

# *Comprehensive Annual Financial Report*

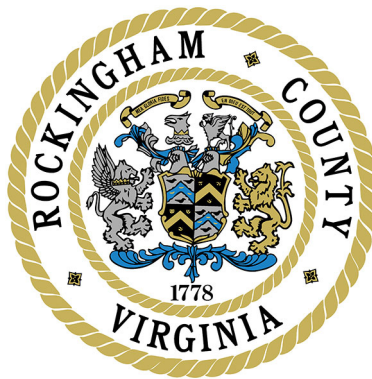


*Rockingham County, Virginia  
Fiscal Year Ended June 30, 2020*



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Fiscal Year Ended June 30, 2020**



Prepared by:

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

[www.rockinghamcountyva.gov](http://www.rockinghamcountyva.gov)

**COUNTY OF ROCKINGHAM, VIRGINIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2020**

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# **INTRODUCTORY SECTION**



## ROCKINGHAM COUNTY

### BOARD OF SUPERVISORS

**PABLO CUEVAS**

Election District No. 1

**FREDERICK E. EBERLY**

Election District No. 2

**RICK L. CHANDLER**

Election District No. 3

**WILLIAM B. KYGER, JR.**

Election District No. 4

**MICHAEL A. BREEDEN**

Election District No. 5

November 30, 2020

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

### Members of the Board:

It is my pleasure to submit to you the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. The Code of the Commonwealth of Virginia requires that all local governments shall be audited annually with a report to the Governing Body. The CAFR 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, 2020, 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 CAFR.

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 estimated population of 81,422. The independent city of Harrisonburg, with an estimated population of 54,606 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 CAFR.

The County provides a full range of services including law enforcement, emergency medical response, and fire protection; judicial services; correctional facilities; disposal of solid waste; utility services; planning and zoning; and 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 15<sup>th</sup> of each year. Each department and agency prepares its budget request for review and amendment by the County Administrator prior to inclusion in the County's general operating budget. The School Board and Social Services Administrative Board prepare their budgets and transmit them to the County Administrator. The County Administrator then submits his recommendation to the Board's Finance Committee for consideration and recommendation to the full Board.

The Board establishes a time and place for a public hearing on the budget. A hearing must be held at least seven days prior to the adoption of the budget. Except for the School's budget, which may only be increased or decreased by major category or as a whole, the Board may insert new items of expenditure or may increase, decrease or remove items of expenditure (other than debt service or other legal requirements). On April 24, 2019 the Board approved the budget for fiscal year 2020. During the fiscal year 2020, as is customary, the Board also approved supplemental budget amendments.

### ***Local Economy***

The effects of the Coronavirus pandemic have been felt on our local economy since mid-March 2020. Previously, the County had enjoyed a relatively stable economy. Since February, the unemployment rate has varied from 2.2% to a high of 9.6% in April and as of September has reduced to 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 30,727 students.

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

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

Existing businesses in the County have experienced growth over the last several years and other businesses are planning for growth in the next two to five years. Those businesses include, Miller-Coors, Merck, Sysco, Danone, LSC Communications, Shenandoah Growers, Virginia Poultry Growers Cooperative, Dynamic Aviation, Interchange, and Great Eastern Resorts. Merck announced in May 2019 that they will be investing \$1 billion and adding an estimated 100 jobs over the next three years in Rockingham County. Private commercial development continues along the new Stone Spring Road corridor, particularly in the area of Port Republic Road and Reservoir Street.

Significant events and actions during this past year include:

- Coronavirus Relief Fund provided \$7,149,647 in funds to provide relief for the purchase of personal protective equipment, decontamination equipment, building modifications, emergency services equipment and facilities, and emergency services staff expenses.
- Completed construction of Phase 2 of the school renovation projects at John C. Myers and Fulks Run Elementary Schools.
- Completed the construction of a fire response facility along Port Republic Road.
- Completed a walking trail and playground at the Rockingham Park at the Crossroads.
- Substantially completed construction of a new courtroom and modification of an existing courtroom, added and updated judge's chambers, expanded inmate holding area, provided additional waiting area for the public, added area for consultation with legal counsel, and updated office space, utilizing space vacated by Court Services and the Chief Magistrate.
- Continued the phased upgrade of the County's financial management software. Payroll and Human Resources modules were implemented in early 2015. Utility billing systems was implemented in Fiscal Year 2019. Due to the delay of programming changes included in the contract with Tyler Technologies, the Commissioner of the Revenue and Treasurer systems implementation was delayed. The Treasurer systems was partially implemented with Utility Billing, but will be fully implemented in first quarter 2021. The remainder of small systems will take place in the remainder of 2021.
- Completed construction of heating, ventilation, and air conditioning (HVAC) system upgrades in the Harrisonburg-Rockingham Regional Jail.
- Worked with the Virginia Department of Transportation (VDOT), to complete critical road infrastructure projects:
- Completed the construction of the Massanetta Springs Road improvement project in cooperation with the Preston Lake development. The project begins just north of the Massanetta Springs conference center and extends to Route 33.
- Completed the construction of a Bike and Buggy Lanes on Route 42 in the Town of Dayton, extended from the town limits to Erickson Avenue.

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

These items include:

- Continue to work toward a long-term plan to address space needs in the District Courts and Circuit Courts buildings.
- Financial planning for expansion needed at Middle River Regional Jail.

- 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 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 financial rating from two of the United States' largest credit rating agencies - Standard & Poor's, and Moody's Investor Service, including a "AAA" from Standard & Poor's, and a "AA" from Moody'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. These strong ratings reflect recognition by the credit ratings agencies 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](http://www.rockinghamcountyva.gov).


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

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

Respectfully submitted,



Stephen G. King  
County Administrator



Patricia D. Davidson  
Director of Finance

# COUNTY OF ROCKINGHAM, VIRGINIA

## Directory of Principal Officials June 30, 2020

### *Board of Supervisors*

William B. Kyger, Jr., Chair  
District 4

Rick Chandler, Vice-Chair  
District 3

Brent Trumbo  
District 1

Sallie Wolfe-Garrison  
District 2

Michael A. Breeden  
District 5

### *County Administrator*

Stephen G. King

### *School Board*

Lowell Fulk, Chair  
District 2

Renee A. Reed, Vice-Chair  
District 3

Jackie Lohr  
District 1

Dr. Charlette E. McQuilkin  
District 4

Dan R. Breeden  
District 5

### *Superintendent of Schools*

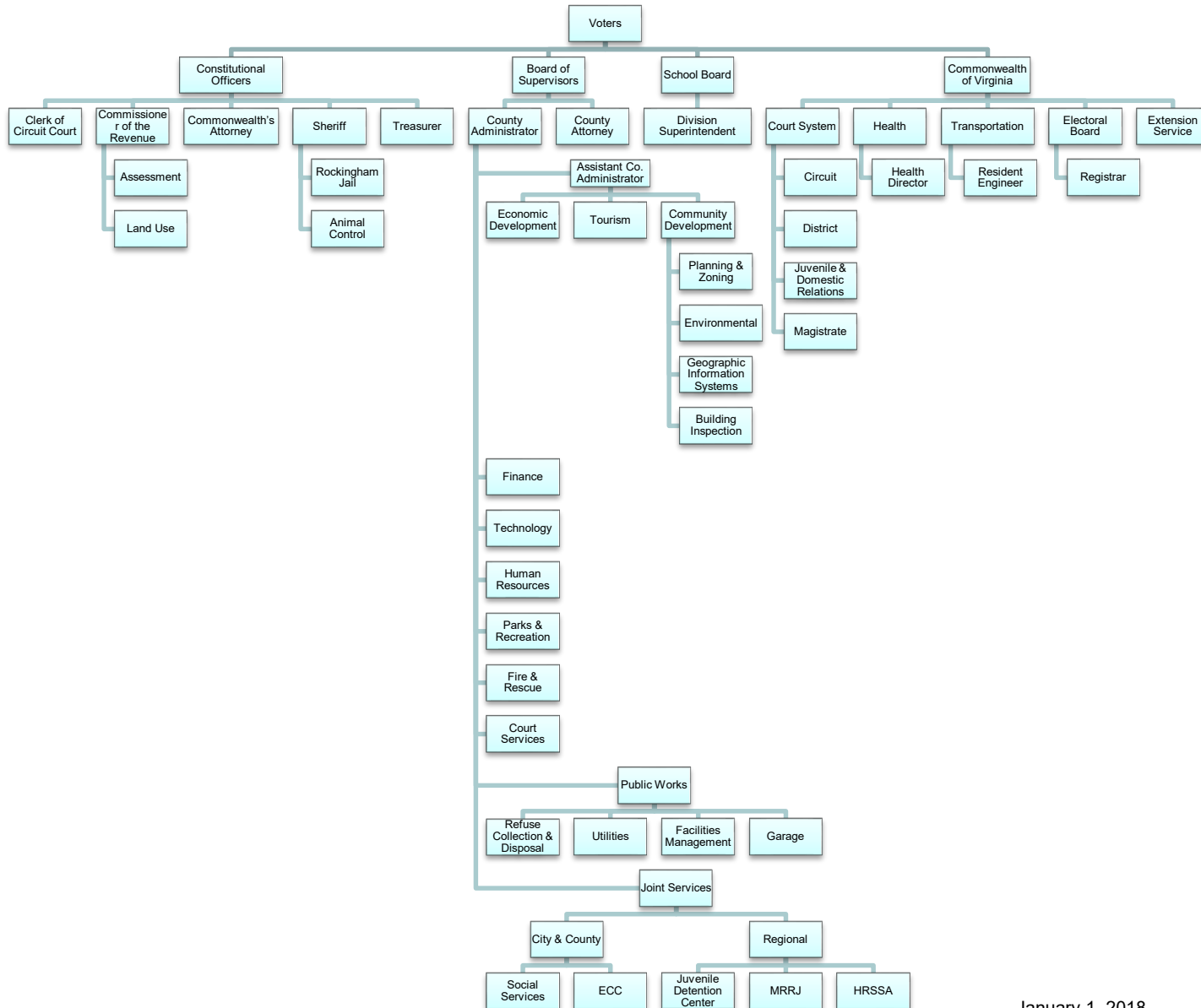
Dr. Oskar Scheikl

### *Other Officials*

Casey Armstrong  
Thomas H. Miller, Jr.  
Lowell R. Barb  
Bryan F. Hutcheson  
L. Todd Garber  
Marsha L. Garst  
Chaz W. Haywood  
Patricia D. Davidson  
Celest D. Williams  
Terri M. Perry  
Kirby Dean  
Phillip Rhodes  
Ann Marie Freeman  
Jennifer J. Mongold  
Lisa B. Gooden  
Jeremy C. Holloway  
Rhonda Cooper

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

# Rockingham County, VA Government Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Rockingham  
Virginia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrell*

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 Financial Statements

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 comparison of the General Fund of the County of Rockingham, Virginia (County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2020, the respective changes in financial position and the budgetary comparison of the General Fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and the required supplementary information on pages 12-25 and 134-154, respectively, be presented to supplement the basic financial statements. Such information, 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.

### *Other 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, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020 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 the County's internal control over financial reporting and compliance.

*P. B. Mares, LLP*

Harrisonburg, Virginia  
November 30, 2020

## 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, 2020. 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 \$41,423 at June 30, 2020. Of this amount, there was \$94,071 invested in the County's capital assets, net of related debt, \$1,334 in restricted funds assets, and a negative \$53,982 in unrestricted funds.
- The negative \$53,982 in unrestricted funds is a result of recording \$85,799 in debt for the component unit – School Board within the governmental activities. Debt is recorded within the primary government since the County is legally obligated to make payments for this debt; however, the corresponding assets are reported in the component unit – School Board statements since the School Board holds title to the assets.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$53,272. Approximately 67 percent of this total amount, \$35,585 is available for spending at the government's discretion (unassigned fund balance). There is an additional \$3,115 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 \$35,585, which represents 23 percent of total General Fund expenditures. As mentioned above, an additional \$3,115, which represents 2 percent of total General Fund expenditures, is assigned to future unspecified capital outlays in the General Capital Projects Fund.

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The County maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the General Capital Projects Fund, which are considered to be major funds and the Asset Forfeiture Fund and Tourism Funds, 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 30-33 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 two internal service funds. The Central Stores Fund accounts for providing office supplies to various departments or agencies of the County and recording the related costs. The Self-Insurance Fund accounts for the costs associated with providing health insurance benefits and managing claims for employees of the County and its component units.

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

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

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

The basic fiduciary fund financial statement can be found on page 39 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 \$41,423 at the close of the most recent fiscal year. This is a decrease of \$3,819 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, \$94,071, reflects its investment in capital assets (e.g. land, easements, buildings, improvements, machinery and equipment, software, 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 balance of \$84,621 to \$94,071.

An additional portion of the County's net position, \$1,334, represents resources that are subject to external restrictions on how they may be used. There was an increase of \$710 in restricted net assets reported in connection with the County's business-type activities and governmental activities.

The unrestricted portion of the County's net position for the primary government's governmental activities worsened primarily because of new debt issuances and increases in pension and OPEB expense from negative \$40,003 to negative \$53,982.

The unrestricted portion of the County's net position for the primary government is also 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)(9) 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, and construction in progress, net of accumulated depreciation and amortization). As explained above and in Note 1(E)(9) 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, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 74,363	\$ 57,233	\$ 27,851	\$ 27,097	\$ 102,214	\$ 84,330
Capital assets, net	63,837	56,808	63,778	65,613	127,615	122,421
<b>Total assets</b>	<b>138,200</b>	<b>114,041</b>	<b>91,629</b>	<b>92,710</b>	<b>229,829</b>	<b>206,751</b>
<b>Deferred outflows of resources</b>	<b>5,631</b>	<b>3,468</b>	<b>853</b>	<b>734</b>	<b>6,484</b>	<b>4,202</b>
Other liabilities	11,354	9,475	1,716	806	13,070	10,281
Noncurrent liabilities	134,140	109,524	43,924	44,482	178,064	154,006
<b>Total liabilities</b>	<b>145,494</b>	<b>118,999</b>	<b>45,640</b>	<b>45,288</b>	<b>191,134</b>	<b>164,287</b>
<b>Deferred inflows of resources</b>	<b>3,555</b>	<b>1,307</b>	<b>201</b>	<b>117</b>	<b>3,756</b>	<b>1,424</b>
Net position:						
Net investment in capital assets	57,242	48,294	36,829	36,327	94,071	84,621
Restricted	1,334	624	-	-	1,334	624
Unrestricted (deficit)	(63,794)	(51,715)	9,812	11,712	(53,982)	(40,003)
<b>Total net position</b>	<b>\$ (5,218)</b>	<b>\$ (2,797)</b>	<b>\$ 46,641</b>	<b>\$ 48,039</b>	<b>\$ 41,423</b>	<b>\$ 45,242</b>

	Component Units			
	School Board		Harrisonburg- Rockingham Social Services District	
	2020	2019	2020	2019
Current and other assets	\$ 42,074	\$ 32,416	\$ 11,230	\$ 9,486
Capital assets, net	142,311	138,615	1,968	2,103
<b>Total assets</b>	<b>184,385</b>	<b>171,031</b>	<b>13,198</b>	<b>11,589</b>
<b>Deferred outflows of resources</b>	<b>28,012</b>	<b>19,419</b>	<b>1,612</b>	<b>966</b>
Other liabilities	23,026	24,110	2,759	1,601
Noncurrent liabilities	149,070	139,106	5,083	4,075
<b>Total liabilities</b>	<b>172,096</b>	<b>163,216</b>	<b>7,842</b>	<b>5,676</b>
<b>Deferred inflows of resources</b>	<b>16,803</b>	<b>12,711</b>	<b>580</b>	<b>366</b>
Net position:				
Net investment in capital assets	142,311	138,615	1,968	2,103
Restricted	2,621	-	2,587	2,473
Unrestricted (deficit)	(121,434)	(124,092)	1,833	1,937
<b>Total net position</b>	<b>\$ 23,498</b>	<b>\$ 14,523</b>	<b>\$ 6,388</b>	<b>\$ 6,513</b>

**County of Rockingham, Virginia**  
**Summary Statement of Changes in Net Position**  
**Years Ended June 30, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 12,712	\$ 12,216	\$ 14,519	\$ 14,467	\$ 27,231	\$ 26,683
Operating grants and contributions	14,461	10,617	1,588	1,545	16,049	12,162
Capital grants and contributions	868	1,822	-	-	868	1,822
General revenues:						
General property taxes	94,676	91,966	-	-	94,676	91,966
Other local taxes	14,810	12,547	-	-	14,810	12,547
Intergovernmental non-categorical aid	8,383	8,394	-	-	8,383	8,394
Use of money and property	1,324	1,612	559	532	1,883	2,144
Miscellaneous	1,033	3,439	366	770	1,399	4,209
<b>Total revenues</b>	<b>148,267</b>	<b>142,613</b>	<b>17,032</b>	<b>17,314</b>	<b>165,299</b>	<b>159,927</b>
Expenses:						
General government administration	6,921	5,857	-	-	6,921	5,857
Judicial administration	5,449	4,924	-	-	5,449	4,924
Public safety	31,635	29,708	-	-	31,635	29,708
Public works	4,484	7,133	18,488	14,277	22,972	21,410
Health and social services	9,300	6,725	-	-	9,300	6,725
Education	79,867	61,670	-	-	79,867	61,670
Parks, recreation and cultural	3,215	2,777	-	-	3,215	2,777
Community development	6,105	4,466	-	-	6,105	4,466
Interest	3,654	3,320	-	-	3,654	3,320
<b>Total expenses</b>	<b>150,630</b>	<b>126,580</b>	<b>18,488</b>	<b>14,277</b>	<b>169,118</b>	<b>140,857</b>
<b>Change in net position before transfers</b>	<b>(2,363)</b>	<b>16,033</b>	<b>(1,456)</b>	<b>3,037</b>	<b>(3,819)</b>	<b>19,070</b>
Transfers	(58)	-	58	-	-	-
<b>Change in net position</b>	<b>(2,421)</b>	<b>16,033</b>	<b>(1,398)</b>	<b>3,037</b>	<b>(3,819)</b>	<b>19,070</b>
Net position, beginning	(2,797)	(18,830)	48,039	45,002	45,242	26,172
Net position, ending	\$ (5,218)	\$ (2,797)	\$ 46,641	\$ 48,039	\$ 41,423	\$ 45,242

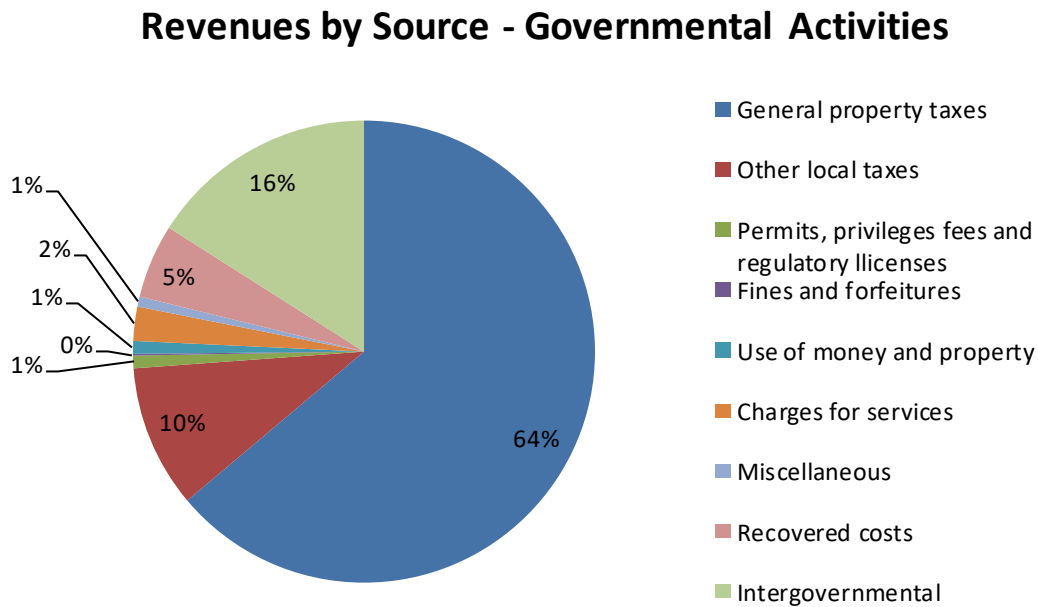
**County of Rockingham, Virginia**  
**Summary Statement of Changes in Net Position (Continued)**  
**Years Ended June 30, 2020 and 2019**

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2020	2019	2020	2019
Revenues:				
Program revenues:				
Charges for services	\$ 4,421	\$ 5,021	\$ -	\$ -
Operating grants and contributions	84,033	82,460	19,298	18,053
General revenues:				
Grants and contributions not restricted to specific programs	79,869	61,692	8,587	8,491
Intergovernmental non-categorical aid	69	72	-	-
Use of money and property	144	162	145	134
Miscellaneous	203	192	53	48
<b>Total revenues</b>	<b>168,739</b>	<b>149,599</b>	<b>28,083</b>	<b>26,726</b>
Expenses:				
Health and social services	-	-	28,208	25,776
Education	159,764	147,354	-	-
<b>Total expenses</b>	<b>159,764</b>	<b>147,354</b>	<b>28,208</b>	<b>25,776</b>
<b>Change in net position</b>	<b>8,975</b>	<b>2,245</b>	<b>(125)</b>	<b>950</b>
Net position, beginning	14,523	12,278	6,513	5,563
Net position, ending	\$ 23,498	\$ 14,523	\$ 6,388	\$ 6,513

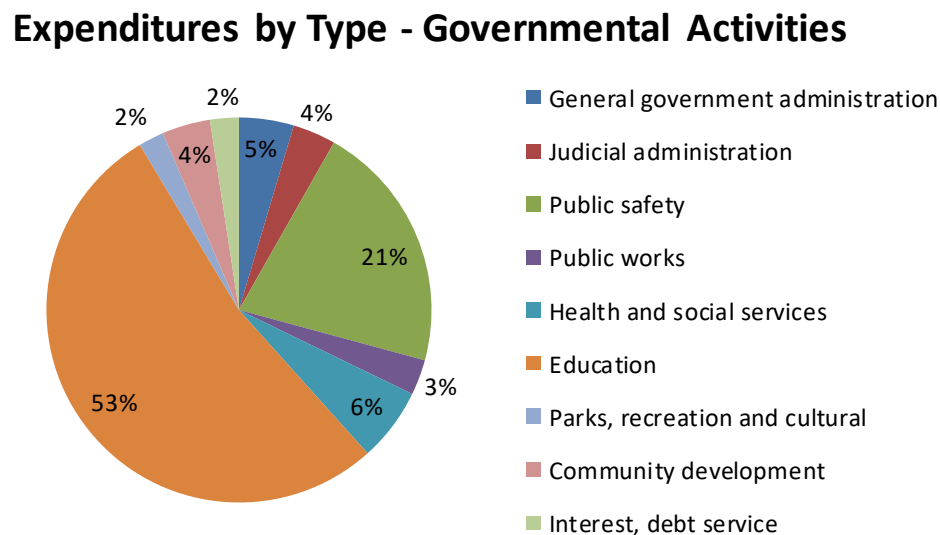


**Governmental activities.** Governmental activities increased the deficit in the County's net position by \$2,421 compared to a decreased deficit in the County's net position by \$16,033 in fiscal year 2019. Key factors for this change are as follows:

Total revenues increased \$5,654 (from \$142,613 to \$148,263) compared to last year. Revenues by source are shown in the chart below. Revenues from general property taxes make up 64 percent of total revenues.



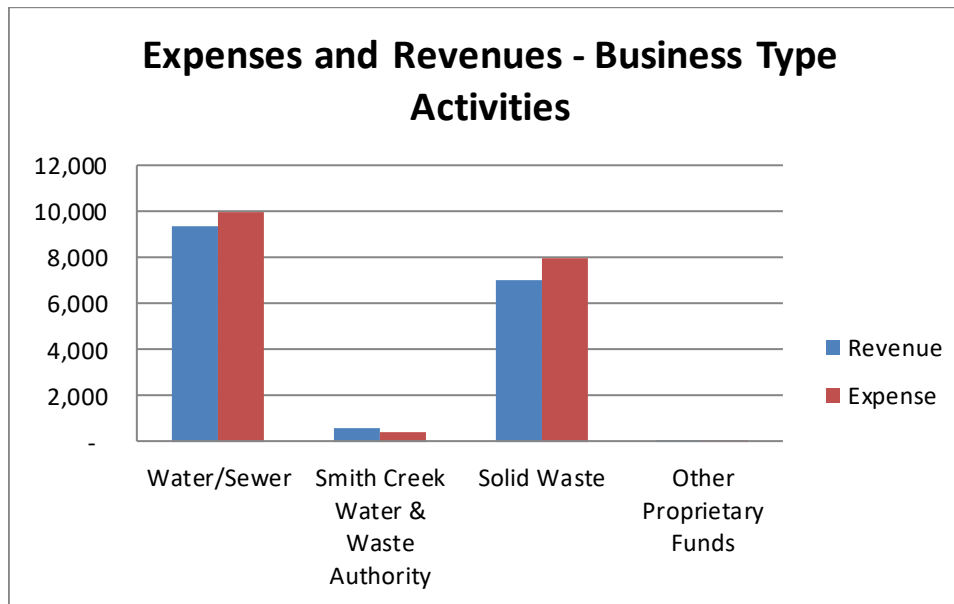
Total expenses increased by \$24,050 (from \$126,580 to \$150,630) compared to last year. The local transfer to Education in the amount of \$79,867 makes up 53 percent of total Governmental activities with Public Safety coming in second at 21 percent of the total.



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

**Business-type activities.** Business-type activities decreased the County’s net position by \$1,398 compared to an increase of \$3,037 last fiscal year. Each of these businesses is monitored on a regular basis to assure that they are operating as a self-sustaining enterprise.

### Revenues and Expenses – Business-type Activities



**Component Unit – School Board.** The School Board’s net position increased by \$8,975 this fiscal year compared to an increase of \$2,245 in fiscal year 2019. Key elements of this increase are as follows:

1. Revenues increased by \$19,140 (from \$149,599 to \$168,739) primarily due to the carryforward of unspent capital from the prior fiscal year.
2. Expenses also increased by a total of \$12,410 (from \$147,354 to \$159,764) due to a change in the OPEB and pension assumptions from the prior year.
3. Included in 2020 Expenses are depreciation and amortization totaling \$9,051, 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 \$53,272, an increase of \$13,580 in comparison with the prior year.

Approximately 67 percent of this total amount \$35,585 constitutes unassigned general fund balance, which is available for spending at the government's discretion. In addition, another 6 percent of this total amount \$3,115 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 \$35,585, while total fund balance reached \$45,055. 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 23 percent of total General Fund expenditures, while total fund balance represents 29 percent of that same amount.

The fund balance of the County's General Fund increased \$15,476 during the current fiscal year compared to a decrease of \$894 for fiscal year 2019. This \$15,476 increase is significantly better than the original budget, which projected a \$1,437 decrease, and the final budget projecting a \$3,968 decrease. The key factors influencing these results are as follows:

- Total expenditures increased by \$24,205 compared to last year. The key components with changes were:
  - General government administration increased \$560 compared to the prior fiscal year total of \$5,540.
  - Judicial administration increased \$192 compared to the prior fiscal year total of \$4,910.
  - Public safety increased \$2,803 compared to the prior fiscal year total of \$30,252.
  - Public works was decreased \$149 compared to the prior fiscal year total of \$3,121.
  - Health and social services increased \$2,250 compared to the prior fiscal year total of \$6,585.
  - Education increased \$18,178 compared to the prior fiscal year total of \$61,692 due to a carryforward of loan proceeds from fiscal year 2019.
  - Community development increased \$268 compared to prior fiscal year total of \$3,669.
  - Parks, recreation and cultural increased \$45 compared to prior fiscal year total of \$2,476.
  - Principal and interest increased \$55 compared to the prior fiscal year total of \$11,675.

The General Capital Projects Fund has a total fund balance of \$7,422, of which the majority is committed to specified future capital outlays or assigned to unspecified future capital outlays. The County had capital outlays of \$11,528 during the current fiscal year, which were funded by revenues and the fund balance.

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

Net position of these funds decreased \$1,397 this fiscal year to \$46,642. The largest portion of the net position, \$36,829, 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

Total revenues were \$210 under the final budgeted amounts. All revenues for the year were on budget, or higher. The appropriation of the Coronavirus Relief Funds and the timing of recognizing the revenue has caused the actual revenue to be lower than budget.

Total expenditures were \$19,130 under the final budgeted amounts and the key factors were:

- The appropriation to the Rockingham County School Board for general operations was less than the final budget by \$6,546. The remaining funds were left unspent at year-end by the School Board in recognition of the need to conserve resources.
- Public Safety was \$4,602 less than budgeted primarily due to the lighting upgrades and HVAC renovations in the jail. Much of the work remains to be completed in fiscal year 2020.
- Health and Human Services was \$4,797 less than budgeted primarily due to the appropriation of funds for the construction project at the Harrisonburg-Rockingham Community Services Board.
- 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, 2020, amounted to \$127,615 (net of accumulated depreciation and amortization). This investment in capital assets includes land, easements, construction in progress, buildings, improvements, machinery and equipment, and software. The County's investment in capital assets for the current fiscal year increased to \$127,615 compared to \$122,421 last year.

### County of Rockingham, Virginia Summary Statement of Capital Assets June 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Non-depreciable assets:						
Land	\$ 3,658	\$ 3,658	\$ 2,549	\$ 2,549	\$ 6,207	\$ 6,207
Easements	-	-	227	227	227	227
Construction in progress	14,257	6,100	2,553	16,490	16,810	22,590
Depreciable capital assets:						
Buildings	49,565	49,724	1,661	1,561	51,226	51,285
Improvements	21,466	20,135	92,214	77,284	113,680	97,419
Machinery and equipment	19,898	18,102	6,017	5,443	25,915	23,545
Software	1,767	1,658	-	-	1,767	1,658
Accumulated depreciation and amortization	(46,774)	(42,569)	(41,443)	(37,941)	(88,217)	(80,510)
<b>Capital assets, net</b>	<b>\$ 63,837</b>	<b>\$ 56,808</b>	<b>\$ 63,778</b>	<b>\$ 65,613</b>	<b>\$ 127,615</b>	<b>\$ 122,421</b>

Major capital expenditures during the current fiscal year for the primary government included:

- Construction in progress under Governmental Activities of \$1,500 for the District Courts Renovation.
- Construction in progress under Governmental Activities of \$363 for the Rockingham Park Walking Trail.
- Construction in progress under Governmental Activities of \$2,076 for the Jail HVAC Renovation.
- Construction in progress under Governmental Activities of \$5,019 for the Port Road Emergency Response Station.
- Construction in progress under Governmental Activities of \$647 for the Jail Roof Replacement.
- Construction in progress under Business-type Activities of \$425 for the Cobblers Valley Water Line.
- Improvements under Governmental Activities of \$1,056 for the Field Lights at Rockingham Park at the Crossroads.
- Improvements under Business-type Activities of \$13,315 for the completion of Landfill Cell 5A.
- Improvements under Business-type Activities of \$1,558 for the McGaheysville Waterline Project.
- Machinery & Equipment under Governmental Activities of \$648 for a 2019 Pierce Enforcer Pumper.
- Machinery & Equipment under Governmental Activities of \$604 for a 2020 Pierce Enforcer Pumper.
- Machinery & Equipment under Business-type Activities of \$348 for a 725C2 Truck at the Landfill.

**County of Rockingham, Virginia**  
**Summary Statement of Capital Assets (Continued)**  
**June 30, 2020 and 2019**

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2020	2019	2020	2019
Non-depreciable assets:				
Land	\$ 5,470	\$ 5,470	\$ 202	\$ 202
Easements	37	37	-	-
Construction in progress	12,794	6,950	-	-
Depreciable capital assets:				
Buildings	181,553	181,553	501	501
Improvements	78,049	71,766	1,920	1,920
Machinery and equipment	37,427	37,174	96	96
Accumulated depreciation and amortization	(173,019)	(164,335)	(751)	(616)
<b>Capital assets, net</b>	<b>\$ 142,311</b>	<b>\$ 138,615</b>	<b>\$ 1,968</b>	<b>\$ 2,103</b>

An increase in construction in progress for the component unit School Board of \$8,512 was the construction for renovations and new kitchen equipment at John C. Myers Elementary.

The increase in improvements for the component unit School Board of \$6,054 was the completed renovation of Fulks Run Elementary. Other increases of \$229 were due to a restroom addition and waterline work at the School Division Maintenance Building, sidewalk work at Rockingham Academy, track overlayment at John C Myers Elementary, hot water heater replacement at Spotswood High School, and roof replacement at MTC.

An increase of machinery and equipment for the component unit School Board of \$206 was for new kitchen equipment at Fulks Run Elementary. Other increases of \$412 were for 3 new buses, 2 vans and various equipment at MTC.

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 \$102,069. All general obligation bonds issued by the County are for educational purposes, primarily for the construction of school facilities.

**County of Rockingham, Virginia**  
**Summary Statement of Long-Term Obligations**  
**June 30, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 94,549	\$ 73,290	\$ -	\$ -	\$ 94,549	\$ 73,290
Unamortized premiums	7,520	3,927	2,886	3,091	10,406	7,018
Capital leases	6,595	8,515	-	-	6,595	8,515
Notes from direct borrowings and direct placements	6,723	8,320	-	-	6,723	8,320
Revenue bonds	-	-	24,414	26,596	24,414	26,596
Landfill obligation	-	-	14,818	13,208	14,818	13,208
Compensated absences	1,129	985	166	165	1,295	1,150
Net pension liability	12,042	8,311	1,067	743	13,109	9,054
Other postemployment benefits	5,582	6,176	573	679	6,155	6,855
	<u>\$ 134,140</u>	<u>\$ 109,524</u>	<u>\$ 43,924</u>	<u>\$ 44,482</u>	<u>\$ 178,064</u>	<u>\$ 154,006</u>

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

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the County's debt position to management, citizens, and investors. Data for the County at the end of the 2020 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
82,208	\$ 8,093,971,270	\$ 102,069,244	1.26%	\$ 1,242

More detailed information about the County's long-term obligations is presented in Note 8 of the financial statements.

## **Economic Factors and Next Year's Budget and Rates**

- The unemployment rate for September 2020 in Rockingham County was 3.9 percent, which is higher than the 2 percent rate a year ago. This compares close to the Virginia statewide unemployment rate of 6.2 percent and the United States national average of 7.9 percent.
- Fiscal year 2021 General Fund Revenue is budgeted to increase by \$2,086 to \$139,812 in comparison to the fiscal year 2020 Adopted Budget of \$137,727.
- Federal revenues are primarily from grant sources, and with the federal fiscal year not beginning until October 1, it is difficult to project which grants will be approved. However, it is important to mention that those expenditures dependent upon federal grants will not be incurred until the grant is approved and the County has assurances that it will receive those funds.
- Revenue estimates continue to be projected conservatively by staff to be responsible to the County's citizens in funding planned levels of service for next year.
- Fiscal year 2021 General Fund Expenditures are budgeted to increase \$2,085 to \$139,812 in comparison to the fiscal year 2020 Adopted Budget of \$137,727.
- The unassigned fund balance in the General Fund at fiscal year-end was \$45,055. The County has appropriated \$3,970 of this amount for spending in the fiscal year 2021 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 2021.

## **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](http://www.rockinghamcountyva.gov).



# **BASIC FINANCIAL STATEMENTS**

# COUNTY OF ROCKINGHAM, VIRGINIA

## STATEMENT OF NET POSITION

June 30, 2020

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Totals	School Board	Harrisonburg- Rockingham Social Services District	Nonmajor
<b>ASSETS</b>						
Cash and cash equivalents	\$ 35,598,292	\$ 18,201,897	\$ 53,800,189	\$ 20,517,313	\$ 4,413,111	\$ 34,939
Investments	15,482,109	7,900,562	23,382,671	9,169,759	1,915,571	6,983
Receivables, net:						
Property taxes	3,674,300	-	3,674,300	-	-	-
Utility taxes	177,410	-	177,410	-	-	-
Trade and other accounts	1,188,581	1,495,714	2,684,295	373,177	47,303	9,000
Accrued interest	112,062	62,639	174,701	46,257	15,154	56
Due from component unit	67,375	-	67,375	-	-	-
Due from other governments	8,656,203	-	8,656,203	5,224,007	4,680,686	-
Internal balances	46,528	(46,528)	-	-	-	-
Prepaid items	633,807	58,432	692,239	3,871,942	158,428	-
Inventory	37,458	178,731	216,189	250,728	-	-
Restricted cash	4,886,863	-	4,886,863	2,620,846	-	-
Investment in Harrisonburg-Rockingham Social Services District	3,801,196	-	3,801,196	-	-	-
Capital assets, net of accumulated depreciation and amortization:						
Land	3,658,262	2,549,023	6,207,285	5,469,535	202,036	-
Easements	-	227,156	227,156	36,654	-	-
Buildings and improvements	49,565,104	1,661,099	51,226,203	181,553,158	500,979	-
Improvements other than buildings	21,465,616	92,214,296	113,679,912	78,097,489	1,919,861	-
Machinery and equipment	19,898,414	6,016,518	25,914,932	37,427,127	95,897	-
Software	1,767,305	-	1,767,305	-	-	-
Construction in progress	14,257,294	2,552,604	16,809,898	12,746,086	-	-
Less accumulated depreciation and amortization	(46,774,671)	(41,442,965)	(88,217,636)	(173,019,532)	(750,309)	-
<b>Total assets</b>	<b>138,199,508</b>	<b>91,629,178</b>	<b>229,828,686</b>	<b>184,384,546</b>	<b>13,198,717</b>	<b>50,978</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred charge on refunding	-	351,047	351,047	-	-	-
Pension plan	5,096,768	451,669	5,548,437	23,469,793	1,460,243	-
Other postemployment benefits	534,566	50,300	584,866	4,542,509	151,666	-
<b>Total deferred outflows of resources</b>	<b>5,631,334</b>	<b>853,016</b>	<b>6,484,350</b>	<b>28,012,302</b>	<b>1,611,909</b>	<b>-</b>

<b>LIABILITIES</b>						
Accounts payable	2,730,855	1,311,633	4,042,488	2,097,237	2,295,815	-
Accrued payroll	1,427,958	133,207	1,561,165	17,241,169	395,552	-
Accrued liabilities	384,998	-	384,998	-	-	-
Accrued interest	2,144,668	271,065	2,415,733	-	-	-
Unearned revenue	4,151,574	-	4,151,574	1,845,574	-	-
Due to primary government	-	-	-	-	67,375	-
Insurance and benefit claims	513,832	-	513,832	1,541,496	-	-
Due to other governments	-	-	-	300,187	-	-
Noncurrent liabilities:						
Due within one year:						
Bonds payable	6,680,678	1,803,504	8,484,182	-	-	-
Capital leases	1,315,000	-	1,315,000	-	-	-
Notes from direct borrowings and direct placements	1,628,482	-	1,628,482	-	-	-
Compensated absences	703,282	101,389	804,671	2,824,965	27,525	-
Due in more than one year:						
Bonds payable, net	95,388,566	25,496,393	120,884,959	-	-	-
Capital leases	5,280,000	-	5,280,000	-	-	-
Notes from direct borrowings and direct placements	5,094,985	-	5,094,985	-	-	-
Landfill obligation	-	14,817,474	14,817,474	-	-	-
Compensated absences	425,293	64,757	490,050	1,272,205	15,981	-
Net pension liability	12,041,718	1,067,120	13,108,838	107,274,820	3,449,996	-
Other postemployment benefits	5,582,126	573,139	6,155,265	37,697,517	1,590,135	-
<b>Total liabilities</b>	<b>145,494,015</b>	<b>45,639,681</b>	<b>191,133,696</b>	<b>172,095,170</b>	<b>7,842,379</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes collected in advance	1,524,658	-	1,524,658	-	-	-
Pension plan	887,970	78,690	966,660	11,740,228	254,407	-
Other postemployment benefits	1,142,317	122,228	1,264,545	5,062,912	326,062	-
<b>Total deferred inflows of resources</b>	<b>3,554,945</b>	<b>200,918</b>	<b>3,755,863</b>	<b>16,803,140</b>	<b>580,469</b>	<b>-</b>
<b>NET POSITION</b>						
Net investment in capital assets	57,242,324	36,828,881	94,071,205	142,310,517	1,968,464	-
Restricted:						
Nonexpendable minority interest	-	-	-	-	2,586,582	-
Capital projects	-	-	-	2,620,846	-	-
Judicial administration	93,479	-	93,479	-	-	-
Public safety	189,800	-	189,800	-	-	-
Capital outlay	539,442	-	539,442	-	-	-
Community development	511,364	-	511,364	-	-	-
Unrestricted (deficit)	(63,794,527)	9,812,714	(53,981,813)	(121,432,825)	1,832,732	50,978
<b>Total net position</b>	<b>\$ (5,218,118)</b>	<b>\$ 46,641,595</b>	<b>\$ 41,423,477</b>	<b>\$ 23,498,538</b>	<b>\$ 6,387,778</b>	<b>\$ 50,978</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## STATEMENT OF ACTIVITIES Year Ended June 30, 2020

					Net (Expense) Revenue and Changes in Net Position						
								Component Units			
					Primary Government			Harrisonburg-Rockingham			
					Governmental	Business-type		School	Social Services	Nonmajor	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities	Activities	Totals	Board	District	Discretely Presented	
Primary Government:											
Governmental activities:											
General government administration	\$ 6,921,747	\$ 1,784	\$ 496,430	\$ -	\$ (6,423,533)	\$ -	\$ (6,423,533)	\$ -	\$ -	\$ -	
Judicial administration	5,448,613	2,289,677	2,741,111	-	(417,825)	-	(417,825)	-	-	-	
Public safety	31,634,751	8,775,254	10,860,739	-	(11,998,758)	-	(11,998,758)	-	-	-	
Public works	4,484,222	1,060,312	-	867,554	(2,556,356)	-	(2,556,356)	-	-	-	
Health and social services	9,299,956	-	277,084	-	(9,022,872)	-	(9,022,872)	-	-	-	
Education	79,867,096	-	-	-	(79,867,096)	-	(79,867,096)	-	-	-	
Parks, recreation and cultural	3,214,317	585,312	85,498	-	(2,543,507)	-	(2,543,507)	-	-	-	
Community development	6,105,207	-	-	-	(6,105,207)	-	(6,105,207)	-	-	-	
Interest	3,654,051	-	-	-	(3,654,051)	-	(3,654,051)	-	-	-	
Total governmental activities	150,629,960	12,712,339	14,460,862	867,554	(122,589,205)	-	(122,589,205)	-	-	-	
Business-type activities:											
Water and sewer	10,526,705	7,999,888	1,567,175	-	-	(959,642)	(959,642)	-	-	-	
Solid waste	7,960,721	6,519,218	20,926	-	-	(1,420,577)	(1,420,577)	-	-	-	
Total business-type activities	18,487,426	14,519,106	1,588,101	-	-	(2,380,219)	(2,380,219)	-	-	-	
Total primary government	\$ 169,117,386	\$ 27,231,445	\$ 16,048,963	\$ 867,554	(122,589,205)	(2,380,219)	(124,969,424)	-	-	-	
Component Units:											
Rockingham County School Board:											
Education:											
Instruction	\$ 123,050,298	\$ 2,949,554	\$ 80,654,278	\$ -	-	-	-	(39,446,466)	-	-	
Administration, attendance and health	5,935,639	-	-	-	-	-	-	(5,935,639)	-	-	
Pupil transportation services	11,342,603	-	-	-	-	-	-	(11,342,603)	-	-	
Operation and maintenance services	13,961,370	-	-	-	-	-	-	(13,961,370)	-	-	
School food services	5,473,498	1,471,962	3,378,514	-	-	-	-	(623,022)	-	-	
Total school board	159,763,408	4,421,516	84,032,792	-	-	-	-	(71,309,100)	-	-	

Harrisonburg-Rockingham Social  
Services District:

Social Services:

Public assistance	7,438,854	-	5,282,800	-	-	-	-	(2,156,054)	-
Children's services	10,697,613	-	6,044,493	-	-	-	-	(4,653,120)	-
Administration:									
Health and human services	10,003,642	-	7,902,353	-	-	-	-	(2,101,289)	-
VJCCA	67,801	-	67,801	-	-	-	-	-	-

**Total social services district**

28,207,910	-	19,297,447	-	-	-	-	-	(8,910,463)	-
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Economic Development Authority:

Economic development	1,721,388	17,000	-	1,717,588	-	-	-	-	13,200
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Rockingham County Recreation Foundation:

Parks and recreation	450	-	-	-	-	-	-	-	(450)
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**Total component units**

\$ 189,693,156	\$ 4,438,516	\$ 103,330,239	\$ 1,717,588	-	-	-	(71,309,100)	(8,910,463)	12,750
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General revenues:

Taxes:

General property taxes	94,675,689	-	94,675,689	-	-	-
Other local taxes:						
Local sales and use	8,015,055	-	8,015,055	-	-	-
Consumer utility	1,733,524	-	1,733,524	-	-	-
Motor vehicle licenses	1,342,514	-	1,342,514	-	-	-
Food and beverage	1,187,022	-	1,187,022	-	-	-
Other	2,531,705	-	2,531,705	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	79,869,506	8,587,413	-
Intergovernmental, non-categorical aid	8,382,598	-	8,382,598	69,005	-	-
Use of money and property	1,324,348	558,613	1,882,961	143,546	145,160	449
Miscellaneous	1,033,465	366,309	1,399,774	202,818	52,552	5,500
Transfers	(57,730)	57,730	-	-	-	-

**Total general revenues**

120,168,190	982,652	121,150,842	80,284,875	8,785,125	5,949
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**Change in net position**

(2,421,015)	(1,397,567)	(3,818,582)	8,975,775	(125,338)	18,699
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Net position, beginning

(2,797,103)	48,039,162	45,242,059	14,522,763	6,513,116	32,279
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Net position, ending

\$ (5,218,118)	\$ 46,641,595	\$ 41,423,477	\$ 23,498,538	\$ 6,387,778	\$ 50,978
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# COUNTY OF ROCKINGHAM, VIRGINIA

## BALANCE SHEET – GOVERNMENTAL FUNDS June 30, 2020

	General	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 26,010,509	\$ 5,426,385	\$ 576,792	\$ 32,013,686
Investments	11,588,902	2,355,395	250,365	14,194,662
Receivables, net:				
Property taxes	3,674,300	-	-	3,674,300
Utility taxes	177,410	-	-	177,410
Trade and other accounts	1,123,315	-	60,164	1,183,479
Accrued interest	82,927	17,101	1,998	102,026
Due from component unit	67,375	-	-	67,375
Due from other governments	4,100,641	1,210,821	-	5,311,462
Prepaid items	622,466	10,000	1,204	633,670
Inventory	30,191	-	-	30,191
Advance to other funds	46,528	-	-	46,528
Restricted cash	4,347,421	539,442	-	4,886,863
Investment in Harrisonburg-Rockingham Social Services District	3,880,583	-	-	3,880,583
<b>Total assets</b>	<b>\$ 55,752,568</b>	<b>\$ 9,559,144</b>	<b>\$ 890,523</b>	<b>\$ 66,202,235</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 880,928	\$ 1,752,308	\$ 1,003	\$ 2,634,239
Accrued payroll	1,423,724	-	4,234	1,427,958
Accrued liabilities	-	384,998	-	384,998
Unearned revenue	3,446,943	-	89,439	3,536,382
<b>Total liabilities</b>	<b>5,751,595</b>	<b>2,137,306</b>	<b>94,676</b>	<b>7,983,577</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes collected in advance	1,524,658	-	-	1,524,658
Unavailable revenue - property taxes	3,349,586	-	-	3,349,586
Unavailable revenue - radio lease	72,091	-	-	72,091
<b>Total deferred inflows of resources</b>	<b>4,946,335</b>	<b>-</b>	<b>-</b>	<b>4,946,335</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	622,466	10,000	1,204	633,670
Inventory	30,191	-	-	30,191
Advance to other funds	46,528	-	-	46,528
Restricted for:				
Harrisonburg-Rockingham Social Services District	3,880,583	-	-	3,880,583
Judicial administration	-	-	93,479	93,479
Public safety	-	-	189,800	189,800
Community development	-	-	511,364	511,364
Capital outlay	-	539,442	-	539,442
Committed to:				
General government administration	-	866,974	-	866,974
Judicial administration	-	768,423	-	768,423
Public safety	233,913	1,725,534	-	1,959,447
Public works	136,153	220,000	-	356,153
Health and social services	4,519,673	-	-	4,519,673
Parks, recreation and cultural	-	176,033	-	176,033
Assigned to:				
Capital outlay	-	3,115,432	-	3,115,432
Unassigned:				
General fund	35,585,131	-	-	35,585,131
<b>Total fund balances</b>	<b>45,054,638</b>	<b>7,421,838</b>	<b>795,847</b>	<b>53,272,323</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 55,752,568</b>	<b>\$ 9,559,144</b>	<b>\$ 890,523</b>	<b>\$ 66,202,235</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION June 30, 2020

	Governmental Funds	
Total fund balances - total governmental funds	\$ 53,272,323	
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	\$ 110,611,995	
Less accumulated depreciation and amortization	<u>(46,774,671)</u>	
Net capital assets		63,837,324
Unavailable revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.		
		3,421,677
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Investment in Harrisonburg-Rockingham Social Services District		(79,387)
Deferred outflows of resources represent a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	5,096,768	
Other postemployment benefits	<u>534,566</u>	
		5,631,334
Internal Service Funds are used by management to charge the costs of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
		3,668,955
Long-term due from other government - pension		1,872,955
Long-term due from other government - other postemployment benefits		1,471,786
Long-term liabilities, including bonds payable, are not due and payable in the funds.		
General obligation bonds, including unamortized premiums	(102,069,244)	
Capital leases	(6,595,000)	
Notes from direct borrowings and direct placements	(6,723,467)	
Compensated absences	(1,128,575)	
Interest payable	(2,144,668)	
Other postemployment benefits	(5,582,126)	
Net pension liability	<u>(12,041,718)</u>	
		(136,284,798)
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	(887,970)	
Other postemployment benefits	<u>(1,142,317)</u>	
		(2,030,287)
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u><u>(5,218,118)</u></u></b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS Year Ended June 30, 2020

	General	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
General property taxes	\$ 94,559,498	\$ -	\$ -	\$ 94,559,498
Other local taxes	14,315,503	-	494,317	14,809,820
Permits, privilege fees and regulatory licenses	1,312,113	-	-	1,312,113
Fines and forfeitures	120,321	-	61,667	181,988
Use of money and property	1,075,836	151,983	14,696	1,242,515
Charges for services	3,542,104	-	-	3,542,104
Miscellaneous	678,371	355,094	-	1,033,465
Recovered costs	5,921,550	1,787,951	-	7,709,501
Intergovernmental	22,779,785	867,554	63,675	23,711,014
<b>Total revenues</b>	<b>144,305,081</b>	<b>3,162,582</b>	<b>634,355</b>	<b>148,102,018</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government administration	6,099,898	-	-	6,099,898
Judicial administration	5,102,071	-	14,497	5,116,568
Public safety	33,055,313	-	93,575	33,148,888
Public works	2,972,751	-	-	2,972,751
Health and social services	8,834,422	-	-	8,834,422
Education	79,869,506	-	-	79,869,506
Parks, recreation and cultural	2,521,162	-	-	2,521,162
Community development	3,937,943	-	248,502	4,186,445
Capital outlays	-	11,454,099	-	11,454,099
<b>Debt service:</b>				
Principal	8,085,187	-	-	8,085,187
Interest and fiscal charges	3,645,530	74,096	-	3,719,626
<b>Total expenditures</b>	<b>154,123,783</b>	<b>11,528,195</b>	<b>356,574</b>	<b>166,008,552</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>(9,818,702)</b>	<b>(8,365,613)</b>	<b>277,781</b>	<b>(17,906,534)</b>
<b>Other financing sources (uses):</b>				
Issuance of general obligation bonds	23,640,000	3,785,000	-	27,425,000
Premium on the issuance of general obligation bonds	3,397,462	722,126	-	4,119,588
Transfers in	747,530	2,491,050	-	3,238,580
Transfers out	(2,491,050)	(805,260)	-	(3,296,310)
<b>Other financing sources, net</b>	<b>25,293,942</b>	<b>6,192,916</b>	<b>-</b>	<b>31,486,858</b>
<b>Net change in fund balances</b>	<b>15,475,240</b>	<b>(2,172,697)</b>	<b>277,781</b>	<b>13,580,324</b>
Fund balance, beginning	29,579,398	9,594,535	518,066	39,691,999
Fund balance, ending	\$ 45,054,638	\$ 7,421,838	\$ 795,847	\$ 53,272,323



# 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, 2020

	Governmental Funds	
Net change in fund balances - total governmental funds	\$	13,580,324
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	\$	11,420,136
Less depreciation and amortization expense		(4,279,968)
Excess of capital outlays over depreciation and amortization		7,140,168
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(110,975)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue		82,824
Investment in Harrisonburg-Rockingham Social Services District		(422,056)
Long-term due from other government - pension		(28,697)
Long-term due from other government - other postemployment benefits		112,873
		(255,056)
Deferred outflows of resources - pension plan contributions subsequent to measurement date		2,210,600
Deferred outflows of resources - other postemployment benefits contributions subsequent to measurement date		111,937
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 debt:		
General obligation debt		(27,425,000)
Premium on general obligation debt		(4,119,588)
		(31,544,588)
Principal repayments:		
General obligation debt		6,165,890
Capital lease		1,919,297
Notes from direct borrowings and direct placements - payments recorded in public safety		1,596,970
		9,682,157
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		(460,754)
Compensated absences		(143,258)
Other postemployment benefits expense		(1,063,656)
Amortization of premium		526,329
Pension expense		(2,955,278)
		(4,096,617)
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net income of the Internal Service Funds are reported with governmental activities.		
Total revenues		7,604,972
Total expenses		(6,743,937)
		861,035
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>(2,421,015)</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND Year Ended June 30, 2020

	General Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$ 91,983,500	\$ 92,329,534	\$ 94,559,498	\$ 2,229,964
Other local taxes	12,518,229	12,518,229	14,315,503	1,797,274
Permits, privilege fees and regulatory licenses	1,639,300	1,639,300	1,312,113	(327,187)
Fines and forfeitures	175,750	175,750	120,321	(55,429)
Use of money and property	822,681	822,681	1,075,836	253,155
Charges for services	4,161,925	4,161,925	3,542,104	(619,821)
Miscellaneous	375,000	375,000	678,371	303,371
Recovered costs	5,903,215	6,002,895	5,921,550	(81,345)
Intergovernmental	18,710,167	26,489,820	22,779,785	(3,710,035)
<b>Total revenues</b>	<b>136,289,767</b>	<b>144,515,134</b>	<b>144,305,081</b>	<b>(210,053)</b>
Expenditures:				
Current:				
General government administration	6,002,207	6,554,363	6,099,898	(454,465)
Judicial administration	4,595,951	5,288,184	5,102,071	(186,113)
Public safety	32,407,689	37,657,999	33,055,313	(4,602,686)
Public works	3,493,716	3,924,306	2,972,751	(951,555)
Health and social services	7,100,064	13,631,293	8,834,422	(4,796,871)
Education	64,366,510	86,415,860	79,869,506	(6,546,354)
Parks, recreation and cultural	2,872,718	2,902,326	2,521,162	(381,164)
Community development	3,991,144	5,148,800	3,937,943	(1,210,857)
Debt service:				
Principal	8,085,187	8,085,187	8,085,187	-
Interest and fiscal charges	3,478,778	3,645,732	3,645,530	(202)
<b>Total expenditures</b>	<b>136,393,964</b>	<b>173,254,050</b>	<b>154,123,783</b>	<b>(19,130,267)</b>
<b>Deficiency of revenues under expenditures</b>	<b>(104,197)</b>	<b>(28,738,916)</b>	<b>(9,818,702)</b>	<b>18,920,214</b>
Other financing sources (uses):				
Issuance of general obligation bonds	-	23,640,000	23,640,000	-
Premium on the issuance of general obligation bonds	-	3,397,462	3,397,462	-
Transfers in	-	747,530	747,530	-
Transfers out	(1,332,551)	(3,013,601)	(2,491,050)	522,551
<b>Total other financing sources (uses), net</b>	<b>(1,332,551)</b>	<b>24,771,391</b>	<b>25,293,942</b>	<b>522,551</b>
<b>Net change in fund balance</b>	<b>(1,436,748)</b>	<b>(3,967,525)</b>	<b>15,475,240</b>	<b>19,442,765</b>
Fund balance, beginning	1,436,748	3,967,525	29,579,398	25,611,873
Fund balance, ending	\$ -	\$ -	\$ 45,054,638	\$ 45,054,638

# COUNTY OF ROCKINGHAM, VIRGINIA

## STATEMENT OF NET POSITION – PROPRIETARY FUNDS June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 9,745,116	\$ 181,555	\$ 8,238,242	\$ 36,984	\$ 18,201,897	\$ 11,832,520
Investments	557,502	10,386	471,268	2,116	1,041,272	676,919
Trade and other accounts receivable	783,151	50,293	652,478	9,792	1,495,714	9,275
Accrued interest	33,446	640	28,397	156	62,639	40,144
Prepaid items	25,236	-	33,196	-	58,432	547
Inventory	178,731	-	-	-	178,731	7,267
<b>Total current assets</b>	<b>11,323,182</b>	<b>242,874</b>	<b>9,423,581</b>	<b>49,048</b>	<b>21,038,685</b>	<b>12,566,672</b>
Noncurrent assets:						
Investments	3,672,497	68,420	3,104,436	13,937	6,859,290	4,459,146
Capital assets:						
Land	362,198	-	2,166,225	20,600	2,549,023	-
Easements	206,525	-	-	20,631	227,156	-
Buildings and improvements	821,784	-	839,315	-	1,661,099	-
Improvements other than buildings	43,813,826	6,616,233	39,872,390	1,911,847	92,214,296	-
Machinery and equipment	903,846	309,829	4,773,951	28,892	6,016,518	-
Construction in progress	2,487,646	-	-	64,958	2,552,604	-
Less accumulated depreciation and amortization	(17,147,913)	(2,449,839)	(21,316,313)	(528,900)	(41,442,965)	-
<b>Total capital assets, net of accumulated depreciation and amortization</b>	<b>31,447,912</b>	<b>4,476,223</b>	<b>26,335,568</b>	<b>1,518,028</b>	<b>63,777,731</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>35,120,409</b>	<b>4,544,643</b>	<b>29,440,004</b>	<b>1,531,965</b>	<b>70,637,021</b>	<b>4,459,146</b>
<b>Total assets</b>	<b>46,443,591</b>	<b>4,787,517</b>	<b>38,863,585</b>	<b>1,581,013</b>	<b>91,675,706</b>	<b>17,025,818</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred charge on refunding	351,047	-	-	-	351,047	-
Pension plan	211,180	-	240,489	-	451,669	-
Other postemployment benefits	23,230	-	27,070	-	50,300	-
<b>Total deferred outflows of resources</b>	<b>585,457</b>	<b>-</b>	<b>267,559</b>	<b>-</b>	<b>853,016</b>	<b>-</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable and deposits	1,119,998	40,734	127,540	23,361	1,311,633	385,156
Compensated absences	41,926	-	59,463	-	101,389	-
Accrued payroll	56,168	-	77,039	-	133,207	-
Accrued interest	126,056	11,786	130,222	3,001	271,065	-
Advance from other funds	-	-	-	46,528	46,528	-
Unearned revenue	-	-	-	-	-	2,460,766
Insurance and benefit claims	-	-	-	-	-	2,055,328
Revenue bonds	830,000	210,620	730,000	32,884	1,803,504	-
<b>Total current liabilities</b>	<b>2,174,148</b>	<b>263,140</b>	<b>1,124,264</b>	<b>105,774</b>	<b>3,667,326</b>	<b>4,901,250</b>
Noncurrent liabilities:						
Compensated absences	34,255	-	30,502	-	64,757	-
Revenue bonds	12,067,697	816,048	12,378,476	234,172	25,496,393	-
Net pension liability	498,937	-	568,183	-	1,067,120	-
Other postemployment benefits liability	261,803	-	311,336	-	573,139	-
Landfill obligation	-	-	14,817,474	-	14,817,474	-
<b>Total noncurrent liabilities</b>	<b>12,862,692</b>	<b>816,048</b>	<b>28,105,971</b>	<b>234,172</b>	<b>42,018,883</b>	<b>-</b>
<b>Total liabilities</b>	<b>15,036,840</b>	<b>1,079,188</b>	<b>29,230,235</b>	<b>339,946</b>	<b>45,686,209</b>	<b>4,901,250</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension plan	36,792	-	41,898	-	78,690	-
Other postemployment benefits	55,558	-	66,670	-	122,228	-
<b>Total deferred inflows of resources</b>	<b>92,350</b>	<b>-</b>	<b>108,568</b>	<b>-</b>	<b>200,918</b>	<b>-</b>
<b>NET POSITION</b>						
Net investment in capital assets	18,901,262	3,449,555	13,227,092	1,250,972	36,828,881	-
Unrestricted (deficit)	12,998,596	258,774	(3,434,751)	(9,905)	9,812,714	12,124,568
<b>Total net position</b>	<b>\$ 31,899,858</b>	<b>\$ 3,708,329</b>	<b>\$ 9,792,341</b>	<b>\$ 1,241,067</b>	<b>\$ 46,641,595</b>	<b>\$ 12,124,568</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
Operating revenues:						
Charges for services	\$ 7,470,254	\$ 397,658	\$ 6,519,218	\$ 69,722	\$ 14,456,852	\$ 29,979,898
Connection fees	50,294	11,960	-	-	62,254	-
Other revenue	163,908	125	193,630	8,646	366,309	-
<b>Total operating revenues</b>	<b>7,684,456</b>	<b>409,743</b>	<b>6,712,848</b>	<b>78,368</b>	<b>14,885,415</b>	<b>29,979,898</b>
Operating expenses:						
Personal services	975,642	-	1,251,331	-	2,226,973	-
Fringe benefits	437,548	-	564,251	-	1,001,799	-
Contractual services	596,015	76,519	870,415	39,896	1,582,845	2,444,243
Regional Sewer Authority assessment:						
Operations and maintenance	1,437,270	-	-	-	1,437,270	-
Debt service	1,730,869	-	-	-	1,730,869	-
Expansion allocation	1,996,455	-	-	-	1,996,455	-
Risk financing and benefit payments	-	-	-	-	-	24,388,484
Internal services	69,804	-	47,687	-	117,491	-
Electrical services	364,793	13,650	36,803	-	415,246	-
Repairs and maintenance	-	-	389,123	-	389,123	-
Landfill closure	-	-	1,609,032	-	1,609,032	-
Other charges	803,476	214,538	504,941	21,453	1,544,408	35,755
Depreciation and amortization	1,054,854	132,325	2,276,339	38,238	3,501,756	-
<b>Total operating expenses</b>	<b>9,466,726</b>	<b>437,032</b>	<b>7,549,922</b>	<b>99,587</b>	<b>17,553,267</b>	<b>26,868,482</b>
<b>Operating income (loss)</b>	<b>(1,782,270)</b>	<b>(27,289)</b>	<b>(837,074)</b>	<b>(21,219)</b>	<b>(2,667,852)</b>	<b>3,111,416</b>
Nonoperating revenues (expenses):						
Connection availability fees	1,328,931	227,240	-	11,004	1,567,175	-
Intergovernmental	-	-	20,926	-	20,926	-
Interest revenue	315,865	5,117	236,390	1,241	558,613	327,330
Interest expense	(477,897)	(32,112)	(410,799)	(13,351)	(934,159)	-
<b>Total nonoperating revenues (expenses), net</b>	<b>1,166,899</b>	<b>200,245</b>	<b>(153,483)</b>	<b>(1,106)</b>	<b>1,212,555</b>	<b>327,330</b>
<b>Income (loss) before transfers</b>	<b>(615,371)</b>	<b>172,956</b>	<b>(990,557)</b>	<b>(22,325)</b>	<b>(1,455,297)</b>	<b>3,438,746</b>
Transfers:						
Transfers in	57,730	-	-	387,124	444,854	-
Transfers out	(387,124)	-	-	-	(387,124)	-
<b>Total transfers, net</b>	<b>(329,394)</b>	<b>-</b>	<b>-</b>	<b>387,124</b>	<b>57,730</b>	<b>-</b>
<b>Change in net position</b>	<b>(944,765)</b>	<b>172,956</b>	<b>(990,557)</b>	<b>364,799</b>	<b>(1,397,567)</b>	<b>3,438,746</b>
Total net position, beginning	32,844,623	3,535,373	10,782,898	876,268	48,039,162	8,685,822
Total net position, ending	\$ 31,899,858	\$ 3,708,329	\$ 9,792,341	\$ 1,241,067	\$ 46,641,595	\$ 12,124,568

**STATEMENT OF CASH FLOWS –  
PROPRIETARY FUNDS  
Year Ended June 30, 2020**

	Business-type Activities - Enterprise Funds					Governmental Activity - Internal Service Funds
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
Cash flows from operating activities:						
Receipts from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,072,120
Receipts from customers	7,705,373	411,939	6,506,210	76,187	14,699,709	-
Claims and benefits paid	-	-	-	-	-	(24,803,894)
Payments to suppliers for goods and services	(6,238,206)	(303,595)	(1,846,901)	(41,318)	(8,430,020)	(2,719,357)
Payments to employees for services	(1,362,721)	-	(1,707,437)	-	(3,070,158)	-
Internal activity - payments to other funds	(69,804)	-	(47,687)	-	(117,491)	-
Other receipts	163,908	125	193,630	-	357,663	-
<b>Net cash provided by operating activities</b>	<b>198,550</b>	<b>108,469</b>	<b>3,097,815</b>	<b>34,869</b>	<b>3,439,703</b>	<b>2,548,869</b>
Cash flows from noncapital financing activities:						
Intergovernmental - grants	-	-	20,926	-	20,926	-
Transfers from (to) other funds, net	(329,394)	-	-	387,124	57,730	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(329,394)</b>	<b>-</b>	<b>20,926</b>	<b>387,124</b>	<b>78,656</b>	<b>-</b>
Cash flows from capital and related financing activities:						
Advance from other funds, net	-	-	-	(107,267)	(107,267)	-
Connection availability fees	1,328,931	227,240	-	11,004	1,567,175	-
Principal paid on bonds	(790,000)	(204,684)	(930,000)	(257,084)	(2,181,768)	-
Interest paid and fiscal charges on outstanding debt	(523,945)	(34,325)	(539,169)	(17,621)	(1,115,060)	-
Acquisition and construction of capital assets	(386,900)	-	(843,499)	(64,958)	(1,295,357)	-
<b>Net cash used in capital and related financing activities</b>	<b>(371,914)</b>	<b>(11,769)</b>	<b>(2,312,668)</b>	<b>(435,926)</b>	<b>(3,132,277)</b>	<b>-</b>
Cash flows from investing activities:						
Proceeds on sale of investments	1,183,810	-	542,650	11,434	1,737,894	252,888
Purchases of investments	-	(18,078)	-	(2,364)	(20,442)	-
Interest received on investment securities	328,859	4,949	244,035	1,310	579,153	335,664
<b>Net cash provided by (used in) investing activities</b>	<b>1,512,669</b>	<b>(13,129)</b>	<b>786,685</b>	<b>10,380</b>	<b>2,296,605</b>	<b>588,552</b>
<b>Net change in cash and cash equivalents</b>	<b>1,009,911</b>	<b>83,571</b>	<b>1,592,758</b>	<b>(3,553)</b>	<b>2,682,687</b>	<b>3,137,421</b>
Cash and cash equivalents:						
Beginning	8,735,205	97,984	6,645,484	40,537	15,519,210	8,695,099
Ending	\$ 9,745,116	\$ 181,555	\$ 8,238,242	\$ 36,984	\$ 18,201,897	\$ 11,832,520

**STATEMENT OF CASH FLOWS –  
PROPRIETARY FUNDS  
Year Ended June 30, 2020**

	Business-type Activities - Enterprise Funds					Governmental Activity - Internal Service Funds
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (1,782,270)	\$ (27,289)	\$ (837,074)	\$ (21,219)	\$ (2,667,852)	\$ 3,111,416
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	1,054,854	132,325	2,276,339	38,238	3,501,756	-
Pension expense	214,444	-	(111,437)	-	103,007	-
Other postemployment benefits expense	(205,694)	-	151,393	-	(54,301)	-
Change in assets and liabilities:						
Decrease (increase) in:						
Trade and other accounts receivable	184,825	2,321	(13,008)	(2,181)	171,957	3,492
Prepaid items	(95)	-	(2,771)	-	(2,866)	(547)
Inventory	128,634	-	-	-	128,634	(215)
Increase (decrease) in:						
Accounts payable and deposits	562,133	1,112	(42,848)	20,031	540,428	(239,144)
Accrued liabilities	610	-	24,605	-	25,215	-
Unearned revenue	-	-	-	-	-	88,730
Insurance and benefit claims	-	-	-	-	-	(414,863)
Deferred outflows - pension plan	(4,872)	-	(9,518)	-	(14,390)	-
Deferred outflows - other postemployment benefits	45,981	-	53,102	-	99,083	-
Landfill obligation	-	-	1,609,032	-	1,609,032	-
<b>Net cash provided by operating activities</b>	<b>\$ 198,550</b>	<b>\$ 108,469</b>	<b>\$ 3,097,815</b>	<b>\$ 34,869</b>	<b>\$ 3,439,703</b>	<b>\$ 2,548,869</b>
Schedule of noncash capital and related financing activities:						
Capital assets acquired through incurrence of accounts payable	\$ 371,208	\$ -	\$ -	\$ -	\$ 371,208	\$ -
Transfer of capital assets from the General Fund to the Water and Sewer Fund	100,000	-	-	-	100,000	-

**COUNTY OF ROCKINGHAM, VIRGINIA**

**STATEMENT OF NET POSITION –  
FIDUCIARY FUNDS  
June 30, 2020**

	Agency Funds
<hr/>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,573,594
Accounts receivable	<u>215,398</u>
<b>Total assets</b>	<u><u>\$ 1,788,992</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 1,788,992</u>
<b>Total liabilities</b>	<u><u>\$ 1,788,992</u></u>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### 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. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. As required by GAAP, these financial statements present the activities of the County and its component units.

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

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

#### A. Reporting Entity

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

#### *Blended Component Units:*

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

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



# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

Massanutten Technical Center  
325 Pleasant Valley Road  
Harrisonburg, Virginia 22801

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### 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) accounts for funds designated for the CSA program.

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

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

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### Note 1. Significant Accounting Policies (Continued)

#### A. Reporting Entity (Continued)

##### *Discretely Presented Component Units:* (Continued)

##### 1) Economic Development Authority (Continued)

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

The Authority is reported as a discretely presented component unit because the voting majority of the Authority's governing body is appointed by the Board of Supervisors and there is a benefit and burden relationship. The Authority is fiscally dependent on the County. The Authority does not issue separate financial statements but is included in the County's financial statements for fiscal year ended June 30, 2020 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, 2020 as a discretely presented component unit.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### 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

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### 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, acquisitions under capital leases and sales of capital assets are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted 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, other than those financed by proprietary funds.

The County reports the following major enterprise funds:

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

*Smith Creek Water & Waste Authority.* This fund accounts for services provided to those areas within the Smith Creek Water & Waste Authority and is financed primarily by charges to users of such services. 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.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Significant Accounting Policies (Continued)

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

The County reports the following Internal Service Funds:

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

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

The County also reports the following fund type:

*Agency Funds.* These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds consist of the following: Special Welfare, Employee Benefits, Bond Escrow, Massanutten Technical Center, Emergency Medical Services, Soil and Water Conservation, and Laird L Conrad Law Library.

#### 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, Children's Services Act, Department of Social Services and debt service. The Capital Projects Fund is appropriated on a project basis with carry forwards approved each year. Other special revenue funds and the Permanent Fund do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal 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

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### 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, School Activity, the Massanutten Technical Center Activity Fund, 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. The government and corporate securities are stated at fair value based on portfolio prices (level 1 inputs). The external local government investment pool portfolio is reported at amortized cost and classified as cash and cash equivalents. The external local government investment pool – extended maturity is reported at fair value and classified as investments. The money market mutual funds are reported at fair value based on quoted market prices and classified as cash and cash equivalents. 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, 2018. 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

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### 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. Assets acquired by gift are accounted for at the asset's acquisition value at the date the property was received. The Commonwealth of Virginia, not the County, has primary responsibility to construct and maintain infrastructure, such as streets, 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 and software. Land easements have indefinite useful lives and thus are not subject to amortization.

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

Buildings	20 to 30 years
Improvements other than buildings	5 to 50 years
Machinery and equipment	5 to 15 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 position 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 10 through 13 for details regarding these items.

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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Several types of items qualify for reporting in this category. Accordingly, one item, unavailable revenue, which arises under the modified accrual basis of accounting, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide and the governmental funds, property taxes collected in advance are reported as deferred inflows of resources. The remaining items relate to the pension plan and the OPEB plans. See Notes 10 through 13 for details regarding these items.



# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### 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

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

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

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

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

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

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

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### 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. 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

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### Note 1. Significant Accounting Policies (Continued)

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

##### 10. 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.

*Committed fund balance* – amounts constrained to specific purposes by the Board of Supervisors. To be reported as committed, amounts cannot be used for any other purpose unless the Board of Supervisors takes the action to remove or change the constraint.

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

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

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

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

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Significant Accounting Policies (Continued)

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

##### 11. Pensions

The Virginia Retirement System (VRS) County, District and School Board Non-Professional Retirement Plan is a multi-employer, agent plan. The VRS School Board Professional Retirement Plan is a multiple employee, cost-sharing 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 net fiduciary 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.

##### 12. Other Postemployment Benefits

###### **Medical Insurance Program**

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

###### **Group Life Insurance Program**

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

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Significant Accounting Policies (Continued)

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

##### 12. Other Postemployment Benefits (Continued)

##### **Health Insurance Credit Program**

The School Board non-professional Health Insurance Credit (HIC) Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The School Board professional HIC Program is a multiple-employer, cost-sharing 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 net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund typically has been used in prior years to liquidate OPEB liability.

#### F. Use of Estimates

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

#### G. Subsequent Events

The County has evaluated subsequent events through November 30, 2020, the date on which the financial statements were available to be issued.

### Note 2. Deposits and Investments

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

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

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Deposits and Investments (Continued)

Investments. The State Treasurer's Local Government Investment Pool Program (LGIP Program) was established pursuant to Section 2.2-4605 of the *Code of Virginia*. The Treasury Board of the Commonwealth sponsors the Program and has delegated certain functions to the State Treasurer. The Program is comprised of two portfolios: the Local Government Investment Pool (LGIP) portfolio, which is designed to meet participants daily operational cash management needs, and the Local Government Investment Pool – Extended Maturity (LGIP - EM), which is designed to meet the longer term investment needs of Virginia's public funds investors. The Program is not registered with the Securities Exchange Commission as an investment company. The LGIP portfolio is managed in accordance with the requirements of GASB Statement No. 79. The County's investment in the LGIP, totaling \$66,213,008, 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 also has investments in an LGIP - EM portfolio, totaling \$11,089,649, which is stated at fair value and classified as investments. The LGIP Extended Maturity has been assigned an "AAAf/S1" rating by Standard & Poor's. The maturity of the LGIP Extended Maturity is greater than one year.

### Investment Policy

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

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

As of June 30, 2020, the County's investment policy establishes the maximum percentages of the portfolio permitted in each of the following instruments:

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

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

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 2. Deposits and Investments (Continued)**

##### **Credit Risk**

As of June 30, 2020, 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 “AA” (or its equivalent) by an NRSRO. Repurchase agreements, with final maturity less than five years, must be rated “AA” (or its equivalent) by an NRSRO. Supranational bonds with final maturity of less than five years must have a rating of “AA” (or its equivalent) by at least two NRSROs, one of which must be either Moody’s Investors Services or Standard & Poor’s.

As of June 30, 2020, 44% was invested in “AA+” U.S. Agency Securities, 24% was invested in “AAA, AA, AA+, AA-, A+, and A-1” Corporate obligations, and 32% was invested in “AAAm” rated Short-Term Investment Funds (STIF) and Money Market Funds. 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, 2020, there were no investments in any single issuer that exceed 5% of the total portfolio.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Deposits and Investments (Continued)

#### Interest Rate Risk

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

	Fair Value	Investment Maturities		
		Less Than 1 Year	1 - 5 Years	More Than 5 Years
U.S. Treasury Obligations	\$ 8,229,336	\$ 1,432,058	\$ 6,797,278	\$ -
Corporate Notes	8,156,692	3,118,273	5,038,419	-
Federal Agency Obligations	6,999,307	210	5,031,621	1,967,476
LGIP Extended Maturity	<u>11,089,649</u>	-	11,089,649	-
	<u>\$ 34,474,984</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, 2020:

- U.S. Treasury obligations of \$8,229,336 are valued using quoted market prices (Level 1 inputs).
- Federal agency obligations of \$6,999,307 are valued using quoted market prices (Level 1 inputs).
- Money market mutual funds of \$88,785 are valued using quoted market prices (Level 1 inputs).
- Corporate notes of \$8,156,692 are valued using quoted market prices (Level 1 inputs).
- LGIP Extended Maturity of \$11,089,649 are valued using quoted market prices (Level 1 inputs).



# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 3. Receivables, Unavailable and Unearned Revenues

Receivables at June 30, 2020 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	Nonmajor Governmental Fund	Water and Sewer Fund	Smith Creek Water & Waste Authority
Property taxes	\$ 4,474,300	\$ -	\$ -	\$ -
Utility taxes	177,410	-	-	-
Trade and other accounts	1,123,315	60,164	803,251	54,493
<b>Gross receivables</b>	<b>5,775,025</b>	<b>60,164</b>	<b>803,251</b>	<b>54,493</b>
Less allowance for uncollectable accounts	800,000	-	20,100	4,200
<b>Net receivables</b>	<b>\$ 4,975,025</b>	<b>\$ 60,164</b>	<b>\$ 783,151</b>	<b>\$ 50,293</b>

	Solid Waste Fund	Nonmajor Proprietary Funds	Internal Service Funds	Totals
Property taxes	\$ -	\$ -	\$ -	\$ 4,474,300
Utility taxes	-	-	-	177,410
Trade and other accounts	660,778	14,592	9,275	2,725,868
<b>Gross receivables</b>	<b>660,778</b>	<b>14,592</b>	<b>9,275</b>	<b>7,377,578</b>
Less allowance for uncollectable accounts	8,300	4,800	-	837,400
<b>Net receivables</b>	<b>\$ 652,478</b>	<b>\$ 9,792</b>	<b>\$ 9,275</b>	<b>\$ 6,540,178</b>

The County determines its allowance for uncollectible accounts using historical collection data and specific account analysis. The total allowance for uncollectible accounts amounted to \$837,400 as of June 30, 2020.

#### *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

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### Note 4. Due 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	\$ 1,381,512
Communications sales and use taxes	216,664

Categorical aid:

Shared costs:

Commissioner of the Revenue	17,580
Commonwealth Attorney	79,596
Sheriff	552,702
Clerk of Circuit Court	50,986
Treasurer	16,204
Community Corrections	224,178
Other	117,069

Federal government:

Boarding and care of prisoners	14,184
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Categorical aid:

Health and Human Services - SAMHSA	76,077
Emergency Management Performance	19,022
Other	3,648

City of Harrisonburg	1,234,022
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Other local governments	97,197
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<b>Total General Fund</b>	<b>4,100,641</b>
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General Capital Projects Fund:

Commonwealth of Virginia:

Revenue sharing	95,060
Transportation Alternative Programs	427,142

City of Harrisonburg	688,619
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<b>Total General Capital Projects Fund</b>	<b>1,210,821</b>
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<b>Total Governmental Funds</b>	<b>5,311,462</b>
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Government-wide:

Governmental Activities:

City of Harrisonburg – pension plan	1,872,955
City of Harrisonburg – other postemployment benefits	1,471,786

<b>Total Governmental Activities</b>	<b>3,344,741</b>
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<b>Total Primary Government</b>	<b>\$ 8,656,203</b>
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## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 4. Due from Other Governments (Continued)

Component Unit - School Board:

Governmental Funds:

School Operating Fund:

Commonwealth of Virginia:

State sales tax receipts

\$ 1,879,460

Federal government:

Education grants

845,076

**Total School Operating Fund**

2,724,536

School Cafeteria Fund:

Commonwealth of Virginia:

School food program

122,384

**Total School Cafeteria Fund**

122,384

Massanutten Technical Center:

Commonwealth of Virginia:

Education grants

62,277

**Total Massanutten Technical Center**

62,277

**Total Component Unit - School Board - Governmental Funds**

2,909,197

Government-wide:

Governmental Activities:

City of Harrisonburg – pension plan

1,856,711

City of Harrisonburg – other postemployment benefits

458,099

**Total Component Unit – School Board - Governmental Activities**

\$ 5,224,007

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 4. Due from Other Governments (Continued)

Component Unit - Harrisonburg-Rockingham Social Services District:

Governmental Funds:

Operating Fund:

Commonwealth of Virginia:

Public assistance and administration

\$ 258,194

Federal government:

Public assistance and administration

504,406

**Total Operating Fund**

762,600

Special Revenue – Children's Services Act Fund:

Commonwealth of Virginia:

Children's Services Act

1,725,403

City of Harrisonburg:

Children's Services Act

188,337

**Total Special Revenue Fund**

1,913,740

**Total Component Unit – Harrisonburg-Rockingham**

**Social Services District – Governmental Funds**

2,676,340

Government-wide:

Governmental Activities:

City of Harrisonburg – pension plan

1,122,080

City of Harrisonburg – other postemployment benefits

882,266

**Total Component Unit – Harrisonburg-Rockingham**

**Social Services District – Governmental Activities**

\$ 4,680,686

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2020 is as follows:

#### Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated or amortized:					
Land	\$ 3,658,262	\$ -	\$ -	\$ -	\$ 3,658,262
Construction in progress	6,100,190	9,714,680	(26,550)	(1,531,026)	14,257,294
<b>Total capital assets not being depreciated or amortized</b>	<b>9,758,452</b>	<b>9,714,680</b>	<b>(26,550)</b>	<b>(1,531,026)</b>	<b>17,915,556</b>
Capital assets being depreciated or amortized:					
Buildings and improvements	49,723,401	-	(58,297)	(100,000)	49,565,104
Improvements other than buildings	20,135,244	348,346	-	982,026	21,465,616
Machinery and equipment	18,101,919	1,247,495	-	549,000	19,898,414
Software	1,657,690	109,615	-	-	1,767,305
<b>Total capital assets being depreciated or amortized</b>	<b>89,618,254</b>	<b>1,705,456</b>	<b>(58,297)</b>	<b>1,431,026</b>	<b>92,696,439</b>
Less accumulated depreciation and amortization for:					
Buildings and improvements	(25,967,458)	(1,635,952)	73,872	-	(27,529,538)
Improvements other than buildings	(5,873,265)	(972,346)	-	-	(6,845,611)
Machinery and equipment	(9,152,035)	(1,601,529)	-	-	(10,753,564)
Software	(1,575,817)	(70,141)	-	-	(1,645,958)
<b>Total accumulated depreciation and amortization</b>	<b>(42,568,575)</b>	<b>(4,279,968)</b>	<b>73,872</b>	<b>-</b>	<b>(46,774,671)</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>47,049,679</b>	<b>(2,574,512)</b>	<b>15,575</b>	<b>1,431,026</b>	<b>45,921,768</b>
Governmental activities capital assets, net	<u>\$ 56,808,131</u>	<u>\$ 7,140,168</u>	<u>\$ (10,975)</u>	<u>\$ (100,000)</u>	<u>\$ 63,837,324</u>

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

Governmental activities:	
General government administration	\$ 621,040
Judicial administration	361,771
Public safety	1,764,176
Public works	127,704
Health and social services	43,730
Parks, recreation and cultural	544,487
Community development	817,060
<b>Total depreciation and amortization expense - governmental activities</b>	<u><u>\$ 4,279,968</u></u>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Capital Assets (Continued)

#### Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated or amortized:					
Land	\$ 2,549,023	\$ -	\$ -	\$ -	\$ 2,549,023
Easements	227,156	-	-	-	227,156
Construction in progress	16,490,346	527,537	-	(14,465,279)	2,552,604
<b>Total capital assets not being depreciated or amortized</b>	<b>19,266,525</b>	<b>527,537</b>	<b>-</b>	<b>(14,465,279)</b>	<b>5,328,783</b>
Capital assets being depreciated or amortized:					
Buildings and improvements	1,561,099	-	-	100,000	1,661,099
Improvements other than buildings	77,283,888	465,129	-	14,465,279	92,214,296
Machinery and equipment	5,442,619	573,899	-	-	6,016,518
<b>Total capital assets being depreciated or amortized</b>	<b>84,287,606</b>	<b>1,039,028</b>	<b>-</b>	<b>14,565,279</b>	<b>99,891,913</b>
Less accumulated depreciation and amortization for:					
Buildings and improvements	(239,025)	(56,665)	-	-	(295,690)
Improvements other than buildings	(34,093,093)	(2,895,372)	-	-	(36,988,465)
Machinery and equipment	(3,609,091)	(549,719)	-	-	(4,158,810)
<b>Total accumulated depreciation and amortization</b>	<b>(37,941,209)</b>	<b>(3,501,756)</b>	<b>-</b>	<b>-</b>	<b>(41,442,965)</b>
<b>Total capital assets being depreciated and amortized, net</b>	<b>46,346,397</b>	<b>(2,462,728)</b>	<b>-</b>	<b>14,565,279</b>	<b>58,448,948</b>
Business-type activities capital assets, net	\$ 65,612,922	\$ (1,935,191)	\$ -	\$ 100,000	\$ 63,777,731

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

Business-type activities:	
Water and Sewer	\$ 1,054,854
Solid Waste	2,276,339
Smith Creek Water & Waste Authority	132,325
Lilly Subdivision Sanitary District	9,717
Countryside Sanitary District	6,121
Penn Laird Sewer Authority	22,400
<b>Total depreciation and amortization expense - business-type activities</b>	<b>\$ 3,501,756</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Capital Assets (Continued)

#### 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	6,949,520	8,511,515	-	(2,714,949)	12,746,086
<b>Total capital assets not being depreciated or amortized</b>	<b>12,455,709</b>	<b>8,511,515</b>	<b>-</b>	<b>(2,714,949)</b>	<b>18,252,275</b>
Capital assets being depreciated or amortized:					
Buildings and improvements	181,553,158	-	-	-	181,553,158
Improvements other than buildings	71,766,277	3,616,263	-	2,714,949	78,097,489
Machinery and equipment	37,174,479	618,936	(366,288)	-	37,427,127
<b>Total capital assets being depreciated or amortized</b>	<b>290,493,914</b>	<b>4,235,199</b>	<b>(366,288)</b>	<b>2,714,949</b>	<b>297,077,774</b>
Less accumulated depreciation and amortization for:					
Buildings and improvements	(106,626,124)	(4,959,318)	-	-	(111,585,442)
Improvements other than buildings	(26,706,498)	(2,874,807)	-	-	(29,581,305)
Machinery and equipment	(31,001,760)	(1,217,313)	366,288	-	(31,852,785)
<b>Total accumulated depreciation and amortization</b>	<b>(164,334,382)</b>	<b>(9,051,438)</b>	<b>366,288</b>	<b>-</b>	<b>(173,019,532)</b>
<b>Total capital assets being depreciated and amortized, net</b>	<b>126,159,532</b>	<b>(4,816,239)</b>	<b>-</b>	<b>2,714,949</b>	<b>124,058,242</b>
School Board capital assets, net	\$ 138,615,241	\$ 3,695,276	\$ -	\$ -	\$ 142,310,517

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

#### Component Unit - School Board:

Instruction	\$ 7,484,682
Pupil transportation services	938,679
Operation and maintenance services	628,077
<b>Total depreciation and amortization expense - Component Unit - School Board</b>	<b>\$ 9,051,438</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Capital Assets (Continued)

#### 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
<b>Total capital assets not being depreciated or amortized</b>	<b>202,036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>202,036</b>
Capital assets being depreciated or amortized:					
Buildings and improvements	500,979	-	-	-	500,979
Improvements other than buildings	1,919,861	-	-	-	1,919,861
Machinery and equipment	95,897	-	-	-	95,897
<b>Total capital assets being depreciated or amortized</b>	<b>2,516,737</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,516,737</b>
Less accumulated depreciation and amortization for:					
Buildings and improvements	(137,769)	(25,049)	-	-	(162,818)
Improvements other than buildings	(424,949)	(95,993)	-	-	(520,942)
Machinery and equipment	(52,652)	(13,897)	-	-	(66,549)
<b>Total accumulated depreciation and amortization</b>	<b>(615,370)</b>	<b>(134,939)</b>	<b>-</b>	<b>-</b>	<b>(750,309)</b>
<b>Total capital assets being depreciated and amortized, net</b>	<b>1,901,367</b>	<b>(134,939)</b>	<b>-</b>	<b>-</b>	<b>1,766,428</b>
Harrisonburg-Rockingham Social Services District capital assets, net	\$ 2,103,403	\$ (134,939)	\$ -	\$ -	\$ 1,968,464

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	\$ 134,939
<b>Total depreciation and amortization expense - Component Unit - Harrisonburg-Rockingham Social Services District</b>	<b>\$ 134,939</b>



## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 6. Commitments

The County has active projects and significant project commitments as of June 30, 2020 as follows:

##### Primary Government

Project	Expended to June 30, 2020	Remaining Commitment
Port Road Emergency Response Station	\$ 5,111,977	\$ 215,097
District Court Renovation Phase 3	1,453,333	691,251
Replacement Roof Admin Building	20,000	66,667
Walking Trail	362,894	4,750
Jail Roof Replacement	647,124	45,359
Jail HVAC	5,068,055	9,479
	<u>\$ 12,663,383</u>	<u>\$ 1,032,603</u>

The Harrisonburg-Rockingham Social Services District entered into a lease agreement effective July 1, 2017 for office space under a lease expiring June 30, 2027 with the option to renew for an additional year. The first year annual rental of \$18,280, was payable in equal monthly installments of \$1,523. The annual rental shall increase by 1.5% each subsequent year.

The total minimum rental commitment at June 30, 2020, under this lease is as follows:

	Minimum Rental Commitment
During the next five years	\$ 98,464
During the remaining term of the lease	<u>41,484</u>
	<u>\$ 139,948</u>

##### School Board Component Unit

Project	Expended to June 30, 2020	Remaining Commitment
John C. Myers Elementary	\$ 12,615,849	\$ 343,318
	<u>\$ 12,615,849</u>	<u>\$ 343,318</u>

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 6. Commitments (Continued)

##### Harrisonburg-Rockingham Social Services District Component Unit

Project	Expended to June 30, 2020	Remaining Commitment
Replacement Roof Social Services Building	\$ 10,000	\$ 33,333

These projects are being financed through grants, revenue sharing agreements, and internal funding.

#### 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	\$ 1,932,410
Capital projects fund	2,283,598
Solid waste fund	7,604
Water and sewer fund	35,390
<b>Total</b>	<b>\$ 4,259,002</b>

# 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, 2020:

#### Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	\$ 73,290,112	\$27,425,000	\$ (6,165,890)	\$ 94,549,222	\$ 6,680,678
Capital leases	8,514,297	-	(1,919,297)	6,595,000	1,315,000
Notes from direct borrowings and direct placements	8,320,437	-	(1,596,970)	6,723,467	1,628,482
Unamortized premiums	3,926,763	4,119,588	(526,329)	7,520,022	-
	94,051,609	31,544,588	(10,208,486)	115,387,711	9,624,160
Compensated absences	985,317	350,861	(207,603)	1,128,575	703,282
<b>Governmental activities long-term activities</b>	<b>\$ 95,036,926</b>	<b>\$31,895,449</b>	<b>\$(10,416,089)</b>	<b>\$ 116,516,286</b>	<b>\$ 10,327,442</b>

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

Year(s) Ending June 30,	General Obligation Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2021	\$ 6,680,678	\$ 4,280,220	\$ 1,315,000	\$ 156,186
2022	6,853,635	3,774,124	1,315,000	121,614
2023	7,109,991	3,423,159	1,320,000	86,958
2024	7,391,686	3,062,412	1,320,000	52,218
2025	7,382,829	2,696,039	1,325,000	17,424
2026-2030	32,855,403	8,184,128	-	-
2031-2035	15,440,000	2,984,677	-	-
2036-2040	10,835,000	673,699	-	-
	<b>\$ 94,549,222</b>	<b>\$ 29,078,458</b>	<b>\$ 6,595,000</b>	<b>\$ 434,400</b>

Year(s) Ending June 30,	Notes from direct borrowings and direct placements	
	Principal	Interest
2021	\$ 1,628,482	\$ 134,923
2022	1,660,624	102,780
2023	1,349,857	69,994
2024	1,031,065	45,234
2025	1,053,439	22,860
	<b>\$ 6,723,467</b>	<b>\$ 375,791</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 8. Long-Term Obligations (Continued)

#### Primary Government (Continued)

\$4,190,343 2000 series, issued November 2000, due in a final maturity of \$247,440 in July 2020, plus interest at 5.10%	\$ 247,440
\$5,077,993 2003 series, issued November 2003, due in annual maturities of \$280,165 to \$297,277 through July 2023, plus interest at 5.10%	1,154,301
\$9,404,190 2005 series, issued November 2005, due in annual maturities of \$500,129 to \$545,699 through July 2025, plus interest at 4.60% to 5.10%	3,138,909
\$13,147,200 2006 series, issued November 2006, due in annual maturities of \$682,674 to \$744,134 through July 15, 2026, plus interest at 4.35% to 4.60%	4,996,100
\$10,610,000 2007 series, issued May 2007, due in annual maturities of \$580,000 to \$810,000 through July 15, 2027, plus interest at 4.10% to 5.10%	5,510,000
\$6,364,713 2007 series, issued November 2007, due in annual maturities of \$328,240 to \$371,160 through July 2027, plus interest at 4.35% to 5.10%	2,785,166
\$11,630,000 2008 series, issued May 2008, due in annual maturities of \$600,000 to \$900,000 through July 2028, plus interest at 4.60% to 5.10%	6,690,000
\$12,701,410 2008 series, issued December 2008, due in annual maturities of \$633,432 to \$742,320 through July 2028, plus interest at 5.10% to 5.35%	6,172,306
\$24,560,000 2009 series, issued May 2009, due in annual maturities of \$1,205,000 to \$1,855,000 through July 2029, plus interest at 4.05% to 5.05%	15,135,000
\$22,540,000 2017 series, issued November 2017 due in annual maturities of \$780,000 to \$1,585,000 through July 2037, plus interest at 3.05% to 5.05%	21,295,000
\$18,675,000 2019 series, issued November 2019 due in annual maturities of \$415,000 to \$1,315,000 through July 2039, plus interest at 2.80% to 5.05%	18,675,000
\$4,965,000 2019 VRA bond, entered into August 2019, due in annual maturities of \$250,000 to \$480,000 through September 2034, plus interest payable semi-annually at 2.34%	4,965,000
\$3,785,000 2019 VRA Fall Pool, entered into October 2019, due in annual maturities of \$175,000 to \$340,000 through October 2034, plus interest payable semi-annually at 3.59% to 5.13%	3,785,000
<b>Total General Obligation Bonds</b>	<b>\$ 94,549,222</b>

All general obligation bonds series 2000 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.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 8. Long-Term Obligations (Continued)

#### Primary Government (Continued)

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

#### Capital Leases:

##### SRI Project - tax exempt:

\$7,875,000 lease purchase contract, entered into November 2007, due in annual installments ranging from \$790,000 to \$795,000 through October 2024, plus interest payable semi-annually at 2.15% \$ 3,955,000

##### SRI Project - taxable:

\$5,250,000 lease purchase contract, entered into November 2007, due in annual installments ranging from \$525,000 to \$530,000 through October 2024, plus interest payable semi-annually at 3.35% 2,640,000

**Total capital leases** \$ 6,595,000

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

The obligation associated with the SRI Project lease was to finance the costs to construct and equip a research facility for the benefit of and use by SRI International in the County's technology park.

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

	<u>Governmental Activities SRI Project</u>
Capital assets:	
Buildings and improvements	\$ 18,249,809
Less accumulated depreciation	<u>(6,242,100)</u>
	<u><u>\$ 12,007,709</u></u>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 8. Long-Term Obligations (Continued)

#### Primary Government (Continued)

##### Notes from direct borrowings and direct placements:

###### Augusta County, Virginia

\$10,771,794 to become a member jurisdiction of the Middle River Regional Jail Authority, entered into July 2015, due in annual installments ranging from \$966,753 to \$1,053,439 through December 2024, plus interest payable at 2.17% \$ 5,048,155

###### Radio Agreement

\$3,282,000 note issued in October 2017, due in semi-annual installments ranging from \$326,736 to \$340,691 through October 2022, plus interest 1,675,312

**Total notes from direct borrowings and direct placements** **\$ 6,723,467**

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

#### Business-type Activities

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	\$ 26,595,492	\$ -	\$ (2,181,768)	\$ 24,413,724	\$ 1,803,504
Landfill obligation	13,208,442	1,609,032	-	14,817,474	-
Compensated absences	164,962	56,562	(55,378)	166,146	101,389
Unamortized premiums	3,091,148	-	(204,975)	2,886,173	-
<b>Business-type activities</b>					
<b>long-term liabilities</b>	<b>\$ 43,060,044</b>	<b>\$ 1,665,594</b>	<b>\$ (2,442,121)</b>	<b>\$ 42,283,517</b>	<b>\$ 1,904,893</b>

Annual requirements to amortize the revenue bonds are as follows:

Year(s) Ending June 30,	Revenue Bonds	
	Principal	Interest
2021	\$ 1,803,504	\$ 1,029,209
2022	1,865,556	948,794
2023	1,867,033	859,941
2024	1,875,519	770,483
2025	1,858,831	680,015
2026-2030	8,978,281	2,095,255
2031-2035	4,940,000	614,331
2036-2038	1,225,000	46,184
	<b>\$ 24,413,724</b>	<b>\$ 7,044,212</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### 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 3.02% to 5.13% \$ 8,110,000

###### Infrastructure Revenue Bonds (Virginia Pooled Financing Program):

\$3,695,000 issued November 2017, due in installments of \$125,000 to \$265,000 in October 2037, plus interest payable semi-annually ranging from 3.13% to 5.13% 3,460,000

##### Solid Waste Fund

###### Infrastructure Revenue Bond (Virginia Pooled Financing Program):

\$4,000,000 issued May 2016, due in annual installments of \$200,000 through October 2035, plus interest payable semi-annually ranging from 3.80% to 5.13% 3,200,000

###### Infrastructure Revenue Bond (Virginia Pooled Financing Program):

\$9,845,000 issued May 2017, due in annual installments of \$530,000 to \$870,000 through October 2031, plus interest payable semi-annually ranging from 3.13% to 5.13% 8,350,000

##### Smith Creek Water & Waste Authority

###### Virginia Revolving Loan Fund:

\$2,078,500 issued November 2001, due in semi-annual installments of \$65,704 to \$69,737 through September 2022, including interest at 3.0% 338,528

###### Wastewater System Revenue Refunding Bond, Series 2012:

\$1,250,936 issued in April 2012, due in annual installments of \$78,060 to \$94,037 through August 2027, plus interest payable semi-annually at 2.66% 688,140

##### Countryside Sanitary District

###### Virginia Revolving Loan Fund:

\$171,288 issued June 2006, due in semi-annual installments of \$4,827 to \$5,763 through April 2026, including interest at 3.25% 63,392

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 8. Long-Term Obligations (Continued)

#### Primary Government (Continued)

##### Penn Laird Sewer Authority

Wastewater System Revenue Refunding Bond Series 2012:

\$370,232 issued April 2012, due in annual installments of \$23,317 to \$28,089  
through August 2027, plus interest payable semi-annually at 2.66%

\$ 203,664

\$ 24,413,724

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

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

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

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

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

The following is a summary of long-term liability activity transactions of the Component Unit – School Board, for the year ended June 30, 2020:

#### Component Unit – School Board

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 3,502,429	\$ 5,156,151	\$ (4,561,410)	\$ 4,097,170	\$ 2,824,965



## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 8. Long-Term Obligations (Continued)

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, 2020:

##### Component Unit – Harrisonburg-Rockingham Social Services District

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 46,132	\$ 17,881	\$ (20,507)	\$ 43,506	\$ 27,525

#### Note 9. 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, 2019 (most recent balances available) consist of the following:

Series	Amount	Interest
Series 2007	\$ 19,547,226	2.52%
Series 2008	21,917,208	2.72%
Series 2015	7,865,577	1.20%
Series 2017	11,157,136	2.25%
Series 2018C	3,378,719	4.43% - 5.13%

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 \$1,315,000, \$190,000, and \$1,750,000, 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.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. 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)

#### 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:

		HYBRID
PLAN 1	PLAN 2	RETIREMENT PLAN
<b>About Plan 1</b> 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.	<b>About Plan 2</b> 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.	<b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. <ul style="list-style-type: none"><li>• The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</li><li>• 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.</li><li>• 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.</li></ul>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. Pension Plan (Continued)

#### A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Eligible Members</b> Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p><i>Hybrid Opt-In Election</i> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><b>Eligible Members</b> Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><i>Hybrid Opt-In Election</i> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><b>Eligible Members</b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"><li>• Political subdivision employees.*</li><li>• School division employees (teachers).</li><li>• 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.</li></ul> <p><i>*Non-Eligible Members</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"><li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.</li></ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. Pension Plan (Continued)

#### A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<b>Retirement Contributions</b> Employees 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.	<b>Retirement Contributions</b> Same as Plan 1.	<b>Retirement Contributions</b> 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.
<b>Service Credit</b> 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.	<b>Service Credit</b> Same as Plan 1.	<b>Service Credit</b> <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

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### Note 10. Pension Plan (Continued)

#### A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Vesting</b> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as Plan 1.</p>	<p><b>Vesting</b> <i>Defined Benefit Component</i> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><i>Defined Contribution Component</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"><li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li><li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li></ul> <p>After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</p> <p>Distribution is not required, except as governed by law.</p>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 10. Pension Plan (Continued)

#### A. Plan Description (Continued)

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

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 10. Pension Plan (Continued)

#### A. Plan Description (Continued)

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

#### A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<b>Cost-of-Living Adjustment (COLA) in Retirement</b> 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%.  <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. <u><b>Exceptions to COLA</b></u> <u><b>Effective Dates:</b></u> <b>School Division (Teachers) and Political Subdivision Employees:</b> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• 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.</li> </ul>	<b>Cost-of-Living Adjustment (COLA) in Retirement</b> 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%.  <i>Eligibility:</i> Same as Plan 1.  <u><b>Exceptions to COLA</b></u> <u><b>Effective Dates:</b></u> <b>School Division (Teachers) and Political Subdivision Employees:</b> Same as Plan 1.	<b>Cost-of-Living Adjustment (COLA) in Retirement</b> <i>Defined Benefit Component</i> Same as Plan 2.  <i>Defined Contribution Component</i> Not applicable.  <i>Eligibility:</i> Same as Plan 1 and Plan 2.  <u><b>Exceptions to COLA</b></u> <u><b>Effective Dates:</b></u> <b>School Division (Teachers) and Political Subdivision Employees:</b> Same as Plan 1 and Plan 2.



# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. Pension Plan (Continued)

#### A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<b>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</b> <b><u>Exceptions to COLA Effective Dates: (Continued)</u></b> <b>School Division (Teachers) and Political Subdivision Employees (continued):</b> <ul style="list-style-type: none"><li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</li><li>• <b>Political subdivision employees:</b> The member retires directly from short-term or long-term disability.</li></ul>		
<b>Disability Coverage</b> <b>Political subdivision employees:</b> 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.	<b>Disability Coverage</b> <b>Political subdivision employees:</b> 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.	<b>Disability Coverage</b> Employees of political subdivisions and school divisions (teachers), including Plan 1 and Plan 2 opt-ins, participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.  Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 10. Pension Plan (Continued)

#### A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<b>Purchase of Prior Service</b> 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.	<b>Purchase of Prior Service</b> Same as Plan 1.	<b>Purchase of Prior Service</b> <i>Defined Benefit Component</i> Same as Plan 1, with the following exception: <ul style="list-style-type: none"> <li>Hybrid Retirement Plan members are ineligible for ported service.</li> </ul> <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, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	316
Inactive members:	
Vested	106
Non-vested	159
Active elsewhere in VRS	313
<b>Total inactive members</b>	<b>578</b>
Active members	594
<b>Total covered employees</b>	<b>1,488</b>

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 10. Pension Plan (Continued)

##### B. Employees Covered by Benefit Terms (Continued)

###### **School Board Non-Professional Plan (Agent Plan)**

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>258</u>
Inactive members:	
Vested	37
Non-vested	79
Active elsewhere in VRS	<u>52</u>
<b>Total inactive members</b>	<u>168</u>
Active members	<u>408</u>
<b>Total covered employees</b>	<u><u>834</u></u>

##### C. Contributions

###### **County and the District Plan (Agent Plan)**

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

The County and the District's contractually required contribution rate for the year ended June 30, 2020 was 10.30% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018.

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 \$3,039,846 and \$2,716,908 and for the years ended June 30, 2020 and 2019, respectively.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 10. 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, 2020 was 5.44% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018.

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 \$474,491 and \$421,138 for the years ended June 30, 2020 and 2019, respectively.

###### **School Board Professional Plan (Cost-Sharing Plan)**

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. The School Board professional's contractually required contribution rate for the year ended June 30, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. 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 \$10,939,651 and \$10,627,884 for the years ended June 30, 2020 and 2019, respectively.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. 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, 2019. The total pension liabilities used to calculate the NPLs were determined by an actuarial valuation performed as of June 30, 2018 rolled forward to the measurement date of June 30, 2019.

##### **School Board Professional Plan (Cost-Sharing Plan)**

At June 30, 2020, the School Board reported a liability for the professional plan of \$106,794,064 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Board's proportion was 0.81147% as compared to 0.82645% at June 30, 2018.

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, 2019, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows:

	Teacher Employee Retirement Plan
Total pension liability	\$ 49,683,336,000
Plan fiduciary net position	<u>36,522,769,000</u>
<b>Employers' net pension liability</b>	<b><u>\$ 13,160,567,000</u></b>

Plan fiduciary net position as a percentage of the total pension liability	73.51%
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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

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### Note 10. 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, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality Rates: 15% of deaths are assumed to be service related.

- Pre-retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.
- Post-retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward three years; females 1.0% increase compounded from ages 70 to 90.
- Post-disablement: RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward two years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and changed final retirement age from 70 to 75
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

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### Note 10. Pension Plan (Continued)

#### E. Actuarial Assumptions (Continued)

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

##### *General Employees (Continued)*

Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

#### 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, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including inflation	3.5% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality Rates:	45% of deaths are assumed to be service-related.
– Pre-retirement:	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward one year.
– Post-retirement:	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward one year, 1.0% increase compounded from ages 70 to 90; females set forward three years.
– Post-disablement:	RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward two years; unisex using 100% male.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 10. 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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year, age and service through nine years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

##### **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, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.



## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 10. Pension Plan (Continued)

##### E. Actuarial Assumptions (Continued)

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

###### Mortality Rates:

- Pre-retirement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020.
- Post-retirement: RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back three years with 1.5% increase compounded from ages 65 to 75 and 2.0% increase compounded from ages 75 to 90.
- Post-disablement: RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 10. 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)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi - Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
<b>Total</b>	<b>100.00%</b>		<b>5.13%</b>
	Inflation		<b>2.50%</b>
			<b>7.63%</b>

\* The above allocation provides a one-year return of 7.63%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 10. Pension Plan (Continued)**

##### **G. Discount Rate**

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

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2019, the alternate rate was the employer contribution rate used in fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2018 actuarial valuations, whichever is greater. From July 1, 2019 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, 2019, the rate contributed by the employer for the School Board's retirement plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 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 10. 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, 2018	\$ 108,733,086	\$ 97,348,702	\$ 11,384,384
Changes for the Year:			
Service cost	2,978,664	-	2,978,664
Interest	7,425,916	-	7,425,916
Changes in assumptions	3,726,026	-	3,726,026
Difference between expected and actual experience	1,502,262	-	1,502,262
Contributions – employer	-	2,716,908	(2,716,908)
Contributions – employee	-	1,314,637	(1,314,637)
Net investment income	-	6,494,918	(6,494,918)
Benefit payments, including refunds of employee contributions	(5,297,154)	(5,297,154)	-
Administrative expense	-	(63,953)	63,953
Other changes	-	(4,092)	4,092
<b>Net changes</b>	<b>10,335,714</b>	<b>5,161,264</b>	<b>5,174,450</b>
Balances at June 30, 2019	\$ 119,068,800	\$ 102,509,966	\$ 16,558,834

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 10. 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, 2018	\$ 34,472,058	\$ 34,929,832	\$ (457,774)
Changes for the Year:			
Service cost	784,209	-	784,209
Interest	2,353,731	-	2,353,731
Changes of assumptions	913,856	-	913,856
Difference between expected and actual experience	(11,453)	-	(11,453)
Contributions – employer	-	421,138	(421,138)
Contributions – employee	-	396,178	(396,178)
Net investment income	-	2,309,120	(2,309,120)
Benefit payments, including refunds of employee contributions	(1,694,651)	(1,694,651)	-
Administrative expense	-	(23,172)	23,172
Other changes	-	(1,451)	1,451
<b>Net changes</b>	<b>2,345,692</b>	<b>1,407,162</b>	<b>938,530</b>
Balances at June 30, 2019	\$ 36,817,750	\$ 36,336,994	\$ 480,756

#### 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%)
Governmental activities net pension liability		\$ 12,041,718	
Business-type activities net pension liability		1,067,120	
District net pension liability		3,449,996	
Total primary government and District net pension liability	\$ 33,725,367	16,558,834	\$ 3,037,223
School Board non-professional net pension liability (asset)	4,474,079	480,756	(2,751,405)
School Board professional net pension liability	160,771,460	106,794,064	62,164,754

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 10. 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, 2020, the County and District recognized pension expense of \$4,038,958. At June 30, 2020, the County and District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-type Activities		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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 933,442	\$ (61,009)	\$ 82,720	\$ (5,406)	\$ 267,435	\$ (17,479)	\$ 1,283,597	\$ (83,894)
Changes in assumptions	1,952,725	(172,464)	173,049	(15,283)	559,463	(49,411)	2,685,237	(237,158)
Net differences between projected and actual earnings on pension plan investments	-	(654,497)	-	(58,001)	-	(187,517)	-	(900,015)
Employer contributions subsequent to the measurement date	2,210,601	-	195,900	-	633,345	-	3,039,846	-
<b>Total</b>	<b>\$ 5,096,768</b>	<b>\$ (887,970)</b>	<b>\$ 451,669</b>	<b>\$ (78,690)</b>	<b>\$ 1,460,243</b>	<b>\$ (254,407)</b>	<b>\$ 7,008,680</b>	<b>\$ (1,221,067)</b>

The \$3,039,846 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ 1,228,494
2022	643,687
2023	821,025
2024	54,561
	<b>\$ 2,747,767</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. 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, 2020, the School Board recognized pension expense related to its non-professional plan of \$510,814. At June 30, 2020, 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	\$ -	\$ (109,408)
Changes in assumptions	607,193	(39,509)
Net difference between projected and actual earnings on pension plan investments	-	(313,667)
Employer contributions subsequent to the measurement date	474,491	-
<b>Total</b>	<b>\$ 1,081,684</b>	<b>\$ (462,584)</b>

The \$474,491 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, 2021. 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
2021	\$ 166,070
2022	(35,423)
2023	(6,917)
2024	20,879
	<b>\$ 144,609</b>

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 10. 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, 2020, the School Board recognized pension expense related to the professional plan of \$11,325,763. 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, 2020, 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	\$ -	\$ (6,838,475)
Changes in assumptions	10,575,116	-
Net difference between projected and actual earnings on pension plan investments	-	(2,344,944)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	873,342	(2,094,225)
Employer contributions subsequent to the measurement date	10,939,651	-
<b>Total</b>	<b>\$ 22,388,109</b>	<b>\$ (11,277,644)</b>

The \$10,939,651 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ (207,293)
2022	(2,462,891)
2023	632,944
2024	1,512,229
2025	695,825
	<u>\$ 170,814</u>

##### K. Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan and VRS Teacher Retirement Plan is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2019-annual-report.pdf](http://varetire.org/pdf/publications/2019-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

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### Note 11. Other Postemployment Benefits – 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

<b>MEDICAL INSURANCE PROGRAM PLAN PROVISIONS</b>
<b><i>Eligible Employees</i></b> 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.
<b><i>Retirement Eligibility</i></b> Employees may retire under the VRS with an unreduced pension benefit under the following age and service requirements: <ul style="list-style-type: none"><li>• Plan 1 eligible employees<ul style="list-style-type: none"><li>○ Age 50 and 30 years of service</li><li>○ Age 65 and 5 years of service</li></ul></li><li>• Plan 2 and Hybrid plan eligible employees<ul style="list-style-type: none"><li>○ Age 65 with 5 years of service</li><li>○ Rule of 90</li></ul></li></ul>
<b><i>Benefit Amounts</i></b> 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.
<b><i>Reduction in Benefit Amounts</i></b> 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.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)

##### A. Plan Description (Continued)

##### County and the District (Continued)

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS (Continued)
<b><i>Death of a Retiree</i></b> 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
<b><i>Eligible Employees</i></b> Retired employees may participate in the School Board health insurance program in accordance with the following terms and conditions: <ul style="list-style-type: none"><li>• The employee has served a minimum of 10 consecutive years as an employee of Rockingham County School Board.</li><li>• The employee is eligible for retirement under VRS and that his/her monthly payments are made through payroll deductions by the VRS.</li><li>• 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.</li></ul>
<b><i>Retirement Eligibility</i></b> School Board employees may retire under the VRS according to the same eligibility requirements as the County and the District employees described above.
<b><i>Benefit Amounts</i></b> The School Board will pay \$10 monthly for the retiree until the retiree becomes eligible for or obtains other health coverage.
<b><i>Death of a Retiree</i></b> 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.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)

#### B. Employees Covered by Benefit Terms

At July 1, 2019, the following employees were covered by the benefit terms:

##### County and the District

	Number
Inactive employees or beneficiaries currently receiving benefit payments	24
Inactive employees entitled to but not yet receiving benefit payments	3
Active employees	546
<b>Total</b>	<b>573</b>

##### School Board

	Number
Inactive employees or beneficiaries currently receiving benefit payments	66
Inactive employees entitled to but not yet receiving benefit payments	30
Active employees	1,576
<b>Total</b>	<b>1,672</b>

#### C. Total Medical Insurance Program OPEB Liability

The County and the District's total Medical Insurance OPEB liability of \$5,490,823 was measured as of June 30, 2020 with a reporting date of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019. The School Board's total Medical Insurance OPEB liability of \$20,197,483 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

#### D. Actuarial Assumptions and Other Inputs

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2019, 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	3.36% per annum
Healthcare cost trend rates	Medical and Stop Loss: 7.5% graded uniformly to 6.50% over 4 years and following the Getzen model thereafter to ultimate rate of 4.04% in the year 2076; Administrative Expenses 5% per annum

The discount rate was based on the S&P 500 High Grade 20 Year Rate Index as of July 1, 2019.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)

##### D. Actuarial Assumptions and Other Inputs (Continued)

###### **County and the District**

###### ***Mortality Rates***

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

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

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

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

###### **School Board**

###### ***Mortality Rates***

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

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

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

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

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)

#### E. Changes in the Total Medical Insurance OPEB Liability

##### County and the District

	Total Medical Insurance OPEB Liability
Balance at June 30, 2019	<u>\$ 6,473,199</u>
Changes for the year:	
Service cost	393,352
Interest	224,816
Experience losses	263,293
Changes in assumptions	(1,688,245)
Contributions - employer	<u>(175,592)</u>
<b>Net changes</b>	<u>(982,376)</u>
Balance at June 30, 2020	<u><u>\$ 5,490,823</u></u>

##### School Board

	Total Medical Insurance OPEB Liability
Balance at June 30, 2019	<u>\$ 21,419,455</u>
Changes for the year:	
Service cost	1,130,216
Interest	736,318
Experience losses	2,423,524
Changes in assumptions	(4,876,583)
Contributions - employer	<u>(635,447)</u>
<b>Net changes</b>	<u>(1,221,972)</u>
Balance at June 30, 2020	<u><u>\$ 20,197,483</u></u>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)

#### 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 (2.36%) or 1-percentage-point higher (4.36%) than the current discount rate:

	1% Decrease (2.36%)	Current Discount Rate (3.36%)	1% Increase (4.36%)
Governmental activities		\$ 3,937,050	
Business-type activities		428,959	
District		1,124,814	
Total primary government and District	\$ 6,213,383	5,490,823	\$ 4,865,907
School Board	22,527,509	20,197,483	18,140,259

#### 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 (6.50% to 5.50% over 4 years and following the Getzen model less 1% thereafter) or 1-percentage-point higher (8.50% to 7.50% over 4 years and following the Getzen model plus 1% thereafter) than the current discount rate:

	1% Decrease (6.50% to 5.50% over 4 years and following Getzen model less 1% thereafter)	Rate (7.50% to 6.50% over 4 years and following Getzen model less 1% thereafter)	1% Increase (8.50% to 7.50% over 4 years and following Getzen model plus 1% thereafter)
Governmental activities		\$ 3,937,050	
Business-type activities		428,959	
District		1,124,814	
Total primary government and District	\$ 4,723,622	5,490,823	\$ 6,430,793
School Board	17,499,104	20,197,483	23,447,888

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)

#### 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, 2020, the County and the District and the School Board recognized Medical Insurance OPEB expense of \$1,430,970 and \$4,882,189, respectively.

#### County and the District

At June 30, 2020, the County and District reported deferred outflows of resources and deferred inflows of resources related to Medical Insurance Program from the following sources:

	Governmental Activities		Business-type Activities		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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 161,818	\$ -	\$ 17,631	\$ -	\$ 46,231	\$ -	\$ 225,680	\$ -
Changes in assumptions	-	(1,037,582)	-	(113,048)	-	(296,437)	-	(1,447,067)
<b>Total</b>	<b>\$ 161,818</b>	<b>\$ (1,037,582)</b>	<b>\$ 17,631</b>	<b>\$ (113,048)</b>	<b>\$ 46,231</b>	<b>\$ (296,437)</b>	<b>\$ 225,680</b>	<b>\$ (1,447,067)</b>

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
2021	\$ (203,565)
2022	(203,565)
2023	(203,565)
2024	(203,565)
2025	(203,565)
Thereafter	(203,562)
<b>Total</b>	<b>\$ (1,221,387)</b>

#### School Board

At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to Medical Insurance Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,077,306	\$ -
Change in assumptions	-	(4,179,928)
<b>Total</b>	<b>\$ 2,077,306</b>	<b>\$ (4,179,928)</b>

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. Other Postemployment Benefits – 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)

###### **School Board (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,	Amount
2021	\$ (350,437)
2022	(350,437)
2023	(350,437)
2024	(350,437)
2025	(350,437)
Thereafter	(350,437)
<b>Total</b>	<b>\$ (2,102,622)</b>

#### Note 12. Other Postemployment Benefits – 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:

<b>GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS</b>
<b>Eligible Employees</b> 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.



## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)

##### A. Plan Description (Continued)

<b>GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS (Continued)</b>
<p><b>Benefit Amounts</b></p> <p>The benefits payable under the GLI have several components.</p> <ul style="list-style-type: none"><li>• Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.</li><li>• Accidental Death Benefit: The accidental death benefit is double the natural death benefit.</li><li>• Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:<ul style="list-style-type: none"><li>○ Accidental dismemberment benefit</li><li>○ Safety belt benefit</li><li>○ Repatriation benefit</li><li>○ Felonious assault benefit</li><li>○ Accelerated death benefit option</li></ul></li></ul>
<p><b>Reduction in Benefit Amounts</b></p> <p>The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p><b>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</b></p> <p>For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,463 as of June 30, 2020.</p>

##### B. Contributions

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% 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, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. 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.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)

#### B. Contributions (Continued)

Contributions to the GLI from the participating employers for the years ended June 30, 2020 and June 30, 2019 were as follows.

	2020	2019
County and the District	\$ 151,793	\$ 141,235
School Board Non-Professional	43,699	43,459
School Board Professional	362,560	352,375

#### 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, 2020, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	2020
Governmental activities	\$ 1,645,076
Business-type activities	144,180
District	465,321
Total primary government and District	2,254,577
School Board Non-Professional	693,704
School Board Professional	5,625,134

The net GLI OPEB liability was measured as of June 30, 2020 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, 2018, and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, comparisons of the participating employers' proportions to June 30, 2018 are as follows:

	2019	2018
County and the District	0.13855%	0.13702%
School Board Non-Professional	0.04263%	0.04267%
School Board Professional	0.34568%	0.35010%

For the year ended June 30, 2020, the County and the District, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of \$68,668, \$11,143, and \$116,845, 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 12. Other Postemployment Benefits – 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, 2020, 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

	Governmental Activities		Business-type Activities		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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 109,407	\$ (21,338)	\$ 9,589	\$ (1,870)	\$ 30,947	\$ (6,036)	\$ 149,943	\$ (29,244)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(33,791)	-	(2,962)	-	(9,558)	-	(46,311)
Change in assumptions	103,860	(49,606)	9,103	(4,348)	29,378	(14,031)	142,341	(67,985)
Changes in proportionate share Employer contribution subsequent to the measurement date	48,723	-	4,270	-	13,782	-	66,775	-
	110,758	-	9,707	-	31,328	-	151,793	-
<b>Total</b>	<b>\$ 372,748</b>	<b>\$ (104,735)</b>	<b>\$ 32,669</b>	<b>\$ (9,180)</b>	<b>\$ 105,435</b>	<b>\$ (29,625)</b>	<b>\$ 510,852</b>	<b>\$ (143,540)</b>

The \$151,793 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, 2021. 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
2021	\$ 24,544
2022	24,546
2023	44,160
2024	56,746
2025	51,350
Thereafter	14,173
<b>Total</b>	<b>\$ 215,519</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 12. Other Postemployment Benefits – 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	\$ 46,135	\$ (8,997)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(14,249)
Change in assumptions	43,796	(20,918)
Changes in proportionate share	-	(18,714)
Employer contribution subsequent to the measurement date	43,699	-
<b>Total</b>	<b>\$ 133,630</b>	<b>\$ (62,878)</b>

The \$43,669 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, 2021. 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
2021	\$ (2,434)
2022	(2,433)
2023	3,602
2024	10,840
2025	13,539
Thereafter	3,939
<b>Total</b>	<b>\$ 27,053</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 12. Other Postemployment Benefits – 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	\$ 374,105	\$ (72,962)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(115,545)
Change in assumptions	355,138	(169,623)
Changes in proportionate share	6,513	(72,148)
Employer contribution subsequent to the measurement date	362,560	-
<b>Total</b>	<b>\$ 1,098,316</b>	<b>\$ (430,278)</b>

The \$362,560 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, 2021. 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
2021	\$ 6,756
2022	6,760
2023	55,698
2024	102,461
2025	105,244
Thereafter	28,559
<b>Total</b>	<b>\$ 305,478</b>

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)

##### D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including inflation:	
Teachers	3.5%-5.95%
Locality – general employees	3.5%-5.35%
Locality – hazardous duty employees	3.5%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

#### **School Board Professional**

##### ***Mortality Rates – Teachers***

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

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

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each year, age and service through nine years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)

##### D. Actuarial Assumptions (Continued)

##### **County, District and School Board Non-Professional**

##### ***Mortality Rates – General Employees***

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward three years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement: RP-2014 Disability Life Mortality Table projected with Scale BB to 2020; males set forward two years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

##### ***Mortality Rates – Hazardous Duty Employees***

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward one year.

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward one year with 1.0% increase compounded from ages 70 to 90; females set forward three years.

Post-Disablement: RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward two years; unisex using 100% male.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)

#### D. Actuarial Assumptions (Continued)

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

##### *Mortality Rates – Hazardous Duty Employees (Continued)*

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

#### 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, 2019, NOL amounts for the GLI are as follows:

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$ 3,390,238,000
Plan fiduciary net position	1,762,972,000
<b>GLI OPEB liability</b>	<b>\$ 1,627,266,000</b>

Plan fiduciary net position as a percentage of the total GLI OPEB liability	52.00%
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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 12. Other Postemployment Benefits – 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)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
<b>Total</b>	<b>100.00%</b>		<b>5.13%</b>
	Inflation		<b>2.50%</b>
			<b>* Expected arithmetic nominal return</b>
			<b>7.63%</b>

\* The above allocation provides a one-year return of 7.63%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11 %, including expected inflation of 2.50%.The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

#### 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 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, 2019, the rate contributed by the participating employers for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 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

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#### Note 12. Other Postemployment Benefits – 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%)
Governmental activities		\$ 1,645,076	
Business-type activities		144,180	
District		465,321	
Total primary government and District	\$ 2,961,890	2,254,577	\$ 1,680,966
School Board Non-Professional	911,335	693,704	517,211
School Board Professional	7,389,869	5,625,134	4,193,983

##### I. Group Life Insurance Program Fiduciary Net Position

Detailed information about the GLI's fiduciary net position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2019-annual-report.pdf](http://varetire.org/pdf/publications/2019-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

#### Note 13. Other Postemployment Benefits – 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.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

##### A. Plan Description (Continued)

###### **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:

<b>POLITICAL SUBDIVISION HIC PLAN PROVISIONS</b>
<p><b><i>Eligible Employees</i></b></p> <p>The Political Subdivision Retiree HIC was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"><li>• Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.</li></ul>
<p><b><i>Benefit Amounts</i></b></p> <p>The political subdivision's Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li></ul>
<p><b><i>Health Insurance Credit Program Notes</i></b></p> <ul style="list-style-type: none"><li>• The monthly HIC benefit cannot exceed the individual premium amount</li><li>• 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.</li><li>• 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.</li></ul>

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

##### A. Plan Description (Continued)

###### **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:

<b>TEACHER EMPLOYEE HIC PLAN PROVISIONS</b>
<p><b><i>Eligible Employees</i></b></p> <p>The Teacher Employee Retiree HIC was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"><li>• Full-time permanent (professional) salaried employees of public school divisions covered under VRS.</li></ul>
<p><b><i>Benefit Amounts</i></b></p> <p>The Teacher Employee Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"><li>• At Retirement – for teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.</li><li>• Disability Retirement – for teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either:<ul style="list-style-type: none"><li>○ \$4.00 per month, multiplied by twice the amount of service credit, or</li><li>○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.</li></ul></li></ul>
<p><b><i>Health Insurance Credit Program Notes</i></b></p> <ul style="list-style-type: none"><li>• The monthly HIC benefit cannot exceed the individual premium amount</li><li>• 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.</li></ul>

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

##### B. Employees Covered by Benefit Terms

###### **School Board Non-Professional Plan**

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan.

	<u>Number</u>
Inactive members:	
Inactive members or their beneficiaries currently receiving benefits	<u>154</u>
<b>Total inactive members</b>	<u>154</u>
 Active members	 <u>408</u>
 <b>Total covered employees</b>	 <u><u>562</u></u>

##### C. Contributions

###### **School Board Non-Professional and School Board Professional Plans**

The contribution requirement for active employees is governed by Section 51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. For the year ended June 30, 2020, the contractually required employer contribution rates for the School Board non-professional and School Board professional was 0.70% and 1.20%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. 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, 2020 and 2019 were as follows:

	2020	2019
School Board Professional	\$ 836,299	\$ 813,949
School Board Non-Professional	49,961	58,393

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 13. Other Postemployment Benefits – 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, 2019. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

###### **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, 2019, NOL amounts for the Teacher Employee HIC are as follows:

	Teacher Employee HIC OPEB Plan
Total teacher employee HIC OPEB liability	\$1,438,114,000
Plan fiduciary net position	129,016,000
Teacher employee net HIC OPEB liability	<u>\$1,309,098,000</u>
Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	8.97%

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

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### Note 13. Other Postemployment Benefits – 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, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including inflation:	
Locality – general employees	3.5%-5.35%
Teacher employees	3.5%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

##### **School Board Non-Professional Plan**

##### ***Mortality Rates – General Employees***

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward three years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement: RP-2014 Disability Life Mortality Table projected with Scale BB to 2020; males set forward two years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

##### E. Actuarial Assumptions (Continued)

##### **School Board Professional Plan**

##### ***Mortality Rates – Teachers***

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

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

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each year, age and service through nine years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%



# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 13. Other Postemployment Benefits – 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)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
<b>Total</b>	<b>100.00%</b>		<b>5.13%</b>
	Inflation		<b>2.50%</b>
			<b>7.63%</b>

\* Expected arithmetic nominal return

\* The above allocation provides a one-year return of 7.63%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation.

#### 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, 2019, 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, 2019 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.

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

#### H. Changes in Net HIC OPEB Liability

##### School Board Non-Professional Plan

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a-b)
Balance at June 30, 2018	\$ 1,013,809	\$ 430,392	\$ 583,417
Changes for the year:			
Service cost	18,979	-	18,979
Interest	68,683	-	68,683
Changes of assumptions	21,876	-	21,876
Differences between expected and actual experience	207	-	207
Contributions - employer	-	58,393	(58,393)
Net investment income	-	27,512	(27,512)
Benefit payments, including refunds of employee contributions	(65,253)	(65,253)	-
Administrative expenses	-	(591)	591
Other changes	-	(32)	32
<b>Net changes</b>	<b>44,492</b>	<b>20,029</b>	<b>24,463</b>
Balance at June 30, 2019	\$ 1,058,301	\$ 450,421	\$ 607,880

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

##### School Board Non-Professional and School Board Professional Plans

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board Professional	\$ 11,833,338	\$ 10,573,316	\$ 9,502,929
School Board Non-Professional	703,731	607,880	524,818

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

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

##### School Board Non-Professional Plan

For the year ended June 30, 2020, the School Board non-professional plan recognized HIC OPEB expense of \$63,141. At June 30, 2020, 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	\$ 18,954	\$ -
Net difference between projected and actual earnings on HIC OPEB program investments	-	(5,204)
Change in assumptions	16,870	(8,124)
Employer contributions subsequent to the measurement date	49,961	-
<b>Total</b>	<b>\$ 85,785</b>	<b>\$ (13,328)</b>

The \$49,961 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, 2021. 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
2021	\$ 4,721
2022	6,103
2023	9,332
2024	2,340
<b>Total</b>	<b>\$ 22,496</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 13. Other Postemployment Benefits – 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, 2020, the School Board professional plan reported a liability of \$10,573,316 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, 2018 and the total Teacher Employee HIC OPEB liability used to calculate the total Teacher Employee HIC OPEB liability was determined by an actuarial valuation as of that date. 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, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Board professional plan's proportion of the Teacher Employee HIC was 0.80768% as compared to 0.82261% at June 30, 2018.

For the year ended June 30, 2020, the School Board professional plan recognized Teacher Employee HIC OPEB expense of \$839,426. 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, 2020, 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	\$ -	\$ (59,888)
Net difference between projected and actual earnings on HIC OPEB program investments	668	-
Change in assumptions	246,090	(73,470)
Changes in proportionate share	64,415	(243,142)
Employer contributions subsequent to the measurement date	836,299	-
<b>Total</b>	<b>\$ 1,147,472</b>	<b>\$ (376,500)</b>

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 13. Other Postemployment Benefits – 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 \$836,299 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, 2021. 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
2021	\$ (20,752)
2022	(20,763)
2023	(16,130)
2024	(17,680)
2025	(6,670)
Thereafter	<u>16,668</u>
<b>Total</b>	<u><u>\$ (65,327)</u></u>

##### K. HIC Credit Program Plan Data

Information about the VRS Political Subdivision and Teacher Employee HIC is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2019-annual-report.pdf](http://varetire.org/pdf/publications/2019-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

#### Note 14. Advances To/From Other Funds

Interfund balances as of June 30, 2020 are as follows:

Payable Fund	Receivable Fund
Primary Government:	General Fund:
Lake Shenandoah Stormwater Control Authority	<u>\$ 46,528</u>
	<u><u>\$ 46,528</u></u>

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 15. Interfund Transfers

A summary of interfund transfer activity is presented as follows:

Transfer to Fund	General Fund	General Capital Projects Fund	Water and Sewer Fund	School Operating Fund	Total Transferred in
Primary Government:					
Governmental funds:					
General Fund	\$ -	\$ 747,530	\$ -	\$ -	\$ 747,530
General Capital Projects Fund	2,491,050	-	-	-	2,491,050
Enterprise funds:					
Water and Sewer Fund	-	57,730	-	-	57,730
Nonmajor Proprietary Funds	-	-	387,124	-	387,124
Discretely Presented Component Unit - School Board					
School Cafeteria Fund	-	-	-	3,484	3,484
<b>Total transferred out</b>	<b>\$ 2,491,050</b>	<b>\$ 805,260</b>	<b>\$ 387,124</b>	<b>\$ 3,484</b>	<b>\$ 3,686,918</b>

The transfer from the General Capital Projects Fund to the General Fund was for the purchase of a fire engine and maintenance for Munis software.

The transfer from the General Fund to the General Capital Projects Fund was to fund various projects, including the District Court renovations, computer licenses, and cash proffers.

The transfer from the General Capital Projects Fund to the Water and Sewer Fund was to transfer funds for the Munis software.

The transfer from the Water and Sewer Fund to the Nonmajor Proprietary Fund was for the payoff of VRA debt and debt issued by the General Fund.

The transfer from the School Operating Fund to the School Cafeteria Fund was for bad debt expense.

#### Note 16. Major Customers

The Water and Sewer Fund has one major customer. For the year ended June 30, 2020, water and sewer revenue from this customer was approximately \$3.85 million. Accounts receivable from this customer were approximately \$306,500 at June 30, 2020.

The Solid Waste Fund has three major customers. Revenues from these customers for the year ended June 30, 2020 were approximately \$3.70 million. Accounts receivable from these customers were approximately \$300,000 at June 30, 2020.

The Smith Creek Water & Waste Authority has one major customer. For the year ended June 30, 2020, revenue from this customer was approximately \$75,000. Accounts receivable from this customer were approximately \$7,500 at June 30, 2020.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 17. Landfill Closure and Postclosure Care Cost**

An agreement between the County and City of Harrisonburg divided the closure and post-closure liability pro rata for all cells active as of December 31, 2011. The City of Harrisonburg's liability for closure and post-closure was capped at that amount calculated pursuant to the regulations and percentage of waste disposed in the active cells as of December 31, 2011. The City of Harrisonburg's landfill closure and postclosure 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 postclosure 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 postclosure 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 \$14,817,474 as landfill closure and postclosure liability at June 30, 2020. The landfill's total capacity used to date is 1.79% for active cells.

The Solid Waste Fund will report the County's estimated liability of closure and post-closure care of \$5,439,000 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 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The estimated remaining life of the landfill is approximately three years and does not account for future expansion.

#### **Note 18. Risk Management**

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

##### Auto, Liability and Workers' Compensation Insurance

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

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

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 18. Risk Management (Continued)

##### Health Insurance

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

Based on the requirements of GASB Statement No. 10, the County records an estimated liability for indemnity healthcare claims. The following represents the change in the fund's claims liability for 2020, 2019, and 2018:

Fiscal Year Ended	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
June 30, 2020	\$ 2,470,191	\$ 24,388,484	\$ 24,803,347	\$ 2,055,328
June 30, 2019	2,634,179	23,391,754	23,555,742	2,470,191
June 30, 2018	2,076,649	26,244,427	25,686,897	2,634,179

The ending liability is reported by the following:

Fiscal Year Ended	Governmental Activities	Component Unit - School Board	Total
June 30, 2020	\$ 513,832	\$ 1,541,496	\$ 2,055,328
June 30, 2019	604,657	1,865,534	2,470,191
June 30, 2018	658,545	1,975,634	2,634,179



## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 19. Tax Abatements and the Technology Zone Grant Program**

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

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

For the fiscal year ended June 30, 2020, the County abated property taxes totaling \$1,717,588 under this grant program, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- Property tax abatement to a pharmaceutical facility in the amount of \$209,192.
- Property tax abatement to a beverage facility in the amount of \$1,127,179.
- Property tax abatement to a printing facility in the amount of \$62,194.
- Property tax abatement to a food packaging and beverage facility in the amount of \$319,023.

#### **Note 20. Pending GASB Statements**

At June 30, 2020, 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. 84, *Fiduciary Activities*, will improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 will be effective for fiscal years beginning after December 15, 2019.

GASB Statement No. 87, *Leases*, will increase the usefulness of the County's financial statements by requiring reporting of certain lease assets and liabilities and deferred inflows of resources for leases that previously were classified as operating leases. Statement No. 87 will be effective for fiscal years beginning after June 15, 2021.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 20. Pending GASB Statements (Continued)**

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, is intended to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Statement No. 90 will be effective for fiscal years beginning after December 15, 2019.

GASB Statement No. 91, *Conduit Debt Obligations*, will provide a single method of reporting conduit debt obligations by issuer and eliminate diversity in practice associate with (1) commitments extended by issuer, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement No. 91 will be effective for fiscal years beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*, will improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, including intra-entity transfers, the effective date of No. 87, *Leases*, the applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68, as amended*, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended*, to reporting assets accumulated for postemployment benefits, the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, terminology used to refer to derivative instruments. Statement No. 92 will be effective for fiscal years beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will address accounting and financial reporting implications that result from the replacement of an interbank offered rate—most notably, the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Portions of Statement No. 93 will be effective for fiscal years beginning after June 15, 2020, June 15, 2021, and December 31, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. Statement No. 94 will be effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 will be effective for fiscal years beginning after June 15, 2022.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 20. Pending GASB Statements (Continued)**

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, will (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Statement No. 97 will be effective for fiscal years beginning after June 15, 2021.

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

#### **Note 21. Joint Venture**

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

In fiscal year 2020, the County's contributions to the HRECC totaled approximately \$2,325,651.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 22. Middle River Regional Jail Authority**

The Middle River Regional Jail Authority (MRRJA), which opened in April 2006, was established by the County of Augusta, City of Staunton and City of Waynesboro (the Original Member Jurisdictions) to house prisoners from their own jurisdictions as well as others. An agreement was executed as of July 1, 2015 among the Original Member Jurisdictions and the County of Rockingham and City of Harrisonburg to allow the County and City to become Member Jurisdictions of MRRJA, effectively allowing the County and City to no longer pay MRRJA's per diem rental fee. The Original Member Jurisdictions agreed to admit the County as an additional member jurisdiction effective July 1, 2015 for \$10,771,794. See Note 8 for details of the long-term liability associated with becoming a member jurisdiction.

The total principal paid by the County to become a member jurisdiction of MRRJA was \$946,220 in fiscal year 2020, which has been shown as a public safety expenditure in the General Fund, and as a reduction in the liability on the Governmental Activities Statement of Net Position.

The total paid by the County to MRRJA for operating purposes of MRRJA was \$1,187,654 in fiscal year 2020.

#### **Note 23. Contingency**

##### Federal and State-Assisted Programs

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

#### **Note 24. Risk and Uncertainties**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the County operates. While it is unknown how long these conditions will last, many County activities were and continue to be affected.

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 25. Subsequent Events**

On June 24, 2020, the Board held a public hearing to appropriate CARES Act funding. The appropriation allowed for automatic carry forward of unspent funds from FY20 to FY21. On July 15, 2020, the County appropriated \$1,065,883 in contributions to Towns within the County using CARES Act funds. On July 15, 2020, the Board entered into an agreement with Harman Construction to build a storage and maintenance building in the amount of \$1,000,000, using CARES Act funding. The County entered into an agreement with the EDA to disburse \$500,000 in CARES Act Small Business Grants. The County received an additional \$7,149,647 in CARES Act funding and held a public hearing on September 9, 2020 for appropriation. The County entered into an agreement with the Community Foundation to disburse \$250,000 in CARES Act Non-Profit Grants on October 14, 2020.

On July 15, 2020, the County approved \$418,626 in additional contributions to Fire and Rescue Volunteer Companies using General Funds.

On August 12, 2020, Lake Shenandoah Stormwater Control Authority and the General County entered into an agreement to purchase land at \$1,850,000, borrowing the funds from the Water/Sewer Fund of \$925,000 and \$925,000 from the General Fund.

On October 14, 2020, the Board approved an appropriation in the amount of \$1,322,217 to purchase a ladder truck for the Port Road Fire Station.

On October 28, 2020, the Board approved an appropriation in the amount of \$3,000,000 in order to complete site improvements at Innovation Village at Rockingham. The state is funding \$1,150,000 and the County the remainder.

On October 28, 2020, the Board approved a \$300,000 appropriation to the Rockingham County Fair to help stabilize their operations.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

# COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,					
	2014	2015	2016	2017	2018	2019
Total Pension Liability:						
Service cost	\$ 2,559,508	\$ 2,661,858	\$ 2,758,824	\$ 2,913,015	\$ 2,940,965	\$ 2,978,664
Interest	5,820,012	6,141,573	6,430,742	6,822,375	7,062,220	7,425,916
Differences between expected and actual experience	-	(528,816)	852,638	(394,616)	339,533	1,502,262
Changes of assumptions	-	-	-	(1,115,528)	-	3,726,026
Benefit payments, including refunds of employee contributions	(3,578,397)	(3,993,176)	(4,294,088)	(4,600,811)	(4,996,969)	(5,297,154)
<b>Net change in total pension liability</b>	<b>4,801,123</b>	<b>4,281,439</b>	<b>5,748,116</b>	<b>3,624,435</b>	<b>5,345,749</b>	<b>10,335,714</b>
Total pension liability - beginning	84,932,224	89,733,347	94,014,786	99,762,902	103,387,337	108,733,086
Total pension liability - ending (a)	\$ 89,733,347	\$ 94,014,786	\$ 99,762,902	\$ 103,387,337	\$ 108,733,086	\$ 119,068,800
Plan Fiduciary Net Position:						
Contributions - employer	\$ 2,759,564	\$ 2,826,572	\$ 3,003,059	\$ 2,681,076	\$ 2,771,832	\$ 2,716,908
Contributions - employee	1,125,148	1,139,839	1,224,047	1,249,882	1,322,859	1,314,637
Net investment income	10,584,504	3,573,047	1,428,469	10,038,185	6,776,776	6,494,918
Benefit payments, including refunds of employee contributions	(3,578,397)	(3,993,176)	(4,294,088)	(4,600,811)	(4,996,969)	(5,297,154)
Administrative expense	(56,223)	(48,216)	(49,968)	(57,528)	(58,179)	(63,953)
Other changes	558	(753)	(602)	(8,946)	(6,042)	(4,092)
<b>Net change in plan fiduciary net position</b>	<b>10,835,154</b>	<b>3,497,313</b>	<b>1,310,917</b>	<b>9,301,858</b>	<b>5,810,277</b>	<b>5,161,264</b>
Plan fiduciary net position - beginning	66,593,183	77,428,337	80,925,650	82,236,567	91,538,425	97,348,702
Plan fiduciary net position - ending (b)	\$ 77,428,337	\$ 80,925,650	\$ 82,236,567	\$ 91,538,425	\$ 97,348,702	\$ 102,509,966
<b>County and District's net pension liability - ending (a) - (b)</b>	<b>\$ 12,305,010</b>	<b>\$ 13,089,136</b>	<b>\$ 17,526,335</b>	<b>\$ 11,848,912</b>	<b>\$ 11,384,384</b>	<b>\$ 16,558,834</b>
Plan fiduciary net position as a percentage of the total pension liability	86.29%	86.08%	82.43%	88.54%	89.53%	86.09%
Covered payroll	\$ 21,677,643	\$ 22,204,022	\$ 23,590,408	\$ 24,642,243	\$ 25,476,397	\$ 26,377,748
County and District's net pension liability as a percentage of covered payroll	56.76%	58.95%	74.29%	48.08%	44.69%	62.78%

### Note to Schedule:

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

# COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,					
	2014	2015	2016	2017	2018	2019
Total Pension Liability:						
Service cost	\$ 832,108	\$ 817,545	\$ 820,429	\$ 811,126	\$ 767,863	\$ 784,209
Interest	1,948,144	2,045,747	2,128,901	2,213,159	2,273,515	2,353,731
Differences between expected and actual experience	-	(294,432)	(259,762)	(176,386)	(229,654)	(11,453)
Changes of assumptions	-	-	-	(388,130)	-	913,856
Benefit payments, including refunds of employee contributions	(1,423,602)	(1,348,250)	(1,413,634)	(1,558,151)	(1,636,913)	(1,694,651)
<b>Net change in total pension liability</b>	<b>1,356,650</b>	<b>1,220,610</b>	<b>1,275,934</b>	<b>901,618</b>	<b>1,174,811</b>	<b>2,345,692</b>
Total pension liability - beginning	28,542,435	29,899,085	31,119,695	32,395,629	33,297,247	34,472,058
Total pension liability - ending (a)	\$ 29,899,085	\$ 31,119,695	\$ 32,395,629	\$ 33,297,247	\$ 34,472,058	\$ 36,817,750
Plan Fiduciary Net Position:						
Contributions - employer	\$ 722,711	\$ 635,842	\$ 641,139	\$ 458,757	\$ 457,883	\$ 421,138
Contributions - employee	390,659	394,565	407,589	388,720	388,565	396,178
Net investment income	4,013,113	1,334,387	527,774	3,671,538	2,441,647	2,309,120
Benefit payments, including refunds of employee contributions	(1,423,602)	(1,348,250)	(1,413,634)	(1,558,151)	(1,636,913)	(1,694,651)
Administrative expense	(21,667)	(18,317)	(18,743)	(21,471)	(21,318)	(23,172)
Other changes	212	(283)	(223)	(3,254)	(2,168)	(1,451)
<b>Net change in plan fiduciary net position</b>	<b>3,681,426</b>	<b>997,944</b>	<b>143,902</b>	<b>2,936,139</b>	<b>1,627,696</b>	<b>1,407,162</b>
Plan fiduciary net position - beginning	25,542,725	29,224,151	30,222,095	30,365,997	33,302,136	34,929,832
Plan fiduciary net position - ending (b)	\$ 29,224,151	\$ 30,222,095	\$ 30,365,997	\$ 33,302,136	\$ 34,929,832	\$ 36,336,994
<b>School Board non-professional net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 674,934</b>	<b>\$ 897,600</b>	<b>\$ 2,029,632</b>	<b>\$ (4,889)</b>	<b>\$ (457,774)</b>	<b>\$ 480,756</b>
Plan fiduciary net position as a percentage of the total pension liability	97.74%	97.12%	93.73%	100.01%	101.33%	98.69%
Employer's covered payroll	\$ 8,867,620	\$ 7,801,742	\$ 7,866,736	\$ 7,671,522	\$ 7,656,906	\$ 7,741,507
School Board's non-professional net pension liability (asset) as a percentage of covered payroll	7.61%	11.51%	25.80%	-0.06%	-5.98%	6.21%

Note to Schedule:

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



## COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,					
	2014	2015	2016	2017	2018	2019
Employer's proportion of the net pension liability	0.81091%	0.82758%	0.82587%	0.81860%	0.82645%	<b>0.81147%</b>
Employer's proportionate share of the net pension liability	\$ 97,996,000	\$ 104,163,000	\$ 115,739,000	\$ 100,671,000	\$ 97,190,000	<b>\$ 106,794,064</b>
Employer's covered payroll	47,690,683	61,488,041	62,969,097	60,677,558	62,103,689	<b>67,779,872</b>
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	205.48%	169.40%	183.80%	165.91%	156.50%	<b>157.56%</b>
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.81%	<b>73.51%</b>

Note to Schedule:

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

# COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

## SCHEDULE OF COUNTY AND DISTRICT CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,						
	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution (CRC)	\$ 2,759,564	\$ 2,826,572	\$ 3,003,059	\$ 2,681,076	\$ 2,771,832	\$ 2,716,908	\$ 3,039,846
Contributions in relation to the CRC	2,759,564	2,826,572	3,003,059	2,681,076	2,771,832	2,716,908	3,039,846
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 21,677,643	\$ 22,204,022	\$ 23,590,408	\$ 24,642,243	\$ 25,476,397	\$ 26,377,748	\$ 29,513,068
Contributions as a percentage of covered payroll	12.73%	12.73%	12.73%	10.88%	10.88%	10.30%	10.30%

Note to Schedule:

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

# COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,							
	2014	2015	2016	2017	2018	2019	2020	
Contractually required contribution (CRC)	\$ 722,711	\$ 635,842	\$ 641,139	\$ 458,757	\$ 457,883	\$ 421,138	\$ 474,491	
Contributions in relation to the CRC	722,711	635,842	641,139	458,757	457,883	421,138	474,491	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ 8,867,620	\$ 7,801,742	\$ 7,866,736	\$ 7,671,522	\$ 7,656,906	\$ 7,741,507	\$ 8,722,261	
Contributions as a percentage of covered payroll	8.15%	8.15%	8.15%	5.98%	5.98%	5.44%	5.44%	

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 SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,						
	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution (CRC)	\$ 6,915,149	\$ 8,915,766	\$ 8,853,455	\$ 8,895,330	\$ 10,135,322	\$ 10,627,884	\$ 10,939,651
Contributions in relation to the CRC	6,915,149	8,915,766	8,853,455	8,895,330	10,135,322	10,627,884	10,939,651
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 47,690,683	\$ 61,488,041	\$ 62,969,097	\$ 60,677,558	\$ 62,103,689	\$ 67,779,872	\$ 69,768,182
Contributions as a percentage of covered payroll	14.50%	14.50%	14.06%	14.66%	16.32%	15.68%	15.68%

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

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – VIRGINIA RETIREMENT SYSTEM For the Year Ended June 30, 2020

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#### 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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

##### *General Employees*

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease 7.00% to 6.75%

##### *Public Safety Employees with Hazardous Duty Benefits*

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 45%
Discount Rate	Decrease 7.00% to 6.75%

## COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – VIRGINIA RETIREMENT SYSTEM For the Year Ended June 30, 2020

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#### Note 2. Changes of Assumptions (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

# 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
Total Medical Insurance OPEB liability:			
Service cost	\$ 390,913	\$ 410,459	\$ 393,352
Interest	183,392	195,244	224,816
Experience losses	-	-	263,293
Changes in assumptions	-	-	(1,688,245)
Contributions - employer	(196,975)	(212,733)	(175,592)
<b>Net change in total OPEB liability</b>	<b>377,330</b>	<b>392,970</b>	<b>(982,376)</b>
Total Medical Insurance OPEB liability - beginning	5,702,899	6,080,229	6,473,199
County and District total Medical Insurance OPEB liability - ending	<u>\$ 6,080,229</u>	<u>\$ 6,473,199</u>	<u>\$ 5,490,823</u>
Plan fiduciary net position as a percentage of the total			
Medical Insurance OPEB liability	0.00%	0.00%	0.00%
Covered payroll	\$ 25,476,397	\$ 26,377,748	\$ 29,513,068
Total OPEB liability as a percentage of covered payroll	23.87%	24.54%	18.60%

### Note to Schedule:

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

# COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,		
	2018	2019	2020
Total Medical Insurance OPEB liability:			
Service cost	\$ 1,141,518	\$ 1,198,594	\$ 1,130,216
Interest	605,681	646,053	736,318
Experience losses	-	-	2,423,524
Changes in assumptions	-	-	(4,876,583)
Contributions - employer	(468,646)	(506,138)	(635,447)
<b>Net change in total OPEB liability</b>	<b>1,278,553</b>	<b>1,338,509</b>	<b>(1,221,972)</b>
Total Medical Insurance OPEB liability - beginning	18,802,393	20,080,946	21,419,455
School Board total Medical Insurance OPEB liability - ending	<u>\$ 20,080,946</u>	<u>\$ 21,419,455</u>	<u>\$ 20,197,483</u>
Plan fiduciary net position as a percentage of the total			
Medical Insurance OPEB liability	0.00%	0.00%	0.00%
Covered payroll	\$ 69,760,595	\$ 75,521,380	\$ 78,490,443
Total OPEB liability as a percentage of covered payroll	28.79%	28.36%	25.73%

Note to Schedule:

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



# COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,		
	2018	2019	2020
Contractually required contribution (CRC)	\$ 581,319	\$ 610,641	\$ 175,592
Contributions in relation to the CRC	581,319	610,641	175,592
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 25,476,397	\$ 26,377,748	\$ 29,513,068
Contributions as a percentage of covered payroll	2.28%	2.31%	0.59%

### 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
Contractually required contribution (CRC)	\$ 1,947,789	\$ 2,053,750	\$ 635,447
Contributions in relation to the CRC	1,947,789	2,053,750	635,447
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 69,760,595	\$ 75,521,380	\$ 78,490,443
Contributions as a percentage of covered payroll	2.79%	2.72%	0.81%

### 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
County and the District:			
Employer's proportion of the net GLI OPEB liability	0.13592%	0.13702%	<b>0.13855%</b>
Employer's proportionate share of the net GLI OPEB liability	\$ 2,045,000	\$ 2,081,000	<b>\$ 2,254,577</b>
Employer's covered payroll	25,071,813	26,053,355	<b>27,160,577</b>
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	<b>8.30%</b>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	<b>52.00%</b>
School Board Non-Professional:			
Employer's proportion of the net GLI OPEB liability	0.04331%	0.04267%	<b>0.04263%</b>
Employer's proportionate share of the net GLI OPEB liability	\$ 651,000	\$ 649,000	<b>\$ 693,704</b>
Employer's covered payroll	7,987,977	8,112,786	<b>8,357,500</b>
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.15%	8.00%	<b>8.30%</b>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	<b>52.00%</b>
School Board Professional:			
Employer's proportion of the net GLI OPEB liability	0.34950%	0.35010%	<b>0.34568%</b>
Employer's proportionate share of the net GLI OPEB liability	\$ 5,260,000	\$ 5,317,000	<b>\$ 5,625,134</b>
Employer's covered payroll	64,465,823	66,570,938	<b>67,764,423</b>
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	<b>8.30%</b>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	<b>52.00%</b>

### 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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
County and the District:										
Contractually required contribution (CRC)	\$ 55,025	\$ 54,128	\$ 97,241	\$ 102,169	\$ 107,086	\$ 114,244	\$ 130,373	\$ 134,478	\$ 141,235	\$ 151,793
Contributions in relation to the CRC	55,025	54,128	97,241	102,169	107,086	114,244	130,373	134,478	141,235	151,793
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 19,651,644	\$ 19,331,305	\$ 20,258,466	\$ 21,285,137	\$ 22,309,633	\$ 23,800,818	\$ 25,071,813	\$ 26,053,355	\$ 27,160,577	\$ 29,190,962
Contributions as a percentage of covered payroll	0.28%	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%
School Board Non-Professional:										
Contractually required contribution (CRC)	\$ 20,774	\$ 20,844	\$ 36,906	\$ 37,343	\$ 37,831	\$ 38,363	\$ 41,537	\$ 42,045	\$ 43,459	\$ 43,699
Contributions in relation to the CRC	20,774	20,844	36,906	37,343	37,831	38,363	41,537	42,045	43,459	43,699
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 7,419,401	\$ 7,444,380	\$ 7,688,796	\$ 7,779,696	\$ 7,881,447	\$ 7,992,255	\$ 7,987,977	\$ 8,112,786	\$ 8,357,500	\$ 8,403,654
Contributions as a percentage of covered payroll	0.28%	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%
School Board Professional:										
Contractually required contribution (CRC)	\$ 159,171	\$ 156,833	\$ 280,761	\$ 285,402	\$ 295,802	\$ 302,707	\$ 335,222	\$ 346,483	\$ 352,375	\$ 362,560
Contributions in relation to the CRC	159,171	156,833	280,761	285,402	295,802	302,707	335,222	346,483	352,375	362,560
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 56,846,852	\$ 56,011,783	\$ 58,491,814	\$ 59,458,766	\$ 61,625,384	\$ 63,064,004	\$ 64,465,823	\$ 66,570,938	\$ 67,764,423	\$ 69,723,077
Contributions as a percentage of covered payroll	0.28%	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%

# 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
Total HIC OPEB liability:			
Service cost	\$ 19,552	\$ 18,080	\$ 18,979
Interest	65,388	65,306	68,683
Differences between expected and actual experience	-	33,710	207
Changes in assumptions	(22,380)	-	21,876
Benefit payments	(54,976)	(72,469)	(65,253)
<b>Net change in total OPEB liability</b>	<b>7,584</b>	<b>44,627</b>	<b>44,492</b>
Total HIC OPEB liability - beginning	961,598	969,182	1,013,809
Total HIC OPEB liability - ending (a)	<u>\$ 969,182</u>	<u>\$ 1,013,809</u>	<u>\$ 1,058,301</u>
Plan Fiduciary Net Position:			
Contributions - employer	\$ 51,835	\$ 52,735	\$ 58,393
Net investment income	43,842	28,613	27,512
Benefit payments, including refunds of employee	(54,976)	(72,469)	(65,253)
Administrative expense	(702)	(666)	(591)
Other changes	2,239	(1,625)	(32)
<b>Net change in plan fiduciary net position</b>	<b>42,238</b>	<b>6,588</b>	<b>20,029</b>
Plan fiduciary net position - beginning	381,566	423,804	430,392
Plan fiduciary net position - ending (b)	<u>\$ 423,804</u>	<u>\$ 430,392</u>	<u>\$ 450,421</u>
<b>School Board non-professional net HIC OPEB liability - ending (a) - (b)</b>	<u><b>\$ 545,378</b></u>	<u><b>\$ 583,417</b></u>	<u><b>\$ 607,880</b></u>
Plan fiduciary net position as a percentage of the total HIC OPEB liability	43.73%	42.45%	42.56%
Covered payroll	\$ 7,979,559	\$ 8,112,786	\$ 8,983,538
Net OPEB liability as a percentage of covered payroll	6.83%	7.19%	6.77%

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution (CRC)	\$ 57,036	\$ 57,236	\$ 56,338	\$ 57,482	\$ 48,730	\$ 49,492	\$ 51,835	\$ 52,735	\$ 58,393	\$ 49,961
Contributions in relation to the CRC	57,036	57,236	56,338	57,482	48,730	49,492	51,835	52,735	58,393	49,961
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 7,407,332	\$ 7,433,221	\$ 7,613,200	\$ 7,767,822	\$ 7,859,697	\$ 7,982,504	\$ 7,979,559	\$ 8,112,786	\$ 8,983,538	\$ 7,137,286
Contributions as a percentage of covered payroll	0.77%	0.77%	0.74%	0.74%	0.62%	0.62%	0.65%	0.65%	0.65%	0.70%

## 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
Employer's proportion of the net HIC OPEB liability	0.81579%	0.82261%	<b>0.80768%</b>
Employer's proportionate share of the net HIC OPEB liability	\$ 10,349,000	\$ 10,445,000	<b>\$ 10,573,316</b>
Employer's covered payroll	64,382,624	66,527,647	<b>66,717,131</b>
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	16.07%	15.70%	<b>15.85%</b>
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.04%	8.08%	<b>8.97%</b>

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution (CRC)	\$ 339,865	\$ 335,060	\$ 639,378	\$ 658,256	\$ 652,216	\$ 667,472	\$ 714,647	\$ 807,757	\$ 813,949	\$ 836,299
Contributions in relation to the CRC	339,865	335,060	639,378	658,256	652,216	667,472	714,647	807,757	813,949	836,299
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 56,644,157	\$ 55,843,292	\$ 57,601,643	\$ 59,302,346	\$ 61,529,796	\$ 62,969,099	\$ 64,382,624	\$ 66,527,647	\$ 66,717,131	\$ 68,549,098
Contributions as a percentage of covered payroll	0.60%	0.60%	1.11%	1.11%	1.06%	1.06%	1.11%	1.21%	1.22%	1.22%



## COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS Year Ended June 30, 2020

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#### Note 1. 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, 2019.

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

2020	3.36%
2019	3.11%
2018	3.11%

2. The medical claims aging table was updated to be based on the aging factor in the Dale Yamamoto study released by the Society of Actuaries in June 2013.
3. The assumed trend rate for the medical claims was changed to 7.50% grading uniformly to 6.50% over 4 years, and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2076.

#### 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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumption as a result of the experience study and VRS Board action are as follows:

#### School Board Professional

##### *Teachers*

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each year, age and service through nine years of service

## COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS Year Ended June 30, 2020

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#### Note 2. Group Life Insurance Program (Continued)

##### B. Changes of Assumptions (Continued)

##### School Board Professional (Continued)

Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease from 7.00% to 6.75%

##### County, District and School Board Non-Professional Plans

##### *General Employees*

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decreased rate from 7.00% to 6.75%

##### *Hazardous Duty Employees*

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decreased rate from 7.00% to 6.75%

## COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS Year Ended June 30, 2020

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#### 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 following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the Virginia Retirement System for the four-year period ended June 30, 2016:

#### School Board Non-Professional Plan

##### *Non-Largest 10 Locality Employers – General Employees*

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decreased rate from 7.00% to 6.75%

#### School Board Professional Plan

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each year, age and service through nine years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

## **SUPPLEMENTARY INFORMATION**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

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

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

**COUNTY OF ROCKINGHAM, VIRGINIA**

**COMBINING BALANCE SHEET –  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2020**

	Special Revenue		Total
	Asset		Nonmajor
	Forfeiture	Tourism	Governmental
	Fund	Fund	Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 260,151	\$ 316,641	\$ 576,792
Investments	112,922	137,443	250,365
Accrued interest	906	1,092	1,998
Trade and other accounts	-	60,164	60,164
Prepaid items	-	1,204	1,204
<b>Total assets</b>	<b>\$ 373,979</b>	<b>\$ 516,544</b>	<b>\$ 890,523</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,003	\$ -	\$ 1,003
Accrued payroll	258	3,976	4,234
Unearned revenue	89,439	-	89,439
<b>Total liabilities</b>	<b>90,700</b>	<b>3,976</b>	<b>94,676</b>
<b>FUND BALANCE</b>			
Nonspendable:			
Prepaid items	-	1,204	1,204
Restricted for:			
Judicial administration	93,479	-	93,479
Public safety	189,800	-	189,800
Community development	-	511,364	511,364
<b>Total fund balance</b>	<b>283,279</b>	<b>512,568</b>	<b>795,847</b>
<b>Total liabilities and fund balance</b>	<b>\$ 373,979</b>	<b>\$ 516,544</b>	<b>\$ 890,523</b>

**COUNTY OF ROCKINGHAM, VIRGINIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

	Special Revenue		Total
	Asset		Nonmajor
	Forfeiture	Tourism	Governmental
	Fund	Fund	Funds
Revenues:			
Fines and forfeitures	\$ 61,667	\$ -	\$ 61,667
Use of money	8,158	6,538	14,696
Transient occupancy taxes	-	494,317	494,317
Intergovernmental	63,675	-	63,675
<b>Total revenues</b>	<b>133,500</b>	<b>500,855</b>	<b>634,355</b>
Expenditures:			
Current:			
Judicial administration	14,497	-	14,497
Public safety	93,575	-	93,575
Community development	-	248,502	248,502
<b>Total expenditures</b>	<b>108,072</b>	<b>248,502</b>	<b>356,574</b>
<b>Net change in fund balance</b>	<b>25,428</b>	<b>252,353</b>	<b>277,781</b>
Fund balance, beginning	257,851	260,215	518,066
Fund balance, ending	\$ 283,279	\$ 512,568	\$ 795,847

## **NONMAJOR PROPRIETARY FUNDS**

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

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

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



# COUNTY OF ROCKINGHAM, VIRGINIA

## COMBINING STATEMENT OF NET POSITION – NONMAJOR PROPRIETARY FUNDS June 30, 2020

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Penn Laird Sewer Authority	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 5,447	\$ 7,946	\$ 23,591	\$ -	\$ 36,984
Investments	311	455	1,350	-	2,116
Trade and other accounts receivable, net	4,973	569	4,250	-	9,792
Accrued interest	50	26	80	-	156
<b>Total current assets</b>	<b>10,781</b>	<b>8,996</b>	<b>29,271</b>	<b>-</b>	<b>49,048</b>
Noncurrent assets:					
Investments	2,053	2,994	8,890	-	13,937
Capital assets:					
Land	20,600	-	-	-	20,600
Easements	-	-	20,631	-	20,631
Improvements other than buildings	485,858	306,022	1,119,967	-	1,911,847
Machinery and equipment	-	-	28,892	-	28,892
Construction in progress	-	-	-	64,958	64,958
Less accumulated depreciation and amortization	(132,208)	(88,747)	(307,945)	-	(528,900)
<b>Total capital assets, net of accumulated depreciation and amortization</b>	<b>374,250</b>	<b>217,275</b>	<b>861,545</b>	<b>64,958</b>	<b>1,518,028</b>
<b>Total noncurrent assets</b>	<b>376,303</b>	<b>220,269</b>	<b>870,435</b>	<b>64,958</b>	<b>1,531,965</b>
<b>Total assets</b>	<b>387,084</b>	<b>229,265</b>	<b>899,706</b>	<b>64,958</b>	<b>1,581,013</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and deposits	2,318	880	855	19,308	23,361
Accrued interest	-	515	2,486	-	3,001
Advance from other funds	-	-	-	46,528	46,528
Revenue bonds	-	9,732	23,152	-	32,884
<b>Total current liabilities</b>	<b>2,318</b>	<b>11,127</b>	<b>26,493</b>	<b>65,836</b>	<b>105,774</b>
Noncurrent liabilities:					
Revenue bonds	-	53,660	180,512	-	234,172
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>53,660</b>	<b>180,512</b>	<b>-</b>	<b>234,172</b>
<b>Total liabilities</b>	<b>2,318</b>	<b>64,787</b>	<b>207,005</b>	<b>65,836</b>	<b>339,946</b>
<b>NET POSITION</b>					
Net investment in capital assets	374,250	153,883	657,881	64,958	1,250,972
Unrestricted (deficit)	10,516	10,595	34,820	(65,836)	(9,905)
<b>Total net position</b>	<b>\$ 384,766</b>	<b>\$ 164,478</b>	<b>\$ 692,701</b>	<b>\$ (878)</b>	<b>\$ 1,241,067</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – NONMAJOR PROPRIETARY FUNDS Year Ended June 30, 2020

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Penn Laird Sewer Authority	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
Operating revenues:					
Charges for services	\$ 36,489	\$ 14,906	\$ 18,327	\$ -	\$ 69,722
Connection fees	8,646	-	-	-	8,646
<b>Total operating revenues</b>	<b>45,135</b>	<b>14,906</b>	<b>18,327</b>	<b>-</b>	<b>78,368</b>
Operating expenses:					
Contractual services	32,267	6,751	-	878	39,896
Other charges	15,085	6,368	-	-	21,453
Depreciation and amortization	9,717	6,121	22,400	-	38,238
<b>Total operating expenses</b>	<b>57,069</b>	<b>19,240</b>	<b>22,400</b>	<b>878</b>	<b>99,587</b>
<b>Operating loss</b>	<b>(11,934)</b>	<b>(4,334)</b>	<b>(4,073)</b>	<b>(878)</b>	<b>(21,219)</b>
Nonoperating revenues (expenses):					
Connection availability fees	11,004	-	-	-	11,004
Interest revenue	325	302	614	-	1,241
Interest expense	(5,116)	(2,214)	(6,021)	-	(13,351)
<b>Total nonoperating revenues (expenses), net</b>	<b>6,213</b>	<b>(1,912)</b>	<b>(5,407)</b>	<b>-</b>	<b>(1,106)</b>
<b>Loss before transfers</b>	<b>(5,721)</b>	<b>(6,246)</b>	<b>(9,480)</b>	<b>(878)</b>	<b>(22,325)</b>
Transfers in	387,124	-	-	-	387,124
<b>Change in net position</b>	<b>381,403</b>	<b>(6,246)</b>	<b>(9,480)</b>	<b>(878)</b>	<b>364,799</b>
Total net position, beginning	3,363	170,724	702,181	-	876,268
Total net position, ending	\$ 384,766	\$ 164,478	\$ 692,701	\$ (878)	\$ 1,241,067

# COUNTY OF ROCKINGHAM, VIRGINIA

## COMBINING STATEMENT OF CASH FLOWS – NONMAJOR PROPRIETARY FUNDS Year Ended June 30, 2020

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Penn Laird Sewer Authority	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
Cash flows from operating activities:					
Receipts from customers	\$ 44,315	\$ 14,978	\$ 16,894	\$ -	\$ 76,187
Payments to suppliers for goods and services	(46,963)	(12,885)	100	18,430	(41,318)
<b>Net cash provided by (used in) operating activities</b>	<b>(2,648)</b>	<b>2,093</b>	<b>16,994</b>	<b>18,430</b>	<b>34,869</b>
Cash flows from noncapital financing activities:					
Transfers from other funds	387,124	-	-	-	387,124
<b>Net cash provided by noncapital financing activities</b>	<b>387,124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>387,124</b>
Cash flows from capital and related financing activities:					
Advance from (repayment of) other funds	(153,795)	-	-	46,528	(107,267)
Connection availability fees	11,004	-	-	-	11,004
Principal paid on outstanding debt	(225,116)	(9,424)	(22,544)	-	(257,084)
Interest paid and fiscal charges on outstanding debt	(9,033)	(2,291)	(6,297)	-	(17,621)
Acquisition and construction of capital assets	-	-	-	(64,958)	(64,958)
<b>Net cash used in capital and related financing activities</b>	<b>(376,940)</b>	<b>(11,715)</b>	<b>(28,841)</b>	<b>(18,430)</b>	<b>(435,926)</b>
Cash flows from investing activities:					
Proceeds on sale of investments	-	4,460	6,974	-	11,434
Purchase of investments	(2,364)	-	-	-	(2,364)
Interest received on investment securities	275	347	688	-	1,310
<b>Net cash provided by (used in) investing activities</b>	<b>(2,089)</b>	<b>4,807</b>	<b>7,662</b>	<b>-</b>	<b>10,380</b>
<b>Net change in cash and cash equivalents</b>	<b>5,447</b>	<b>(4,815)</b>	<b>(4,185)</b>	<b>-</b>	<b>(3,553)</b>
Cash and Cash Equivalents:					
Beginning	-	12,761	27,776	-	40,537
Ending	\$ 5,447	\$ 7,946	\$ 23,591	\$ -	\$ 36,984
Reconciliation of operating loss to net cash provided by (used in) operating activities:					
Operating loss	\$ (11,934)	\$ (4,334)	\$ (4,073)	\$ (878)	\$ (21,219)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation and amortization	9,717	6,121	22,400	-	38,238
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(820)	72	(1,433)	-	(2,181)
Increase in accounts payable and deposits	389	234	100	19,308	20,031
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (2,648)</b>	<b>\$ 2,093</b>	<b>\$ 16,994</b>	<b>\$ 18,430</b>	<b>\$ 34,869</b>

## **INTERNAL SERVICE FUNDS**

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

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

# COUNTY OF ROCKINGHAM, VIRGINIA

## COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS June 30, 2020

	Central Stores	Self - Insurance	Total Internal Service Funds
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 10,538	\$ 11,821,982	\$ 11,832,520
Investments	603	676,316	676,919
Trade and other accounts receivable	3,711	5,564	9,275
Accrued interest	-	40,144	40,144
Prepaid items	-	547	547
Inventory	7,267	-	7,267
<b>Total current assets</b>	<b>22,119</b>	<b>12,544,553</b>	<b>12,566,672</b>
Noncurrent assets:			
Investments	3,971	4,455,175	4,459,146
<b>Total assets</b>	<b>26,090</b>	<b>16,999,728</b>	<b>17,025,818</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	436	384,720	385,156
Unearned revenue	-	2,460,766	2,460,766
Insurance and benefit claims	-	2,055,328	2,055,328
<b>Total liabilities</b>	<b>436</b>	<b>4,900,814</b>	<b>4,901,250</b>
<b>NET POSITION</b>			
Unrestricted	25,654	12,098,914	12,124,568
<b>Total net position</b>	<b>\$ 25,654</b>	<b>\$ 12,098,914</b>	<b>\$ 12,124,568</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS Year Ended June 30, 2020

	Central Stores	Self - Insurance	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 37,552	\$ 29,942,346	\$ 29,979,898
<b>Total operating revenues</b>	<b>37,552</b>	<b>29,942,346</b>	<b>29,979,898</b>
Operating expenses:			
Contractual services	-	2,444,243	2,444,243
Risk financing and benefit payments	-	24,388,484	24,388,484
Other charges	35,755	-	35,755
<b>Total operating expenses</b>	<b>35,755</b>	<b>26,832,727</b>	<b>26,868,482</b>
<b>Operating income</b>	<b>1,797</b>	<b>3,109,619</b>	<b>3,111,416</b>
Nonoperating revenue:			
Interest	-	327,330	327,330
<b>Total nonoperating revenue</b>	<b>-</b>	<b>327,330</b>	<b>327,330</b>
<b>Change in net position</b>	<b>1,797</b>	<b>3,436,949</b>	<b>3,438,746</b>
Total net position, beginning	23,857	8,661,965	8,685,822
Total net position, ending	\$ 25,654	\$ 12,098,914	\$ 12,124,568

# COUNTY OF ROCKINGHAM, VIRGINIA

## COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS Year Ended June 30, 2020

	Central Stores	Self - Insurance	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 37,602	\$ 30,034,518	\$ 30,072,120
Claims and benefits paid	-	(24,803,894)	(24,803,894)
Payments to suppliers for goods and services	(37,149)	(2,682,208)	(2,719,357)
<b>Net cash provided by operating activities</b>	<b>453</b>	<b>2,548,416</b>	<b>2,548,869</b>
Cash flows from investing activities:			
Sale of investments	1,035	251,853	252,888
Interest received on investment securities	-	335,664	335,664
<b>Net cash provided by investing activities</b>	<b>1,035</b>	<b>587,517</b>	<b>588,552</b>
<b>Net change in cash and cash equivalents</b>	<b>1,488</b>	<b>3,135,933</b>	<b>3,137,421</b>
Cash and cash equivalents:			
Beginning	9,050	8,686,049	8,695,099
Ending	<u>\$ 10,538</u>	<u>\$ 11,821,982</u>	<u>\$ 11,832,520</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,797	\$ 3,109,619	\$ 3,111,416
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease (increase) in:			
Accounts receivable	50	3,442	3,492
Inventory	(215)	-	(215)
Prepaid items	-	(547)	(547)
Increase (decrease) in:			
Accounts payable	(1,179)	(237,965)	(239,144)
Unearned revenue	-	88,730	88,730
Insurance and benefit claims	-	(414,863)	(414,863)
<b>Net cash provided by operating activities</b>	<b>\$ 453</b>	<b>\$ 2,548,416</b>	<b>\$ 2,548,869</b>

## **FIDUCIARY FUNDS**

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

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

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

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

Emergency Medical Services – This fund is used by the County to account for assets held by the County for emergency medical services billings.

Soil and Water Conservation – This fund is used to account for activities relating to the improvement of water quality and in conjunction with soil and water conservation.

Laird L. Conrad Law Library – This fund is used to account for the assets held by the County for the Law Library.



# COUNTY OF ROCKINGHAM, VIRGINIA

## COMBINING STATEMENT OF NET POSITION – FIDUCIARY FUNDS June 30, 2020

	Agency Funds								Totals
	Special Welfare	Employee Benefits	Bond Escrow	Massanutten Technical Center	Emergency Medical Services	Soil and Water Conservation	Laird L Conrad Law Library		
ASSETS									
Cash and cash equivalents	\$ 74,319	\$ 74	\$ 377,961	\$ 583,515	\$ 441,946	\$ -	\$ 95,779	\$ 1,573,594	
Accounts receivable	-	-	912	64,023	9,943	140,288	232	215,398	
Total assets	\$ 74,319	\$ 74	\$ 378,873	\$ 647,538	\$ 451,889	\$ 140,288	\$ 96,011	\$ 1,788,992	
LIABILITIES									
Accounts payable	\$ 74,319	\$ 74	\$ 378,873	\$ 647,538	\$ 451,889	\$ 140,288	\$ 96,011	\$ 1,788,992	

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS  
Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>SPECIAL WELFARE</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 67,299	\$ 120,126	\$ 113,106	\$ 74,319
<b>LIABILITIES</b>				
Accounts payable	\$ 67,299	\$ 120,126	\$ 113,106	\$ 74,319
<u>EMPLOYEE BENEFITS</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 117,118	\$ 390,779	\$ 507,823	\$ 74
<b>LIABILITIES</b>				
Accounts payable	\$ 117,118	\$ 390,779	\$ 507,823	\$ 74
<u>BOND ESCROW</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 425,091	\$ 282,165	\$ 329,295	\$ 377,961
Accounts receivable	1,553	912	1,553	912
<b>Total assets</b>	\$ 426,644	\$ 283,077	\$ 330,848	\$ 378,873
<b>LIABILITIES</b>				
Accounts payable	\$ 426,644	\$ 283,077	\$ 330,848	\$ 378,873

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS  
Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
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MASSANUTTEN TECHNICAL CENTER**ASSETS**

Cash and cash equivalents	\$ 296,142	\$ 5,851,358	\$ 5,563,985	\$ 583,515
Accounts receivable	158,706	64,023	158,706	64,023
<b>Total assets</b>	<b>\$ 454,848</b>	<b>\$ 5,915,381</b>	<b>\$ 5,722,691</b>	<b>\$ 647,538</b>

**LIABILITIES**

Accounts payable	\$ 454,848	\$ 5,915,381	\$ 5,722,691	\$ 647,538
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EMERGENCY MEDICAL SERVICES**ASSETS**

Cash and cash equivalents	\$ 404,040	\$ 1,567,490	\$ 1,529,584	\$ 441,946
Accounts receivable	5,847	9,943	5,847	9,943
<b>Total assets</b>	<b>\$ 409,887</b>	<b>\$ 1,577,433</b>	<b>\$ 1,535,431</b>	<b>\$ 451,889</b>

**LIABILITIES**

Accounts payable	\$ 409,887	\$ 1,577,433	\$ 1,535,431	\$ 451,889
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SOIL AND WATER CONSERVATION**ASSETS**

Accounts receivable	\$ 95,781	\$ 416,087	\$ 371,580	\$ 140,288
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**LIABILITIES**

Accounts payable	\$ 95,781	\$ 416,087	\$ 371,580	\$ 140,288
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**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS  
Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>LAIRD L CONRAD LAW LIBRARY</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 109,312	\$ 32,772	\$ 46,305	\$ 95,779
Accounts receivable	375	232	375	232
<b>Total assets</b>	<b>\$ 109,687</b>	<b>\$ 33,004</b>	<b>\$ 46,680</b>	<b>\$ 96,011</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 109,687	\$ 33,004	\$ 46,680	\$ 96,011

TOTALS - ALL AGENCY FUNDS

<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,419,002	\$ 8,244,690	\$ 8,090,098	\$ 1,573,594
Accounts receivable	262,262	491,197	538,061	215,398
<b>Total assets</b>	<b>\$ 1,681,264</b>	<b>\$ 8,735,887</b>	<b>\$ 8,628,159</b>	<b>\$ 1,788,992</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,681,264	\$ 8,735,887	\$ 8,628,159	\$ 1,788,992

## **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, 2020

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Nonmajor Governmental Fund - Massanutten Technical Center - Operating Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,315,770	\$ 1,134,418	\$ 3,412,315	\$ 406,896	\$ 12,269,399
Investments	3,175,291	488,069	1,481,162	176,619	5,321,141
Trade and other accounts receivable	325,683	42,636	-	685	369,004
Accrued interest	-	3,975	11,113	1,061	16,149
Due from other governments	2,724,536	122,384	-	62,277	2,909,197
Prepaid items	3,592,702	204,492	-	74,338	3,871,532
Inventory	137,001	113,727	-	-	250,728
Restricted cash	-	-	2,620,846	-	2,620,846
<b>Total assets</b>	<b>\$ 17,270,983</b>	<b>\$ 2,109,701</b>	<b>\$ 7,525,436</b>	<b>\$ 721,876</b>	<b>\$ 27,627,996</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 875,557	\$ 115,434	\$ 753,129	\$ 64,577	\$ 1,808,697
Accrued payroll	16,395,426	486,933	1,698	357,112	17,241,169
Due to other governments	-	-	-	300,187	300,187
<b>Total liabilities</b>	<b>17,270,983</b>	<b>602,367</b>	<b>754,827</b>	<b>721,876</b>	<b>19,350,053</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	3,592,702	204,492	-	74,338	3,871,532
Inventory	137,001	113,727	-	-	250,728
Assigned to:					
Capital projects	-	-	6,770,609	-	6,770,609
Cafeteria	-	1,189,115	-	-	1,189,115
Unassigned (deficit)	(3,729,703)	-	-	(74,338)	(3,804,041)
<b>Total fund balances (deficit)</b>	<b>-</b>	<b>1,507,334</b>	<b>6,770,609</b>	<b>-</b>	<b>8,277,943</b>
<b>Total liabilities and fund balances</b>	<b>\$ 17,270,983</b>	<b>\$ 2,109,701</b>	<b>\$ 7,525,436</b>	<b>\$ 721,876</b>	<b>\$ 27,627,996</b>
Total fund balances					\$ 8,277,943
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				\$ 315,330,049	
Less accumulated depreciation and amortization				(173,019,532)	
Net capital assets					142,310,517
Deferred outflows of resources represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.					
Pension plan				23,469,793	
Other postemployment benefits				4,542,509	
					28,012,302
Internal service funds are used by management to charge the costs of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.					
					8,455,613
Long-term due from other government - pension plan				1,856,711	
Long-term due from other government - other postemployment benefits				458,099	
					2,314,810
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.					
Compensated absences				(4,097,170)	
Other postemployment benefits				(37,697,517)	
Net pension liability				(107,274,820)	
					(149,069,507)
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				(11,740,228)	
Other postemployment benefits				(5,062,912)	
					(16,803,140)
<b>Net position of governmental activities</b>					<b>\$ 23,498,538</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD Year Ended June 30, 2020

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Nonmajor Governmental Fund - Massanutten Technical Center - Operating Fund	Total Governmental Funds
<b>Revenues:</b>					
Use of money and property	\$ 8,351	\$ 32,527	\$ 96,589	\$ 6,079	\$ 143,546
Charges for services	2,277,448	1,471,962	-	672,106	4,421,516
Miscellaneous	168,178	-	4,592	30,048	202,818
Appropriation from Primary Government	58,857,251	-	21,012,255	-	79,869,506
Intergovernmental	75,674,840	3,378,514	-	5,048,443	84,101,797
<b>Total revenues</b>	<b>136,986,068</b>	<b>4,883,003</b>	<b>21,113,436</b>	<b>5,756,676</b>	<b>168,739,183</b>
<b>Expenditures:</b>					
Current:					
Education	136,982,584	5,206,361	-	5,756,676	147,945,621
Capital outlays	-	-	12,172,580	-	12,172,580
<b>Total expenditures</b>	<b>136,982,584</b>	<b>5,206,361</b>	<b>12,172,580</b>	<b>5,756,676</b>	<b>160,118,201</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,484</b>	<b>(323,358)</b>	<b>8,940,856</b>	<b>-</b>	<b>8,620,982</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	3,484	-	-	3,484
Transfers out	(3,484)	-	-	-	(3,484)
<b>Other financing sources (uses), net</b>	<b>(3,484)</b>	<b>3,484</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(319,874)</b>	<b>8,940,856</b>	<b>-</b>	<b>8,620,982</b>
Fund balances (deficit), beginning	-	1,827,208	(2,170,247)	-	(343,039)
Fund balances, ending	\$ -	\$ 1,507,334	\$ 6,770,609	\$ -	\$ 8,277,943
Net change in fund balances					\$ 8,620,982
<b>Reconciliation of amounts reported for governmental activities in the Statement of Activities:</b>					
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.					
Expenditure for capital assets				\$ 12,746,714	
Less depreciation and amortization expense				(9,051,438)	
Excess of capital outlays over depreciation and amortization					3,695,276
Long-term due from other government - pension plan				(29,921)	
Long-term due from other government - other postemployment benefits				31,873	
					1,952
Deferred outflows of resources - pension plan contributions subsequent to measurement date					11,414,142
Deferred outflows of resources - other postemployment benefits contributions subsequent to measurement date					1,292,519
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.					
Compensated absences				(594,741)	
Other postemployment benefits expense				(5,915,940)	
Pension expense				(12,116,126)	
					(18,626,807)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds are reported with governmental activities.					
Total revenues				22,702,256	
Total expenses				(20,124,545)	
					2,577,711
<b>Change in net position of governmental activities</b>					<b>\$ 8,975,775</b>

## **FIDUCIARY FUNDS OF THE SCHOOL BOARD**

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

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



**COUNTY OF ROCKINGHAM, VIRGINIA**

**COMBINING STATEMENT OF NET POSITION –  
SCHOOL BOARD – FIDUCIARY FUNDS  
June 30, 2020**

	Agency Funds		
	Massanutten		
	School	Technical	
	Activity	Center	
	Fund	Activity	Totals
	Fund	Fund	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,865,082	\$ 148,110	\$ 2,013,192
Accounts receivable	7,031	-	7,031
<b>Total assets</b>	<b>\$ 1,872,113</b>	<b>\$ 148,110</b>	<b>\$ 2,020,223</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,872,113	\$ 148,110	\$ 2,020,223
<b>Total liabilities</b>	<b>\$ 1,872,113</b>	<b>\$ 148,110</b>	<b>\$ 2,020,223</b>

**COUNTY OF ROCKINGHAM, VIRGINIA****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
SCHOOL BOARD – ALL AGENCY FUNDS  
Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b><u>SCHOOL ACTIVITY FUND</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,689,135	\$ 3,894,106	\$ 3,718,159	\$ 1,865,082
Accounts receivable	63,484	7,031	63,484	7,031
<b>Total assets</b>	<b>\$ 1,752,619</b>	<b>\$ 3,901,137</b>	<b>\$ 3,781,643</b>	<b>\$ 1,872,113</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,752,619	\$ 3,901,137	\$ 3,781,643	\$ 1,872,113
<b><u>MASSANUTTEN TECHNICAL CENTER ACTIVITY FUND</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 168,750	\$ 174,449	\$ 195,089	\$ 148,110
Accounts receivable	3,925	-	3,925	-
<b>Total assets</b>	<b>\$ 172,675</b>	<b>\$ 174,449</b>	<b>\$ 199,014</b>	<b>\$ 148,110</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 172,675	\$ 174,449	\$ 199,014	\$ 148,110
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,857,885	\$ 4,068,555	\$ 3,913,248	\$ 2,013,192
Accounts receivable	67,409	7,031	67,409	7,031
<b>Total assets</b>	<b>\$ 1,925,294</b>	<b>\$ 4,075,586</b>	<b>\$ 3,980,657</b>	<b>\$ 2,020,223</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,925,294	\$ 4,075,586	\$ 3,980,657	\$ 2,020,223

**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, 2020

	Operating Fund	Special Revenue Children's Services Act Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,413,111	\$ -	\$ 4,413,111
Investments	1,915,571	-	1,915,571
Trade and other accounts receivable	5,758	41,545	47,303
Accrued interest	15,154	-	15,154
Due from other governments	762,600	1,913,740	2,676,340
Prepaid items	158,428	-	158,428
<b>Total assets</b>	<b>\$ 7,270,622</b>	<b>\$ 1,955,285</b>	<b>\$ 9,225,907</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 407,905	\$ 1,887,910	\$ 2,295,815
Accrued payroll	395,552	-	395,552
Due to primary government	-	67,375	67,375
<b>Total liabilities</b>	<b>803,457</b>	<b>1,955,285</b>	<b>2,758,742</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	158,428	-	158,428
Restricted for minority interest	2,586,582	-	2,586,582
Assigned to:			
Social services	3,722,155	-	3,722,155
<b>Total fund balances</b>	<b>6,467,165</b>	<b>-</b>	<b>6,467,165</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,270,622</b>	<b>\$ 1,955,285</b>	<b>\$ 9,225,907</b>
Fund balances			\$ 6,467,165
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.			
Governmental capital assets		\$ 2,718,773	
Less accumulated depreciation and amortization		(750,309)	
Net capital assets			1,968,464
Deferred outflows of resources - pension plan represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.			
Pension plan		1,460,243	
Other postemployment benefits		151,666	
			1,611,909
Long-term due from other government - pension plan		1,122,080	
Long-term due from other government - other postemployment benefits		882,266	
			2,004,346
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.			
Compensated absences		(43,506)	
Other postemployment benefits		(1,590,135)	
Net pension liability		(3,449,996)	
			(5,083,637)
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		(254,407)	
Other postemployment benefits		(326,062)	
			(580,469)
<b>Net position of governmental activities</b>			<b>\$ 6,387,778</b>

# 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, 2020

	Operating Fund	Special Revenue Children's Services Act Fund	Total Governmental Funds
Revenues:			
Use of money and property	\$ 137,132	\$ 8,028	\$ 145,160
Miscellaneous	1,675,930	1,985,110	3,661,040
Appropriation from Primary Government	2,358,139	2,620,786	4,978,925
Intergovernmental	13,252,954	6,044,493	19,297,447
<b>Total revenues</b>	<b>17,424,155</b>	<b>10,658,417</b>	<b>28,082,572</b>
Expenditures:			
Current:			
Health and social services	17,037,663	10,748,191	27,785,854
<b>Total expenditures</b>	<b>17,037,663</b>	<b>10,748,191</b>	<b>27,785,854</b>
<b>Net change in fund balances</b>	<b>386,492</b>	<b>(89,774)</b>	<b>296,718</b>
Fund balances, beginning	6,080,673	89,774	6,170,447
Fund balances, ending	<u>\$ 6,467,165</u>	<u>\$ -</u>	<u>\$ 6,467,165</u>
Net change in fund balances			\$ 296,718
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		\$ -	
Less depreciation and amortization expense		<u>(134,939)</u>	
Excess of depreciation and amortization over capital outlays			(134,939)
Long-term due from other government - pension plan		128,511	
Long-term due from other government - other postemployment benefits		<u>161,231</u>	
			289,742
Deferred outflows of resources - pension plan contributions subsequent to measurement date			633,345
Deferred outflows of resources - other postemployment benefits contributions subsequent to measurement date			31,328
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		2,626	
Other postemployment benefits expense		(353,791)	
Pension expense		<u>(890,367)</u>	
			<u>(1,241,532)</u>
<b>Change in net position of governmental activities</b>			<u><u>\$ (125,338)</u></u>

## **NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS**

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

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

**COUNTY OF ROCKINGHAM, VIRGINIA**

**COMBINING STATEMENT OF NET POSITION –  
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS  
June 30, 2020**

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,087	\$ 18,852	\$ 34,939
Investments	6,983	-	6,983
Accounts receivable	9,000	-	9,000
Accrued interest	56	-	56
<b>Total assets</b>	<b>\$ 32,126</b>	<b>\$ 18,852</b>	<b>\$ 50,978</b>
<b>NET POSITION</b>			
Unrestricted	\$ 32,126	\$ 18,852	\$ 50,978
<b>Total net position</b>	<b>\$ 32,126</b>	<b>\$ 18,852</b>	<b>\$ 50,978</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS Year Ended June 30, 2020

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
Operating revenues:			
Charges for services	\$ 17,000	\$ -	\$ 17,000
Miscellaneous - gifts and donations	-	5,500	5,500
<b>Total operating revenues</b>	<b>17,000</b>	<b>5,500</b>	<b>22,500</b>
Operating expenditures:			
Parks and recreation	-	450	450
Economic development	1,721,388	-	1,721,388
<b>Total operating expenditures</b>	<b>1,721,388</b>	<b>450</b>	<b>1,721,838</b>
<b>Operating income (loss)</b>	<b>(1,704,388)</b>	<b>5,050</b>	<b>(1,699,338)</b>
Nonoperating revenues:			
Revenue from use of money	449	-	449
<b>Income (loss) before capital grants and contributions</b>	<b>(1,703,939)</b>	<b>5,050</b>	<b>(1,698,889)</b>
Capital grants and contributions	1,717,588	-	1,717,588
<b>Change in net position</b>	<b>13,649</b>	<b>5,050</b>	<b>18,699</b>
Net position, beginning	18,477	13,802	32,279
Net position, ending	\$ 32,126	\$ 18,852	\$ 50,978



# COUNTY OF ROCKINGHAM, VIRGINIA

## COMBINING STATEMENT OF CASH FLOWS – NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS Year Ended June 30, 2020

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
Cash flows from operating activities:			
Receipts from customers	\$ 14,000	\$ -	\$ 14,000
Payments to suppliers for goods and services	-	(450)	(450)
Other (payments) receipts	(1,721,388)	5,500	(1,715,888)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,707,388)</b>	<b>5,050</b>	<b>(1,702,338)</b>
Cash flows from capital and related financing activities:			
Intergovernmental - grants	1,717,588	-	1,717,588
<b>Net cash provided by capital and related financing activities</b>	<b>1,717,588</b>	<b>-</b>	<b>1,717,588</b>
Cash flows from investing activities:			
Purchases of investments	(2,225)	-	(2,225)
Interest received on investment securities	436	-	436
<b>Net cash used in investing activities</b>	<b>(1,789)</b>	<b>-</b>	<b>(1,789)</b>
<b>Net change in cash and cash equivalents</b>	<b>8,411</b>	<b>5,050</b>	<b>13,461</b>
Cash and cash equivalents:			
Beginning	7,676	13,802	21,478
Ending	\$ 16,087	\$ 18,852	\$ 34,939
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (1,704,388)	\$ 5,050	\$ (1,699,338)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Increase in assets and liabilities:			
Accounts receivable	(3,000)	-	(3,000)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (1,707,388)</b>	<b>\$ 5,050</b>	<b>\$ (1,702,338)</b>

## **SUPPLEMENTAL SCHEDULES**

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF REVENUES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 59,680,000	\$ 59,701,034	\$ 59,746,341	\$ 45,307
Real and personal public service corporation property taxes	2,340,000	2,340,000	2,550,495	210,495
Personal property taxes	16,627,500	16,627,500	18,083,961	1,456,461
Machinery and tools taxes	11,010,000	11,335,000	11,805,736	470,736
Merchants' capital taxes	1,401,000	1,401,000	1,483,386	82,386
Penalties and interest	925,000	925,000	889,579	(35,421)
<b>Total general property taxes</b>	<b>91,983,500</b>	<b>92,329,534</b>	<b>94,559,498</b>	<b>2,229,964</b>
Other local taxes:				
Local sales and use taxes	6,498,579	6,498,579	8,015,055	1,516,476
Consumer utility taxes	1,609,650	1,609,650	1,733,524	123,874
Utility gross receipts taxes	360,000	360,000	326,346	(33,654)
Bank stock taxes	125,000	125,000	123,430	(1,570)
Motor vehicle licenses	1,300,000	1,300,000	1,342,514	42,514
Taxes on recordation and wills	1,045,000	1,045,000	1,221,494	176,494
Transient occupancy taxes	280,000	280,000	333,254	53,254
Food and beverage taxes	1,300,000	1,300,000	1,187,022	(112,978)
ATV and moped sales tax	-	-	32,864	32,864
<b>Total other local taxes</b>	<b>12,518,229</b>	<b>12,518,229</b>	<b>14,315,503</b>	<b>1,797,274</b>
Permits, privilege fees and regulatory licenses:				
Animal licenses	20,000	20,000	35,210	15,210
Permits and other licenses	1,619,300	1,619,300	1,276,903	(342,397)
<b>Total permits, privilege fees and       regulatory licenses</b>	<b>1,639,300</b>	<b>1,639,300</b>	<b>1,312,113</b>	<b>(327,187)</b>
Fines and forfeitures	175,750	175,750	120,321	(55,429)
Use of money and property:				
Revenue from use of money	150,000	150,000	506,749	356,749
Revenue from use of property	672,681	672,681	569,087	(103,594)
<b>Total use of money and property</b>	<b>822,681</b>	<b>822,681</b>	<b>1,075,836</b>	<b>253,155</b>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF REVENUES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 548,200	\$ 548,200	\$ 452,744	\$ (95,456)
Commonwealth attorney	217,500	217,500	158,780	(58,720)
Law enforcement and traffic control	282,800	282,800	261,968	(20,832)
EMS transport	580,000	580,000	755,108	175,108
Correction and detention	976,115	976,115	776,663	(199,452)
Parks and recreation	929,560	929,560	585,312	(344,248)
Computer services	1,750	1,750	1,784	34
Health	25,000	25,000	-	(25,000)
Garage fees	600,000	600,000	549,745	(50,255)
Planning and community development	1,000	1,000	-	(1,000)
<b>Total charges for services</b>	<b>4,161,925</b>	<b>4,161,925</b>	<b>3,542,104</b>	<b>(619,821)</b>
Miscellaneous	375,000	375,000	678,371	303,371
Recovered costs:				
City of Harrisonburg:				
Judicial administration	1,228,181	1,250,521	1,647,519	396,998
Public safety	3,871,280	3,941,697	3,405,097	(536,600)
Public works	380,614	387,537	510,567	123,030
Other entities:				
Public safety	423,140	423,140	358,367	(64,773)
<b>Total recovered costs</b>	<b>5,903,215</b>	<b>6,002,895</b>	<b>5,921,550</b>	<b>(81,345)</b>
<b>Total revenue from local sources</b>	<b>117,579,600</b>	<b>118,025,314</b>	<b>121,525,296</b>	<b>3,499,982</b>
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Communications sales and use taxes	1,600,000	1,600,000	1,320,515	(279,485)
Mobile home titling taxes	80,000	80,000	68,394	(11,606)
Rental vehicle taxes	7,500	7,500	7,536	36
Personal property tax relief	6,000,000	6,000,000	6,229,515	229,515
Recordation taxes	275,000	275,000	246,061	(28,939)
<b>Total non-categorical aid</b>	<b>7,962,500</b>	<b>7,962,500</b>	<b>7,872,021</b>	<b>(90,479)</b>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF REVENUES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 974,961	\$ 974,961	\$ 966,040	\$ (8,921)
Sheriff	6,489,591	6,489,591	6,303,269	(186,322)
Commissioner of the revenue	210,455	210,455	210,026	(429)
Treasurer	192,154	192,154	191,860	(294)
Registrar/Electoral Board	50,000	50,000	51,702	1,702
Clerk of circuit court	620,110	741,899	732,371	(9,528)
Jail operations	450,000	450,000	387,878	(62,122)
<b>Total shared costs</b>	<b>8,987,271</b>	<b>9,109,060</b>	<b>8,843,146</b>	<b>(265,914)</b>
Other categorical aid:				
Emergency medical services	87,525	87,525	-	(87,525)
Community corrections	431,440	431,440	448,357	16,917
Fire program	186,000	186,000	209,544	23,544
Hazardous materials program	10,000	10,000	10,000	-
Victim witness	44,697	44,697	42,908	(1,789)
Records preservation	11,219	24,899	-	(24,899)
Domestic violence	40,000	40,000	45,000	5,000
Other	38,500	60,500	152,803	92,303
<b>Total other categorical aid</b>	<b>849,381</b>	<b>885,061</b>	<b>908,612</b>	<b>23,551</b>
<b>Total categorical aid</b>	<b>9,836,652</b>	<b>9,994,121</b>	<b>9,751,758</b>	<b>(242,363)</b>
<b>Total revenue from the Commonwealth</b>	<b>17,799,152</b>	<b>17,956,621</b>	<b>17,623,779</b>	<b>(332,842)</b>
Revenue from the federal government:				
Non-categorical aid:				
Payment for federal lands	425,000	425,000	510,577	85,577

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF REVENUES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 126,266	\$ 126,266	\$ 128,725	\$ 2,459
FEMA	19,022	19,022	19,022	-
Highway safety	33,010	33,010	26,903	(6,107)
Health and human services	230,000	230,000	277,084	47,084
Behavioral health	50,000	50,000	-	(50,000)
Domestic violence coordinator	22,717	22,717	22,850	133
Drug court	-	400,000	351,429	(48,571)
State criminal alien assistance	-	-	22,689	22,689
Incarceration	5,000	5,000	10,800	5,800
Health and human services - COVID-19 response	-	72,537	72,537	-
CARES Act	-	7,149,647	3,710,927	(3,438,720)
Other federal funds	-	-	2,463	2,463
<b>Total categorical aid</b>	<b>486,015</b>	<b>8,108,199</b>	<b>4,645,429</b>	<b>(3,462,770)</b>
<b>Total revenue from the federal government</b>	<b>911,015</b>	<b>8,533,199</b>	<b>5,156,006</b>	<b>(3,377,193)</b>
<b>Total intergovernmental</b>	<b>18,710,167</b>	<b>26,489,820</b>	<b>22,779,785</b>	<b>(3,710,035)</b>
<b>Total General Fund</b>	<b>\$ 136,289,767</b>	<b>\$ 144,515,134</b>	<b>\$ 144,305,081</b>	<b>\$ (210,053)</b>
Special Revenue Funds:				
Asset Forfeiture Fund:				
Revenue from local sources:				
Fines and forfeitures:				
Seized funds - judicial administration	\$ 18,900	\$ 18,900	\$ 30,634	\$ 11,734
Seized funds - public safety	18,900	18,900	31,033	12,133
<b>Total fines and forfeitures</b>	<b>37,800</b>	<b>37,800</b>	<b>61,667</b>	<b>23,867</b>
Revenue from use of money	-	-	8,158	8,158
<b>Total revenue from local sources</b>	<b>37,800</b>	<b>37,800</b>	<b>69,825</b>	<b>32,025</b>
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Seized funds - judicial administration	41,800	41,800	3,431	(38,369)
Seized funds - public safety	41,800	41,800	60,244	18,444
<b>Total intergovernmental</b>	<b>83,600</b>	<b>83,600</b>	<b>63,675</b>	<b>(19,925)</b>
<b>Total Asset Forfeiture Fund</b>	<b>121,400</b>	<b>121,400</b>	<b>133,500</b>	<b>12,100</b>
Tourism Fund:				
Revenue from local sources:				
Transient occupancy taxes	290,739	290,739	494,317	203,578
Revenue from use of money	-	-	6,538	6,538
<b>Total revenue from local sources</b>	<b>290,739</b>	<b>290,739</b>	<b>500,855</b>	<b>210,116</b>
<b>Total Tourism Fund</b>	<b>290,739</b>	<b>290,739</b>	<b>500,855</b>	<b>210,116</b>
<b>Total Special Revenue Funds</b>	<b>\$ 412,139</b>	<b>\$ 412,139</b>	<b>\$ 634,355</b>	<b>\$ 222,216</b>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF REVENUES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Final Budget Over (Under)
	Original	Final		
Primary Government:				
Capital Projects Fund:				
General Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	\$ 50,000	\$ 50,000	\$ 151,983	\$ 101,983
Miscellaneous	-	1,995	355,094	353,099
Recovered costs:				
City of Harrisonburg share	750,000	2,427,736	1,787,951	(639,785)
<b>Total revenue from local sources</b>	<b>800,000</b>	<b>2,479,731</b>	<b>2,295,028</b>	<b>(184,703)</b>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VDOT Revenue Sharing	-	882,450	371,239	(511,211)
Other	-	-	69,173	69,173
<b>Total revenue from the Commonwealth</b>	<b>-</b>	<b>882,450</b>	<b>440,412</b>	<b>(442,038)</b>
Revenue from the federal government:				
Categorical aid:				
Transportation alternative program	-	400,000	427,142	27,142
<b>Total intergovernmental</b>	<b>-</b>	<b>1,282,450</b>	<b>867,554</b>	<b>(414,896)</b>
<b>Total General Capital Projects Fund</b>	<b>\$ 800,000</b>	<b>\$ 3,762,181</b>	<b>\$ 3,162,582</b>	<b>\$ (599,599)</b>
<b>Grand Total Revenues - Primary Government</b>	<b>\$ 137,501,906</b>	<b>\$ 148,689,454</b>	<b>\$ 148,102,018</b>	<b>\$ (587,436)</b>
Major Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of property	\$ 7,600	\$ 7,600	\$ 8,351	\$ 751
Charges for services	2,215,000	2,215,000	2,277,448	62,448
Miscellaneous	186,000	186,000	168,178	(17,822)
Appropriation from Primary Government	64,366,510	64,366,510	58,857,251	(5,509,259)
<b>Total revenue from local sources</b>	<b>66,775,110</b>	<b>66,775,110</b>	<b>61,311,228</b>	<b>(5,463,882)</b>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF REVENUES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 69,005	\$ (4,995)
Categorical aid:				
State sales tax receipts	14,602,548	14,602,548	14,964,857	362,309
Basic school aid	32,850,142	32,850,142	32,766,278	(83,864)
Other state school funds	22,182,248	22,182,248	22,293,931	111,683
<b>Total categorical aid</b>	<b>69,634,938</b>	<b>69,634,938</b>	<b>70,025,066</b>	<b>390,128</b>
<b>Total revenue from the Commonwealth</b>	<b>69,708,938</b>	<b>69,708,938</b>	<b>70,094,071</b>	<b>385,133</b>
Revenue from the federal government:				
Categorical aid:				
Title I	1,837,500	1,837,500	1,750,928	(86,572)
Title VIB	2,500,000	2,500,000	2,451,013	(48,987)
Other school funds	1,252,000	1,252,000	1,378,828	126,828
<b>Total revenue from the federal government</b>	<b>5,589,500</b>	<b>5,589,500</b>	<b>5,580,769</b>	<b>(8,731)</b>
<b>Total intergovernmental</b>	<b>75,298,438</b>	<b>75,298,438</b>	<b>75,674,840</b>	<b>376,402</b>
<b>Total School Operating Fund</b>	<b>142,073,548</b>	<b>142,073,548</b>	<b>136,986,068</b>	<b>(5,087,480)</b>
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money	13,000	13,000	32,527	19,527
Charges for services	2,017,450	2,017,450	1,471,962	(545,488)
<b>Total revenue from local sources</b>	<b>2,030,450</b>	<b>2,030,450</b>	<b>1,504,489</b>	<b>(525,961)</b>
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	135,000	135,000	119,998	(15,002)



**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF REVENUES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 3,407,998	\$ 3,407,998	\$ 3,258,516	\$ (149,482)
<b>Total intergovernmental</b>	3,542,998	3,542,998	3,378,514	(164,484)
<b>Total School Cafeteria Fund</b>	5,573,448	5,573,448	4,883,003	(690,445)
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	96,589	96,589
Miscellaneous	-	-	4,592	4,592
Appropriation from Primary Government	-	21,012,255	21,012,255	-
<b>Total revenue from local sources</b>	-	21,012,255	21,113,436	101,181
<b>Total School Capital Projects Fund</b>	-	21,012,255	21,113,436	101,181
Massanutten Technical Center - Operating Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	6,079	6,079
Charges for services	592,100	592,100	672,106	80,006
Miscellaneous	36,000	36,000	30,048	(5,952)
<b>Total revenue from local sources</b>	628,100	628,100	708,233	80,133
Intergovernmental:				
Revenue from the Commonwealth	543,261	543,261	451,506	(91,755)
Revenue from the federal government	230,696	230,696	259,168	28,472
Local governments:				
Appropriation from Rockingham County School Board	3,713,814	3,713,814	3,473,664	(240,150)
Appropriation from the City of Harrisonburg	924,142	924,142	864,105	(60,037)
<b>Total local governments</b>	4,637,956	4,637,956	4,337,769	(300,187)
<b>Total intergovernmental</b>	5,411,913	5,411,913	5,048,443	(363,470)
<b>Total Massanutten Technical Center -     Operating Fund</b>	6,040,013	6,040,013	5,756,676	(283,337)
<b>Total Revenues - Component Unit -     School Board</b>	\$ 153,687,009	\$ 174,699,264	\$ 168,739,183	\$ (5,960,081)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF REVENUES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	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	\$ -	\$ -	\$ 137,132	\$ 137,132
Miscellaneous:				
City of Harrisonburg share	1,623,378	1,623,378	1,623,378	-
Other	43,672	43,672	52,552	8,880
<b>Total miscellaneous</b>	<b>1,667,050</b>	<b>1,667,050</b>	<b>1,675,930</b>	<b>8,880</b>
Appropriation from the Primary Government	2,239,437	2,239,437	2,358,139	118,702
<b>Total revenue from local sources</b>	<b>3,906,487</b>	<b>3,906,487</b>	<b>4,171,201</b>	<b>264,714</b>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Public assistance and administration	7,508,859	7,600,359	5,282,800	(2,317,559)
Virginia department of juvenile justice:				
Virginia juvenile community crime control act grant	93,211	93,211	67,801	(25,410)
<b>Total revenue from the Commonwealth</b>	<b>7,602,070</b>	<b>7,693,570</b>	<b>5,350,601</b>	<b>(2,342,969)</b>
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Health and human services	8,071,219	8,102,719	7,851,743	(250,976)
TANF	-	124,474	50,610	(73,864)
<b>Total revenue from the federal government</b>	<b>8,071,219</b>	<b>8,227,193</b>	<b>7,902,353</b>	<b>(324,840)</b>
<b>Total intergovernmental</b>	<b>15,673,289</b>	<b>15,920,763</b>	<b>13,252,954</b>	<b>(2,667,809)</b>
<b>Total Harrisonburg-Rockingham Social       Services District - Operating Fund</b>	<b>19,579,776</b>	<b>19,827,250</b>	<b>17,424,155</b>	<b>(2,403,095)</b>
Special Revenue Fund:				
Children's Services Act Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	8,028	8,028
Miscellaneous:				
City of Harrisonburg share	1,796,772	1,986,483	1,985,110	(1,373)
Appropriation from the Primary Government	2,146,509	2,620,997	2,620,786	(211)
<b>Total revenue from local sources</b>	<b>3,943,281</b>	<b>4,607,480</b>	<b>4,613,924</b>	<b>6,444</b>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF REVENUES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	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	\$ 7,323,237	\$ 7,323,237	\$ 5,691,165	\$ (1,632,072)
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Children's Services Act	-	-	353,328	353,328
<b>Total intergovernmental</b>	<b>7,323,237</b>	<b>7,323,237</b>	<b>6,044,493</b>	<b>(1,278,744)</b>
<b>Total Children's Services Act Fund</b>	<b>11,266,518</b>	<b>11,930,717</b>	<b>10,658,417</b>	<b>(1,272,300)</b>
<b>Total Revenues - Component Unit - Harrisonburg-Rockingham Social Services District</b>	<b>\$ 30,846,294</b>	<b>\$ 31,757,967</b>	<b>\$ 28,082,572</b>	<b>\$ (3,675,395)</b>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 204,419	\$ 204,419	\$ 185,423	\$ (18,996)
General and financial:				
Executive administration	358,019	440,884	361,002	(79,882)
Legal services	713,307	754,315	690,271	(64,044)
Independent auditor and actuarial services	106,000	106,000	98,500	(7,500)
Commissioner of the revenue	701,292	814,232	790,846	(23,386)
Reassessment and equalization	214,623	214,623	183,012	(31,611)
Treasurer	616,614	710,997	735,874	24,877
Fiscal services	1,041,585	986,166	883,361	(102,805)
Human resources	417,409	510,390	442,825	(67,565)
Technology	1,254,727	1,401,948	1,295,394	(106,554)
Land use assessment	68,170	68,170	65,120	(3,050)
<b>Total general and financial</b>	<b>5,491,746</b>	<b>6,007,725</b>	<b>5,546,205</b>	<b>(461,520)</b>
Board of elections:				
Electoral board and officials	126,755	156,755	187,453	30,698
Registrar	179,287	185,464	180,817	(4,647)
<b>Total board of elections</b>	<b>306,042</b>	<b>342,219</b>	<b>368,270</b>	<b>26,051</b>
<b>Total general government administration</b>	<b>6,002,207</b>	<b>6,554,363</b>	<b>6,099,898</b>	<b>(454,465)</b>
Judicial administration:				
Courts:				
Circuit court	223,894	230,898	214,781	(16,117)
General district court	40,400	40,400	25,754	(14,646)
Magistrate	9,350	12,850	12,233	(617)
Juvenile and domestic relations court	33,800	33,800	31,986	(1,814)
Clerk of the circuit court	1,073,076	1,228,305	1,228,788	483
Department of court services	999,191	1,411,544	1,313,564	(97,980)
<b>Total courts</b>	<b>2,379,711</b>	<b>2,957,797</b>	<b>2,827,106</b>	<b>(130,691)</b>
Commonwealth attorney	2,216,240	2,330,387	2,274,965	(55,422)
<b>Total judicial administration</b>	<b>4,595,951</b>	<b>5,288,184</b>	<b>5,102,071</b>	<b>(186,113)</b>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 7,132,923	\$ 7,618,535	\$ 6,860,597	\$ (757,938)
Fire and rescue services:				
Fire and rescue	7,705,332	11,046,235	7,974,622	(3,071,613)
Volunteer fire companies	988,586	1,717,536	1,669,537	(47,999)
Ambulance and rescue squads	351,404	413,689	370,721	(42,968)
Fire extinction service	21,768	94,305	94,974	669
<b>Total fire and rescue services</b>	<b>9,067,090</b>	<b>13,271,765</b>	<b>10,109,854</b>	<b>(3,161,911)</b>
Correction and detention:				
County operated institutions	11,983,657	12,480,913	11,890,847	(590,066)
Building inspections	797,279	819,046	761,121	(57,925)
Other protection:				
Animal control	454,903	454,903	420,137	(34,766)
Emergency services	2,971,837	3,012,837	3,012,757	(80)
<b>Total other protection</b>	<b>3,426,740</b>	<b>3,467,740</b>	<b>3,432,894</b>	<b>(34,846)</b>
<b>Total public safety</b>	<b>32,407,689</b>	<b>37,657,999</b>	<b>33,055,313</b>	<b>(4,602,686)</b>
Public works:				
General administration	92,855	92,855	50,192	(42,663)
Garage operations	798,471	799,158	668,694	(130,464)
Maintenance:				
County property	1,278,438	1,467,121	967,209	(499,912)
Shared property	1,043,116	1,162,152	937,948	(224,204)
Human Services/Health department building	205,786	265,786	259,333	(6,453)
TV translator system	7,200	69,384	39,532	(29,852)
Research and technology center	67,850	67,850	49,843	(18,007)
<b>Total public works</b>	<b>3,493,716</b>	<b>3,924,306</b>	<b>2,972,751</b>	<b>(951,555)</b>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 706,904	\$ 706,904	\$ 692,940	\$ (13,964)
Mental health:				
Community Services Board	1,201,773	7,237,480	2,717,807	(4,519,673)
Social services:				
Property tax relief for elderly/handicapped	500,000	521,034	521,034	-
Appropriation to the Harrisonburg-Rockingham				
Social Services District	4,514,540	4,989,028	4,978,925	(10,103)
Change in investment in the Harrisonburg-Rockingham				
Social Services District	-	-	(182,512)	(182,512)
Institutional care	176,847	176,847	106,228	(70,619)
<b>Total health and social services</b>	<b>7,100,064</b>	<b>13,631,293</b>	<b>8,834,422</b>	<b>(4,796,871)</b>
Education:				
Appropriation to the Rockingham				
County School Board	64,366,510	86,415,860	79,869,506	(6,546,354)
<b>Total education</b>	<b>64,366,510</b>	<b>86,415,860</b>	<b>79,869,506</b>	<b>(6,546,354)</b>
Parks, recreation and cultural:				
Parks and recreation:				
Administration	254,617	264,225	236,130	(28,095)
Athletic events/programs	1,452,388	1,472,388	1,107,982	(364,406)
Rockingham Park	226,374	226,374	237,711	11,337
<b>Total parks and recreation</b>	<b>1,933,379</b>	<b>1,962,987</b>	<b>1,581,823</b>	<b>(381,164)</b>
Cultural:				
Regional library	939,339	939,339	939,339	-
<b>Total parks, recreation and cultural</b>	<b>2,872,718</b>	<b>2,902,326</b>	<b>2,521,162</b>	<b>(381,164)</b>
Community development:				
Planning and community development	667,912	683,248	658,860	(24,388)
Geographic information systems	160,079	160,079	163,900	3,821
Economic development	1,669,646	1,994,646	1,961,897	(32,749)
Soil and water conservation district	37,500	38,599	38,599	-
Cooperative extension program	157,220	157,220	139,853	(17,367)
Environmental management	271,295	271,315	291,165	19,850
Contributions, grants and other	1,027,492	1,843,693	683,669	(1,160,024)
<b>Total community development</b>	<b>3,991,144</b>	<b>5,148,800</b>	<b>3,937,943</b>	<b>(1,210,857)</b>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 1,919,297	\$ 1,919,297	\$ 1,919,297	\$ -
School Board	6,165,890	6,165,890	6,165,890	-
<b>Total principal</b>	<b>8,085,187</b>	<b>8,085,187</b>	<b>8,085,187</b>	<b>-</b>
Interest and fiscal charges:				
County	232,160	398,789	398,587	(202)
School Board	3,246,618	3,246,943	3,246,943	-
<b>Total interest and fiscal charges</b>	<b>3,478,778</b>	<b>3,645,732</b>	<b>3,645,530</b>	<b>(202)</b>
<b>Total debt service</b>	<b>11,563,965</b>	<b>11,730,919</b>	<b>11,730,717</b>	<b>(202)</b>
<b>Total General Fund</b>	<b>\$ 136,393,964</b>	<b>\$ 173,254,050</b>	<b>\$ 154,123,783</b>	<b>\$ (19,130,267)</b>
Special Revenue Funds:				
Asset Forfeiture Fund:				
Judicial administration:				
Commonwealth attorney	\$ 65,660	\$ 65,660	\$ 14,497	\$ (51,163)
Public safety:				
Law enforcement	55,740	55,740	93,575	37,835
<b>Total Asset Forfeiture Fund</b>	<b>121,400</b>	<b>121,400</b>	<b>108,072</b>	<b>(13,328)</b>
Tourism Fund:				
Community development:				
Marketing and promotion	290,739	290,739	248,502	(42,237)
<b>Total Tourism Fund</b>	<b>290,739</b>	<b>290,739</b>	<b>248,502</b>	<b>(42,237)</b>
<b>Total Special Revenue Funds</b>	<b>\$ 412,139</b>	<b>\$ 412,139</b>	<b>\$ 356,574</b>	<b>\$ (55,565)</b>
General Capital Projects Fund:				
Capital projects	\$ 2,110,000	\$ 14,733,275	\$ 11,454,099	\$ (3,279,176)
Interest and fiscal charges	-	-	74,096	74,096
<b>Total General Capital Projects Fund</b>	<b>\$ 2,110,000</b>	<b>\$ 14,733,275</b>	<b>\$ 11,528,195</b>	<b>\$ (3,205,080)</b>
<b>Grand Total Expenditures - Primary Government</b>	<b>\$ 138,916,103</b>	<b>\$ 188,399,464</b>	<b>\$ 166,008,552</b>	<b>\$ (22,390,912)</b>

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 111,957,063	\$ 111,957,063	\$ 108,308,037	\$ (3,649,026)
Administration, attendance and health	6,001,171	6,001,171	5,850,559	(150,612)
Pupil transportation services	9,803,544	9,803,544	9,608,138	(195,406)
Operation and maintenance services	14,323,770	14,323,770	13,215,850	(1,107,920)
<b>Total School Operating Fund</b>	<b>142,085,548</b>	<b>142,085,548</b>	<b>136,982,584</b>	<b>(5,102,964)</b>
School Cafeteria Fund:				
Education:				
School food services	5,594,448	5,594,448	5,206,361	(388,087)
<b>Total School Cafeteria Fund</b>	<b>5,594,448</b>	<b>5,594,448</b>	<b>5,206,361</b>	<b>(388,087)</b>
School Capital Projects Fund:				
Capital projects	15,000,000	12,555,479	12,172,580	(382,899)
<b>Total School Capital Projects Fund</b>	<b>15,000,000</b>	<b>12,555,479</b>	<b>12,172,580</b>	<b>(382,899)</b>
Massanutten Technical Center - Operating Fund:				
Education:				
Secondary	4,997,264	4,997,264	4,731,053	(266,211)
Continuing education	1,042,749	1,042,749	1,025,623	(17,126)
<b>Total Massanutten Technical Center -       Operating Fund</b>	<b>6,040,013</b>	<b>6,040,013</b>	<b>5,756,676</b>	<b>(283,337)</b>
<b>Total Expenditures - Component Unit -   School Board</b>	<b>\$ 168,720,009</b>	<b>\$ 166,275,488</b>	<b>\$ 160,118,201</b>	<b>\$ (6,157,287)</b>



**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED  
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –  
BUDGET AND ACTUAL  
Year Ended June 30, 2020**

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	\$ 10,164,211	\$ 10,245,326	\$ 7,438,854	\$ (2,806,472)
Administration:				
Health and human services	9,551,348	9,717,707	9,426,249	(291,458)
Virginia juvenile community crime control act grant	97,419	97,419	67,801	(29,618)
Capital projects	265,800	265,800	104,759	(161,041)
<b>Total Operating Fund</b>	<b>20,078,778</b>	<b>20,326,252</b>	<b>17,037,663</b>	<b>(3,288,589)</b>
Special Revenue Fund:				
Children's Services Act Fund:				
Children's Services Act	11,266,518	11,932,090	10,748,191	(1,183,899)
<b>Total Children's Services Act Fund</b>	<b>11,266,518</b>	<b>11,932,090</b>	<b>10,748,191</b>	<b>(1,183,899)</b>
<b>Total Expenditures - Component Unit -     Harrisonburg-Rockingham Social Services District</b>	<b>\$ 31,345,296</b>	<b>\$ 32,258,342</b>	<b>\$ 27,785,854</b>	<b>\$ (4,472,488)</b>

## **STATISTICAL SECTION**

# COUNTY OF ROCKINGHAM, VIRGINIA

## STATISTICAL SECTION TABLE OF CONTENTS

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

Contents	Tables
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> 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
<b>Debt Capacity</b> 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
<b>Demographic and Economic Information</b> 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
<b>Operating Information</b> 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
<b>Sources:</b> Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the relevant year.	

**STATISTICAL SECTION**

**Comments Relative to Statistical Section**

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

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

# COUNTY OF ROCKINGHAM, VIRGINIA

**Table 2**  
**Page 1**

## NET POSITION / ASSETS BY COMPONENT

### Last Ten Fiscal Years

*(accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary government:										
Governmental activities:										
Net investment in capital assets	\$ 31,571,104	\$ 34,323,744	\$ 34,110,413	\$ 34,093,586	\$ 33,589,878	\$ 34,854,168	\$ 38,692,548	\$ 42,693,309	\$ 48,293,834	\$ 57,242,324
Restricted	1,383,005	420,988	2,897,307	3,782,011	235,709	195,800	235,108	404,183	624,258	1,334,085
Unrestricted (deficit)	(58,123,750)	(49,401,105)	(40,378,653)	(33,093,357)	(34,021,125)	(37,558,463)	(34,533,494)	(61,273,304)	(51,715,195)	(63,794,527)
<b>Total governmental activities net assets/ net position</b>	<b>\$ (25,169,641)</b>	<b>\$ (14,656,373)</b>	<b>\$ (3,370,933)</b>	<b>\$ 4,782,240</b>	<b>\$ (195,538)</b>	<b>\$ (2,508,495)</b>	<b>\$ 4,394,162</b>	<b>\$ (18,175,812)</b>	<b>\$ (2,797,103)</b>	<b>\$ (5,218,118)</b>
Business-type activities:										
Net investment in capital assets	\$ 29,369,801	\$ 29,166,125	\$ 28,953,581	\$ 29,032,472	\$ 33,482,569	\$ 30,110,695	\$ 28,127,740	\$ 33,769,673	\$ 36,326,889	\$ 36,828,881
Restricted	-	-	-	-	-	5,545,857	10,566,691	4,739,335	-	-
Unrestricted	2,261,627	3,028,033	5,479,288	7,187,340	4,974,695	5,409,029	4,911,714	6,720,049	11,712,273	9,812,714
<b>Total business-type activities net assets/ net position</b>	<b>\$ 31,631,428</b>	<b>\$ 32,194,158</b>	<b>\$ 34,432,869</b>	<b>\$ 36,219,812</b>	<b>\$ 38,457,264</b>	<b>\$ 41,065,581</b>	<b>\$ 43,606,145</b>	<b>\$ 45,229,057</b>	<b>\$ 48,039,162</b>	<b>\$ 46,641,595</b>
Primary government:										
Net investment in capital assets	\$ 60,940,905	\$ 63,489,869	\$ 63,063,994	\$ 63,126,058	\$ 67,072,447	\$ 64,964,863	\$ 66,820,288	\$ 76,462,982	\$ 84,620,723	\$ 94,071,205
Restricted	1,383,005	420,988	2,897,307	3,782,011	235,709	5,741,657	10,801,799	5,143,518	624,258	1,334,085
Unrestricted (deficit)	(55,862,123)	(46,373,072)	(34,899,365)	(25,906,017)	(29,046,430)	(32,149,434)	(29,621,780)	(54,553,255)	(40,002,922)	(53,981,813)
<b>Total primary government net assets/ net position</b>	<b>\$ 6,461,787</b>	<b>\$ 17,537,785</b>	<b>\$ 31,061,936</b>	<b>\$ 41,002,052</b>	<b>\$ 38,261,726</b>	<b>\$ 38,557,086</b>	<b>\$ 48,000,307</b>	<b>\$ 27,053,245</b>	<b>\$ 45,242,059</b>	<b>\$ 41,423,477</b>
Major component units: (1)										
Component unit - school board:										
Net investment in capital assets	\$ 161,143,761	\$ 155,669,779	\$ 148,854,227	\$ 141,355,850	\$ 135,289,320	\$ 129,762,202	\$ 129,603,121	\$ 139,675,416	\$ 138,615,241	\$ 142,310,517
Restricted	-	-	-	-	-	-	-	4,133,596	-	2,620,846
Unrestricted (deficit)	407,514	(2,863,316)	(4,499,513)	(5,090,456)	(109,438,758)	(108,048,391)	(111,818,738)	(129,883,934)	(124,092,478)	(121,432,825)
<b>Total component unit - school board net assets/net position</b>	<b>\$ 161,551,275</b>	<b>\$ 152,806,463</b>	<b>\$ 144,354,714</b>	<b>\$ 136,265,394</b>	<b>\$ 25,850,562</b>	<b>\$ 21,713,811</b>	<b>\$ 17,784,383</b>	<b>\$ 13,925,078</b>	<b>\$ 14,522,763</b>	<b>\$ 23,498,538</b>
Component unit - Harrisonburg-Rockingham Social Services District										
Net investment in capital assets	\$ 40,063	\$ 18,903	\$ 8,480	\$ 2,144,091	\$ 2,574,720	\$ 2,451,305	\$ 2,366,316	\$ 2,323,333	\$ 2,103,403	\$ 1,968,464
Restricted (4)	-	-	2,161,138	1,448,333	1,393,537	1,740,887	2,019,613	2,120,558	2,472,376	2,586,582
Unrestricted	4,118,759	4,021,587	2,392,680	1,433,092	697,955	1,411,396	2,399,901	1,204,485	1,937,337	1,832,732
<b>Total component unit - HRSSD net assets/ net position</b>	<b>\$ 4,158,822</b>	<b>\$ 4,040,490</b>	<b>\$ 4,562,298</b>	<b>\$ 5,025,516</b>	<b>\$ 4,666,212</b>	<b>\$ 5,603,588</b>	<b>\$ 6,785,830</b>	<b>\$ 5,648,376</b>	<b>\$ 6,513,116</b>	<b>\$ 6,387,778</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

## NET POSITION / ASSETS BY COMPONENT

### Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Table 2

Page 2

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Major component units:										
Net investment in capital assets	\$ 161,183,824	\$ 155,688,682	\$ 148,862,707	\$ 143,499,941	\$ 137,864,040	\$ 132,213,507	\$ 131,969,437	\$ 141,998,749	\$ 140,718,644	\$ 144,278,981
Restricted	-	-	2,161,138	1,448,333	1,393,537	1,740,887	2,019,613	6,254,154	2,472,376	5,207,428
Unrestricted (deficit)	4,526,273	1,158,271	(2,106,833)	(3,657,364)	(108,740,803)	(106,636,995)	(109,418,837)	(128,679,449)	(122,155,141)	(119,600,093)
<b>Total major component units net assets/net position</b>	<b>\$ 165,710,097</b>	<b>\$ 156,846,953</b>	<b>\$ 148,917,012</b>	<b>\$ 141,290,910</b>	<b>\$ 30,516,774</b>	<b>\$ 27,317,399</b>	<b>\$ 24,570,213</b>	<b>\$ 19,573,454</b>	<b>\$ 21,035,879</b>	<b>\$ 29,886,316</b>
Total reporting entity: (2)										
Net investment in capital assets	\$ 121,414,263	\$ 124,593,294	\$ 123,453,125	\$ 124,167,242	\$ 128,405,019	\$ 126,705,690	\$ 134,528,812	\$ 135,122,135	\$ 148,122,492	\$ 146,726,248
Restricted	1,383,005	420,988	5,058,445	5,230,344	1,629,246	7,482,544	12,821,412	11,397,672	3,096,634	6,541,513
Unrestricted	49,374,616	49,370,456	51,467,378	52,895,376	(61,255,765)	(68,313,749)	(74,779,704)	(99,893,108)	(84,941,188)	(81,957,968)
<b>Total reporting entity net assets/net position</b>	<b>\$ 172,171,884</b>	<b>\$ 174,384,738</b>	<b>\$ 179,978,948</b>	<b>\$ 182,292,962</b>	<b>\$ 68,778,500</b>	<b>\$ 65,874,485</b>	<b>\$ 72,570,520</b>	<b>\$ 46,626,699</b>	<b>\$ 66,277,938</b>	<b>\$ 71,309,793</b>

#### Notes:

- (1) Component Unit net position/assets are included in this table due to public schools and social services being significant portions of the County operations. In Virginia, the County issues debt to finance the construction of facilities for these component units because the component units do not have borrowing or taxing authority.
- (2) The sum of the rows for the Reporting Entity identified as "Net investment in capital assets" and "Unrestricted" do not equal the sum of the rows from the total Primary Government and the total Component Units because the outstanding debt for the schools has not been subtracted from the total Primary Governments "Invested in capital assets" since the debt for the school board does not correspond to the capital assets of the Primary Government. However, when the Primary Government and the Component Units are combined, the outstanding debt needs to be accounted for by reducing the balance classified as "Net investment in capital assets."
- (3) This table reports financial information based on the accrual basis of accounting. The County implemented GASB Statement No. 63 in fiscal year 2013. This standard eliminated the use of the term "net assets" and now refers to this measurement as "net position."
- (4) The County implemented GASB Statement No. 61 in fiscal year 2013. As a result, the net position of the Harrisonburg-Rockingham Social Services District includes the restricted components of the County as well as the minority interest, which is also restricted.
- (5) June 30, 2014 net position was restated for the implementation of GASB Statement No. 68.
- (6) June 30, 2018 net position was restated for the implementation of GASB Statement No. 75.
- (7) June 30, 2018 net position was restated for change in accounting policy.

# COUNTY OF ROCKINGHAM, VIRGINIA

## CHANGES IN NET POSITION / ASSETS

### Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Table 3

Page 1

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary government:										
Expenses:										
Governmental activities:										
General government administration	\$ 4,694,851	\$ 4,941,835	\$ 5,194,117	\$ 5,462,554	\$ 6,039,859	\$ 5,436,798	\$ 5,932,529	\$ 5,954,830	\$ 5,856,138	\$ 6,921,747
Judicial administration	3,462,425	3,528,685	3,638,701	3,859,974	3,815,111	3,883,941	4,107,387	4,830,865	4,924,189	5,448,613
Public safety	20,392,396	20,970,030	21,372,315	23,580,101	23,826,370	36,779,233	27,123,823	30,667,940	29,707,762	31,634,751
Public works	2,453,101	2,587,532	5,144,874	6,898,649	6,868,624	4,339,985	3,365,230	9,564,783	7,132,527	4,484,222
Health and social services	5,005,635	4,834,979	4,702,838	3,769,309	5,715,170	5,761,798	5,786,160	8,212,284	6,725,322	9,299,956
Education	40,665,573	44,255,322	50,100,041	49,859,613	53,790,738	55,511,622	60,961,694	85,021,862	61,670,147	79,867,096
Parks, recreation and cultural	2,170,122	2,235,340	2,199,897	2,186,224	2,209,125	2,343,553	2,433,990	2,503,886	2,776,941	3,214,317
Community development	5,038,071	4,161,755	4,009,340	3,356,974	3,583,964	3,903,620	4,744,578	4,382,927	4,466,472	6,105,207
Interest	5,860,063	5,557,308	4,756,975	4,354,774	4,170,608	3,624,534	3,148,719	3,400,804	3,319,832	3,654,051
<b>Total governmental activities</b>	<b>89,742,237</b>	<b>93,072,786</b>	<b>101,119,098</b>	<b>103,328,172</b>	<b>110,019,569</b>	<b>121,585,084</b>	<b>117,604,110</b>	<b>154,540,181</b>	<b>126,579,330</b>	<b>150,629,960</b>
Business-type activities:										
Water and sewer	5,942,628	6,272,040	6,160,039	6,363,516	6,621,701	6,765,919	7,160,783	7,873,463	7,781,690	10,526,705
Solid waste	3,693,575	3,766,051	4,362,003	5,123,106	4,811,787	4,574,428	6,026,658	6,116,340	6,495,025	7,960,721
<b>Total business-type activities</b>	<b>9,636,203</b>	<b>10,038,091</b>	<b>10,522,042</b>	<b>11,486,622</b>	<b>11,433,488</b>	<b>11,340,347</b>	<b>13,187,441</b>	<b>13,989,803</b>	<b>14,276,715</b>	<b>18,487,426</b>
<b>Total primary government expenses</b>	<b>99,378,440</b>	<b>103,110,877</b>	<b>111,641,140</b>	<b>114,814,794</b>	<b>121,453,057</b>	<b>132,925,431</b>	<b>130,791,551</b>	<b>168,529,984</b>	<b>140,856,045</b>	<b>169,117,386</b>
Program revenue:										
Governmental activities:										
Charges for services:										
General government administration	4,815	2,200	1,359	2,059	3,511	2,383	1,768	1,727	1,940	1,784
Judicial administration	914,178	924,169	1,005,202	990,660	1,097,413	1,119,539	1,304,471	1,417,626	1,793,772	2,289,677
Public safety	5,171,000	5,053,378	5,495,186	6,312,309	7,276,430	6,483,239	7,298,651	7,833,177	8,330,264	8,775,254
Public works	1,098,549	1,078,306	1,183,823	1,141,301	1,104,328	1,022,145	1,085,426	1,161,736	1,193,105	1,060,312
Health and social services	83,232	34,717	-	17,745	1,204	2,428	18,565	26,013	24,152	-
Parks, recreation and cultural	696,685	660,369	690,110	756,422	805,431	785,225	863,175	843,541	872,572	585,312
Community development	1,467	3,085	2,975	3,727	2,540	508	1,855	143	-	-
Operating grants and contributions:										
General government administration	393,503	410,967	395,203	417,952	411,690	461,210	426,233	434,401	436,847	496,430
Judicial administration	2,088,186	2,003,636	2,034,608	2,178,098	2,135,443	2,271,957	2,349,172	2,345,308	2,669,219	2,741,111
Public safety	6,307,124	6,275,040	6,129,746	6,665,123	6,578,170	6,784,253	7,630,019	7,448,343	7,201,417	10,860,739
Health and social services	147,726	155,737	186,696	172,263	176,963	200,944	237,994	230,468	284,782	277,084
Education	-	-	562,808	-	-	-	-	-	-	-
Parks, recreation and cultural	-	-	-	-	-	-	-	-	-	85,498
Community development	259,647	-	-	-	-	100,000	254,000	-	25,000	-
Capital grants and contributions:										
Public safety	269,312	22,000	38,354	-	-	-	-	-	-	-
Public works	-	36,410	2,537,447	2,802,447	2,394,638	253,442	306,062	3,140,931	1,722,006	867,554
Parks, recreation and cultural	-	-	-	-	-	-	-	-	100,000	-
<b>Total governmental activities</b>	<b>17,435,424</b>	<b>16,660,014</b>	<b>20,263,517</b>	<b>21,460,106</b>	<b>21,987,761</b>	<b>19,487,273</b>	<b>21,777,391</b>	<b>24,883,414</b>	<b>24,655,076</b>	<b>28,040,755</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

Table 3

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## CHANGES IN NET POSITION / ASSETS

### Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary government:										
Program revenue:										
Business-type activities:										
Charges for services:										
Water and sewer	\$ 5,696,405	\$ 6,044,184	\$ 6,561,144	\$ 7,436,597	\$ 6,450,673	\$ 6,570,101	\$ 6,837,014	\$ 7,478,485	\$ 7,899,974	\$ 7,999,888
Solid waste	2,572,712	3,538,098	5,027,936	5,057,086	5,461,705	5,488,882	5,764,198	6,050,596	6,567,397	6,519,218
Operating grants and contributions:										
Water and sewer	-	-	-	-	1,638,030	952,584	2,168,073	1,341,662	1,468,780	1,567,175
Solid waste	-	-	-	-	-	-	23,830	73,273	75,918	20,926
Capital grants and contributions:										
Solid waste	-	-	-	-	870,563	-	-	-	-	-
<b>Total business-type activities</b>	<b>8,269,117</b>	<b>9,582,282</b>	<b>11,589,080</b>	<b>12,493,683</b>	<b>14,420,971</b>	<b>13,011,567</b>	<b>14,793,115</b>	<b>14,944,016</b>	<b>16,012,069</b>	<b>16,107,207</b>
<b>Total primary government revenues</b>	<b>25,704,541</b>	<b>26,242,296</b>	<b>31,852,597</b>	<b>33,953,789</b>	<b>36,408,732</b>	<b>32,498,840</b>	<b>36,570,506</b>	<b>39,827,430</b>	<b>40,667,145</b>	<b>44,147,962</b>
Net (expense) revenue:										
Governmental activities	(72,306,813)	(76,412,772)	(80,855,581)	(81,868,066)	(88,031,808)	(102,097,811)	(95,826,719)	(129,656,767)	(101,924,254)	(122,589,205)
Business-type activities	(1,367,086)	(455,809)	1,067,038	1,007,061	2,987,483	1,671,220	1,605,674	954,213	1,735,354	(2,380,219)
<b>Total primary government, net expense</b>	<b>(73,673,899)</b>	<b>(76,868,581)</b>	<b>(79,788,543)</b>	<b>(80,861,005)</b>	<b>(85,044,325)</b>	<b>(100,426,591)</b>	<b>(94,221,045)</b>	<b>(128,702,554)</b>	<b>(100,188,900)</b>	<b>(124,969,424)</b>
Governmental activities:										
Taxes:										
General property taxes	64,490,691	67,972,029	70,601,427	70,208,531	71,962,305	77,182,964	81,433,734	88,479,898	91,965,599	94,675,689
Local sales and use	4,732,665	4,991,019	4,881,368	5,309,256	5,387,061	6,105,799	6,324,892	6,276,421	6,650,321	8,015,055
Consumer utility and communications sales and use	2,680,007	1,028,014	1,035,484	1,078,402	1,095,486	1,156,055	1,058,481	1,116,085	1,114,925	1,733,524
Motor vehicles licenses	1,179,162	1,227,744	1,236,520	1,209,701	1,211,564	1,227,518	1,278,070	1,304,491	1,350,626	1,342,514
Food and beverage	788,452	824,844	889,702	925,336	1,034,025	1,070,535	1,155,637	1,242,234	1,275,618	1,187,022
Other	(252,325)	1,440,610	1,588,072	1,402,550	1,646,656	1,657,068	1,666,630	1,782,847	2,155,195	2,531,705
Intergovernmental, non-categorical aid	8,065,994	8,037,774	8,003,995	8,079,422	7,838,718	8,984,272	8,050,669	8,583,682	8,393,935	8,382,598
Use of money and property	964,574	1,067,549	1,472,098	1,505,611	1,460,029	1,720,204	1,133,428	711,810	1,612,133	1,324,348
Miscellaneous	779,782	336,457	345,024	302,430	364,608	680,439	627,835	536,673	3,438,994	1,033,465
Transfers	-	-	(63,336)	-	870,563	-	-	-	-	(57,730)
<b>Total governmental activities</b>	<b>83,429,002</b>	<b>86,926,040</b>	<b>89,990,354</b>	<b>90,021,239</b>	<b>92,871,015</b>	<b>99,784,854</b>	<b>102,729,376</b>	<b>110,034,141</b>	<b>117,957,346</b>	<b>120,168,190</b>
Business-type activities:										
Intergovernmental, non-categorical aid	-	-	-	-	-	26,640	-	-	-	-
Use of money and property	40,269	39,839	67,961	65,660	93,935	59,852	171,908	272,958	532,278	558,613
Miscellaneous	1,066,813	978,700	1,040,376	898,936	837,750	850,605	762,982	774,434	769,890	366,309
Transfers	-	-	63,336	-	(870,563)	-	-	-	-	57,730
<b>Total business-type activities</b>	<b>1,107,082</b>	<b>1,018,539</b>	<b>1,171,673</b>	<b>964,596</b>	<b>61,122</b>	<b>937,097</b>	<b>934,890</b>	<b>1,047,392</b>	<b>1,302,168</b>	<b>982,652</b>
<b>Total primary government</b>	<b>84,536,084</b>	<b>87,944,579</b>	<b>91,162,027</b>	<b>90,985,835</b>	<b>92,932,137</b>	<b>100,721,951</b>	<b>103,664,266</b>	<b>111,081,533</b>	<b>119,259,514</b>	<b>121,150,842</b>
Changes in net assets/net position:										
Governmental activities	11,122,189	10,513,268	9,134,773	8,153,173	4,839,207	(2,312,957)	6,902,657	(19,622,626)	16,033,092	(2,421,015)
Business-type activities	(260,004)	562,730	2,238,711	1,971,657	3,048,605	2,608,317	2,540,564	2,001,605	3,037,522	(1,397,567)
<b>Total primary government</b>	<b>\$ 10,862,185</b>	<b>\$ 11,075,998</b>	<b>\$ 11,373,484</b>	<b>\$ 10,124,830</b>	<b>\$ 7,887,812</b>	<b>\$ 295,360</b>	<b>\$ 9,443,221</b>	<b>\$ (17,621,021)</b>	<b>\$ 19,070,614</b>	<b>\$ (3,818,582)</b>



# COUNTY OF ROCKINGHAM, VIRGINIA

## CHANGES IN NET POSITION / ASSETS

### Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Table 3

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	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Major component units: (2)										
Component unit - school board:										
Expenses:										
Instruction	\$ 94,760,403	\$ 97,309,064	\$ 99,897,237	\$ 100,536,652	\$ 105,050,310	\$ 106,353,926	\$ 113,232,867	\$ 115,650,916	\$ 113,318,228	\$ 123,050,298
Administration, attendance and health	4,618,967	5,216,029	5,346,780	5,552,174	5,895,218	6,431,820	5,824,903	4,995,480	5,574,296	5,935,639
Pupil transportation	8,281,464	8,758,765	9,084,535	9,338,770	9,196,500	9,339,985	9,555,551	9,519,163	9,861,011	11,342,603
Operation and maintenance services	10,893,761	11,211,522	11,810,101	11,573,942	11,746,547	11,417,995	14,110,378	13,290,806	13,566,374	13,961,370
School food services	4,906,946	5,207,956	5,242,451	5,053,123	5,105,966	5,166,363	5,243,049	5,213,331	5,033,504	5,473,498
<b>Total expenses</b>	<b>123,461,541</b>	<b>127,703,336</b>	<b>131,381,104</b>	<b>132,054,661</b>	<b>136,994,541</b>	<b>138,710,089</b>	<b>147,966,748</b>	<b>148,669,696</b>	<b>147,353,413</b>	<b>159,763,408</b>
Program revenues:										
Charges for services	4,954,423	5,056,717	4,899,326	5,084,433	5,436,058	5,426,333	5,596,541	5,451,679	5,020,707	4,421,516
Operating grants and contributions	69,346,071	69,054,491	67,343,777	68,365,556	72,137,991	72,854,877	76,638,660	79,994,313	82,460,795	84,032,792
Capital grants and contributions	345,977	93,627	81,465	32,720	71,650	83,333	175,791	98,915	-	-
<b>Total program revenues</b>	<b>74,646,471</b>	<b>74,204,835</b>	<b>72,324,568</b>	<b>73,482,709</b>	<b>77,645,699</b>	<b>78,364,543</b>	<b>82,410,992</b>	<b>85,544,907</b>	<b>87,481,502</b>	<b>88,454,308</b>
<b>Net expense</b>	<b>(48,815,070)</b>	<b>(53,498,501)</b>	<b>(59,056,536)</b>	<b>(58,571,952)</b>	<b>(59,348,842)</b>	<b>(60,345,546)</b>	<b>(65,555,756)</b>	<b>(63,124,789)</b>	<b>(59,871,911)</b>	<b>(71,309,100)</b>
General revenues and other changes in net assets:										
Grants and contributions not restricted to specific programs	40,665,573	44,255,322	50,100,041	49,859,613	53,790,738	55,511,622	60,961,694	85,030,486	61,691,628	79,869,506
Intergovernmental, non-categorical aid	91,783	99,154	107,026	79,643	72,671	75,166	77,475	74,224	71,192	69,005
Use of money and property	54,306	38,899	37,184	31,489	45,918	35,649	44,232	137,296	161,674	143,546
Miscellaneous	165,234	360,314	360,536	511,887	626,406	586,358	542,927	249,859	192,128	202,818
<b>Total general revenues and other changes in net assets/net position</b>	<b>40,976,896</b>	<b>44,753,689</b>	<b>50,604,787</b>	<b>50,482,632</b>	<b>54,535,733</b>	<b>56,208,795</b>	<b>61,626,328</b>	<b>85,491,865</b>	<b>62,116,622</b>	<b>80,284,875</b>
<b>Total general revenues and other</b>										
<b>Total component unit - school board change in net assets/net position</b>	<b>\$ (7,838,174)</b>	<b>\$ (8,744,812)</b>	<b>\$ (8,451,749)</b>	<b>\$ (8,089,320)</b>	<b>\$ (4,813,109)</b>	<b>\$ (4,136,751)</b>	<b>\$ (3,929,428)</b>	<b>\$ 22,367,076</b>	<b>\$ 2,244,711</b>	<b>\$ 8,975,775</b>
Component unit - HRSSD:										
Expenses:										
Public assistance	\$ 5,998,480	\$ 6,200,265	\$ 5,838,876	\$ 6,452,300	\$ 6,847,545	\$ 6,397,049	\$ 6,816,763	\$ 7,451,225	\$ 7,139,235	\$ 7,438,854
Comprehensive/children's services	10,114,771	9,196,586	9,028,213	8,874,411	9,146,513	8,883,443	9,573,881	9,755,890	9,909,365	10,697,613
Health and human services	5,676,427	5,714,686	5,889,242	6,233,209	5,997,127	7,515,831	7,642,598	9,037,932	8,655,093	10,003,642
VJCCA	-	-	-	-	82,081	83,474	87,171	86,672	72,575	67,801
<b>Total expenses</b>	<b>21,789,678</b>	<b>21,111,537</b>	<b>20,756,331</b>	<b>21,559,920</b>	<b>22,073,266</b>	<b>22,879,797</b>	<b>24,120,413</b>	<b>26,331,719</b>	<b>25,776,268</b>	<b>28,207,910</b>
Program revenues:										
Operating grants and contributions	15,401,915	14,695,587	14,869,626	15,586,617	16,200,010	16,033,541	17,128,620	17,606,083	18,053,327	19,297,447
<b>Total program revenues</b>	<b>15,401,915</b>	<b>14,695,587</b>	<b>14,869,626</b>	<b>15,586,617</b>	<b>16,200,010</b>	<b>16,033,541</b>	<b>17,128,620</b>	<b>17,606,083</b>	<b>18,053,327</b>	<b>19,297,447</b>
<b>Net expense</b>	<b>(6,387,763)</b>	<b>(6,415,950)</b>	<b>(5,886,705)</b>	<b>(5,973,303)</b>	<b>(5,873,256)</b>	<b>(6,846,256)</b>	<b>(6,991,793)</b>	<b>(8,725,636)</b>	<b>(7,722,941)</b>	<b>(8,910,463)</b>

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN NET POSITION / ASSETS

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Table 3

Page 4

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues and other changes in net assets:										
Grants and contributions not restricted to specific programs	\$ 6,790,737	\$ 6,242,334	\$ 6,337,742	\$ 6,348,530	\$ 6,739,048	\$ 7,722,610	\$ 8,091,663	\$ 8,209,413	\$ 8,491,193	\$ 8,587,413
Use of money and property	22,423	21,059	32,633	16,177	20,951	12,362	32,086	40,755	134,457	145,160
Miscellaneous	24,805	34,225	38,138	71,814	57,963	48,660	50,286	48,830	47,022	52,552
<b>Total general revenues and other changes in net assets/net position</b>	<b>6,837,965</b>	<b>6,297,618</b>	<b>6,408,513</b>	<b>6,436,521</b>	<b>6,817,962</b>	<b>7,783,632</b>	<b>8,174,035</b>	<b>8,298,998</b>	<b>8,672,672</b>	<b>8,785,125</b>
<b>Total component unit - HRSSD change in net assets/net position</b>	<b>\$ 450,202</b>	<b>\$ (118,332)</b>	<b>\$ 521,808</b>	<b>\$ 463,218</b>	<b>\$ 944,706</b>	<b>\$ 937,376</b>	<b>\$ 1,182,242</b>	<b>\$ (426,638)</b>	<b>\$ 949,731</b>	<b>\$ (125,338)</b>
<b>Total major component units change in net assets/net position</b>	<b>\$ (7,387,972)</b>	<b>\$ (8,863,144)</b>	<b>\$ (7,929,941)</b>	<b>\$ (7,626,102)</b>	<b>\$ (3,868,403)</b>	<b>\$ (3,199,375)</b>	<b>\$ (2,747,186)</b>	<b>\$ 21,940,438</b>	<b>\$ 3,194,442</b>	<b>\$ 8,850,437</b>
<b>Total reporting entity change in net assets/net position</b>	<b>\$ 3,474,213</b>	<b>\$ 2,212,854</b>	<b>\$ 3,443,543</b>	<b>\$ 2,498,728</b>	<b>\$ 4,019,409</b>	<b>\$ (2,904,015)</b>	<b>\$ 6,696,035</b>	<b>\$ 4,319,417</b>	<b>\$ 22,265,056</b>	<b>\$ 5,031,855</b>

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.
- (3) This table reports financial information based on the accrual basis of accounting. The County implemented GASB Statement No. 63 in fiscal year 2013. This standard eliminated the term "net assets" and now refers to this measurement as "net position."

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary government:										
Governmental activities:										
General government administration	\$ 398,318	\$ 413,167	\$ 396,562	\$ 420,011	\$ 415,201	\$ 463,593	\$ 428,001	\$ 436,128	\$ 438,787	\$ 498,214
Judicial administration	3,002,364	2,927,805	3,039,810	3,168,758	3,232,856	3,391,496	3,653,643	3,762,934	4,462,991	5,030,788
Public safety	11,747,436	11,350,418	11,663,286	12,977,432	13,854,600	13,267,492	14,928,670	15,281,520	15,531,681	19,635,993
Public works	1,098,549	1,114,716	3,721,270	3,943,748	3,498,966	1,275,587	1,391,488	4,302,667	2,915,111	1,927,866
Health and social services	230,958	190,454	186,696	190,008	178,167	203,372	256,559	256,481	308,934	277,084
Education	-	-	562,808	-	-	-	-	-	-	-
Parks, recreation and cultural	696,685	660,369	690,110	756,422	805,431	785,225	863,175	843,541	972,572	670,810
Community development	261,114	3,085	2,975	3,727	2,540	100,508	255,855	143	25,000	-
<b>Total governmental activities</b>	<b>17,435,424</b>	<b>16,660,014</b>	<b>20,263,517</b>	<b>21,460,106</b>	<b>21,987,761</b>	<b>19,487,273</b>	<b>21,777,391</b>	<b>24,883,414</b>	<b>24,655,076</b>	<b>28,040,755</b>
Business-type activities:										
Water and sewer	5,696,405	6,044,184	6,561,144	7,436,597	8,088,703	7,522,685	9,005,087	8,820,147	9,368,754	9,567,063
Solid waste	2,572,712	3,538,098	5,027,936	5,057,086	6,332,268	5,488,882	5,788,028	6,123,869	6,643,315	6,540,144
<b>Total business-type activities</b>	<b>8,269,117</b>	<b>9,582,282</b>	<b>11,589,080</b>	<b>12,493,683</b>	<b>14,420,971</b>	<b>13,011,567</b>	<b>14,793,115</b>	<b>14,944,016</b>	<b>16,012,069</b>	<b>16,107,207</b>
<b>Total primary government</b>	<b>\$ 25,704,541</b>	<b>\$ 26,242,296</b>	<b>\$ 31,852,597</b>	<b>\$ 33,953,789</b>	<b>\$ 36,408,732</b>	<b>\$ 32,498,840</b>	<b>\$ 36,570,506</b>	<b>\$ 39,827,430</b>	<b>\$ 40,667,145</b>	<b>\$ 44,147,962</b>
Major component units:										
Component unit - school board:										
Instruction	\$ 69,684,411	\$ 69,099,190	\$ 67,373,976	\$ 68,376,769	\$ 72,551,314	\$ 73,069,780	\$ 76,995,702	\$ 80,216,305	\$ 82,046,967	\$ 83,603,832
School food services	4,962,060	5,105,645	4,950,592	5,105,940	5,094,385	5,294,763	5,415,290	5,328,602	5,434,535	4,850,476
<b>Total component unit - school board</b>	<b>74,646,471</b>	<b>74,204,835</b>	<b>72,324,568</b>	<b>73,482,709</b>	<b>77,645,699</b>	<b>78,364,543</b>	<b>82,410,992</b>	<b>85,544,907</b>	<b>87,481,502</b>	<b>88,454,308</b>
Component unit - HRSSD:										
Public assistance	4,351,937	4,557,975	4,803,986	5,029,280	5,047,847	4,748,681	4,961,568	5,034,759	5,142,885	5,282,800
Comprehensive/children's services	5,960,163	5,234,401	5,193,142	5,237,254	5,377,628	5,113,599	5,215,483	5,527,679	5,516,368	6,044,493
Health and human services	5,089,815	4,903,211	4,872,498	5,320,083	5,712,054	6,069,231	6,868,035	6,956,814	7,321,658	7,902,353
VJCCA	-	-	-	-	62,481	102,030	83,534	86,831	72,416	67,801
<b>Total component unit - HRSSD</b>	<b>15,401,915</b>	<b>14,695,587</b>	<b>14,869,626</b>	<b>15,586,617</b>	<b>16,200,010</b>	<b>16,033,541</b>	<b>17,128,620</b>	<b>17,606,083</b>	<b>18,053,327</b>	<b>19,297,447</b>
<b>Total major component units</b>	<b>\$ 90,048,386</b>	<b>\$ 88,900,422</b>	<b>\$ 87,194,194</b>	<b>\$ 89,069,326</b>	<b>\$ 93,845,709</b>	<b>\$ 94,398,084</b>	<b>\$ 99,539,612</b>	<b>\$ 103,150,990</b>	<b>\$ 105,534,829</b>	<b>\$ 107,751,755</b>
<b>Total reporting entity</b>	<b>\$ 115,752,927</b>	<b>\$ 115,142,718</b>	<b>\$ 119,046,791</b>	<b>\$ 123,023,115</b>	<b>\$ 130,254,441</b>	<b>\$ 126,896,924</b>	<b>\$ 136,110,118</b>	<b>\$ 142,978,420</b>	<b>\$ 146,201,974</b>	<b>\$ 151,899,717</b>

COUNTY OF ROCKINGHAM, VIRGINIA

Table 5

FUND BALANCES – GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ 808,957	\$ 667,271	\$ 536,388	\$ 483,343	\$ 584,337	\$ 712,636	\$ 785,140	\$ 695,007	\$ 722,684	\$ 699,185
Restricted (1)	-	-	3,116,396	2,105,608	2,058,400	2,551,574	3,026,483	3,088,162	3,804,263	3,880,583
Committed	-	-	-	-	-	-	82,374	171,434	452,880	4,889,739
Assigned	2,851	7,551	-	-	-	-	-	53,822	142,979	-
Unassigned	28,661,725	28,308,023	25,803,047	25,193,314	25,644,629	27,066,722	23,537,191	26,465,446	24,456,592	35,585,131
<b>Total General Fund</b>	<b>\$ 29,473,533</b>	<b>\$ 28,982,845</b>	<b>\$ 29,455,831</b>	<b>\$ 27,782,265</b>	<b>\$ 28,287,366</b>	<b>\$ 30,330,932</b>	<b>\$ 27,431,188</b>	<b>\$ 30,473,871</b>	<b>\$ 29,579,398</b>	<b>\$ 45,054,638</b>
All Other Governmental Funds:										
Nonspendable	\$ 11,143	\$ 11,143	\$ 11,143	\$ 11,143	\$ 11,143	\$ -	\$ -	\$ -	\$ -	\$ 11,204
Restricted	1,371,862	409,284	484,439	193,685	224,566	195,800	235,108	404,183	518,066	1,334,085
Committed	-	-	-	-	-	-	4,288,809	3,962,920	7,218,556	3,756,964
Assigned	12,822,866	14,439,666	19,801,602	22,093,893	17,828,714	14,456,621	7,312,400	3,979,016	2,375,979	3,115,432
<b>Total all other governmental funds</b>	<b>\$ 14,205,871</b>	<b>\$ 14,860,093</b>	<b>\$ 20,297,184</b>	<b>\$ 22,298,721</b>	<b>\$ 18,064,423</b>	<b>\$ 14,652,421</b>	<b>\$ 11,836,317</b>	<b>\$ 8,346,119</b>	<b>\$ 10,112,601</b>	<b>\$ 8,217,685</b>

Notes:

- (1) In fiscal year 2013, the County implemented GASB 61, *The Financial Reporting Entity: Omnibus*, which changed the reporting of the County's interest in the Harrisonburg-Rockingham Social Services District. As such, the County reports its interest in the Social Services District as an asset and Restricted Net Position, beginning with fiscal year 2013.

# 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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
General property taxes	\$ 64,487,098	\$ 67,611,207	\$ 70,546,928	\$ 70,426,736	\$ 71,932,121	\$ 77,123,724	\$ 81,459,657	\$ 88,474,133	\$ 91,989,158	\$ 94,559,498
Other local taxes	9,127,961	9,512,231	9,631,146	9,925,245	10,374,792	11,216,975	11,483,710	11,722,078	12,546,685	14,809,820
Permits, privilege fees and licenses	904,624	692,745	888,111	1,003,449	1,085,078	1,056,984	1,730,059	1,364,545	1,166,099	1,312,113
Fines and forfeitures	274,412	274,611	167,342	159,842	184,583	151,516	240,396	208,051	202,191	181,988
Use of money and property	957,222	1,059,359	1,457,668	1,494,063	1,444,522	1,711,660	1,111,496	687,937	1,541,962	1,242,515
Charges for services	3,573,280	3,406,935	3,657,806	3,925,885	3,956,131	3,643,395	3,645,601	3,898,039	3,851,156	3,542,104
Miscellaneous	779,782	336,457	345,024	302,430	364,608	680,439	627,835	536,673	3,538,994	1,033,465
Recovered costs	3,217,501	3,381,843	3,665,254	4,134,950	5,064,878	4,563,572	4,957,855	5,457,543	7,246,686	7,709,501
Reimbursement from component unit	-	-	562,808	-	-	-	-	-	-	-
Intergovernmental	17,531,492	16,941,563	19,326,049	20,315,305	19,535,622	19,056,078	19,254,149	22,183,133	20,733,206	23,711,014
<b>Total revenues</b>	<b>100,853,372</b>	<b>103,216,951</b>	<b>110,248,136</b>	<b>111,687,905</b>	<b>113,942,335</b>	<b>119,204,343</b>	<b>124,510,758</b>	<b>134,532,132</b>	<b>142,816,137</b>	<b>148,102,018</b>
<b>Expenditures:</b>										
General government administration	4,149,027	4,196,686	4,463,079	4,787,939	4,804,695	5,203,673	5,543,460	5,349,427	5,539,382	6,099,898
Judicial administration	3,123,597	3,188,815	3,371,268	3,540,441	3,740,215	3,827,334	4,187,990	4,279,035	4,917,656	5,116,568
Public safety	19,817,574	20,309,292	20,575,858	22,919,965	26,121,456	26,286,332	28,665,762	29,582,664	30,271,052	33,148,888
Public works	2,522,534	2,580,230	2,705,553	2,852,182	2,921,785	2,944,236	3,108,156	2,927,766	3,121,323	2,972,751
Health and social services	4,955,083	4,777,502	4,557,024	5,898,577	5,400,366	5,807,989	6,171,569	6,868,468	6,584,606	8,834,422
Education	40,665,573	44,255,322	50,100,041	49,859,613	53,790,738	55,511,622	60,961,694	85,030,486	61,691,628	79,869,506
Parks, recreation and cultural	2,212,498	2,154,894	2,126,961	2,130,299	2,197,829	2,251,615	2,365,854	2,392,388	2,476,069	2,521,162
Community development	4,211,445	3,399,091	3,154,781	2,497,658	2,753,660	3,090,881	3,959,791	3,479,239	3,691,910	4,186,445
Capital outlay	354,404	4,325,301	2,796,798	4,593,950	5,048,279	3,965,319	3,894,304	14,168,378	11,975,289	11,454,099
Debt service:										
Principal	7,781,938	7,797,795	8,086,516	7,528,018	7,182,006	7,762,776	7,809,066	6,975,972	7,668,695	8,085,187
Interest and fiscal charges	6,257,914	6,068,489	5,148,228	4,751,292	4,581,066	3,921,002	3,558,960	3,235,080	4,006,518	3,719,626
<b>Total expenditures</b>	<b>96,051,587</b>	<b>103,053,417</b>	<b>107,086,107</b>	<b>111,359,934</b>	<b>118,542,095</b>	<b>120,572,779</b>	<b>130,226,606</b>	<b>164,288,903</b>	<b>141,944,128</b>	<b>166,008,552</b>
<b>Revenues over (under) expenditures</b>	<b>4,801,785</b>	<b>163,534</b>	<b>3,162,029</b>	<b>327,971</b>	<b>(4,599,760)</b>	<b>(1,368,436)</b>	<b>(5,715,848)</b>	<b>(29,756,771)</b>	<b>872,009</b>	<b>(17,906,534)</b>
<b>Other financing sources (uses):</b>										
Transfers in	4,000,000	4,890,000	4,930,448	4,284,869	1,947,743	800,000	800,000	8,757,000	8,699,500	3,238,580
Transfers out	(4,000,000)	(4,890,000)	(4,960,000)	(4,284,869)	(1,077,180)	(800,000)	(800,000)	(7,232,000)	(8,699,500)	(3,296,310)
Issuance of debt	-	-	-	-	13,125,000	-	-	25,822,000	-	27,425,000
Payment to refunded bond escrow agent	-	-	-	-	(13,125,000)	-	-	-	-	-
Premium on issuance debt	-	-	-	-	-	-	-	1,962,256	-	4,119,588
<b>Total other financing sources (uses), net</b>	<b>-</b>	<b>-</b>	<b>(29,552)</b>	<b>-</b>	<b>870,563</b>	<b>-</b>	<b>-</b>	<b>29,309,256</b>	<b>-</b>	<b>31,486,858</b>
<b>Net change in fund balance</b>	<b>\$ 4,801,785</b>	<b>\$ 163,534</b>	<b>\$ 3,132,477</b>	<b>\$ 327,971</b>	<b>\$ (3,729,197)</b>	<b>\$ (1,368,436)</b>	<b>\$ (5,715,848)</b>	<b>\$ (447,515)</b>	<b>\$ 872,009</b>	<b>\$ 13,580,324</b>

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Table 6

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	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Service as a percentage of noncapital expenditures:										
Primary government:										
Total debt service	\$ 14,039,852	\$ 13,866,284	\$ 13,234,744	\$ 12,279,310	\$ 11,763,072	\$ 11,683,778	\$ 11,368,026	\$ 10,211,052	\$ 11,675,213	\$ 11,804,813
Total expenditures	\$ 96,051,587	\$ 103,053,417	\$ 107,086,107	\$ 111,359,934	\$ 118,542,095	\$ 120,572,779	\$ 130,226,606	\$ 164,288,903	\$ 141,944,128	\$ 166,008,552
Less: Capital outlay - primary government	(967,936)	(4,807,614)	(668,787)	(1,258,644)	(2,087,485)	(2,724,796)	(5,626,572)	(5,912,172)	(8,204,800)	(11,420,136)
<b>Noncapital expenditures</b>	<b>\$ 95,083,651</b>	<b>\$ 98,245,803</b>	<b>\$ 106,417,320</b>	<b>\$ 110,101,290</b>	<b>\$ 116,454,610</b>	<b>\$ 117,847,983</b>	<b>\$ 124,600,034</b>	<b>\$ 158,376,731</b>	<b>\$ 133,739,328</b>	<b>\$ 154,588,416</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>14.77%</b>	<b>14.11%</b>	<b>12.44%</b>	<b>11.15%</b>	<b>10.10%</b>	<b>9.91%</b>	<b>9.12%</b>	<b>6.45%</b>	<b>8.73%</b>	<b>7.64%</b>
Major component units - School Board and HRSSD:										
Expenditures:										
School board	\$ 117,956,384	\$ 120,957,761	\$ 124,197,953	\$ 123,811,920	\$ 131,802,060	\$ 134,799,313	\$ 146,858,092	\$ 162,739,989	\$ 156,758,093	\$ 160,118,201
HRSSD	21,608,529	21,028,646	20,668,028	23,594,887	23,264,806	22,983,663	24,549,020	25,742,457	25,764,272	27,785,854
Less: Capital outlay - school board	(2,405,403)	(3,307,213)	(2,037,300)	(1,421,014)	(2,891,187)	(3,267,837)	(8,428,049)	(18,786,715)	(9,334,130)	(12,746,714)
Less: Capital outlay - HRSSD	-	-	-	(2,163,687)	(530,456)	(31,182)	(42,681)	(123,000)	-	-
<b>Noncapital expenditures</b>	<b>\$ 137,159,510</b>	<b>\$ 138,679,194</b>	<b>\$ 142,828,681</b>	<b>\$ 143,822,106</b>	<b>\$ 151,645,223</b>	<b>\$ 154,483,957</b>	<b>\$ 162,936,382</b>	<b>\$ 169,572,731</b>	<b>\$ 173,188,235</b>	<b>\$ 175,157,341</b>
Total reporting entity:										
<b>Total noncapital expenditures</b>	<b>\$ 185,478,384</b>	<b>\$ 186,794,179</b>	<b>\$ 193,713,080</b>	<b>\$ 197,938,726</b>	<b>\$ 207,908,866</b>	<b>\$ 212,140,973</b>	<b>\$ 227,345,449</b>	<b>\$ 238,142,511</b>	<b>\$ 236,391,308</b>	<b>\$ 241,423,662</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>7.57%</b>	<b>7.42%</b>	<b>6.83%</b>	<b>6.20%</b>	<b>5.66%</b>	<b>5.51%</b>	<b>5.00%</b>	<b>4.29%</b>	<b>4.94%</b>	<b>4.89%</b>

**COUNTY OF ROCKINGHAM, VIRGINIA**

**CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

**Table 6**

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Notes:

- (1) Expenditures of the School Board do not include those associated with the School Activity Funds or the Massanutten Technical Center Activity Funds.
- (2) 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.
- (3) 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	Consumer Utility and Communications Sales and Use	Recordation and Wills	Food and Beverage	Other	Total
2011	\$ 63,822,003	\$ 4,732,665	\$ 1,179,162	\$ 1,020,285	\$ 792,313	\$ 788,452	\$ 615,084	\$ 72,949,964
2012	66,900,268	4,991,019	1,227,744	1,028,014	827,202	824,844	613,408	76,412,499
2013	69,783,176	4,881,368	1,236,520	1,035,484	969,920	889,702	618,152	79,414,322
2014	69,694,829	5,309,526	1,209,701	1,078,402	730,498	925,336	671,782	79,620,074
2015	71,270,077	5,387,061	1,211,564	1,095,486	955,372	1,034,025	691,284	81,644,869
2016	76,369,114	6,105,799	1,227,518	1,156,055	942,381	1,070,535	714,687	87,586,089
2017	80,660,077	6,324,892	1,278,070	1,058,481	957,414	1,155,637	709,216	92,143,787
2018	87,582,204	6,276,421	1,304,491	1,116,085	1,036,421	1,242,234	746,426	99,304,282
2019	90,974,637	6,650,321	1,350,626	1,114,925	1,040,173	1,275,618	1,115,022	103,521,322
2020	93,669,919	8,015,055	1,342,514	1,733,524	1,221,494	1,187,022	1,310,211	108,479,739
Change 2011-2020	46.77%	69.36%	13.85%	69.91%	54.17%	50.55%	113.01%	48.70%

Notes:

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



# COUNTY OF ROCKINGHAM, VIRGINIA

**Table 8**

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

Calendar Year	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Farm Property (1)	Exempt & Nontaxable Property (1) (2)	Total Assessed Value	Percent Growth	Assessed Value of Tax Deferred Land Use (3)	Total Taxable Value	Total Direct Real Estate Tax Rate	Tax Value as a Percentage of Assessed Value
2011	\$ 4,945,640,600	\$ 717,918,900	\$ 244,690,500	\$ 1,924,739,900	\$ 1,003,185,100	\$ 8,836,175,000	0.65%	\$ 922,202,345	\$ 6,910,787,555	\$ 0.60	78.21%
2012	4,999,192,200	728,316,900	254,690,200	1,944,432,200	1,139,922,400	9,066,553,900	2.54%	938,573,459	6,988,058,041	0.64	77.08%
2013	5,035,839,700	734,537,700	258,387,400	1,956,029,000	1,148,229,700	9,133,023,500	0.73%	950,926,733	7,033,867,067	0.64	77.02%
2014	5,131,903,600	744,413,500	260,799,200	2,069,514,600	1,155,622,900	9,362,253,800	2.45%	1,060,320,506	7,146,310,394	0.64	76.33%
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%
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%
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%
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%
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%
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%

Source:

Rockingham County real estate records.

Notes:

- (1) Real estate assessed values are assessed for comparison to fair market value every four years. (2014 and 2018)
- (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	Mobile Homes	Machinery and Tools	Merchants' Capital	Farm Machinery	Total Direct Rate
2011	\$ 0.60	\$ 0.60	\$ 2.55	\$ 0.87	\$ 0.44	\$ 7.86
2012	0.64	0.64	2.55	0.87	0.44	7.99
2013	0.64	0.64	2.55	0.87	0.44	7.99
2014	0.64	0.64	2.55	0.87	0.44	7.99
2015	0.66/0.68	0.68	2.55	0.87	0.44	8.11
2016	0.68/0.70	0.68/0.70	2.55	0.87	0.44	8.14
2017	0.74	0.74	2.55	0.87	0.44	8.34
2018	0.74	0.74	2.55	0.87	0.44	8.34
2019	0.74	0.74	2.55	0.87	0.44	5.34
2020	0.74	0.74	2.55	0.87	0.44	5.34

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	Mobile Homes	Machinery and Tools	Merchants' Capital	Farm Machinery
2011	\$ 0.07-0.12	\$ 0.07-0.46	\$ 0.30-0.75	\$ -	\$ -
2012	0.07-0.12	0.07-0.46	0.30-0.75	-	-
2013	0.07-0.12	0.07-0.46	0.30-0.75	-	-
2014	0.05-0.12	0.07-0.46	0.30-0.46	-	-
2015	0.07-0.12	0.07-0.46	0.30-0.46	-	-
2016	0.07-0.12	0.07-0.46	0.30-0.46	-	-
2017	0.07-0.12	0.07-0.38	0.30-0.40	-	-
2018	0.07-0.12	0.07-0.38	0.30-0.40	-	-
2019	0.07-0.12	0.07-0.38	0.30-0.40	-	-
2020	0.07-0.12	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,
- (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)**

2020						
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	\$ 421,918,705	1	4.30%	\$ 3,356,877	2	3.30%
MillerCoors	265,453,445	2	2.70%	5,090,147	1	5.10%
Wal-Mart Retail and Distribution Centers	147,620,010	4	1.50%	2,015,354	4	2.00%
Merck & Company, Inc.	184,581,075	3	1.90%	3,282,617	3	3.30%
White Wave	106,678,610	5	1.10%	1,837,624	5	1.80%
Marshall's	88,066,905	6	0.90%	1,038,806	6	1.00%
LSC Communications (formerly RR Donnelley)	68,779,325	7	0.70%	979,961	7	1.00%
Sunnyside Retirement Community	55,616,700	8	0.60%	411,564	11	0.40%
Sysco	50,456,225	9	0.50%	798,106	8	0.80%
Cargill	49,864,495	10	0.50%	779,989	9	0.80%
<b>Total</b>	<b>\$ 1,439,035,495</b>		<b>14.70%</b>	<b>\$ 19,591,045</b>		<b>19.50%</b>

2011						
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	\$ 352,653,215	1	5.12%	\$ 2,288,375	2	3.28%
MillerCoors Company	261,016,770	2	3.79%	5,071,163	1	7.27%
Merck & Company, Inc.	134,239,665	3	1.95%	2,172,466	3	3.11%
Wal-Mart Retail and Distribution Centers	103,010,055	4	1.49%	1,173,019	5	1.68%
White Wave (Morningstar Foods)	76,782,555	5	1.11%	1,399,607	4	2.01%
R.R. Donnelley & Sons Co.	62,404,760	6	0.91%	795,204	6	1.14%
Marshall's	59,265,255	7	0.86%	581,752	8	0.83%
Sunnyside Retirement Community	53,869,760	8	0.78%	323,219	10	0.46%
Cargill	45,006,835	9	0.65%	632,004	7	0.91%
Sysco	29,797,340	10	0.43%	340,290	9	0.49%
<b>Total</b>	<b>\$ 1,178,046,210</b>		<b>17.09%</b>	<b>\$ 14,777,099</b>		<b>21.18%</b>

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
2010	\$ 42,650,649	\$ 40,949,099	96.08%	\$ 1,701,550	\$ 42,650,649	100.00%
2011	43,044,949	41,455,415	96.31%	1,589,534	43,044,949	100.00%
2012	46,440,399	44,793,454	96.45%	1,646,945	46,440,399	100.00%
2013	46,886,747	45,330,910	96.68%	1,555,837	46,886,747	100.00%
2014	47,647,502	46,160,931	96.88%	1,486,571	47,647,502	100.00%
2015	50,861,929	49,410,225	97.15%	1,448,484	50,858,709	99.99%
2016	53,997,527	53,187,098	98.50%	709,933	53,897,031	99.81%
2017	57,907,159	57,106,295	98.62%	575,428	57,681,723	99.61%
2018	60,063,608	59,254,109	98.65%	327,955	59,582,064	99.20%
2019	61,330,358	60,536,048	98.70%	N/A	60,536,048	98.70%

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	Percentage of Per Capita Personal Income	Debt Per Capita
	General Obligation Bonds	Literary Loans	Note Payable	Capital Leases	Revenue Bonds			
2011	\$ 100,641,607	\$ 68,859	\$ -	\$ 23,517,864	\$ 17,687,978	\$ 141,916,308	5.71%	\$ 1,836
2012	94,585,257	-	-	21,592,147	16,526,645	132,704,049	5.10%	1,711
2013	88,473,576	-	-	19,364,182	15,275,826	123,113,584	4.65%	1,576
2014	82,458,757	-	-	17,597,852	13,602,412	113,659,021	4.30%	1,440
2015	76,531,468	-	-	16,090,003	12,359,388	104,980,859	3.74%	1,327
2016	70,472,680	-	8,714,153	14,132,883	20,383,318	113,703,034	3.99%	1,426
2017	64,260,913	-	7,826,952	12,282,453	29,711,540	114,081,858	3.74%	1,414
2018	83,339,596	-	9,866,514	10,411,515	31,844,345	135,461,970	4.21%	1,664
2019	77,216,875	-	8,320,437	8,514,297	29,686,640	123,738,249	N/A	1,505
2020	102,069,244	-	6,723,467	6,595,000	27,299,897	142,687,608	N/A	N/A

General bonded debt outstanding:

Fiscal Year	General Obligation Bonds	Literary Loans	Total	Percentage of Actual Taxable Value of Property	Debt Per Capita
2011	\$ 100,641,607	\$ 68,859	\$ 100,710,466	1.47%	\$ 1,303
2012	94,585,257	-	94,585,257	1.37%	1,220
2013	88,473,576	-	88,473,576	1.27%	1,133
2014	82,458,757	-	82,458,757	1.17%	1,044
2015	76,531,468	-	76,531,468	1.05%	967
2016	70,472,680	-	70,472,680	0.95%	884
2017	64,260,913	-	64,260,913	0.86%	797
2018	83,339,596	-	83,339,596	1.07%	1,024
2019	77,216,875	-	77,216,875	0.97%	939
2020	102,069,244	-	102,069,244	1.26%	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.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 13

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**Year Ended June 30, 2020**  
**(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Town of Bridgewater, Virginia	\$ 3,214,229	5.60%	\$ 179,865
Town of Broadway, Virginia	263,122	4.12%	10,849
Town of Mt. Crawford, Virginia	-	0.45%	-
Town of Dayton, Virginia	-	1.88%	-
Town of Elkton, Virginia	1,318,677	2.63%	34,675
Town of Grottoes, Virginia	1,598,417	2.60%	41,595
Town of Timberville, Virginia	-	2.32%	-
<b>Subtotal, overlapping debt</b>			<u>266,984</u>
County Direct Debt			<u>115,387,711</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 115,654,695</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	
2011	\$ 5,564,105	\$ 4,198,941	\$ 1,365,164	\$ 410,000	\$ 469,502	\$ 879,502	1.55
2012	5,776,771	4,497,157	1,279,614	435,000	429,278	864,278	1.48
2013	6,424,821	4,519,326	1,905,495	425,000	424,224	849,224	2.24
2014	7,210,344	4,754,001	2,456,343	425,000	517,778	942,778	2.61
2015	7,825,015	4,960,792	2,864,223	440,000	379,548	819,548	3.49
2016	7,270,371	4,982,413	2,287,958	540,000	565,731	1,105,731	2.07
2017	8,743,842	5,284,929	3,458,913	585,000	387,667	972,667	3.56
2018	8,451,441	5,737,979	2,713,462	610,000	499,011	1,109,011	2.45
2019	9,146,625	5,760,454	3,386,171	750,000	502,625	1,252,625	2.70
2020	9,329,252	8,411,872	917,380	790,000	477,897	1,267,897	0.72

Smith Creek Water & Waste Authority Fund							
Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2011	\$ 200,492	\$ 164,332	\$ 36,160	\$ 114,912	\$ 95,605	\$ 210,517	0.17
2012	332,243	133,565	198,678	110,064	125,961	236,025	0.84
2013	255,706	167,269	88,437	174,128	62,925	237,053	0.37
2014	329,709	156,716	172,993	172,419	64,636	237,055	0.73
2015	387,037	217,177	169,860	177,419	59,655	237,074	0.72
2016	355,029	203,397	151,632	182,562	54,501	237,063	0.64
2017	453,320	204,229	249,091	187,858	49,197	237,055	1.05
2018	605,657	273,915	331,742	193,305	43,748	237,053	1.40
2019	633,094	244,492	388,602	198,911	39,285	238,196	1.63
2020	642,100	304,707	337,393	204,682	32,112	236,794	1.42

Countryside Sanitary District Fund							
Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2011	\$ 16,991	\$ 6,346	\$ 10,645	\$ 7,050	\$ 4,664	\$ 11,714	0.91
2012	14,240	6,728	7,512	7,281	4,433	11,714	0.64
2013	13,217	5,814	7,403	7,520	4,194	11,714	0.63
2014	15,946	6,277	9,669	7,767	3,948	11,715	0.83
2015	14,306	7,522	6,784	8,021	3,694	11,715	0.58
2016	18,833	8,965	9,868	8,284	3,429	11,713	0.84
2017	15,738	9,492	6,246	8,555	3,159	11,714	0.53
2018	14,009	12,766	1,243	8,835	2,879	11,714	0.11
2019	14,995	10,264	4,731	9,125	2,515	11,640	0.41
2020	15,208	13,119	2,089	9,423	2,214	11,637	0.18

COUNTY OF ROCKINGHAM, VIRGINIA

Table 14

Page 2

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

(Unaudited)

Solid Waste Fund							
Fiscal Year	Utility Service	Operating	Net	Debt Service			Coverage
	Charges	Expenses	Available Revenue	Principal	Interest	Total	
2011	\$ 3,536,054	\$ 2,533,132	\$ 1,002,922	\$ 520,000	\$ 213,115	\$ 733,115	1.37
2012	4,412,861	2,225,688	2,187,173	535,000	188,935	723,935	3.02
2013	5,938,147	3,378,630	2,559,517	550,000	162,727	712,727	3.59
2014	5,840,785	3,851,399	1,989,386	565,000	136,012	701,012	2.84
2015	6,193,726	3,524,940	2,668,786	580,000	108,207	688,207	3.88
2016	6,232,808	3,560,345	2,672,463	595,000	66,424	661,424	4.04
2017	6,473,078	4,232,965	2,240,113	810,000	142,265	952,265	2.35
2018	6,866,481	4,098,618	2,767,863	925,000	384,137	1,309,137	2.11
2019	7,467,963	4,324,184	3,143,779	915,000	422,990	1,337,990	2.35
2020	6,970,164	5,273,583	1,696,581	930,000	410,799	1,340,799	1.27

Lilly Subdivision Sanitary District							
Fiscal Year	Utility Service	Operating	Net	Debt Service			Coverage
	Charges	Expenses	Available Revenue	Principal	Interest	Total	
2011	\$ 36,812	\$ 14,721	\$ 22,091	\$ 15,813	\$ 14,829	\$ 30,642	0.72
2012	37,261	19,398	17,863	16,300	14,132	30,432	0.59
2013	35,497	22,745	12,752	16,800	13,421	30,221	0.42
2014	34,761	22,476	12,285	17,316	12,692	30,008	0.41
2015	35,671	28,300	7,371	17,849	11,949	29,798	0.25
2016	47,631	19,871	27,760	18,397	11,189	29,586	0.94
2017	29,877	17,874	12,003	18,961	10,414	29,375	0.41
2018	36,915	22,883	14,032	19,545	9,619	29,164	0.48
2019	33,157	18,967	14,190	20,146	8,375	28,521	0.50
2020	56,464	47,352	9,112	225,116	5,116	230,232	0.04

Penn Laird Sewer Authority							
Fiscal Year	Utility Service	Operating	Net	Debt Service			Coverage
	Charges	Expenses	Available Revenue	Principal	Interest	Total	
2011	\$ 21,745	\$ 7	\$ 21,738	\$ 4,249	\$ 15,876	\$ 20,125	1.08
2012	27,445	1,349	26,096	975	25,096	26,071	1.00
2013	30,029	778	29,251	20,658	7,604	28,262	1.03
2014	26,374	2,071	24,303	19,218	9,043	28,261	0.86
2015	26,338	902	25,436	19,735	8,525	28,260	0.90
2016	23,992	898	23,094	20,269	7,996	28,265	0.82
2017	12,150	208	11,942	20,815	7,447	28,262	0.42
2018	16,905	1,519	15,386	21,375	6,885	28,260	0.54
2019	16,797	-	16,797	21,953	7,018	28,971	0.58
2020	18,941	-	18,941	22,544	6,021	28,565	0.66

Notes:

- (1) Utility service charges include all revenues of the fund except gains on sales of capital assets.
- (2) Operating expenses are exclusive of depreciation and amortization, interest expense and losses on sales of capital assets.



**COUNTY OF ROCKINGHAM, VIRGINIA****Table 15****DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Years  
(Unaudited)**

Calendar Year	(1) Population	(2) Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2011	77,297	\$ 2,487,452,867	\$ 32,180	11,376	5.5%
2012	77,551	2,602,698,926	33,561	11,245	5.6%
2013	78,102	2,646,027,951	33,879	11,331	5.1%
2014	78,953	2,642,433,157	33,468	11,307	4.8%
2015	79,134	2,804,549,679	35,441	11,327	4.4%
2016	79,735	2,847,734,260	35,715	10,449	3.7%
2017	80,666	3,048,267,461	37,789	11,261	3.4%
2018	81,422	3,216,335,687	39,502	11,252	3.1%
2019	82,208	N/A	N/A	11,356	2.7%
2020	N/A	N/A	N/A	11,487	6.9%

**Sources:**

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

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

(3) County of Rockingham School Division as of September 30 each year.

(4) Virginia Employment Commission (fiscal year end).

N/A - Information unavailable at fiscal year end.

**COUNTY OF ROCKINGHAM, VIRGINIA****Table 16****PRINCIPAL EMPLOYERS  
Current Year and Ten Years Ago  
(Unaudited)**

Employer	Fiscal Year June 30,	
	2020	2011
	Rank	Rank
Rockingham County School Board	1	1
Sentara Healthcare	2	-
Cargill Meat Solutions	3	2
Wal-Mart	4	3
Marshall's	5	7
Merck Sharp & Dohme Corp.	6	5
Great Eastern Resort Management	7	4
LSC Communications US, LLC *	8	6
Pilgrims Pride Corp.	9	10
County of Rockingham	10	9
Perdue Products	16	8

\* Formerly R.R. Donnelley & Sons Co.

Source:

Virginia Employment Commission.

# COUNTY OF ROCKINGHAM, VIRGINIA

## FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year	
	2011	2012
General government administration:		
Legislative	5.00	5.00
General and financial:		
Commissioner of the revenue	13.00	13.00
Treasurer	6.00	6.00
Executive administration and legal	8.00	8.00
Finance	9.40	9.40
Human resources	2.40	2.40
Information systems	11.00	11.00
Central switchboard	1.40	1.40
Board of elections	2.00	2.00
Judicial administration:		
Courts:		
Clerk of the circuit court	13.00	14.00
Court services	8.50	9.50
Commonwealth attorney	27.50	25.90
Public safety:		
Sheriff	161.50	161.50
Fire and rescue	70.00	71.00
Building inspections	8.30	8.00
Other protection	2.00	2.00
Public works:		
General administration	0.70	0.60
Garage operations	2.00	2.00
Maintenance	15.40	16.60
Parks, recreation and cultural	9.60	8.60
Community development:		
Planning and community development	12.70	12.00
Economic development	0.50	1.30
Utilities/water treatment	22.40	19.10
Solid waste:		
Landfill	19.70	19.20
Container site	13.10	13.10
Component unit school board:		
Education:		
Instruction	1,410.00	1,414.00
Administration, attendance and health	61.00	62.00
Pupil transportation services	229.00	239.00
Operation and maintenance services	114.00	115.00
School food services	116.00	119.00
Component unit HRSSD:		
Social services:		
Services	53.00	53.00
Public assistance	40.00	42.00
Comprehensive Services Act	2.80	3.50
Administration	9.00	10.00
<b>Totals</b>	<b>2,479.9</b>	<b>2,500.1</b>

Source:

Rockingham County Department of Human Resources.

Table 17

June 30,							
2013	2014	2015	2016	2017	2018	2019	2020
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
13.00	13.00	13.50	14.00	15.00	15.00	15.00	15.00
6.00	6.00	6.50	7.00	7.00	7.00	7.00	7.00
8.00	9.00	9.00	9.00	9.00	7.00	8.00	8.00
9.40	9.40	9.15	9.15	11.00	11.00	11.00	10.00
2.40	2.40	3.00	3.50	3.50	3.50	4.00	4.00
11.00	11.00	11.00	11.00	11.00	13.00	12.00	12.00
1.40	1.40	1.50	1.50	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
14.00	14.00	15.00	15.00	15.00	16.00	15.00	15.00
9.50	10.00	11.00	11.00	11.00	12.00	12.00	13.00
25.90	26.30	26.30	27.30	26.00	26.30	24.00	24.00
166.50	167.00	169.00	175.00	175.00	178.00	179.00	187.00
70.00	74.00	81.00	76.00	90.00	86.00	95.00	96.00
8.00	8.00	8.50	9.00	9.00	9.00	10.00	10.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
0.60	0.70	0.65	0.65	1.00	2.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
16.60	17.00	17.00	17.55	18.00	19.00	19.00	18.00
9.60	9.00	11.00	10.50	10.50	11.00	11.00	11.00
12.50	12.00	12.50	12.00	12.00	13.00	12.00	13.00
1.30	1.00	1.00	1.00	1.00	1.00	1.00	1.00
19.50	19.60	20.10	21.10	21.00	21.00	21.00	21.00
17.80	17.90	17.90	18.95	18.95	18.95	19.00	19.00
12.40	12.00	12.00	12.35	12.35	12.35	11.00	9.00
1,413.00	1,402.00	1,414.00	1,410.00	1,486.00	1,477.00	1,491.00	1,498.00
62.00	62.00	63.00	64.00	98.00	48.00	50.00	50.00
236.00	239.00	238.00	238.00	241.00	236.00	239.00	241.00
115.00	115.00	115.00	115.00	116.00	118.00	118.00	119.00
113.00	110.00	108.00	113.00	108.00	109.00	108.00	108.00
52.00	57.00	58.50	65.00	65.00	65.00	69.00	71.00
41.00	45.00	48.50	53.00	53.00	52.00	68.00	66.00
3.50	3.50	3.50	3.50	3.50	3.80	4.00	12.00
10.00	5.00	5.00	7.00	7.00	7.00	10.00	2.00
2,491.9	2,490.2	2,521.1	2,542.1	2,666.8	2,612.1	2,656.0	2,673.0

## COUNTY OF ROCKINGHAM, VIRGINIA

### OPERATING INDICATORS BY FUNCTION / PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year	
	2011	2012
Police: (1)		
Calls for service	19,739	20,913
Adult arrest	4,100	3,899
Juvenile arrest	241	175
Traffic citations	4,329	4,236
Fire: (2)		
Total fire runs	6,348	7,001
Total rescue runs	15,565	17,158
Public service: (3)		
Garbage collected (ton)	76,466	79,062
Recycle collected (ton)	28,761	24,861
Water and sewer: (3)		
New water connections	46	54
New wastewater connections	38	2
Average daily water consumption (gallons)	62,629,583	61,788,500
Average daily sewage treatment (gallons)	57,871,485	60,180,000
Transportation: (5)		
Total route miles	1,135	1,135
Education: (6)		
Average daily membership	11,343	11,236
Kindergarteners	880	832
Grades 1-12	10,463	10,404

#### 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**

June 30,							
2013	2014	2015	2016	2017	2018	2019	2020
21,124	23,546	22,714	25,081	32,250	33,803	33,485	19,329
4,162	3,749	4,119	4,201	4,253	5,232	5,016	3,518
202	373	257	195	294	220	253	108
1,879	1,363	1,479	1,682	3,081	3,634	3,167	2,155
7,475	7,119	6,959	6,907	6,623	11,016	8,029	7,544
17,283	17,289	18,313	18,948	19,414	13,512	15,553	6,734
108,882	107,977	127,842	124,278	134,879	133,255	144,209	144,357
24,323	16,343	12,714	9,632	2,276	2,188	2,737	2,990
97	115	118	124	105	109	128	182
97	115	129	112	97	134	119	170
58,389,558	69,591,675	74,113,083	71,094,539	70,032,583	76,006,333	78,061,833	82,545,667
50,065,833	63,479,583	62,545,110	73,577,916	73,000,000	85,927,083	111,199,290	84,716,040
1,138	1,139	1,145	1,146	1,146	1,146	1,146	1,149
11,223	11,304	11,290	11,287	11,261	11,252	11,356	11,487
852	820	854	838	795	812	808	864
10,371	10,484	10,436	10,449	10,466	10,440	10,548	10,623

## COUNTY OF ROCKINGHAM, VIRGINIA

### CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM

#### Last Ten Fiscal Years

#### (Unaudited)

Function/Program	Fiscal Year	
	2011	2012
Police Stations: (1)	1	1
Fire Companies (not County owned): (2)	10	10
Rescue Squads (not County owned): (2)	8	8
Streets: (4)		
Centerline Mileage:		
Interstate	54	54
Primary	186	186
Secondary	895	897
Number of street lights	16	16
Traffic signals	39	40
Parks and Recreation: (5)		
Parks - number of acres	22	22
Neighborhood parks - number of acres	22	22
Baseball/softball diamonds	31	31
Soccer/football fields	13	13
Basketball courts	13	13
Parks with playground equipment	1	1
Picnic shelters	4	4
Community centers	3	3
Water: (3)		
Wells (County owned)	2	2
Water lines (feet)	516,154	526,623
Fire hydrants	703	778
Storage capacity (MGPD)	10,088,000	10,088,000
Average daily consumption (MGPD)	2,059,054	2,031,403
Peak consumption (MGPD)	3,120,000	3,519,000
Wastewater: (3)		
Sanitary sewers (feet)	560,023	567,234

#### Sources:

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

**Table 19**

June 30,							
2013	2014	2015	2016	2017	2018	2019	2020
1	1	1	1	1	1	1	1
10	10	10	11	11	11	11	11
8	8	7	8	7	7	7	7
						1	1
54	54	54	54	54	54	54	54
186	187	192	192	192	210	210	215
898	898	899	900	900	882	882	880
16	16	16	16	16	16	16	16
41	41	42	42	43	43	43	43
22	81	81	81	81	81	81	81
22	22	19	19	19	19	19	19
31	31	31	31	31	31	33	33
13	13	13	13	13	13	17	17
13	13	13	14	14	14	14	14
1	1	1	1	1	1	2	2
3	3	3	3	3	3	3	3
3	3	3	3	3	3	3	3
2	2	2	2	2	3	3	3
534,150	538,958	553,039	577,643	587,938	599,862	622,226	632,505
803	815	854	909	957	999	1,002	1,031
10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000
2,076,660	2,287,945	2,436,595	2,337,355	2,302,441	2,498,838	2,566,576	2,713,830
2,979,000	3,267,000	3,252,000	3,188,000	3,322,000	3,315,000	3,847,000	4,274,000
571,944	572,727	586,191	588,915	598,057	608,165	613,756	621,871



## **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 comparison of the General Fund of the County of Rockingham, Virginia (County), as of and for the year ended June 30, 2020, 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 30, 2020.

**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) to determine 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. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County'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 determination of financial statement amounts. 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 instance of noncompliance or other matter 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.

*PBmares, LLP*

Harrisonburg, Virginia  
November 30, 2020

# **COUNTY OF ROCKINGHAM, VIRGINIA**

## **COMPLIANCE AUDIT PURSUANT TO 2 CFR PART 200 (SINGLE AUDIT REPORT)**

**YEAR ENDED JUNE 30, 2020**



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ASSURANCE, TAX & ADVISORY SERVICES

## COUNTY OF ROCKINGHAM, VIRGINIA

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**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of the County of Rockingham, Virginia (County), as of and for the year ended June 30, 2020, 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 30, 2020.

**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) to determine 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. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County'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 determination of financial statement amounts. 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 instance of noncompliance or other matter 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.

*PBmares, LLP*

Harrisonburg, Virginia  
November 30, 2020



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON  
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited the County of Rockingham, Virginia's (County) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.



## **Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance we considered to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of the County of Rockingham, Virginia (County) as of and for the year ended June 30, 2020, 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 30, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*P. B. Jones, CPA*

Harrisonburg, Virginia  
February 18, 2021

# COUNTY OF ROCKINGHAM, VIRGINIA

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE:				
<u>Direct payments:</u>				
Cooperative Law Enforcement	10.U01	N/A	\$ -	\$ 6,711
<u>Pass-through payments:</u>				
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not provided	-	1,477,631
Total SNAP Cluster				1,477,631
Department of Agriculture and Consumer Services				
Child Nutrition Cluster:				
Commodity Distributions	10.555	40623	-	414,262
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	40591/40623	-	558,168
National School Lunch Program	10.555	40623	-	1,509,748
Summer Food Service Program for Children	10.559	603020/603030	-	53,094
COVID-19: School Breakfast Program	10.553	40623	-	40,536
COVID-19: National School Lunch Program	10.555	40264	-	104,391
COVID-19: Summer Food Service Program for Children	10.559	60175	-	578,317
Total Child Nutrition Cluster				3,258,516
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	43841	-	29,366
Total Forest Service Schools and Roads Cluster				29,366
<b>Total Department of Agriculture</b>				<b>4,772,224</b>
DEPARTMENT OF DEFENSE:				
<u>Direct payments:</u>				
Payments to States in Lieu of Real Estate Taxes	12.112	N/A	-	510,577
<b>Total Department of Defense</b>				<b>510,577</b>
DEPARTMENT OF JUSTICE:				
<u>Direct payments:</u>				
Joint Law Enforcement Operations	16.U01	N/A	-	2,463
State Criminal Alien Assistance Program	16.606	N/A	-	22,689
Federal Forfeiture - Equitable Sharing Program	16.922	N/A	-	63,675
<u>Pass-through payments:</u>				
Violence Against Women Office:				
Violence Against Women Formula Grants	16.588	19-W9349VA18/20X9349VA19	-	22,850
Department of Criminal Justice Services:				
Crime Victim Assistance - Discretionary Grants	16.575	20-W9573VW18	-	128,725
<b>Total Department of Justice, Office of Justice Programs, Bureau of Justice Assistance</b>				<b>240,402</b>
DEPARTMENT OF TRANSPORTATION:				
<u>Pass-through payments:</u>				
Federal Highway Administration:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	EN15-082-102, C501C, P101	-	461,816
Total Highway Planning and Construction Cluster				461,816
Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	154AL-2020-50054-20054	-	20,192
<b>Total Department of Transportation</b>				<b>482,008</b>
DEPARTMENT OF THE TREASURY:				
<u>Pass-through payments:</u>				
Virginia Department of the Treasury:				
COVID-19: Coronavirus Relief Fund	21.019	Not provided	-	3,710,927
<b>Total Department of The Treasury</b>				<b>3,710,927</b>

# COUNTY OF ROCKINGHAM, VIRGINIA

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DEPARTMENT OF EDUCATION:				
<u>Pass-through payments:</u>				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	42901	\$ -	\$ 1,750,928
Special Education Cluster:				
Special Education - Grants to States	84.027	43071 / 61135	-	2,451,013
Special Education - Preschool Grants	84.173	62521	-	66,333
Total Special Education Cluster				2,517,346
Adult Education - Basic Grants to States	84.002	V002A180047/STATE190002	-	259,168
Career and Technical Education - Basic Grants to States	84.048	61095	-	148,470
English Language Acquisition State Grants	84.365	60512	-	75,549
Supporting Effective Instruction State Grant	84.367	61480	-	286,215
Student Support and Academic Enrichment Program	84.424	600230	-	208,960
<b>Total Department of Education</b>				<b>5,246,636</b>
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Direct payments:</u>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	-	351,429
COVID-19: Provider Relief Fund	93.498	N/A	-	72,537
<u>Pass-through payments:</u>				
Department of Social Services:				
Promoting Safe and Stable Families	93.556	Not provided	-	51,640
TANF Cluster:				
Temporary Assistance to Needy Families	93.558	Not provided	-	630,126
Total TANF Cluster				630,126
Refugee and Entrant Assistance - State Administered Programs	93.566	Not provided	-	18,910
Low-Income Home Energy Assistance	93.568	Not provided	-	138,872
Child Care and Development Fund Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not provided	-	109,542
Total Child Care and Development Fund Cluster				109,542
Chafee Education and Training Vouchers Program (ETV)	93.599	Not provided	-	12,637
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not provided	-	1,504
Foster Care - Title IV-E	93.658	Not provided	-	1,657,747
Adoption Assistance	93.659	Not provided	-	1,992,883
Social Services Block Grant	93.667	Not provided	-	827,155
Chafee Foster Care Independence Program	93.674	Not provided	-	15,503
Children's Health Insurance Program	93.767	Not provided	-	24,409
Medicaid Cluster:				
Medical Assistance Program	93.778	Not provided	-	2,052,856
Total Medicaid Cluster				2,052,856
<b>Total Department of Health and Human Services</b>				<b>7,957,750</b>
SOCIAL SECURITY ADMINISTRATION:				
<u>Direct payments:</u>				
Social Security Administration:				
Reward for Incarceration Notification	96.U01	N/A	-	10,800
<b>Total Social Security Administration</b>				<b>10,800</b>
DEPARTMENT OF HOMELAND SECURITY:				
<u>Pass-through payments:</u>				
Department of Emergency Management:				
Emergency Management Performance Grants	97.042	EMPG Local 2019	-	19,022
<b>Total Department of Homeland Security</b>				<b>19,022</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ 22,950,346</b>

## COUNTY OF ROCKINGHAM, VIRGINIA

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2020

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#### Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the County of Rockingham, Virginia (the County) and component units of the Rockingham County School Board and the Harrisonburg-Rockingham Social Services District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

*Federal Financial Assistance* – The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Nonmonetary deferral assistance including food commodities is considered federal assistance and, therefore, is reported on the Schedule. Federal financial assistance does not include direct federal cash assistance to individuals.

*Direct Payments* – Assistance received directly from the Federal government is classified as direct payments on the Schedule.

*Pass-through Payments* – Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule of Expenditures of Federal Awards.

*Major Programs* – Major programs for the County and its component units were determined using a risk-based approach in accordance with Uniform Guidance.

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

*Cluster of Programs* – Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered as one federal program for determining major programs. The following are the clusters administered by the County and its component units: SNAP, Child Nutrition, Forest Service Schools and Roads, Highway Planning and Construction, TANF, Child Care and Development Fund, Medicaid, and Special Education.

## **COUNTY OF ROCKINGHAM, VIRGINIA**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2020**

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#### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **Note 3. Indirect Cost Rate**

The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **Note 4. Non-Cash Assistance**

In addition to amounts reported on the Schedule, the County consumed non-cash assistance in the form of food commodities. Commodities with a fair value of \$414,262 at the time received were consumed during the year ended June 30, 2020. These commodities were included in the determination of federal awards expended during the year ended June 30, 2020.

# COUNTY OF ROCKINGHAM, VIRGINIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

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### Section I. SUMMARY OF AUDITOR'S RESULTS

#### *Financial Statements*

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

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

#### *Federal Awards*

Internal control over major programs:

Material weaknesses identified?	<u>      </u> Yes	<u>  √  </u> No
Significant deficiencies identified?	<u>      </u> Yes	<u>  √  </u> None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

       Yes   √   No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
SNAP Cluster: 10.561	Supplemental Nutrition Assistance Program
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs \$ 750,000

Auditee qualified as low-risk auditee?   √   Yes        No

### Section II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

### Section III. FINDING AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters were reported.

**COUNTY OF ROCKINGHAM, VIRGINIA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended June 30, 2020**

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