2,666,523)	(32,748)	(4,820,030)	-
Internal activity - payments to other funds	(64,543)	-	(45,049)	-	(109,592)	-
Other receipts	223,794	-	155,629	-	379,423	-
Net cash provided by (used in) operating activities	512,854	72,496	2,841,424	190,506	3,617,280	(3,221,072)
Cash flows from noncapital financing activities:						
Intergovernmental - grants	-	-	68,723	-	68,723	-
Connection fees	175,007	3,650	-	-	178,657	-
Recovered costs	-	-	1,798,643	-	1,798,643	-
Net cash provided by noncapital financing activities	175,007	3,650	1,867,366	-	2,046,023	-
Cash flows from capital and related financing activities:						
Advance from other funds	800,165	-	-	-	800,165	-
Advance to other funds	-	(89,355)	-	(710,810)	(800,165)	-
Connection availability fees	4,200,168	178,754	-	-	4,378,922	-
Principal paid on outstanding debt	(890,000)	-	(845,000)	-	(1,735,000)	-
Principal paid on lease liability	(6,601)	-	(3,301)	-	(9,902)	-
Interest paid and fiscal charges on outstanding debt	(330,502)	(7,321)	(343,311)	(42,180)	(723,314)	-
Proceeds on the sale of capital assets	-	-	65,000	-	65,000	-
Acquisition and construction of capital assets	(1,401,779)	-	(6,398,058)	-	(7,799,837)	-
Net cash provided by (used in) capital and related financing activities	2,371,451	82,078	(7,524,670)	(752,990)	(5,824,131)	-
Cash flows from investing activities:						
Proceeds on sale of investments	-	-	53,951	136,861	190,812	298,899
Purchases of investments	(1,967,770)	(70,035)	-	(10,884)	(2,048,689)	-
Interest received on investment securities	1,190,682	24,345	861,232	45,217	2,121,476	742,523
Net cash provided by (used in) investing activities	(777,088)	(45,690)	915,183	171,194	263,599	1,041,422
Net change in cash and cash equivalents	2,282,224	112,534	(1,900,697)	(391,290)	102,771	(2,179,650)
Cash and cash equivalents:						
Beginning	15,403,633	296,038	14,385,615	988,981	31,074,267	12,245,601
Ending	\$ 17,685,857	\$ 408,572	\$ 12,484,918	\$ 597,691	\$ 31,177,038	\$ 10,065,951

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2025**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund - Self Insurance
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (944,594)	\$ (61,814)	\$ (1,334,303)	\$ 116,993	\$ (2,223,718)	\$ (2,528,859)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	1,487,320	132,325	1,694,061	70,088	3,383,794	-
Change in assets and liabilities:						
Decrease (increase) in:						
Trade and other accounts receivable	99,421	(6,667)	(598,955)	9,539	(496,662)	(1,219)
Prepaid items	(44,599)	-	3,855	(15)	(40,759)	(41,667)
Inventory	(120,694)	-	-	-	(120,694)	-
Pension related deferred outflows of resources	(172,391)	-	(212,375)	(1,957)	(386,723)	-
OPEB related deferred outflows of resources	3,758	-	9,164	177	13,099	-
Increase (decrease) in:						
Accounts payable and deposits	(32,283)	4,394	(376,939)	88	(404,740)	(249,609)
Due to other governments	(5,204)	4,258	5,097	-	4,151	-
Accrued liabilities	(1,712)	-	10,172	208	8,668	-
Unearned revenue	-	-	-	(5,842)	(5,842)	26,847
Insurance and benefit claims	-	-	-	-	-	(426,565)
Net pension liability	157,815	-	204,818	1,005	363,638	-
Other postemployment benefits liability	45,099	-	28,763	1	73,863	-
Landfill obligation	-	-	3,367,346	-	3,367,346	-
Pension related deferred inflows of resources	51,369	-	63,396	575	115,340	-
OPEB related deferred inflows of resources	(10,451)	-	(22,676)	(354)	(33,481)	-
Net cash provided by (used in) operating activities	\$ 512,854	\$ 72,496	\$ 2,841,424	\$ 190,506	\$ 3,617,280	\$ (3,221,072)
Schedule of noncash capital and related financing activities:						
Capital assets acquired through incurrence of accounts payable	\$ -	\$ -	\$ 76,530	\$ -	\$ 76,530	\$ -
Right-to-use asset acquired through lease	4,879	-	2,440	-	7,319	-
Debt acquired through lease	(4,879)	-	(2,440)	-	(7,319)	-

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUND
June 30, 2025

	<u>Custodial Fund</u> <u>Special Welfare</u>
ASSETS	
Cash and cash equivalents	<u>\$ 117,513</u>
Total assets	<u>117,513</u>
NET POSITION	
Unrestricted	<u>117,513</u>
Total net position	<u><u>\$ 117,513</u></u>

COUNTY OF ROCKINGHAM, VIRGINIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUND
Year Ended June 30, 2025**

	<u>Custodial Fund</u> <u>Special Welfare</u>
ADDITIONS	
Miscellaneous revenue	<u>\$ 236,970</u>
Total additions	<u>236,970</u>
DEDUCTIONS	
Other professional services	<u>227,633</u>
Total deductions	<u>227,633</u>
Net change in fiduciary net position	9,337
Total net position, beginning	<u>108,176</u>
Total net position, ending	<u><u>\$ 117,513</u></u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

The financial statements of the County of Rockingham, Virginia (County), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. During the current year, the County adopted GASB Statement No. 101, *Compensated Absences*, and GASB Statement 102, *Certain Risk Disclosures*. As required by GAAP, these financial statements present the activities of the County and its component units.

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

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

A. Reporting Entity

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

Blended Component Units:

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units:

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

1) School Board

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

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

School Cafeteria Fund accounts for the centralized school cafeteria operations.

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

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

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

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

Massanutten Technical Center
325 Pleasant Valley Road
Harrisonburg, Virginia 22801

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units: (Continued)

2) Harrisonburg-Rockingham Social Services District

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

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

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

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

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

1) Economic Development Authority

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units: (Continued)

1) Economic Development Authority (Continued)

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

The Authority is reported as a discretely presented component unit because the voting majority of the Authority's governing body is appointed by the Board of Supervisors and there is a benefit and burden relationship. The Authority is fiscally dependent on the County. The Authority does not issue separate financial statements but is included in the County's financial statements for fiscal year ended June 30, 2025 as a discretely presented component unit.

2) Rockingham County Recreation Foundation

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

The Foundation is reported as a discretely presented component unit because the voting majority of the Foundation's governing body is appointed by the Board of Supervisors and there is a benefit and burden relationship. The Foundation does not issue separate financial statements but is included in the County's financial statements for fiscal year ended June 30, 2025 as a discretely presented component unit.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

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

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

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

Governmental Fund Financial Statements: Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 75 days after year-end, except property taxes which are recognized as revenue if they have been collected within 45 days after year-end. Property taxes, sales taxes, franchise taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

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

The County reports the following major governmental funds:

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

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

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

The County reports the following major enterprise funds:

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

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

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

The County reports the following Internal Service Fund:

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

The County also reports the following fund type:

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

D. Budgetary Data

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

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

1. Deposits and Investments

Cash and Cash Equivalents

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

Investments

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

2. Property Taxes

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

3. Prepaid Items

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

4. Inventory

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

5. Capital Assets

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

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

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

Buildings and improvements	20 to 30 years
Intangible right-to-use lease buildings and improvements	5 to 15 years
Improvements other than buildings	5 to 50 years
Machinery and equipment	5 to 15 years
Intangible right-to-use lease machinery and equipment	3 to 15 years
Intangible right-to-use subscriptions	2 to 6 years
Software	3 to 5 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. The County and discretely presented component units, the School Board and the District, have several items that qualify for reporting in this category. The first item is a deferred charge on refunding resulting from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded or refunding debt. The remaining items relate to the pension plan and the other postemployment benefits (OPEB) plans. See Notes 13 and 14 for details regarding these items.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

6. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Several types of items qualify for reporting in this category. Accordingly, one item, unavailable revenue, which arises under the modified accrual basis of accounting, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from property taxes, local taxes and Opioid Settlement funds. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide and the governmental funds, property taxes collected in advance and lease related charges are reported as deferred inflows of resources. The remaining items relate to the pension plan and the OPEB plans. See Notes 13 and 14 for details regarding these items.

7. Compensated Absences

The County and District permit employees to accumulate earned but unused vacation, sick, paid time off, holiday return, and compensatory time benefits. The School Board permits employees to accumulate earned but unused sick, vacation, and annual leave benefits. In accordance with GASB Statement No. 101, liabilities for compensated absences are recognized for:

- Leave that has not been used, if it is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled.
- Leave that has been used but not yet paid or settled.

The County, District, and School Board do not recognize a liability for leave balances that are not expected to be paid or settled, such as those forfeited upon separation from service. However, under GASB 101, the County, District, and School Board evaluates historical usage patterns and employment policies to determine the portion of sick leave that is more likely than not to be used.

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

7. Compensated Absences (Continued)

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

County and District employees can earn holiday return hours if they are required to work on an observed holiday. Employees must use this leave within six months following the holiday.

Also, County and District employees can earn compensatory time at 1½ hours in lieu of overtime pay. Accumulated compensatory time will be paid out to the employee in the months of June and December.

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

School Board employees can earn up to 3 days of personal leave per fiscal year. Personal leave may be carried over from one year to the next not to exceed an accumulation of five total days. Any personal leave over the accumulated amount will be converted to sick leave at the end of the fiscal year.

The County, District, and School Board uses the FIFO (First-In, First-Out) flows assumption for compensated absences. Under this method, it is assumed that employees use the oldest leave earned first.

In the government-wide and proprietary fund financial statements, all compensated absences are accrued when incurred. In governmental fund financial statements, expenditures are recognized only when the liability has matured, such as through employee resignation or retirement.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

8. Long-Term Obligations

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

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

9. Leases

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

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

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

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

9. Leases (Continued)

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

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

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

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

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

10. Subscription-based information technology arrangements (SBITAs)

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

10. Subscription-based information technology arrangements (SBITAS) (Continued)

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

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

11. Net Position

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

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

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

12. Fund Balance

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

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

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

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

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

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

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

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

12. Fund Balance (Continued)

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

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

13. Pensions

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

14. Other Postemployment Benefits

Medical Insurance Program

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

14. Other Postemployment Benefits (Continued)

Group Life Insurance Program

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

Health Insurance Credit Program

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

F. Use of Estimates

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

G. Subsequent Events

The County has evaluated subsequent events through November 25, 2025, the date on which the financial statements were available to be issued.

Note 2. Deposits and Investments

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

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

Investments. The State Treasurer's Local Government Investment Pool Program (LGIP Program) was established pursuant to Section 2.2-4605 of the *Code of Virginia*. The Treasury Board of the Commonwealth sponsors the Program and has delegated certain functions to the State Treasurer. The Program is comprised of two portfolios: the Local Government Investment Pool (LGIP) portfolio, which is designed to meet participants daily operational cash management needs, and the Local Government Investment Pool – Extended Maturity (LGIP - EM), which is designed to meet the longer term investment needs of Virginia's public funds investors. The Program is not registered with the Securities Exchange Commission as an investment company. The LGIP portfolio is managed in accordance with the requirements of GASB Statement No. 79. The County's investment in the LGIP, totaling \$109,604,634, is stated at amortized cost and classified as cash and cash equivalents. The LGIP has been assigned an "AAAm" rating by Standard & Poor's. The maturity of the LGIP is less than one year. The County did not have any investments in the LGIP-EM at the end of the fiscal year.

Investment Policy

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investment Policy (Continued)

As of June 30, 2025, the County's investment policy establishes the maximum percentages of the portfolio permitted in each of the following instruments:

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

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

Credit Risk

As of June 30, 2025, as required by state statute, the Policy requires commercial paper, with a maturity of 270 days or less, have a short-term debt rating of no less than "A-1" (or its equivalent) by at least two of the Nationally Recognized Statistical Rating Organizations (NRSROs). Corporate notes with final maturity of less than five years must have a rating of at least "AA" by Standard & Poor's and "Aa" by Moody's Investors Service. Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks, maturing in one year or less, must have a rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investors Service. Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks, maturing over one year but less than five years, must have a rating of at least "AA" by Standard & Poor's and "Aa" by Moody's Investors Service. Federal agency obligations, with final maturity less than five years, must have a rating of at least "AA" (or its equivalent) by at least two of the NRSROs, one of which will be either Moody's Investors Service or Standard & Poor's. Municipal obligations, with final maturity less than five years, must have a rating of at least "AA" by Standard & Poor's and/or "Aa" by Moody's Investors Service. Bankers' Acceptances, with a maturity of 180 days or less, must have a short-term debt rating of no less than "A-1" (or its equivalent) by at least two of the NRSROs. Money market mutual funds must be rated at least "AAA" or the equivalent by at least two of the following: Moody's Investors Service, Standard & Poor's, Fitch Investors Service, or Duff and Phelps, Inc. Principle stability pools must be rated "AAAm" (or its equivalent) by an NRSRO. Short-term bond pools with a maximum duration of three years must be rated "AAF" (or its equivalent) by an NRSRO. Repurchase agreements, with final maturity less than five years, must be rated "AA" (or its equivalent) by an NRSRO. Supranational bonds with final maturity of less than five years must have a rating of "AA" (or its equivalent) by at least two NRSROs, one of which must be either Moody's Investors Services or Standard & Poor's.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Credit Risk (Continued)

As of June 30, 2025, 51% was invested in “AA+” U.S. Agency Securities and 49% was invested in “AAA, AA+Am, AA, AA+, AA-, A+, A-1+and A-1” Corporate obligations. All credit ratings presented in this paragraph are Standard & Poor’s ratings.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government’s investment in a single issuer. If certain investments in any one issuer represent 5% of total investments, there must be a disclosure for the amount and issuer. At June 30, 2025, there were no investments in any single issuer that exceed 5% of the total portfolio.

Interest Rate Risk

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

	Fair Value	Investment Maturities		
		Less Than 1 Year	1 - 5 Years	More Than 5 Years
U.S. Treasury Obligations	\$ 24,516,159	\$ -	\$ 24,516,159	\$ -
Corporate Notes	30,512,164	18,106,355	12,405,809	-
Federal Agency Obligations	<u>7,900,892</u>	1,167,292	6,586,892	146,708
	<u>\$ 62,929,215</u>			

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

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

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

The County has the following recurring fair value measurements as of June 30, 2025:

- U.S. Treasury obligations of \$24,516,159 are valued using quoted market prices (Level 1 inputs).
- Federal agency obligations of \$7,900,892 are valued using market inputs of trades in the exact item near pricing date (Level 2 inputs).
- Corporate notes of \$9,716,286 are valued using quoted market prices (Level 1 inputs).
- Corporate notes of \$19,663,928 are valued using market inputs of trades in the exact item near pricing date (Level 2 inputs).
- Corporate notes of \$1,131,950 are valued using significant unobservable inputs (Level 3 inputs).

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 3. Receivables

Receivables at June 30, 2025 for the County's individual major funds and nonmajor funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Primary Government

	General Fund	Tourism Fund	Nonmajor Governmental Fund	Water and Sewer Fund	Smith Creek Water & Waste Authority Fund
Property taxes	\$ 6,552,898	\$ -	\$ -	\$ -	\$ -
Utility taxes	166,422	-	-	-	-
Trade and other accounts	2,091,522	268,362	935,396	1,019,228	87,583
Leases	2,588,272	-	-	-	-
Gross receivables	11,399,114	268,362	935,396	1,019,228	87,583
Less allowance for uncollectable accounts	800,000	-	-	29,499	4,840
Net receivables	\$ 10,599,114	\$ 268,362	\$ 935,396	\$ 989,729	\$ 82,743

	Solid Waste Fund	Nonmajor Proprietary Funds	Internal Service Fund	Totals
Property taxes	\$ -	\$ -	\$ -	\$ 6,552,898
Utility taxes	-	-	-	166,422
Trade and other accounts	1,225,017	13,466	6,788	5,647,362
Leases	-	-	-	2,588,272
Gross receivables	1,225,017	13,466	6,788	14,954,954
Less allowance for uncollectable accounts	6,443	3,597	-	844,379
Net receivables	\$ 1,218,574	\$ 9,869	\$ 6,788	\$ 14,110,575

The County determines its allowance for uncollectible accounts using historical collection data and specific account analysis. The total allowance for uncollectible accounts amounted to \$844,379 as of June 30, 2025.

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 4. Due to/from Other Governments

Amounts due from other governments include the following:

Primary Government:

Governmental Funds:

General Fund:

Commonwealth of Virginia:

Local sales and use taxes \$ 2,127,702

Communications sales and use taxes 164,964

Categorical aid:

Shared costs:

Commissioner of the Revenue 25,304

Commonwealth Attorney 130,186

Sheriff 733,340

Clerk of Circuit Court 77,379

Treasurer 22,117

Other 567,060

Federal government:

Boarding and care of prisoners 8,424

Categorical aid:

Ground transportation 23,445

Emergency Management Performance 19,022

Bureau of Justice Assistance 36,761

Other 17,296

City of Harrisonburg 1,760,911

Total General Fund 5,713,911

Capital Projects Fund:

City of Harrisonburg 8,815

Total General Capital Projects Fund 8,815

Total Governmental Funds 5,722,726

Government-wide:

Governmental Activities:

City of Harrisonburg – pension 1,925,932

City of Harrisonburg – other postemployment benefits 1,813,246

Total Governmental Activities 3,739,178

Total Primary Government \$ 9,461,904

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

Component Unit - School Board:

Governmental Funds:

School Operating Fund:

Commonwealth of Virginia:

State sales tax receipts	\$ 3,135,449
Other	10,418

Federal government:

Education grants	2,111,227
------------------	-----------

Total School Operating Fund	5,257,094
------------------------------------	------------------

School Cafeteria Fund:

Commonwealth of Virginia:

School food program	3,322
---------------------	-------

Federal government:

School food program	642,359
---------------------	---------

Total School Cafeteria Fund	645,681
------------------------------------	----------------

Massanutten Technical Center - Operating Fund:

Federal government:

Education grants	115,277
------------------	---------

Total Massanutten Technical Center - Operating Fund	115,277
--	----------------

Total Component Unit - School Board - Governmental Funds	6,018,052
---	------------------

Government-wide:

Governmental Activities:

City of Harrisonburg – pension	1,184,180
--------------------------------	-----------

City of Harrisonburg – other postemployment benefits	463,326
--	---------

Total Component Unit – School Board - Governmental Activities	\$ 7,665,558
--	---------------------

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

Component Unit - Harrisonburg-Rockingham Social Services District:

Governmental Funds:

Operating Fund:

Commonwealth of Virginia:

Public assistance and administration \$ 328,706

Federal government:

Public assistance and administration 650,308

Total Operating Fund 979,014

Special Revenue – Children's Services Act Fund:

Commonwealth of Virginia:

Children's Services Act 2,872,013

City of Harrisonburg:

Children's Services Act 1,231,557

Total Special Revenue Fund 4,103,570

**Total Component Unit – Harrisonburg-Rockingham
Social Services District – Governmental Funds**

5,082,584

Government-wide:

Governmental Activities:

City of Harrisonburg – pension 1,100,024

City of Harrisonburg – other postemployment benefits 1,083,197

**Total Component Unit – Harrisonburg-Rockingham
Social Services District – Governmental Activities**

\$ 7,265,805

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

Amounts due to other governments include the following:

Primary Government:

Governmental Funds:

General Fund:

Commonwealth of Virginia	\$ 11,616
City of Harrisonburg	64,762
Other local governments	1,024
Total General Fund	<u>77,402</u>
Total Government Funds	<u>77,402</u>

Business-type activities:

Water & Sewer Fund:

Commonwealth of Virginia	772
City of Harrisonburg	1,006
Other Local Governments	2,206
Total Water & Sewer Fund	<u>3,984</u>

Smith Creek Water & Waste Authority Fund:

Commonwealth of Virginia	375
City of Harrisonburg	35,696
Total Smith Creek Water & Waste Authority Fund	<u>36,071</u>

Solid Waste Fund:

Commonwealth of Virginia	3
City of Harrisonburg	8,921
Other	263
Total Solid Waste Fund	<u>9,187</u>

Non-Major Proprietary Funds

Commonwealth of Virginia	828
City of Harrisonburg	1,090
Other Local Governments	444
Total Non-Major Proprietary Funds	<u>2,362</u>

Total Business-type activities	<u>51,604</u>
---------------------------------------	---------------

Total Primary Government	<u>\$ 129,006</u>
---------------------------------	-------------------

Component Unit - School Board:

Governmental Funds:

School Operating Fund:

Commonwealth of Virginia	\$ 12
City of Harrisonburg	1,551
Other	17,508
Total School Operating Fund	<u>19,071</u>

Massanutten Technical Center - Operating Fund:

Commonwealth of Virginia	17
City of Harrisonburg	110,398
Total Massanutten Technical Center - Operating Fund	<u>110,415</u>

Total Component Unit - School Board - Governmental Funds	<u>\$ 129,486</u>
---	-------------------

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

Component Unit - Rockingham-Harrisonburg Social Services District:

Governmental Funds:

Operating Fund:

Commonwealth of Virginia	\$	12,193
City of Harrisonburg		471

**Total Component Unit - Rockingham-Harrisonburg Social Services District -
Governmental Funds**

\$ 12,664

Note 5. Capital Assets

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

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated or amortized:					
Land	\$ 4,713,726	\$ 5,029,072	\$ -	\$ -	\$ 9,742,798
Construction in progress	12,293,175	5,714,586	-	(11,615,260)	6,392,501
Total capital assets not being depreciated or amortized	17,006,901	10,743,658	-	(11,615,260)	16,135,299
Capital assets being depreciated or amortized:					
Buildings and improvements	63,240,268	7,870,421	-	11,589,696	82,700,385
Improvements other than buildings	33,270,340	700,569	-	-	33,970,909
Machinery and equipment	30,381,351	2,137,760	(875,994)	-	31,643,117
Intangible right-to-use lease buildings and improvements	1,090,833	23,004	-	-	1,113,837
Intangible right-to-use subscription assets	155,602	-	-	-	155,602
Software	992,258	-	(60,000)	25,564	957,822
Total capital assets being depreciated or amortized	129,130,652	10,731,754	(935,994)	11,615,260	150,541,672
Less accumulated depreciation and amortization for:					
Buildings and improvements	(35,077,466)	(2,407,929)	-	-	(37,485,395)
Improvements other than buildings	(13,525,651)	(1,915,051)	-	-	(15,440,702)
Machinery and equipment	(18,269,586)	(2,808,527)	851,914	-	(20,226,199)
Intangible right-to-use lease buildings and improvements	(154,255)	(99,655)	-	-	(253,910)
Intangible right-to-use subscription assets	(51,867)	(51,868)	-	-	(103,735)
Software	(701,610)	(126,519)	60,000	-	(768,129)
Total accumulated depreciation and amortization	(67,780,435)	(7,409,549)	911,914	-	(74,278,070)
Total capital assets being depreciated or amortized, net	61,350,217	3,322,205	(24,080)	11,615,260	76,263,602
Governmental activities capital assets, net	\$ 78,357,118	\$ 14,065,863	\$ (24,080)	\$ -	\$ 92,398,901

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (Continued)

Primary Government (Continued)

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

Governmental activities:

General government administration	\$ 535,666
Judicial administration	544,644
Public safety	3,796,411
Public works	459,327
Health and social services	43,730
Parks, recreation and cultural	1,097,976
Community development	931,795

Total depreciation and amortization expense - governmental activities	\$ 7,409,549
--	---------------------

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated or amortized:					
Land	\$ 3,519,940	\$ -	\$ -	\$ -	\$ 3,519,940
Easements	227,156	58,303	-	-	285,459
Construction in progress	1,019,198	5,897,572	-	-	6,916,770
Total capital assets not being depreciated or amortized	4,766,294	5,955,875	-	-	10,722,169
Capital assets being depreciated or amortized:					
Buildings and improvements	1,633,027	-	-	-	1,633,027
Intangible right-to-use lease buildings and improvements	157,138	7,319	-	-	164,457
Improvements other than buildings	100,369,704	126,647	-	-	100,496,351
Machinery and equipment	8,335,085	1,793,845	(382,659)	-	9,746,271
Total capital assets being depreciated or amortized	110,494,954	1,927,811	(382,659)	-	112,040,106
Less accumulated depreciation and amortization for:					
Buildings and improvements	(500,942)	(58,332)	-	-	(559,274)
Intangible right-to-use lease buildings and improvements	(12,827)	(13,356)	-	-	(26,183)
Improvements other than buildings	(46,364,245)	(2,485,680)	-	-	(48,849,925)
Machinery and equipment	(5,025,034)	(826,426)	351,111	-	(5,500,349)
Total accumulated depreciation and amortization	(51,903,048)	(3,383,794)	351,111	-	(54,935,731)
Total capital assets being depreciated and amortized, net	58,591,906	(1,455,983)	(31,548)	-	57,104,375
Business-type activities capital assets, net	\$ 63,358,200	\$ 4,499,892	\$ (31,548)	\$ -	\$ 67,826,544

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (Continued)

Primary Government (Continued)

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

Business-type activities:

Water and Sewer	\$ 1,487,320
Solid Waste	1,694,061
Smith Creek Water & Waste Authority	132,325
Lilly Subdivision Sanitary District	9,717
Countryside Sanitary District	6,121
Lake Shenandoah Stormwater Control Authority	54,250

Total depreciation and amortization expense - business-type activities	\$ 3,383,794
---	---------------------

Component Unit – School Board

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Land	\$ 5,469,535	\$ -	\$ -	\$ -	\$ 5,469,535
Easements	36,654	-	-	-	36,654
Construction in progress	14,690,100	9,510,230	-	(13,650,713)	10,549,617
Total capital assets not being depreciated or amortized	20,196,289	9,510,230	-	(13,650,713)	16,055,806
Capital assets being depreciated or amortized:					
Buildings and improvements	181,749,425	962,376	(51,883)	13,025,526	195,685,444
Improvements other than buildings	95,287,621	954,934	(303,693)	625,187	96,564,049
Machinery and equipment	43,472,744	2,614,159	(142,776)	-	45,944,127
Intangible right-to-use lease machinery and equipment	3,308,054	776,705	(1,055,137)	-	3,029,622
Intangible right-to-use subscriptions	649,135	183,014	(111,734)	-	720,415
Total capital assets being depreciated or amortized	324,466,979	5,491,188	(1,665,223)	13,650,713	341,943,657
Less accumulated depreciation and amortization for:					
Buildings and improvements	(130,096,662)	(4,587,468)	43,236	-	(134,640,894)
Improvements other than buildings	(44,021,167)	(3,978,202)	298,104	-	(47,701,265)
Machinery and equipment	(36,435,217)	(1,713,434)	142,776	-	(38,005,875)
Intangible right-to-use lease machinery and equipment	(2,153,875)	(1,021,190)	1,055,137	-	(2,119,928)
Intangible right-to-use subscriptions	(327,197)	(215,013)	111,734	-	(430,476)
Total accumulated depreciation and amortization	(213,034,118)	(11,515,307)	1,650,987	-	(222,898,438)
Total capital assets being depreciated and amortized, net	111,432,861	(6,024,119)	(14,236)	13,650,713	119,045,219
School Board capital assets, net	\$ 131,629,150	\$ 3,486,111	\$ (14,236)	\$ -	\$ 135,101,025

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (Continued)

Component Unit – School Board (Continued)

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

Component Unit - School Board:

Instruction	\$ 9,465,428
Administration, attendance and health	156,910
Pupil transportation services	818,704
Operation and maintenance services	<u>1,074,265</u>

Total depreciation and amortization expense - Component Unit - School Board

\$ 11,515,307

Component Unit – Harrisonburg-Rockingham Social Services District

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Land	\$ 202,036	\$ -	\$ -	\$ -	\$ 202,036
Total capital assets not being depreciated or amortized	202,036	-	-	-	202,036
Capital assets being depreciated or amortized:					
Buildings and improvements	500,979	-	-	-	500,979
Improvements other than buildings	2,119,334	135,634	-	-	2,254,968
Machinery and equipment	69,484	-	-	-	69,484
Intangible right-to-use lease buildings and improvements	447,056	4,879	-	-	451,935
Intangible right-to-use subscriptions	-	68,770	-	-	68,770
Total capital assets being depreciated or amortized	3,136,853	209,283	-	-	3,346,136
Less accumulated depreciation and amortization for:					
Buildings and improvements	(263,014)	(25,049)	-	-	(288,063)
Improvements other than buildings	(974,729)	(122,722)	-	-	(1,097,451)
Machinery and equipment	(69,485)	-	-	-	(69,485)
Intangible right-to-use lease buildings and improvements	(122,651)	(123,003)	-	-	(245,654)
Intangible right-to-use subscriptions	-	(34,385)	-	-	(34,385)
Total accumulated depreciation and amortization	(1,429,879)	(305,159)	-	-	(1,735,038)
Total capital assets being depreciated and amortized, net	1,706,974	(95,876)	-	-	1,611,098
Harrisonburg-Rockingham Social Services District capital assets, net	\$ 1,909,010	\$ (95,876)	\$ -	\$ -	\$ 1,813,134

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (Continued)

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

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

Component Unit - Harrisonburg-Rockingham Social Services District:	
Administration - Health and human services	\$ 305,159
Total depreciation and amortization expense - Component Unit - Harrisonburg-Rockingham Social Services District	\$ 305,159

Note 6. Commitments

The County has active projects and significant project commitments as of June 30, 2025 as follows:

Primary Government

Project	Expended to June 30, 2025	Remaining Commitment
2025 Pierce Enforcer Pumper	\$ 450,000	\$ 433,986
Fulks Run Emergency Response Center	2,604,033	1,053,424
Dayton Emergency Response Center	1,766,526	2,316,287
Innovation Village Pad Site	470,989	3,830,539
Rockingham County Courthouse Paver Sidewalk	143,195	114,700
	<u>\$ 5,434,743</u>	<u>\$ 7,748,936</u>

Note 7. Encumbrances

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

General fund	\$ 317,786
Capital projects fund	5,770,717
Water and sewer fund	160,250
Solid Waste fund	50,480
Smith Creek	13,622
Total	\$ 6,312,855

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations

Primary Government

The following is a summary of long-term liability activity of the primary government for the year ended June 30, 2025:

Governmental Activities

	(As Restated)				
	Beginning Balance	Increases*	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 66,513,233	\$ -	\$ (7,382,830)	\$ 59,130,403	\$ 7,683,661
Unamortized premiums	5,171,605	-	(571,373)	4,600,232	545,442
Total bonds payable	71,684,838	-	(7,954,203)	63,730,635	8,229,103
Lease liabilities	973,570	23,004	(79,970)	916,604	84,644
Subscription liabilities	106,044	-	(51,832)	54,212	54,212
Private placement notes	1,053,438	-	(1,053,438)	-	-
Literary loan payable	7,962,427	5,990,436	-	13,952,863	700,000
Compensated absences	2,604,021	1,146,243	-	3,750,264	1,731,906
Governmental activities long-term activities	\$ 84,384,338	\$ 7,159,683	\$ (9,139,443)	\$ 82,404,578	\$ 10,799,865

*The change in compensated absences liability is presented as net change.

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

Year(s) Ending June 30,	General Obligation Bonds		Literary Loan Payable	
	Principal	Interest	Principal	Interest
2026	\$ 7,683,661	\$ 2,329,714	\$ 700,000	\$ 418,586
2027	7,430,918	1,959,927	700,000	397,586
2028	7,003,504	1,601,668	700,000	376,586
2029	6,077,320	1,278,395	700,000	355,586
2030	4,660,000	1,014,424	700,000	334,586
2031-2035	15,440,000	2,984,677	3,500,000	1,357,929
2036-2040	10,835,000	673,699	3,500,000	832,929
2041-2045	-	-	3,452,863	307,929
	\$ 59,130,403	\$ 11,842,504	\$ 13,952,863	\$ 4,381,717

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

\$9,404,190 2005 series, issued November 2005, due in annual maturity of \$545,699 through July 2025, plus interest at 4.85%	\$ 545,699
\$13,147,200 2006 series, issued November 2006, due in annual maturities of \$732,668 to \$744,134 through July 15, 2026, plus interest at 4.60%	1,476,802
\$10,610,000 2007 series, issued May 2007, due in annual maturities of \$735,000 to \$810,000 through July 15, 2027, plus interest at 4.50% to 5.10%	2,315,000
\$6,364,713 2007 series, issued November 2007, due in annual maturities of \$356,556 to \$371,160 through July 2027, plus interest at 5.10%	1,091,388
\$11,630,000 2008 series, issued May 2008, due in annual maturities of \$775,000 to \$900,000 through July 2028, plus interest at 4.60% to 5.10%	3,350,000
\$12,701,410 2008 series, issued December 2008, due in annual maturities of \$698,738 to \$742,320 through July 2028, plus interest at 5.10% to 5.35%	2,881,514
\$24,560,000 2009 series, issued May 2009, due in annual maturities of \$1,540,000 to \$1,855,000 through July 2029, plus interest at 4.05% to 5.05%	8,465,000
\$22,540,000 2017 series, issued November 2017 due in annual maturities of \$1,005,000 to \$1,585,000 through July 2037, plus interest at 3.05% to 5.05%	16,975,000
\$18,675,000 2019 series, issued November 2019 due in annual maturities of \$745,000 to \$1,315,000 through July 2039, plus interest at 2.80% to 5.05%	15,625,000
\$4,965,000 2019 VRA bond, entered into August 2019, due in annual maturities of \$325,000 to \$480,000 through October 2033, plus interest payable semi-annually at 4.52% to 5.13%	3,580,000
\$3,785,000 2019 VRA Fall Pool, entered into October 2019, due in an maturities of \$225,000 to \$340,000 through October 2034, plus interest payable semi-annually at 3.59% to 5.13%	2,825,000
Total General Obligation Bonds	\$ 59,130,403

All general obligation bonds series 2005 through 2019 were issued for the purpose of school construction and renovation. The 2019 VRA bond was issued for the construction and renovation of the Community Services Board building. The 2019 VRA Fall Pool bond was issued for the construction of an emergency response station.

The School Board entered into an agreement in August 2023 with the Commonwealth of Virginia to receive a temporary literary loan not to exceed \$14,000,000 for renovations at Broadway High School. Upon disbursement of the entire authorized amount, this loan will be replaced by a permanent bond. The principal balance of the permanent bond shall bear interest at 3% and be payable in annual installments on such date and in such amounts as determined upon issuance. The temporary loan bears interest at 3% and interest is to be paid upon cancellation of the temporary note. At June 30, 2025, the literary loan had an outstanding balance of \$13,952,863.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

The following bonds were issued for general government purposes:

Private Placement Notes:

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

Business-type Activities

	(As Restated) Beginning Balance	Increases	Decreases*	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	\$ 16,510,000	\$ -	\$ (1,735,000)	\$ 14,775,000	\$ 1,805,000
Lease liabilities	147,353	7,319	(9,902)	144,770	10,833
Landfill obligation	18,557,515	3,367,346	-	21,924,861	-
Compensated absences	249,683	-	(22,512)	227,171	115,350
Unamortized premiums	2,070,770	-	(203,850)	1,866,920	203,850
Business-type activities long-term liabilities	\$ 37,535,321	\$ 3,374,665	\$ (1,971,264)	\$ 38,938,722	\$ 2,135,033

*The change in compensated absences liability is presented as net change.

Annual requirements to amortize the revenue bonds are as follows:

Year(s) Ending June 30,	Revenue Bonds	
	Principal	Interest
2026	\$ 1,805,000	\$ 579,428
2027	1,885,000	486,647
2028	1,735,000	402,109
2029	1,790,000	333,756
2030	1,395,000	277,166
2031-2035	4,940,000	614,331
2036-2038	1,225,000	46,184
	\$ 14,775,000	\$ 2,739,621

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

Water and Sewer Fund

Infrastructure Revenue and Refunding Bonds (Virginia Pooled Financing Program):

\$9,630,000 issued August 2015, due in annual installments of \$200,000 to \$805,000 through October 2035, plus interest payable semi-annually ranging from 3.13% to 5.13% \$ 4,380,000

Infrastructure Revenue Bonds (Virginia Pooled Financing Program):

\$3,695,000 issued November 2017, due in installments of \$160,000 to \$265,000 in October 2037, plus interest payable semi-annually ranging from 3.13% to 5.13% 2,775,000

Solid Waste Fund

Infrastructure Revenue Bond (Virginia Pooled Financing Program):

\$4,000,000 issued May 2016, due in annual installments of \$200,000 through October 2035, plus interest payable semi-annually ranging from 3.80% to 4.83% 2,200,000

Infrastructure Revenue Bond (Virginia Pooled Financing Program):

\$9,845,000 issued May 2017, due in annual installments of \$680,000 to \$870,000 through October 2032, plus interest payable semi-annually ranging from 3.84% to 5.13% 5,420,000

\$ 14,775,000

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

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

Information relative to the County's landfill obligation is contained in Note 18.

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

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

Component Unit – School Board

	(As Restated) Beginning Balance	Increases*	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 19,737,226	\$ 1,299,571	\$ -	\$ 21,036,797	\$ 8,736,257
Lease liabilities	1,217,659	776,705	(1,049,460)	944,904	539,137
Subscription liabilities	336,433	183,014	(213,959)	305,488	177,515
School Board Component Unit long-term liabilities	\$ 21,291,318	\$ 2,259,290	\$ (1,263,419)	\$ 22,287,189	\$ 9,452,909

*The change in compensated absences liability is presented as net change.

The following is a summary of long-term liability activity of the Component Unit – Harrisonburg-Rockingham Social Services District, for the year ended June 30, 2025:

Component Unit – Harrisonburg-Rockingham Social Services District

	(As Restated) Beginning Balance	Increases	Decreases*	Ending Balance	Due Within One Year
Compensated absences	\$ 70,827	\$ -	\$ (857)	\$ 69,970	\$ 29,843
Lease liabilities	365,027	4,878	(135,903)	234,002	144,319
Subscription liabilities	-	68,770	(32,582)	36,188	36,188
Social Services District Component Unit long-term liabilities	\$ 435,854	\$ 73,648	\$ (169,342)	\$ 340,160	\$ 210,350

*The change in compensated absences liability is presented as net change.

Note 9. Leases

Primary Government

Lease Receivable

During the current fiscal year, the County leased four pieces of property to a third party. One is a building that is being leased for six years ending on July 31, 2026, one is a building that is being leased for five years ending on May 31, 2027, one is a building being leased for ten years ending on January 2034, and a tower being leased for fifteen years ending on August 31, 2027. The County will receive monthly payments ranging from \$18,333 to \$61,160 for the buildings and \$1,000 to \$1,463 for the tower. The County recognized \$873,246 in lease revenue and \$166,739 in interest revenue during the current fiscal year related to these leases. As of June 30, 2025, the County's receivable for lease payments was \$2,588,272. Also, the County has deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflows of resources was \$2,392,566.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Leases (Continued)

Primary Government (Continued)

Leases Payable

Governmental Activities

The County has a twelve-year lease agreement as lessee for a building. As of June 30, 2025, the value of the lease liability was \$264,376. The County is required to make monthly principal and interest payments ranging from \$3,203, to \$3,362. The lease has an interest rate of 4.59%. The building has a twelve-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$356,808 and had accumulated amortization of \$118,937.

The County had a ten-year lease agreement as lessee for a parking lot. As of June 30, 2025, the value of the lease liability was \$234,028. The County is required to make annual principal and interest payments ranging from \$35,000 to \$36,050. The lease has an interest rate of 4.59%. The parking lot has a ten-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$279,397 and had accumulated amortization of \$55,880.

The County had a twelve-year lease agreement as lessee for ethernet cables. As of June 30, 2025, the value of the lease liability was \$418,200. The County is required to make monthly principal and interest payments of \$4,399. The lease has an interest rate of 4.59%. The ethernet cables have a twelve-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$477,632 and had accumulated amortization of \$79,093. A portion of this lease began during the current fiscal year, resulting in \$23,004 of issuance of lease reported in other financing sources.

The future principal and interest lease payments as of June 30, 2025 are as follows:

Year(s) Ending June 30,	Governmental activities	
	Leases	
	Principal	Interest
2026	\$ 84,644	\$ 41,293
2027	87,195	37,348
2028	91,258	33,221
2029	98,525	28,859
2030	103,113	24,198
2031-2035	438,772	48,396
2036	13,097	100
	<u>\$ 916,604</u>	<u>\$ 213,415</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Leases (Continued)

Primary Government (Continued)

Leases Payable (Continued)

Business-type Activities

The Water and Sewer fund had a twelve-year lease agreement as lessee for ethernet cables. As of June 30, 2025, the value of the lease liability was \$96,513. The Water and Sewer fund is required to make monthly principal and interest payments of \$933. The lease has an interest rate of 4.59%. The ethernet cables have a twelve-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$109,638 and had accumulated amortization of \$17,455.

The Solid Waste fund had a twelve-year lease agreement as lessee for ethernet cables. As of June 30, 2025, the value of the lease liability was \$48,257. The Solid Waste fund is required to make monthly principal and interest payments of \$467. The lease has an interest rate of 4.59%. The ethernet cables have a twelve-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$54,819 and had accumulated amortization of \$8,728.

The future principal and interest lease payments as of June 30, 2025 are as follows:

Year Ending June 30,	Business-type activities	
	Leases	
	Principal	Interest
2026	\$ 10,833	\$ 6,131
2027	10,725	5,623
2028	11,227	5,091
2029	11,754	4,535
2030	12,304	3,952
2031-2035	83,760	10,019
2036	4,167	32
	<u>\$ 144,770</u>	<u>\$ 35,383</u>

Component Unit – School Board

Lease Payable

During the current fiscal year, the School Board had four agreements as a lessee for equipment, with lease lengths of four years. One of these agreements ended in the current fiscal year. As of June 30, 2025, the total value of the lease liability was \$944,904. The School Board is required to make annual principal and interest payments ranging from \$216,958 to \$365,551. The leases have an interest rate of 4.59%. The equipment has a four-year estimated useful life. The value of the intangible right-to-use lease assets as of the end of the current fiscal year was \$3,029,622 and had accumulated amortization of \$2,119,928. One of these leases began during the current fiscal year, resulting in \$776,705 of issuance of lease reported in other financing sources.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Leases (Continued)

Component Unit – School Board (Continued)

Leases Payable (Continued)

The future principal and interest lease payments as of June 30, 2025 are as follows:

Year Ending June 30,	School Board	
	Leases	
	Principal	Interest
2026	\$ 539,137	\$ 43,371
2027	198,333	18,625
2028	207,434	9,521
	<u>\$ 944,904</u>	<u>\$ 71,517</u>

Component Unit – Harrisonburg-Rockingham Social Services District

Lease Payable

The District has a three-year lease agreement as lessee for a building. As of June 30, 2025, the value of the lease liability was \$137,490. The District is required to make monthly principal and interest payments ranging from \$6,688, to \$11,744. The lease has an interest rate of 4.59%. The building has a three-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$342,297 and had accumulated amortization of \$228,198.

The District had a twelve-year lease agreement as lessee for ethernet cables. As of June 30, 2025, the value of the lease liability was \$96,512. The District is required to make monthly principal and interest payments of \$933. The lease has an interest rate of 4.59%. The ethernet cables have a twelve-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$109,638 and had accumulated amortization of \$17,456. A portion of this lease began during the current fiscal year, resulting in \$4,879 of other financing sources.

The future principal and interest lease payments as of June 30, 2025 are as follows:

Year Ending June 30,	Harrisonburg-Rockingham Social Services District	
	Leases	
	Principal	Interest
2026	\$ 144,319	\$ 7,539
2027	7,150	3,749
2028	7,485	3,394
2029	7,836	3,023
2030	8,203	2,635
2031-2035	56,232	6,679
2036	2,777	22
	<u>\$ 234,002</u>	<u>\$ 27,041</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Subscription-Based Information Technology Arrangements

Primary Government

Governmental Activities

The County had a three-year subscription agreement for Geographic Information System software. As of June 30, 2025, the value of the subscription liability was \$54,212. The County is required to make annual principal and interest payments of \$56,700. The subscription has an interest rate of 4.59%. The intangible right-to-use subscription asset has a three year estimated useful life. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was \$155,602 and had accumulated amortization of \$103,735.

The future principal and interest subscription payments as of June 30, 2025 are as follows:

Year Ending June 30,	Primary Government	
	Subscriptions	
	Principal	Interest
2026	\$ 54,212	\$ 2,488
	\$ 54,212	\$ 2,488

Component Unit – School Board

The School Board has seven SBITAs at June 30, 2025, with subscription liabilities totaling \$305,488. The School Board is required to make annual principal and interest payments ranging from \$10,662 to \$73,990. The subscriptions have an interest rate of 4.59%. The intangible right-to-use subscription assets range from two to five years estimated useful life. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was \$720,415 and had accumulated amortization of \$430,476. Two of the subscriptions began during the current fiscal year, resulting in \$183,014 of other financing sources.

The future principal and interest SBITA payments as of June 30, 2025 are as follows:

Year Ending June 30,	School Board	
	Subscriptions	
	Principal	Interest
2026	\$ 177,515	\$ 14,022
2027	54,393	5,874
2028	35,964	3,377
2029	37,616	1,727
	\$ 305,488	\$ 25,000

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Component Unit – Harrisonburg-Rockingham Social Services District

The District had a two-year subscription agreement. As of June 30, 2025, the value of the subscription liability was \$36,188. The District is required to make annual principal and interest payments ranging from \$35,739 to \$37,848. The subscription has an interest rate of 4.59%. The intangible right-to-use subscription asset has a two year estimated useful life. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was \$68,770 and had accumulated amortization of \$34,385. This subscription began during the current fiscal year, resulting in \$68,770 of other financing sources.

The future principal and interest SBITA payments as of June 30, 2025 are as follows:

Year Ending June 30,	Harrisonburg-Rockingham Social Services District	
	Subscriptions	
	Principal	Interest
2026	\$ 36,188	\$ 1,661
	\$ 36,188	\$ 1,661

Note 11. Conduit Debt Obligations

To further economic development in the County, the County Economic Development Authority has issued bonds that provide capital financing to private-sector entities for the acquisition and construction of industrial and commercial facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the County Economic Development Authority for any of those bonds. At June 30, 2025, the bonds have an aggregate outstanding principal amount payable of \$212,814,355.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 12. Government Services Provided by Authorities

The County of Rockingham, City of Harrisonburg, and the towns of Bridgewater, Mt. Crawford, and Dayton entered into a guaranty agreement with the Harrisonburg-Rockingham Regional Sewer Authority (Authority) dated December 15, 1992. Under the terms of this agreement, these municipalities jointly and severally guaranteed the Authority's bonds payable, which then qualifies as a nonexchange of financial guarantees. HRRSA's outstanding bonds payable at June 30, 2025 consist of the following:

Series	Amount	Interest
Series 2007	\$ 8,325,211	2.52%
Series 2008B	9,394,814	2.72%
Series 2015	4,916,222	1.20%
Series 2017	10,232,888	2.25%
Series 2020	5,780,864	1.85%

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

The Authority bills the localities a monthly charge, which includes an assessment for their respective shares of the Authority's debt service, construction, and operating expenditures based on the locality usage of the sewage treatment facilities. Based on the current average usage, the County's assessment for the Authority's operating and maintenance and capital outlay, construction, and debt service expenditures for the ensuing year will approximate \$1,635,000, \$1,811,000, and \$427,000, respectively. To obtain a copy of the audited financial statements, contact the Authority at 856 North River Road, P. O. Box 8, Mt. Crawford, Virginia 22841.

Note 13. Pension Plan

Name of Plan: Virginia Retirement System (VRS)

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

Administering Entity: Virginia Retirement System (System)

	Net Pension Asset	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
County	\$ -	\$ 15,550,363	\$ 10,044,713	\$ 3,062,167	\$ 5,745,186
District	-	3,993,028	2,579,285	786,305	1,475,251
School Board:					
Professional	-	78,319,889	29,888,914	12,595,925	8,240,926
Non-professional	2,107,662	-	835,322	1,236,437	(88,453)
Total School Board	2,107,662	78,319,889	30,724,236	13,832,362	8,152,473
	\$ 2,107,662	\$ 97,863,280	\$ 43,348,234	\$ 17,680,834	\$ 15,372,910

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description

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

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Eligible Members <i>Political subdivision employees:</i> Members are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund. <i>School division employees (teachers):</i> Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund. <i>Hybrid Opt-In Election</i> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.	Eligible Members <i>Political subdivision employees:</i> Members are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. <i>School division employees (teachers):</i> Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013. <i>Hybrid Opt-In Election</i> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	Eligible Members Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Political subdivision employees.* • School division employees (teachers). • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <i>*Non-Eligible Members</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	Vesting Same as Plan 1.	Vesting <i>Defined Benefit Component</i> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. <i>Defined Contribution Component</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required, except as governed by law until age 73.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%.	Cost-of-Living Adjustment (COLA) in Retirement <i>Defined Benefit Component</i> Same as Plan 2.
<i>Eligibility:</i> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	<i>Eligibility:</i> Same as Plan 1.	<i>Eligibility:</i> Same as Plan 1.
<u>Exceptions to COLA</u> <u>Effective Dates:</u> School Division (Teachers) and Political Subdivision Employees: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.	<u>Exceptions to COLA</u> <u>Effective Dates:</u> School Division (Teachers) and Political Subdivision Employees: Same as Plan 1.	<u>Exceptions to COLA</u> <u>Effective Dates:</u> School Division (Teachers) and Political Subdivision Employees: Same as Plan 1.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

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

B. Employees Covered by Benefit Terms

County and the District Plan (Agent Plan)

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

	Number
Inactive members or their beneficiaries currently receiving benefits	412
Inactive members:	
Vested	143
Non-vested	269
Active elsewhere in VRS	394
Active members	692
Total covered employees	1,910

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

B. Employees Covered by Benefit Terms (Continued)

School Board Non-Professional Plan (Agent Plan)

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

	Number
Inactive members or their beneficiaries currently receiving benefits	321
Inactive members:	
Vested	55
Non-vested	113
Active elsewhere in VRS	64
Active members	376
Total covered employees	929

C. Contributions

County and the District Plan (Agent Plan)

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

The County and the District's contractually required contribution rate for the year ended June 30, 2025 was 14.67% 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 an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County and the District were \$6,749,807 and \$5,667,155 for the years ended June 30, 2025 and 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 \$145,000 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 a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$173,975 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$14,499,755 for the year ended June 30, 2025.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

C. Contributions (Continued)

School Board Non-Professional Plan (Agent Plan)

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

The School Board non-professional's contractually required contribution rate for the year ended June 30, 2025 was 5.46% 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 an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were \$565,106 and \$456,107 for the years ended June 30, 2025 and 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 \$48,446 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 a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$47,374 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$4,844,767 for the year ended June 30, 2025.

School Board Professional Plan (Cost-Sharing Plan)

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. The School Board professional's contractually required contribution rate for the year ended June 30, 2025 was 14.21% 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, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were \$13,251,032 and \$14,072,215 for the years ended June 30, 2025 and 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 \$328,074 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 a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$366,066 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$32,801,927 for the year ended June 30, 2025.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

D. Net Pension Liability

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

The net pension liabilities (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the County, District and School Board Non-Professional Plans, the NPLs were measured as of June 30, 2024. The total pension liabilities used to calculate the NPLs were determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2025, the School Board reported a liability for the professional plan of \$78,319,889 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 a measurement date of June 30, 2024. The School Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board's proportion was 0.83435% as compared to 0.83476% at June 30, 2023.

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 is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 60,622,260
Plan fiduciary net position	51,235,326
Employers' net pension liability	\$ 9,386,934
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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions

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

General Employees

The total pension liability for General Employee's in the County and the District's retirement plan and the total pension liability for the General Employees in the School Board non-professional retirement plan were based on an actuarial valuation as of June 30, 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 expense, including inflation
Mortality Rates:	15% of deaths are assumed to be service-related.
Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 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
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

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

General Employees (Continued)

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

County and the District Plan (Agent Plan)

Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County and the District's retirement plan was based on an actuarial valuation as of June 30, 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 as 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 expense, including inflation
Mortality Rates:	45% of deaths are assumed to be service related.
Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years.
Mortality Improvements:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

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

Public Safety Employees with Hazardous Duty Benefits (Continued)

The actuarial assumptions used in the June 30, 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 Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

School Board Professional Plan (Cost-Sharing Plan)

The total pension liability for the VRS Teacher retirement plan was based on an actuarial valuation as of June 30, 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 as 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 expense, including inflation

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

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

Mortality Rates:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year 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; and changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

F. Long-Term Expected Rate of Return

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

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	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 Partnership	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 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

G. Discount Rate

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

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate is 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liabilities.

School Board Professional Plan (Cost-Sharing Plan)

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2024, the rate contributed by the employer for the School Board's retirement plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 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 liabilities.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset)

County and the District Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at June 30, 2023	\$ 152,718,249	\$ 137,137,435	\$ 15,580,814
Changes for the Year:			
Service cost	5,140,319	-	5,140,319
Interest	10,413,654	-	10,413,654
Changes in benefit terms	1,978,521	-	1,978,521
Difference between expected and actual experience	7,337,797	-	7,337,797
Contributions – employer	-	5,667,155	(5,667,155)
Contributions – employee	-	1,909,440	(1,909,440)
Net investment income	-	13,411,150	(13,411,150)
Benefit payments, including refunds of employee contributions	(7,164,437)	(7,164,437)	-
Administrative expense	-	(83,043)	83,043
Other changes	-	3,012	(3,012)
Net changes	17,705,854	13,743,277	3,962,577
Balances at June 30, 2024	\$ 170,424,103	\$ 150,880,712	\$ 19,543,391

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

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

School Board Non-Professional Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balances at June 30, 2023	\$ 42,349,831	\$ 43,321,271	\$ (971,440)
Changes for the Year:			
Service cost	882,921	-	882,921
Interest	2,837,333	-	2,837,333
Difference between expected and actual experience	197,276	-	197,276
Contributions – employer	-	456,107	(456,107)
Contributions – employee	-	468,421	(468,421)
Net investment income	-	4,157,172	(4,157,172)
Benefit payments, including refunds of employee contributions	(2,396,375)	(2,396,375)	-
Administrative expense	-	(28,695)	28,695
Other changes	-	747	(747)
Net changes	1,521,155	2,657,377	(1,136,222)
Balances at June 30, 2024	\$ 43,870,986	\$ 45,978,648	\$ (2,107,662)

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

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Primary Government net pension liability	\$ 34,500,391	\$ 15,550,363	\$ 214,366
District net pension liability	8,859,023	3,993,028	55,045
Total primary government and District net pension liability (asset)	43,359,414	19,543,391	269,411
School Board non-professional net pension liability (asset)	2,621,152	(2,107,662)	(6,104,798)
School Board professional net pension liability	145,503,003	78,319,889	23,299,057

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

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

County and the District Plan (Agent Plan)

For the year ended June 30, 2025, the County and District recognized pension expense of \$7,220,437. At June 30, 2025, the County and District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		District		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,674,000	\$ -	\$ 1,200,191	\$ -	\$ 5,874,191	\$ -
Net differences between projected and actual earnings on pension plan investments	-	(3,062,167)	-	(786,305)	-	(3,848,472)
Employer contributions subsequent to the measurement date	5,370,713	-	1,379,094	-	6,749,807	-
Total	\$ 10,044,713	\$ (3,062,167)	\$ 2,579,285	\$ (786,305)	\$ 12,623,998	\$ (3,848,472)

The \$6,749,807 reported as deferred outflows of resources related to pensions resulting from the County and District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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 Ending June 30,	Primary Government	District	Total Amount
2026	\$ (642,516)	\$ (164,985)	\$ (807,501)
2027	2,636,650	677,040	3,313,690
2028	277,027	71,135	348,162
2029	(659,328)	(169,304)	(828,632)
	\$ 1,611,833	\$ 413,886	\$ 2,025,719

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

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

School Board Non-Professional Plan (Agent Plan)

For the year ended June 30, 2025, the School Board recognized pension expense related to its non-professional plan of \$(88,453). At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for its non-professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 270,216	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(1,236,437)
Employer contributions subsequent to the measurement date	565,106	-
Total	\$ 835,322	\$ (1,236,437)

The \$565,106 reported as deferred outflows of resources related to pensions resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (875,965)
2027	399,488
2028	(233,024)
2029	(256,720)
	\$ (966,221)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Pension Plan (Continued)

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

School Board Professional Plan (Cost-Sharing Plan)

For the year ended June 30, 2025, the School Board recognized pension expense related to the professional plan of \$8,240,926. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,587,396	\$ (1,612,661)
Changes in assumptions	1,421,611	-
Net difference between projected and actual earnings on pension plan investments	-	(10,780,780)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,628,875	(202,484)
Employer contributions subsequent to the measurement date	13,251,032	-
Total	\$ 29,888,914	\$ (12,595,925)

The \$13,251,032 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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 Ending June 30,</u>	<u>Amount</u>
2026	\$ (4,016,993)
2027	7,303,956
2028	1,726,244
2029	(971,250)
	<u>\$ 4,041,957</u>

K. Pension Plan Data

Detailed information about the VRS Political Subdivision Retirement Plan and VRS Teacher Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/media/shared/pdf/publications/2024-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits

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

	OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
County	\$ 7,771,851	\$ 1,241,333	\$ 1,678,755	\$ 388,356
District	2,041,786	318,527	443,138	102,027
Total County and District	9,813,637	1,559,860	2,121,893	490,383
Total School Board	42,833,933	5,551,366	6,050,564	2,462,745
	<u>\$ 52,647,570</u>	<u>\$ 7,111,226</u>	<u>\$ 8,172,457</u>	<u>\$ 2,953,128</u>

14.1. Medical Insurance Program

A. Plan Description

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

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

County and the District

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. Medical Insurance Program (Continued)

A. Plan Description (Continued)

County and the District (Continued)

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

School Board

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. Medical Insurance Program (Continued)

A. Plan Description (Continued)

School Board (Continued)

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS (Continued)
<i>Benefit Amounts</i> The School Board will pay \$20 monthly for the retiree until the retiree becomes eligible for or obtains other health coverage.
<i>Death of a Retiree</i> Upon death of a current retiree, the surviving spouse is eligible for coverage until age 65. Survivors of actives are not eligible for postretirement benefits, even if the deceased active was eligible to retire at the time of death.

B. Employees Covered by Benefit Terms

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

County and the District

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

School Board

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. Medical Insurance Program (Continued)

C. Total Medical Insurance Program OPEB Liability

The County and the District's total Medical Insurance OPEB liability of \$8,047,690 was measured as of June 30, 2025 with a reporting date of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023. The School Board's total Medical Insurance OPEB liability of \$28,394,079 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

D. Actuarial Assumptions and Other Inputs

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2023, using the Entry Age Normal actuarial cost method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.50% per annum
Discount rate	4.13% per annum
Healthcare cost trend rates	6.25% in 2023, then decreasing from 7.00% to 5.60% over 3 years to then follow the Getzen model to an ultimate rate of 4.04% in the year 2075; Administrative Expenses 5% per annum

The discount rate was based on the S&P 500 High Grade 20 Year Rate Index as of June 30, 2023.

County and the District

Mortality Rates

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

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

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

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. Medical Insurance Program (Continued)

D. Actuarial Assumptions and Other Inputs (Continued)

School Board

Mortality Rates

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

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

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

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

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

E. Changes in the Total Medical Insurance OPEB Liability

County and the District

	Total Medical Insurance OPEB Liability
Balance at June 30, 2024	<u>\$ 7,388,389</u>
Changes for the year:	
Service cost	552,084
Interest	319,187
Benefits paid	(211,970)
Net changes	<u>659,301</u>
Balance at June 30, 2025	<u>\$ 8,047,690</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. Medical Insurance Program (Continued)

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

School Board

	Total Medical Insurance OPEB Liability
Balance at June 30, 2024	\$ 26,555,048
Changes for the year:	
Service cost	1,536,638
Interest	1,126,165
Benefits paid	(823,772)
Net changes	<u>1,839,031</u>
Balance at June 30, 2025	<u>\$ 28,394,079</u>

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

The following presents the total OPEB liabilities of the County and the District and the School Board calculated using the stated discount rate, as well as what the County and the District's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current discount rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Primary Government	\$ 7,120,559	\$ 6,349,452	\$ 5,681,723
District	1,904,230	1,698,238	1,519,447
Total primary government and District	9,024,789	8,047,690	7,201,170
School Board	31,480,547	28,394,079	25,674,026

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. Medical Insurance Program (Continued)

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

The following represents the total Medical Insurance OPEB liabilities of the County and the District and the School Board calculated using the stated discount rate, as well as what the County and the District's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Rate	1% Increase
Primary Government	\$ 5,470,411	\$ 6,349,452	\$ 7,421,525
District	1,462,936	1,698,238	1,984,717
Total primary government and District	6,933,347	8,047,690	9,406,242
School Board	24,689,337	28,394,079	32,836,721

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

For the year ended June 30, 2025, the County and the District and the School Board recognized Medical Insurance OPEB expense of \$312,719, \$83,629, and \$1,587,388, respectively.

County and the District

At June 30, 2025, the County and District reported deferred outflows of resources and deferred inflows of resources related to Medical Insurance Program from the following sources:

	Primary Government		District		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 438,175	\$ -	\$ 117,205	\$ -	\$ 555,380	\$ -
Changes in assumptions	283,342	(1,452,575)	75,773	(388,509)	359,115	(1,841,084)
Total	\$ 721,517	\$ (1,452,575)	\$ 192,978	\$ (388,509)	\$ 914,495	\$ (1,841,084)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.1. Medical Insurance Program (Continued)

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

County and the District (Continued)

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

Year Ending June 30,	Primary Government	District	Total Amount
2026	\$ (207,468)	\$ (55,482)	\$ (262,950)
2027	(46,857)	(12,531)	(59,388)
2028	(46,859)	(12,531)	(59,390)
2029	(214,949)	(57,483)	(272,432)
2030	(214,925)	(57,504)	(272,429)
Total	\$ (731,058)	\$ (195,531)	\$ (926,589)

School Board

At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to Medical Insurance Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,595,853	\$ (256,113)
Change in assumptions	1,007,526	(4,370,864)
Total	\$ 2,603,379	\$ (4,626,977)

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

Year Ending June 30,	Amount
2026	\$ (501,571)
2027	(151,134)
2028	(151,133)
2029	(484,914)
2030	(484,918)
Thereafter	(249,928)
Total	\$ (2,023,598)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program

A. Plan Description

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

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

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS	
Eligible Employees	
The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.	
Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.	
Benefit Amounts	
The benefits payable under the GLI have several components.	
• Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • Accidental Death Benefit: The accidental death benefit is double the natural death benefit. • Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: ○ Accidental dismemberment benefit ○ Seatbelt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option	

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

A. Plan Description (Continued)

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS (Continued)	
Reduction in Benefit Amounts	The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)	For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

B. Contributions

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.18% 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%). 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 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. Contributions to the GLI from the participating employers for the years ended June 30, 2025 and 2024 were as follows.

	2025	2024
County and the District	\$ 216,654	\$ 219,424
School Board Non-Professional	48,750	54,518
School Board Professional	438,614	481,908

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

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

At June 30, 2025, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	2025
Primary Government	\$ 1,422,399
District	343,548
Total primary government and District	1,765,947
School Board Non-Professional	438,781
School Board Professional	3,878,499

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 employers' proportion of the net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, comparisons of the participating employers' proportions to June 30, 2023 are as follows:

	2025	2024
County and the District	0.15825%	0.15415%
School Board Non-Professional	0.03932%	0.03973%
School Board Professional	0.34756%	0.35259%

For the year ended June 30, 2025, the County and the District, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of \$94,035, \$2,229, and \$91,821, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

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

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

County and the District

	Primary Government		District		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 224,345	\$ (34,744)	\$ 54,185	\$ (8,392)	\$ 278,530	\$ (43,136)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(119,893)	-	(28,958)	-	(148,851)
Change in assumptions	8,108	(70,491)	1,958	(17,026)	10,066	(87,517)
Changes in proportionate share	112,857	(1,052)	27,258	(253)	140,115	(1,305)
Employer contribution subsequent to the measurement date	174,506	-	42,148	-	216,654	-
Total	\$ 519,816	\$ (226,180)	\$ 125,549	\$ (54,629)	\$ 645,365	\$ (280,809)

The \$216,654 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:

Year Ending June 30,	Primary Government	District	Total Amount
2026	\$ (24,597)	\$ (5,941)	\$ (30,538)
2027	57,825	13,966	71,791
2028	26,769	6,465	33,234
2029	31,060	7,502	38,562
2030	28,073	6,780	34,853
Total	\$ 119,130	\$ 28,772	\$ 147,902

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

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

School Board Non-Professional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 69,206	\$ (10,718)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(36,985)
Change in assumptions	2,501	(21,745)
Changes in proportionate share	1,971	(17,218)
Employer contribution subsequent to the measurement date	48,750	-
Total	\$ 122,428	\$ (86,666)

The \$48,750 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:

Year Ending June 30,	Amount
2026	\$ (27,103)
2027	3,635
2028	689
2029	3,719
2030	6,072
Total	\$ (12,988)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

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

School Board Professional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 611,728	\$ (94,739)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(326,917)
Change in assumptions	22,107	(192,210)
Changes in proportionate share	85,030	(78,237)
Employer contribution subsequent to the measurement date	438,614	-
Total	\$ 1,157,479	\$ (692,103)

The \$438,614 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:

Year Ending June 30,	Amount
2026	\$ (166,807)
2027	90,919
2028	17,571
2029	33,943
2030	51,136
Total	\$ 26,762

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 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:	
Teachers	3.50%-5.95%
Locality – general employees	3.50%-5.35%
Locality – hazardous duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

School Board Professional

Mortality Rates – Teachers

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

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

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

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

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

The actuarial assumptions used in the June 30, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

County, District and School Board Non-Professional

Mortality Rates – General Employees

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

The actuarial assumptions used in the June 30, 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 year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

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

Mortality Rates – Hazardous Duty Employees

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

The actuarial assumptions used in the June 30, 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 services to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

E. Net GLI OPEB Liability

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

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$ 4,196,055
Plan fiduciary net position	<u>3,080,133</u>
GLI OPEB liability	<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 ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

F. Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long- Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return*
Public Equity	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 Partnership	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 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

G. Discount Rate

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.2. Group Life Insurance Program (Continued)

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Primary government	\$ 2,212,014	\$ 1,422,399	\$ 784,493
District	534,262	343,548	189,476
Total primary government and District	2,746,276	1,765,947	973,969
School Board Non-Professional	682,361	438,781	242,000
School Board Professional	6,031,569	3,878,499	2,139,101

I. Group Life Insurance Program Fiduciary Net Position

Detailed information about the GLI'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 varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program

A. Plan Description

School Board Non-Professional and School Board Professional Plans

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

School Board Non-Professional Plan

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

A. Plan Description (Continued)

School Board Non-Professional Plan (Continued)

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

School Board Professional Plan

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

TEACHER EMPLOYEE HIC PLAN PROVISIONS	
<i>Eligible Employees</i> The Teacher Employee Retiree HIC was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.	
<i>Benefit Amounts</i> The Teacher Employee Retiree HIC provides the following benefits for eligible employees: • At Retirement – for teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. • Disability Retirement – for teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either: ○ \$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.	
<i>Health Insurance Credit Program Notes</i> • The monthly HIC benefit cannot exceed the individual premium amount • Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.	

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

B. Employees Covered by Benefit Terms

School Board Non-Professional Plan

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan.

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

C. Contributions

School Board Non-Professional and School Board Professional Plans

The contribution requirement for active employees is governed by Section 51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. For the year ended June 30, 2025, the contractually required employer contribution rates for the School Board non-professional and School Board professional was 0.83% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 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 to the HIC Program from the participating employers for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
School Board Professional	\$ 1,128,343	\$ 1,077,563
School Board Non-Professional	85,904	81,323

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

D. Net HIC OPEB Liability

School Board Non-Professional Plan

The School Board Non-Professional plan's net HIC OPEB liability was measured as of June 30, 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.

School Board Professional Plan

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

	Teacher Employee HIC OPEB Plan
Total teacher employee HIC OPEB liability	\$ 1,478,105
Plan fiduciary net position	<u>322,457</u>
Teacher employee net HIC OPEB liability	<u><u>\$ 1,155,648</u></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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

E. Actuarial Assumptions

School Board Non-Professional and School Board Professional Plans

The total HIC OPEB liabilities were based on an actuarial valuation as of June 30, 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%
Teacher employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

School Board Non-Professional Plan

Mortality Rates – General Employees

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

E. Actuarial Assumptions (Continued)

School Board Non-Professional Plan (Continued)

Mortality Rates – General Employees (Continued)

The actuarial assumptions used in the June 30, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

School Board Professional Plan

Mortality Rates – Teachers

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

E. Actuarial Assumptions (Continued)

School Board Professional Plan (Continued)

Mortality Rates – Teachers (Continued)

The actuarial assumptions used in the June 30, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

F. Long-Term Expected Rate of Return

School Board Non-Professional and School Board Professional Plans

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long- Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return*
Public Equity	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 Partnership	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 2.50% 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 is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

G. Discount Rate

School Board Non-Professional and School Board Professional Plans

The discount rate used to measure the total HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2024, the rate contributed by the School Board non-professional and School Board professional plans for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 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.

H. Changes in Net HIC OPEB Liability

School Board Non-Professional Plan

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a-b)
Balance at June 30, 2023	\$ 1,158,347	\$ 554,329	\$ 604,018
Changes for the year:			
Service cost	13,086	-	13,086
Interest	76,240	-	76,240
Differences between expected and actual experience	(44,107)	-	(44,107)
Contributions - employer	-	81,323	(81,323)
Net investment income	-	51,913	(51,913)
Benefit payments, including refunds of employee contributions	(83,892)	(83,892)	-
Administrative expenses	-	(711)	711
Net changes	(38,673)	48,633	(87,306)
Balance at June 30, 2024	\$ 1,119,674	\$ 602,962	\$ 516,712

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

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

School Board Non-Professional and School Board Professional Plans

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board Professional	\$ 10,924,261	\$ 9,605,862	\$ 8,488,398
School Board Non-Professional	618,219	516,712	428,898

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

School Board Non-Professional Plan

For the year ended June 30, 2025, the School Board non-professional plan recognized HIC OPEB expense of \$31,297. At June 30, 2025, the School Board non-professional plan reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,729	\$ (38,437)
Net difference between projected and actual earnings on	-	(12,284)
Change in assumptions	2,638	-
Employer contributions subsequent to the measurement date	85,904	-
Total	\$ 90,271	\$ (50,721)

The \$85,904 reported as deferred outflows of resources related to the HIC OPEB resulting from the school Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 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 Ending June 30,	Amount
2026	\$ (24,808)
2027	(7,912)
2028	(10,711)
2029	(2,923)
Total	\$ (46,354)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

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

School Board Professional Plan

At June 30, 2025, the School Board professional plan reported a liability of \$9,605,862 for its proportionate share of the Teacher Employee HIC total OPEB liability. The total Teacher Employee HIC OPEB liability was measured as of June 30, 2024 and the total Teacher Employee HIC OPEB Liability used to calculate the total Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The School Board professional plan's proportion of the total Teacher Employee HIC OPEB liability was based on the School Board professional plan's actuarially determined employer contributions to the Teacher Employee HIC OPEB plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board professional plan's proportion of the Teacher Employee HIC was 0.83121% as compared to 0.83178% at June 30, 2023.

For the year ended June 30, 2025, the School Board professional plan recognized Teacher Employee HIC OPEB expense of \$750,010. Since there was a change in proportionate share between measurement dates, a portion of the Teacher Employee HIC net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (455,103)
Net difference between projected and actual earnings on HIC OPEB program investments	-	(34,168)
Change in assumptions	165,481	-
Changes in proportionate share	283,985	(104,826)
Employer contributions subsequent to the measurement date	1,128,343	-
Total	\$ 1,577,809	\$ (594,097)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits (Continued)

14.3. Health Insurance Credit Program (Continued)

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

School Board Professional Plan (Continued)

The \$1,128,343 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (49,752)
2027	(12,236)
2028	(19,624)
2029	(27,720)
2030	(17,886)
Thereafter	(17,413)
Total	\$ (144,631)

K. HIC Credit Program Plan Data

Information about the VRS Political Subdivision and Teacher Employee HIC 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 varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 15. Advances To/From Other Funds

Interfund balances as of June 30, 2025 are as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	
	<u>General Fund</u>	<u>Water and Sewer Fund</u>
Primary Government:		
Tourism Fund	\$ 10,800,236	\$ -
Lake Shenandoah Stormwater Control Authority Fund	-	695,170
Smith Creek Water and Waste Authority Fund	-	185,903
	\$ 10,800,236	\$ 881,073

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

Year(s) Ending June 30,	Principal	Interest
2026	\$ 192,570	\$ 432,009
2027	200,272	424,307
2028	208,283	416,296
2029	216,614	407,964
2030	225,279	399,300
2031-2035	1,268,990	1,853,903
2036-2039	1,543,920	1,578,973
2040-2045	1,878,415	1,244,478
2046-2050	2,285,379	837,514
2051-2055	2,780,514	342,380
	<u>\$ 10,800,236</u>	<u>\$ 7,937,124</u>

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

Year Ending June 30,	Principal	Interest
2026	\$ 695,170	\$ 20,855
	<u>\$ 695,170</u>	<u>\$ 20,855</u>

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

Year Ending June 30,	Principal	Interest
2026	\$ 91,732	\$ 4,945
2027	94,171	-
	<u>\$ 185,903</u>	<u>\$ 4,945</u>

Note 16. Interfund Transfers

A summary of interfund transfer activity is presented as follows:

Transfer to Fund	General Fund	Tourism Fund	School Operating Fund	Total Transferred In
Primary Government:				
Governmental funds:				
General Fund	\$ -	\$ 150,000	\$ -	\$ 150,000
General Capital Projects Fund	12,895,504	8,000,000	-	20,895,504
School Cafeteria Fund	-	-	11,952	11,952
School Capital Projects Fund	-	-	1,424,833	1,424,833
Total transferred out	<u>\$ 12,895,504</u>	<u>\$ 8,150,000</u>	<u>\$ 1,436,785</u>	<u>\$ 22,482,289</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 16. Interfund Transfers (Continued)

The transfer from the General Fund to the General Capital Projects Fund was to transfer funds for capital projects adopted in FY25 budget and the purchase of a fire & rescue apparatus.

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

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

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

The transfer from the School Operating to the School Capital Projects Fund was for future capital projects.

Note 17. Major Customers

The Water and Sewer Fund has one major customer. For the year ended June 30, 2025, water and sewer revenue from this customer was approximately \$3.52 million. There were no accounts receivable from this customer at June 30, 2025.

The Solid Waste Fund has one major customer. Revenues from this customer for the year ended June 30, 2025 were approximately \$3.21 million. Accounts receivable from this customer was approximately \$325,000 at June 30, 2025.

The Smith Creek Water & Waste Authority Fund has one major customer. For the year ended June 30, 2025, revenue from this customer was approximately \$140,600. There were no accounts receivable from this customer at June 30, 2025.

Note 18. Landfill Closure and Postclosure Care Cost

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

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the Solid Waste Fund reports a portion of these closure and post-closure care costs as an operating expense in each period based on the landfill capacity used as of each balance sheet date. The County has recorded \$21,924,861 as landfill closure and post-closure liability at June 30, 2025. The landfill's total capacity used to date is 16.29% for active cells.

The Solid Waste Fund will report the County's estimated liability of closure and post-closure care of \$6,628,232 for the active cell as the remaining estimated capacity is filled. These amounts are based on the cost to perform all closure and post-closure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The estimated remaining life of the landfill is approximately three years and does not account for future expansion.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 19. Risk Management

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

Auto, Liability and Workers' Compensation Insurance

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

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

Health Insurance

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

Based on the requirements of GASB Statement No. 10, the County records an estimated liability for indemnity healthcare claims. The following represents the change in the fund's claims liability for 2025, 2024, and 2023:

Fiscal Year Ended	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
June 30, 2025	\$ 1,924,960	\$ 39,900,924	\$ 40,327,489	\$ 1,498,395
June 30, 2024	2,031,402	37,125,427	37,231,869	1,924,960
June 30, 2023	2,329,377	32,434,531	32,732,506	2,031,402

The ending liability is reported by the following:

Fiscal Year Ended	Governmental Activities	Component Unit - School Board	Total
June 30, 2025	\$ 377,221	\$ 1,121,174	\$ 1,498,395
June 30, 2024	481,240	1,443,720	1,924,960
June 30, 2023	507,850	1,523,552	2,031,402

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 20. Tax Abatements and the Technology Zone Grant Program

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

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

For the fiscal year ended June 30, 2025, the County abated property taxes totaling \$6,663,124 under this grant program, including the following tax abatement agreements:

- Property tax abatement to a pharmaceutical facility in the amount of \$6,397,323.
- Property tax abatement to a food packaging and beverage facility in the amount of \$265,801.

Note 21. Pending GASB Statements

At June 30, 2025, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the County. The statements which might impact the County are as follows:

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

GASB Statement No. 104, *Disclosures of Certain Capital Assets*, objective is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Statement 104 will be effective for fiscal year beginning after June 15, 2025.

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 22. Joint Venture

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

In fiscal year 2025, the County's contributions to the HRECC totaled approximately \$3,931,000.

Note 23. Middle River Regional Jail Authority

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

The final principal payment by the County to become a member jurisdiction of MRRJA was \$1,053,438 in fiscal year 2025, which has been shown as a public safety expenditure in the General Fund, and as a reduction in the liability on the Governmental Activities Statement of Net Position.

The total paid by the County to MRRJA for operating purposes of MRRJA was approximately \$1,446,000 in fiscal year 2025.

Note 24. Contingency

Federal and State-Assisted Programs

The County has received proceeds from several federal and state grant programs. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. Based upon past experience, no provision has been made in the accompanying financial statements for the refund of grant monies.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 25. Change in Accounting Principle

In fiscal year 2025, the County implemented GASB Statement No. 101, *Compensated Absences*, as a change in accounting principle. Statement No. 101 requires recognizing a liability for compensated absences, including certain amounts not previously accrued, and related salary-based payments. The standard has been applied retroactively, resulting in a restatement of beginning net position as of July 1, 2024 as shown below.

	Governmental Activities	Business-type Activities	School Board	Harrisonburg- Rockingham Social Services District	Water and Sewer	Solid Waste
Net position, as previously reported	\$ 104,423,414	\$ 68,938,788	\$ 37,049,127	\$ 9,079,863	\$ 48,266,690	\$ 14,146,302
Implementation GASB Statement No. 101, <i>Compensated Absences</i>	(903,046)	(45,590)	(15,251,841)	(21,638)	(18,494)	(27,096)
Net position, as restated	<u>\$ 103,520,368</u>	<u>\$ 68,893,198</u>	<u>\$ 21,797,286</u>	<u>\$ 9,058,225</u>	<u>\$ 48,248,196</u>	<u>\$ 14,119,206</u>

Note 26. Subsequent Events

At the August 5, 2025 City Council Meeting, the City of Harrisonburg approved a resolution withdrawing from the Massanutten Technical Center Regional School. Harrisonburg City Public School's withdrawal will be effective June 30, 2027.

On October 6, 2025, Massanutten Water and Sewer Authority (the Authority) acquired the water and sewer systems on Massanutten Mountain from Massanutten Public Service Corporation in the amount of \$30.7M. The Authority will commence operation and maintenance of the water and sewer systems as of the date of acquisition. Rockingham County will be supporting the Authority through the County's Finance and Public Works Departments.

On October 20, 2025 Governor Glenn Youngkin announced Merck is starting construction on a \$3 billion, 400,000-square-foot pharmaceutical manufacturing facility that will serve as Merck's Center of Excellence for Pharmaceutical Ingredients and Small Molecule Manufacturing and will generate 500 jobs at its Elkton site.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability:										
Service cost	\$ 2,661,858	\$ 2,758,824	\$ 2,913,015	\$ 2,940,965	\$ 2,978,664	\$ 3,386,916	\$ 3,394,442	\$ 3,991,471	\$ 4,607,297	\$ 5,140,319
Interest	6,141,573	6,430,742	6,822,375	7,062,220	7,425,916	7,848,411	8,392,185	9,265,076	9,782,588	10,413,654
Changes of benefit terms	-	-	-	-	-	-	-	-	-	1,978,521
Differences between expected and actual experience	(528,816)	852,638	(394,616)	339,533	1,502,262	2,614,034	(2,214,112)	201,241	1,264,088	7,337,797
Changes of assumptions	-	-	(1,115,528)	-	3,726,026	-	5,516,227	-	-	-
Benefit payments, including refunds of employee contributions	(3,993,176)	(4,294,088)	(4,600,811)	(4,996,969)	(5,297,154)	(5,592,086)	(5,994,819)	(6,302,182)	(6,511,328)	(7,164,437)
Net change in total pension liability	4,281,439	5,748,116	3,624,435	5,345,749	10,335,714	8,257,275	9,093,923	7,155,606	9,142,645	17,705,854
Total pension liability - beginning	89,733,347	94,014,786	99,762,902	103,387,337	108,733,086	119,068,800	127,326,075	136,419,998	143,575,604	152,718,249
Total pension liability - ending (a)	\$ 94,014,786	\$ 99,762,902	\$ 103,387,337	\$ 108,733,086	\$ 119,068,800	\$ 127,326,075	\$ 136,419,998	\$ 143,575,604	\$ 152,718,249	\$ 170,424,103
Plan Fiduciary Net Position:										
Contributions - employer	\$ 2,826,572	\$ 3,003,059	\$ 2,681,076	\$ 2,771,832	\$ 2,716,908	\$ 2,890,331	\$ 3,428,079	\$ 3,685,323	\$ 4,746,659	\$ 5,667,155
Contributions - employee	1,139,839	1,224,047	1,249,882	1,322,859	1,314,637	1,399,866	1,444,078	1,545,767	1,710,797	1,909,440
Net investment income	3,573,047	1,428,469	10,038,185	6,776,776	6,494,918	1,957,907	28,263,219	(158,513)	8,406,457	13,411,150
Benefit payments, including refunds of employee contributions	(3,993,176)	(4,294,088)	(4,600,811)	(4,996,969)	(5,297,154)	(5,592,086)	(5,994,819)	(6,302,182)	(6,511,328)	(7,164,437)
Administrative expense	(48,216)	(49,968)	(57,528)	(58,179)	(63,953)	(66,505)	(69,531)	(80,755)	(82,066)	(83,043)
Other changes	(753)	(602)	(8,946)	(6,042)	(4,092)	(2,324)	2,671	3,028	3,396	3,012
Net change in plan fiduciary net position	3,497,313	1,310,917	9,301,858	5,810,277	5,161,264	587,189	27,073,697	(1,307,332)	8,273,915	13,743,277
Plan fiduciary net position - beginning	77,428,337	80,925,650	82,236,567	91,538,425	97,348,702	102,509,966	103,097,155	130,170,852	128,863,520	137,137,435
Plan fiduciary net position - ending (b)	\$ 80,925,650	\$ 82,236,567	\$ 91,538,425	\$ 97,348,702	\$ 102,509,966	\$ 103,097,155	\$ 130,170,852	\$ 128,863,520	\$ 137,137,435	\$ 150,880,712
County and District's net pension liability - ending (a) - (b)	\$ 13,089,136	\$ 17,526,335	\$ 11,848,912	\$ 11,384,384	\$ 16,558,834	\$ 24,228,920	\$ 6,249,146	\$ 14,712,084	\$ 15,580,814	\$ 19,543,391
Plan fiduciary net position as a percentage of the total pension liability	86.08%	82.43%	88.54%	89.53%	86.09%	80.97%	95.42%	89.75%	89.80%	88.53%
Covered payroll	\$ 22,204,022	\$ 23,590,408	\$ 24,642,243	\$ 25,476,397	\$ 26,377,748	\$ 28,061,466	\$ 28,807,387	\$ 30,969,101	\$ 34,621,875	\$ 41,335,923
County and District's net pension liability as a percentage of covered payroll	58.95%	74.29%	48.08%	44.69%	62.78%	86.34%	21.69%	47.51%	45.00%	47.28%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability:										
Service cost	\$ 817,545	\$ 820,429	\$ 811,126	\$ 767,863	\$ 784,209	\$ 798,398	\$ 778,711	\$ 735,063	\$ 822,744	\$ 882,921
Interest	2,045,747	2,128,901	2,213,159	2,273,515	2,353,731	2,420,331	2,481,845	2,659,258	2,715,984	2,837,333
Differences between expected and actual experience	(294,432)	(259,762)	(176,386)	(229,654)	(11,453)	(224,426)	(234,687)	(180,722)	622,466	197,276
Changes of assumptions	-	-	(388,130)	-	913,856	-	1,224,904	-	-	-
Benefit payments, including refunds of employee contributions	(1,348,250)	(1,413,634)	(1,558,151)	(1,636,913)	(1,694,651)	(1,921,981)	(2,244,008)	(2,470,956)	(2,450,843)	(2,396,375)
Net change in total pension liability	1,220,610	1,275,934	901,618	1,174,811	2,345,692	1,072,322	2,006,765	742,643	1,710,351	1,521,155
Total pension liability - beginning	29,899,085	31,119,695	32,395,629	33,297,247	34,472,058	36,817,750	37,890,072	39,896,837	40,639,480	42,349,831
Total pension liability - ending (a)	\$ 31,119,695	\$ 32,395,629	\$ 33,297,247	\$ 34,472,058	\$ 36,817,750	\$ 37,890,072	\$ 39,896,837	\$ 40,639,480	\$ 42,349,831	\$ 43,870,986
Plan Fiduciary Net Position:										
Contributions - employer	\$ 635,842	\$ 641,139	\$ 458,757	\$ 457,883	\$ 421,138	\$ 379,560	\$ 364,357	\$ 442,584	\$ 462,418	\$ 456,107
Contributions - employee	394,565	407,589	388,720	388,565	396,178	370,426	344,186	403,143	427,432	468,421
Net investment income	1,334,387	527,774	3,671,538	2,441,647	2,309,120	690,160	9,644,837	(29,471)	2,678,476	4,157,172
Benefit payments, including refunds of employee contributions	(1,348,250)	(1,413,634)	(1,558,151)	(1,636,913)	(1,694,651)	(1,921,981)	(2,244,008)	(2,470,956)	(2,450,843)	(2,396,375)
Administrative expense	(18,317)	(18,743)	(21,471)	(21,318)	(23,172)	(24,024)	(24,812)	(27,646)	(27,402)	(28,695)
Other changes	(283)	(223)	(3,254)	(2,168)	(1,451)	(1,468)	901	(2,664)	1,072	747
Net change in plan fiduciary net position	997,944	143,902	2,936,139	1,627,696	1,407,162	(507,327)	8,085,461	(1,685,010)	1,091,153	2,657,377
Plan fiduciary net position - beginning	29,224,151	30,222,095	30,365,997	33,302,136	34,929,832	36,336,994	35,829,667	43,915,128	42,230,118	43,321,271
Plan fiduciary net position - ending (b)	\$ 30,222,095	\$ 30,365,997	\$ 33,302,136	\$ 34,929,832	\$ 36,336,994	\$ 35,829,667	\$ 43,915,128	\$ 42,230,118	\$ 43,321,271	\$ 45,978,648
School Board non-professional net pension liability (asset) - ending (a) - (b)	\$ 897,600	\$ 2,029,632	\$ (4,889)	\$ (457,774)	\$ 480,756	\$ 2,060,405	\$ (4,018,291)	\$ (1,590,638)	\$ (971,440)	\$ (2,107,662)
Plan fiduciary net position as a percentage of the total pension liability	97.12%	93.73%	100.01%	101.33%	98.69%	94.56%	110.07%	103.91%	102.29%	104.80%
Employer's covered payroll	\$ 7,801,742	\$ 7,866,736	\$ 7,671,522	\$ 7,656,906	\$ 7,741,507	\$ 6,977,206	\$ 6,228,325	\$ 7,565,538	\$ 7,959,002	\$ 7,850,379
School Board's non-professional net pension liability (asset) as a percentage of covered payroll	11.51%	25.80%	-0.06%	-5.98%	6.21%	29.53%	-64.52%	-21.02%	-12.21%	-26.85%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability	0.82758%	0.82587%	0.81860%	0.82645%	0.81147%	0.79915%	0.80852%	0.82428%	0.83476%	0.83435%
Employer's proportionate share of the net pension liability	\$ 104,163,000	\$ 115,739,000	\$ 100,671,000	\$ 97,190,000	\$ 106,794,064	\$ 116,297,311	\$ 62,766,195	\$ 78,476,391	\$ 84,370,903	\$ 78,319,889
Employer's covered payroll	\$ 61,488,041	\$ 62,969,097	\$ 60,677,558	\$ 62,103,689	\$ 67,779,872	\$ 69,768,182	\$ 68,822,822	\$ 73,677,371	\$ 79,285,421	\$ 84,670,367
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	169.40%	183.80%	165.91%	156.50%	157.56%	166.69%	91.20%	106.51%	106.41%	92.50%
Plan fiduciary net position as a percentage of the total pension liability	70.68%	68.28%	72.92%	74.81%	73.51%	71.47%	85.46%	82.61%	82.45%	84.52%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF COUNTY AND DISTRICT CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 3,003,059	\$ 2,681,076	\$ 2,771,832	\$ 2,716,908	\$ 2,890,331	\$ 3,428,079	\$ 3,685,323	\$ 4,746,659	\$ 5,667,155	\$ 6,749,807
Contributions in relation to the CRC	3,003,059	2,681,076	2,771,832	2,716,908	2,890,331	3,428,079	3,685,323	4,746,659	5,667,155	6,749,807
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 23,590,408	\$ 24,642,243	\$ 25,476,397	\$ 26,377,748	\$ 28,061,466	\$ 28,807,387	\$ 30,969,101	\$ 34,621,875	\$ 41,335,923	\$ 46,010,954
Contributions as a percentage of covered payroll	12.73%	10.88%	10.88%	10.30%	10.30%	11.90%	11.90%	13.71%	13.71%	14.67%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 641,139	\$ 458,757	\$ 457,883	\$ 421,138	\$ 379,560	\$ 364,357	\$ 442,584	\$ 462,418	\$ 456,107	\$ 565,106
Contributions in relation to the CRC	641,139	458,757	457,883	421,138	379,560	364,357	442,584	462,418	456,107	565,106
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 7,866,736	\$ 7,671,522	\$ 7,656,906	\$ 7,741,507	\$ 6,977,206	\$ 6,228,325	\$ 7,565,538	\$ 7,959,002	\$ 7,850,379	\$ 10,349,932
Contributions as a percentage of covered payroll	8.15%	5.98%	5.98%	5.44%	5.44%	5.85%	5.85%	5.81%	5.81%	5.46%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 8,853,455	\$ 8,895,330	\$ 10,135,322	\$ 10,627,884	\$ 10,939,651	\$ 11,438,353	\$ 12,245,179	\$ 13,177,237	\$ 14,072,215	\$ 13,251,032
Contributions in relation to the CRC	8,853,455	8,895,330	10,135,322	10,627,884	10,939,651	11,438,353	12,245,179	13,177,237	14,072,215	13,251,032
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 62,969,097	\$ 60,677,558	\$ 62,103,689	\$ 67,779,872	\$ 69,768,182	\$ 68,822,822	\$ 73,677,371	\$ 79,285,421	\$ 84,670,367	\$ 93,251,453
Contributions as a percentage of covered payroll	14.06%	14.66%	16.32%	15.68%	15.68%	16.62%	16.62%	16.62%	16.62%	14.21%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – VIRGINIA RETIREMENT SYSTEM For the Year Ended June 30, 2025

Note 1. Changes of Benefit Terms

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

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 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:

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

General Employees

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

Public Safety Employees with Hazardous Duty Benefits

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – VIRGINIA RETIREMENT SYSTEM For the Year Ended June 30, 2025

Note 2. Changes of Assumptions (Continued)

School Board Professional Plan (Cost-Sharing)

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Total Medical Insurance OPEB liability:								
Service cost	\$ 390,913	\$ 410,459	\$ 393,352	\$ 406,569	\$ 661,777	\$ 676,204	\$ 530,187	\$ 552,084
Interest	183,392	195,244	224,816	191,810	138,244	183,396	368,674	319,187
Experience losses	-	-	263,293	-	653,367	-	332,850	-
Changes in assumptions	-	-	(1,688,245)	-	837,939	-	(2,239,871)	-
Contributions - employer	(196,975)	(212,733)	(175,592)	(188,761)	(220,760)	(234,558)	(199,501)	(211,970)
Net change in total OPEB liability	377,330	392,970	(982,376)	409,618	2,070,567	625,042	(1,207,661)	659,301
Total Medical Insurance OPEB liability - beginning	5,702,899	6,080,229	6,473,199	5,490,823	5,900,441	7,971,008	8,596,050	7,388,389
County and District total Medical Insurance OPEB liability - ending	\$ 6,080,229	\$ 6,473,199	\$ 5,490,823	\$ 5,900,441	\$ 7,971,008	\$ 8,596,050	\$ 7,388,389	\$ 8,047,690
Plan fiduciary net position as a percentage of the total								
Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 25,476,397	\$ 26,377,748	\$ 28,061,466	\$ 28,807,387	\$ 30,969,101	\$ 34,621,875	\$ 41,335,923	\$ 46,010,954
Total OPEB liability as a percentage of covered employee payroll	23.87%	24.54%	19.57%	20.48%	25.74%	24.83%	17.87%	17.49%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and the District will present information for those years which information is available.
- (2) There are no assets accumulated in a trust that meets the criteria of GASB P22.1011 or P52.101 to pay related benefits for OPEB.

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Total Medical Insurance OPEB liability:								
Service cost	\$ 1,141,518	\$ 1,198,594	\$ 1,130,216	\$ 1,168,191	\$ 1,824,324	\$ 1,864,094	\$ 1,475,692	\$ 1,536,638
Interest	605,681	646,053	736,318	694,934	499,581	595,436	1,181,568	1,126,165
Benefit changes	-	-	-	-	-	-	158,485	-
Experience losses	-	-	2,423,524	-	(14,433)	-	1,749,493	-
Changes in assumptions	-	-	(4,876,583)	-	2,350,894	-	(5,143,895)	-
Contributions - employer	(468,646)	(506,138)	(635,447)	(683,106)	(285,274)	(303,104)	(775,315)	(823,772)
Net change in total OPEB liability	1,278,553	1,338,509	(1,221,972)	1,180,019	4,375,092	2,156,426	(1,353,972)	1,839,031
Total Medical Insurance OPEB liability - beginning	18,802,393	20,080,946	21,419,455	20,197,483	21,377,502	25,752,594	27,909,020	26,555,048
School Board total Medical Insurance OPEB liability - ending	\$ 20,080,946	\$ 21,419,455	\$ 20,197,483	\$ 21,377,502	\$ 25,752,594	\$ 27,909,020	\$ 26,555,048	\$ 28,394,079
Plan fiduciary net position as a percentage of the total								
Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 69,760,595	\$ 75,521,380	\$ 76,745,388	\$ 81,242,909	\$ 81,242,909	\$ 87,244,423	\$ 92,520,746	\$ 103,601,385
Total OPEB liability as a percentage of covered employee payroll	28.79%	28.36%	26.32%	26.31%	31.70%	31.99%	28.70%	27.41%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.
- (2) There are no assets accumulated in a trust that meets the criteria of GASB P22.1011 or P52.101 to pay related benefits for OPEB.

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 581,319	\$ 610,641	\$ 175,592	\$ 188,761	\$ 220,760	\$ 234,558	\$ 199,501	\$ 211,970
Contributions in relation to the CRC	581,319	610,641	175,592	188,761	220,760	234,558	199,501	211,970
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 25,476,397	\$ 26,377,748	\$ 28,061,466	\$ 28,807,387	\$ 30,969,101	\$ 34,621,875	\$ 41,335,923	\$ 46,010,954
Contributions as a percentage of covered employee payroll	2.28%	2.31%	0.63%	0.66%	0.71%	0.68%	0.48%	0.46%

Note to Schedule:

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 1,947,789	\$ 2,053,750	\$ 635,447	\$ 683,106	\$ 285,274	\$ 303,104	\$ 775,315	\$ 823,772
Contributions in relation to the CRC	1,947,789	2,053,750	635,447	683,106	285,274	303,104	775,315	823,772
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 69,760,595	\$ 75,521,380	\$ 76,745,388	\$ 75,051,147	\$ 81,242,909	\$ 87,244,423	\$ 92,520,746	\$ 103,601,385
Contributions as a percentage of covered employee payroll	2.79%	2.72%	0.83%	0.91%	0.35%	0.35%	0.84%	0.80%

Note to Schedule:

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
County and the District:								
Employer's proportion of the net GLI OPEB liability	0.13592%	0.13702%	0.13855%	0.14184%	0.14531%	0.14913%	0.15415%	0.15825%
Employer's proportionate share of the net GLI OPEB liability	\$ 2,045,000	\$ 2,081,000	\$ 2,254,577	\$ 2,367,077	\$ 1,691,802	\$ 1,795,669	\$ 1,848,742	\$ 1,765,947
Employer's covered payroll	\$ 25,071,813	\$ 26,053,355	\$ 27,160,577	\$ 29,190,962	\$ 30,001,481	\$ 32,438,704	\$ 36,309,815	\$ 40,634,074
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	5.54%	5.09%	4.35%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	73.41%
School Board Non-Professional:								
Employer's proportion of the net GLI OPEB liability	0.04331%	0.04267%	0.04263%	0.04083%	0.03959%	0.03987%	0.03973%	0.03932%
Employer's proportionate share of the net GLI OPEB liability	\$ 651,000	\$ 649,000	\$ 693,704	\$ 681,386	\$ 460,935	\$ 480,073	\$ 476,487	\$ 438,781
Employer's covered payroll	\$ 7,987,977	\$ 8,112,786	\$ 8,357,500	\$ 8,403,654	\$ 8,173,333	\$ 8,673,704	\$ 9,359,259	\$ 10,095,926
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.15%	8.00%	8.30%	8.11%	5.64%	5.53%	5.09%	4.35%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	73.41%
School Board Professional:								
Employer's proportion of the net GLI OPEB liability	0.34950%	0.35010%	0.34568%	0.33878%	0.34504%	0.35190%	0.35259%	0.34756%
Employer's proportionate share of the net GLI OPEB liability	\$ 5,260,000	\$ 5,317,000	\$ 5,625,134	\$ 5,653,683	\$ 4,019,478	\$ 4,237,215	\$ 4,228,659	\$ 3,878,499
Employer's covered payroll	\$ 64,465,823	\$ 66,570,938	\$ 67,764,423	\$ 69,723,077	\$ 71,238,148	\$ 76,546,296	\$ 83,054,815	\$ 89,242,222
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	5.54%	5.09%	4.35%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	73.41%

Note to Schedule:

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
County and the District:										
Contractually required contribution (CRC)	\$ 114,244	\$ 130,373	\$ 134,478	\$ 141,235	\$ 151,793	\$ 162,008	\$ 175,169	\$ 196,073	\$ 219,424	\$ 216,654
Contributions in relation to the CRC	114,244	130,373	134,478	141,235	151,793	162,008	175,169	196,073	219,424	216,654
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 23,800,818	\$ 25,071,813	\$ 26,053,355	\$ 27,160,577	\$ 29,190,962	\$ 30,001,481	\$ 32,438,704	\$ 36,309,815	\$ 40,634,074	\$ 46,096,579
Contributions as a percentage of covered payroll	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%	0.47%
School Board Non-Professional:										
Contractually required contribution (CRC)	\$ 38,363	\$ 41,537	\$ 42,045	\$ 43,459	\$ 43,699	\$ 44,136	\$ 46,838	\$ 50,540	\$ 54,518	\$ 48,750
Contributions in relation to the CRC	38,363	41,537	42,045	43,459	43,699	44,136	46,838	50,540	54,518	48,750
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 7,992,255	\$ 7,987,977	\$ 8,112,786	\$ 8,357,500	\$ 8,403,654	\$ 8,173,333	\$ 8,673,704	\$ 9,359,259	\$ 10,095,926	\$ 10,372,370
Contributions as a percentage of covered payroll	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%	0.47%
School Board Professional:										
Contractually required contribution (CRC)	\$ 302,707	\$ 335,222	\$ 346,483	\$ 352,375	\$ 362,560	\$ 384,686	\$ 413,350	\$ 448,496	\$ 481,908	\$ 438,614
Contributions in relation to the CRC	302,707	335,222	346,483	352,375	362,560	384,686	413,350	448,496	481,908	438,614
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 63,064,004	\$ 64,465,823	\$ 66,570,938	\$ 67,764,423	\$ 69,723,077	\$ 71,238,148	\$ 76,546,296	\$ 83,054,815	\$ 89,242,222	\$ 93,322,029
Contributions as a percentage of covered payroll	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%	0.47%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Total HIC OPEB liability:								
Service cost	\$ 19,552	\$ 18,080	\$ 18,979	\$ 20,511	\$ 22,330	\$ 24,929	\$ 12,371	\$ 13,086
Interest	65,388	65,306	68,683	69,108	73,245	75,778	76,403	76,240
Differences between expected and actual experience	-	33,710	207	(9,827)	(24,874)	5,689	(7,631)	(44,107)
Changes in assumptions	(22,380)	-	21,876	53,437	22,301	676	-	-
Benefit payments	(54,976)	(72,469)	(65,253)	(68,943)	(74,952)	(85,856)	(84,649)	(83,892)
Net change in total OPEB liability	7,584	44,627	44,492	64,286	18,050	21,216	(3,506)	(38,673)
Total HIC OPEB liability - beginning	961,598	969,182	1,013,809	1,058,301	1,122,587	1,140,637	1,161,853	1,158,347
Total HIC OPEB liability - ending (a)	\$ 969,182	\$ 1,013,809	\$ 1,058,301	\$ 1,122,587	\$ 1,140,637	\$ 1,161,853	\$ 1,158,347	\$ 1,119,674
Plan Fiduciary Net Position:								
Contributions - employer	\$ 51,835	\$ 52,735	\$ 58,393	\$ 55,438	\$ 57,893	\$ 67,614	\$ 77,658	\$ 81,323
Net investment income	43,842	28,613	27,512	8,916	114,158	832	31,782	51,913
Benefit payments, including refunds of employee	(54,976)	(72,469)	(65,253)	(68,943)	(74,952)	(85,856)	(84,649)	(83,892)
Administrative expense	(702)	(666)	(591)	(843)	(1,314)	(894)	(762)	(711)
Other changes	2,239	(1,625)	(32)	(4)	-	7,431	403	-
Net change in plan fiduciary net position	42,238	6,588	20,029	(5,436)	95,785	(10,873)	24,432	48,633
Plan fiduciary net position - beginning	381,566	423,804	430,392	450,421	444,985	540,770	529,897	554,329
Plan fiduciary net position - ending (b)	\$ 423,804	\$ 430,392	\$ 450,421	\$ 444,985	\$ 540,770	\$ 529,897	\$ 554,329	\$ 602,962
School Board non-professional net HIC OPEB liability - ending (a) - (b)	\$ 545,378	\$ 583,417	\$ 607,880	\$ 677,602	\$ 599,867	\$ 631,956	\$ 604,018	\$ 516,712
Plan fiduciary net position as a percentage of the total HIC OPEB liability	43.73%	42.45%	42.56%	39.64%	47.41%	45.61%	47.86%	53.85%
Covered payroll	\$ 7,979,559	\$ 8,112,786	\$ 8,983,538	\$ 8,528,923	\$ 8,171,026	\$ 8,668,462	\$ 9,356,386	\$ 9,797,952
Net OPEB liability as a percentage of covered payroll	6.83%	7.19%	6.77%	7.94%	7.34%	7.29%	6.46%	5.27%

Note to Schedule:

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Contractually required contribution (CRC)	\$ 49,492	\$ 51,835	\$ 52,735	\$ 58,393	\$ 55,438	\$ 63,734	\$ 67,614	\$ 77,658	\$ 81,323	\$ 85,904	
Contributions in relation to the CRC	49,492	51,835	52,735	58,393	55,438	63,734	67,614	77,658	81,323	85,904	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ 7,982,504	\$ 7,979,559	\$ 8,112,786	\$ 8,983,538	\$ 8,528,923	\$ 8,171,026	\$ 8,668,462	\$ 9,356,386	\$ 9,797,952	\$ 10,349,932	
Contributions as a percentage of covered payroll	0.62%	0.65%	0.65%	0.65%	0.65%	0.78%	0.78%	0.83%	0.83%	0.83%	

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net HIC OPEB liability	0.81579%	0.82261%	0.80768%	0.79495%	0.80417%	0.82013%	0.83178%	0.83121%
Employer's proportionate share of the net HIC OPEB liability	\$ 10,349,000	\$ 10,445,000	\$ 10,573,316	\$ 10,370,255	\$ 10,322,078	\$ 10,243,805	\$ 10,076,328	\$ 9,605,862
Employer's covered payroll	\$ 64,382,624	\$ 66,527,647	\$ 66,717,131	\$ 68,549,098	\$ 71,122,066	\$ 76,437,273	\$ 82,937,273	\$ 89,054,793
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	16.07%	15.70%	15.85%	15.13%	14.51%	13.40%	12.15%	10.79%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.04%	8.08%	8.97%	9.95%	13.15%	15.08%	17.90%	21.82%

Note to Schedule:

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 667,472	\$ 714,647	\$ 807,757	\$ 813,949	\$ 836,299	\$ 860,577	\$ 924,891	\$ 1,003,541	\$ 1,077,563	\$ 1,128,343
Contributions in relation to the CRC	667,472	714,647	807,757	813,949	836,299	860,577	924,891	1,003,541	1,077,563	1,128,343
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 62,969,099	\$ 64,382,624	\$ 66,527,647	\$ 66,717,131	\$ 68,549,098	\$ 71,122,066	\$ 76,437,273	\$ 82,937,273	\$ 89,054,793	\$ 93,251,453
Contributions as a percentage of covered payroll	1.06%	1.11%	1.21%	1.22%	1.22%	1.21%	1.21%	1.21%	1.21%	1.21%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS Year Ended June 30, 2025

Note 1. Medical Insurance Program

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

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The following changes were made to the actuarial assumptions and methods effective July 1, 2023.

1. Discount rate: 4.13%
2. The medical claims aging table was updated to be based on the aging factor in the Dale Yamamoto study released by the Society of Actuaries in June 2013.
3. The assumed trend rate for the medical claims was changed to 6.25% grading uniformly to 5.50% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.

Note 2. Group Life Insurance Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 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 assumption as a result of the experience study and VRS Board action are as follows:

School Board Professional

Teachers

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS Year Ended June 30, 2025

Note 2. Group Life Insurance Program (Continued)

B. Changes of Assumptions (Continued)

School Board Professional (Continued)

Teachers (Continued)

Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County, District and School Board Non-Professional Plans

General Employees

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

Hazardous Duty Employees

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS Year Ended June 30, 2025

Note 3. Health Insurance Credit Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial 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:

School Board Non-Professional Plan

Non-Largest 10 Locality Employers – General Employees

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

School Board Professional Plan

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

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS June 30, 2025

	Special Revenue			Total
	Asset	LLC	Opioid	Nonmajor
	Forfeiture	Library Fund	Settlement	Governmental
	Fund		Fund	Funds
ASSETS				
Cash and cash equivalents	\$ 158,567	\$ 18,856	\$ -	\$ 177,423
Investments	74,392	8,846	-	83,238
Accrued interest	731	86	1,401	2,218
Trade and other accounts	-	-	935,396	935,396
Prepaid items	-	-	1,208	1,208
Restricted cash and cash equivalents	-	-	363,871	363,871
Restricted investments	-	-	170,710	170,710
Total assets	\$ 233,690	\$ 27,788	\$ 1,472,586	\$ 1,734,064
LIABILITIES				
Accounts payable	\$ 631	\$ 857	\$ 59,524	\$ 61,012
Accrued payroll	-	-	6,154	6,154
Unearned revenue	-	-	94,144	94,144
Total liabilities	631	857	159,822	161,310
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - opioid settlement funds	-	-	864,249	864,249
FUND BALANCE				
Nonspendable:				
Prepaid items	-	-	1,208	1,208
Restricted for:				
Judicial administration	87,861	-	-	87,861
Public safety	145,198	-	-	145,198
Health and social services	-	-	447,307	447,307
Parks, recreation and cultural	-	26,931	-	26,931
Total fund balance	233,059	26,931	448,515	708,505
Total liabilities and fund balance	\$ 233,690	\$ 27,788	\$ 1,472,586	\$ 1,734,064

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2025

	Special Revenue			Total Nonmajor Governmental Funds
	Asset Forfeiture Fund	LLC Library Fund	Opioid Settlement Fund	
Revenues:				
Fines and forfeitures	\$ 29,718	\$ -	\$ -	\$ 29,718
Use of money	10,487	1,054	26,633	38,174
Miscellaneous	-	32,888	428,141	461,029
Recovered costs	-	-	19,632	19,632
Intergovernmental	7,822	-	404,941	412,763
Total revenues	48,027	33,942	879,347	961,316
Expenditures:				
Current:				
Judicial administration	18,558	-	543,429	561,987
Public safety	39,134	-	-	39,134
Parks, recreation and cultural	-	22,888	-	22,888
Total expenditures	57,692	22,888	543,429	624,009
Net change in fund balance	(9,665)	11,054	335,918	337,307
Fund balance, beginning	242,724	15,877	112,597	371,198
Fund balance, ending	\$ 233,059	\$ 26,931	\$ 448,515	\$ 708,505

NONMAJOR PROPRIETARY FUNDS

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

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF NET POSITION – NONMAJOR PROPRIETARY FUNDS June 30, 2025

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 67,579	\$ 21,907	\$ 508,205	\$ 597,691
Investments	9,692	3,141	72,887	85,720
Trade and other accounts receivable, net	1,786	1,436	6,647	9,869
Prepaid items	-	-	542	542
Accrued interest	309	101	2,317	2,727
Total current assets	79,366	26,585	590,598	696,549
Noncurrent assets:				
Investments	22,013	7,136	165,538	194,687
Capital assets:				
Land	20,600	-	935,787	956,387
Improvements other than buildings	485,858	306,022	1,085,004	1,876,884
Less accumulated depreciation and amortization	(180,794)	(119,349)	(135,625)	(435,768)
Total capital assets, net of accumulated depreciation and amortization	325,664	186,673	1,885,166	2,397,503
Total noncurrent assets	347,677	193,809	2,050,704	2,592,190
Total assets	427,043	220,394	2,641,302	3,288,739
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	-	-	6,121	6,121
Other postemployment benefits	-	-	789	789
Total deferred outflows of resources	-	-	6,910	6,910
LIABILITIES				
Current liabilities:				
Accounts payable and deposits	524	53	-	577
Due to other governments	1,410	952	-	2,362
Accrued payroll	-	-	1,966	1,966
Accrued interest	-	-	17,379	17,379
Unearned revenue	-	-	11,047	11,047
Advance from other funds	-	-	695,170	695,170
Other postemployment benefits liability	-	-	113	113
Total current liabilities	1,934	1,005	725,675	728,614
Noncurrent liabilities:				
Net pension liability	-	-	9,476	9,476
Other postemployment benefits liability	-	-	4,844	4,844
Total noncurrent liabilities	-	-	14,320	14,320
Total liabilities	1,934	1,005	739,995	742,934
DEFERRED INFLOWS OF RESOURCES				
Pension plan	-	-	1,866	1,866
Other postemployment benefits	-	-	1,072	1,072
Total deferred inflows of resources	-	-	2,938	2,938
NET POSITION				
Net investment in capital assets	325,664	186,673	1,885,166	2,397,503
Unrestricted	99,445	32,716	20,113	152,274
Total net position	\$ 425,109	\$ 219,389	\$ 1,905,279	\$ 2,549,777

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – NONMAJOR PROPRIETARY FUNDS Year Ended June 30, 2025

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
Operating revenues:				
Charges for services	\$ 43,158	\$ 11,424	\$ 209,619	\$ 264,201
Total operating revenues	43,158	11,424	209,619	264,201
Operating expenses:				
Contractual services	7,876	1,761	5,200	14,837
Personnel services	-	-	23,683	23,683
Fringe benefits	-	-	8,707	8,707
Other charges	23,464	5,999	430	29,893
Depreciation and amortization	9,717	6,121	54,250	70,088
Total operating expenses	41,057	13,881	92,270	147,208
Operating income (loss)	2,101	(2,457)	117,349	116,993
Nonoperating revenues (expenses):				
Interest revenue	4,314	1,418	37,810	43,542
Interest expense	-	-	(24,409)	(24,409)
Total nonoperating revenues, net	4,314	1,418	13,401	19,133
Change in net position	6,415	(1,039)	130,750	136,126
Total net position, beginning	418,694	220,428	1,774,529	2,413,651
Total net position, ending	\$ 425,109	\$ 219,389	\$ 1,905,279	\$ 2,549,777

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR PROPRIETARY FUNDS Year Ended June 30, 2025

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
Cash flows from operating activities:				
Receipts from customers	\$ 46,482	\$ 11,540	\$ 209,876	\$ 267,898
Payments to suppliers for goods and services	(31,114)	(7,898)	(5,632)	(44,644)
Payments to employees	-	-	(32,748)	(32,748)
Net cash provided by operating activities	15,368	3,642	171,496	190,506
Cash flows from capital and related financing activities:				
Advance from other funds	-	-	(710,810)	(710,810)
Interest paid and fiscal charges	-	-	(42,180)	(42,180)
Net cash used in capital and related financing activities	-	-	(752,990)	(752,990)
Cash flows from investing activities:				
Proceeds on sale of investments	-	-	136,861	136,861
Purchase of investments	(8,509)	(2,375)	-	(10,884)
Interest received on investment securities	4,269	1,409	39,539	45,217
Net cash provided by (used in) investing activities	(4,240)	(966)	176,400	171,194
Net change in cash and cash equivalents	11,128	2,676	(405,094)	(391,290)
Cash and Cash Equivalents:				
Beginning	56,451	19,231	913,299	988,981
Ending	<u>\$ 67,579</u>	<u>\$ 21,907</u>	<u>\$ 508,205</u>	<u>\$ 597,691</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 2,101	\$ (2,457)	\$ 117,349	\$ 116,993
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	9,717	6,121	54,250	70,088
Change in assets and liabilities:				
Decrease in accounts receivable	3,324	116	6,099	9,539
Increase in prepaid items	-	-	(15)	(15)
Increase in pension related deferred outflows of resources	-	-	(1,957)	(1,957)
Decrease in OPEB related deferred outflows of resources	-	-	177	177
Increase (decrease) in accounts payable and deposits	226	(138)	-	88
Increase in accrued liabilities	-	-	208	208
Increase in net pension liability	-	-	1,005	1,005
Increase in other post employment benefit liability	-	-	1	1
Increase in pension related deferred inflows of resources	-	-	575	575
Increase in OPEB related deferred inflows of resources	-	-	(354)	(354)
Decrease in unearned revenue	-	-	(5,842)	(5,842)
Net cash provided by operating activities	\$ 15,368	\$ 3,642	\$ 171,496	\$ 190,506

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

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

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

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD June 30, 2025

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Nonmajor Governmental Fund - Massanutten Technical Center - Operating Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,433,790	\$ 1,139,321	\$ 8,989,919	\$ 574,662	\$ 20,137,692
Investments	4,425,626	529,821	4,217,619	269,602	9,442,668
Trade and other accounts receivable	401,773	75,096	-	11,842	488,711
Accrued interest	-	5,694	39,841	2,103	47,638
Due from other governments	5,257,094	645,681	-	115,277	6,018,052
Prepaid items	3,938,189	222,880	-	87,889	4,248,958
Inventory	117,053	151,467	-	-	268,520
Total assets	\$ 23,573,525	\$ 2,769,960	\$ 13,247,379	\$ 1,061,375	\$ 40,652,239
LIABILITIES					
Accounts payable	\$ 1,079,000	\$ 9,888	\$ 2,458,333	\$ 441,376	\$ 3,988,597
Accrued payroll	21,254,289	600,208	2,825	509,584	22,366,906
Unearned revenue	1,221,165	-	-	-	1,221,165
Due to other governments	19,071	-	-	110,415	129,486
Total liabilities	23,573,525	610,096	2,461,158	1,061,375	27,706,154
FUND BALANCES					
Nonspendable:					
Prepaid items	3,938,189	222,880	-	87,889	4,248,958
Inventory	117,053	151,467	-	-	268,520
Assigned to:					
Capital projects	-	-	10,786,221	-	10,786,221
Cafeteria	-	1,785,517	-	-	1,785,517
Unassigned (deficit)	(4,055,242)	-	-	(87,889)	(4,143,131)
Total fund balances	-	2,159,864	10,786,221	-	12,946,085
Total liabilities and fund balances	\$ 23,573,525	\$ 2,769,960	\$ 13,247,379	\$ 1,061,375	\$ 40,652,239
Total fund balances				\$	12,946,085
Amounts reported for governmental activities in the Statement of Net Position are different because:					
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.				\$ 357,999,463	
Governmental capital assets				(222,898,438)	
Less accumulated depreciation and amortization					135,101,025
Net capital assets					
Deferred outflows of resources represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.					
Pension plan				30,724,236	
Other postemployment benefits				5,551,366	
					36,275,602
Internal service funds are used by management to charge the costs of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.					
					7,371,723
Long-term due from other government - pension				1,184,180	
Long-term due from other government - other postemployment benefits				463,326	
					1,647,506
Net pension asset used in governmental activities is not a current financial resource and, therefore, is not reported in the governmental funds.					
Net pension asset					2,107,662
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.					
Compensated absences				(21,036,797)	
Lease liabilities				(944,904)	
Subscription liabilities				(305,488)	
Other postemployment benefits				(42,833,933)	
Net pension liability				(78,319,889)	
					(143,441,011)
Deferred inflows of resources represents an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.					
Pension plan				(13,832,362)	
Other postemployment benefits				(6,050,564)	
					(19,882,926)
Net position of governmental activities				\$	32,125,666

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD Year Ended June 30, 2025

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Nonmajor Governmental Fund - Massanutten Technical Center - Operating Fund	Total Governmental Funds
Revenues:					
Use of money and property	\$ 15,305	\$ 95,694	\$ 892,066	\$ 23,167	\$ 1,026,232
Charges for services	505,997	1,010,990	-	863,379	2,380,366
Miscellaneous	129,838	-	-	14,145	143,983
Appropriation from Primary Government	75,343,322	-	15,838,253	-	91,181,575
Intergovernmental	100,337,533	5,309,964	-	6,592,050	112,239,547
Total revenues	176,331,995	6,416,648	16,730,319	7,492,741	206,971,703
Expenditures:					
Current:					
Education	174,476,126	7,164,610	-	7,492,741	189,133,477
Capital outlays	-	-	13,049,720	-	13,049,720
Debt Service:					
Principal	1,263,419	-	-	-	1,263,419
Interest	115,384	-	-	-	115,384
Total expenditures	175,854,929	7,164,610	13,049,720	7,492,741	203,562,000
Excess (deficiency) of revenues over (under) expenditures	477,066	(747,962)	3,680,599	-	3,409,703
Other financing sources (uses):					
Issuance of lease	776,705	-	-	-	776,705
Issuance of subscription	183,014	-	-	-	183,014
Transfers in	-	11,952	1,424,833	-	1,436,785
Transfers out	(1,436,785)	-	-	-	(1,436,785)
Other financing sources (uses), net	(477,066)	11,952	1,424,833	-	959,719
Net change in fund balances	-	(736,010)	5,105,432	-	4,369,422
Fund balances, beginning	-	2,895,874	5,680,789	-	8,576,663
Fund balances, ending	\$ -	\$ 2,159,864	\$ 10,786,221	\$ -	\$ 12,946,085
Net change in fund balances					\$ 4,369,422
Reconciliation of amounts reported for governmental activities in the Statement of Activities:					
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlay in the current period.					
Expenditure for capital assets				\$ 15,001,418	
Less depreciation and amortization expense				(11,515,307)	
Excess of capital outlays over depreciation and amortization					3,486,111
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.					(14,236)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.					
Long-term due from other government - pension				(49,016)	
Long-term due from other government - other postemployment benefits				(1,459)	
					(50,475)
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.					
Issuance of leases				(776,705)	
Issuance of subscription				(183,014)	
Principal repayments:					
Lease liabilities				1,049,460	
Subscription liabilities				213,959	
					303,700
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.					
Compensated absences				(1,299,571)	
Changes in pension liabilities and related deferred outflows and inflows of resources				5,643,647	
Changes in OPEB liabilities and related deferred outflows and inflows of resources				(763,610)	
					3,580,466
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net loss of the internal service funds are reported with governmental activities.					
Total revenues				27,191,458	
Total expenses				(28,538,066)	
					(1,346,608)
Change in net position of governmental activities					\$ 10,328,380

**DISCRETELY PRESENTED COMPONENT UNIT –
HARRISONBURG-ROCKINGHAM SOCIAL SERVICES DISTRICT**

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNIT – HARRISONBURG-ROCKINGHAM SOCIAL SERVICES DISTRICT June 30, 2025

	Operating Fund	Special Revenue Children's Services Act Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 6,548,771	\$ -	\$ 6,548,771
Investments	3,072,355	-	3,072,355
Trade and other accounts receivable	10,181	45,230	55,411
Accrued interest	31,268	-	31,268
Due from other governments	979,014	4,103,570	5,082,584
Prepaid items	244,435	24,417	268,852
Total assets	\$ 10,886,024	\$ 4,173,217	\$ 15,059,241
LIABILITIES			
Accounts payable	\$ 463,327	\$ 2,382,771	\$ 2,846,098
Accrued payroll	806,589	-	806,589
Due to primary government	-	1,066,928	1,066,928
Due to other governments	12,664	-	12,664
Unearned revenues	-	7,829	7,829
Total liabilities	1,282,580	3,457,528	4,740,108
FUND BALANCES			
Nonspendable:			
Prepaid items	244,435	24,417	268,852
Assigned to:			
Health and social services	9,359,009	691,272	10,050,281
Total fund balances	9,603,444	715,689	10,319,133
Total liabilities and fund balances	\$ 10,886,024	\$ 4,173,217	\$ 15,059,241
Fund balances			\$ 10,319,133
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.			
Governmental capital assets		\$ 3,548,172	
Less accumulated depreciation and amortization		(1,735,038)	
Net capital assets			1,813,134
Deferred outflows of resources - pension plan represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.			
Pension plan		2,579,285	
Other postemployment benefits		318,527	
			2,897,812
Long-term due from other government - pension		1,100,024	
Long-term due from other government - other postemployment benefits		1,083,197	
			2,183,221
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.			
Compensated absences		(69,970)	
Lease liabilities		(234,002)	
Subscription liabilities		(36,188)	
Other postemployment benefits		(2,041,786)	
Net pension liability		(3,993,028)	
			(6,374,974)
Deferred inflows of resources represents an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.			
Pension plan		(786,305)	
Other postemployment benefits		(443,138)	
			(1,229,443)
Net position of governmental activities			\$ 9,608,883

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – DISCRETELY PRESENTED COMPONENT UNIT – HARRISONBURG-ROCKINGHAM SOCIAL SERVICES DISTRICT Year Ended June 30, 2025

	Operating Fund	Special Revenue Children's Services Act Fund	Total Governmental Funds
Revenues:			
Use of money and property	\$ 421,008	\$ 834	\$ 421,842
Miscellaneous	2,940,379	3,137,526	6,077,905
Appropriation from Primary Government	4,125,946	4,831,365	8,957,311
Intergovernmental	16,342,526	13,581,951	29,924,477
Total revenues	23,829,859	21,551,676	45,381,535
Expenditures:			
Current:			
Health and social services	23,133,436	21,427,544	44,560,980
Debt Service:			
Principal	168,485	-	168,485
Interest	17,072	-	17,072
Total expenditures	23,318,993	21,427,544	44,746,537
Excess of revenues over expenditures	510,866	124,132	634,998
Other financing sources:			
Issuance of lease	4,878	-	4,878
Issuance of subscription	68,770	-	68,770
Other financing sources	73,648	-	73,648
Net change in fund balances	584,514	124,132	708,646
Fund balances, beginning	9,018,930	591,557	9,610,487
Fund balances, ending	\$ 9,603,444	\$ 715,689	\$ 10,319,133
Net change in fund balances			\$ 708,646
Reconciliation of amounts reported for governmental activities in the Statement of Activities:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.			
Expenditure for capital assets		\$ 209,283	
Less depreciation and amortization expense		(305,159)	
Excess of depreciation and amortization over capital outlays			(95,876)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			
Long-term due from other government - pension plan		82,001	
Long-term due from other government - other postemployment benefits		75,806	
			157,807
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.			
Issuance of lease		(4,878)	
Issuance of subscription		(68,770)	
Principal repayments:			
Lease liabilities		135,903	
Subscription liabilities		32,582	
			94,837
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Compensated absences		857	
Changes in pension liabilities and related deferred outflows and inflows of resources		(164,002)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources		(151,611)	
			(314,756)
Change in net position of governmental activities			\$ 550,658

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

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

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

COUNTY OF ROCKINGHAM, VIRGINIA**COMBINING STATEMENT OF NET POSITION –
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2025**

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
ASSETS			
Cash and cash equivalents	\$ 57,221	\$ 140,423	\$ 197,644
Investments	26,845	-	26,845
Accounts receivable	13,763	-	13,763
Accrued interest	264	-	264
Total assets	98,093	140,423	238,516
LIABILITIES			
Unearned revenue	3,000	-	3,000
Total liabilities	3,000	-	3,000
NET POSITION			
Unrestricted	95,093	140,423	235,516
Total net position	\$ 95,093	\$ 140,423	\$ 235,516

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS Year Ended June 30, 2025

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
Operating revenues:			
Charges for services	\$ 10,763	\$ -	\$ 10,763
Miscellaneous - gifts and donations	-	117,753	117,753
Total operating revenues	10,763	117,753	128,516
Operating expenditures:			
Parks and recreation	-	7,387	7,387
Economic development	6,665,433	-	6,665,433
Total operating expenditures	6,665,433	7,387	6,672,820
Operating (loss) income	(6,654,670)	110,366	(6,544,304)
Nonoperating revenues:			
Revenue from use of money	3,251	1,266	4,517
(Loss) income before capital grants and contributions	(6,651,419)	111,632	(6,539,787)
Capital grants and contributions	6,663,124	-	6,663,124
Change in net position	11,705	111,632	123,337
Net position, beginning	83,388	28,791	112,179
Net position, ending	\$ 95,093	\$ 140,423	\$ 235,516

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS Year Ended June 30, 2025

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
Cash flows from operating activities:			
Receipts from customers	\$ 14,061	\$ -	\$ 14,061
Payments to suppliers for goods and services	(6,665,433)	(7,387)	(6,672,820)
Other receipts	-	117,753	117,753
Net cash provided by (used in) operating activities	(6,651,372)	110,366	(6,541,006)
Cash flows from capital and related financing activities:			
Intergovernmental - grants	6,663,124	-	6,663,124
Net cash provided by capital and related financing activities	6,663,124	-	6,663,124
Cash flows from investing activities:			
Purchase of investments	(6,722)	-	(6,722)
Interest received on investment securities	3,219	1,266	4,485
Net cash provided by (used in) investing activities	(3,503)	1,266	(2,237)
Net change in cash and cash equivalents	8,249	111,632	119,881
Cash and cash equivalents:			
Beginning	48,972	28,791	77,763
Ending	\$ 57,221	\$ 140,423	\$ 197,644
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (6,654,670)	\$ 110,366	\$ (6,544,304)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Accounts receivable	298	-	298
Unearned revenue	3,000	-	3,000
Net cash provided by (used in) operating activities	\$ (6,651,372)	\$ 110,366	\$ (6,541,006)

SUPPLEMENTAL SCHEDULES

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 79,565,000	\$ 79,600,000	\$ 78,952,372	\$ (647,628)
Real and personal public service corporation property taxes	2,540,000	2,540,000	2,965,567	425,567
Personal property taxes	26,273,013	26,273,013	25,368,755	(904,258)
Machinery and tools taxes	21,010,000	21,010,000	20,545,073	(464,927)
Merchants' capital taxes	1,705,000	1,705,000	1,741,813	36,813
Penalties and interest	1,070,000	1,070,000	1,041,779	(28,221)
Total general property taxes	132,163,013	132,198,013	130,615,359	(1,582,654)
Other local taxes:				
Local sales and use taxes	11,700,000	11,700,000	12,739,477	1,039,477
Consumer utility taxes	1,640,000	1,640,000	1,824,343	184,343
Utility gross receipts taxes	330,000	330,000	313,641	(16,359)
Bank stock taxes	150,000	150,000	233,838	83,838
Motor vehicle licenses	-	-	5,056	5,056
Taxes on recordation and wills	1,420,000	1,420,000	1,767,319	347,319
Transient occupancy taxes	925,000	925,000	1,025,090	100,090
Food and beverage taxes	3,000,000	3,000,000	2,786,999	(213,001)
ATV and moped sales tax	40,000	40,000	30,579	(9,421)
Cigarette tax	-	150,000	381,463	231,463
Total other local taxes	19,205,000	19,355,000	21,107,805	1,752,805
Permits, privilege fees and regulatory licenses:				
Animal licenses	25,000	25,000	16,790	(8,210)
Permits and other licenses	1,731,500	1,731,500	2,131,602	400,102
Total permits, privilege fees and regulatory licenses	1,756,500	1,756,500	2,148,392	391,892
Fines and forfeitures	200,500	200,500	219,577	19,077
Use of money and property:				
Revenue from use of money	1,265,000	1,425,000	4,139,028	2,714,028
Revenue from use of property	1,100,000	1,100,000	1,197,726	97,726
Total use of money and property	2,365,000	2,525,000	5,336,754	2,811,754

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
Charges for services:				
Excess fees of clerk	\$ 505,000	\$ 505,000	\$ 505,713	\$ 713
Commonwealth attorney	203,000	203,000	197,188	(5,812)
Law enforcement and traffic control	285,100	285,100	303,929	18,829
EMS transport	3,250,000	3,250,000	3,675,980	425,980
Correction and detention	1,270,600	1,270,600	835,412	(435,188)
Parks and recreation	280,000	280,000	319,950	39,950
Computer services	2,000	2,000	11,767	9,767
Health	25,000	25,000	82,513	57,513
Garage fees	880,000	880,000	778,240	(101,760)
Total charges for services	6,700,700	6,700,700	6,710,692	9,992
Miscellaneous	250,000	266,808	1,830,142	1,563,334
Recovered costs:				
City of Harrisonburg:				
Judicial administration	1,360,936	1,371,934	1,466,555	94,621
Public safety	5,855,533	5,902,854	5,691,592	(211,262)
Public works	969,349	977,183	1,044,580	67,397
Other entities:				
Public safety	564,450	564,450	555,632	(8,818)
Health and social services	162,379	162,379	162,297	(82)
Total recovered costs	8,912,647	8,978,800	8,920,656	(58,144)
Total revenue from local sources	171,553,360	171,981,321	176,889,377	4,908,056
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Communications sales and use taxes	1,200,000	1,200,000	1,033,736	(166,264)
Mobile home titling taxes	150,000	150,000	136,484	(13,516)
Rental vehicle taxes	20,000	20,000	9,690	(10,310)
Personal property tax relief	5,860,515	5,860,515	5,860,515	-
Games of skill	150,000	-	-	-
Total non-categorical aid	7,380,515	7,230,515	7,040,425	(190,090)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Shared costs:				
Commonwealth attorney	\$ 1,341,434	\$ 1,341,434	\$ 1,550,744	\$ 209,310
Sheriff	9,627,858	9,627,858	9,352,174	(275,684)
Commissioner of the revenue	301,701	301,701	300,919	(782)
Treasurer	295,281	295,281	286,863	(8,418)
Registrar/Electoral Board	90,000	90,000	101,744	11,744
Clerk of circuit court	957,082	957,082	1,065,342	108,260
Jail operations	598,720	598,720	535,661	(63,059)
Total shared costs	13,212,076	13,212,076	13,193,447	(18,629)
Other categorical aid:				
Emergency medical services	90,635	90,635	-	(90,635)
Community corrections	480,258	480,258	525,290	45,032
Fire program	249,000	249,000	318,073	69,073
Hazardous materials program	10,000	10,000	10,000	-
Victim witness	45,000	70,000	64,517	(5,483)
Resource officers	-	432,466	298,972	(133,494)
Records preservation	51,421	51,421	51,421	-
Domestic violence	45,000	45,000	45,000	-
Recovery court - supreme court	-	-	40,264	40,264
Forest sustainability fund	-	-	42,579	42,579
Other	1,102,000	1,102,000	509,810	(592,190)
Total other categorical aid	2,073,314	2,530,780	1,905,926	(624,854)
Total categorical aid	15,285,390	15,742,856	15,099,373	(643,483)
Total revenue from the Commonwealth	22,665,905	22,973,371	22,139,798	(833,573)
Revenue from the federal government:				
Non-categorical aid:				
Payment for federal lands	550,000	550,000	610,518	60,518

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Victim witness	\$ 130,000	\$ 130,000	\$ 109,242	\$ (20,758)
FEMA	19,022	19,022	19,022	-
Highway safety	36,692	36,692	47,679	10,987
Health and human services	350,000	350,000	353,418	3,418
Domestic violence coordinator	22,850	22,850	23,797	947
Drug court	401,201	401,201	6,697	(394,504)
Mental health and substance abuse	387,448	387,448	145,879	(241,569)
ARPA CIT coalition	-	27,500	3,776	(23,724)
Incarceration	10,000	10,000	16,400	6,400
Other federal funds	2,500	2,500	3,419	919
Total categorical aid	 1,359,713	 1,387,213	 729,329	 (657,884)
Total revenue from the federal government	 1,909,713	 1,937,213	 1,339,847	 (597,366)
Total intergovernmental	 24,575,618	 24,910,584	 23,479,645	 (1,430,939)
Total General Fund	\$ 196,128,978	\$ 196,891,905	\$ 200,369,022	\$ 3,477,117
Special Revenue Funds:				
Tourism Fund:				
Revenue from local sources:				
Transient occupancy taxes	\$ 1,380,000	\$ 1,380,000	\$ 1,537,634	\$ 157,634
Revenue from use of money	100,000	100,000	22,683	(77,317)
Total revenue from local sources	 1,480,000	 1,480,000	 1,560,317	 80,317
Total Tourism Fund	\$ 1,480,000	\$ 1,480,000	\$ 1,560,317	\$ 80,317

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Special Revenue Funds:				
Non-major Special Revenue Funds:				
Asset Forfeiture Fund:				
Revenue from local sources:				
Fines and forfeitures:				
Seized funds - judicial administration	\$ 18,900	\$ 18,900	\$ 11,476	\$ (7,424)
Seized funds - public safety	18,900	18,900	18,242	(658)
Total fines and forfeitures	37,800	37,800	29,718	(8,082)
Revenue from use of money	-	-	10,487	10,487
Total revenue from local sources	37,800	37,800	40,205	2,405
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Seized funds - judicial administration	41,800	41,800	-	(41,800)
Seized funds - public safety	41,800	41,800	7,822	(33,978)
Total intergovernmental	83,600	83,600	7,822	(75,778)
Total Asset Forfeiture Fund	121,400	121,400	48,027	(73,373)
LLC Library:				
Revenue from local sources:				
Revenue from use of money	1,000	1,000	1,054	54
Other	30,000	30,000	32,888	2,888
Total revenue from local sources	31,000	31,000	33,942	2,942
Total LLC Library	31,000	31,000	33,942	2,942
Opioid Settlement Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	26,633	26,633
Other	-	-	428,141	428,141
Recovered costs:				
City of Harrisonburg	-	38,482	19,632	(18,850)
Total revenue from local sources	-	38,482	474,406	435,924
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Cross systems mapping grant	-	17,392	17,392	-
Crisis response unit grant	-	364,245	213,127	(151,118)
CITAC co-op planning grant	-	85,000	85,000	-
R-H adult drug treatment court	-	89,422	89,422	-
Total categorical aid	-	556,059	404,941	(151,118)
Total revenue from the Commonwealth	-	556,059	404,941	(151,118)
Total intergovernmental	-	556,059	404,941	(151,118)
Total Opioid Settlement Fund	-	594,541	879,347	284,806
Total Non-major Special Revenue Funds	\$ 152,400	\$ 746,941	\$ 961,316	\$ 214,375

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Capital Projects Fund:				
General Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	\$ 450,000	\$ 450,000	\$ 904,555	\$ 454,555
Recovered costs:				
City of Harrisonburg share	1,650,000	1,650,000	62,757	(1,587,243)
Total revenue from local sources	2,100,000	2,100,000	967,312	(1,132,688)
Total General Capital Projects Fund	\$ 2,100,000	\$ 2,100,000	\$ 967,312	\$ (1,132,688)
Grand Total Revenues - Primary Government	\$ 199,861,378	\$ 201,218,846	\$ 203,857,967	\$ 2,639,121
Major Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of property	\$ 8,000	\$ 8,000	\$ 15,305	\$ 7,305
Charges for services	77,000	331,825	505,997	174,172
Miscellaneous	155,000	155,000	129,838	(25,162)
Appropriation from Primary Government	79,866,510	78,866,510	75,343,322	(3,523,188)
Total revenue from local sources	80,106,510	79,361,335	75,994,462	(3,366,873)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Rolling stock tax	\$ 74,000	\$ 74,000	\$ 79,251	\$ 5,251
Categorical aid:				
State sales tax receipts	17,360,504	17,274,889	17,567,260	292,371
Basic school aid	40,979,196	39,758,495	39,758,495	-
Other state school funds	31,425,704	35,629,287	35,909,964	280,677
Total categorical aid	89,765,404	92,662,671	93,235,719	573,048
Total revenue from the Commonwealth	89,839,404	92,736,671	93,314,970	578,299
Revenue from the federal government:				
Categorical aid:				
Title I	2,200,000	2,200,000	2,330,768	130,768
Title VIB	2,800,000	2,800,000	2,854,835	54,835
Other school funds	1,431,000	1,571,000	1,836,960	265,960
Total revenue from the federal government	6,431,000	6,571,000	7,022,563	451,563
Total intergovernmental	96,270,404	99,307,671	100,337,533	1,029,862
Total School Operating Fund	176,376,914	178,669,006	176,331,995	(2,337,011)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money	50,000	50,000	95,694	45,694
Charges for services	869,660	869,660	1,010,990	141,330
Total revenue from local sources	919,660	919,660	1,106,684	187,024
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	179,800	179,800	185,553	5,753

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - School Board:				
School Cafeteria Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
School food program	\$ 5,261,000	\$ 5,261,000	\$ 5,124,411	\$ (136,589)
Total intergovernmental	5,440,800	5,440,800	5,309,964	(130,836)
Total School Cafeteria Fund	6,360,460	6,360,460	6,416,648	56,188
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	892,066	892,066
Appropriation from Primary Government	15,838,253	15,838,253	15,838,253	-
Recovered costs:				
City of Harrisonburg	511,647	511,647	-	(511,647)
Total revenue from local sources	16,349,900	16,349,900	16,730,319	380,419
Total School Capital Projects Fund	16,349,900	16,349,900	16,730,319	380,419
Massanutten Technical Center - Operating Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	23,167	23,167
Charges for services	592,100	592,100	863,379	271,279
Miscellaneous	6,000	6,000	14,145	8,145
Total revenue from local sources	598,100	598,100	900,691	302,591
Intergovernmental:				
Revenue from the Commonwealth	601,850	601,850	532,992	(68,858)
Revenue from the federal government	230,698	230,698	336,517	105,819
Local governments:				
Appropriation from Rockingham County School Board	4,634,578	4,634,578	4,289,052	(345,526)
Appropriation from the City of Harrisonburg	1,542,602	1,542,602	1,433,489	(109,113)
Total local governments	6,177,180	6,177,180	5,722,541	(454,639)
Total intergovernmental	7,009,728	7,009,728	6,592,050	(417,678)
Total Massanutten Technical Center - Operating Fund	7,607,828	7,607,828	7,492,741	(115,087)
Total Revenues - Component Unit - School Board	\$ 206,695,102	\$ 208,987,194	\$ 206,971,703	\$ (2,015,491)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - Harrisonburg-Rockingham				
Social Services District:				
Operating Fund:				
Revenue from local sources:				
Revenue from use of money	\$ -	\$ -	\$ 421,008	\$ 421,008
Miscellaneous:				
City of Harrisonburg share	2,894,893	2,894,893	2,894,893	-
Other	45,813	45,813	45,486	(327)
Total miscellaneous	2,940,706	2,940,706	2,940,379	(327)
Appropriation from the Primary Government	4,007,244	4,007,244	4,125,946	118,702
Total revenue from local sources	6,947,950	6,947,950	7,487,333	539,383
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Public assistance and administration	6,457,045	6,457,045	5,851,466	(605,579)
Virginia department of juvenile justice:				
Virginia juvenile community crime control act grant	90,503	90,503	62,580	(27,923)
Total revenue from the Commonwealth	6,547,548	6,547,548	5,914,046	(633,502)
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Health and human services	11,038,877	11,038,877	10,319,700	(719,177)
Health and human services- COVID	-	-	3,162	3,162
TANF	-	-	105,618	105,618
Total revenue from the federal government	11,038,877	11,038,877	10,428,480	(610,397)
Total intergovernmental	17,586,425	17,586,425	16,342,526	(1,243,899)
Total Harrisonburg-Rockingham Social Services District - Operating Fund	24,534,375	24,534,375	23,829,859	(704,516)
Special Revenue Fund:				
Children's Services Act Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	834	834
Miscellaneous:				
City of Harrisonburg share	1,905,969	3,142,497	3,137,526	(4,971)
Appropriation from the Primary Government	3,831,365	4,831,365	4,831,365	-
Total revenue from local sources	5,737,334	7,973,862	7,969,725	(4,137)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Special Revenue Fund:				
Children's Services Act Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Children's Services Act	\$ 10,394,623	\$ 12,845,391	\$ 12,892,856	\$ 47,465
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Children's Services Act	-	689,095	689,095	-
Total intergovernmental	10,394,623	13,534,486	13,581,951	47,465
Total Children's Services Act Fund	16,131,957	21,508,348	21,551,676	43,328
Total Revenues - Component Unit - Harrisonburg-Rockingham Social Services District	\$ 40,666,332	\$ 46,042,723	\$ 45,381,535	\$ (661,188)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	\$ 213,552	\$ 238,552	\$ 225,854	\$ (12,698)
General and financial:				
Executive administration	510,366	735,366	714,489	(20,877)
Legal services	1,127,295	1,127,295	1,051,019	(76,276)
Independent auditor and actuarial services	99,100	117,050	117,050	-
Commissioner of the revenue	1,190,928	1,199,184	1,170,326	(28,858)
Reassessment and equalization	655,205	655,205	559,760	(95,445)
Treasurer	1,042,618	1,154,271	1,130,613	(23,658)
Fiscal services	1,389,708	1,264,708	1,212,915	(51,793)
Human resources	696,491	696,491	616,673	(79,818)
Technology	1,584,110	1,511,160	1,389,772	(121,388)
Land use assessment	75,996	75,996	75,717	(279)
Total general and financial	8,371,817	8,536,726	8,038,334	(498,392)
Board of elections:				
Electoral board and officials	121,046	119,046	98,713	(20,333)
Registrar	435,436	437,436	437,397	(39)
Total board of elections	556,482	556,482	536,110	(20,372)
Total general government administration	9,141,851	9,331,760	8,800,298	(531,462)
Judicial administration:				
Courts:				
Circuit court	295,353	298,453	304,522	6,069
General district court	52,850	49,750	33,943	(15,807)
Magistrate	16,343	16,343	13,195	(3,148)
Juvenile and domestic relations court	46,850	46,850	29,193	(17,657)
Clerk of the circuit court	2,148,862	2,189,325	1,999,510	(189,815)
Department of court services	2,266,759	2,303,183	1,434,682	(868,501)
Total courts	4,827,017	4,903,904	3,815,045	(1,088,859)
Commonwealth attorney	3,596,381	3,661,491	3,661,747	256
Total judicial administration	8,423,398	8,565,395	7,476,792	(1,088,603)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 10,378,864	\$ 10,543,469	\$ 9,972,101	\$ (571,368)
Fire and rescue services:				
Fire and rescue	16,493,143	16,669,286	15,969,773	(699,513)
Volunteer fire companies	1,253,805	1,259,805	1,259,394	(411)
Ambulance and rescue squads	491,135	584,094	419,773	(164,321)
Emergency medical services transportation	2,000,000	2,000,000	2,269,392	269,392
Fire extinction service	21,768	21,768	20,527	(1,241)
Total fire and rescue services	20,259,851	20,534,953	19,938,859	(596,094)
Correction and detention:				
County operated institutions	15,342,404	15,688,401	15,693,626	5,225
Building inspections	963,510	923,560	922,586	(974)
Other protection:				
Animal control	865,937	865,937	865,405	(532)
Emergency services	3,900,000	3,935,000	3,931,060	(3,940)
Total other protection	4,765,937	4,800,937	4,796,465	(4,472)
Total public safety	51,710,566	52,491,320	51,323,637	(1,167,683)
Public works:				
Garage operations	1,115,988	965,988	961,910	(4,078)
Maintenance:				
County property	1,280,079	1,454,917	1,303,621	(151,296)
Shared property	1,624,092	2,262,328	1,936,092	(326,236)
Human Services/Health department building	385,635	499,502	497,935	(1,567)
TV translator system	8,500	9,500	9,364	(136)
Research and technology center	612,911	625,480	600,136	(25,344)
Total public works	5,027,205	5,817,715	5,309,058	(508,657)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Health and social services:				
Health:				
Supplement to local health department	\$ 707,225	\$ 706,925	\$ 693,245	\$ (13,680)
Mental health:				
Community Services Board	1,226,908	1,226,908	1,226,908	-
Social services:				
Property tax relief for elderly/handicapped	1,000,000	1,035,000	1,033,490	(1,510)
Appropriation to the Harrisonburg-Rockingham				
Social Services District	7,957,311	8,957,311	8,957,311	-
Institutional care	254,234	254,534	254,528	(6)
Total health and social services	11,145,678	12,180,678	12,165,482	(15,196)
Education:				
Appropriation to the Rockingham				
County School Board	95,704,763	94,704,763	91,181,575	(3,523,188)
Total education	95,704,763	94,704,763	91,181,575	(3,523,188)
Parks, recreation and cultural:				
Parks and recreation:				
Administration	254,490	254,490	248,098	(6,392)
Community Center	155,000	155,000	168,582	13,582
Athletic events/programs	899,915	962,397	918,465	(43,932)
Rockingham Park	525,572	565,572	504,862	(60,710)
Total parks and recreation	1,834,977	1,937,459	1,840,007	(97,452)
Cultural:				
Regional library	1,077,660	1,077,660	1,077,660	-
Total parks, recreation and cultural	2,912,637	3,015,119	2,917,667	(97,452)
Community development:				
Planning and community development	1,121,803	1,262,356	1,011,092	(251,264)
Geographic information systems	287,010	287,010	205,784	(81,226)
Economic development	9,226,983	9,181,983	7,789,994	(1,391,989)
Cooperative extension program	209,584	209,584	183,180	(26,404)
Broadband project	890,000	890,000	890,000	-
Environmental management	565,459	565,459	517,014	(48,445)
Soil and Water Conservation District	37,500	37,500	939,021	901,521
Bond escrow	-	-	217,723	217,723
Contributions, grants and other	1,171,973	1,016,973	960,447	(56,526)
Total community development	13,510,312	13,450,865	12,714,255	(736,610)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Debt service:				
Principal:				
County	\$ 611,667	\$ 611,667	\$ 646,803	\$ 35,136
School Board	6,867,829	6,867,829	6,867,829	-
Total principal	7,479,496	7,479,496	7,514,632	35,136
Interest and fiscal charges:				
County	428,863	628,863	393,088	(235,775)
School Board	5,299,255	10,271,463	2,805,728	(7,465,735)
Total interest and fiscal charges	5,728,118	10,900,326	3,198,816	(7,701,510)
Total debt service	13,207,614	18,379,822	10,713,448	(7,666,374)
Total General Fund	\$ 210,784,024	\$ 217,937,437	\$ 202,602,212	\$ (15,335,225)
Special Revenue Funds:				
Tourism Fund:				
Community development:				
Marketing and promotion	\$ 605,695	\$ 605,695	\$ 617,825	\$ 12,130
Debt Service:				
Principal	199,764	199,764	-	(199,764)
Interest and fiscal charges	160,000	160,000	332,009	172,009
Total Tourism Fund	\$ 965,459	\$ 965,459	\$ 949,834	\$ (15,625)
Non-major Special Revenue fund:				
Asset Forfeiture Fund:				
Judicial administration:				
Commonwealth attorney	\$ 65,660	\$ 65,660	\$ 18,558	\$ (47,102)
Public safety:				
Law enforcement	55,740	55,740	39,134	(16,606)
Total Asset Forfeiture Fund	121,400	121,400	57,692	(63,708)
LLC Library:				
Parks, recreation and cultural:				
Library	31,000	31,000	22,888	(8,112)
Total LLC Library	31,000	31,000	22,888	(8,112)
Opioid Settlement Fund:				
Judicial administration:				
Department of court services	-	662,392	543,429	(118,963)
Total Opioid Settlement Fund	-	662,392	543,429	(118,963)
Total Non-major Special Revenue Funds	\$ 152,400	\$ 814,792	\$ 624,009	\$ (190,783)
General Capital Projects Fund:				
Capital projects	\$ 21,868,544	\$ 37,899,760	\$ 21,067,330	\$ (16,832,430)
Total General Capital Projects Fund	\$ 21,868,544	\$ 37,899,760	\$ 21,067,330	\$ (16,832,430)
Grand Total Expenditures - Primary Government	\$ 233,770,427	\$ 257,617,448	\$ 225,243,385	\$ (32,374,063)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 139,999,704	\$ 141,826,683	\$ 138,523,718	\$ (3,302,965)
Administration, attendance and health	9,267,407	9,267,407	8,847,723	(419,684)
Pupil transportation services	10,684,150	10,684,150	10,397,802	(286,348)
Operation and maintenance services	16,425,653	16,425,653	16,706,883	281,230
Total education	176,376,914	178,203,893	174,476,126	(3,727,767)
Debt service:				
Principal	-	-	1,263,419	1,263,419
Interest and fiscal charges	-	-	115,384	115,384
Total debt service	-	-	1,378,803	1,378,803
Total School Operating Fund	176,376,914	178,203,893	175,854,929	(2,348,964)
School Cafeteria Fund:				
Education:				
School food services	6,360,460	7,310,460	7,164,610	(145,850)
Total School Cafeteria Fund	6,360,460	7,310,460	7,164,610	(145,850)
School Capital Projects Fund:				
Capital projects	16,349,900	16,349,900	13,049,720	(3,300,180)
Total School Capital Projects Fund	16,349,900	16,349,900	13,049,720	(3,300,180)
Massanutten Technical Center - Operating Fund:				
Education:				
Secondary	6,297,161	6,297,161	6,244,498	(52,663)
Continuing education	1,310,667	1,310,667	1,248,243	(62,424)
Total Massanutten Technical Center - Operating Fund	7,607,828	7,607,828	7,492,741	(115,087)
Total Expenditures - Component Unit - School Board	\$ 206,695,102	\$ 209,472,081	\$ 203,562,000	\$ (5,910,081)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - Harrisonburg-Rockingham				
Social Services District:				
Operating Fund:				
Social services:				
Public assistance	\$ 9,563,500	\$ 9,563,500	\$ 8,052,103	\$ (1,511,397)
Administration:				
Health and human services	14,724,872	14,724,872	14,661,106	(63,766)
Virginia juvenile community crime control act grant	90,503	90,503	62,580	(27,923)
Capital projects	155,500	291,039	357,647	66,608
Total Health and Human Services	24,534,375	24,669,914	23,133,436	(1,536,478)
Debt service:				
Principal	-	-	168,485	168,485
Interest and fiscal charges	-	-	17,072	17,072
Total debt service	-	-	185,557	185,557
Total Operating Fund	24,534,375	24,669,914	23,318,993	(1,350,921)
Special Revenue Fund:				
Children's Services Act Fund:				
Children's Services Act	16,131,957	21,508,348	21,427,544	(80,804)
Total Children's Services Act Fund	16,131,957	21,508,348	21,427,544	(80,804)
Total Expenditures - Component Unit - Harrisonburg-Rockingham Social Services District	\$ 40,666,332	\$ 46,178,262	\$ 44,746,537	\$ (1,431,725)

STATISTICAL SECTION

COUNTY OF ROCKINGHAM, VIRGINIA

STATISTICAL SECTION TABLE OF CONTENTS

The statistical section of the County's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health. This information has not been audited by the independent auditor.

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

STATISTICAL SECTION

Comments Relative to Statistical Section

The following statistical table recommended by the National Council on Governmental Accounting is not included for the reason stated below:

The table showing legal debt margin is omitted because counties in the State of Virginia are not subject to the 10% legal debt margin as cities and towns are.

COUNTY OF ROCKINGHAM, VIRGINIA

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

Table 2
Page 1

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Primary government:										
Governmental activities:										
Net investment in capital assets	\$ 34,854,168	\$ 38,692,548	\$ 42,693,309	\$ 48,293,834	\$ 57,242,324	\$ 62,861,828	\$ 59,189,113	\$ 59,993,818	\$ 72,322,723	\$ 87,512,722
Restricted	195,800	235,108	404,183	624,258	1,334,085	1,415,419	2,106,253	2,675,887	371,088	707,297
Unrestricted (deficit)	(37,558,463)	(34,533,494)	(61,273,304)	(51,715,195)	(63,794,527)	(52,335,803)	(26,469,994)	11,206,917	31,729,603	15,881,946
Total governmental activities net position	\$ (2,508,495)	\$ 4,394,162	\$ (18,175,812)	\$ (2,797,103)	\$ (5,218,118)	\$ 11,941,444	\$ 34,825,372	\$ 73,876,622	\$ 104,423,414	\$ 104,101,965
Business-type activities:										
Net investment in capital assets	\$ 30,110,695	\$ 28,127,740	\$ 33,769,673	\$ 36,326,889	\$ 36,828,881	\$ 39,436,305	\$ 39,970,950	\$ 42,059,280	\$ 43,823,027	\$ 50,811,399
Restricted	5,545,857	10,566,691	4,739,335	-	-	-	-	-	-	-
Unrestricted	5,409,029	4,911,714	6,720,049	11,712,273	9,812,714	11,671,872	15,816,264	18,612,701	25,115,761	23,893,173
Total business-type activities net position	\$ 41,065,581	\$ 43,606,145	\$ 45,229,057	\$ 48,039,162	\$ 46,641,595	\$ 51,108,177	\$ 55,787,214	\$ 60,671,981	\$ 68,938,788	\$ 74,704,572
Primary government:										
Net investment in capital assets	\$ 64,964,863	\$ 66,820,288	\$ 76,462,982	\$ 84,620,723	\$ 94,071,205	\$ 102,298,133	\$ 99,160,063	\$ 102,053,098	\$ 116,145,750	\$ 138,324,121
Restricted	5,741,657	10,801,799	5,143,518	624,258	1,334,085	1,415,419	2,106,253	2,675,887	371,088	707,297
Unrestricted (deficit)	(32,149,434)	(29,621,780)	(54,553,255)	(40,002,922)	(53,981,813)	(40,663,931)	(10,653,730)	29,819,618	56,845,364	39,775,119
Total primary government net position	\$ 38,557,086	\$ 48,000,307	\$ 27,053,245	\$ 45,242,059	\$ 41,423,477	\$ 63,049,621	\$ 90,612,586	\$ 134,548,603	\$ 173,362,202	\$ 178,806,537
Major component units: (1)										
Component unit - school board:										
Net investment in capital assets	\$ 129,762,202	\$ 129,603,121	\$ 139,675,416	\$ 138,615,241	\$ 142,310,517	\$ 137,385,305	\$ 129,724,630	\$ 124,874,304	\$ 128,447,658	\$ 131,351,020
Restricted	-	-	4,133,596	-	2,620,846	565,038	-	2,530,302	971,440	2,107,662
Unrestricted (deficit)	(108,048,391)	(111,818,738)	(129,883,934)	(124,092,478)	(121,432,825)	(119,699,489)	(107,450,383)	(96,395,827)	(92,369,971)	(101,333,016)
Total component unit - school board net position	\$ 21,713,811	\$ 17,784,383	\$ 13,925,078	\$ 14,522,763	\$ 23,498,538	\$ 18,250,854	\$ 22,274,247	\$ 31,008,779	\$ 37,049,127	\$ 32,125,666
Component unit - Harrisonburg-Rockingham Social Services District										
Net investment in capital assets	\$ 2,451,305	\$ 2,366,316	\$ 2,323,333	\$ 2,103,403	\$ 1,968,464	\$ 2,023,024	\$ 1,862,804	\$ 1,725,594	\$ 1,543,983	\$ 1,542,944
Restricted	1,740,887	2,019,613	2,120,558	2,472,376	2,586,582	-	-	-	-	-
Unrestricted	1,411,396	2,399,901	1,204,485	1,937,337	1,832,732	6,815,867	5,710,310	6,319,071	7,535,880	8,065,939
Total component unit - HRSSD net position	\$ 5,603,588	\$ 6,785,830	\$ 5,648,376	\$ 6,513,116	\$ 6,387,778	\$ 8,838,891	\$ 7,573,114	\$ 8,044,665	\$ 9,079,863	\$ 9,608,883

COUNTY OF ROCKINGHAM, VIRGINIA

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

Table 2
Page 2

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Major component units:										
Net investment in capital assets	\$ 132,213,507	\$ 131,969,437	\$ 141,998,749	\$ 140,718,644	\$ 144,278,981	\$ 139,408,329	\$ 131,587,434	\$ 126,599,898	\$ 129,991,641	\$ 132,893,964
Restricted	1,740,887	2,019,613	6,254,154	2,472,376	5,207,428	565,038	-	2,530,302	971,440	2,107,662
Unrestricted (deficit)	(106,636,995)	(109,418,837)	(128,679,449)	(122,155,141)	(119,600,093)	(112,883,622)	(101,740,073)	(90,076,756)	(84,834,091)	(93,267,077)
Total major component units net position	\$ 27,317,399	\$ 24,570,213	\$ 19,573,454	\$ 21,035,879	\$ 29,886,316	\$ 27,089,745	\$ 29,847,361	\$ 39,053,444	\$ 46,128,990	\$ 41,734,549
Total reporting entity: (2)										
Net investment in capital assets	\$ 126,705,690	\$ 134,528,812	\$ 135,122,135	\$ 148,122,492	\$ 146,726,248	\$ 156,805,784	\$ 145,846,819	\$ 157,736,106	\$ 190,552,196	\$ 204,539,819
Restricted	7,482,544	12,821,412	11,397,672	3,096,634	6,541,513	1,980,457	2,106,253	5,206,189	1,342,528	2,814,959
Unrestricted	(68,313,749)	(74,779,704)	(99,893,108)	(84,941,188)	(81,957,968)	(68,646,875)	(27,493,125)	10,659,752	27,596,468	13,186,308
Total reporting entity net position	\$ 65,874,485	\$ 72,570,520	\$ 46,626,699	\$ 66,277,938	\$ 71,309,793	\$ 90,139,366	\$ 120,459,947	\$ 173,602,047	\$ 219,491,192	\$ 220,541,086

Notes:

- (1) Component Unit net position are included in this table due to public schools and social services being significant portions of the County operations. In Virginia, the County issues debt to finance the construction of facilities for these component units because the component units do not have borrowing or taxing authority.
- (2) The sum of the rows for the Reporting Entity identified as "Net investment in capital assets" and "Unrestricted" do not equal the sum of the rows from the total Primary Government and the total Component Units because the outstanding debt for the schools has not been subtracted from the total Primary Governments "Invested in capital assets" since the debt for the school board does not correspond to the capital assets of the Primary Government. However, when the Primary Government and the Component Units are combined, the outstanding debt needs to be accounted for by reducing the balance classified as "Net investment in capital assets."
- (3) June 30, 2018 net position was restated for the implementation of GASB Statement No. 75.
- (4) June 30, 2018 net position was restated for change in accounting policy.
- (5) June 30, 2021 net position was restated for change in accounting policy.
- (6) June 30, 2024 net position was restated for the implementation of GASB Statement No. 101.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
Page 1

CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Primary government:										
Expenses:										
Governmental activities:										
General government administration	\$ 5,436,798	\$ 5,932,529	\$ 5,954,830	\$ 5,856,138	\$ 6,921,747	\$ 9,073,530	\$ 7,179,365	\$ 7,401,287	\$ 8,574,839	\$ 9,744,097
Judicial administration	3,883,941	4,107,387	4,830,865	4,924,189	5,448,613	6,137,343	6,148,272	6,519,181	7,245,124	8,915,381
Public safety	36,779,233	27,123,823	30,667,940	29,707,762	31,634,751	34,564,076	45,063,512	45,362,251	50,039,202	54,909,825
Public works	4,339,985	3,365,230	9,564,783	7,132,527	4,484,222	3,443,628	4,295,667	5,368,879	4,988,994	6,293,308
Health and social services	5,761,798	5,786,160	8,212,284	6,725,322	9,299,956	12,235,368	8,403,591	10,128,557	10,649,616	12,211,138
Education	55,511,622	60,961,694	85,021,862	61,670,147	79,867,096	62,367,827	60,605,742	66,568,478	74,068,063	91,181,575
Parks, recreation and cultural	2,343,553	2,433,990	2,503,886	2,776,941	3,214,317	3,548,256	3,284,171	3,235,435	3,167,153	4,280,536
Community development	3,903,620	4,744,578	4,382,927	4,466,472	6,105,207	7,470,738	8,174,277	9,912,074	10,292,514	13,611,646
Interest	3,624,534	3,148,719	3,400,804	3,319,832	3,654,051	3,349,701	3,067,899	2,651,395	2,575,211	2,717,900
Total governmental activities	121,585,084	117,604,110	154,540,181	126,579,330	150,629,960	142,190,467	146,222,496	157,147,537	171,600,716	203,865,406
Business-type activities:										
Water and sewer	6,765,919	7,160,783	7,873,463	7,781,690	10,526,705	9,423,182	8,887,478	10,120,414	10,528,563	11,291,150
Solid waste	4,574,428	6,026,658	6,116,340	6,495,025	7,960,721	6,025,601	6,740,579	7,792,098	7,170,395	9,992,908
Total business-type activities	11,340,347	13,187,441	13,989,803	14,276,715	18,487,426	15,448,783	15,628,057	17,912,512	17,698,958	21,284,058
Total primary government expenses	132,925,431	130,791,551	168,529,984	140,856,045	169,117,386	157,639,250	161,850,553	175,060,049	189,299,674	225,149,464
Program revenue:										
Governmental activities:										
Charges for services:										
General government administration	2,383	1,768	1,727	1,940	1,784	2,896	3,086	1,447	7,454	11,767
Judicial administration	1,119,539	1,304,471	1,417,626	1,793,772	2,289,677	2,014,873	1,933,131	1,865,995	3,231,343	2,200,564
Public safety	6,483,239	7,298,651	7,833,177	8,330,264	8,775,254	10,028,204	10,812,341	12,093,262	12,752,121	13,511,513
Public works	1,022,145	1,085,426	1,161,736	1,193,105	1,060,312	1,096,061	1,663,956	1,585,634	1,998,710	1,822,820
Health and social services	2,428	18,565	26,013	24,152	-	208,737	163,484	174,295	169,978	244,810
Parks, recreation and cultural	785,225	863,175	843,541	872,572	585,312	404,983	647,434	235,947	279,457	319,950
Community development	508	1,855	143	-	-	-	-	-	10	-
Operating grants and contributions:										
General government administration	461,210	426,233	434,401	436,847	496,430	1,070,074	512,431	735,460	1,000,866	689,526
Judicial administration	2,271,957	2,349,172	2,345,308	2,669,219	2,741,111	2,965,891	2,944,500	3,183,466	3,398,149	4,040,329
Public safety	6,784,253	7,630,019	7,448,343	7,201,417	10,860,739	11,659,418	11,924,666	14,559,009	10,046,152	10,345,652
Public works	-	-	-	-	-	91,944	-	4,450,941	303	-
Health and social services	200,944	237,994	230,468	284,782	277,084	322,074	328,314	356,667	361,717	353,418
Education	-	-	-	-	-	2,040,427	-	150,690	199,405	298,972
Parks, recreation and cultural	-	-	-	-	85,498	-	180,000	10,592	40,219	42,579
Community development	100,000	254,000	-	25,000	-	1,275,201	-	1,763	1,467,856	470,989
Capital grants and contributions:										
General government administration	-	-	-	-	-	140,580	-	-	-	-
Judicial administration	-	-	-	-	-	11,487	-	-	-	-
Public safety	-	-	-	-	-	1,047,898	-	-	229,293	-
Public works	253,442	306,062	3,140,931	1,722,006	867,554	1,011,986	1,150,000	-	-	-
Parks, recreation and cultural	-	-	-	100,000	-	134,970	-	-	-	-
Community development	-	-	-	-	-	508,682	-	-	-	-
Total governmental activities	19,487,273	21,777,391	24,883,414	24,655,076	28,040,755	36,113,957	32,263,343	39,405,168	35,183,033	34,352,889

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

Table 3
Page 2

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Primary government:										
Program revenue:										
Business-type activities:										
Charges for services:										
Water and sewer	\$ 6,570,101	\$ 6,837,014	\$ 7,478,485	\$ 7,899,974	\$ 7,999,888	\$ 8,652,543	\$ 9,574,801	\$ 9,282,045	\$ 9,590,300	\$ 9,830,525
Solid waste	5,488,882	5,764,198	6,050,596	6,567,397	6,519,218	6,520,677	7,059,640	7,559,869	7,691,500	8,354,720
Operating grants and contributions:										
Water and sewer	952,584	2,168,073	1,341,662	1,468,780	1,567,175	2,601,890	3,156,685	4,405,623	400,696	178,657
Solid waste	-	23,830	73,273	75,918	20,926	23,753	33,754	51,951	981,033	1,867,366
Capital grants and contributions:										
Water and sewer	-	-	-	-	-	-	-	-	4,972,635	4,378,922
Total business-type activities	13,011,567	14,793,115	14,944,016	16,012,069	16,107,207	17,798,863	19,824,880	21,299,488	23,636,164	24,610,190
Total primary government revenues	32,498,840	36,570,506	39,827,430	40,667,145	44,147,962	53,912,820	52,088,223	60,704,656	58,819,197	58,963,079
Net (expense) revenue:										
Governmental activities	(102,097,811)	(95,826,719)	(129,656,767)	(101,924,254)	(122,589,205)	(106,076,510)	(113,959,153)	(117,742,369)	(136,417,683)	(169,512,517)
Business-type activities	1,671,220	1,605,674	954,213	1,735,354	(2,380,219)	2,350,080	4,196,823	3,386,976	5,937,206	3,326,132
Total primary government, net expense	(100,426,591)	(94,221,045)	(128,702,554)	(100,188,900)	(124,969,424)	(103,726,430)	(109,762,330)	(114,355,393)	(130,480,477)	(166,186,385)
Governmental activities:										
Taxes:										
General property taxes	77,182,964	81,433,734	88,479,898	91,965,599	94,675,689	98,103,822	107,724,600	123,472,718	129,082,655	131,075,695
Local sales and use	6,105,799	6,324,892	6,276,421	6,650,321	8,015,055	9,138,949	9,829,852	11,188,328	11,983,458	12,739,477
Consumer utility and communications sales and use	1,156,055	1,058,481	1,116,085	1,114,925	1,733,524	1,752,942	1,801,969	1,792,441	1,789,958	1,824,343
Motor vehicles licenses	1,227,518	1,278,070	1,304,491	1,350,626	1,342,514	1,383,739	1,396,287	66,228	12,725	5,056
Transient occupancy tax	-	-	-	612,543	827,571	1,441,375	1,599,148	2,118,722	2,260,430	2,562,724
Food and beverage	1,070,535	1,155,637	1,242,234	1,275,618	1,187,022	1,268,157	2,171,602	2,477,572	2,606,381	2,786,999
Recordation & Wills	942,381	957,414	1,036,421	1,040,173	1,221,494	1,745,780	1,807,256	1,468,083	1,467,454	1,767,319
Other	714,687	709,216	746,426	502,479	482,640	511,697	500,462	504,642	527,949	959,521
Intergovernmental, non-categorical aid	8,984,272	8,050,669	8,583,682	8,393,935	8,382,598	7,736,486	7,683,674	7,669,342	7,620,080	7,650,943
Use of money and property	1,720,204	1,133,428	711,810	1,612,133	1,324,348	715,728	(405,807)	3,876,174	7,373,948	6,485,738
Miscellaneous	680,439	627,835	536,673	3,438,994	1,033,465	2,792,030	2,734,038	2,159,369	2,239,437	2,236,299
Transfers	-	-	-	-	(57,730)	-	-	-	-	-
Total governmental activities	99,784,854	102,729,376	110,034,141	117,957,346	120,168,190	126,590,705	136,843,081	156,793,619	166,964,475	170,094,114
Business-type activities:										
Intergovernmental, non-categorical aid	26,640	-	-	-	-	-	-	-	-	-
Use of money and property	59,852	171,908	272,958	532,278	558,613	164,842	144,327	1,160,437	1,893,986	2,105,819
Miscellaneous	850,605	762,982	774,434	769,890	366,309	1,951,660	337,887	337,354	435,615	379,423
Transfers	-	-	-	-	57,730	-	-	-	-	-
Total business-type activities	937,097	934,890	1,047,392	1,302,168	982,652	2,116,502	482,214	1,497,791	2,329,601	2,485,242
Total primary government	100,721,951	103,664,266	111,081,533	119,259,514	121,150,842	128,707,207	137,325,295	158,291,410	169,294,076	172,579,356
Changes in net position:										
Governmental activities	(2,312,957)	6,902,657	(19,622,626)	16,033,092	(2,421,015)	20,514,295	22,883,928	39,051,250	30,546,792	581,597
Business-type activities	2,608,317	2,540,564	2,001,605	3,037,522	(1,397,567)	4,466,582	4,679,037	4,884,767	8,266,807	5,811,374
Total primary government	\$ 295,360	\$ 9,443,221	\$ (17,621,021)	\$ 19,070,614	\$ (3,818,582)	\$ 24,980,877	\$ 27,562,965	\$ 43,936,017	\$ 38,813,599	\$ 6,392,971

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

Table 3
Page 3

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Major component units: (2)										
Component unit - school board:										
Expenses:										
Instruction	\$ 106,353,926	\$ 113,232,867	\$ 115,650,916	\$ 113,318,228	\$ 123,050,298	\$ 123,848,194	\$ 127,085,577	\$ 138,234,710	\$ 147,041,697	\$ 153,271,718
Administration, attendance and health	6,431,820	5,824,903	4,995,480	5,574,296	5,935,639	7,047,955	6,734,274	7,851,122	9,239,187	8,139,609
Pupil transportation	9,339,985	9,555,551	9,519,163	9,861,011	11,342,603	9,295,923	10,155,248	10,485,942	10,602,626	10,905,390
Operation and maintenance services	11,417,995	14,110,378	13,290,806	13,566,374	13,961,370	14,405,484	14,613,059	16,146,724	17,801,841	17,093,535
School food services	5,166,363	5,243,049	5,213,331	5,033,504	5,473,498	4,936,653	5,918,740	6,295,817	7,072,698	7,117,687
Interest	-	-	-	-	-	-	142,721	159,396	119,346	115,384
Total expenses	138,710,089	147,966,748	148,669,696	147,353,413	159,763,408	159,534,209	164,649,619	179,173,711	191,877,395	196,643,323
Program revenues:										
Charges for services	5,426,333	5,596,541	5,451,679	5,020,707	4,421,516	750,282	1,001,722	2,298,711	2,233,775	2,380,366
Operating grants and contributions	72,854,877	76,638,660	79,994,313	82,460,795	84,032,792	92,135,682	105,445,911	114,647,652	119,238,976	112,160,296
Capital grants and contributions	83,333	175,791	98,915	-	-	756,704	1,109,034	3,691,304	1,430,614	-
Total program revenues	78,364,543	82,410,992	85,544,907	87,481,502	88,454,308	93,642,668	107,556,667	120,637,667	122,903,365	114,540,662
Net expense	(60,345,546)	(65,555,756)	(63,124,789)	(59,871,911)	(71,309,100)	(65,891,541)	(57,092,952)	(58,536,044)	(68,974,030)	(82,102,661)
General revenues and other changes in net assets:										
Grants and contributions not restricted to specific programs	55,511,622	60,961,694	85,030,486	61,691,628	79,869,506	60,327,400	60,605,742	66,568,478	74,068,063	91,181,575
Intergovernmental, non-categorical aid	75,166	77,475	74,224	71,192	69,005	66,915	65,439	65,672	71,939	79,251
Use of money and property	35,649	44,232	137,296	161,674	143,546	36,972	25,392	389,516	734,500	1,026,232
Miscellaneous	586,358	542,927	249,859	192,128	202,818	212,570	419,772	246,910	139,876	143,983
Total general revenues and other changes in net position	56,208,795	61,626,328	85,491,865	62,116,622	80,284,875	60,643,857	61,116,345	67,270,576	75,014,378	92,431,041
Total general revenues and other										
Total component unit - school board change in net position	\$ (4,136,751)	\$ (3,929,428)	\$ 22,367,076	\$ 2,244,711	\$ 8,975,775	\$ (5,247,684)	\$ 4,023,393	\$ 8,734,532	\$ 6,040,348	\$ 10,328,380
Component unit - HRSSD:										
Expenses:										
Public assistance	\$ 6,397,049	\$ 6,816,763	\$ 7,451,225	\$ 7,139,235	\$ 7,438,854	\$ 7,036,116	\$ 7,840,953	\$ 8,276,623	\$ 7,776,115	\$ 8,052,103
Comprehensive/children's services	8,883,443	9,573,881	9,755,890	9,909,365	10,697,613	11,490,213	12,719,836	16,189,731	19,230,412	21,427,544
Health and human services	7,515,831	7,642,598	9,037,932	8,655,093	10,003,642	8,394,826	12,518,037	12,014,500	13,004,300	15,271,578
VJCCA	83,474	87,171	86,672	72,575	67,801	45,761	45,928	44,661	43,766	62,580
Interest	-	-	-	-	-	-	13,632	11,510	18,990	17,072
Total expenses	22,879,797	24,120,413	26,331,719	25,776,268	28,207,910	26,966,916	33,138,386	36,537,025	40,073,583	44,830,877
Program revenues:										
Operating grants and contributions	16,033,541	17,128,620	17,606,083	18,053,327	19,297,447	20,062,801	22,334,924	25,274,767	27,726,660	29,924,477
Total program revenues	16,033,541	17,128,620	17,606,083	18,053,327	19,297,447	20,062,801	22,334,924	25,274,767	27,726,660	29,924,477
Net expense	(6,846,256)	(6,991,793)	(8,725,636)	(7,722,941)	(8,910,463)	(6,904,115)	(10,803,462)	(11,262,258)	(12,346,923)	(14,906,400)

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

Table 3
Page 4

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues and other changes in net assets:										
Grants and contributions not restricted to specific programs	\$ 7,722,610	\$ 8,091,663	\$ 8,209,413	\$ 8,491,193	\$ 8,587,413	\$ 9,281,426	\$ 9,474,506	\$ 11,448,896	\$ 12,935,677	\$ 14,989,730
Use of money and property	12,362	32,086	40,755	134,457	145,160	23,199	12,888	242,135	409,543	421,842
Miscellaneous	48,660	50,286	48,830	47,022	52,552	50,603	50,291	42,778	36,901	45,486
Total general revenues and other changes in net position	7,783,632	8,174,035	8,298,998	8,672,672	8,785,125	9,355,228	9,537,685	11,733,809	13,382,121	15,457,058
Total component unit - HRSSD change in net position	\$ 937,376	\$ 1,182,242	\$ (426,638)	\$ 949,731	\$ (125,338)	\$ 2,451,113	\$ (1,265,777)	\$ 471,551	\$ 1,035,198	\$ 550,658
Total major component units change in net position	\$ (3,199,375)	\$ (2,747,186)	\$ 21,940,438	\$ 3,194,442	\$ 8,850,437	\$ (2,796,571)	\$ 2,757,616	\$ 9,206,083	\$ 7,075,546	\$ 10,879,038
Total reporting entity change in net position	\$ (2,904,015)	\$ 6,696,035	\$ 4,319,417	\$ 22,265,056	\$ 5,031,855	\$ 22,184,306	\$ 30,320,581	\$ 53,142,100	\$ 45,889,145	\$ 17,272,009

Notes:

- (1) Net (expense) revenue is the difference between the expenses and program revenues. This difference indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in a parentheses are net expenses indicating that expenses were greater than program revenues and, therefore, general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, demonstrating that program revenues were more than sufficient to cover expenses.
- (2) Component units were included in this table due to their significance to the County.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 4

PROGRAM REVENUES BY FUNCTION / PROGRAM

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Function/Program	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Primary government:										
Governmental activities:										
General government administration	\$ 463,593	\$ 428,001	\$ 436,128	\$ 438,787	\$ 498,214	\$ 1,213,550	\$ 515,517	\$ 736,907	\$ 1,008,320	\$ 1,211,103
Judicial administration	3,391,496	3,653,643	3,762,934	4,462,991	5,030,788	4,992,251	4,877,631	5,049,461	6,629,492	6,237,117
Public safety	13,267,492	14,928,670	15,281,520	15,531,681	19,635,993	22,735,520	22,737,007	26,652,271	23,027,566	23,822,120
Public works	1,275,587	1,391,488	4,302,667	2,915,111	1,927,866	2,199,991	2,813,956	6,036,575	1,999,013	1,822,820
Health and social services	203,372	256,559	256,481	308,934	277,084	530,811	491,798	530,962	531,695	598,228
Education	-	-	-	-	-	2,040,427	-	150,690	199,405	298,972
Parks, recreation and cultural	785,225	863,175	843,541	972,572	670,810	617,524	827,434	246,539	319,676	362,529
Community development	100,508	255,855	143	25,000	-	1,783,883	-	1,763	1,467,866	-
Total governmental activities	19,487,273	21,777,391	24,883,414	24,655,076	28,040,755	36,113,957	32,263,343	39,405,168	35,183,033	34,352,889
Business-type activities:										
Water and sewer	7,522,685	9,005,087	8,820,147	9,368,754	9,567,063	11,254,433	12,731,486	13,687,668	14,963,631	14,388,104
Solid waste	5,488,882	5,788,028	6,123,869	6,643,315	6,540,144	6,544,430	7,093,394	7,611,820	8,672,533	10,222,086
Total business-type activities	13,011,567	14,793,115	14,944,016	16,012,069	16,107,207	17,798,863	19,824,880	21,299,488	23,636,164	24,610,190
Total primary government	\$ 32,498,840	\$ 36,570,506	\$ 39,827,430	\$ 40,667,145	\$ 44,147,962	\$ 53,912,820	\$ 52,088,223	\$ 60,704,656	\$ 58,819,197	\$ 58,963,079
Major component units:										
Component unit - school board:										
Instruction	\$ 73,069,780	\$ 76,995,702	\$ 80,216,305	\$ 82,046,967	\$ 83,603,832	\$ 88,002,363	\$ 99,783,500	\$ 114,040,596	\$ 115,907,002	\$ 108,219,708
Administration, attendance and health	-	-	-	-	-	-	-	127,236	42,726	-
Pupil transportation services	-	-	-	-	-	633,926	-	23,775	8,369	-
Operation and maintenance services	-	-	-	-	-	82,478	-	19,387	631,716	-
School food services	5,294,763	5,415,290	5,328,602	5,434,535	4,850,476	4,923,901	7,773,167	6,426,673	6,313,552	6,320,954
Total component unit - school board	78,364,543	82,410,992	85,544,907	87,481,502	88,454,308	93,642,668	107,556,667	120,637,667	122,903,365	114,540,662
Component unit - HRSSD:										
Public assistance	4,748,681	4,961,568	5,034,759	5,142,885	5,282,800	4,943,818	5,454,244	5,501,856	5,514,516	5,851,466
Comprehensive/children's services	5,113,599	5,215,483	5,527,679	5,516,368	6,044,493	7,010,078	8,081,101	10,272,712	12,491,602	13,581,951
Health and human services	6,069,231	6,868,035	6,956,814	7,321,658	7,902,353	8,063,144	8,753,651	9,455,538	9,676,776	10,428,480
VJCCA	102,030	83,534	86,831	72,416	67,801	45,761	45,928	44,661	43,766	62,580
Total component unit - HRSSD	16,033,541	17,128,620	17,606,083	18,053,327	19,297,447	20,062,801	22,334,924	25,274,767	27,726,660	29,924,477
Total major component units	\$ 94,398,084	\$ 99,539,612	\$ 103,150,990	\$ 105,534,829	\$ 107,751,755	\$ 113,705,469	\$ 129,891,591	\$ 145,912,434	\$ 150,630,025	\$ 144,465,139
Total reporting entity	\$ 126,896,924	\$ 136,110,118	\$ 142,978,420	\$ 146,201,974	\$ 151,899,717	\$ 167,618,289	\$ 181,979,814	\$ 206,617,090	\$ 209,449,222	\$ 203,428,218

COUNTY OF ROCKINGHAM, VIRGINIA

Table 5

FUND BALANCES – GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Nond spendable	\$ 712,636	\$ 785,140	\$ 695,007	\$ 722,684	\$ 699,185	\$ 806,616	\$ 781,855	\$ 761,070	\$ 1,058,815	\$ 1,122,874
Restricted	2,551,574	3,026,483	3,088,162	3,804,263	3,880,583	-	-	-	-	-
Committed	-	82,374	171,434	452,880	4,889,739	1,034,013	3,194,659	10,126,413	39,644,550	25,892,785
Assigned	-	-	53,822	142,979	-	-	-	7,204,238	-	-
Unassigned	27,066,722	23,537,191	26,465,446	24,456,592	35,585,131	40,298,647	54,737,478	65,696,732	64,270,713	68,993,165
Total General Fund	\$ 30,330,932	\$ 27,431,188	\$ 30,473,871	\$ 29,579,398	\$ 45,054,638	\$ 42,139,276	\$ 58,713,992	\$ 83,788,453	\$ 104,974,078	\$ 96,008,824
All Other Governmental Funds:										
Nond spendable	\$ -	\$ -	\$ -	\$ -	\$ 11,204	\$ 1,242	\$ 1,279	\$ 16,364	\$ 248,513	\$ 170,827
Restricted	195,800	235,108	404,183	518,066	1,334,085	1,415,419	2,106,253	2,675,887	371,088	707,297
Committed	-	4,288,809	3,962,920	7,218,556	3,756,964	5,302,877	9,085,690	6,476,089	6,296,495	5,770,717
Assigned	14,456,621	7,312,400	3,979,016	2,375,979	3,115,432	4,036,000	481,868	6,636,344	4,308,312	5,708,110
Unassigned	-	-	-	-	-	-	-	-	(2,201,242)	(9,740,509)
Total all other governmental funds	\$ 14,652,421	\$ 11,836,317	\$ 8,346,119	\$ 10,112,601	\$ 8,217,685	\$ 10,755,538	\$ 11,675,090	\$ 15,804,684	\$ 9,023,166	\$ 2,616,442

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Table 6

Page 1

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
General property taxes	\$ 77,123,724	\$ 81,459,657	\$ 88,474,133	\$ 91,989,158	\$ 94,559,498	\$ 97,875,970	\$ 107,460,311	\$ 123,022,445	\$ 128,867,589	\$ 130,615,359
Other local taxes	11,216,975	11,483,710	11,722,078	12,546,685	14,809,820	17,242,739	19,106,576	19,616,016	20,648,355	22,645,439
Permits, privilege fees and licenses	1,056,984	1,730,059	1,364,545	1,166,099	1,312,113	1,532,890	1,597,855	1,799,136	1,788,849	2,148,392
Fines and forfeitures	151,516	240,396	208,051	202,191	181,988	128,829	206,906	233,080	165,303	249,295
Use of money and property	1,711,660	1,111,496	687,937	1,541,962	1,242,515	697,969	(414,417)	3,733,768	7,176,491	6,302,166
Charges for services	3,643,395	3,645,601	3,898,039	3,851,156	3,542,104	4,934,707	6,365,249	6,127,245	6,529,543	6,710,692
Miscellaneous	680,439	627,835	536,673	3,538,994	1,033,465	2,792,030	2,734,038	2,159,369	1,320,316	2,291,171
Recovered costs	4,563,572	4,957,855	5,457,543	7,246,686	7,709,501	7,206,313	7,078,528	7,797,119	9,955,378	9,003,045
Intergovernmental	19,056,078	19,254,149	22,183,133	20,733,206	23,711,014	30,094,689	24,723,585	31,084,289	24,352,477	23,892,408
Total revenues	119,204,343	124,510,758	134,532,132	142,816,137	148,102,018	162,506,136	168,858,631	195,572,467	200,804,301	203,857,967
Expenditures:										
General government administration	5,203,673	5,543,460	5,349,427	5,539,382	6,099,898	7,416,570	6,632,183	6,753,693	7,507,292	8,800,298
Judicial administration	3,827,334	4,187,990	4,279,035	4,917,656	5,116,568	5,520,971	5,680,952	6,134,154	6,825,703	8,038,779
Public safety	26,286,332	28,665,762	29,582,664	30,271,052	33,148,888	38,471,650	40,820,668	43,425,793	48,176,455	51,362,771
Public works	2,944,236	3,108,156	2,927,766	3,121,323	2,972,751	3,378,189	3,883,373	4,479,946	5,704,360	5,309,058
Health and social services	5,807,989	6,171,569	6,868,468	6,584,606	8,834,422	12,275,121	8,448,246	10,176,494	10,702,553	12,165,482
Education	55,511,622	60,961,694	85,030,486	61,691,628	79,869,506	62,367,827	60,605,742	66,568,478	74,068,063	91,181,575
Parks, recreation and cultural	2,251,615	2,365,854	2,392,388	2,476,069	2,521,162	2,828,855	2,772,129	2,480,959	2,608,983	2,940,555
Community development	3,090,881	3,959,791	3,479,239	3,691,910	4,186,445	6,707,455	4,260,250	9,134,530	9,601,292	13,332,080
Capital outlay	3,965,319	3,894,304	14,168,378	11,975,289	11,454,099	6,023,046	7,139,745	5,042,473	19,025,813	21,067,330
Debt service:										
Principal	7,762,776	7,809,066	6,975,972	7,668,695	8,085,187	11,077,345	7,324,771	8,781,560	7,419,568	7,514,632
Interest and fiscal charges	3,921,002	3,558,960	3,235,080	4,006,518	3,719,626	4,372,922	3,823,343	3,418,897	3,157,538	3,530,825
Total expenditures	120,572,779	130,226,606	164,288,903	141,944,128	166,008,552	160,439,951	151,391,402	166,396,977	194,797,620	225,243,385
Revenues over (under) expenditures	(1,368,436)	(5,715,848)	(29,756,771)	872,009	(17,906,534)	2,066,185	17,467,229	29,175,490	6,006,681	(21,385,418)
Other financing sources (uses):										
Transfers in	800,000	800,000	8,757,000	8,699,500	512,431	7,364,575	6,031,539	7,490,750	14,740,000	21,045,504
Transfers out	(800,000)	(800,000)	(7,232,000)	(8,699,500)	2,944,500	(6,374,149)	(6,004,500)	(7,490,750)	(14,740,000)	(21,045,504)
Issuance of subscriptions	-	-	-	-	-	-	-	28,565	155,602	-
Issuance of leases	-	-	-	-	-	-	-	-	279,397	23,004
Issuance of literary loan	-	-	-	-	-	-	-	-	7,962,427	5,990,436
Issuance of debt	-	-	25,822,000	-	11,924,666	-	-	-	-	-
Premium on issuance debt	-	-	1,962,256	-	328,314	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	180,000	-	-	-	-	-
Total other financing sources (uses), net	-	-	29,309,256	-	15,889,911	990,426	27,039	28,565	8,397,426	6,013,440
Net change in fund balance	(1,368,436)	(5,715,848)	(447,515)	872,009	(2,016,623)	3,056,611	17,494,268	29,204,055	14,404,107	(15,371,978)

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Table 6

Page 2

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Service as a percentage of noncapital expenditures:										
Primary government:										
Total debt service	\$ 11,683,778	\$ 11,368,026	\$ 10,211,052	\$ 11,675,213	\$ 11,804,813	\$ 15,450,267	\$ 11,148,114	\$ 12,200,457	\$ 10,577,106	\$ 11,045,457
Total expenditures	\$ 120,572,779	\$ 130,226,606	\$ 164,288,903	\$ 141,944,128	\$ 166,008,552	\$ 160,439,951	\$ 151,391,402	\$ 166,396,977	\$ 194,797,620	\$ 225,243,385
Less: Capital outlay - primary government	(2,724,796)	(5,626,572)	(5,912,172)	(8,204,800)	(11,420,136)	(7,078,960)	(4,762,243)	(5,023,613)	(20,856,674)	(21,475,412)
Noncapital expenditures	\$ 117,847,983	\$ 124,600,034	\$ 158,376,731	\$ 133,739,328	\$ 154,588,416	\$ 153,360,991	\$ 146,629,159	\$ 161,373,364	\$ 173,940,946	\$ 203,767,973
Debt service as a percentage of noncapital expenditures	9.91%	9.12%	6.45%	8.73%	7.64%	10.07%	7.60%	7.56%	6.08%	5.42%
Major component units - School Board and HRSSD:										
Expenditures:										
School board	\$ 134,799,313	\$ 146,858,092	\$ 162,739,989	\$ 156,758,093	\$ 160,118,201	\$ 154,132,308	\$ 169,059,262	\$ 182,571,833	\$ 200,613,579	\$ 203,562,000
HRSSD	22,983,663	24,549,020	25,742,457	25,764,272	27,785,854	28,955,614	30,923,482	36,346,853	40,368,943	44,746,537
Less: Capital outlay - school board	(3,267,837)	(8,428,049)	(18,786,715)	(9,334,130)	(12,746,714)	(3,643,625)	(4,121,164)	(6,465,172)	(15,605,526)	(15,001,418)
Less: Capital outlay - HRSSD	(31,182)	(42,681)	(123,000)	-	-	(199,473)	-	-	(342,297)	(209,283)
Noncapital expenditures	\$ 154,483,957	\$ 162,936,382	\$ 169,572,731	\$ 173,188,235	\$ 175,157,341	\$ 179,244,824	\$ 195,861,580	\$ 212,453,514	\$ 225,034,699	\$ 233,097,836
Total reporting entity:										
Total noncapital expenditures	\$ 212,140,973	\$ 227,345,449	\$ 238,142,511	\$ 236,391,308	\$ 241,423,662	\$ 263,353,188	\$ 272,351,641	\$ 295,737,948	\$ 313,122,609	\$ 436,865,809
Debt service as a percentage of noncapital expenditures	5.51%	5.00%	4.29%	4.94%	4.89%	5.87%	4.09%	4.13%	3.38%	2.53%

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

Notes:

- (1) In Virginia, the County issues debt to finance the construction of school facilities for the public schools because the public schools do not have borrowing or taxing authority. Therefore, the debt service payments related to school facilities are presented as debt service of the primary government. Debt service as a percentage of noncapital expenditures for the total reporting entity more appropriately reflects the unique Virginia school debt requirement.
- (2) For the "Total Reporting Entity" amounts, the total noncapital expenditures have been reduced by the amounts given by the primary government to the public schools, Massanutten Technical Center, and the Social Services District so those expenditures are not included twice.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 7

TAX REVENUES BY SOURCE – GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year June 30,	Property (1)	Local Sales and Use	Motor Vehicle	Transient Occupancy Tax	Consumer Utility and Communications Sales and Use	Recordation and Wills	Food and Beverage	Other	Total
2016	\$ 76,369,114	\$ 6,105,799	\$ 1,227,518	\$ -	\$ 1,156,055	\$ 942,381	\$ 1,070,535	\$ 714,687	\$ 87,586,089
2017	80,660,077	6,324,892	1,278,070	-	1,058,481	957,414	1,155,637	709,216	92,143,787
2018	87,582,204	6,276,421	1,304,491	-	1,116,085	1,036,421	1,242,234	746,426	99,304,282
2019	90,974,637	6,650,321	1,350,626	612,543	1,114,925	1,040,173	1,275,618	502,479	103,521,322
2020	93,669,919	8,015,055	1,342,514	827,571	1,733,524	1,221,494	1,187,022	482,640	108,479,739
2021	96,967,443	9,138,949	1,383,739	1,441,375	1,752,942	1,745,780	1,268,157	511,697	114,210,082
2022	106,444,152	9,829,852	1,396,287	1,599,148	1,801,969	1,807,256	2,171,602	500,462	125,550,728
2023	121,852,851	11,188,328	66,228	2,118,722	1,792,441	1,468,083	2,477,572	504,642	141,468,867
2024	127,675,390	11,983,458	12,725	2,260,430	1,789,958	1,467,454	2,606,381	527,949	148,323,745
2025	129,573,580	12,739,477	5,056	2,562,724	1,824,343	1,767,319	2,786,999	959,521	152,219,019
Change 2016-2025	69.67%	108.65%	-99.59%	0.00%	57.81%	87.54%	160.34%	34.26%	73.79%

Note:

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

COUNTY OF ROCKINGHAM, VIRGINIA

Table 8

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

Calendar Year	Real Estate Residential Property (1)	Real Estate Commercial Property (1)	Real Estate Industrial Property (1)	Real Estate Farm Property (1)	Real Estate Exempt & Nontaxable Property (1) (2)	Total Assessed Value	Percent Growth	Assessed Value of Tax Deferred Land Use (3)	Total Taxable Value	Total Direct Real Estate Tax Rate	Real Estate Tax Value as a Percentage of Assessed Value	Personal Property Value	Personal Property Tax	Total Direct Personal Property Tax Rate
2015	\$ 5,198,957,000	\$ 765,627,500	\$ 258,445,700	\$ 2,073,139,200	\$ 1,155,559,900	\$ 9,451,729,300	0.96%	\$ 1,014,434,080	\$ 7,281,735,320	\$ 0.66/0.68	77.04%	\$ 1,257,521,262	\$ 29,402,197	\$ 2.90
2016	5,286,192,700	772,036,000	265,826,900	2,080,831,900	1,154,888,500	9,559,776,000	1.14%	1,016,281,990	7,388,605,510	0.68/0.70	77.29%	1,353,543,739	31,609,749	2.90
2017	5,360,674,700	801,922,900	263,991,000	2,083,044,800	1,169,407,400	9,679,040,800	1.25%	1,013,613,780	7,496,019,620	0.74	77.45%	1,420,103,739	33,932,001	3.00
2018	5,616,112,800	821,069,100	276,622,400	2,112,122,000	1,171,035,500	9,996,961,800	3.28%	1,029,749,840	7,796,176,460	0.74	77.99%	1,524,244,049	36,387,138	3.00
2019	5,715,245,600	862,187,600	277,993,700	2,111,197,800	1,172,733,700	10,139,358,400	1.42%	1,027,110,460	7,939,514,240	0.74	78.30%	1,586,377,475	38,113,105	3.00
2020	5,804,990,300	883,777,300	303,406,900	2,131,013,600	1,181,671,700	10,304,859,800	1.63%	1,029,216,830	8,093,971,270	0.74	78.55%	1,698,981,212	40,745,335	3.00
2021	5,911,663,600	906,602,000	402,607,600	2,046,666,300	1,188,370,700	10,455,910,200	1.47%	1,026,717,200	8,240,822,300	0.74	78.81%	1,763,157,277	44,868,033	3.00
2022	7,971,544,500	1,203,118,400	617,516,700	2,225,108,200	1,557,623,800	13,574,911,600	29.83%	1,032,157,640	10,985,130,160	0.68	80.92%	2,185,238,888	50,634,627	3.00
2023	8,239,307,200	1,208,314,200	619,717,000	2,225,524,600	1,558,463,400	13,851,326,400	2.04%	1,019,585,880	11,273,277,120	0.68	81.39%	2,338,337,183	54,424,847	3.00
2024	8,392,894,358	1,263,515,435	628,354,635	2,151,766,379	1,564,051,675	14,000,582,482	1.08%	1,000,272,207	11,436,258,600	0.68	81.68%	2,356,080,289	54,315,477	3.00

Source:

Rockingham County real estate records.

Notes:

- (1) Real estate assessed values are assessed for comparison to fair market value every four years. (2018 and 2022)
- (2) Nontaxable and exempt property includes principally real estate owned by governmental, religious, charitable or educational entities.
- (3) Rockingham County has adopted land use valuation for agricultural and open space land. Rather than fair market value, the value of this property is based upon its "use" value.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 9

DIRECT AND OVERLAPPING PROPERTY TAX RATES Last Ten Fiscal Years (Unaudited)

Rockingham County

Fiscal Year June 30,	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Farm Machinery	Total Direct Rate
2015	\$ 0.66/0.68	\$ 2.90	\$ 0.68	\$ 2.55	\$ 0.87	\$ 0.44	\$ 8.11
2016	0.68/0.70	2.90	0.68/0.70	2.55	0.87	0.44	8.14
2017	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2018	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2019	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2020	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2021	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2022	0.68	2.65	0.68	2.55	0.87	0.44	7.87
2023	0.68	2.65	0.68	2.55	0.87	0.33	7.76
2024	0.68	2.65	0.68	2.55	0.87	0.25	7.68

Note:

- (1) Public Service Corporations are taxed at the real estate and the personal property tax rates for those classes of assessed values established by the State Corporation Commission.

Overlapping Governments

Fiscal Year June 30,	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2015	\$ 0.07-0.12	\$ 0.20-0.75	\$ 0.07-0.46	\$ 0.30-0.46
2016	0.07-0.12	0.20-0.75	0.07-0.46	0.30-0.46
2017	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40
2018	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40
2019	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40
2020	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40
2021	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40
2022	0.07-0.12	0.30-0.75	0.07-0.38	0.30-0.40
2023	0.07-0.12	0.30-0.75	0.07-0.38	0.30-0.40
2024	0.07-0.12	0.30-0.75	0.07-0.38	0.30-0.40

Notes:

- (1) The above table shows ranges of tax rates since individual towns set varying rates. People residing in the following towns pay property taxes to the town in addition to the taxes paid to the County. The towns included in the above table include Bridgewater, Broadway, Dayton, Elkton, Grottoes, Mt. Crawford, and Timberville.
- (2) Information obtained from the Rockingham County Commissioner of the Revenue.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 10

PRINCIPAL PROPERTY TAXPAYERS Current Year and Nine Years Ago (Unaudited)

2024						
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Property Taxes Paid	Rank	Percentage of Total Property Taxes Paid Value
Great Eastern Resort Management	\$ 363,742,468	2	2.6%	\$ 2,753,124	3	2.1%
Merck & Co., Inc.	597,616,365	1	4.3%	12,137,199	1	9.2%
MillerCoors	248,444,700	3	1.8%	4,039,605	2	3.1%
Wal-Mart Retail and Distribution Centers	176,117,575	4	1.3%	2,169,276	5	1.6%
White Wave	133,367,595	5	1.0%	2,102,804	4	1.6%
Sunnyside Retirement Community	89,350,100	6	0.6%	(2)		
Marshall's	78,560,730	8	0.6%	879,181	7	0.7%
LSC Communications (formerly RR Donnelley & Sons Co.)	78,560,730	7	0.6%	1,098,922	6	0.8%
Cargill	57,417,345	10	0.4%	803,801	8	0.6%
Sysco	59,125,335	9	0.4%	(2)		
Virginia Poultry Growers	(1)			702,111	9	0.5%
Interchange	(1)			628,147	10	0.5%
Total	\$ 1,882,302,943		13.6%	\$ 27,314,170		20.7%

2015						
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Property Tax Paid	Rank	Percentage of Total Property Taxes Paid
Great Eastern Resort Management	\$ 424,518,475	1	5.1%	\$ 3,004,669	1	3.8%
Miller Coors (formerly Adolph Coors Company)	185,205,115	2	2.4%	2,986,932	2	3.8%
Merck & Company, Inc.	99,754,175	5	1.2%	1,314,817	3	2.5%
Wal-Mart Retail and Distribution Centers	99,995,690	4	1.1%	1,143,226	6	1.5%
RR Donnelley & Sons Co.	88,232,885	6	1.1%	1,443,563	5	1.7%
White Wave (formerly Morningstar Foods)	112,383,815	3	1.0%	1,953,826	4	1.8%
Marshall's	63,079,805	7	0.7%	724,962	7	0.9%
Sunnyside Retirement Community	52,829,400	8	0.6%	353,957	10	0.5%
Cargill (formerly Rocco)	48,111,470	9	0.6%	704,815	8	0.9%
Sysco	38,044,575	10	0.4%	507,916	9	0.6%
Total	\$ 1,212,155,405		14.2%	\$ 14,138,683		18.0%

Notes:

(1) Not in the Top 10 Taxable Assessed Value

(2) Not in the Top 10 Property Taxes Paid

Source:

Rockingham County Commissioner of the Revenue.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 11

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

Calendar Year	Taxes Levied for the Calendar Year	Collected Within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 50,861,929	\$ 49,410,225	97.15%	\$ 1,508,475	\$ 50,918,700	100.11%
2016	53,997,527	53,187,098	98.50%	793,004	53,980,102	99.97%
2017	57,907,159	57,106,295	98.62%	758,408	57,864,703	99.93%
2018	60,063,608	59,254,109	98.65%	757,708	60,011,817	99.91%
2019	61,330,358	60,536,048	98.70%	739,921	61,275,969	99.91%
2020	62,389,728	61,744,639	98.97%	573,773	62,318,412	99.89%
2021	63,615,307	62,884,680	98.85%	640,394	63,525,074	99.86%
2022	77,401,272	76,583,380	98.94%	631,101	77,214,481	99.76%
2023	79,063,780	78,295,366	99.03%	491,861	78,787,227	99.65%
2024	80,270,257	79,339,456	98.84%	N/A	79,339,456	98.84%

Source:

Rockingham County Treasurer.

Note:

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

RATIOS OF OUTSTANDING DEBT BY TYPE AND GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities						Business-Type Activities		Total Primary Government
	General Obligation Bonds	Private Placement Notes	Lease Revenue Refunding Bonds	Literary Loan Payable	Leases Liabilities	Subscription Liabilities	Revenue Bonds	Leases Liabilities	
2016	\$ 70,472,680	\$ 8,714,153	\$ 14,132,883	\$ -	\$ -	\$ -	\$ 20,383,318	\$ -	\$ 113,703,034
2017	64,260,913	7,826,952	12,282,453	-	-	-	29,711,540	-	114,081,858
2018	83,339,596	9,866,514	10,411,515	-	-	-	31,844,345	-	135,461,970
2019	77,216,875	8,320,437	8,514,297	-	-	-	29,686,640	-	123,738,249
2020	102,069,244	6,723,467	6,595,000	-	-	-	27,299,897	-	142,687,608
2021	94,801,461	5,094,984	2,115,000	-	-	-	25,292,544	-	127,303,989
2022	87,360,723	3,434,360	1,590,000	-	627,241	-	23,179,526	-	116,191,850
2023	79,663,628	2,084,503	-	-	591,168	230,316	20,539,621	-	103,109,236
2024	71,684,838	1,053,438	-	7,962,427	973,570	106,044	18,580,770	147,353	100,508,440
2025	63,730,635	-	-	13,952,863	916,604	54,212	16,641,920	144,770	95,441,004

Bonded debt outstanding:

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Debt Per Capita	Revenue Bonds	Percentage of Actual Taxable Value of Property	Debt Per Capita
2016	\$ 70,472,680	0.95%	\$ 884	\$ 20,383,318	0.28%	\$ 256
2017	64,260,913	0.86%	797	29,711,540	0.40%	368
2018	83,339,596	1.07%	1,024	31,844,345	0.41%	391
2019	77,216,875	0.97%	939	29,686,640	0.37%	361
2020	102,069,244	1.26%	1,233	27,299,897	0.34%	330
2021	94,801,461	1.15%	1,123	25,292,544	0.31%	300
2022	87,360,723	0.80%	1,023	23,179,526	0.21%	271
2023	79,663,628	0.71%	920	20,539,621	0.18%	237
2024	71,684,838	0.63%	823	18,580,770	0.16%	213
2025	63,730,635	N/A	N/A	16,641,920	N/A	N/A

Notes:

- (1) Details regarding the County's outstanding debt may be found in the notes to the basic financial statements.
- (2) Population and personal income data can be found in table 15.
- (3) See table 8 for property value data.
- (4) The County implemented GASB 87, *Leases*, in fiscal year 2022. As of June 30, 2022, the County no longer has any capital leases but does have lease revenue refunding bonds.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Year Ended June 30, 2025
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Town of Bridgewater, Virginia	\$ 3,016,481	0.57%	\$ 17,224
Town of Broadway, Virginia	28,400	3.67%	1,043
Town of Mt. Crawford, Virginia	204,153	0.50%	1,016
Town of Dayton, Virginia	-	0.00%	-
Town of Elkton, Virginia	934,022	3.36%	31,360
Town of Grottoes, Virginia	-	0.00%	-
Town of Timberville, Virginia	-	0.00%	-
Subtotal, overlapping debt			<u>50,643</u>
County Direct Debt			<u>78,654,314</u>
Total direct and overlapping debt			<u><u>\$ 78,704,957</u></u>

Note:

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

COUNTY OF ROCKINGHAM, VIRGINIA

Table 14

PLEDGED-REVENUE COVERAGE

Page 1

Last Ten Fiscal Years

(Unaudited)

Water and Sewer Fund							
Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2016	\$ 7,270,371	\$ 4,982,413	\$ 2,287,958	\$ 540,000	\$ 565,731	\$ 1,105,731	2.07
2017	8,743,842	5,284,929	3,458,913	585,000	387,667	972,667	3.56
2018	8,451,441	5,737,979	2,713,462	610,000	499,011	1,109,011	2.45
2019	9,146,625	5,760,454	3,386,171	750,000	502,625	1,252,625	2.70
2020	9,329,252	6,415,417	2,913,835	790,000	477,897	1,267,897	2.30
2021	10,574,649	6,248,920	4,325,729	830,000	449,672	1,279,672	3.38
2022	11,678,541	6,510,025	5,168,516	860,000	410,118	1,270,118	4.07
2023	12,019,940	7,691,897	4,328,043	895,000	414,353	1,309,353	3.31
2024	14,148,632	7,987,453	6,161,179	940,000	375,130	1,315,130	4.68
2025	13,570,049	8,652,148	4,917,901	890,000	330,502	1,220,502	4.03

Smith Creek Water & Waste Authority Fund							
Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2016	\$ 355,029	\$ 203,397	\$ 151,632	\$ 182,562	\$ 54,501	\$ 237,063	0.64
2017	453,320	204,229	249,091	187,858	49,197	237,055	1.05
2018	605,657	273,915	331,742	193,305	43,748	237,053	1.40
2019	633,094	244,492	388,602	198,911	39,285	238,196	1.63
2020	642,100	304,707	337,393	204,682	32,112	236,794	1.42
2021	585,407	388,351	197,056	210,620	25,908	236,528	0.83
2022	741,135	438,913	302,222	216,730	19,524	236,254	1.28
2023	714,360	395,293	319,067	599,317	23,340	622,657	0.51
2024	678,634	527,977	150,657	-	9,637	9,637	15.63
2025	777,648	524,733	252,915	-	7,321	7,321	34.55

Countryside Sanitary District Fund							
Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2016	\$ 18,833	\$ 8,965	\$ 9,868	\$ 8,284	\$ 3,429	\$ 11,713	0.84
2017	15,738	9,492	6,246	8,555	3,159	11,714	0.53
2018	14,009	12,766	1,243	8,835	2,879	11,714	0.11
2019	14,995	10,264	4,731	9,125	2,515	11,640	0.41
2020	15,208	13,119	2,089	9,423	2,214	11,637	0.18
2021	15,080	14,179	901	9,732	1,903	11,635	0.08
2022	11,543	7,507	4,036	53,660	872	54,532	0.07
2023	10,363	7,452	2,911	-	-	-	-
2024	10,563	7,612	2,951	-	-	-	-
2025	11,424	7,760	3,664	-	-	-	-

COUNTY OF ROCKINGHAM, VIRGINIA

Table 14

PLEDGED-REVENUE COVERAGE

Page 2

Last Ten Fiscal Years

(Unaudited)

	Solid Waste Fund						
	Utility Service	Operating	Net Available	Debt Service			
Fiscal Year	Charges	Expenses	Revenue	Principal	Interest	Total	Coverage
2016	\$ 6,232,808	\$ 3,560,345	\$ 2,672,463	\$ 595,000	\$ 66,424	\$ 661,424	4.04
2017	6,473,078	4,232,965	2,240,113	810,000	142,265	952,265	2.35
2018	6,866,481	4,098,618	2,767,863	925,000	384,137	1,309,137	2.11
2019	7,467,963	4,324,184	3,143,779	915,000	422,990	1,337,990	2.35
2020	6,970,164	5,273,583	1,696,581	930,000	410,799	1,340,799	1.27
2021	6,702,009	4,096,826	2,605,183	730,000	373,599	1,103,599	2.36
2022	7,256,779	4,699,905	2,556,874	755,000	335,226	1,090,226	2.35
2023	7,727,230	5,762,540	1,964,690	785,000	424,665	1,209,665	1.62
2024	8,786,014	5,319,642	3,466,372	815,000	386,003	1,201,003	2.89
2025	10,308,992	8,150,591	2,158,401	845,000	343,311	1,188,311	1.82

Lilly Subdivision Sanitary District								
Fiscal Year	Utility	Operating	Net	Debt Service			Coverage	
	Service		Available	Principal	Interest	Total		
	Charges	Expenses	Revenue					
2016	\$ 47,631	\$ 19,871	\$ 27,760	\$ 18,397	\$ 11,189	\$ 29,586	0.94	
2017	29,877	17,874	12,003	18,961	10,414	29,375	0.41	
2018	36,915	22,883	14,032	19,545	9,619	29,164	0.48	
2019	33,157	18,967	14,190	20,146	8,375	28,521	0.50	
2020	56,464	47,352	9,112	225,116	5,116	230,232	0.04	
2021	68,837	30,815	38,022	-	-	-	-	
2022	39,705	26,671	13,034	-	-	-	-	
2023	42,241	40,941	1,300	-	-	-	-	
2024	35,903	21,270	14,633	-	-	-	-	
2025	43,158	31,340	11,818	-	-	-	-	

Notes:

- (1) Utility service charges include all revenues of the fund except gains on sales of capital assets, interest income, and intergovernmental revenue.
- (2) Operating expenses are exclusive of depreciation and amortization, expansion allocation in the Regional Sewer Authority, interest expense and losses on sales of capital assets.

COUNTY OF ROCKINGHAM, VIRGINIA**Table 15**
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years
(Unaudited)

Calendar Year	(1) Population	(1) Median Age	(2) Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2015	79,134	41.4	\$ 2,804,549,679	\$35,441	11,327	4.4%
2016	79,735	41.4	2,847,734,260	35,715	11,287	3.7%
2017	80,666	41.2	3,048,267,461	37,789	11,261	3.4%
2018	81,422	41.2	3,216,335,687	39,502	11,252	3.1%
2019	82,208	41.2	3,396,176,896	40,517	11,356	2.7%
2020	82,809	41.2	3,579,998,688	42,773	11,487	6.9%
2021	84,394	39.9	4,071,250,954	48,241	11,005	3.6%
2022	85,397	40.9	4,372,667,988	51,204	10,904	2.2%
2023	86,568	40.5	4,464,571,464	51,573	11,091	2.7%
2024	87,051	40.3	N/A	N/A	11,091	3.5%

Sources:

(1) Census Reported

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

(3) County of Rockingham School Division as of March 30 each year.

(4) Virginia Employment Commission (fiscal year end).

N/A - Information unavailable at fiscal year end.

COUNTY OF ROCKINGHAM, VIRGINIA**Table 16****PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago
(Unaudited)**

Employer	Fiscal Year June 30,	
	2025	2016
	Rank	Rank
Rockingham County School Board	1	2
Sentara Healthcare	2	1
Wal-Mart	3	4
Cargill Meat Solutions	4	3
Marshall's	5	7
Merck Sharp & Dohme Corp.	6	10
Great Eastern Resort Management	7	5
Pilgrims Pride Corp.	8	8
County of Rockingham	9	9
LSC Communications	10	6

Source:

Virginia Employment Commission. Community Profile.

COUNTY OF ROCKINGHAM, VIRGINIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year	
	2016	2017
General government administration:		
Legislative	5.00	5.00
General and financial:		
Commissioner of the revenue	14.00	15.00
Treasurer	7.00	7.00
Executive administration and legal	9.00	9.00
Finance	9.15	11.00
Human resources	3.50	3.50
Information systems	11.00	11.00
Central switchboard	1.50	1.00
Board of elections	2.00	2.00
Judicial administration:		
Courts:		
Clerk of the circuit court	15.00	15.00
Court services	11.00	11.00
Commonwealth attorney	27.30	26.00
Public safety:		
Sheriff	175.00	175.00
Fire and rescue	76.00	90.00
Building inspections	9.00	9.00
Other protection	2.00	2.00
Public works:		
General administration	0.65	1.00
Garage operations	2.00	2.00
Maintenance	17.55	18.00
Parks, recreation and cultural	10.50	10.50
Community development:		
Planning and community development	12.00	12.00
Economic development	1.00	1.00
Nutrient management	-	-
Water and sewer:		
Utilities/water treatment	21.10	21.00
Solid waste:		
Landfill	18.95	18.95
Container site	12.35	12.35
Component unit school board:		
Education:		
Instruction	1,410.00	1,486.00
Administration, attendance and health	64.00	98.00
Pupil transportation services	238.00	241.00
Operation and maintenance services	115.00	116.00
Technology	-	-
School food services	113.00	108.00
Component unit HRSSD:		
Social services:		
Services	65.00	65.00
Public assistance	53.00	53.00
Comprehensive Services Act	3.50	3.50
Administration	7.00	7.00
Totals	2,542.05	2,666.80

Source: Rockingham County Department of Human Resources.

Table 17

Fiscal Year							
2018	2019	2020	2021	2022	2023	2024	2025
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
15.00	15.00	15.00	15.00	15.00	15.00	18.00	19.00
7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00
7.00	8.00	8.00	9.00	8.00	10.00	10.00	11.00
11.00	11.00	10.00	10.00	10.00	11.00	11.00	11.00
3.50	4.00	4.00	4.00	5.00	5.00	5.00	5.00
13.00	12.00	12.00	12.00	12.00	13.00	14.00	14.00
1.00	1.00	1.00	1.00	-	-	-	-
2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
16.00	15.00	15.00	17.00	17.00	19.00	21.00	21.00
12.00	12.00	13.00	13.00	13.00	14.00	14.00	15.00
26.30	24.00	24.00	25.00	25.00	25.00	25.00	25.00
178.00	179.00	187.00	190.00	196.00	199.00	207.00	207.00
86.00	95.00	96.00	105.00	117.00	129.00	134.00	152.00
9.00	10.00	10.00	10.00	10.00	10.00	11.00	11.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
19.00	19.00	18.00	18.00	20.00	22.00	21.00	21.00
11.00	11.00	11.00	13.00	12.00	13.00	10.00	11.00
13.00	12.00	13.00	13.00	13.00	15.00	17.00	17.00
1.00	1.00	1.00	1.00	-	-	-	-
-	-	-	-	1.00	1.00	1.00	1.00
21.00	21.00	21.00	21.00	23.00	25.00	25.00	25.00
18.95	19.00	19.00	21.00	21.00	24.00	24.00	24.00
12.35	11.00	9.00	10.00	10.00	12.00	12.00	12.00
1,477.00	1,491.00	1,498.00	1,513.00	1,535.00	1,535.00	1,579.00	1,552.00
48.00	50.00	50.00	52.00	52.00	52.00	48.00	49.00
236.00	239.00	241.00	242.00	242.00	242.00	240.00	243.00
118.00	118.00	119.00	119.00	123.00	123.00	127.00	123.00
-	-	-	-	67.00	67.00	68.00	38.00
109.00	108.00	108.00	108.00	107.00	107.00	111.00	114.00
65.00	69.00	71.00	74.00	74.00	74.00	83.00	71.00
52.00	68.00	66.00	69.00	69.00	69.00	78.00	81.00
3.80	4.00	12.00	3.00	3.00	3.00	4.00	5.00
7.00	10.00	2.00	5.00	5.00	5.00	6.00	8.00
2,609.90	2,656.00	2,673.00	2,712.00	2,824.00	2,860.00	2,945.00	2,907.00

COUNTY OF ROCKINGHAM, VIRGINIA

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

Function/Program	Fiscal Year	
	2016	2017
Commonwealth Attorney:		
Felony Cases	1,123	1,093
Misdemeanor Cases	129	141
General District Court: Teresa Brown		
Traffic Infraction, Misdemeanor, Felony, S/C & Capias	21,497	21,549
Criminal Misdemeanor, Felony, S/C & Capias	8,036	6,876
Civil Filings (All types)	8,347	10,503
Juvenile Domestic Relations Court: Teresa Rea		
New Cases	7,438	8,018
Garage:		
# of Inspections Performed	-	-
Human Resources:		
New Hires Processed	163	177
Terminations	123	130
Police: (1)		
Calls for service	25,081	32,250
Adult arrest	4,201	4,253
Juvenile arrest	195	294
Traffic citations	1,682	3,081
Fire: (2)		
Total fire runs	6,907	6,623
Total rescue runs	18,948	19,414
Public Service: (3)		
Garbage collected (ton)	124,278	134,879
Recycle collected (ton)	9,632	2,276
Recreation:		
Trips	1,024	879
Football/Cheerleading	659	649
Basketball	698	743
Adult Volleyball	266	252
Adult Softball	352	336
Open Gym	-	-
Childcare Program:		
Afterschool	484	465
Summer Day Care	317	301
Water and Sewer: (3)		
New water connections	124	105
New wastewater connections	112	97
Average daily water consumption (gallons)	71,094,539	70,032,583
Average daily sewage treatment (gallons)	73,577,916	73,000,000
Education: (6)		
Average daily membership	11,287	11,261
Kindergarteners	838	795
Grades 1-12	10,449	10,466

Sources:

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

Table 18

Fiscal Year							
2018	2019	2020	2021	2022	2023	2024	2025
1,073	1,095	982	1,185	1,859	1,136	2,723	2,259
186	175	318	2,559	5,641	4,361	7,194	6,977
19,938	26,208	12,881	18,603	14,944	18,211	20,035	21,747
6,852	7,053	5,570	4,395	5,064	6,064	5,947	5,909
12,492	11,812	8,541	7,172	6,184	9,938	9,585	11,423
7,138	7,561	6,506	6,349	6,575	6,148	6,399	6,922
-	-	251	263	292	253	292	284
195	202	238	309	303	182	234	259
190	140	193	191	222	240	193	192
33,803	33,485	19,329	33,047	39,964	40,823	38,065	39,298
5,232	5,016	3,518	2,466	2,396	2,496	2,411	2,131
220	253	108	58	84	90	113	116
3,634	3,167	2,155	1,883	628	3,442	3,068	3,198
11,016	8,029	7,544	7,633	11,552	8,682	9,814	9,272
13,512	15,553	6,734	21,131	32,713	21,547	21,481	23,297
133,255	144,209	144,357	145,726	173,068	159,848	162,811	161,593
2,188	2,737	2,990	3,049	2,806	2,763	2,143	2,487
1,151	1,277	146	143	255	422	611	742
587	876	311	1,074	951	1,009	1,085	1,019
783	695	256	393	427	560	595	706
280	287	224	186	288	336	480	379
320	304	-	80	352	130	135	130
-	-	-	-	-	-	-	878
455	491	409	254	286	-	-	-
325	361	154	306	376	-	-	-
109	128	182	246	302	407	424	401
134	119	170	239	297	389	403	401
76,006,333	78,061,833	82,545,667	88,162,083	89,510,666	92,516,000	100,679,249	95,593,083
85,927,083	111,199,290	84,716,040	87,522,664	9,223,842	90,808,167	87,173,827	87,868,183
11,252	11,356	11,487	11,005	10,904	11,091	11,166	11,288
812	808	864	766	774	850	804	809
10,440	10,548	10,623	10,239	10,130	10,241	10,362	10,479

COUNTY OF ROCKINGHAM, VIRGINIA

Table 19

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

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police Stations: (1)	1	1	1	1	1	1	1	1	1	1
Fire Companies (not County owned): (2)	11	11	11	11	11	11	11	11	9	8
Fire and Rescue Stations (County Owned)	-	1	-	-	2	2	3	3	3	5
Rescue Squads (not County owned): (2)	8	7	7	7	7	7	6	6	6	5
Rescue Squads (County owned): (2)	-	1	1	1	1	2	2	2	2	1
Streets: (4)										
Centerline Mileage:										
Interstate	54	54	54	54	54	54	54	54	54	54
Primary	192	192	210	210	215	215	215	215	215	215
Secondary	900	900	882	882	880	880	880	880	883	887
Number of street lights	16	16	16	16	16	16	16	16	16	16
Traffic signals	42	43	43	43	43	43	43	43	43	46
Parks and Recreation: (5)										
Parks - number of acres	81	81	81	81	81	81	81	81	81	81
Neighborhood parks - number of acres	19	19	19	19	19	19	19	19	-	-
Baseball/softball diamonds	31	31	31	33	33	33	33	33	4	4
Soccer/football fields	13	13	13	17	17	17	17	17	12	12
Basketball courts	14	14	14	14	14	14	14	14	14	18
Parks with playground equipment	1	1	1	2	2	2	2	2	2	2
Picnic shelters	3	3	3	3	3	3	3	3	3	3
Community centers	3	3	3	3	3	3	3	3	3	4
Water: (3)										
Wells (County owned)	2	2	3	3	3	3	3	3	3	3
Water lines (feet)	577,643	587,938	599,862	622,226	632,505	653,683	653,683	653,683	777,904	797,798
Fire hydrants	909	957	999	1,002	1,031	1,071	1,071	1,071	1,229	1,263
Storage capacity (MGPD)	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000
Average daily consumption (MGPD)	2,337,355	2,302,441	2,498,838	2,566,576	2,713,830	2,898,479	2,898,479	3,000,877	3,302,219	3,152,577
Peak consumption (MGPD)	3,188,000	3,322,000	3,315,000	3,847,000	4,274,000	4,123,000	4,123,000	4,446,530	4,283,000	4,050,000
Wastewater: (3)										
Sanitary sewers (feet)	588,915	598,057	608,165	613,756	621,871	639,325	639,325	639,325	668,454	770,811

Sources:

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

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the General Fund and Tourism Fund of the County of Rockingham, Virginia (County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 25, 2025.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

YB Marcus, LLP

Harrisonburg, Virginia
November 25, 2025