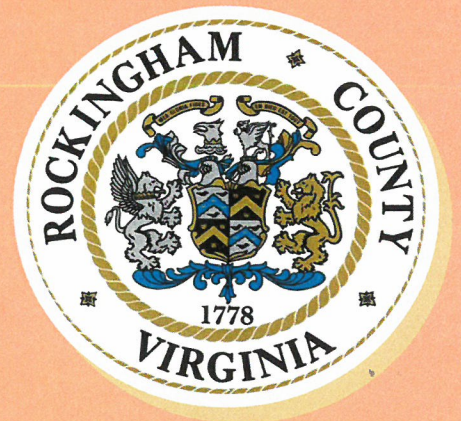


Annual Comprehensive Financial Report



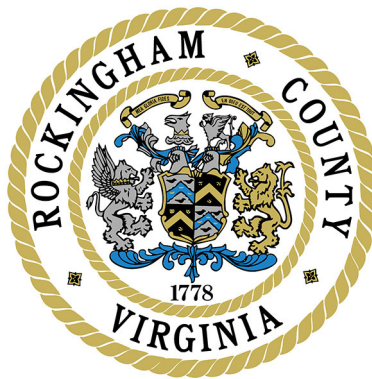
Rockingham County, Virginia

Fiscal Year Ended June 30, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2021



Prepared by:

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

www.rockinghamcountyva.gov

COUNTY OF ROCKINGHAM, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021

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INTRODUCTORY SECTION



ROCKINGHAM COUNTY

BOARD OF SUPERVISORS

DEWEY L. RITCHIE

Election District No. 1

SALLIE WOLFE-GARRISON

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

December 2, 2021

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

Members of the Board:

It is our pleasure to submit to you the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The Code of the Commonwealth of Virginia requires that all local governments shall be audited annually with a report to the Governing Body. The Annual Comprehensive Financial Report 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, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by County management; and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the Financial Section of the Annual Comprehensive Financial Report.

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

Profile of the Government

The County of Rockingham, located in the heart of the Shenandoah Valley, is the third largest county in Virginia in land area with 853.65 square miles and an estimated population of 83,322. The independent city of Harrisonburg, with an estimated population of 52,072 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 15th of each year. Each department and agency prepares its budget request for review and amendment by the County Administrator prior to inclusion in the County's general operating budget. The School Board and Social Services Administrative Board prepare their budgets and transmit them to the County Administrator. The County Administrator then submits his recommendation to the Board's Finance Committee for consideration and recommendation to the full Board.

The Board establishes a time and place for a public hearing on the budget. A hearing must be held at least seven days prior to the adoption of the budget. Except for the School's budget, which may only be increased or decreased by major category or as a whole, the Board may insert new items of expenditure or may increase, decrease or remove items of expenditure (other than debt service or other legal requirements). On June 10, 2020, the Board approved the budget for fiscal year 2021. During the fiscal year 2021, 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. The County has continued to see growth during the pandemic. The unemployment rate for the County in September 2021 was 2.4, as compared to the State unemployment rate of 3.8.

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

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

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. In addition to the existing business sector growth experienced by Merck and others, Italian meat producer Veronessi LLC has announced a \$100 million dollar further processing facility will open in the County's technology park,

planned to open in early 2023. This will be the Company's first U.S. facility and North American headquarters.

Significant events and actions during this past year include:

- Coronavirus Relief Fund provided \$10,711,642 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 a maintenance building that will be used to store personal protective equipment and to decontaminate ambulances in between responses.
- Installed new software for the Commonwealth's Attorneys to have access to case information remotely.
- Completed the installation of building access points along the County Administration Building.
- Began laying the infrastructure needed to support a new Emergency Response Station along Route 11 just north of the City of Harrisonburg.
- 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. The Commissioner of the Revenue and Treasurer systems implementation was completed. The Landfill billing and general accounts receivable platform are in the process of being built. The remainder of the installation will continue into 2022.
- Completed construction of a new building for the Harrisonburg-Rockingham Community Services Board.
- Worked with the Virginia Department of Transportation (VDOT), to complete critical road infrastructure projects:
 - Completed the construction of a turn lane at Spotswood High School.
 - 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 in the Spring of 2021.

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.

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, 2021

Board of Supervisors

Rick Chandler, Chair District 3	
Sallie Wolfe-Garrison, Vice-Chair District 2	
Dewey L. Ritchie District 1	William B. Kyger, Jr. District 4
Michael A. Breeden District 5	

County Administrator

Stephen G. King

School Board

Renee A. Reed, Chair District 3	
Jackie Lohr, Vice-Chair District 1	
Lowell Fulk District 2	Dr. Charlette E. McQuilkin District 4
Dan R. Breeden District 5	

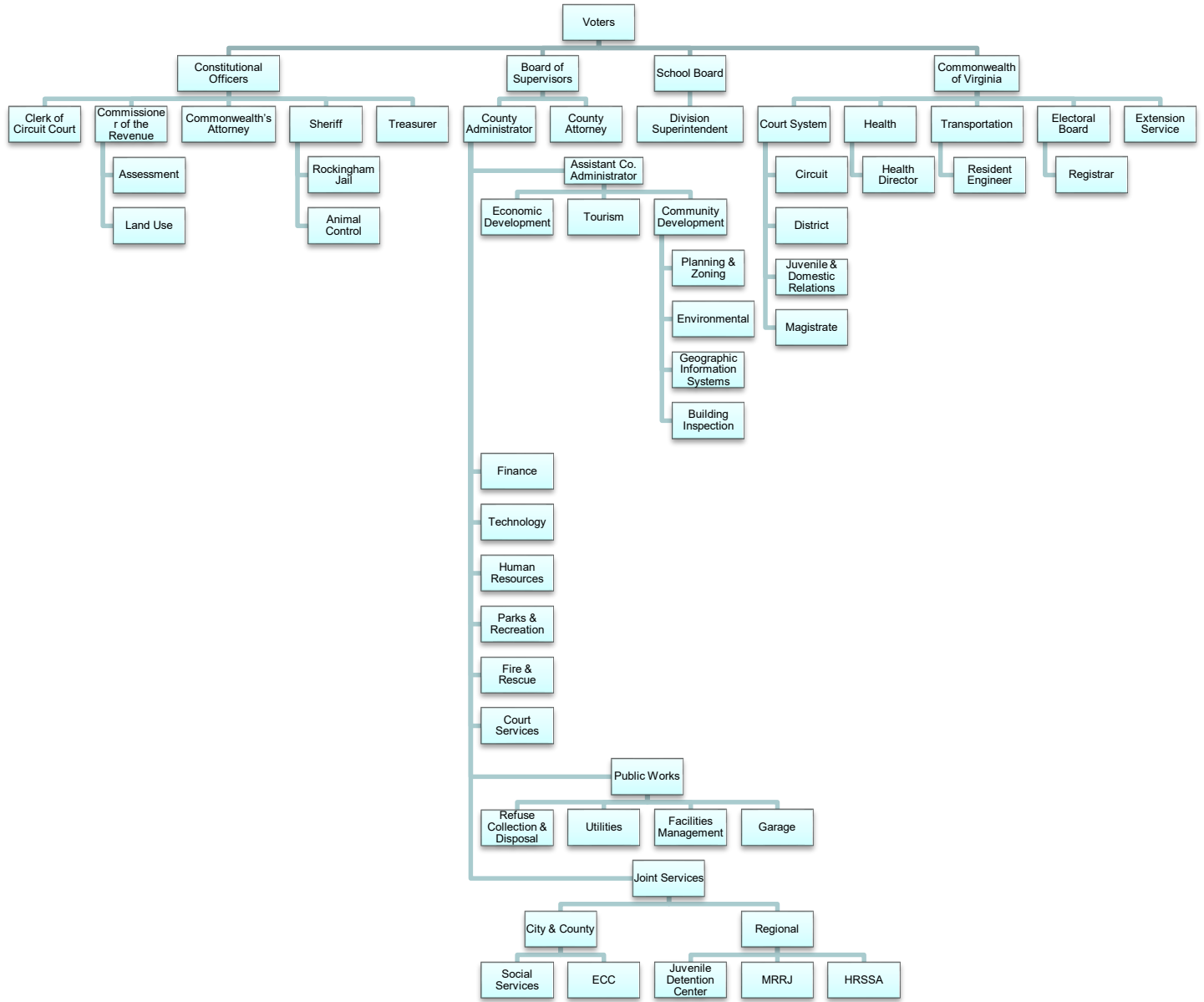
Superintendent of Schools

Dr. Oskar Scheikl

Other Officials

Casey Armstrong	Assistant County Administrator
Thomas H. Miller, Jr.	County Attorney
Dan Cullers	Commissioner of the Revenue
Bryan F. Hutcheson	Sheriff
L. Todd Garber	Treasurer
Marsha L. Garst	Commonwealth Attorney
Chaz W. Haywood	Clerk of the Circuit Court
Patricia D. Davidson	Director of Finance
Celest D. Williams	Director of Social Services
Terri M. Perry	Director of Technology
Kirby Dean	Director of Parks and Recreation
Phillip Rhodes	Director of Public Works
Ann Marie Freeman	Director of Court Services
Jennifer J. Mongold	Director of Human Resources
Lisa B. Gooden	Registrar
Jeremy C. Holloway	Director of Fire and Rescue
Rhonda Cooper	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, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2021, 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, 2021, 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.

Emphasis of Matter

Change in Accounting Principles

As discussed in Note 22 to the financial statements, the County restated beginning net position of the Governmental Activities and beginning fund balance of the General Fund, Nonmajor Governmental Funds, and the fiduciary activities in accordance with the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, and Governmental Accounting Standards Board Statement No. 90, *Majority Equity Interests*.

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 138-158, 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 Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the 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 Schedule of Expenditures of Federal Awards, 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 Schedule of Expenditures of Federal Awards, 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 December 2, 2021 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.

Handwritten signature in black ink, appearing to read "P. B. Mares, LLP".

Harrisonburg, Virginia
December 2, 2021

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, 2021. 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 \$63,049 at June 30, 2021. Of this amount, there was \$102,298 invested in the County's capital assets, net of related debt, \$1,415 in restricted funds assets, and a deficit of \$40,664 in unrestricted funds.
- The deficit of \$40,664 in unrestricted funds is a result of recording \$79,543 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 \$52,895. Approximately 76 percent of this total amount, \$40,299 is available for spending at the government's discretion (unassigned fund balance). There is an additional \$4,036 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 \$40,299, which represents 26 percent of total General Fund expenditures. As mentioned above, an additional \$4,036, which represents 3 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 five 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, Tourism Funds and LLC Library, 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 statements can be found on pages 39-40 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 \$63,049 at the close of the most recent fiscal year. This is an increase of \$21,626 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, \$102,298, 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 \$94,071 to \$102,298.

An additional portion of the County's net position, \$1,415, represents resources that are subject to external restrictions on how they may be used. There was an increase of \$81 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 changed primarily because of new debt issuances and increases in pension and OPEB expense from a deficit of \$53,982 to a deficit of \$40,664.

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, 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 84,814	\$ 74,363	\$ 29,624	\$ 27,851	\$ 114,438	\$ 102,214
Capital assets, net	64,977	63,837	64,427	63,778	129,404	127,615
Total assets	149,791	138,200	94,051	91,629	243,842	229,829
Deferred outflows of resources	8,455	5,631	1,076	853	9,531	6,484
Other liabilities	15,943	11,354	1,078	1,716	17,021	13,070
Noncurrent liabilities	127,018	134,140	42,842	43,924	169,860	178,064
Total liabilities	142,961	145,494	43,920	45,640	186,881	191,134
Deferred inflows of resources	3,344	3,555	99	201	3,443	3,756
Net position:						
Net investment in capital assets	62,862	57,242	39,436	36,829	102,298	94,071
Restricted	1,415	1,334	-	-	1,415	1,334
Unrestricted (deficit)	(52,336)	(63,794)	11,672	9,812	(40,664)	(53,982)
Total net position	\$ 11,941	\$ (5,218)	\$ 51,108	\$ 46,641	\$ 63,049	\$ 41,423

	Component Units			
	School Board		Harrisonburg- Rockingham Social Services District	
	2021	2020	2021	2020
Current and other assets	\$ 44,978	\$ 42,074	\$ 14,193	\$ 11,230
Capital assets, net	137,385	142,311	2,023	1,968
Total assets	182,363	184,385	16,216	13,198
Deferred outflows of resources	34,787	28,012	2,301	1,612
Other liabilities	23,639	23,026	2,895	2,759
Noncurrent liabilities	161,066	149,070	6,527	5,083
Total liabilities	184,705	172,096	9,422	7,842
Deferred inflows of resources	14,194	16,803	256	580
Net position:				
Net investment in capital assets	137,385	142,311	2,023	1,968
Restricted	565	2,621	-	2,587
Unrestricted (deficit)	(119,699)	(121,434)	6,816	1,833
Total net position	\$ 18,251	\$ 23,498	\$ 8,839	\$ 6,388

County of Rockingham, Virginia
Summary Statement of Changes in Net Position
Years Ended June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 13,756	\$ 12,712	\$ 15,173	\$ 14,519	\$ 28,929	\$ 27,231
Operating grants and contributions	19,503	14,461	2,626	1,588	22,129	16,049
Capital grants and contributions	2,856	868	-	-	2,856	868
General revenues:						
General property taxes	98,104	94,676	-	-	98,104	94,676
Other local taxes	17,243	14,810	-	-	17,243	14,810
Intergovernmental non-categorical aid	7,736	8,383	-	-	7,736	8,383
Use of money and property	716	1,324	165	559	881	1,883
Miscellaneous	2,792	1,033	1,952	366	4,744	1,399
Total revenues	162,706	148,267	19,916	17,032	182,622	165,299
Expenses:						
General government administration	9,075	6,921	-	-	9,075	6,921
Judicial administration	6,137	5,449	-	-	6,137	5,449
Public safety	34,564	31,635	-	-	34,564	31,635
Public works	3,444	4,484	15,449	18,488	18,893	22,972
Health and social services	12,235	9,300	-	-	12,235	9,300
Education	62,368	79,867	-	-	62,368	79,867
Parks, recreation and cultural	3,548	3,215	-	-	3,548	3,215
Community development	7,471	6,105	-	-	7,471	6,105
Interest	3,350	3,654	-	-	3,350	3,654
Total expenses	142,192	150,630	15,449	18,488	157,641	169,118
Change in net position before transfers	20,514	(2,363)	4,467	(1,456)	24,981	(3,819)
Transfers	-	(58)	-	58	-	-
Change in net position	20,514	(2,421)	4,467	(1,398)	24,981	(3,819)
Net position, beginning, as restated	(8,573)	(2,797)	46,641	48,039	38,068	45,242
Net position, ending	\$ 11,941	\$ (5,218)	\$ 51,108	\$ 46,641	\$ 63,049	\$ 41,423

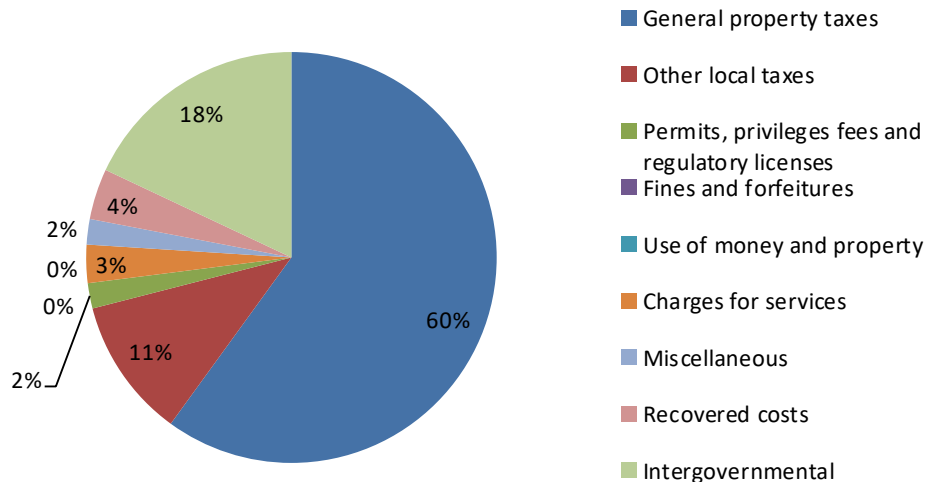
County of Rockingham, Virginia
Summary Statement of Changes in Net Position (Continued)
Years Ended June 30, 2021 and 2020

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2021	2020	2021	2020
Revenues:				
Program revenues:				
Charges for services	\$ 750	\$ 4,421	\$ -	\$ -
Operating grants and contributions	92,136	84,033	20,063	19,298
Capital grants and contributions	757	-	-	-
General revenues:				
Grants and contributions not restricted to specific programs	60,327	79,869	9,281	8,587
Intergovernmental non-categorical aid	67	69	-	-
Use of money and property	37	144	23	145
Miscellaneous	213	203	51	53
Total revenues	154,287	168,739	29,418	28,083
Expenses:				
Health and social services	-	-	26,967	28,208
Education	159,534	159,764	-	-
Total expenses	159,534	159,764	26,967	28,208
Change in net position	(5,247)	8,975	2,451	(125)
Net position, beginning	23,498	14,523	6,388	6,513
Net position, ending	\$ 18,251	\$ 23,498	\$ 8,839	\$ 6,388

Governmental activities. Governmental activities decreased the deficit in the County's net position by \$20,514 compared to an increased deficit in the County's net position by \$2,421 in fiscal year 2020. Key factors for this change are as follows:

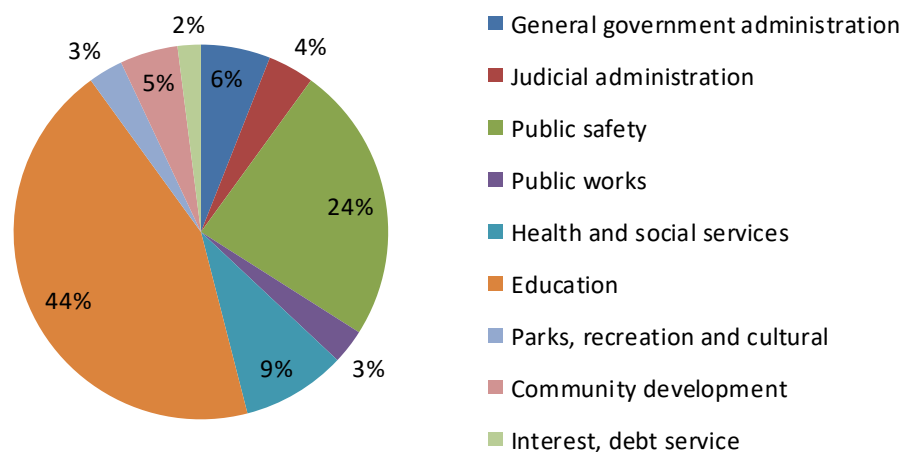
Total revenues increased \$14,439 (from \$148,267 to \$162,706) compared to last year. Tax revenues increased primarily due to an increase in general property taxes of \$3,428, primarily machinery and tools tax. Local sales and use tax also increase of \$1,124. Operating grants and contributions increased \$5,042 due to the receipt of the CARES Act. Capital grants and contributions increased \$1,988 also due to the receipt of the CARES Act. Revenues by source are shown in the chart below. Revenues from general property taxes make up 60 percent of total revenues.

Revenues by Source - Governmental Activities



Total expenses decreased by \$8,438 (from \$150,630 to \$142,192) compared to last year. The local transfer to Education in the amount of \$62,368 makes up 44 percent of total Governmental activities with Public Safety coming in second at 24 percent of the total.

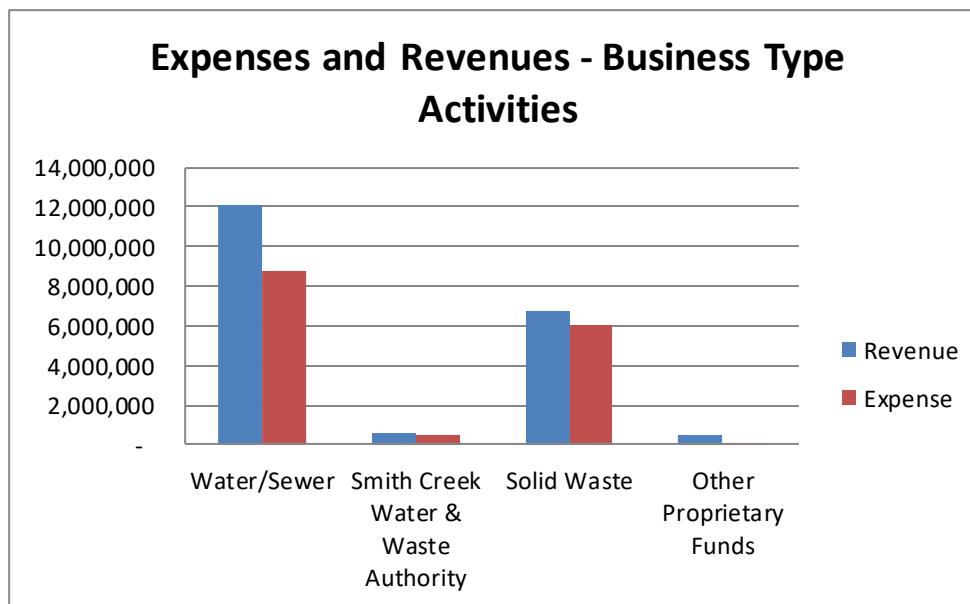
Expenditures by Type - Governmental Activities



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

Business-type activities. Business-type activities increased the County’s net position by \$4,467 compared to a decrease of \$1,398 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 decreased by \$5,247 this fiscal year compared to an increase of \$8,975 in fiscal year 2020. Key elements of this increase are as follows:

1. Revenues decreased by \$14,452 (from \$168,739 to \$154,287) primarily due to the carryforward of unspent capital from the prior fiscal year.
2. Expenses also decreased by a total of \$230 (from \$159,764 to \$159,534) due to a change in the OPEB and pension assumptions from the prior year.
3. Included in 2021 Expenses are depreciation and amortization totaling \$9,317, 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 \$52,895, an increase of \$3,057 in comparison with the prior year.

Approximately 76 percent of this total amount \$40,299 constitutes unassigned general fund balance, which is available for spending at the government’s discretion. In addition, another 8 percent of this total amount \$4,036 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 \$40,299 while total fund balance reached \$42,139. 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 26 percent of total General Fund expenditures, while total fund balance represents 27 percent of that same amount.

The fund balance of the County's General Fund increased \$604 during the current fiscal year compared to an increase of \$15,476 for fiscal year 2020. This \$604 increase is better than the original budget, which projected a \$636 decrease, and the final budget projecting a \$17,087 decrease. The key factors influencing these results are as follows:

- Total revenue was \$15,489 higher than last year. The key components with changes were:
 - General property tax revenue was \$3,920 higher than the final budget and \$3,317 over last year primarily due to an increase in machinery & tools and personal property taxes.
 - Other local taxes were \$4,305 higher than the final budget and \$2,062 higher than last year primarily due to an increase in local sales and use tax.
 - Total charges for services were \$998 lower than the final budget and \$1,392 higher than last year. The recreational programs and court services were lower than expected due to the coronavirus pandemic limiting the amount of offerings available.
- Total expenditures decreased by \$137 compared to last year. The key components with changes were:
 - General government administration increased \$1,316 compared to the prior fiscal year total of \$6,099 due to the increase in reassessment expenses.
 - Public safety increased \$5,375 compared to the prior fiscal year total of \$33,055 due to inclusion of the emergency medical services transportation expenses in the general fund expenditures and due to the increase in fire and rescue personnel expenses.
 - Health and social services increased \$3,440 compared to the prior fiscal year total of \$8,834 primarily due to the county's contribution to the construction of a new community services board building.
 - Education decreased \$17,502 compared to the prior fiscal year total of \$79,869 due to a carryforward of loan proceeds during fiscal year 2020.
 - Community development increased \$2,458 compared to prior fiscal year total of \$3,938 due to the inclusion of soil and water, bond escrow and other contributions and grants.
 - Principal and interest increased \$3,696 compared to the prior fiscal year total of \$11,730 due to the early retirement of debt on the SRI building in the County Industrial Park.

The General Capital Projects Fund has a total fund balance of \$9,339, of which the majority is committed to specified future capital outlays or assigned to unspecified future capital outlays. The County had capital outlays of \$6,046 during the current fiscal year, which were funded by revenues and the fund balance.

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

Net position of these funds increased \$4,467 this fiscal year to \$51,108. The largest portion of the net position, \$39,436, continues to reflect the County's net investment in capital assets.

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

General Fund Budgetary Highlights

The general fund's original budgeted appropriations amounted to \$140,840; the final amended general fund budget was \$162,456 representing an increase of \$21,616. The most notable amendment to the budget is an increase of \$8,598 of CARES funding. Other amendments include \$3,215 to retire debt, \$7,396 in transfers to other funds including Children's Services Act, Economic Development Authority, and the School Operating Fund.

Total revenues were \$7,182 over the final budgeted amounts. General property taxes accounted for \$3,920 of the overage and other local taxes accounted for \$4,305 due to an increase in property and sales taxes received for the fiscal year. Revenue from the Commonwealth was \$2,432 below budget due to an anticipated grant that was not received by the end of the fiscal year and

Total expenditures were \$10,509 under the final budgeted amount of \$162,456 and the key factors were:

- The appropriation to the Rockingham County School Board for general operations was less than the final budget by \$5,546. The funds were unspent due to the constrained nature of the school activities for the year due to the Coronavirus pandemic.
- Public Safety was \$3,879 less than budgeted primarily due to an appropriation of funds for the CARES funding.
- Parks, recreation and cultural was \$496 less than budgeted primarily due to the inability to host recreational activities due to the Coronavirus pandemic.
- 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, 2021, amounted to \$129,404 (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 \$129,404 compared to \$127,615 last year.

County of Rockingham, Virginia
Summary Statement of Capital Assets
June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Non-depreciable assets:						
Land	\$ 4,583	\$ 3,658	\$ 3,520	\$ 2,549	\$ 8,103	\$ 6,207
Easements	-	-	227	227	227	227
Construction in progress	1,382	14,257	1,020	2,553	2,402	16,810
Depreciable capital assets:						
Buildings	56,050	49,565	1,661	1,661	57,711	51,226
Improvements	30,615	21,466	95,457	92,214	126,072	113,680
Machinery and equipment	22,352	19,898	6,243	6,017	28,595	25,915
Software	1,117	1,767	-	-	1,117	1,767
Accumulated depreciation and amortization	(51,122)	(46,774)	(43,701)	(41,443)	(94,823)	(88,217)
Capital assets, net	\$ 64,977	\$ 63,837	\$ 64,427	\$ 63,778	\$ 129,404	\$ 127,615

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

- Buildings under Governmental Activities of \$1,031 for the Coronavirus Storage/Maintenance Building.
- Construction in progress under Governmental Activities of \$1,260 for the Pierce Velocity Firetruck.
- Construction in progress under Business-type Activities of \$810 for the Montevideo Water Booster.
- Improvements under Governmental Activities of \$811 for the District Courts Renovation.
- Improvements under Business-type Activities of \$796 for the Cobbler's Valley Water Line.
- Land under Governmental Activities of \$925 for future development in the Lake Shenandoah area.
- Land under Business-type Activities of \$936 for the Lake Shenandoah Stormwater Authority.
- Machinery & Equipment under Governmental Activities of \$320 for Monitors and Defibrillators.
- Machinery & Equipment under Governmental Activities of \$650 for Two Ambulances.
- Machinery & Equipment under Business-type Activities of \$535 for the purchase of a Compactor.

County of Rockingham, Virginia
Summary Statement of Capital Assets (Continued)
June 30, 2021 and 2020

	Component Units			
	School Board		Harrisonburg-Rockingham Social Services District	
	2021	2020	2021	2020
Non-depreciable assets:				
Land	\$ 5,470	\$ 5,470	\$ 202	\$ 202
Easements	37	37	-	-
Construction in progress	92	12,746	-	-
Depreciable capital assets:				
Buildings	181,593	181,553	501	501
Improvements	92,264	78,097	2,119	1,920
Machinery and equipment	40,159	37,427	69	96
Accumulated depreciation and amortization	(182,230)	(173,019)	(868)	(751)
Capital assets, net	\$ 137,385	\$ 142,311	\$ 2,023	\$ 1,968

A net decrease in construction in progress for the component unit School Board of \$12,654 was comprised of a decrease due to the reclassification to improvements and machinery and equipment for renovations at John C. Myers Elementary of \$12,740 and an increase for a site assessment at Massanutten Technical Center for future renovations of \$86.

The increase in buildings for the component unit School Board of \$40 was the addition of a pavilion at Plains Elementary.

The increase in improvements for the component unit School Board of \$12,616 was the completed renovation of John C. Myers Elementary. Other increases of \$1,551 were for supply/return fans at Lacey Spring Elementary, handicap ramp at Elkton Middle, renovations at the Food Services building, boiler replacement at Elkton Elementary, tennis court resurfacing at East Rock High, track renovation at Spotswood High and Broadway High, and wall partitions at Massanutten Technical Center.

An increase in machinery and equipment for the component unit School Board of \$1,799 was for 21 new school buses and \$124 for the completed renovation to John C. Myers Elementary. Other increases of \$809 were for 6 new vehicles, a public safety radio system, kitchen equipment, and a tractor at Massanutten Technical Center.

An increase in improvements for the component unit Harrisonburg-Rockingham Social Services District of \$199 was for roof restoration and elevator modernization.

A decrease in machinery and equipment for the component unit Harrisonburg-Rockingham Social Services District of \$27 was the disposal of a vehicle

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 \$94,801. 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, 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 87,869	\$ 94,549	\$ -	\$ -	\$ 87,869	\$ 94,549
Unamortized premiums	6,933	7,520	2,682	2,886	9,615	10,406
Capital leases	2,115	6,595	-	-	2,115	6,595
Notes from direct borrowings and direct placements	5,095	6,723	-	-	5,095	6,723
Revenue bonds	-	-	22,610	24,414	22,610	24,414
Landfill obligation	-	-	15,132	14,818	15,132	14,818
Compensated absences	1,239	1,129	178	166	1,417	1,295
Net pension liability	17,766	12,042	1,623	1,067	19,389	13,109
Other postemployment benefits	6,001	5,582	617	573	6,618	6,155
	<u>\$ 127,018</u>	<u>\$ 134,140</u>	<u>\$ 42,842</u>	<u>\$ 43,924</u>	<u>\$ 169,860</u>	<u>\$ 178,064</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 2021 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
82,809	\$ 8,240,822,300	\$ 94,801,461	1.15%	\$ 1,145

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 2021 in Rockingham County was 3.6 percent, which is lower than the 6.9 percent rate a year ago. This is lower than the Virginia statewide unemployment rate of 3.8 percent and the United States national average of 4.8 percent.
- Fiscal year 2022 General Fund Revenue is budgeted to increase by \$11,181 to \$150,975 in comparison to the fiscal year 2021 Adopted Budget of \$139,812.
- 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 2022 General Fund Expenditures are budgeted to increase \$11,181 to \$150,975 in comparison to the fiscal year 2021 Adopted Budget of \$139,812.
- The unassigned fund balance in the General Fund at fiscal year-end was \$42,139. The County has appropriated \$2,668 of this amount for spending in the fiscal year 2022 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 2022.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2021

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Totals	School Board	Harrisonburg- Rockingham	Nonmajor
					Social Services District	
ASSETS						
Cash and cash equivalents	\$ 47,762,872	\$ 19,855,193	\$ 67,618,065	\$ 25,608,505	\$ 5,035,046	\$ 132,353
Investments	16,778,727	6,966,415	23,745,142	8,937,975	1,766,646	39,824
Receivables, net:						
Property taxes	3,893,571	-	3,893,571	-	-	-
Utility taxes	182,890	-	182,890	-	-	-
Trade and other accounts	2,141,145	1,567,714	3,708,859	301,972	31,758	11,909
Accrued interest	52,436	92,604	145,040	18,429	5,869	76
Due from component unit	81,579	-	81,579	-	-	-
Due from other governments	12,892,920	-	12,892,920	5,459,980	7,189,289	-
Internal balances	(925,000)	925,000	-	-	-	-
Prepaid items	766,081	61,749	827,830	3,888,913	164,722	-
Inventory	52,286	155,300	207,586	197,061	-	-
Restricted cash	1,134,197	-	1,134,197	565,038	-	-
Capital assets, net of accumulated depreciation and amortization:						
Land	4,583,262	3,519,940	8,103,202	5,469,535	202,036	-
Easements	-	227,156	227,156	36,654	-	-
Buildings and improvements	56,049,825	1,661,099	57,710,924	181,593,458	500,979	-
Improvements other than buildings	30,614,856	95,457,200	126,072,056	92,264,033	2,119,334	-
Machinery and equipment	22,352,268	6,242,975	28,595,243	40,159,147	69,484	-
Software	1,116,715	-	1,116,715	-	-	-
Construction in progress	1,382,326	1,019,912	2,402,238	92,289	-	-
Less accumulated depreciation and amortization	(51,122,424)	(43,700,921)	(94,823,345)	(182,229,811)	(868,809)	-
Total assets	149,790,532	94,051,336	243,841,868	182,363,178	16,216,354	184,162
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	301,488	301,488	-	-	-
Pension plan	7,880,206	720,154	8,600,360	30,442,081	2,146,362	-
Other postemployment benefits	574,498	54,144	628,642	4,344,431	155,032	-
Total deferred outflows of resources	8,454,704	1,075,786	9,530,490	34,786,512	2,301,394	

LIABILITIES

Accounts payable	\$ 2,994,975	\$ 563,368	\$ 3,558,343	\$ 2,702,705	\$ 2,397,897	\$ 127,557
Accrued payroll	1,651,959	154,958	1,806,917	17,755,229	416,407	-
Accrued liabilities	423,554	-	423,554	-	-	-
Accrued interest	1,708,552	300,700	2,009,252	-	-	-
Unearned revenue	8,730,306	26,798	8,757,104	1,857,928	-	-
Due to primary government	-	-	-	-	81,579	-
Insurance and benefit claims	339,402	-	339,402	1,018,204	-	-
Due to other governments	92,842	31,861	124,703	304,629	-	-
Noncurrent liabilities:						
Due within one year:						
Bonds payable	6,853,635	1,865,557	8,719,192	-	-	-
Capital leases	525,000	-	525,000	-	-	-
Notes from direct borrowings and direct placements	1,660,624	-	1,660,624	-	-	-
Compensated absences	778,979	102,704	881,683	2,560,951	23,933	-
Due in more than one year:						
Bonds payable, net	87,947,826	23,426,987	111,374,813	-	-	-
Capital leases	1,590,000	-	1,590,000	-	-	-
Notes from direct borrowings and direct placements	3,434,360	-	3,434,360	-	-	-
Landfill obligation	-	15,132,296	15,132,296	-	-	-
Compensated absences	460,295	74,897	535,192	1,387,384	14,635	-
Net pension liability	17,766,244	1,623,616	19,389,860	118,357,716	4,839,060	-
Other postemployment benefits	6,001,357	616,581	6,617,938	38,760,428	1,649,580	-
Total liabilities	142,959,910	43,920,323	186,880,233	184,705,174	9,423,091	127,557

DEFERRED INFLOWS OF RESOURCES

Property taxes collected in advance	2,421,695	-	2,421,695	-	-	-
Pension plan	-	-	-	9,789,604	-	-
Other postemployment benefits	922,187	98,622	1,020,809	4,404,058	255,766	-
Total deferred inflows of resources	3,343,882	98,622	3,442,504	14,193,662	255,766	-

NET POSITION

Net investment in capital assets	62,861,828	39,436,305	102,298,133	137,385,305	2,023,024	-
Restricted:						
Capital projects	-	-	-	565,038	-	-
Judicial administration	87,862	-	87,862	-	-	-
Public safety	180,297	-	180,297	-	-	-
Parks, recreation and cultural	70,031	-	70,031	-	-	-
Community development	1,077,229	-	1,077,229	-	-	-
Unrestricted (deficit)	(52,335,803)	11,671,872	(40,663,931)	(119,699,489)	6,815,867	56,605
Total net position	\$ 11,941,444	\$ 51,108,177	\$ 63,049,621	\$ 18,250,854	\$ 8,838,891	\$ 56,605

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF ACTIVITIES Year Ended June 30, 2021

					Net (Expense) Revenue and Changes in Net Position					
								Component Units		
					Primary Government			Harrisonburg-Rockingham		
								Social Services		
								Discretely		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	School Board	District	Presented
Primary Government:										
Governmental activities:										
General government administration	\$ 9,073,530	\$ 2,896	\$ 1,070,074	\$ 140,580	\$ (7,859,980)	\$ -	\$ (7,859,980)	\$ -	\$ -	\$ -
Judicial administration	6,137,343	2,014,873	2,965,891	11,487	(1,145,092)	-	(1,145,092)	-	-	-
Public safety	34,564,076	10,028,204	11,659,418	1,047,898	(11,828,556)	-	(11,828,556)	-	-	-
Public works	3,443,628	1,096,061	91,944	1,011,986	(1,243,637)	-	(1,243,637)	-	-	-
Health and social services	12,235,368	208,737	322,074	-	(11,704,557)	-	(11,704,557)	-	-	-
Education	62,367,827	-	2,040,427	-	(60,327,400)	-	(60,327,400)	-	-	-
Parks, recreation and cultural	3,548,256	404,983	77,571	134,970	(2,930,732)	-	(2,930,732)	-	-	-
Community development	7,470,738	-	1,275,201	508,682	(5,686,855)	-	(5,686,855)	-	-	-
Interest	3,349,701	-	-	-	(3,349,701)	-	(3,349,701)	-	-	-
Total governmental activities	142,190,467	13,755,754	19,502,600	2,855,603	(106,076,510)	-	(106,076,510)	-	-	-
Business-type activities:										
Water and sewer	9,423,182	8,652,543	2,601,890	-	-	1,831,251	1,831,251	-	-	-
Solid waste	6,025,601	6,520,677	23,753	-	-	518,829	518,829	-	-	-
Total business-type activities	15,448,783	15,173,220	2,625,643	-	-	2,350,080	2,350,080	-	-	-
Total primary government	\$ 157,639,250	\$ 28,928,974	\$ 22,128,243	\$ 2,855,603	(106,076,510)	2,350,080	(103,726,430)	-	-	-
Component Units:										
Rockingham County School Board:										
Education:										
Instruction	\$ 123,848,194	\$ 736,694	\$ 87,225,369	\$ 40,300	-	-	-	(35,845,831)	-	-
Administration, attendance and health	7,047,955	-	-	-	-	-	-	(7,047,955)	-	-
Pupil transportation services	9,295,923	-	-	633,926	-	-	-	(8,661,997)	-	-
Operation and maintenance services	14,405,484	-	-	82,478	-	-	-	(14,323,006)	-	-
School food services	4,936,653	13,588	4,910,313	-	-	-	-	(12,752)	-	-
Total school board	159,534,209	750,282	92,135,682	756,704	-	-	-	(65,891,541)	-	-

Harrisonburg-Rockingham Social
Services District:

Social Services:

Public assistance	\$ 7,036,116	\$ -	\$ 4,943,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,092,298)	\$ -
Children's services	11,490,213	-	7,010,078	-	-	-	-	-	(4,480,135)	-
Administration:										
Health and human services	8,394,826	-	8,063,144	-	-	-	-	-	(331,682)	-
VJCCA	45,761	-	45,761	-	-	-	-	-	-	-
Total social services district	26,966,916	-	20,062,801	-	-	-	-	-	(6,904,115)	-

Economic Development Authority:
Economic development

	1,741,089	11,910	484,000	1,250,689	-	-	-	-	-	5,510
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Total component units	\$ 188,242,214	\$ 762,192	\$ 112,682,483	\$ 2,007,393	-	-	-	(65,891,541)	(6,904,115)	5,510
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General revenues:

Taxes:

General property taxes	98,103,822	-	98,103,822	-	-	-
Other local taxes:						
Local sales and use	9,138,949	-	9,138,949	-	-	-
Consumer utility	1,752,942	-	1,752,942	-	-	-
Motor vehicle licenses	1,383,739	-	1,383,739	-	-	-
Food and beverage	1,268,157	-	1,268,157	-	-	-
Other	3,698,952	-	3,698,952	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	60,327,400	9,281,426	-
Intergovernmental, non-categorical aid	7,736,486	-	7,736,486	66,915	-	-
Use of money and property	715,728	164,842	880,570	36,972	23,199	117
Miscellaneous	2,792,030	1,951,660	4,743,690	212,570	50,603	-

Total general revenues	126,590,805	2,116,502	128,707,307	60,643,857	9,355,228	117
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Change in net position	20,514,295	4,466,582	24,980,877	(5,247,684)	2,451,113	5,627
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Net position, beginning, as restated	(8,572,851)	46,641,595	38,068,744	23,498,538	6,387,778	50,978
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Net position, ending	<u>\$ 11,941,444</u>	<u>\$ 51,108,177</u>	<u>\$ 63,049,621</u>	<u>\$ 18,250,854</u>	<u>\$ 8,838,891</u>	<u>\$ 56,605</u>
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COUNTY OF ROCKINGHAM, VIRGINIA

BALANCE SHEET – GOVERNMENTAL FUNDS June 30, 2021

	General	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 36,201,944	\$ 7,162,275	\$ 937,541	\$ 44,301,760
Investments	12,678,749	2,513,027	328,956	15,520,732
Receivables, net:				
Property taxes	3,893,571	-	-	3,893,571
Utility taxes	182,890	-	-	182,890
Trade and other accounts	1,287,177	620,406	227,197	2,134,780
Accrued interest	38,955	8,360	1,064	48,379
Due from component unit	81,579	-	-	81,579
Due from other governments	4,172,993	698,675	-	4,871,668
Prepaid items	764,839	-	1,242	766,081
Inventory	41,777	-	-	41,777
Restricted cash	1,134,197	-	-	1,134,197
Total assets	\$ 60,478,671	\$ 11,002,743	\$ 1,496,000	\$ 72,977,414
LIABILITIES				
Accounts payable	\$ 2,538,103	\$ 315,312	\$ 595	\$ 2,854,010
Due to other government	92,842	-	-	92,842
Accrued payroll	1,647,293	-	4,666	1,651,959
Accrued liabilities	-	423,554	-	423,554
Advances from other funds	-	925,000	-	925,000
Unearned revenue	8,036,918	-	74,078	8,110,996
Total liabilities	12,315,156	1,663,866	79,339	14,058,361
DEFERRED INFLOWS OF RESOURCES				
Property taxes collected in advance	2,421,695	-	-	2,421,695
Unavailable revenue - property taxes	3,577,438	-	-	3,577,438
Unavailable revenue - radio lease	25,106	-	-	25,106
Total deferred inflows of resources	6,024,239	-	-	6,024,239
FUND BALANCES				
Nonspendable:				
Prepaid items	764,839	-	1,242	766,081
Inventory	41,777	-	-	41,777
Restricted for:				
Judicial administration	-	-	87,862	87,862
Public safety	-	-	180,297	180,297
Parks, recreation and cultural	-	-	70,031	70,031
Community development	-	-	1,077,229	1,077,229
Committed to:				
General government administration	177,897	1,217,865	-	1,395,762
Judicial administration	8,824	21,703	-	30,527
Public safety	77,675	440,842	-	518,517
Public works	28,588	2,533	-	31,121
Health and social services	708,764	-	-	708,764
Parks, recreation and cultural	-	219,934	-	219,934
Community development	32,265	3,400,000	-	3,432,265
Assigned to:				
Capital outlay	-	4,036,000	-	4,036,000
Unassigned:				
General fund	40,298,647	-	-	40,298,647
Total fund balances	42,139,276	9,338,877	1,416,661	52,894,814
Total liabilities, deferred inflows of resources and fund balances	\$ 60,478,671	\$ 11,002,743	\$ 1,496,000	\$ 72,977,414

COUNTY OF ROCKINGHAM, VIRGINIA

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION June 30, 2021

	Governmental Funds	
Total fund balances - total governmental funds	\$	52,894,814
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	\$	116,099,252
Less accumulated depreciation and amortization		(51,122,424)
Net capital assets		64,976,828
Unavailable revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.		
		3,602,544
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	7,880,206	
Other postemployment benefits	574,498	
		8,454,704
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.		
		3,640,361
Long-term due from other government - pension		6,483,749
Long-term due from other government - other postemployment benefits		1,537,503
Long-term liabilities, including bonds payable, are not due and payable in the funds.		
General obligation bonds, including unamortized premiums	(94,801,461)	
Capital leases	(2,115,000)	
Notes from direct borrowings and direct placements	(5,094,984)	
Compensated absences	(1,239,274)	
Interest payable	(1,708,552)	
Other postemployment benefits	(6,001,357)	
Net pension liability	(17,766,244)	
		(128,726,872)
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.		
Other postemployment benefits	(922,187)	
		(922,187)
Net position of governmental activities	\$	11,941,444

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS Year Ended June 30, 2021

	General	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
General property taxes	\$ 97,875,970	\$ -	\$ -	\$ 97,875,970
Other local taxes	16,378,002	-	864,737	17,242,739
Permits, privilege fees and regulatory licenses	1,532,890	-	-	1,532,890
Fines and forfeitures	102,410	-	26,419	128,829
Use of money and property	664,523	29,408	4,038	697,969
Charges for services	4,934,707	-	-	4,934,707
Miscellaneous	1,792,664	977,098	22,268	2,792,030
Recovered costs	6,785,744	420,569	-	7,206,313
Intergovernmental	29,727,341	341,986	25,362	30,094,689
Total revenues	159,794,251	1,769,061	942,824	162,506,136
Expenditures:				
Current:				
General government administration	7,416,570	-	-	7,416,570
Judicial administration	5,503,863	-	17,108	5,520,971
Public safety	38,430,513	-	41,137	38,471,650
Public works	3,378,189	-	-	3,378,189
Health and social services	12,275,121	-	-	12,275,121
Education	62,367,827	-	-	62,367,827
Parks, recreation and cultural	2,791,309	-	37,546	2,828,855
Community development	6,396,198	-	311,257	6,707,455
Capital outlays	-	6,023,046	-	6,023,046
Debt service:				
Principal	11,077,345	-	-	11,077,345
Interest and fiscal charges	4,349,797	23,125	-	4,372,922
Total expenditures	153,986,732	6,046,171	407,048	160,439,951
Excess (deficiency) of revenues over (under) expenses	5,807,519	(4,277,110)	535,776	2,066,185
Other financing sources (uses):				
Transfers in	1,080,426	6,284,149	-	7,364,575
Transfers out	(6,284,149)	(90,000)	-	(6,374,149)
Other financing sources (uses), net	(5,203,723)	6,194,149	-	990,426
Net change in fund balances	603,796	1,917,039	535,776	3,056,611
Fund balance, beginning, as restated	41,535,480	7,421,838	880,885	49,838,203
Fund balance, ending	\$ 42,139,276	\$ 9,338,877	\$ 1,416,661	\$ 52,894,814

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, 2021

	Governmental Funds	
Net change in fund balances - total governmental funds	\$	3,056,611
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	\$ 7,078,960	
Less depreciation and amortization expense	(5,019,073)	
Excess of capital outlays over depreciation and amortization		2,059,887
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(920,383)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue	180,867	
Long-term due from other government - pension	4,610,794	
Long-term due from other government - other postemployment benefits	65,717	
		4,857,378
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.		
Principal repayments:		
General obligation debt	6,597,345	
General obligation debt - payments recorded in health and social services	83,333	
Capital lease	4,480,000	
Notes from direct borrowings and direct placements - payments recorded in public safety	1,628,483	
		12,789,161
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	436,116	
Compensated absences	(110,699)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(159,169)	
Amortization of premium	587,105	
Changes in pension liabilities and related deferred outflows and inflows of resources	(2,053,118)	
		(1,299,765)
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	7,605,845	
Total expenses	(7,634,439)	
		(28,594)
Change in net position of governmental activities	\$	20,514,295

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND Year Ended June 30, 2021

	General Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$ 93,921,000	\$ 93,956,000	\$ 97,875,970	\$ 3,919,970
Other local taxes	12,073,100	12,073,100	16,378,002	4,304,902
Permits, privilege fees and regulatory licenses	1,640,800	1,640,800	1,532,890	(107,910)
Fines and forfeitures	175,750	175,750	102,410	(73,340)
Use of money and property	525,000	525,000	664,523	139,523
Charges for services	5,933,115	5,933,115	4,934,707	(998,408)
Miscellaneous	150,000	162,495	1,792,664	1,630,169
Recovered costs	6,146,042	6,146,042	6,785,744	639,702
Intergovernmental	19,080,922	32,000,147	29,727,341	(2,272,806)
Total revenues	139,645,729	152,612,449	159,794,251	7,181,802
Expenditures:				
Current:				
General government administration	6,029,962	7,630,380	7,416,570	(213,810)
Judicial administration	4,962,319	5,875,543	5,503,863	(371,680)
Public safety	35,828,313	42,310,243	38,430,513	(3,879,730)
Public works	3,295,608	3,613,525	3,378,189	(235,336)
Health and social services	7,154,398	12,416,882	12,275,121	(141,761)
Education	64,366,510	67,913,937	62,367,827	(5,546,110)
Parks, recreation and cultural	3,007,268	3,287,810	2,791,309	(496,501)
Community development	3,725,326	5,928,356	6,396,198	467,842
Debt service:				
Principal	7,995,678	11,075,678	11,077,345	1,667
Interest and fiscal charges	4,473,605	4,443,605	4,349,797	(93,808)
Total expenditures	140,838,987	164,495,959	153,986,732	(10,509,227)
Excess (deficiency) of revenues over (under) expenditures	(1,193,258)	(11,883,510)	5,807,519	17,691,029
Other financing sources (uses):				
Transfers in	990,426	1,080,426	1,080,426	-
Transfers out	(433,500)	(6,284,149)	(6,284,149)	-
Total other financing sources (uses), net	556,926	(5,203,723)	(5,203,723)	-
Net change in fund balance	(636,332)	(17,087,233)	603,796	17,691,029
Fund balance, beginning, as restated	636,332	17,087,233	41,535,480	24,448,247
Fund balance, ending	\$ -	\$ -	\$ 42,139,276	\$ 42,139,276

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS June 30, 2021

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Smith Creek Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 9,182,710	\$ 150,126	\$ 9,622,316	\$ 900,041	\$ 19,855,193	\$ 14,312,681
Investments	768,407	12,563	805,151	75,314	1,661,435	1,197,681
Trade and other accounts receivable	716,583	89,805	746,447	14,879	1,567,714	10,226
Accrued interest	81,603	156	10,794	51	92,604	16,226
Advances to other funds	248,607	-	-	-	248,607	-
Prepaid items	27,977	-	33,772	-	61,749	-
Inventory	155,300	-	-	-	155,300	10,509
Total current assets	11,181,187	252,650	11,218,480	990,285	23,642,602	15,547,323
Noncurrent assets:						
Investments	2,453,530	40,112	2,570,855	240,483	5,304,980	3,824,208
Advances to other funds	2,601,393	-	-	-	2,601,393	-
Capital assets:						
Land	397,328	-	2,166,225	956,387	3,519,940	-
Easements	206,525	-	-	20,631	227,156	-
Buildings and improvements	821,784	-	839,315	-	1,661,099	-
Improvements other than buildings	47,056,730	6,616,233	39,872,390	1,911,847	95,457,200	-
Machinery and equipment	1,067,858	277,028	4,869,197	28,892	6,242,975	-
Construction in progress	813,184	-	-	206,728	1,019,912	-
Less accumulated depreciation and amortization	(18,290,932)	(2,549,363)	(22,293,489)	(567,137)	(43,700,921)	-
Total capital assets, net of accumulated depreciation and amortization	32,072,477	4,343,898	25,453,638	2,557,348	64,427,361	-
Total noncurrent assets	37,127,400	4,384,010	28,024,493	2,797,831	72,333,734	3,824,208
Total assets	48,308,587	4,636,660	39,242,973	3,788,116	95,976,336	19,371,531
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	301,488	-	-	-	301,488	-
Pension plan	328,651	-	391,503	-	720,154	-
Other postemployment benefits	24,561	-	29,583	-	54,144	-
Total deferred outflows of resources	654,700	-	421,086	-	1,075,786	-
LIABILITIES						
Current liabilities:						
Accounts payable and deposits	383,916	22,178	151,531	5,743	563,368	558,029
Due to other governments	-	31,861	-	-	31,861	-
Compensated absences	49,037	-	53,667	-	102,704	-
Accrued payroll	65,867	-	89,091	-	154,958	-
Accrued interest	119,559	9,507	120,869	50,765	300,700	-
Unearned revenue	19,160	-	-	7,638	26,798	2,477,238
Advance from other funds	-	-	-	167,919	167,919	-
Insurance and benefit claims	-	-	-	-	-	1,357,606
Revenue bonds	860,000	216,730	755,000	33,827	1,865,557	-
Total current liabilities	1,497,539	280,276	1,170,158	265,892	3,213,865	4,392,873
Noncurrent liabilities:						
Compensated absences	35,181	-	39,716	-	74,897	-
Advance from other funds	-	-	-	1,757,081	1,757,081	-
Revenue bonds	11,123,076	599,318	11,504,247	200,346	23,426,987	-
Net pension liability	740,956	-	882,660	-	1,623,616	-
Other postemployment benefits liability	275,697	-	340,884	-	616,581	-
Landfill obligation	-	-	15,132,296	-	15,132,296	-
Total noncurrent liabilities	12,174,910	599,318	27,899,803	1,957,427	42,631,458	-
Total liabilities	13,672,449	879,594	29,069,961	2,223,319	45,845,323	4,392,873
DEFERRED INFLOWS OF RESOURCES						
Other postemployment benefits	43,819	-	54,803	-	98,622	-
Total deferred inflows of resources	43,819	-	54,803	-	98,622	-
NET POSITION						
Net investment in capital assets	20,390,889	3,527,850	13,194,391	2,323,175	39,436,305	-
Unrestricted (deficit)	14,856,130	229,216	(2,655,096)	(758,378)	11,671,872	14,978,658
Total net position	\$ 35,247,019	\$ 3,757,066	\$ 10,539,295	\$ 1,564,797	\$ 51,108,177	\$ 14,978,658

COUNTY OF ROCKINGHAM, VIRGINIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Smith Creek					
	Water and Sewer	Water & Waste Authority	Solid Waste	Nonmajor Proprietary Funds	Totals	
Operating revenues:						
Charges for services	\$ 7,603,018	\$ 498,582	\$ 6,520,677	\$ 437,219	\$ 15,059,496	\$ 30,214,257
Connection fees	107,669	2,605	-	3,450	113,724	-
Other revenue	279,906	84,220	181,332	15,000	560,458	-
Total operating revenues	7,990,593	585,407	6,702,009	455,669	15,733,678	30,214,257
Operating expenses:						
Personal services	1,028,279	-	1,387,328	-	2,415,607	-
Fringe benefits	497,954	-	673,272	-	1,171,226	-
Contractual services	480,721	67,135	753,734	21,201	1,322,791	1,992,512
Regional Sewer Authority assessment:						
Operations and maintenance	1,395,280	-	-	-	1,395,280	-
Debt service	1,806,397	-	-	-	1,806,397	-
Expansion allocation	896,678	-	-	-	896,678	-
Risk financing and benefit payments	-	-	-	-	-	24,403,171
Internal services	69,831	-	41,134	-	110,965	-
Electrical services	370,800	14,527	34,297	-	419,624	-
Repairs and maintenance	-	-	358,325	-	358,325	-
Landfill closure	-	-	314,822	-	314,822	-
Other charges	599,658	306,689	533,914	28,897	1,469,158	45,092
Depreciation and amortization	1,143,019	132,325	1,497,376	38,237	2,810,957	-
Total operating expenses	8,288,617	520,676	5,594,202	88,335	14,491,830	26,440,775
Operating income (loss)	(298,024)	64,731	1,107,807	367,334	1,241,848	3,773,482
Nonoperating revenues (expenses):						
Connection availability fees	2,584,056	-	-	11,550	2,595,606	-
Intergovernmental	6,284	-	23,753	-	30,037	-
Gain (loss) on disposal of capital assets	(2,900)	8,300	(57,800)	-	(52,400)	-
Interest revenue	116,215	1,614	46,793	220	164,842	71,034
Interest expense	(449,672)	(25,908)	(373,599)	(55,374)	(904,553)	-
Other	1,391,202	-	-	-	1,391,202	-
Total nonoperating revenues (expenses), net	3,645,185	(15,994)	(360,853)	(43,604)	3,224,734	71,034
Income before transfers	3,347,161	48,737	746,954	323,730	4,466,582	3,844,516
Transfers:						
Transfers out	-	-	-	-	-	(990,426)
Total transfers	-	-	-	-	-	(990,426)
Change in net position	3,347,161	48,737	746,954	323,730	4,466,582	2,854,090
Total net position, beginning	31,899,858	3,708,329	9,792,341	1,241,067	46,641,595	12,124,568
Total net position, ending	\$ 35,247,019	\$ 3,757,066	\$ 10,539,295	\$ 1,564,797	\$ 51,108,177	\$ 14,978,658

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2021**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,229,778
Receipts from customers	7,796,415	461,675	6,426,708	458,220	15,143,018	-
Claims and benefits paid	-	-	-	-	-	(25,100,346)
Payments to suppliers for goods and services	(6,395,504)	(375,046)	(1,656,855)	(67,716)	(8,495,121)	(1,867,973)
Payments to employees for services	(1,419,917)	-	(1,908,397)	-	(3,328,314)	-
Internal activity - payments to other funds	(69,831)	-	(41,134)	-	(110,965)	-
Other receipts	279,906	84,220	181,332	-	545,458	-
Net cash provided by operating activities	191,069	170,849	3,001,654	390,504	3,754,076	3,261,459
Cash flows from noncapital financing activities:						
Intergovernmental - grants	6,284	-	23,753	-	30,037	-
Other	1,391,202	-	-	-	1,391,202	-
Transfers to other funds	-	-	-	-	-	(990,426)
Net cash provided by (used in) noncapital financing activities	1,397,486	-	23,753	-	1,421,239	(990,426)
Cash flows from capital and related financing activities:						
Advance (to) from other funds, net	(2,850,000)	-	-	1,878,472	(971,528)	-
Connection availability fees	2,584,056	-	-	11,550	2,595,606	-
Principal paid on bonds	(830,000)	(210,620)	(730,000)	(32,883)	(1,803,503)	-
Interest paid and fiscal charges on outstanding debt	(491,231)	(28,187)	(502,181)	(7,610)	(1,029,209)	-
Proceeds on the sale of capital assets	-	8,300	-	-	8,300	-
Acquisition and construction of capital assets	(1,639,906)	-	(673,246)	(1,077,557)	(3,390,709)	-
Net cash provided by (used in) capital and related financing activities	(3,227,081)	(230,507)	(1,905,427)	771,972	(4,591,043)	-
Cash flows from investing activities:						
Proceeds on sale of investments	1,008,062	26,131	199,698	7,690	1,241,581	114,176
Purchases of investments	-	-	-	(307,434)	(307,434)	-
Interest received on investment securities	68,058	2,098	64,396	325	134,877	94,952
Net cash provided by (used in) investing activities	1,076,120	28,229	264,094	(299,419)	1,069,024	209,128
Net change in cash and cash equivalents	(562,406)	(31,429)	1,384,074	863,057	1,653,296	2,480,161
Cash and cash equivalents:						
Beginning	9,745,116	181,555	8,238,242	36,984	18,201,897	11,832,520
Ending	\$ 9,182,710	\$ 150,126	\$ 9,622,316	\$ 900,041	\$ 19,855,193	\$ 14,312,681

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2021**

	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)	\$ (298,024)	\$ 64,731	\$ 1,107,807	\$ 367,334	\$ 1,241,848	\$ 3,773,482
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	1,143,019	132,325	1,497,376	38,237	2,810,957	-
Change in assets and liabilities:						
Decrease (increase) in:						
Trade and other accounts receivable	66,568	(39,512)	(93,969)	(5,087)	(72,000)	(951)
Prepaid items	(2,741)	-	(576)	-	(3,317)	547
Inventory	23,431	-	-	-	23,431	(3,242)
Pension related deferred outflows of resources	(117,471)	-	(151,014)	-	(268,485)	-
OPEB related deferred outflows of resources	(1,331)	-	(2,513)	-	(3,844)	-
Increase (decrease) in:						
Accounts payable and deposits	(866,660)	(18,556)	23,991	(17,618)	(878,843)	172,873
Due to other governments	-	31,861	-	-	31,861	-
Accrued liabilities	17,736	-	15,470	-	33,206	-
Unearned revenue	19,160	-	-	7,638	26,798	16,472
Insurance and benefit claims	-	-	-	-	-	(697,722)
Net pension liability	242,019	-	314,477	-	556,496	-
Other postemployment benefits liability	13,894	-	29,548	-	43,442	-
Landfill obligation	-	-	314,822	-	314,822	-
Pension related deferred inflows of resources	(36,792)	-	(41,898)	-	(78,690)	-
OPEB related deferred inflows of resources	(11,739)	-	(11,867)	-	(23,606)	-
Net cash provided by operating activities	\$ 191,069	\$ 170,849	\$ 3,001,654	\$ 390,504	\$ 3,754,076	\$ 3,261,459
Schedule of noncash capital and related financing activities:						
Capital assets acquired through incurrence of accounts payable	\$ 130,578	\$ -	\$ -	\$ -	\$ 130,578	\$ -

COUNTY OF ROCKINGHAM, VIRGINIA

**STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUND
June 30, 2021**

	<u>Custodial Fund</u> <u>Special Welfare</u>
ASSETS	
Cash and cash equivalents	<u>\$ 79,131</u>
Total assets	<u>79,131</u>
NET POSITION	
Restricted for:	
Individuals	<u>79,131</u>
Total net position	<u><u>\$ 79,131</u></u>

COUNTY OF ROCKINGHAM, VIRGINIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUND
Year Ended June 30, 2021**

	<u>Custodial Fund</u> <u>Special Welfare</u>
ADDITIONS	
Benefits collected on behalf of others	<u>\$ 157,587</u>
Total additions	<u>157,587</u>
DEDUCTIONS	
Payments to participants or beneficiaries	<u>152,775</u>
Total deductions	<u>152,775</u>
Net change in fiduciary net position	4,812
Total net position, beginning, as restated	<u>74,319</u>
Total net position, ending	<u><u>\$ 79,131</u></u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

The financial statements of the County of Rockingham, Virginia (County), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. During the current year, the County adopted GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 90, *Majority Equity Interest*, and GASB Statement No. 98, *The Annual Comprehensive Report*. 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

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units:

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

1) School Board

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

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

School Cafeteria Fund accounts for the centralized school cafeteria operations.

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

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

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

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

Massanutten Technical Center
325 Pleasant Valley Road
Harrisonburg, Virginia 22801

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units: (Continued)

2) Harrisonburg-Rockingham Social Services District

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

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

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

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

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

1) Economic Development Authority

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units: (Continued)

1) Economic Development Authority (Continued)

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

The Authority is reported as a discretely presented component unit because the voting majority of the Authority's governing body is appointed by the Board of Supervisors and there is a benefit and burden relationship. The Authority is fiscally dependent on the County. The Authority does not issue separate financial statements but is included in the County's financial statements for fiscal year ended June 30, 2021 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, 2021 as a discretely presented component unit.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

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

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:

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

D. Budgetary Data

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

Note 1. Significant Accounting Policies (Continued)

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

1. Deposits and Investments

Cash and Cash Equivalents

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

Investments

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

2. Property Taxes

Property taxes are levied as of January 1 with real estate values reassessed every four years and personal property values assessed annually. The last general real property reassessment was effective January 1, 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

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 and 11 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 and 11 for details regarding these items.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

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

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

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

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 fiduciary net positions have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund typically has been used in prior years to liquidate pension liability.

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 six years. Plan amendments are recognized immediately. The General Fund typically has been used in prior years to liquidate OPEB liability.

Group Life Insurance Program

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

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

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 fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund typically has been used in prior years to liquidate OPEB liability.

F. Use of Estimates

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

G. Subsequent Events

The County has evaluated subsequent events through December 2, 2021, the date on which the financial statements were available to be issued.

Note 2. Deposits and Investments

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments. The State Treasurer's Local Government Investment Pool Program (LGIP Program) was established pursuant to Section 2.2-4605 of the *Code of Virginia*. The Treasury Board of the Commonwealth sponsors the Program and has delegated certain functions to the State Treasurer. The Program is comprised of two portfolios: the Local Government Investment Pool (LGIP) portfolio, which is designed to meet participants daily operational cash management needs, and the Local Government Investment Pool – Extended Maturity (LGIP - EM), which is designed to meet the longer term investment needs of Virginia's public funds investors. The Program is not registered with the Securities Exchange Commission as an investment company. The LGIP portfolio is managed in accordance with the requirements of GASB Statement No. 79. The County's investment in the LGIP, totaling \$83,281,248, 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 \$11,103,745, 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, 2021, the County's investment policy establishes the maximum percentages of the portfolio permitted in each of the following instruments:

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Credit Risk

As of June 30, 2021, as required by state statute, the Policy requires commercial paper, with a maturity of 270 days or less, have a short-term debt rating of no less than “A-1” (or its equivalent) by at least two of the Nationally Recognized Statistical Rating Organizations (NRSROs). Corporate notes with final maturity of less than five years must have a rating of at least “AA” by Standard & Poor’s and “Aa” by Moody’s Investors Service. Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks, maturing in one year or less, must have a rating of at least “A-1” by Standard & Poor’s and “P-1” by Moody’s Investors Service. Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks, maturing over one year but less than five years, must have a rating of at least “AA” by Standard & Poor’s and “Aa” by Moody’s Investors Service. Federal agency obligations, with final maturity less than five years, must have a rating of at least “AA” (or its equivalent) by at least two of the NRSROs, one of which will be either Moody’s Investors Service or Standard & Poor’s. Municipal obligations, with final maturity less than five years, must have a rating of at least “AA” by Standard & Poor’s and/or “Aa” by Moody’s Investors Service. Bankers’ Acceptances, with a maturity of 180 days or less, must have a short-term debt rating of no less than “A-1” (or its equivalent) by at least two of the NRSROs. Money market mutual funds must be rated at least “AAA” or the equivalent by at least two of the following: Moody’s Investors Service, Standard & Poor’s, Fitch Investors Service, or Duff and Phelps, Inc. Principle stability pools must be rated “AAAm” (or its equivalent) by an NRSRO. Short-term bond pools with a maximum duration of three years must be rated “AAf” (or its equivalent) by an NRSRO. Repurchase agreements, with final maturity less than five years, must be rated “AA” (or its equivalent) by an NRSRO. Supranational bonds with final maturity of less than five years must have a rating of “AA” (or its equivalent) by at least two NRSROs, one of which must be either Moody’s Investors Services or Standard & Poor’s.

As of June 30, 2021, 41% was invested in “AA+” U.S. Agency Securities, 27% 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, 2021, there were no investments in any single issuer that exceed 5% of the total portfolio.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Interest Rate Risk

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

	Fair Value	Investment Maturities		
		Less Than 1 Year	1 - 5 Years	More Than 5 Years
U.S. Treasury Obligations	\$ 6,186,589	\$ 2,473,287	\$ 3,713,302	\$ -
Corporate Notes	9,281,524	4,967,187	4,314,337	-
Federal Agency Obligations	7,917,729	802,222	5,687,878	1,427,629
Money market mutual funds	88,035	88,035	-	-
LGIP Extended Maturity	<u>11,103,745</u>	-	11,103,745	-
	<u>\$ 34,577,622</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, 2021:

- U.S. Treasury obligations of \$6,186,589 are valued using quoted market prices (Level 1 inputs).
- Federal agency obligations of \$3,932,252 are valued using quoted market prices (Level 1 inputs).
- Federal agency obligations of \$3,985,477 are valued using significant other observable inputs (Level 2 inputs).
- Money market mutual funds of \$88,035 are valued using quoted market prices (Level 1 inputs).
- Corporate notes of \$1,930,674 are valued using quoted market prices (Level 1 inputs).
- Corporate notes of \$7,350,850 are valued using significant other observable inputs (Level 2 inputs).
- LGIP Extended Maturity of \$11,103,745 are valued using quoted market prices (Level 1 inputs).

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 3. Receivables

Receivables at June 30, 2021 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	General Capital Projects	Nonmajor Governmental Fund	Water and Sewer Fund	Smith Creek Water & Waste Authority
Property taxes	\$ 4,693,571	\$ -	\$ -	\$ -	\$ -
Utility taxes	182,890	-	-	-	-
Trade and other accounts	1,287,177	620,406	227,197	754,102	102,015
Gross receivables	6,163,638	620,406	227,197	754,102	102,015
Less allowance for uncollectable accounts	800,000	-	-	37,519	12,210
Net receivables	\$ 5,363,638	\$ 620,406	\$ 227,197	\$ 716,583	\$ 89,805

	Solid Waste Fund	Nonmajor Proprietary Funds	Internal Service Funds	Totals
Property taxes	\$ -	\$ -	\$ -	\$ 4,693,571
Utility taxes	-	-	-	182,890
Trade and other accounts	755,128	20,779	10,226	3,777,030
Gross receivables	755,128	20,779	10,226	8,653,491
Less allowance for uncollectable accounts	8,681	5,900	-	864,310
Net receivables	\$ 746,447	\$ 14,879	\$ 10,226	\$ 7,789,181

The County determines its allowance for uncollectible accounts using historical collection data and specific account analysis. The total allowance for uncollectible accounts amounted to \$864,310 as of June 30, 2021.

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 4. Due to/from Other Governments

Amounts due from other governments include the following:

Primary Government:

Governmental Funds:

General Fund:

Commonwealth of Virginia:

Local sales and use taxes \$ 1,569,320

Communications sales and use taxes 182,943

Categorical aid:

Shared costs:

Commissioner of the Revenue 16,912

Commonwealth Attorney 81,837

Sheriff 546,342

Clerk of Circuit Court 52,090

Treasurer 16,205

Other 192,561

Federal government:

Boarding and care of prisoners 30,312

Categorical aid:

Health and Human Services - SAMHSA 65,454

Ground transportation 6,165

Emergency Management Performance 19,022

Bureau of Justice Assistance 48,648

Other 38,597

City of Harrisonburg 1,256,373

Other local governments 50,212

Total General Fund 4,172,993

General Capital Projects Fund:

Commonwealth of Virginia:

Revenue sharing 341,987

Other governments 356,688

Total General Capital Projects Fund 698,675

Total Governmental Funds 4,871,668

Government-wide:

Governmental Activities:

City of Harrisonburg – pension plan 6,483,749

City of Harrisonburg – other postemployment benefits 1,537,503

Total Governmental Activities 8,021,252

Total Primary Government \$ 12,892,920

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

Component Unit - School Board:

Governmental Funds:

School Operating Fund:

Commonwealth of Virginia:

State sales tax receipts	\$ 2,117,321
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Federal government:

Education grants	<u>690,755</u>
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Total School Operating Fund	<u><u>2,808,076</u></u>
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School Cafeteria Fund:

Commonwealth of Virginia:

School food program	<u>203,030</u>
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Total School Cafeteria Fund	<u><u>203,030</u></u>
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Massanutten Technical Center:

Commonwealth of Virginia:

Education grants	<u>123,449</u>
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Total Massanutten Technical Center	<u><u>123,449</u></u>
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Total Component Unit - School Board - Governmental Funds	<u><u>3,134,555</u></u>
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Government-wide:

Governmental Activities:

City of Harrisonburg – pension plan	1,871,230
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City of Harrisonburg – other postemployment benefits	<u>454,195</u>
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Total Component Unit – School Board - Governmental Activities	<u><u>\$ 5,459,980</u></u>
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COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

Component Unit - Harrisonburg-Rockingham Social Services District:

Governmental Funds:

Operating Fund:

Commonwealth of Virginia:

Public assistance and administration \$ 246,763

Federal government:

Public assistance and administration 478,926

Total Operating Fund 725,689

Special Revenue – Children's Services Act Fund:

Commonwealth of Virginia:

Children's Services Act 1,801,759

City of Harrisonburg:

Children's Services Act 293,974

Total Special Revenue Fund 2,095,733

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

2,821,422

Government-wide:

Governmental Activities:

City of Harrisonburg – pension plan 3,492,711

City of Harrisonburg – other postemployment benefits 875,156

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

\$ 7,189,289

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

Amounts due to other governments include the following:

Primary Government:

Governmental Funds:

General Fund:

Commonwealth of Virginia	\$ 19,928
City of Harrisonburg	67,444
Other local governments	5,470
Total General Fund	<u>92,842</u>

Total Government Funds	<u>92,842</u>
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Business-type activities:

Smith Creek Water & Waste Authority:

Commonwealth of Virginia	375
City of Harrisonburg	31,486
Total Smith Creek Water & Waste Authority	<u>31,861</u>

Total Business-type activities	<u>31,861</u>
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Total Primary Government	<u><u>\$ 124,703</u></u>
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Component Unit - School Board:

Governmental Funds:

Massanutten Technical Center:

School Operating Fund	\$ 243,703
City of Harrisonburg	60,926

Total Massanutten Technical Center	<u>304,629</u>
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Total Component Unit - School Board - Governmental Funds	<u><u>\$ 304,629</u></u>
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COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2021 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	\$ 925,000	\$ -	\$ -	\$ 4,583,262
Construction in progress	14,257,294	1,269,549	(915,200)	(13,229,317)	1,382,326
Total capital assets not being depreciated or amortized	17,915,556	2,194,549	(915,200)	(13,229,317)	5,965,588
Capital assets being depreciated or amortized:					
Buildings and improvements	49,565,104	1,372,744	-	5,111,977	56,049,825
Improvements other than buildings	21,465,616	1,087,419	-	8,061,821	30,614,856
Machinery and equipment	19,898,414	2,424,248	(25,913)	55,519	22,352,268
Software	1,767,305	-	(650,590)	-	1,116,715
Total capital assets being depreciated or amortized	92,696,439	4,884,411	(676,503)	13,229,317	110,133,664
Less accumulated depreciation and amortization for:					
Buildings and improvements	(27,529,538)	(1,755,016)	-	-	(29,284,554)
Improvements other than buildings	(6,845,611)	(1,355,310)	-	-	(8,200,921)
Machinery and equipment	(10,753,564)	(1,852,209)	20,730	-	(12,585,043)
Software	(1,645,958)	(56,538)	650,590	-	(1,051,906)
Total accumulated depreciation and amortization	(46,774,671)	(5,019,073)	671,320	-	(51,122,424)
Total capital assets being depreciated or amortized, net	45,921,768	(134,662)	(5,183)	13,229,317	59,011,240
Governmental activities capital assets, net	\$ 63,837,324	\$ 2,059,887	\$ (920,383)	\$ -	\$ 64,976,828

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

Governmental activities:	
General government administration	\$ 521,100
Judicial administration	400,937
Public safety	2,411,432
Public works	225,748
Health and social services	43,730
Parks, recreation and cultural	603,395
Community development	812,731
Total depreciation and amortization expense - governmental activities	\$ 5,019,073

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	\$ 935,787	\$ -	\$ 35,130	\$ 3,519,940
Easements	227,156	-	-	-	227,156
Construction in progress	2,552,604	952,584	(2,900)	(2,482,376)	1,019,912
Total capital assets not being depreciated or amortized	5,328,783	1,888,371	(2,900)	(2,447,246)	4,767,008
Capital assets being depreciated or amortized:					
Buildings and improvements	1,661,099	-	-	-	1,661,099
Improvements other than buildings	92,214,296	795,658	-	2,447,246	95,457,200
Machinery and equipment	6,016,518	837,258	(610,801)	-	6,242,975
Total capital assets being depreciated or amortized	99,891,913	1,632,916	(610,801)	2,447,246	103,361,274
Less accumulated depreciation and amortization for:					
Buildings and improvements	(295,690)	(58,331)	-	-	(354,021)
Improvements other than buildings	(36,988,465)	(2,111,703)	-	-	(39,100,168)
Machinery and equipment	(4,158,810)	(640,923)	553,001	-	(4,246,732)
Total accumulated depreciation and amortization	(41,442,965)	(2,810,957)	553,001	-	(43,700,921)
Total capital assets being depreciated and amortized, net	58,448,948	(1,178,041)	(57,800)	2,447,246	59,660,353
Business-type activities capital assets, net	\$ 63,777,731	\$ 710,330	\$ (60,700)	\$ -	\$ 64,427,361

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

Business-type activities:	
Water and Sewer	\$ 1,143,019
Solid Waste	1,497,376
Smith Creek Water & Waste Authority	132,325
Lilly Subdivision Sanitary District	9,718
Countryside Sanitary District	6,120
Penn Laird Sewer Authority	22,399
Total depreciation and amortization expense - business-type activities	\$ 2,810,957

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	12,746,086	86,242	-	(12,740,039)	92,289
Total capital assets not being depreciated or amortized	18,252,275	86,242	-	(12,740,039)	5,598,478
Capital assets being depreciated or amortized:					
Buildings and improvements	181,553,158	40,300	-	-	181,593,458
Improvements other than buildings	78,097,489	1,593,995	(43,300)	12,615,849	92,264,033
Machinery and equipment	37,427,127	2,679,792	(71,962)	124,190	40,159,147
Total capital assets being depreciated or amortized	297,077,774	4,314,087	(115,262)	12,740,039	314,016,638
Less accumulated depreciation and amortization for:					
Buildings and improvements	(111,585,442)	(4,693,139)	-	-	(116,278,581)
Improvements other than buildings	(29,581,305)	(3,307,577)	34,640	-	(32,854,242)
Machinery and equipment	(31,852,785)	(1,316,165)	71,962	-	(33,096,988)
Total accumulated depreciation and amortization	(173,019,532)	(9,316,881)	106,602	-	(182,229,811)
Total capital assets being depreciated and amortized, net	124,058,242	(5,002,794)	(8,660)	12,740,039	131,786,827
School Board capital assets, net	\$ 142,310,517	\$ (4,916,552)	\$ (8,660)	\$ -	\$ 137,385,305

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

Component Unit - School Board:

Instruction	\$ 7,593,154
Pupil transportation services	1,013,633
Operation and maintenance services	710,094
Total depreciation and amortization expense - Component Unit - School Board	\$ 9,316,881

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
Total capital assets not being depreciated or amortized	202,036	-	-	-	202,036
Capital assets being depreciated or amortized:					
Buildings and improvements	500,979	-	-	-	500,979
Improvements other than buildings	1,919,861	199,473	-	-	2,119,334
Machinery and equipment	95,897	-	(26,413)	-	69,484
Total capital assets being depreciated or amortized	2,516,737	199,473	(26,413)	-	2,689,797
Less accumulated depreciation and amortization for:					
Buildings and improvements	(162,818)	(25,049)	-	-	(187,867)
Improvements other than buildings	(520,942)	(105,967)	-	-	(626,909)
Machinery and equipment	(66,549)	(13,897)	26,413	-	(54,033)
Total accumulated depreciation and amortization	(750,309)	(144,913)	26,413	-	(868,809)
Total capital assets being depreciated and amortized, net	1,766,428	54,560	-	-	1,820,988
Harrisonburg-Rockingham Social Services District capital assets, net	\$ 1,968,464	\$ 54,560	\$ -	\$ -	\$ 2,023,024

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	\$ 144,913
Total depreciation and amortization expense - Component Unit - Harrisonburg-Rockingham Social Services District	\$ 144,913

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 6. Commitments

The County has active projects and significant project commitments as of June 30, 2021 as follows:

Primary Government

Project	Expended to June 30, 2021	Remaining Commitment
Firetruck	\$ 1,260,000	\$ 137,217
	<u>\$ 1,260,000</u>	<u>\$ 137,217</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, 2021, under this lease is as follows:

	Minimum Rental Commitment
During the next five years	\$ 99,941
During the remaining term of the lease	<u>20,897</u>
	<u>\$ 120,838</u>

Note 7. Encumbrances

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

General fund	\$ 325,249
Capital projects fund	164,682
Water and sewer fund	36,378
Smith Creek Water & Waste Authority	14,838
Solid waste fund	<u>478,312</u>
Total	<u><u>\$ 1,019,459</u></u>

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, 2021:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	\$ 94,549,222	\$ -	\$ (6,680,678)	\$ 87,868,544	\$ 6,853,635
Capital leases	6,595,000	-	(4,480,000)	2,115,000	525,000
Notes from direct borrowings and direct placements	6,723,467	-	(1,628,483)	5,094,984	1,660,624
Unamortized premiums	7,520,022	-	(587,105)	6,932,917	-
	115,387,711	-	(13,376,266)	102,011,445	9,039,259
Compensated absences	1,128,575	417,192	(306,493)	1,239,274	778,979
Governmental activities long-term activities	\$ 116,516,286	\$ 417,192	\$ (13,682,759)	\$ 103,250,719	\$ 9,818,238

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
2022	\$ 6,853,635	\$ 3,774,124	\$ 525,000	\$ 62,059
2023	7,109,991	3,423,159	530,000	44,388
2024	7,391,686	3,062,412	530,000	26,633
2025	7,382,829	2,696,039	530,000	8,878
2026	7,683,661	2,329,714	-	-
2027-2031	28,111,742	6,695,570	-	-
2032-2036	15,165,000	2,423,979	-	-
2037-2040	8,170,000	393,242	-	-
	\$ 87,868,544	\$ 24,798,239	\$ 2,115,000	\$ 141,958

Year Ending June 30,	Notes from Direct Borrowings and Direct Placements	
	Principal	Interest
2022	\$ 1,660,624	\$ 102,780
2023	1,349,857	69,994
2024	1,031,065	45,234
2025	1,053,438	22,860
	\$ 5,094,984	\$ 240,868

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

\$5,077,993 2003 series, issued November 2003, due in annual maturities of \$285,580 to \$297,277 through July 2023, plus interest at 5.10%	\$ 874,136
\$9,404,190 2005 series, issued November 2005, due in annual maturities of \$509,371 to \$545,699 through July 2025, plus interest at 4.60% to 5.10%	2,638,780
\$13,147,200 2006 series, issued November 2006, due in annual maturities of \$694,676 to \$744,134 through July 15, 2026, plus interest at 4.40% to 4.60%	4,309,828
\$10,610,000 2007 series, issued May 2007, due in annual maturities of \$605,000 to \$810,000 through July 15, 2027, plus interest at 4.50% to 5.10%	4,930,000
\$6,364,713 2007 series, issued November 2007, due in annual maturities of \$333,874 to \$371,160 through July 2027, plus interest at 4.35% to 5.10%	2,456,926
\$11,630,000 2008 series, issued May 2008, due in annual maturities of \$635,000 to \$900,000 through July 2028, plus interest at 5.10%	6,090,000
\$12,701,410 2008 series, issued December 2008, due in annual maturities of \$645,134 to \$742,320 through July 2028, plus interest at 5.10% to 5.35%	5,538,874
\$24,560,000 2009 series, issued May 2009, due in annual maturities of \$1,265,000 to \$1,855,000 through July 2029, plus interest at 4.05% to 5.05%	13,930,000
\$22,540,000 2017 series, issued November 2017 due in annual maturities of \$820,000 to \$1,585,000 through July 2037, plus interest at 3.05% to 5.05%	20,515,000
\$18,675,000 2019 series, issued November 2019 due in annual maturities of \$610,000 to \$1,315,000 through July 2039, plus interest at 2.80% to 5.05%	18,260,000
\$4,965,000 2019 VRA bond, entered into August 2019, due in annual maturities of \$265,000 to \$480,000 through October 2033, plus interest payable semi-annually at 4.52% to 5.13%	4,715,000
\$3,785,000 2019 VRA Fall Pool, entered into October 2019, due in annual maturities of \$185,000 to \$340,000 through October 2034, plus interest payable semi-annually at 3.59% to 5.13%	3,610,000
Total General Obligation Bonds	\$ 87,868,544

All general obligation bonds series 2003 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

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

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

Capital Leases:

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%

\$ 2,115,000

Total capital leases

\$ 2,115,000

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:

	Governmental Activities
	<u>SRI Project</u>
Capital assets:	
Buildings and improvements	\$ 18,249,809
Less accumulated depreciation	<u>(6,850,427)</u>
	<u><u>\$ 11,399,382</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 \$987,732 to \$1,053,439 through December 2024, plus interest payable at 2.17% \$ 4,081,400

Radio Agreement

\$3,282,000 note issued in October 2017, due in semi-annual installments ranging from \$335,039 to \$340,691 through October 2022, plus interest payable 1,013,584

Total notes from direct borrowings and direct placements \$ 5,094,984

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	\$ 24,413,724	\$ -	\$ (1,803,503)	\$ 22,610,221	\$ 1,865,557
Landfill obligation	14,817,474	314,822	-	15,132,296	-
Compensated absences	166,146	64,611	(53,156)	177,601	102,704
Unamortized premiums	2,886,173	-	(203,850)	2,682,323	-
Business-type activities long-term liabilities	\$ 42,283,517	\$ 379,433	\$ (2,060,509)	\$ 40,602,441	\$ 1,968,261

Annual requirements to amortize the revenue bonds are as follows:

Year(s) Ending June 30,	Revenue Bonds	
	Principal	Interest
2022	\$ 1,865,557	\$ 948,794
2023	1,867,033	859,941
2024	1,875,519	770,483
2025	1,858,831	680,015
2026	1,932,233	588,467
2027-2031	8,491,048	1,725,688
2032-2036	4,195,000	424,522
2037-2038	525,000	17,094
	\$ 22,610,221	\$ 6,015,004

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

Water and Sewer Fund

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

\$9,630,000 issued August 2015, due in annual installments of \$200,000 to \$805,000 through October 2035, plus interest payable semi-annually ranging from 3.13% to 5.13% \$ 7,405,000

Infrastructure Revenue Bonds (Virginia Pooled Financing Program):

\$3,695,000 issued November 2017, due in installments of \$130,000 to \$265,000 in October 2037, plus interest payable semi-annually ranging from 3.13% to 5.13% 3,335,000

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% 3,000,000

Infrastructure Revenue Bond (Virginia Pooled Financing Program):

\$9,845,000 issued May 2017, due in annual installments of \$555,000 to \$870,000 through October 2031, plus interest payable semi-annually ranging from 3.13% to 5.13% 7,820,000

Smith Creek Water & Waste Authority

Virginia Revolving Loan Fund:

\$2,078,500 issued November 2001, due in semi-annual installments of \$67,691 to \$69,737 through September 2022, including interest at 3.0% 206,133

Wastewater System Revenue Refunding Bond, Series 2012:

\$1,250,936 issued in April 2012, due in annual installments of \$80,164 to \$94,037 through August 2027, plus interest payable semi-annually at 2.66% 609,915

Countryside Sanitary District

Virginia Revolving Loan Fund:

\$171,288 issued June 2006, due in semi-annual installments of \$4,985 to \$5,763 through April 2026, including interest at 3.25% 53,660

Penn Laird Sewer Authority

Wastewater System Revenue Refunding Bond Series 2012:

\$370,232 issued April 2012, due in annual installments of \$23,945 to \$28,089 through August 2027, plus interest payable semi-annually at 2.66% 180,513

\$ 22,610,221

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

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 15.

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, 2021:

Component Unit – School Board

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 4,097,170	\$ 5,399,584	\$ (5,548,419)	\$ 3,948,335	\$ 2,560,951

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, 2021:

Component Unit – Harrisonburg-Rockingham Social Services District

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 43,506	\$ 208,758	\$ (213,696)	\$ 38,568	\$ 23,933

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2020 (most recent balances available) consist of the following:

Series	Amount	Interest
Series 2007	\$ 18,061,972	2.52%
Series 2008	20,269,972	2.72%
Series 2015	7,459,019	1.20%
Series 2017	12,509,677	2.25%
Series 2018C	2,305,813	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 \$1,316,000, \$411,000, and \$1,800,000, respectively. To obtain a copy of the audited financial statements, contact the Authority at 856 North River Road, P. O. Box 8, Mt. Crawford, Virginia 22841.

Note 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)

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Governmental Activities	\$ 17,766,244	\$ 7,880,206	\$ -	\$ 4,391,927
Business-type Activities	1,623,616	720,154	-	401,368
School Board	118,357,716	30,442,081	9,789,604	13,539,003
District	4,839,060	2,146,362	-	1,196,246
	<u>\$ 142,586,636</u>	<u>\$ 41,188,803</u>	<u>\$ 9,789,604</u>	<u>\$ 19,528,544</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description

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

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

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. <ul style="list-style-type: none">• The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Eligible Members</p> <p>Political subdivision employees: Members are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>School division employees (teachers): Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Eligible Members</p> <p>Political subdivision employees: Members are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>School division employees (teachers): Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013.</p> <p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>Eligible Members Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none">• Political subdivision employees.*• School division employees (teachers).• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none">• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <i>Defined Benefit Component</i> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><i>Defined Contribution Component</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none">• After two years, a member is 50% vested and may withdraw 50% of employer contributions.• After three years, a member is 75% vested and may withdraw 75% of employer contributions. <p>After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</p> <p>Distribution is not required, except as governed by law.</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
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	Calculating the Benefit See definition under Plan 1.	Calculating the Benefit <i>Defined Benefit Component</i> See definition under Plan 1. <i>Defined Contribution Component</i> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier <i>VRS:</i> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.	Service Retirement Multiplier <i>VRS:</i> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.	Service Retirement Multiplier <i>Defined Benefit Component</i> <i>VRS:</i> The retirement multiplier for the defined benefit component is 1.00%. For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.
Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	Sheriffs and regional jail superintendents: Same as Plan 1. Political subdivision hazardous duty employees: Same as Plan 1.	Sheriffs and regional jail superintendents: Not applicable. Political subdivision hazardous duty employees: Not applicable. <i>Defined Contribution Component</i> Not applicable.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%.	Cost-of-Living Adjustment (COLA) in Retirement <i>Defined Benefit Component</i> Same as Plan 2. <i>Defined Contribution Component</i> Not applicable.
Eligibility: 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.	Eligibility: Same as Plan 1.	Eligibility: Same as Plan 1 and Plan 2.
<u>Exceptions to COLA</u> <u>Effective Dates:</u> School Division (Teachers) and Political Subdivision Employees: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. 	<u>Exceptions to COLA</u> <u>Effective Dates:</u> School Division (Teachers) and Political Subdivision Employees: Same as Plan 1.	<u>Exceptions to COLA</u> <u>Effective Dates:</u> School Division (Teachers) and Political Subdivision Employees: Same as Plan 1 and Plan 2.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement (Continued) <u>Exceptions to COLA Effective Dates: (Continued)</u> School Division (Teachers) and Political Subdivision Employees (continued): <ul style="list-style-type: none"> The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. Political subdivision employees: The member retires directly from short-term or long-term disability. 		
Disability Coverage Political subdivision employees: Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	Disability Coverage Political subdivision employees: Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service regardless of when it was earned, purchased or granted.	Disability Coverage Employees of political subdivisions and school divisions (teachers), including Plan 1 and Plan 2 opt-ins, participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid 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
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service <i>Defined Benefit Component</i> Same as Plan 1, with the following exception: <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. <i>Defined Contribution Component</i> Not applicable.

B. Employees Covered by Benefit Terms

County and the District Plan (Agent Plan)

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	334
Inactive members:	
Vested	114
Non-vested	180
Active elsewhere in VRS	332
Total inactive members	626
Active members	626
Total covered employees	1,586

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

B. Employees Covered by Benefit Terms (Continued)

School Board Non-Professional Plan (Agent Plan)

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	265
Inactive members:	
Vested	43
Non-vested	84
Active elsewhere in VRS	55
Total inactive members	182
Active members	398
Total covered employees	845

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, 2021 was 11.90% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 \$3,428,079 and \$2,890,331 for the years ended June 30, 2021 and 2020, respectively.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2021 was 5.85% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 \$364,357 and \$379,560 for the years ended June 30, 2021 and 2020, 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, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$11,438,353 and \$10,939,651 for the years ended June 30, 2021 and 2020, respectively.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2020. The total pension liabilities used to calculate the NPLs were determined by an actuarial valuation performed as of June 30, 2019 rolled forward to the measurement date of June 30, 2020.

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2021, the School Board reported a liability for the professional plan of \$116,297,311 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the School Board's proportion was 0.79915% as compared to 0.81147% at June 30, 2019.

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, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 51,001,855
Plan fiduciary net position	36,449,229
Employers' net pension liability	\$ 14,552,626

Plan fiduciary net position as a percentage of the total pension liability	71.47%
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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

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, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

*Administrative expenses as a percent of the fair 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, 2019 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 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

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	Increase 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, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

*Administrative expenses as a percent of the fair 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

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, 2019 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	Decrease 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, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

*Administrative expenses as a percent of the fair 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

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, 2019 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)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi - Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
	Inflation		2.50%
			7.14%

* The above allocation provides a one-year return of 7.14%. 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%. On October 10, 2019, 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2020, 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, 2020 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, 2020, 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, 2020 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, 2019	\$ 119,068,800	\$ 102,509,966	\$ 16,558,834
Changes for the Year:			
Service cost	3,386,916	-	3,386,916
Interest	7,848,411	-	7,848,411
Difference between expected and actual experience	2,614,034	-	2,614,034
Contributions – employer	-	2,890,331	(2,890,331)
Contributions – employee	-	1,399,866	(1,399,866)
Net investment income	-	1,957,907	(1,957,907)
Benefit payments, including refunds of employee contributions	(5,592,086)	(5,592,086)	-
Administrative expense	-	(66,505)	66,505
Other changes	-	(2,324)	2,324
Net changes	8,257,275	587,189	7,670,086
Balances at June 30, 2020	\$ 127,326,075	\$ 103,097,155	\$ 24,228,920

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, 2019	\$ 36,817,750	\$ 36,336,994	\$ 480,756
Changes for the Year:			
Service cost	798,398	-	798,398
Interest	2,420,331	-	2,420,331
Difference between expected and actual experience	(224,426)	-	(224,426)
Contributions – employer	-	379,560	(379,560)
Contributions – employee	-	370,426	(370,426)
Net investment income	-	690,160	(690,160)
Benefit payments, including refunds of employee contributions	(1,921,981)	(1,921,981)	-
Administrative expense	-	(24,024)	24,024
Other changes	-	(1,468)	1,468
Net changes	1,072,322	(507,327)	1,579,649
Balances at June 30, 2020	\$ 37,890,072	\$ 35,829,667	\$ 2,060,405

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		\$ 17,766,244	
Business-type activities net pension liability		1,623,616	
District net pension liability		4,839,060	
Total primary government and District net pension liability	\$ 42,225,912	24,228,920	\$ 9,506,300
School Board non-professional net pension liability (asset)	6,010,998	2,060,405	(1,304,392)
School Board professional net pension liability	170,634,275	116,297,311	71,353,773

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, 2021, the County and District recognized pension expense of \$5,989,541. At June 30, 2021, 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	\$ 1,907,188	\$ -	\$ 174,293	\$ -	\$ 519,468	\$ -	\$ 2,600,949	\$ -
Changes in assumptions	1,205,818	-	110,197	-	328,433	-	1,644,448	-
Net differences between projected and actual earnings on pension plan investments	2,253,507	-	205,943	-	613,796	-	3,073,246	-
Employer contributions subsequent to the measurement date	2,513,693	-	229,721	-	684,665	-	3,428,079	-
Total	\$ 7,880,206	\$ -	\$ 720,154	\$ -	\$ 2,146,362	\$ -	\$ 10,746,722	\$ -

The \$3,428,079 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, 2022. 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
2022	\$ 2,373,605
2023	2,550,943
2024	1,411,045
2025	983,050
	<u>\$ 7,318,643</u>

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 (Continued)

School Board Non-Professional Plan (Agent Plan)

For the year ended June 30, 2021, the School Board recognized pension expense related to its non-professional plan of \$892,100. At June 30, 2021, 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	\$ -	\$ (159,262)
Changes in assumptions	300,530	-
Net difference between projected and actual earnings on pension plan investments	1,070,450	-
Employer contributions subsequent to the measurement date	364,357	-
Total	\$ 1,735,337	\$ (159,262)

The \$364,357 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 229,144
2023	272,825
2024	365,313
2025	344,436
	<u>\$ 1,211,718</u>

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 (Continued)

School Board Professional Plan (Cost-Sharing Plan)

For the year ended June 30, 2021, the School Board recognized pension expense related to the professional plan of \$12,646,903. 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, 2021, 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	\$ -	\$ (6,816,816)
Changes in assumptions	7,938,750	-
Net difference between projected and actual earnings on pension plan investments	8,845,699	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	483,942	(2,813,526)
Employer contributions subsequent to the measurement date	11,438,353	-
Total	\$ 28,706,744	\$ (9,630,342)

The \$11,438,353 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (559,641)
2023	2,490,567
2024	3,356,763
2025	2,554,205
2026	(203,845)
	<u>\$ 7,638,049</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 2020 Annual Comprehensive Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2020-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits

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

	OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Governmental Activities	\$ 6,001,357	\$ 574,498	\$ 922,187	\$ 235,044
Business-type Activities	616,581	54,144	98,622	23,825
School Board	38,760,428	4,344,431	4,404,058	1,961,657
District	1,649,580	155,032	255,766	64,415
	<u>\$ 47,027,946</u>	<u>\$ 5,128,105</u>	<u>\$ 5,680,633</u>	<u>\$ 2,284,941</u>

11.1. Medical Insurance Program

A. Plan Description

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

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

County and the District

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS
<i>Eligible Employees</i> A Rockingham County retiree, eligible for postretirement medical coverage, is defined as a full-time employee who retires directly from the County and is eligible to receive an early or regular retirement benefit from the VRS. Employees applying for early or regular retirement are eligible to continue participation in the County sponsored Retiree Health plan.
<i>Retirement Eligibility</i> Employees may retire under the VRS with an unreduced pension benefit under the following age and service requirements: <ul style="list-style-type: none">• Plan 1 eligible employees<ul style="list-style-type: none">○ Age 50 and 30 years of service○ Age 65 and 5 years of service• Plan 2 and Hybrid plan eligible employees<ul style="list-style-type: none">○ Age 65 with 5 years of service○ Rule of 90

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.1. Medical Insurance Program (Continued)

A. Plan Description (Continued)

County and the District (Continued)

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

School Board

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS
<i>Eligible Employees</i> Retired employees may participate in the School Board health insurance program in accordance with the following terms and conditions: <ul style="list-style-type: none">• The employee has served a minimum of 10 consecutive years as an employee of Rockingham County School Board.• The employee is eligible for retirement under VRS and that his/her monthly payments are made through payroll deductions by the VRS.• Once the retired employee becomes eligible for or obtains other health coverage, the retired employee will no longer be eligible to participate in the group plan.
<i>Retirement Eligibility</i> School Board employees may retire under the VRS according to the same eligibility requirements as the County and the District employees described above.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.1. Medical Insurance Program (Continued)

A. Plan Description (Continued)

School Board (Continued)

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS (Continued)	
<i>Benefit Amounts</i>	
The School Board will pay \$10 monthly for the retiree until the retiree becomes eligible for or obtains other health coverage.	
<i>Death of a Retiree</i>	
Upon death of a current retiree, the surviving spouse is eligible for coverage until age 65. Survivors of actives are not eligible for postretirement benefits, even if the deceased active was eligible to retire at the time of death.	

B. Employees Covered by Benefit Terms

At July 1, 2020, 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
Total	573

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
Total	1,672

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.1. Medical Insurance Program (Continued)

C. Total Medical Insurance Program OPEB Liability

The County and the District's total Medical Insurance OPEB liability of \$5,900,441 was measured as of June 30, 2021 with a reporting date of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019. The School Board's total Medical Insurance OPEB liability of \$21,377,502 was measured as of June 30, 2021, 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 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.1. Medical Insurance Program (Continued)

D. Actuarial Assumptions and Other Inputs (Continued)

School Board

Mortality Rates

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

Pre-Commencement: 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.

E. Changes in the Total Medical Insurance OPEB Liability

County and the District

	Total Medical Insurance OPEB Liability
Balance at June 30, 2020	<u>\$ 5,490,823</u>
Changes for the year:	
Service cost	406,569
Interest	191,810
Contributions - employer	(188,761)
Net changes	<u>409,618</u>
Balance at June 30, 2021	<u><u>\$ 5,900,441</u></u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.1. Medical Insurance Program (Continued)

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

School Board

	Total Medical Insurance OPEB Liability
Balance at June 30, 2020	\$ 20,197,483
Changes for the year:	
Service cost	1,168,191
Interest	694,934
Contributions - employer	(683,106)
Net changes	1,180,019
Balance at June 30, 2021	\$ 21,377,502

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		\$ 4,257,480	
Business-type activities		459,618	
District		1,183,343	
Total primary government and District	\$ 6,666,690	5,900,441	\$ 5,236,037
School Board	23,796,917	21,377,502	19,235,094

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.1. Medical Insurance Program (Continued)

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

The following represents the total Medical Insurance OPEB liabilities of the County and the District and the School Board calculated using the stated discount rate, as well as what the County and the District's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (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		\$ 4,257,480	
Business-type activities		459,618	
District		1,183,343	
Total primary government and District	\$ 5,040,450	\$ 5,900,441	\$ 6,958,582
School Board	18,404,027	21,377,502	24,972,731

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, 2021, the County and the District and the School Board recognized Medical Insurance OPEB expense of \$206,053 and \$829,582, respectively.

County and the District

At June 30, 2021, 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	\$ 135,702	\$ -	\$ 14,648	\$ -	\$ 37,717	\$ -	\$ 188,067	\$ -
Changes in assumptions	-	(870,111)	-	(93,935)	-	(241,843)	-	(1,205,889)
Total	\$ 135,702	\$ (870,111)	\$ 14,648	\$ (93,935)	\$ 37,717	\$ (241,843)	\$ 188,067	\$ (1,205,889)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.1. Medical Insurance Program (Continued)

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

County and the District (Continued)

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

Year Ending June 30,	Amount
2022	\$ (203,565)
2023	(203,565)
2024	(203,565)
2025	(203,565)
2026	(203,562)
Total	\$ (1,017,822)

School Board

At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to Medical Insurance Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,731,088	\$ -
Change in assumptions	-	(3,483,273)
Total	\$ 1,731,088	\$ (3,483,273)

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
2022	\$ (350,437)
2023	(350,437)
2024	(350,437)
2025	(350,437)
2026	(350,437)
Total	\$ (1,752,185)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.2. Group Life Insurance Program

A. Plan Description

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

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

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS	
Eligible Employees	
The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.	
Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.	
Benefit Amounts	
The benefits payable under the GLI have several components.	
<ul style="list-style-type: none">• Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.• Accidental Death Benefit: The accidental death benefit is double the natural death benefit.• Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:<ul style="list-style-type: none">○ Accidental dismemberment benefit○ Safety belt benefit○ Repatriation benefit○ Felonious assault benefit○ Accelerated death benefit option	

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.2. Group Life Insurance Program (Continued)

A. Plan Description (Continued)

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS (Continued)	
Reduction in Benefit Amounts	The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)	For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.

B. Contributions

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the GLI from the participating employers for the years ended June 30, 2021 and June 30, 2020 were as follows.

	2021	2020
County and the District	\$ 162,008	\$ 151,793
School Board Non-Professional	44,136	43,699
School Board Professional	384,686	362,560

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.2. Group Life Insurance Program (Continued)

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

At June 30, 2021, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	2021
Governmental activities	\$ 1,743,877
Business-type activities	156,963
District	466,237
Total primary government and District	2,367,077
School Board Non-Professional	681,386
School Board Professional	5,653,683

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

	2020	2019
County and the District	0.14184%	0.13855%
School Board Non-Professional	0.04083%	0.04263%
School Board Professional	0.33878%	0.34568%

For the year ended June 30, 2021, the County and the District, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of \$117,231, \$191,271, and \$17,386, 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 11. Other Postemployment Benefits (Continued)

11.2. Group Life Insurance Program (Continued)

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

At June 30, 2021, 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	\$ 111,853	\$ (15,662)	\$ 10,068	\$ (1,410)	\$ 29,905	\$ (4,188)	\$ 151,826	\$ (21,260)
Net difference between projected and actual earnings on GLI OPEB program investments	52,385	-	4,715	-	14,005	-	71,105	-
Change in assumptions	87,214	(36,414)	7,850	(3,277)	23,317	(9,735)	118,381	(49,426)
Changes in proportionate share	67,989	-	6,120	-	18,178	-	92,287	-
Employer contribution subsequent to the measurement date	119,355	-	10,743	-	31,910	-	162,008	-
Total	\$ 438,796	\$ (52,076)	\$ 39,496	\$ (4,687)	\$ 117,315	\$ (13,923)	\$ 595,607	\$ (70,686)

The \$162,008 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, 2022. 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
2022	\$ 62,618
2023	82,698
2024	95,710
2025	90,333
2026	28,359
Thereafter	3,195
Total	\$ 362,913

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.2. Group Life Insurance Program (Continued)

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

School Board Non-Professional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,705	\$ (6,120)
Net difference between projected and actual earnings on GLI OPEB program investments	20,468	-
Change in assumptions	34,077	(14,228)
Changes in proportionate share	-	(36,762)
Employer contribution subsequent to the measurement date	44,136	-
Total	\$ 142,386	\$ (57,110)

The \$44,136 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, 2022. 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
2022	\$ 1,665
2023	7,445
2024	14,450
2025	17,139
2026	1,066
Thereafter	(625)
Total	\$ 41,140

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.2. Group Life Insurance Program (Continued)

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

School Board Professional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 362,632	\$ (50,781)
Net difference between projected and actual earnings on GLI OPEB program investments	169,832	-
Change in assumptions	282,749	(118,052)
Changes in proportionate share	5,026	(145,305)
Employer contribution subsequent to the measurement date	384,686	-
Total	\$ 1,204,925	\$ (314,138)

The \$384,686 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, 2022. 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
2022	\$ 60,830
2023	108,791
2024	154,664
2025	157,409
2026	25,063
Thereafter	(656)
Total	\$ 506,101

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.2. Group Life Insurance Program (Continued)

D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality – general employees	3.50%-5.35%
Locality – hazardous duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation*

* Administrative expenses as a percent of the fair 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, 2019 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 11. Other Postemployment Benefits (Continued)

11.2. 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, 2019 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	Increase 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 11. Other Postemployment Benefits (Continued)

11.2. 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, 2019 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, 2020, NOL amounts for the GLI are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$ 3,523,937
Plan fiduciary net position	1,855,102
GLI OPEB liability	\$ 1,668,835
Plan fiduciary net position as a percentage of the total GLI OPEB liability	52.64%

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 11. Other Postemployment Benefits (Continued)

11.2. Group Life Insurance Program (Continued)

F. Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long- Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
	Inflation		2.50%
			7.14%

* Expected arithmetic nominal return

* The above allocation provides a one-year return of 7.14%. 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%. On October 10, 2019, 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

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, 2020, 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, 2020 on, employers are assumed to continue contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.2. Group Life Insurance Program (Continued)

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Governmental activities		\$ 1,743,877	
Business-type activities		156,963	
District		466,237	
Total primary government and District	\$ 3,111,705	2,367,077	\$ 1,762,370
School Board Non-Professional	895,734	681,386	507,315
School Board Professional	7,432,201	5,653,683	4,209,360

I. Group Life Insurance Program Fiduciary Net Position

Detailed information about the GLI's fiduciary net position is available in the separately issued VRS 2020 Annual Comprehensive Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program

A. Plan Description

School Board Non-Professional and School Board Professional Plans

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

School Board Non-Professional Plan

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

POLITICAL SUBDIVISION HIC PLAN PROVISIONS
<p><i>Eligible Employees</i></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">• Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
<p><i>Benefit Amounts</i></p> <p>The political subdivision's Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none">• At Retirement – for employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.• Disability Retirement – for employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program (Continued)

A. Plan Description (Continued)

School Board Non-Professional Plan (Continued)

POLITICAL SUBDIVISION HIC PLAN PROVISIONS (Continued)	
<i>Health Insurance Credit Program Notes</i> <ul style="list-style-type: none">• The monthly HIC benefit cannot exceed the individual premium amount• No HIC for premiums paid and qualified under Line of Duty Act (LODA), however, the employee may receive the credit for premiums paid for other qualified health plans.• Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.	

School Board Professional Plan

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program (Continued)

B. Employees Covered by Benefit Terms

School Board Non-Professional Plan

As of the June 30, 2019 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>155</u>
Total inactive members	<u>155</u>
 Active members	 <u>398</u>
 Total covered employees	 <u><u>553</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, 2021, the contractually required employer contribution rates for the School Board non-professional and School Board professional was 0.78% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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, 2021 and 2020 were as follows:

	2021	2020
School Board Professional	\$ 860,577	\$ 836,299
School Board Non-Professional	63,734	55,438

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program (Continued)

D. Net HIC OPEB Liability

School Board Non-Professional Plan

The School Board Non-Professional plan's net HIC OPEB liability was measured as of June 30, 2020. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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, 2020, NOL amounts for the Teacher Employee HIC are as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
Total teacher employee HIC OPEB liability	\$ 1,448,676
Plan fiduciary net position	<u>144,160</u>
Teacher employee net HIC OPEB liability	<u><u>\$ 1,304,516</u></u>
Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	9.95%

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program (Continued)

E. Actuarial Assumptions

School Board Non-Professional and School Board Professional Plans

The total HIC OPEB liabilities were based on an actuarial valuation as of June 30, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation:	
Locality – general employees	3.50%-5.35%
Teacher employees	3.50%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation*

* Administrative expenses as a percent of the fair 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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program (Continued)

E. Actuarial Assumptions (Continued)

School Board Non-Professional Plan (Continued)

Mortality Rates – General Employees (Continued)

The actuarial assumptions used in the June 30, 2019 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%

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.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program (Continued)

E. Actuarial Assumptions (Continued)

School Board Professional Plan (Continued)

Mortality Rates – Teachers (Continued)

The actuarial assumptions used in the June 30, 2019 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 rates at older ages and changed final retirement age from 70 to 75
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 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 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program (Continued)

F. Long-Term Expected Rate of Return

School Board Non-Professional and School Board Professional Plans

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long- Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
	Inflation		2.50%
			7.14%

* Expected arithmetic nominal return

* The above allocation provides a one-year return of 7.14%. 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%. On October 10, 2019, 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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, 2020, 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, 2020 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 11. Other Postemployment Benefits (Continued)

11.3. 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, 2019	\$ 1,058,301	\$ 450,421	\$ 607,880
Changes for the year:			
Service cost	20,511	-	20,511
Interest	69,108	-	69,108
Changes of assumptions	53,437	-	53,437
Differences between expected and actual experience	(9,827)	-	(9,827)
Contributions - employer	-	55,438	(55,438)
Net investment income	-	8,916	(8,916)
Benefit payments, including refunds of employee contributions	(68,943)	(68,943)	-
Administrative expenses	-	(843)	843
Other changes	-	(4)	4
Net changes	64,286	(5,436)	69,722
Balance at June 30, 2020	\$ 1,122,587	\$ 444,985	\$ 677,602

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	\$ 11,608,419	\$ 10,370,255	\$ 9,317,905
School Board Non-Professional	775,408	677,602	586,374

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program (Continued)

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

School Board Non-Professional Plan

For the year ended June 30, 2021, the School Board non-professional plan recognized HIC OPEB expense of \$120,583. At June 30, 2021, 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	\$ 11,449	\$ (7,504)
Net difference between projected and actual earnings on HIC OPEB program investments	14,636	-
Change in assumptions	11,864	(3,372)
Employer contributions subsequent to the measurement date	63,734	-
Total	\$ 101,683	\$ (10,876)

The \$63,734 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, 2022. 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
2022	\$ 7,981
2023	11,210
2024	4,218
2025	3,664
Total	\$ 27,073

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program (Continued)

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

School Board Professional Plan

At June 30, 2021, the School Board professional plan reported a liability of \$10,370,255 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 performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. 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, 2020, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the School Board professional plan's proportion of the Teacher Employee HIC was 0.79495% as compared to 0.80768% at June 30, 2019.

For the year ended June 30, 2021, the School Board professional plan recognized Teacher Employee HIC OPEB expense of \$802,835. 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, 2021, 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	\$ -	\$ (138,490)
Net difference between projected and actual earnings on HIC OPEB program investments	45,957	-
Change in assumptions	205,005	(56,660)
Changes in proportionate share	52,830	(343,511)
Employer contributions subsequent to the measurement date	860,557	-
Total	\$ 1,164,349	\$ (538,661)

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

11.3. Health Insurance Credit Program (Continued)

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

School Board Professional Plan (Continued)

The \$860,557 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (46,422)
2023	(41,867)
2024	(43,393)
2025	(32,455)
2026	(25,121)
Thereafter	<u>(45,611)</u>
Total	<u>\$ (234,869)</u>

K. HIC Credit Program Plan Data

Information about the VRS Political Subdivision and Teacher Employee HIC is available in the separately issued VRS 2020 Annual Comprehensive Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 12. Advances To/From Other Funds

Interfund balances as of June 30, 2021 are as follows:

Payable Fund	Receivable Fund
	Water and Sewer Fund
Primary Government:	
Lake Shenandoah Stormwater Control Authority	\$ 1,925,000
General Capital Projects Fund	925,000
	<u>\$ 2,850,000</u>

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

Year(s) Ending June 30,	Principal	Interest
2022	\$ 167,919	\$ 57,750
2023	172,956	52,712
2024	178,145	47,524
2025	183,489	42,179
2026	188,994	36,675
2027-2031	<u>1,033,497</u>	<u>94,847</u>
	<u>\$ 1,925,000</u>	<u>\$ 331,687</u>

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Interfund Transfers

A summary of interfund transfer activity is presented as follows:

Transfer to Fund	General Fund	General Capital Projects Fund	Internal Service Fund	School Operating Fund	Total Transferred in
Primary Government:					
Governmental funds:					
General Fund	\$ -	\$ 90,000	\$ 990,426	\$ -	\$ 1,080,426
General Capital Projects Fund	6,284,149	-	-	-	6,284,149
Discretely Presented Component Unit - School Board					
School Cafeteria Fund	-	-	-	952	952
Total transferred out	\$ 6,284,149	\$ 90,000	\$ 990,426	\$ 952	\$ 7,365,527

The transfer from the General Capital Projects Fund to the General Fund was for the purchase of shared services.

The transfer from the Internal Service Fund to the General Fund was due to funds adopted in the FY21 budget.

The transfer from the General Fund to the General Capital Projects Fund was for storage/maintenance building, cash proffers, parks & recreation grant, Spotswood High School turn lane, Innovation Village at Rockingham site improvements, and Rockingham 2020 plans.

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

Note 14. Major Customers

The Water and Sewer Fund has one major customer. For the year ended June 30, 2021, water and sewer revenue from this customer was approximately \$3.59 million. Accounts receivable from this customer were approximately \$40,000 at June 30, 2021.

The Solid Waste Fund has three major customers. Revenues from these customers for the year ended June 30, 2021 were approximately \$3.32 million. Accounts receivable from these customers were approximately \$435,000 at June 30, 2021.

The Smith Creek Water & Waste Authority has one major customer. For the year ended June 30, 2021, revenue from this customer was approximately \$165,000. Accounts receivable from this customer were approximately \$17,000 at June 30, 2021.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 15. 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 \$15,132,296 as landfill closure and postclosure liability at June 30, 2021. The landfill's total capacity used to date is 3.66% for active cells.

The Solid Waste Fund will report the County's estimated liability of closure and post-closure care of \$5,604,351 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 2021. 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 16. Risk Management

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

Auto, Liability and Workers' Compensation Insurance

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 16. 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 2021, 2020, and 2019:

Fiscal Year Ended	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
June 30, 2021	\$ 2,055,328	\$ 24,403,171	\$ 25,100,893	\$ 1,357,606
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

The ending liability is reported by the following:

Fiscal Year Ended	Governmental Activities	Component Unit - School Board	Total
June 30, 2021	\$ 339,402	\$ 1,018,204	\$ 1,357,606
June 30, 2020	513,832	1,541,496	2,055,328
June 30, 2019	604,657	1,865,534	2,470,191

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 17. 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, 2021, the County abated property taxes totaling \$1,250,689 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 \$127,557.
- Property tax abatement to a beverage facility in the amount of \$807,356.
- Property tax abatement to a printing facility in the amount of \$11,107.
- Property tax abatement to a food packaging and beverage facility in the amount of \$304,669.

Note 18. Pending GASB Statements

At June 30, 2021, 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. 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

Note 18. Pending GASB Statements (Continued)

GASB Statement No. 91, *Conduit Debt Obligations*, will provide a single method of reporting conduit debt obligations by issuer and eliminate diversity in practice associated 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, 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

Note 18. 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 19. 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 2021, the County's contributions to the HRECC totaled approximately \$2,923,768.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 20. 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 \$966,753 in fiscal year 2021, 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 \$1,474,003 in fiscal year 2021.

Note 21. Contingency

Federal and State-Assisted Programs

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

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 22. Change in Accounting Principles

As of June 30, 2021, the County adopted GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 90, *Majority Equity Interests*. The following adjustments have been made:

	Governmental Activities
Net position, as originally reported, July 1, 2020	\$ (5,218,118)
Net adjustment as a result of the implementation of GASB Statement No. 84	446,463
Net adjustment as a result of the implementation of GASB Statement No. 90	(3,801,196)
Net position, as restated, July 1, 2020	<u>\$ (8,572,851)</u>

	General Fund	Nonmajor Governmental Funds	Fiduciary Fund
Fund balance, as originally reported, July 1, 2020	\$ 45,054,638	\$ 795,847	\$ -
Net adjustment as a result of the implementation of GASB Statement No. 84	361,425	85,038	74,319
Net adjustment as a result of the implementation of GASB Statement No. 90	(3,880,583)	-	-
Fund balance, as restated, July 1, 2020	<u>\$ 41,535,480</u>	<u>\$ 880,885</u>	<u>\$ 74,319</u>

Note 23. Subsequent Events

On August 25, 2021, the Board of Supervisors approved \$225,000 for Phase 3g of the District Courts Building renovation.

On September 8, 2021, the County and EDA approved Sentara Healthcare to finance revenue bonds in an amount up to \$160 million.

On September 8, 2021, the Board of Supervisors approved \$393,000 for Good's Services to extend water and sewer facilities to the future fire station and current maintenance building located on Route 11 North and also approved up to \$450,000 for the project.

On September 22, 2021, the Board of Supervisors approved an appropriation in the amount of \$2 million to build the Route 11 North Response Station with a total project amount not to exceed \$3.25 million.

On October 13, 2021, the Board of Supervisors approved a purchase order to Battlefield Ford Manassas in an amount not to exceed \$485,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,						
	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability:							
Service cost	\$ 2,559,508	\$ 2,661,858	\$ 2,758,824	\$ 2,913,015	\$ 2,940,965	\$ 2,978,664	\$ 3,386,916
Interest	5,820,012	6,141,573	6,430,742	6,822,375	7,062,220	7,425,916	7,848,411
Differences between expected and actual experience	-	(528,816)	852,638	(394,616)	339,533	1,502,262	2,614,034
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)	(5,592,086)
Net change in total pension liability	4,801,123	4,281,439	5,748,116	3,624,435	5,345,749	10,335,714	8,257,275
Total pension liability - beginning	84,932,224	89,733,347	94,014,786	99,762,902	103,387,337	108,733,086	119,068,800
Total pension liability - ending (a)	\$ 89,733,347	\$ 94,014,786	\$ 99,762,902	\$ 103,387,337	\$ 108,733,086	\$ 119,068,800	\$ 127,326,075
Plan Fiduciary Net Position:							
Contributions - employer	\$ 2,759,564	\$ 2,826,572	\$ 3,003,059	\$ 2,681,076	\$ 2,771,832	\$ 2,716,908	\$ 2,890,331
Contributions - employee	1,125,148	1,139,839	1,224,047	1,249,882	1,322,859	1,314,637	1,399,866
Net investment income	10,584,504	3,573,047	1,428,469	10,038,185	6,776,776	6,494,918	1,957,907
Benefit payments, including refunds of employee contributions	(3,578,397)	(3,993,176)	(4,294,088)	(4,600,811)	(4,996,969)	(5,297,154)	(5,592,086)
Administrative expense	(56,223)	(48,216)	(49,968)	(57,528)	(58,179)	(63,953)	(66,505)
Other changes	558	(753)	(602)	(8,946)	(6,042)	(4,092)	(2,324)
Net change in plan fiduciary net position	10,835,154	3,497,313	1,310,917	9,301,858	5,810,277	5,161,264	587,189
Plan fiduciary net position - beginning	66,593,183	77,428,337	80,925,650	82,236,567	91,538,425	97,348,702	102,509,966
Plan fiduciary net position - ending (b)	\$ 77,428,337	\$ 80,925,650	\$ 82,236,567	\$ 91,538,425	\$ 97,348,702	\$ 102,509,966	\$ 103,097,155
County and District's net pension liability - ending (a) - (b)	\$ 12,305,010	\$ 13,089,136	\$ 17,526,335	\$ 11,848,912	\$ 11,384,384	\$ 16,558,834	\$ 24,228,920
Plan fiduciary net position as a percentage of the total pension liability	86.29%	86.08%	82.43%	88.54%	89.53%	86.09%	80.97%
Covered payroll	\$ 21,677,643	\$ 22,204,022	\$ 23,590,408	\$ 24,642,243	\$ 25,476,397	\$ 26,377,748	\$ 28,061,466
County and District's net pension liability as a percentage of covered payroll	56.76%	58.95%	74.29%	48.08%	44.69%	62.78%	86.34%

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	2020
Total Pension Liability:							
Service cost	\$ 832,108	\$ 817,545	\$ 820,429	\$ 811,126	\$ 767,863	\$ 784,209	\$ 798,398
Interest	1,948,144	2,045,747	2,128,901	2,213,159	2,273,515	2,353,731	2,420,331
Differences between expected and actual experience	-	(294,432)	(259,762)	(176,386)	(229,654)	(11,453)	(224,426)
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)	(1,921,981)
Net change in total pension liability	1,356,650	1,220,610	1,275,934	901,618	1,174,811	2,345,692	1,072,322
Total pension liability - beginning	28,542,435	29,899,085	31,119,695	32,395,629	33,297,247	34,472,058	36,817,750
Total pension liability - ending (a)	\$ 29,899,085	\$ 31,119,695	\$ 32,395,629	\$ 33,297,247	\$ 34,472,058	\$ 36,817,750	\$ 37,890,072
Plan Fiduciary Net Position:							
Contributions - employer	\$ 722,711	\$ 635,842	\$ 641,139	\$ 458,757	\$ 457,883	\$ 421,138	\$ 379,560
Contributions - employee	390,659	394,565	407,589	388,720	388,565	396,178	370,426
Net investment income	4,013,113	1,334,387	527,774	3,671,538	2,441,647	2,309,120	690,160
Benefit payments, including refunds of employee contributions	(1,423,602)	(1,348,250)	(1,413,634)	(1,558,151)	(1,636,913)	(1,694,651)	(1,921,981)
Administrative expense	(21,667)	(18,317)	(18,743)	(21,471)	(21,318)	(23,172)	(24,024)
Other changes	212	(283)	(223)	(3,254)	(2,168)	(1,451)	(1,468)
Net change in plan fiduciary net position	3,681,426	997,944	143,902	2,936,139	1,627,696	1,407,162	(507,327)
Plan fiduciary net position - beginning	25,542,725	29,224,151	30,222,095	30,365,997	33,302,136	34,929,832	36,336,994
Plan fiduciary net position - ending (b)	\$ 29,224,151	\$ 30,222,095	\$ 30,365,997	\$ 33,302,136	\$ 34,929,832	\$ 36,336,994	\$ 35,829,667
School Board non-professional net pension liability (asset) - ending (a) - (b)	\$ 674,934	\$ 897,600	\$ 2,029,632	\$ (4,889)	\$ (457,774)	\$ 480,756	\$ 2,060,405
Plan fiduciary net position as a percentage of the total pension liability	97.74%	97.12%	93.73%	100.01%	101.33%	98.69%	94.56%
Employer's covered payroll	\$ 8,867,620	\$ 7,801,742	\$ 7,866,736	\$ 7,671,522	\$ 7,656,906	\$ 7,741,507	\$ 6,977,206
School Board's non-professional net pension liability (asset) as a percentage of covered payroll	7.61%	11.51%	25.80%	-0.06%	-5.98%	6.21%	29.53%

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	2020
Employer's proportion of the net pension liability	0.81091%	0.82758%	0.82587%	0.81860%	0.82645%	0.81147%	0.79915%
Employer's proportionate share of the net pension liability	\$ 97,996,000	\$ 104,163,000	\$ 115,739,000	\$ 100,671,000	\$ 97,190,000	\$ 106,794,064	\$ 116,297,311
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
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	205.48%	169.40%	183.80%	165.91%	156.50%	157.56%	166.69%
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%	71.47%

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	2021
Contractually required contribution (CRC)	\$ 2,759,564	\$ 2,826,572	\$ 3,003,059	\$ 2,681,076	\$ 2,771,832	\$ 2,716,908	\$ 2,890,331	\$ 3,428,079
Contributions in relation to the CRC	2,759,564	2,826,572	3,003,059	2,681,076	2,771,832	2,716,908	2,890,331	3,428,079
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	\$ 28,061,466	\$ 28,807,387
Contributions as a percentage of covered payroll	12.73%	12.73%	12.73%	10.88%	10.88%	10.30%	10.30%	11.90%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the 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	2021
Contractually required contribution (CRC)	\$ 722,711	\$ 635,842	\$ 641,139	\$ 458,757	\$ 457,883	\$ 421,138	\$ 379,560	\$ 364,357
Contributions in relation to the CRC	722,711	635,842	641,139	458,757	457,883	421,138	379,560	364,357
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	\$ 6,977,206	\$ 6,228,325
Contributions as a percentage of covered payroll	8.15%	8.15%	8.15%	5.98%	5.98%	5.44%	5.44%	5.85%

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	2021
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	\$ 11,438,353
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	11,438,353
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	\$ 68,822,822
Contributions as a percentage of covered payroll	14.50%	14.50%	14.06%	14.66%	16.32%	15.68%	15.68%	16.62%

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, 2021

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, 2019 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 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	Increase 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	Decrease 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, 2021

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	2021
Total Medical Insurance OPEB liability:				
Service cost	\$ 390,913	\$ 410,459	\$ 393,352	\$ 406,569
Interest	183,392	195,244	224,816	191,810
Experience losses	-	-	263,293	-
Changes in assumptions	-	-	(1,688,245)	-
Contributions - employer	(196,975)	(212,733)	(175,592)	(188,761)
Net change in total OPEB liability	377,330	392,970	(982,376)	409,618
Total Medical Insurance OPEB liability - beginning	5,702,899	6,080,229	6,473,199	5,490,823
County and District total Medical Insurance OPEB liability - ending	<u>\$ 6,080,229</u>	<u>\$ 6,473,199</u>	<u>\$ 5,490,823</u>	<u>\$ 5,900,441</u>
Plan fiduciary net position as a percentage of the total				
Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 25,476,397	\$ 26,377,748	\$ 28,061,466	\$ 28,807,387
Total OPEB liability as a percentage of covered employee payroll	23.87%	24.54%	19.57%	20.48%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and the District will present information for those years 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	2021
Total Medical Insurance OPEB liability:				
Service cost	\$ 1,141,518	\$ 1,198,594	\$ 1,130,216	\$ 1,168,191
Interest	605,681	646,053	736,318	694,934
Experience losses	-	-	2,423,524	-
Changes in assumptions	-	-	(4,876,583)	-
Contributions - employer	(468,646)	(506,138)	(635,447)	(683,106)
Net change in total OPEB liability	1,278,553	1,338,509	(1,221,972)	1,180,019
Total Medical Insurance OPEB liability - beginning	18,802,393	20,080,946	21,419,455	20,197,483
School Board total Medical Insurance OPEB liability - ending	<u>\$ 20,080,946</u>	<u>\$ 21,419,455</u>	<u>\$ 20,197,483</u>	<u>\$ 21,377,502</u>
Plan fiduciary net position as a percentage of the total				
Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 69,760,595	\$ 75,521,380	\$ 76,745,388	\$ 75,051,147
Total OPEB liability as a percentage of covered employee payroll	28.79%	28.36%	26.32%	28.48%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the 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	2021
Contractually required contribution (CRC)	\$ 581,319	\$ 610,641	\$ 175,592	\$ 188,761
Contributions in relation to the CRC	581,319	610,641	175,592	188,761
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 25,476,397	\$ 26,377,748	\$ 28,061,466	\$ 28,807,387
Contributions as a percentage of covered employee payroll	2.28%	2.31%	0.63%	0.66%

Note to Schedule:

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,			
	2018	2019	2020	2021
Contractually required contribution (CRC)	\$ 1,947,789	\$ 2,053,750	\$ 635,447	\$ 683,106
Contributions in relation to the CRC	1,947,789	2,053,750	635,447	683,106
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 69,760,595	\$ 75,521,380	\$ 76,745,388	\$ 75,051,147
Contributions as a percentage of covered employee payroll	2.79%	2.72%	0.83%	0.91%

Note to Schedule:

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

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,			
	2017	2018	2019	2020
County and the District:				
Employer's proportion of the net GLI OPEB liability	0.13592%	0.13702%	0.13855%	0.14184%
Employer's proportionate share of the net GLI OPEB liability	\$ 2,045,000	\$ 2,081,000	\$ 2,254,577	\$ 2,367,077
Employer's covered payroll	25,071,813	26,053,355	27,160,577	29,190,962
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%
School Board Non-Professional:				
Employer's proportion of the net GLI OPEB liability	0.04331%	0.04267%	0.04263%	0.04083%
Employer's proportionate share of the net GLI OPEB liability	\$ 651,000	\$ 649,000	\$ 693,704	\$ 681,386
Employer's covered payroll	7,987,977	8,112,786	8,357,500	8,403,654
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.15%	8.00%	8.30%	8.11%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%
School Board Professional:				
Employer's proportion of the net GLI OPEB liability	0.34950%	0.35010%	0.34568%	0.33878%
Employer's proportionate share of the net GLI OPEB liability	\$ 5,260,000	\$ 5,317,000	\$ 5,625,134	\$ 5,653,683
Employer's covered payroll	64,465,823	66,570,938	67,764,423	69,723,077
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County and the District:										
Contractually required contribution (CRC)	\$ 54,128	\$ 97,241	\$ 102,169	\$ 107,086	\$ 114,244	\$ 130,373	\$ 134,478	\$ 141,235	\$ 151,793	\$ 162,008
Contributions in relation to the CRC	54,128	97,241	102,169	107,086	114,244	130,373	134,478	141,235	151,793	162,008
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 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	\$ 30,001,481
Contributions as a percentage of covered payroll	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%
School Board Non-Professional:										
Contractually required contribution (CRC)	\$ 20,844	\$ 36,906	\$ 37,343	\$ 37,831	\$ 38,363	\$ 41,537	\$ 42,045	\$ 43,459	\$ 43,699	\$ 44,136
Contributions in relation to the CRC	20,844	36,906	37,343	37,831	38,363	41,537	42,045	43,459	43,699	44,136
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 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	\$ 8,173,333
Contributions as a percentage of covered payroll	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%
School Board Professional:										
Contractually required contribution (CRC)	\$ 156,833	\$ 280,761	\$ 285,402	\$ 295,802	\$ 302,707	\$ 335,222	\$ 346,483	\$ 352,375	\$ 362,560	\$ 384,686
Contributions in relation to the CRC	156,833	280,761	285,402	295,802	302,707	335,222	346,483	352,375	362,560	384,686
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 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	\$ 71,238,148
Contributions as a percentage of covered payroll	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,			
	2017	2018	2019	2020
Total HIC OPEB liability:				
Service cost	\$ 19,552	\$ 18,080	\$ 18,979	\$ 20,511
Interest	65,388	65,306	68,683	69,108
Differences between expected and actual experience	-	33,710	207	(9,827)
Changes in assumptions	(22,380)	-	21,876	53,437
Benefit payments	(54,976)	(72,469)	(65,253)	(68,943)
Net change in total OPEB liability	7,584	44,627	44,492	64,286
Total HIC OPEB liability - beginning	961,598	969,182	1,013,809	1,058,301
Total HIC OPEB liability - ending (a)	<u>\$ 969,182</u>	<u>\$ 1,013,809</u>	<u>\$ 1,058,301</u>	<u>\$ 1,122,587</u>
Plan Fiduciary Net Position:				
Contributions - employer	\$ 51,835	\$ 52,735	\$ 58,393	\$ 55,438
Net investment income	43,842	28,613	27,512	8,916
Benefit payments, including refunds of employee	(54,976)	(72,469)	(65,253)	(68,943)
Administrative expense	(702)	(666)	(591)	(843)
Other changes	2,239	(1,625)	(32)	(4)
Net change in plan fiduciary net position	42,238	6,588	20,029	(5,436)
Plan fiduciary net position - beginning	381,566	423,804	430,392	450,421
Plan fiduciary net position - ending (b)	<u>\$ 423,804</u>	<u>\$ 430,392</u>	<u>\$ 450,421</u>	<u>\$ 444,985</u>
School Board non-professional net HIC OPEB liability - ending (a) - (b)	<u>\$ 545,378</u>	<u>\$ 583,417</u>	<u>\$ 607,880</u>	<u>\$ 677,602</u>
Plan fiduciary net position as a percentage of the total HIC OPEB liability	43.73%	42.45%	42.56%	39.64%
Covered payroll	\$ 7,979,559	\$ 8,112,786	\$ 8,983,538	\$ 8,528,923
Net OPEB liability as a percentage of covered payroll	6.83%	7.19%	6.77%	7.94%

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,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Contractually required contribution (CRC)	\$ 57,236	\$ 56,338	\$ 57,482	\$ 48,730	\$ 49,492	\$ 51,835	\$ 52,735	\$ 58,393	\$ 55,438	\$ 63,734	
Contributions in relation to the CRC	57,236	56,338	57,482	48,730	49,492	51,835	52,735	58,393	55,438	63,734	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ 7,433,221	\$ 7,613,200	\$ 7,767,822	\$ 7,859,697	\$ 7,982,504	\$ 7,979,559	\$ 8,112,786	\$ 8,983,538	\$ 8,528,923	\$ 8,171,026	
Contributions as a percentage of covered payroll	0.77%	0.74%	0.74%	0.62%	0.62%	0.65%	0.65%	0.65%	0.65%	0.78%	

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

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

	Fiscal Year June 30,			
	2017	2018	2019	2020
Employer's proportion of the net HIC OPEB liability	0.81579%	0.82261%	0.80768%	0.79495%
Employer's proportionate share of the net HIC OPEB liability	\$ 10,349,000	\$ 10,445,000	\$ 10,573,316	\$ 10,370,255
Employer's covered payroll	64,382,624	66,527,647	66,717,131	68,549,098
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	16.07%	15.70%	15.85%	15.13%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.04%	8.08%	8.97%	9.95%

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,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Contractually required contribution (CRC)	\$ 335,060	\$ 639,378	\$ 658,256	\$ 652,216	\$ 667,472	\$ 714,647	\$ 807,757	\$ 813,949	\$ 836,299	\$ 860,577	
Contributions in relation to the CRC	335,060	639,378	658,256	652,216	667,472	714,647	807,757	813,949	836,299	860,577	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ 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	\$ 71,122,066	
Contributions as a percentage of covered payroll	0.60%	1.11%	1.11%	1.06%	1.06%	1.11%	1.21%	1.22%	1.22%	1.21%	

COUNTY OF ROCKINGHAM, VIRGINIA AND COMPONENT UNITS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS Year Ended June 30, 2021

Note 1. Medical Insurance Program

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

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The following changes were made to the actuarial assumptions and methods effective July 1, 2020.

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, 2019 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 rates at older ages and changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted 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, 2021

Note 2. Group Life Insurance Program (Continued)

B. Changes of Assumptions (Continued)

School Board Professional (Continued)

Teachers (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	Decrease 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	Decrease 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, 2021

Note 3. Health Insurance Credit Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial 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:

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	Decrease 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 rates at older ages and changed final retirement age from 70 to 75
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 match experience
Salary Scale	No change
Discount Rate	Decrease 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.

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 BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS June 30, 2021

	Special Revenue			Total
	Asset			Nonmajor
	Forfeiture	Tourism	LLC	Governmental
	Fund	Fund	Library	Funds
ASSETS				
Cash and cash equivalents	\$ 253,572	\$ 632,171	\$ 51,798	\$ 937,541
Investments	88,971	221,810	18,175	328,956
Accrued interest	289	717	58	1,064
Trade and other accounts	-	227,197	-	227,197
Prepaid items	-	1,242	-	1,242
Total assets	\$ 342,832	\$ 1,083,137	\$ 70,031	\$ 1,496,000
LIABILITIES				
Accounts payable	\$ 595	\$ -	\$ -	\$ 595
Accrued payroll	-	4,666	-	4,666
Unearned revenue	74,078	-	-	74,078
Total liabilities	74,673	4,666	-	79,339
FUND BALANCE				
Nonspendable:				
Prepaid items	-	1,242	-	1,242
Restricted for:				
Judicial administration	87,862	-	-	87,862
Public safety	180,297	-	-	180,297
Parks, recreation and cultural	-	-	70,031	70,031
Community development	-	1,077,229	-	1,077,229
Total fund balance	268,159	1,078,471	70,031	1,416,661
Total liabilities and fund balance	\$ 342,832	\$ 1,083,137	\$ 70,031	\$ 1,496,000

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2021

	Special Revenue			Total
	Asset			Nonmajor
	Forfeiture	Tourism	LLC	Governmental
	Fund	Fund	Library	Funds
Revenues:				
Fines and forfeitures	\$ 26,419	\$ -	\$ -	\$ 26,419
Use of money	1,344	2,423	271	4,038
Transient occupancy taxes	-	864,737	-	864,737
Miscellaneous	-	-	22,268	22,268
Intergovernmental	15,362	10,000	-	25,362
Total revenues	43,125	877,160	22,539	942,824
Expenditures:				
Current:				
Judicial administration	17,108	-	-	17,108
Public safety	41,137	-	-	41,137
Parks, recreation and cultural	-	-	37,546	37,546
Community development	-	311,257	-	311,257
Total expenditures	58,245	311,257	37,546	407,048
Net change in fund balance	(15,120)	565,903	(15,007)	535,776
Fund balance, beginning, as restated	283,279	512,568	85,038	880,885
Fund balance, ending	\$ 268,159	\$ 1,078,471	\$ 70,031	\$ 1,416,661

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.

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

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF NET POSITION – NONMAJOR PROPRIETARY FUNDS June 30, 2021

	Lilly Subdivision Sanitary District	Countryside Sanitary District	Penn Laird Sewer Authority	Lake Shenandoah Stormwater Control Authority	Total Nonmajor Proprietary Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 35,487	\$ 343	\$ 16,754	\$ 847,457	\$ 900,041
Investments	2,969	28	1,402	70,915	75,314
Trade and other accounts receivable, net	4,879	727	1,635	7,638	14,879
Accrued interest	33	-	18	-	51
Total current assets	43,368	1,098	19,809	926,010	990,285
Noncurrent assets:					
Investments	9,482	92	4,477	226,432	240,483
Capital assets:					
Land	20,600	-	-	935,787	956,387
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	-	-	-	206,728	206,728
Less accumulated depreciation and amortization	(141,926)	(94,867)	(330,344)	-	(567,137)
Total capital assets, net of accumulated depreciation and amortization	364,532	211,155	839,146	1,142,515	2,557,348
Total noncurrent assets	374,014	211,247	843,623	1,368,947	2,797,831
Total assets	417,382	212,345	863,432	2,294,957	3,788,116
LIABILITIES					
Current liabilities:					
Accounts payable and deposits	4,208	880	655	-	5,743
Accrued interest	-	436	2,204	48,125	50,765
Unearned revenue	-	-	-	7,638	7,638
Advance from other funds	-	-	-	167,919	167,919
Revenue bonds	-	10,051	23,776	-	33,827
Total current liabilities	4,208	11,367	26,635	223,682	265,892
Noncurrent liabilities:					
Advance from other funds	-	-	-	1,757,081	1,757,081
Revenue bonds	-	43,609	156,737	-	200,346
Total noncurrent liabilities	-	43,609	156,737	1,757,081	1,957,427
Total liabilities	4,208	54,976	183,372	1,980,763	2,223,319
NET POSITION					
Net investment in capital assets	364,532	157,495	658,633	1,142,515	2,323,175
Unrestricted (deficit)	48,642	(126)	21,427	(828,321)	(758,378)
Total net position	\$ 413,174	\$ 157,369	\$ 680,060	\$ 314,194	\$ 1,564,797

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – NONMAJOR PROPRIETARY FUNDS Year Ended June 30, 2021

	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	\$ 38,837	\$ 15,080	\$ 15,861	\$ 367,441	\$ 437,219
Connection fees	3,450	-	-	-	3,450
Other revenue	15,000	-	-	-	15,000
Total operating revenues	57,287	15,080	15,861	367,441	455,669
Operating expenses:					
Contractual services	13,589	2,508	860	4,244	21,201
Other charges	17,226	11,671	-	-	28,897
Depreciation and amortization	9,718	6,120	22,399	-	38,237
Total operating expenses	40,533	20,299	23,259	4,244	88,335
Operating income (loss)	16,754	(5,219)	(7,398)	363,197	367,334
Nonoperating revenues (expenses):					
Connection availability fees	11,550	-	-	-	11,550
Interest revenue	104	13	103	-	220
Interest expense	-	(1,903)	(5,346)	(48,125)	(55,374)
Total nonoperating revenues (expenses), net	11,654	(1,890)	(5,243)	(48,125)	(43,604)
Change in net position	28,408	(7,109)	(12,641)	315,072	323,730
Total net position, beginning	384,766	164,478	692,701	(878)	1,241,067
Total net position, ending	\$ 413,174	\$ 157,369	\$ 680,060	\$ 314,194	\$ 1,564,797

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR PROPRIETARY FUNDS Year Ended June 30, 2021

	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	\$ 57,381	\$ 14,922	\$ 18,476	\$ 367,441	\$ 458,220
Payments to suppliers for goods and services	(28,925)	(14,179)	(1,060)	(23,552)	(67,716)
Net cash provided by operating activities	28,456	743	17,416	343,889	390,504
Cash flows from capital and related financing activities:					
Advance from other funds	-	-	-	1,878,472	1,878,472
Connection availability fees	11,550	-	-	-	11,550
Principal paid on outstanding debt	-	(9,732)	(23,151)	-	(32,883)
Interest paid and fiscal charges on outstanding debt	-	(1,982)	(5,628)	-	(7,610)
Acquisition and construction of capital assets	-	-	-	(1,077,557)	(1,077,557)
Net cash provided by (used in) capital and related financing activities	11,550	(11,714)	(28,779)	800,915	771,972
Cash flows from investing activities:					
Proceeds on sale of investments	-	3,329	4,361	-	7,690
Purchase of investments	(10,087)	-	-	(297,347)	(307,434)
Interest received on investment securities	121	39	165	-	325
Net cash provided by (used in) investing activities	(9,966)	3,368	4,526	(297,347)	(299,419)
Net change in cash and cash equivalents	30,040	(7,603)	(6,837)	847,457	863,057
Cash and Cash Equivalents:					
Beginning	5,447	7,946	23,591	-	36,984
Ending	\$ 35,487	\$ 343	\$ 16,754	\$ 847,457	\$ 900,041
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 16,754	\$ (5,219)	\$ (7,398)	\$ 363,197	\$ 367,334
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	9,718	6,120	22,399	-	38,237
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	94	(158)	2,615	(7,638)	(5,087)
Increase (decrease) in accounts payable and deposits	1,890	-	(200)	(19,308)	(17,618)
Increase in unearned revenue	-	-	-	7,638	7,638
Net cash provided by operating activities	\$ 28,456	\$ 743	\$ 17,416	\$ 343,889	\$ 390,504

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, 2021

	Central Stores	Self - Insurance	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9,585	\$ 14,303,096	\$ 14,312,681
Investments	802	1,196,879	1,197,681
Trade and other accounts receivable	5,078	5,148	10,226
Accrued interest	-	16,226	16,226
Inventory	10,509	-	10,509
Total current assets	25,974	15,521,349	15,547,323
Noncurrent assets:			
Investments	2,561	3,821,647	3,824,208
Total assets	28,535	19,342,996	19,371,531
LIABILITIES			
Current liabilities:			
Accounts payable	1,944	556,085	558,029
Unearned revenue	-	2,477,238	2,477,238
Insurance and benefit claims	-	1,357,606	1,357,606
Total liabilities	1,944	4,390,929	4,392,873
NET POSITION			
Unrestricted	26,591	14,952,067	14,978,658
Total net position	\$ 26,591	\$ 14,952,067	\$ 14,978,658

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS Year Ended June 30, 2021

	Central Stores	Self - Insurance	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 46,029	\$ 30,168,228	\$ 30,214,257
Total operating revenues	46,029	30,168,228	30,214,257
Operating expenses:			
Contractual services	-	1,992,512	1,992,512
Risk financing and benefit payments	-	24,403,171	24,403,171
Other charges	45,092	-	45,092
Total operating expenses	45,092	26,395,683	26,440,775
Operating income	937	3,772,545	3,773,482
Nonoperating revenue:			
Interest	-	71,034	71,034
Total nonoperating revenue	-	71,034	71,034
Income before transfers	937	3,843,579	3,844,516
Transfers out	-	(990,426)	(990,426)
Change in net position	937	2,853,153	2,854,090
Total net position, beginning	25,654	12,098,914	12,124,568
Total net position, ending	\$ 26,591	\$ 14,952,067	\$ 14,978,658

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS Year Ended June 30, 2021

	Central Stores	Self - Insurance	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 44,662	\$ 30,185,116	\$ 30,229,778
Claims and benefits paid	-	(25,100,346)	(25,100,346)
Payments to suppliers for goods and services	(46,826)	(1,821,147)	(1,867,973)
Net cash provided by (used in) operating activities	(2,164)	3,263,623	3,261,459
Cash Flows From Noncapital Financing Activities:			
Transfers to other funds	-	(990,426)	(990,426)
Net cash used in noncapital financing activities	-	(990,426)	(990,426)
Cash flows from investing activities:			
Sale of investments	1,211	112,965	114,176
Interest received on investment securities	-	94,952	94,952
Net cash provided by investing activities	1,211	207,917	209,128
Net change in cash and cash equivalents	(953)	2,481,114	2,480,161
Cash and cash equivalents:			
Beginning	10,538	11,821,982	11,832,520
Ending	\$ 9,585	\$ 14,303,096	\$ 14,312,681
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 937	\$ 3,772,545	\$ 3,773,482
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Decrease (increase) in:			
Accounts receivable	(1,367)	416	(951)
Inventory	(3,242)	-	(3,242)
Prepaid items	-	547	547
Increase (decrease) in:			
Accounts payable	1,508	171,365	172,873
Unearned revenue	-	16,472	16,472
Insurance and benefit claims	-	(697,722)	(697,722)
Net cash provided by (used in) operating activities	\$ (2,164)	\$ 3,263,623	\$ 3,261,459

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, 2021

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Nonmajor Governmental Fund - Massanutten Technical Center - Operating Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,067,409	\$ 1,202,569	\$ 4,072,531	\$ 414,427	\$ 14,756,936
Investments	3,181,306	418,436	1,428,929	145,410	5,174,081
Trade and other accounts receivable	289,254	8,436	-	421	298,111
Accrued interest	-	1,266	4,642	352	6,260
Due from other governments	2,808,076	203,030	-	123,449	3,134,555
Prepaid items	3,616,218	199,274	-	73,421	3,888,913
Inventory	108,141	88,920	-	-	197,061
Restricted cash	-	-	565,038	-	565,038
Total assets	\$ 19,070,404	\$ 2,121,931	\$ 6,071,140	\$ 757,480	\$ 28,020,955
LIABILITIES					
Accounts payable	\$ 2,193,206	\$ 25,188	\$ 400	\$ 66,847	\$ 2,285,641
Accrued payroll	16,877,198	492,027	-	386,004	17,755,229
Due to other governments	-	-	-	304,629	304,629
Total liabilities	19,070,404	517,215	400	757,480	20,345,499
FUND BALANCES					
Nonspendable:					
Prepaid items	3,616,218	199,274	-	73,421	3,888,913
Inventory	108,141	88,920	-	-	197,061
Assigned to:					
Capital projects	-	-	6,070,740	-	6,070,740
Cafeteria	-	1,316,522	-	-	1,316,522
Unassigned (deficit)	(3,724,359)	-	-	(73,421)	(3,797,780)
Total fund balances	-	1,604,716	6,070,740	-	7,675,456
Total liabilities and fund balances	\$ 19,070,404	\$ 2,121,931	\$ 6,071,140	\$ 757,480	\$ 28,020,955
Total fund balances					\$ 7,675,456
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				\$ 319,615,116	
Less accumulated depreciation and amortization				(182,229,811)	
Net capital assets					137,385,305
Deferred outflows of resources represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.					
Pension plan				30,442,081	
Other postemployment benefits				4,344,431	
					34,786,512
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.					
					11,338,297
Long-term due from other government - pension plan				1,871,230	
Long-term due from other government - other postemployment benefits				454,195	
					2,325,425
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.					
Compensated absences				(3,948,335)	
Other postemployment benefits				(38,760,428)	
Net pension liability				(118,357,716)	
					(161,066,479)
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				(9,789,604)	
Other postemployment benefits				(4,404,058)	
					(14,193,662)
Net position of governmental activities					\$ 18,250,854

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD Year Ended June 30, 2021

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Nonmajor Governmental Fund - Massanutten Technical Center - Operating Fund	Total Governmental Funds
Revenues:					
Use of money and property	\$ 8,391	\$ 2,927	\$ 22,997	\$ 2,657	\$ 36,972
Charges for services	117,561	13,588	-	619,133	750,282
Miscellaneous	212,570	-	-	-	212,570
Appropriation from Primary Government	60,320,400	-	7,000	-	60,327,400
Intergovernmental	82,098,835	4,910,313	-	5,193,449	92,202,597
Total revenues	142,757,757	4,926,828	29,997	5,815,239	153,529,821
Expenditures:					
Current:					
Education	142,756,805	4,830,398	-	5,815,239	153,402,442
Capital outlays	-	-	729,866	-	729,866
Total expenditures	142,756,805	4,830,398	729,866	5,815,239	154,132,308
Excess (deficiency) of revenues over (under) expenditures	952	96,430	(699,869)	-	(602,487)
Other financing sources (uses):					
Transfers in	-	952	-	-	952
Transfers out	(952)	-	-	-	(952)
Other financing sources (uses), net	(952)	952	-	-	-
Net change in fund balances	-	97,382	(699,869)	-	(602,487)
Fund balances (deficit), beginning	-	1,507,334	6,770,609	-	8,277,943
Fund balances, ending	\$ -	\$ 1,604,716	\$ 6,070,740	\$ -	\$ 7,675,456
Net change in fund balances					\$ (602,487)
Reconciliation of amounts reported for governmental activities in the Statement of Activities:					
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlay in the current period.					
Expenditure for capital assets				\$ 3,643,625	
Less depreciation and amortization expense				(9,316,881)	
Excess of depreciation and amortization over capital outlays					(5,673,256)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net position.					748,044
Long-term due from other government - pension plan				14,519	
Long-term due from other government - other postemployment benefits				(3,904)	
					10,615
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				148,835	
Changes in pension liabilities and related deferred outflows and inflows of resources				(2,159,984)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources				(602,135)	
					(2,613,284)
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				22,679,446	
Total expenses				(19,796,762)	
					2,882,684
Change in net position of governmental activities					\$ (5,247,684)

**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, 2021

	Operating Fund	Special Revenue Children's Services Act Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 5,035,046	\$ -	\$ 5,035,046
Investments	1,766,646	-	1,766,646
Trade and other accounts receivable	4,040	27,718	31,758
Accrued interest	5,869	-	5,869
Due from other governments	725,689	2,095,733	2,821,422
Prepaid items	164,722	-	164,722
Total assets	\$ 7,702,012	\$ 2,123,451	\$ 9,825,463
LIABILITIES			
Accounts payable	\$ 356,025	\$ 2,041,872	\$ 2,397,897
Accrued payroll	416,407	-	416,407
Due to primary government	-	81,579	81,579
Total liabilities	772,432	2,123,451	2,895,883
FUND BALANCES			
Nonspendable:			
Prepaid items	164,722	-	164,722
Assigned to:			
Social services	6,764,858	-	6,764,858
Total fund balances	6,929,580	-	6,929,580
Total liabilities and fund balances	\$ 7,702,012	\$ 2,123,451	\$ 9,825,463
Fund balances			\$ 6,929,580
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		\$ 2,891,833	
Less accumulated depreciation and amortization		(868,809)	
Net capital assets			2,023,024
Deferred outflows of resources - pension plan represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.			
Pension plan		2,146,362	
Other postemployment benefits		155,032	
			2,301,394
Long-term due from other government - pension plan		3,492,711	
Long-term due from other government - other postemployment benefits		875,156	
			4,367,867
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		(38,568)	
Other postemployment benefits		(1,649,580)	
Net pension liability		(4,839,060)	
			(6,527,208)
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.			
Other postemployment benefits		(255,766)	
			(255,766)
Net position of governmental activities			\$ 8,838,891

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, 2021

	Operating Fund	Special Revenue Children's Services Act Fund	Total Governmental Funds
Revenues:			
Use of money and property	\$ 23,091	\$ 108	\$ 23,199
Miscellaneous	1,919,802	1,957,111	3,876,913
Appropriation from Primary Government	2,732,727	2,722,389	5,455,116
Intergovernmental	13,052,723	7,010,078	20,062,801
Total revenues	17,728,343	11,689,686	29,418,029
Expenditures:			
Current:			
Health and social services	17,265,928	11,689,686	28,955,614
Total expenditures	17,265,928	11,689,686	28,955,614
Net change in fund balances	462,415	-	462,415
Fund balances, beginning	6,467,165	-	6,467,165
Fund balances, ending	<u>\$ 6,929,580</u>	<u>\$ -</u>	<u>\$ 6,929,580</u>
Net change in fund balances			\$ 462,415
Reconciliation of amounts reported for governmental activities in the Statement of Activities:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.			
Expenditure for capital assets		\$ 199,473	
Less depreciation and amortization expense		<u>(144,913)</u>	
Excess of capital outlays over depreciation and amortization			54,560
Long-term due from other government - pension plan		2,370,631	
Long-term due from other government - other postemployment benefits		<u>(7,110)</u>	
			2,363,521
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		4,938	
Changes in pension liabilities and related deferred outflows and inflows of resources		(448,538)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources		<u>14,217</u>	
			<u>(429,383)</u>
Change in net position of governmental activities			<u><u>\$ 2,451,113</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, 2021**

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
ASSETS			
Cash and cash equivalents	\$ 113,501	\$ 18,852	\$ 132,353
Investments	39,824	-	39,824
Accounts receivable	11,909	-	11,909
Accrued interest	76	-	76
Total assets	165,310	18,852	184,162
LIABILITIES			
Accounts payable	127,557	-	127,557
Total liabilities	127,557	-	127,557
NET POSITION			
Unrestricted	37,753	18,852	56,605
Total net position	\$ 37,753	\$ 18,852	\$ 56,605

COUNTY OF ROCKINGHAM, VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION – NONMAJOR DISCRETELY
PRESENTED COMPONENT UNITS
Year Ended June 30, 2021**

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
Operating revenues:			
Charges for services	\$ 11,910	\$ -	\$ 11,910
Appropriation from Primary Government	484,000	-	484,000
Total operating revenues	495,910	-	495,910
Operating expenditures:			
Economic development	1,741,089	-	1,741,089
Total operating expenditures	1,741,089	-	1,741,089
Operating loss	(1,245,179)	-	(1,245,179)
Nonoperating revenues:			
Revenue from use of money	117	-	117
Loss before capital grants and contributions	(1,245,062)	-	(1,245,062)
Capital grants and contributions	1,250,689	-	1,250,689
Change in net position	5,627	-	5,627
Net position, beginning	32,126	18,852	50,978
Net position, ending	\$ 37,753	\$ 18,852	\$ 56,605

COUNTY OF ROCKINGHAM, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS Year Ended June 30, 2021

	Economic Development Authority	Rockingham County Recreation Foundation	Total Nonmajor Discretely Presented Component Units
Cash flows from operating activities:			
Receipts from customers	\$ 9,001	\$ -	\$ 9,001
Payments to suppliers for goods and services	(1,613,532)	-	(1,613,532)
Appropriation from Primary Government	484,000	-	484,000
Net cash used in operating activities	(1,120,531)	-	(1,120,531)
Cash flows from capital and related financing activities:			
Intergovernmental - grants	1,250,689	-	1,250,689
Net cash provided by capital and related financing activities	1,250,689	-	1,250,689
Cash flows from investing activities:			
Purchases of investments	(32,841)	-	(32,841)
Interest received on investment securities	97	-	97
Net cash used in investing activities	(32,744)	-	(32,744)
Net change in cash and cash equivalents	97,414	-	97,414
Cash and cash equivalents:			
Beginning	16,087	18,852	34,939
Ending	\$ 113,501	\$ 18,852	\$ 132,353
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (1,245,179)	\$ -	\$ (1,245,179)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Increase in assets and liabilities:			
Accounts receivable	(2,909)	-	(2,909)
Accounts payable	127,557	-	127,557
Net cash used in operating activities	\$ (1,120,531)	\$ -	\$ (1,120,531)

SUPPLEMENTAL SCHEDULES

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

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	\$ 60,550,000	\$ 60,585,000	\$ 60,717,607	\$ 132,607
Real and personal public service corporation property taxes	2,340,000	2,340,000	2,537,172	197,172
Personal property taxes	17,195,000	17,195,000	18,967,688	1,772,688
Machinery and tools taxes	11,510,000	11,510,000	13,096,687	1,586,687
Merchants' capital taxes	1,401,000	1,401,000	1,648,289	247,289
Penalties and interest	925,000	925,000	908,527	(16,473)
Total general property taxes	93,921,000	93,956,000	97,875,970	3,919,970
Other local taxes:				
Local sales and use taxes	6,500,000	6,500,000	9,138,949	2,638,949
Consumer utility taxes	1,643,100	1,643,100	1,752,942	109,842
Utility gross receipts taxes	335,000	335,000	313,716	(21,284)
Bank stock taxes	125,000	125,000	161,971	36,971
Motor vehicle licenses	1,300,000	1,300,000	1,383,739	83,739
Taxes on recordation and wills	1,045,000	1,045,000	1,745,780	700,780
Transient occupancy taxes	300,000	300,000	576,638	276,638
Food and beverage taxes	800,000	800,000	1,268,157	468,157
ATV and moped sales tax	25,000	25,000	36,110	11,110
Total other local taxes	12,073,100	12,073,100	16,378,002	4,304,902
Permits, privilege fees and regulatory licenses:				
Animal licenses	20,000	20,000	27,588	7,588
Permits and other licenses	1,620,800	1,620,800	1,505,302	(115,498)
Total permits, privilege fees and regulatory licenses	1,640,800	1,640,800	1,532,890	(107,910)
Fines and forfeitures	175,750	175,750	102,410	(73,340)
Use of money and property:				
Revenue from use of money	75,000	75,000	(166,498)	(241,498)
Revenue from use of property	450,000	450,000	831,021	381,021
Total use of money and property	525,000	525,000	664,523	139,523

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

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	\$ 608,200	\$ 608,200	\$ 421,390	\$ (186,810)
Commonwealth attorney	207,500	207,500	182,152	(25,348)
Law enforcement and traffic control	284,050	284,050	150,833	(133,217)
EMS transport	2,260,000	2,260,000	2,198,238	(61,762)
Correction and detention	976,115	976,115	994,648	18,533
Parks and recreation	920,000	920,000	404,983	(515,017)
Computer services	1,750	1,750	2,896	1,146
Health	25,000	25,000	45,854	20,854
Garage fees	650,000	650,000	533,713	(116,287)
Planning and community development	500	500	-	(500)
Total charges for services	5,933,115	5,933,115	4,934,707	(998,408)
Miscellaneous	150,000	162,495	1,792,664	1,630,169
Recovered costs:				
City of Harrisonburg:				
Judicial administration	1,163,266	1,163,266	1,399,868	236,602
Public safety	3,932,161	3,932,161	4,311,370	379,209
Public works	467,302	467,302	562,348	95,046
Other entities:				
Public safety	420,430	420,430	349,275	(71,155)
Health and social services	162,883	162,883	162,883	-
Total recovered costs	6,146,042	6,146,042	6,785,744	639,702
Total revenue from local sources	120,564,807	120,612,302	130,066,910	9,454,608
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Communications sales and use taxes	1,400,000	1,400,000	1,172,916	(227,084)
Mobile home titling taxes	80,000	80,000	88,725	8,725
Rental vehicle taxes	7,500	7,500	11,346	3,846
Personal property tax relief	6,200,000	6,200,000	5,860,515	(339,485)
Games of skill	-	-	96,768	96,768
Recordation taxes	275,000	275,000	-	(275,000)
Total non-categorical aid	7,962,500	7,962,500	7,230,270	(732,230)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

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	\$ 984,292	\$ 984,292	\$ 965,453	\$ (18,839)
Sheriff	6,627,213	6,627,213	6,312,650	(314,563)
Commissioner of the revenue	211,485	211,485	207,466	(4,019)
Treasurer	194,760	194,760	192,054	(2,706)
Registrar/Electoral Board	50,000	50,000	49,916	(84)
Clerk of circuit court	626,365	848,709	707,148	(141,561)
Jail operations	450,000	450,000	388,913	(61,087)
Total shared costs	9,144,115	9,366,459	8,823,600	(542,859)
Other categorical aid:				
Emergency medical services	88,000	88,000	90,632	2,632
Community corrections	431,440	431,440	448,357	16,917
Fire program	199,000	199,000	219,259	20,259
Hazardous materials program	12,000	12,000	10,000	(2,000)
Victim witness	45,000	45,000	43,183	(1,817)
Records preservation	-	-	33,382	33,382
Domestic violence	45,000	45,000	45,000	-
OEMS rescue squad assistance	-	161,500	160,040	(1,460)
Other	163,000	1,609,718	384,831	(1,224,887)
Total other categorical aid	983,440	2,591,658	1,434,684	(1,156,974)
Total categorical aid	10,127,555	11,958,117	10,258,284	(1,699,833)
Total revenue from the Commonwealth	18,090,055	19,920,617	17,488,554	(2,432,063)
Revenue from the federal government:				
Non-categorical aid:				
Payment for federal lands	475,000	475,000	506,216	31,216

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Victim witness	\$ 130,000	\$ 130,000	\$ 129,548	\$ (452)
FEMA	19,022	19,022	19,022	-
Highway safety	36,628	36,628	23,955	(12,673)
Health and human services	250,000	250,000	322,074	72,074
Behavioral health	50,000	50,000	-	(50,000)
Domestic violence coordinator	22,717	22,717	22,960	243
Assistance to firefighters	-	18,182	16,017	(2,165)
Drug court	-	306,732	347,371	40,639
Mental health and substance abuse	-	125,382	125,382	-
Incarceration	5,000	5,000	14,600	9,600
CARES Act	-	10,638,367	10,711,642	73,275
Other federal funds	2,500	2,500	-	(2,500)
Total categorical aid	515,867	11,604,530	11,732,571	128,041
Total revenue from the federal government	990,867	12,079,530	12,238,787	159,257
Total intergovernmental	19,080,922	32,000,147	29,727,341	(2,272,806)
Total General Fund	\$ 139,645,729	\$ 152,612,449	\$ 159,794,251	\$ 7,181,802
Special Revenue Funds:				
Asset Forfeiture Fund:				
Revenue from local sources:				
Fines and forfeitures:				
Seized funds - judicial administration	\$ 18,900	\$ 18,900	\$ 11,463	\$ (7,437)
Seized funds - public safety	18,900	18,900	14,956	(3,944)
Total fines and forfeitures	37,800	37,800	26,419	(11,381)
Revenue from use of money	-	-	1,344	1,344
Total revenue from local sources	37,800	37,800	27,763	(10,037)
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Seized funds - judicial administration	41,800	41,800	-	(41,800)
Seized funds - public safety	41,800	41,800	15,362	(26,438)
Total intergovernmental	83,600	83,600	15,362	(68,238)
Total Asset Forfeiture Fund	121,400	121,400	43,125	(78,275)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Special Revenue Funds:				
Tourism Fund:				
Revenue from local sources:				
Transient occupancy taxes	\$ 354,651	\$ 354,651	\$ 864,737	\$ 510,086
Revenue from use of money	-	-	2,423	2,423
Total revenue from local sources	354,651	354,651	867,160	512,509
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Other	-	10,000	10,000	-
Total non-categorical aid	-	10,000	10,000	-
Total revenue from the Commonwealth	-	10,000	10,000	-
Total intergovernmental	-	10,000	10,000	-
Total Tourism Fund	354,651	364,651	877,160	512,509
LLC Library:				
Revenue from local sources:				
Revenue from use of money	-	-	271	271
Other	35,200	35,200	22,268	(12,932)
Total revenue from local sources	35,200	35,200	22,539	(12,661)
Total LLC Library	35,200	35,200	22,539	(12,661)
Total Special Revenue Funds	\$ 511,251	\$ 521,251	\$ 942,824	\$ 421,573

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Capital Projects Fund:				
General Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	\$ 50,000	\$ 50,000	\$ 29,408	\$ (20,592)
Miscellaneous	-	350,000	977,098	627,098
Recovered costs:				
City of Harrisonburg share	-	-	420,569	420,569
Total revenue from local sources	50,000	400,000	1,427,075	1,027,075
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Other	-	350,000	341,986	(8,014)
Total revenue from the Commonwealth	-	350,000	341,986	(8,014)
Total intergovernmental	-	350,000	341,986	(8,014)
Total General Capital Projects Fund	\$ 50,000	\$ 750,000	\$ 1,769,061	\$ 1,019,061
Grand Total Revenues - Primary Government	\$ 140,206,980	\$ 153,883,700	\$ 162,506,136	\$ 8,622,436
Major Component Units:				
Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of property	\$ 8,000	\$ 8,000	\$ 8,391	\$ 391
Charges for services	75,000	75,000	117,561	42,561
Miscellaneous	191,000	191,000	212,570	21,570
Appropriation from Primary Government	64,366,510	65,866,510	60,320,400	(5,546,110)
Total revenue from local sources	64,640,510	66,140,510	60,658,922	(5,481,588)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

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	\$ 66,915	\$ (7,085)
Categorical aid:				
State sales tax receipts	15,149,870	15,149,870	16,262,139	1,112,269
Basic school aid	34,992,696	34,992,696	33,169,599	(1,823,097)
Other state school funds	22,373,572	22,373,572	24,620,478	2,246,906
Total categorical aid	72,516,138	72,516,138	74,052,216	1,536,078
Total revenue from the Commonwealth	72,590,138	72,590,138	74,119,131	1,528,993
Revenue from the federal government:				
Categorical aid:				
Title I	1,402,000	1,402,000	1,476,191	74,191
Title VIB	2,520,000	2,520,000	2,488,338	(31,662)
Coronavirus relief funds	-	1,999,865	1,999,865	-
Other school funds	1,714,000	1,714,000	2,015,310	301,310
Total revenue from the federal government	5,636,000	7,635,865	7,979,704	343,839
Total intergovernmental	78,226,138	80,226,003	82,098,835	1,872,832
Total School Operating Fund	142,866,648	146,366,513	142,757,757	(3,608,756)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money	18,000	18,000	2,927	(15,073)
Charges for services	2,116,935	2,116,935	13,588	(2,103,347)
Total revenue from local sources	2,134,935	2,134,935	16,515	(2,118,420)
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	140,000	140,000	56,650	(83,350)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

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	\$ 3,457,728	\$ 3,457,728	\$ 4,853,663	\$ 1,395,935
Total intergovernmental	3,597,728	3,597,728	4,910,313	1,312,585
Total School Cafeteria Fund	5,732,663	5,732,663	4,926,828	(805,835)
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	22,997	22,997
Appropriation from Primary Government	-	7,000	7,000	-
Total revenue from local sources	-	7,000	29,997	22,997
Total School Capital Projects Fund	-	7,000	29,997	22,997
Massanutten Technical Center - Operating Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	2,657	2,657
Charges for services	592,100	592,100	619,133	27,033
Miscellaneous	6,000	6,000	-	(6,000)
Total revenue from local sources	598,100	598,100	621,790	23,690
Intergovernmental:				
Revenue from the Commonwealth	544,794	544,794	489,017	(55,777)
Revenue from the federal government	230,696	230,696	363,833	133,137
Local governments:				
Appropriation from Rockingham County School Board	3,713,814	3,713,814	3,470,111	(243,703)
Appropriation from the City of Harrisonburg	922,864	922,864	870,488	(52,376)
Total local governments	4,636,678	4,636,678	4,340,599	(296,079)
Total intergovernmental	5,412,168	5,412,168	5,193,449	(218,719)
Total Massanutten Technical Center - Operating Fund	6,010,268	6,010,268	5,815,239	(195,029)
Total Revenues - Component Unit - School Board	\$ 154,609,579	\$ 158,116,444	\$ 153,529,821	\$ (4,586,623)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - Harrisonburg-Rockingham				
Social Services District:				
Operating Fund:				
Revenue from local sources:				
Revenue from use of money	\$ 39,791	\$ 39,791	\$ 23,091	\$ (16,700)
Miscellaneous:				
City of Harrisonburg share	1,869,199	1,869,199	1,869,199	-
Other	42,779	42,779	50,603	7,824
Total miscellaneous	1,911,978	1,911,978	1,919,802	7,824
Appropriation from the Primary Government	2,614,025	2,614,025	2,732,727	118,702
Total revenue from local sources	4,565,794	4,565,794	4,675,620	109,826
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Public assistance and administration	6,022,715	6,022,715	4,943,818	(1,078,897)
Virginia department of juvenile justice:				
Virginia juvenile community crime control act grant	87,807	87,807	45,761	(42,046)
Total revenue from the Commonwealth	6,110,522	6,110,522	4,989,579	(1,120,943)
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Health and human services	8,907,502	8,819,218	8,010,900	(808,318)
TANF	-	57,966	52,244	(5,722)
Total revenue from the federal government	8,907,502	8,877,184	8,063,144	(814,040)
Total intergovernmental	15,018,024	14,987,706	13,052,723	(1,934,983)
Total Harrisonburg-Rockingham Social Services District - Operating Fund	19,583,818	19,553,500	17,728,343	(1,825,157)
Special Revenue Fund:				
Children's Services Act Fund:				
Revenue from local sources:				
Revenue from use of money	-	-	108	108
Miscellaneous:				
City of Harrisonburg share	1,663,138	1,957,111	1,957,111	-
Appropriation from the Primary Government	2,013,625	2,722,389	2,722,389	-
Total revenue from local sources	3,676,763	4,679,500	4,679,608	108

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF REVENUES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Special Revenue Fund:				
Children's Services Act Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Social services administration:				
Children's Services Act	\$ 7,323,237	\$ 7,350,714	\$ 6,503,033	\$ (847,681)
Revenue from the federal government:				
Categorical aid:				
Social services administration:				
Children's Services Act	-	-	507,045	507,045
Total intergovernmental	7,323,237	7,350,714	7,010,078	(340,636)
Total Children's Services Act Fund	11,000,000	12,030,214	11,689,686	(340,528)
Total Revenues - Component Unit - Harrisonburg-Rockingham Social Services District	\$ 30,583,818	\$ 31,583,714	\$ 29,418,029	\$ (2,165,685)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

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	\$ 186,939	\$ 176,812	\$ 175,895	\$ (917)
General and financial:				
Executive administration	361,338	385,497	385,188	(309)
Legal services	688,192	718,338	718,127	(211)
Independent auditor and actuarial services	102,000	88,000	88,000	-
Commissioner of the revenue	793,582	807,306	788,075	(19,231)
Reassessment and equalization	402,730	1,030,208	851,986	(178,222)
Treasurer	702,006	772,630	772,034	(596)
Fiscal services	879,239	924,887	899,479	(25,408)
Human resources	452,871	461,389	459,104	(2,285)
Technology	1,062,289	1,782,470	1,778,782	(3,688)
Employee benefits	-	-	15,927	15,927
Land use assessment	66,070	67,358	59,653	(7,705)
Total general and financial	5,510,317	7,038,083	6,816,355	(221,728)
Board of elections:				
Electoral board and officials	148,889	125,118	60,751	(64,367)
Registrar	183,817	290,367	363,569	73,202
Total board of elections	332,706	415,485	424,320	8,835
Total general government administration	6,029,962	7,630,380	7,416,570	(213,810)
Judicial administration:				
Courts:				
Circuit court	226,320	229,823	195,826	(33,997)
General district court	40,300	40,300	26,973	(13,327)
Magistrate	9,950	11,450	11,373	(77)
Juvenile and domestic relations court	39,820	39,820	29,918	(9,902)
Clerk of the circuit court	1,166,129	1,409,756	1,354,520	(55,236)
Department of court services	1,109,000	1,615,207	1,473,453	(141,754)
Total courts	2,591,519	3,346,356	3,092,063	(254,293)
Commonwealth attorney	2,370,800	2,529,187	2,411,800	(117,387)
Total judicial administration	4,962,319	5,875,543	5,503,863	(371,680)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

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	\$ 7,212,127	\$ 8,301,639	\$ 7,671,516	\$ (630,123)
Fire and rescue services:				
Fire and rescue	8,230,735	12,482,939	9,949,362	(2,533,577)
Volunteer fire companies	1,018,771	1,483,267	1,426,227	(57,040)
Ambulance and rescue squads	673,700	695,509	683,683	(11,826)
Emergency medical services transportation	1,460,000	1,460,000	1,437,537	(22,463)
Fire extinction service	21,768	22,268	22,223	(45)
Total fire and rescue services	11,404,974	16,143,983	13,519,032	(2,624,951)
Correction and detention:				
County operated institutions	12,102,557	12,502,604	12,253,154	(249,450)
Building inspections	740,812	780,507	676,777	(103,730)
Other protection:				
Animal control	486,005	499,672	499,160	(512)
Emergency services	3,881,838	4,081,838	3,810,874	(270,964)
Total other protection	4,367,843	4,581,510	4,310,034	(271,476)
Total public safety	35,828,313	42,310,243	38,430,513	(3,879,730)
Public works:				
Garage operations	807,883	781,024	667,113	(113,911)
Maintenance:				
County property	1,005,910	1,289,223	1,288,353	(870)
Shared property	1,067,360	1,059,572	945,251	(114,321)
Human Services/Health department building	287,955	297,206	296,646	(560)
TV translator system	11,700	11,700	7,863	(3,837)
Research and technology center	114,800	174,800	172,963	(1,837)
Total public works	3,295,608	3,613,525	3,378,189	(235,336)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

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	\$ 738,999	\$ 738,999	\$ 617,921	\$ (121,078)
Mental health:				
Community Services Board	951,773	5,470,493	5,463,182	(7,311)
Social services:				
Property tax relief for elderly/handicapped	500,000	535,000	533,790	(1,210)
Appropriation to the Harrisonburg-Rockingham				
Social Services District	4,746,352	5,455,116	5,455,116	-
Institutional care	217,274	217,274	205,112	(12,162)
Total health and social services	7,154,398	12,416,882	12,275,121	(141,761)
Education:				
Appropriation to the Rockingham				
County School Board	64,366,510	65,873,510	60,327,400	(5,546,110)
CARES Act expenditures	-	2,040,427	2,040,427	-
Total education	64,366,510	67,913,937	62,367,827	(5,546,110)
Parks, recreation and cultural:				
Parks and recreation:				
Administration	256,831	260,939	194,830	(66,109)
Athletic events/programs	1,461,697	1,581,886	1,159,152	(422,734)
Rockingham Park	349,401	505,646	497,988	(7,658)
Total parks and recreation	2,067,929	2,348,471	1,851,970	(496,501)
Cultural:				
Regional library	939,339	939,339	939,339	-
Total parks, recreation and cultural	3,007,268	3,287,810	2,791,309	(496,501)
Community development:				
Planning and community development	694,904	675,964	673,525	(2,439)
Geographic information systems	162,518	257,273	250,926	(6,347)
Economic development	1,695,417	1,927,257	1,776,298	(150,959)
Soil and water conservation district	37,500	37,500	37,500	-
Cooperative extension program	160,531	160,531	147,555	(12,976)
Environmental management	237,425	288,072	286,963	(1,109)
Soil and Water Conservation District	-	-	559,276	559,276
Bond escrow	-	-	181,024	181,024
Contributions, grants and other	737,031	2,081,759	1,999,131	(82,628)
Appropriation to the Economic				
Development Authority	-	500,000	484,000	(16,000)
Total community development	3,725,326	5,928,356	6,396,198	467,842

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

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	\$ 1,740,000	\$ 4,820,000	\$ 4,821,667	\$ 1,667
School Board	6,255,678	6,255,678	6,255,678	-
Total principal	7,995,678	11,075,678	11,077,345	1,667
Interest and fiscal charges:				
County	600,195	570,195	476,937	(93,258)
School Board	3,873,410	3,873,410	3,872,860	(550)
Total interest and fiscal charges	4,473,605	4,443,605	4,349,797	(93,808)
Total debt service	12,469,283	15,519,283	15,427,142	(92,141)
Total General Fund	\$ 140,838,987	\$ 162,455,532	\$ 153,986,732	\$ (8,468,800)
Special Revenue Funds:				
Asset Forfeiture Fund:				
Judicial administration:				
Commonwealth attorney	\$ 65,660	\$ 65,660	\$ 17,108	\$ (48,552)
Public safety:				
Law enforcement	55,740	55,740	41,137	(14,603)
Total Asset Forfeiture Fund	121,400	121,400	58,245	(63,155)
Tourism Fund:				
Community development:				
Marketing and promotion	354,651	364,651	311,257	(53,394)
Total Tourism Fund	354,651	364,651	311,257	(53,394)
LLC Library:				
Parks, recreation and cultural:				
Library	50,585	50,585	37,546	(13,039)
Total LLC Library	50,585	50,585	37,546	(13,039)
Total Special Revenue Funds	\$ 526,636	\$ 536,636	\$ 407,048	\$ (129,588)
General Capital Projects Fund:				
Capital projects	\$ 483,500	\$ 13,142,237	\$ 6,023,046	\$ (7,119,191)
Interest and fiscal charges	-	-	23,125	23,125
Total General Capital Projects Fund	\$ 483,500	\$ 13,142,237	\$ 6,046,171	\$ (7,096,066)
Grand Total Expenditures - Primary Government	\$ 141,849,123	\$ 176,134,405	\$ 160,439,951	\$ (15,694,454)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

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	\$ 111,734,035	\$ 115,233,900	\$ 111,286,128	\$ (3,947,772)
Administration, attendance and health	6,772,799	6,772,799	6,803,954	31,155
Pupil transportation services	9,915,844	9,915,844	9,727,357	(188,487)
Operation and maintenance services	14,443,970	14,443,970	14,939,366	495,396
Total School Operating Fund	142,866,648	146,366,513	142,756,805	(3,609,708)
School Cafeteria Fund:				
Education:				
School food services	5,732,663	5,732,663	4,830,398	(902,265)
Total School Cafeteria Fund	5,732,663	5,732,663	4,830,398	(902,265)
School Capital Projects Fund:				
Capital projects	1,400,000	1,407,000	729,866	(677,134)
Total School Capital Projects Fund	1,400,000	1,407,000	729,866	(677,134)
Massanutten Technical Center - Operating Fund:				
Education:				
Secondary	4,966,885	4,966,885	4,695,577	(271,308)
Continuing education	1,043,383	1,043,383	1,119,662	76,279
Total Massanutten Technical Center - Operating Fund	6,010,268	6,010,268	5,815,239	(195,029)
Total Expenditures - Component Unit - School Board	\$ 156,009,579	\$ 159,516,444	\$ 154,132,308	\$ (5,384,136)

**GOVERNMENTAL FUNDS AND MAJOR DISCRETELY PRESENTED
COMPONENT UNITS – SCHEDULE OF EXPENDITURES –
BUDGET AND ACTUAL
Year Ended June 30, 2021**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Major Component Units:				
Component Unit - Harrisonburg-Rockingham				
Social Services District:				
Operating Fund:				
Social services:				
Public assistance	\$ 9,290,226	\$ 9,201,942	\$ 7,036,116	\$ (2,165,826)
Administration:				
Health and human services	10,097,785	10,155,751	9,758,386	(397,365)
Virginia juvenile community crime control act grant	87,807	87,807	45,761	(42,046)
Capital projects	248,000	248,000	425,665	177,665
Total Operating Fund	19,723,818	19,693,500	17,265,928	(2,427,572)
Special Revenue Fund:				
Children's Services Act Fund:				
Children's Services Act	11,000,000	12,045,619	11,689,686	(355,933)
Total Children's Services Act Fund	11,000,000	12,045,619	11,689,686	(355,933)
Total Expenditures - Component Unit - Harrisonburg-Rockingham Social Services District	\$ 30,723,818	\$ 31,739,119	\$ 28,955,614	\$ (2,783,505)

STATISTICAL SECTION

COUNTY OF ROCKINGHAM, VIRGINIA

STATISTICAL SECTION TABLE OF CONTENTS

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

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

STATISTICAL SECTION

Comments Relative to Statistical Section

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

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

COUNTY OF ROCKINGHAM, VIRGINIA

NET POSITION / ASSETS BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Table 2

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	Fiscal Year June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary government:										
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 62,861,828
Restricted	420,988	2,897,307	3,782,011	235,709	195,800	235,108	404,183	624,258	1,334,085	1,415,419
Unrestricted (deficit)	(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)	(52,335,803)
Total governmental activities net assets/ net position	\$ (14,656,373)	\$ (3,370,933)	\$ 4,782,240	\$ (195,538)	\$ (2,508,495)	\$ 4,394,162	\$ (18,175,812)	\$ (2,797,103)	\$ (5,218,118)	\$ 11,941,444
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 39,436,305
Restricted	-	-	-	-	5,545,857	10,566,691	4,739,335	-	-	-
Unrestricted	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	11,671,872
Total business-type activities net assets/ net position	\$ 32,194,158	\$ 34,432,869	\$ 36,219,812	\$ 38,457,264	\$ 41,065,581	\$ 43,606,145	\$ 45,229,057	\$ 48,039,162	\$ 46,641,595	\$ 51,108,177
Primary government:										
Net investment in capital assets	\$ 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	\$ 102,298,133
Restricted	420,988	2,897,307	3,782,011	235,709	5,741,657	10,801,799	5,143,518	624,258	1,334,085	1,415,419
Unrestricted (deficit)	(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)	(40,663,931)
Total primary government net assets/ net position	\$ 17,537,785	\$ 31,061,936	\$ 41,002,052	\$ 38,261,726	\$ 38,557,086	\$ 48,000,307	\$ 27,053,245	\$ 45,242,059	\$ 41,423,477	\$ 63,049,621
Major component units: (1)										
Component unit - school board:										
Net investment in capital assets	\$ 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	\$ 137,385,305
Restricted	-	-	-	-	-	-	4,133,596	-	2,620,846	565,038
Unrestricted (deficit)	(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)	(119,699,489)
Total component unit - school board net assets/net position	\$ 152,806,463	\$ 144,354,714	\$ 136,265,394	\$ 25,850,562	\$ 21,713,811	\$ 17,784,383	\$ 13,925,078	\$ 14,522,763	\$ 23,498,538	\$ 18,250,854
Component unit - Harrisonburg-Rockingham Social Services District										
Net investment in capital assets	\$ 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	\$ 2,023,024
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	4,021,587	2,392,680	1,433,092	697,955	1,411,396	2,399,901	1,204,485	1,937,337	1,832,732	6,815,867
Total component unit - HRSSD net assets/ net position	\$ 4,040,490	\$ 4,562,298	\$ 5,025,516	\$ 4,666,212	\$ 5,603,588	\$ 6,785,830	\$ 5,648,376	\$ 6,513,116	\$ 6,387,778	\$ 8,838,891

COUNTY OF ROCKINGHAM, VIRGINIA

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

Table 2
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	Fiscal Year June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Major component units:										
Net investment in capital assets	\$ 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	\$ 139,408,329
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	565,038
Unrestricted (deficit)	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)	(112,883,622)
Total major component units net assets/net position	\$ 156,846,953	\$ 148,917,012	\$ 141,290,910	\$ 30,516,774	\$ 27,317,399	\$ 24,570,213	\$ 19,573,454	\$ 21,035,879	\$ 29,886,316	\$ 27,089,745
Total reporting entity: (2)										
Net investment in capital assets	\$ 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	\$ 156,805,784
Restricted	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	1,980,457
Unrestricted	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)	(68,646,875)
Total reporting entity net assets/net position	\$ 174,384,738	\$ 179,978,948	\$ 182,292,962	\$ 68,778,500	\$ 65,874,485	\$ 72,570,520	\$ 46,626,699	\$ 66,277,938	\$ 71,309,793	\$ 90,139,366

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.
- (8) June 30, 2021 net position was restated for change in accounting policy.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3
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CHANGES IN NET POSITION / ASSETS

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary government:										
Expenses:										
Governmental activities:										
General government administration	\$ 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	\$ 9,073,530
Judicial administration	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	6,137,343
Public safety	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	34,564,076
Public works	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	3,443,628
Health and social services	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	12,235,368
Education	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	62,367,827
Parks, recreation and cultural	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	3,548,256
Community development	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	7,470,738
Interest	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	3,349,701
Total governmental activities	93,072,786	101,119,098	103,328,172	110,019,569	121,585,084	117,604,110	154,540,181	126,579,330	150,629,960	142,190,467
Business-type activities:										
Water and sewer	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	9,423,182
Solid waste	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	6,025,601
Total business-type activities	10,038,091	10,522,042	11,486,622	11,433,488	11,340,347	13,187,441	13,989,803	14,276,715	18,487,426	15,448,783
Total primary government expenses	103,110,877	111,641,140	114,814,794	121,453,057	132,925,431	130,791,551	168,529,984	140,856,045	169,117,386	157,639,250
Program revenue:										
Governmental activities:										
Charges for services:										
General government administration	2,200	1,359	2,059	3,511	2,383	1,768	1,727	1,940	1,784	2,896
Judicial administration	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	2,014,873
Public safety	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	10,028,204
Public works	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	1,096,061
Health and social services	34,717	-	17,745	1,204	2,428	18,565	26,013	24,152	-	208,737
Parks, recreation and cultural	660,369	690,110	756,422	805,431	785,225	863,175	843,541	872,572	585,312	404,983
Community development	3,085	2,975	3,727	2,540	508	1,855	143	-	-	-
Operating grants and contributions:										
General government administration	410,967	395,203	417,952	411,690	461,210	426,233	434,401	436,847	496,430	1,070,074
Judicial administration	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	2,965,891
Public safety	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	11,659,418
Public works	-	-	-	-	-	-	-	-	-	91,944
Health and social services	155,737	186,696	172,263	176,963	200,944	237,994	230,468	284,782	277,084	322,074
Education	-	562,808	-	-	-	-	-	-	-	2,040,427
Parks, recreation and cultural	-	-	-	-	-	-	-	-	85,498	77,571
Community development	-	-	-	-	100,000	254,000	-	25,000	-	1,275,201
Capital grants and contributions:										
General government administration	-	-	-	-	-	-	-	-	-	140,580
Judicial administration	-	-	-	-	-	-	-	-	-	11,487
Public safety	22,000	38,354	-	-	-	-	-	-	-	1,047,898
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	1,011,986
Parks, recreation and cultural	-	-	-	-	-	-	-	100,000	-	134,970
Community development	-	-	-	-	-	-	-	-	-	508,682
Total governmental activities	16,660,014	20,263,517	21,460,106	21,987,761	19,487,273	21,777,391	24,883,414	24,655,076	28,040,755	36,113,957

COUNTY OF ROCKINGHAM, VIRGINIA

Table 3

Page 2

CHANGES IN NET POSITION / ASSETS

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary government:										
Program revenue:										
Business-type activities:										
Charges for services:										
Water and sewer	\$ 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	\$ 8,652,543
Solid waste	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	6,520,677
Operating grants and contributions:										
Water and sewer	-	-	-	1,638,030	952,584	2,168,073	1,341,662	1,468,780	1,567,175	2,601,890
Solid waste	-	-	-	-	-	23,830	73,273	75,918	20,926	23,753
Capital grants and contributions:										
Solid waste	-	-	-	870,563	-	-	-	-	-	-
Total business-type activities	9,582,282	11,589,080	12,493,683	14,420,971	13,011,567	14,793,115	14,944,016	16,012,069	16,107,207	17,798,863
Total primary government revenues	26,242,296	31,852,597	33,953,789	36,408,732	32,498,840	36,570,506	39,827,430	40,667,145	44,147,962	53,912,820
Net (expense) revenue:										
Governmental activities	(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)	(106,076,510)
Business-type activities	(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)	2,350,080
Total primary government, net expense	(76,868,581)	(79,788,543)	(80,861,005)	(85,044,325)	(100,426,591)	(94,221,045)	(128,702,554)	(100,188,900)	(124,969,424)	(103,726,430)
Governmental activities:										
Taxes:										
General property taxes	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	98,103,822
Local sales and use	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	9,138,949
Consumer utility and communications sales and use	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	1,752,942
Motor vehicles licenses	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	1,383,739
Food and beverage	824,844	889,702	925,336	1,034,025	1,070,535	1,155,637	1,242,234	1,275,618	1,187,022	1,268,157
Other	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	3,698,952
Intergovernmental, non-categorical aid	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	7,736,486
Use of money and property	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	715,728
Miscellaneous	336,457	345,024	302,430	364,608	680,439	627,835	536,673	3,438,994	1,033,465	2,792,030
Transfers	-	(63,336)	-	870,563	-	-	-	-	(57,730)	-
Total governmental activities	86,926,040	89,990,354	90,021,239	92,871,015	99,784,854	102,729,376	110,034,141	117,957,346	120,168,190	126,590,805
Business-type activities:										
Intergovernmental, non-categorical aid	-	-	-	-	26,640	-	-	-	-	-
Use of money and property	39,839	67,961	65,660	93,935	59,852	171,908	272,958	532,278	558,613	164,842
Miscellaneous	978,700	1,040,376	898,936	837,750	850,605	762,982	774,434	769,890	366,309	1,951,660
Transfers	-	63,336	-	(870,563)	-	-	-	-	57,730	-
Total business-type activities	1,018,539	1,171,673	964,596	61,122	937,097	934,890	1,047,392	1,302,168	982,652	2,116,502
Total primary government	87,944,579	91,162,027	90,985,835	92,932,137	100,721,951	103,664,266	111,081,533	119,259,514	121,150,842	128,707,307
Changes in net assets/net position:										
Governmental activities	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)	20,514,295
Business-type activities	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)	4,466,582
Total primary government	\$ 11,075,998	\$ 11,373,484	\$ 10,124,830	\$ 7,887,812	\$ 295,360	\$ 9,443,221	\$ (17,621,021)	\$ 19,070,614	\$ (3,818,582)	\$ 24,980,877

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Major component units: (2)										
Component unit - school board:										
Expenses:										
Instruction	\$ 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	\$ 123,848,194
Administration, attendance and health	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	7,047,955
Pupil transportation	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	9,295,923
Operation and maintenance services	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	14,405,484
School food services	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	4,936,653
Total expenses	127,703,336	131,381,104	132,054,661	136,994,541	138,710,089	147,966,748	148,669,696	147,353,413	159,763,408	159,534,209
Program revenues:										
Charges for services	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	750,282
Operating grants and contributions	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	92,135,682
Capital grants and contributions	93,627	81,465	32,720	71,650	83,333	175,791	98,915	-	-	756,704
Total program revenues	74,204,835	72,324,568	73,482,709	77,645,699	78,364,543	82,410,992	85,544,907	87,481,502	88,454,308	93,642,668
Net expense	(53,498,501)	(59,056,536)	(58,571,952)	(59,348,842)	(60,345,546)	(65,555,756)	(63,124,789)	(59,871,911)	(71,309,100)	(65,891,541)
General revenues and other changes in net assets:										
Grants and contributions not restricted to specific programs	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	60,327,400
Intergovernmental, non-categorical aid	99,154	107,026	79,643	72,671	75,166	77,475	74,224	71,192	69,005	66,915
Use of money and property	38,899	37,184	31,489	45,918	35,649	44,232	137,296	161,674	143,546	36,972
Miscellaneous	360,314	360,536	511,887	626,406	586,358	542,927	249,859	192,128	202,818	212,570
Total general revenues and other changes in net assets/net position	44,753,689	50,604,787	50,482,632	54,535,733	56,208,795	61,626,328	85,491,865	62,116,622	80,284,875	60,643,857
Total general revenues and other										
Total component unit - school board change in net assets/net position	\$ (8,744,812)	\$ (8,451,749)	\$ (8,089,320)	\$ (4,813,109)	\$ (4,136,751)	\$ (3,929,428)	\$ 22,367,076	\$ 2,244,711	\$ 8,975,775	\$ (5,247,684)
Component unit - HRSSD:										
Expenses:										
Public assistance	\$ 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	\$ 7,036,116
Comprehensive/children's services	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	11,490,213
Health and human services	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	8,394,826
VJCCA	-	-	-	82,081	83,474	87,171	86,672	72,575	67,801	45,761
Total expenses	21,111,537	20,756,331	21,559,920	22,073,266	22,879,797	24,120,413	26,331,719	25,776,268	28,207,910	26,966,916
Program revenues:										
Operating grants and contributions	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	20,062,801
Total program revenues	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	20,062,801
Net expense	(6,415,950)	(5,886,705)	(5,973,303)	(5,873,256)	(6,846,256)	(6,991,793)	(8,725,636)	(7,722,941)	(8,910,463)	(6,904,115)

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues and other changes in net assets:										
Grants and contributions not restricted to specific programs	\$ 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	\$ 9,281,426
Use of money and property	21,059	32,633	16,177	20,951	12,362	32,086	40,755	134,457	145,160	23,199
Miscellaneous	34,225	38,138	71,814	57,963	48,660	50,286	48,830	47,022	52,552	50,603
Total general revenues and other changes in net assets/net position	6,297,618	6,408,513	6,436,521	6,817,962	7,783,632	8,174,035	8,298,998	8,672,672	8,785,125	9,355,228
Total component unit - HRSSD change in net assets/net position	\$ (118,332)	\$ 521,808	\$ 463,218	\$ 944,706	\$ 937,376	\$ 1,182,242	\$ (426,638)	\$ 949,731	\$ (125,338)	\$ 2,451,113
Total major component units change in net assets/net position	\$ (8,863,144)	\$ (7,929,941)	\$ (7,626,102)	\$ (3,868,403)	\$ (3,199,375)	\$ (2,747,186)	\$ 21,940,438	\$ 3,194,442	\$ 8,850,437	\$ (2,796,571)
Total reporting entity change in net assets/net position	\$ 2,212,854	\$ 3,443,543	\$ 2,498,728	\$ 4,019,409	\$ (2,904,015)	\$ 6,696,035	\$ 4,319,417	\$ 22,265,056	\$ 5,031,855	\$ 22,184,306

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary government:										
Governmental activities:										
General government administration	\$ 413,167	\$ 396,562	\$ 420,011	\$ 415,201	\$ 463,593	\$ 428,001	\$ 436,128	\$ 438,787	\$ 498,214	\$ 1,213,550
Judicial administration	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	4,992,251
Public safety	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	22,735,520
Public works	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	2,199,991
Health and social services	190,454	186,696	190,008	178,167	203,372	256,559	256,481	308,934	277,084	530,811
Education	-	562,808	-	-	-	-	-	-	-	2,040,427
Parks, recreation and cultural	660,369	690,110	756,422	805,431	785,225	863,175	843,541	972,572	670,810	617,524
Community development	3,085	2,975	3,727	2,540	100,508	255,855	143	25,000	-	1,783,883
Total governmental activities	16,660,014	20,263,517	21,460,106	21,987,761	19,487,273	21,777,391	24,883,414	24,655,076	28,040,755	36,113,957
Business-type activities:										
Water and sewer	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	11,254,433
Solid waste	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	6,544,430
Total business-type activities	9,582,282	11,589,080	12,493,683	14,420,971	13,011,567	14,793,115	14,944,016	16,012,069	16,107,207	17,798,863
Total primary government	\$ 26,242,296	\$ 31,852,597	\$ 33,953,789	\$ 36,408,732	\$ 32,498,840	\$ 36,570,506	\$ 39,827,430	\$ 40,667,145	\$ 44,147,962	\$ 53,912,820
Major component units:										
Component unit - school board:										
Instruction	\$ 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	\$ 88,002,363
Pupil transportation services	-	-	-	-	-	-	-	-	-	633,926
Operation and maintenance services	-	-	-	-	-	-	-	-	-	82,478
School food services	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	4,923,901
Total component unit - school board	74,204,835	72,324,568	73,482,709	77,645,699	78,364,543	82,410,992	85,544,907	87,481,502	88,454,308	93,642,668
Component unit - HRSSD:										
Public assistance	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	4,943,818
Comprehensive/children's services	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	7,010,078
Health and human services	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	8,063,144
VJCCA	-	-	-	62,481	102,030	83,534	86,831	72,416	67,801	45,761
Total component unit - HRSSD	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	20,062,801
Total major component units	\$ 88,900,422	\$ 87,194,194	\$ 89,069,326	\$ 93,845,709	\$ 94,398,084	\$ 99,539,612	\$ 103,150,990	\$ 105,534,829	\$ 107,751,755	\$ 113,705,469
Total reporting entity	\$ 115,142,718	\$ 119,046,791	\$ 123,023,115	\$ 130,254,441	\$ 126,896,924	\$ 136,110,118	\$ 142,978,420	\$ 146,201,974	\$ 151,899,717	\$ 167,618,289

COUNTY OF ROCKINGHAM, VIRGINIA

Table 5

FUND BALANCES – GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ 667,271	\$ 536,388	\$ 483,343	\$ 584,337	\$ 712,636	\$ 785,140	\$ 695,007	\$ 722,684	\$ 699,185	\$ 806,616
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	1,034,013
Assigned	7,551	-	-	-	-	-	53,822	142,979	-	-
Unassigned	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	40,298,647
Total General Fund	\$ 28,982,845	\$ 29,455,831	\$ 27,782,265	\$ 28,287,366	\$ 30,330,932	\$ 27,431,188	\$ 30,473,871	\$ 29,579,398	\$ 45,054,638	\$ 42,139,276
All Other Governmental Funds:										
Nonspendable	\$ 11,143	\$ 11,143	\$ 11,143	\$ 11,143	\$ -	\$ -	\$ -	\$ -	\$ 11,204	\$ 1,242
Restricted	409,284	484,439	193,685	224,566	195,800	235,108	404,183	518,066	1,334,085	1,415,419
Committed	-	-	-	-	-	4,288,809	3,962,920	7,218,556	3,756,964	5,302,877
Assigned	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	4,036,000
Total all other governmental funds	\$ 14,860,093	\$ 20,297,184	\$ 22,298,721	\$ 18,064,423	\$ 14,652,421	\$ 11,836,317	\$ 8,346,119	\$ 10,112,601	\$ 8,217,685	\$ 10,755,538

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

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

	Fiscal Year June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
General property taxes	\$ 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	\$ 97,875,970
Other local taxes	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	17,242,739
Permits, privilege fees and licenses	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	1,532,890
Fines and forfeitures	274,611	167,342	159,842	184,583	151,516	240,396	208,051	202,191	181,988	128,829
Use of money and property	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	697,969
Charges for services	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	4,934,707
Miscellaneous	336,457	345,024	302,430	364,608	680,439	627,835	536,673	3,538,994	1,033,465	2,792,030
Recovered costs	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	7,206,313
Reimbursement from component unit	-	562,808	-	-	-	-	-	-	-	-
Intergovernmental	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	30,094,689
Total revenues	103,216,951	110,248,136	111,687,905	113,942,335	119,204,343	124,510,758	134,532,132	142,816,137	148,102,018	162,506,136
Expenditures:										
General government administration	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	7,416,570
Judicial administration	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	5,520,971
Public safety	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	38,471,650
Public works	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	3,378,189
Health and social services	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	12,275,121
Education	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	62,367,827
Parks, recreation and cultural	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	2,828,855
Community development	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	6,707,455
Capital outlay	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	6,023,046
Debt service:										
Principal	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	11,077,345
Interest and fiscal charges	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	4,372,922
Total expenditures	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	160,439,951
Revenues over (under) expenditures	163,534	3,162,029	327,971	(4,599,760)	(1,368,436)	(5,715,848)	(29,756,771)	872,009	(17,906,534)	2,066,185
Other financing sources (uses):										
Transfers in	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	7,364,575
Transfers out	(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)	(6,374,149)
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	-
Total other financing sources (uses), net	-	(29,552)	-	870,563	-	-	29,309,256	-	31,486,858	990,426
Net change in fund balance	\$ 163,534	\$ 3,132,477	\$ 327,971	\$ (3,729,197)	\$ (1,368,436)	\$ (5,715,848)	\$ (447,515)	\$ 872,009	\$ 13,580,324	\$ 3,056,611

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Service as a percentage of noncapital expenditures:										
Primary government:										
Total debt service	\$ 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	\$ 15,450,267
Total expenditures	\$ 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	\$ 160,439,951
Less: Capital outlay - primary government	(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)	(7,078,960)
Noncapital expenditures	\$ 98,245,803	\$ 106,417,320	\$ 110,101,290	\$ 116,454,610	\$ 117,847,983	\$ 124,600,034	\$ 158,376,731	\$ 133,739,328	\$ 154,588,416	\$ 153,360,991
Debt service as a percentage of noncapital expenditures	14.11%	12.44%	11.15%	10.10%	9.91%	9.12%	6.45%	8.73%	7.64%	10.07%
Major component units - School Board and HRSSD:										
Expenditures:										
School board	\$ 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	\$ 154,132,308
HRSSD	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	28,955,614
Less: Capital outlay - school board	(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)	(3,643,625)
Less: Capital outlay - HRSSD	-	-	(2,163,687)	(530,456)	(31,182)	(42,681)	(123,000)	-	-	(199,473)
Noncapital expenditures	\$ 138,679,194	\$ 142,828,681	\$ 143,822,106	\$ 151,645,223	\$ 154,483,957	\$ 162,936,382	\$ 169,572,731	\$ 173,188,235	\$ 175,157,341	\$ 179,244,824
Total reporting entity:										
Total noncapital expenditures	\$ 186,794,179	\$ 193,713,080	\$ 197,938,726	\$ 207,908,866	\$ 212,140,973	\$ 227,345,449	\$ 238,142,511	\$ 236,391,308	\$ 241,423,662	\$ 263,353,188
Debt service as a percentage of noncapital expenditures	7.42%	6.83%	6.20%	5.66%	5.51%	5.00%	4.29%	4.94%	4.89%	5.87%

COUNTY OF ROCKINGHAM, VIRGINIA

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Table 6

Page 3

Notes:

- (1) In Virginia, the County issues debt to finance the construction of school facilities for the public schools because the public schools do not have borrowing or taxing authority. Therefore, the debt service payments related to school facilities are presented as debt service of the primary government. Debt service as a percentage of noncapital expenditures for the total reporting entity more appropriately reflects the unique Virginia school debt requirement.
- (2) For the "Total Reporting Entity" amounts, the total noncapital expenditures have been reduced by the amounts given by the primary government to the public schools, Massanutten Technical Center, and the Social Services District so those expenditures are not included twice.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 7

TAX REVENUES BY SOURCE – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year June 30,	Property (1)	Local Sales and Use	Motor Vehicle	Consumer Utility and Communications Sales and Use	Recordation and Wills	Food and Beverage	Other	Total
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
2021	96,967,443	9,138,949	1,383,739	1,752,942	1,745,780	1,268,157	1,088,435	113,345,445
Change 2012-2021	44.94%	83.11%	12.71%	70.52%	111.05%	53.75%	77.44%	48.33%

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	Real Estate Tax Value as a Percentage of Assessed Value	Personal Property Value	Personal Property Tax	Total Direct Personal Property Tax Rate
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%	1,250,303,137	29,301,053	\$ 2.85
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%	1,220,024,151	28,406,280	2.85
2014	5,131,903,600	744,413,500	260,799,200	2,069,514,600	1,155,622,900	9,362,253,800	2.45%	1,060,320,506	7,146,310,394	0.64	76.33%	1,215,239,308	28,311,213	2.85
2015	5,198,957,000	765,627,500	258,445,700	2,073,139,200	1,155,559,900	9,451,729,300	0.96%	1,014,434,080	7,281,735,320	0.66/0.68	77.04%	1,257,521,262	29,402,197	2.90
2016	5,286,192,700	772,036,000	265,826,900	2,080,831,900	1,154,888,500	9,559,776,000	1.14%	1,016,281,990	7,388,605,510	0.68/0.70	77.29%	1,353,543,739	31,609,749	2.90
2017	5,360,674,700	801,922,900	263,991,000	2,083,044,800	1,169,407,400	9,679,040,800	1.25%	1,013,613,780	7,496,019,620	0.74	77.45%	1,420,103,739	33,932,001	3.00
2018	5,616,112,800	821,069,100	276,622,400	2,112,122,000	1,171,035,500	9,996,961,800	3.28%	1,029,749,840	7,796,176,460	0.74	77.99%	1,524,244,049	36,387,138	3.00
2019	5,715,245,600	862,187,600	277,993,700	2,111,197,800	1,172,733,700	10,139,358,400	1.42%	1,027,110,460	7,939,514,240	0.74	78.30%	1,586,377,475	38,113,105	3.00
2020	5,804,990,300	883,777,300	303,406,900	2,131,013,600	1,181,671,700	10,304,859,800	1.63%	1,029,216,830	8,093,971,270	0.74	78.55%	1,698,981,212	40,745,335	3.00
2021	5,911,663,600	906,602,000	402,607,600	2,046,666,300	1,188,370,700	10,455,910,200	1.47%	1,026,717,200	8,240,822,300	0.74	78.81%	1,763,157,277	44,868,033	3.00

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	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Farm Machinery	Total Direct Rate
2012	\$ 0.64	\$ 2.85	\$ 0.64	\$ 2.55	\$ 0.87	\$ 0.44	\$ 7.99
2013	0.64	2.85	0.64	2.55	0.87	0.44	7.99
2014	0.64	2.85	0.64	2.55	0.87	0.44	7.99
2015	0.66/0.68	2.90	0.68	2.55	0.87	0.44	8.11
2016	0.68/0.70	2.90	0.68/0.70	2.55	0.87	0.44	8.14
2017	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2018	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2019	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2020	0.74	3.00	0.74	2.55	0.87	0.44	8.34
2021	0.74	3.00	0.74	2.55	0.87	0.44	8.34

Note:

- (1) Public Service Corporations are taxed at the real estate and the personal property tax rates for those classes of assessed values established by the State Corporation Commission.

Overlapping Governments

Fiscal Year June 30,	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Farm Machinery
2012	\$ 0.07-0.12	\$ 0.30-0.75	0.07-0.46	\$ 0.30-0.75	\$ -	\$ -
2013	0.07-0.12	0.30-0.75	0.07-0.46	0.30-0.75	-	-
2014	0.05-0.12	0.20-0.75	0.07-0.46	0.30-0.46	-	-
2015	0.07-0.12	0.20-0.75	0.07-0.46	0.30-0.46	-	-
2016	0.07-0.12	0.20-0.75	0.07-0.46	0.30-0.46	-	-
2017	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40	-	-
2018	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40	-	-
2019	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40	-	-
2020	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40	-	-
2021	0.07-0.12	0.20-0.75	0.07-0.38	0.30-0.40	-	-

Notes:

- (1) The above table shows ranges of tax rates since individual towns set varying rates. People residing in the following towns pay property taxes to the town in addition to the taxes paid to the County. The towns included in the above table include Bridgewater, Broadway, Dayton, Elkton, Grottoes, Mt. Crawford, and Timberville.
- (2) Information obtained from the Rockingham County Commissioner of the Revenue.

COUNTY OF ROCKINGHAM, VIRGINIA

Table 10

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

2021							
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	\$ 425,129,145	1	4.25%	\$ 3,402,280	3	3.21%	
MillerCoors	247,576,840	2	2.47%	4,634,282	1	4.38%	
Wal-Mart Retail and Distribution Centers	207,792,830	3	2.08%	3,808,609	2	3.60%	
Merck & Company, Inc.	134,794,965	4	1.35%	1,649,647	5	1.56%	
White Wave	120,143,650	5	1.20%	2,180,982	4	2.06%	
Marshall's	68,176,705	6	0.68%	964,146	6	0.91%	
LSC Communications (formerly RR Donnelley)	56,610,500	7	0.57%	418,918	10	0.40%	
Sunnyside Retirement Community	51,573,725	8	0.52%	688,488	8	0.65%	
Sysco	48,257,600	9	0.48%	738,901	7	0.70%	
Cargill	43,753,820	10	0.44%	599,893	9	0.57%	
Total	\$ 1,403,809,780		14.04%	\$ 19,086,145		18.04%	

2012							
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	\$ 351,435,530	1	5.10%	\$ 2,420,434	2	3.13%	
Adolph Coors Company	243,456,835	2	3.53%	4,623,532	1	5.99%	
Merck & Company, Inc.	131,414,020	3	1.91%	2,100,465	3	2.72%	
Wal-Mart Retail and Distribution Centers	100,695,525	4	1.46%	1,126,096	5	1.46%	
White Wave (Morningstar Foods)	81,775,230	5	1.19%	1,488,836	4	1.93%	
Marshall's	63,780,895	6	0.93%	630,790	8	0.82%	
Sunnyside Retirement Community	53,869,760	7	0.78%	344,766	10	0.45%	
Cargill (formerly Rocco)	46,316,570	8	0.67%	679,724	7	0.88%	
R.R. Donnelley & Sons Co.	41,693,175	9	0.60%	1,076,793	6	1.39%	
Sysco	30,177,815	10	0.44%	354,114	9	0.46%	
Total	\$ 1,144,615,355		16.61%	\$ 14,845,550		19.23%	

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
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%	387,734	60,923,782	99.34%
2020	62,389,728	61,744,639	98.97%	N/A	61,744,639	98.97%

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	Note Payable	Capital Leases	Revenue Bonds			
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	3.64%	1,505
2020	102,069,244	6,723,467	6,595,000	27,299,897	142,687,608	N/A	1,723
2021	94,801,461	5,094,984	2,115,000	25,292,544	127,303,989	N/A	N/A

General bonded debt outstanding:

Fiscal Year	General Obligation		Percentage of Actual Taxable Value of Property	Debt Per Capita
	Bonds	Total		
2012	\$ 94,585,257	\$ 94,585,257	1.37%	\$ 1,220
2013	88,473,576	88,473,576	301.95%	1,133
2014	82,458,757	82,458,757	290.28%	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%	1,233
2021	94,801,461	94,801,461	1.15%	N/A

Notes:

- (1) Details regarding the County's outstanding debt may be found in the notes to the basic financial statements.
- (2) Population and personal income data can be found in table 15.
- (3) See table 8 for property value data.

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

COUNTY OF ROCKINGHAM, VIRGINIA

Table 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Year Ended June 30, 2021
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Town of Bridgewater, Virginia	\$ 3,933,457	0.64%	\$ 25,331
Town of Broadway, Virginia	226,288	3.60%	8,155
Town of Mt. Crawford, Virginia	-	0.48%	-
Town of Dayton, Virginia	-	1.84%	-
Town of Elkton, Virginia	1,145,000	3.32%	37,957
Town of Grottoes, Virginia	1,554,517	2.61%	40,634
Town of Timberville, Virginia	-	2.29%	-
Subtotal, overlapping debt			<u>112,077</u>
County Direct Debt			<u>102,011,445</u>
Total direct and overlapping debt			<u><u>\$ 102,123,522</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	
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	6,415,417	2,913,835	790,000	477,897	1,267,897	2.30
2021	10,574,649	6,248,920	4,325,729	830,000	449,672	1,279,672	3.38

Smith Creek Water & Waste Authority Fund							
Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2021	585,407	388,351	197,056	210,620	25,908	236,528	0.83

Countryside Sanitary District Fund							
Fiscal Year	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2021	15,080	14,179	901	9,732	1,903	11,635	0.08

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	
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
2021	6,702,009	4,096,826	2,605,183	730,000	373,599	1,103,599	2.36

Lilly Subdivision Sanitary District							
Fiscal Year	Utility Service	Operating	Net	Debt Service			Coverage
	Charges	Expenses	Available Revenue	Principal	Interest	Total	
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
2021	68,837	30,815	38,022	-	-	-	-

Penn Laird Sewer Authority							
Fiscal Year	Utility Service	Operating	Net	Debt Service			Coverage
	Charges	Expenses	Available Revenue	Principal	Interest	Total	
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
2021	15,861	860	15,001	23,151	5,346	28,497	0.53

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, expansion allocation in the Regional Sewer Authority, interest expense and losses on sales of capital assets.

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

Calendar Year	(1) Population	(2) Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
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	3,396,176,896	41,312	11,356	2.7%
2020	82,809	N/A	N/A	11,487	6.9%
2021	N/A	N/A	N/A	11,005	3.6%

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,	
	2021	2012
	Rank	Rank
Rockingham County School Board	1	1
Sentara Healthcare	2	-
Wal-Mart	3	4
Cargill Meat Solutions	4	2
Merck Sharp & Dohme Corp.	5	5
Marshall's	6	7
Great Eastern Resort Management	7	3
Pilgrims Pride Corp.	8	10
County of Rockingham	9	9
LSC Communications US, LLC*	10	6
Perdue Products	-	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	
	2012	2013
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	14.00	14.00
Court services	9.50	9.50
Commonwealth attorney	25.90	25.90
Public safety:		
Sheriff	161.50	166.50
Fire and rescue	71.00	70.00
Building inspections	8.00	8.00
Other protection	2.00	2.00
Public works:		
General administration	0.60	0.60
Garage operations	2.00	2.00
Maintenance	16.60	16.60
Parks, recreation and cultural	8.60	9.60
Community development:		
Planning and community development	12.00	12.50
Economic development	1.30	1.30
Utilities/water treatment	19.10	19.50
Solid waste:		
Landfill	19.20	17.80
Container site	13.10	12.40
Component unit school board:		
Education:		
Instruction	1,414.00	1,413.00
Administration, attendance and health	62.00	62.00
Pupil transportation services	239.00	236.00
Operation and maintenance services	115.00	115.00
School food services	119.00	113.00
Component unit HRSSD:		
Social services:		
Services	53.00	52.00
Public assistance	42.00	41.00
Comprehensive Services Act	3.50	3.50
Administration	10.00	10.00
Totals	2,500.1	2,491.9

Source:

Rockingham County Department of Human Resources.

Table 17

June 30,							
2014	2015	2016	2017	2018	2019	2020	2021
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
13.00	13.50	14.00	15.00	15.00	15.00	15.00	15.00
6.00	6.50	7.00	7.00	7.00	7.00	7.00	7.00
9.00	9.00	9.00	9.00	7.00	8.00	8.00	9.00
9.40	9.15	9.15	11.00	11.00	11.00	10.00	10.00
2.40	3.00	3.50	3.50	3.50	4.00	4.00	4.00
11.00	11.00	11.00	11.00	13.00	12.00	12.00	12.00
1.40	1.50	1.50	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
14.00	15.00	15.00	15.00	16.00	15.00	15.00	17.00
10.00	11.00	11.00	11.00	12.00	12.00	13.00	13.00
26.30	26.30	27.30	26.00	26.30	24.00	24.00	25.00
167.00	169.00	175.00	175.00	178.00	179.00	187.00	190.00
74.00	81.00	76.00	90.00	86.00	95.00	96.00	105.00
8.00	8.50	9.00	9.00	9.00	10.00	10.00	10.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
0.70	0.65	0.65	1.00	2.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
17.00	17.00	17.55	18.00	19.00	19.00	18.00	18.00
9.00	11.00	10.50	10.50	11.00	11.00	11.00	13.00
12.00	12.50	12.00	12.00	13.00	12.00	13.00	13.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
19.60	20.10	21.10	21.00	21.00	21.00	21.00	21.00
17.90	17.90	18.95	18.95	18.95	19.00	19.00	21.00
12.00	12.00	12.35	12.35	12.35	11.00	9.00	10.00
1,402.00	1,414.00	1,410.00	1,486.00	1,477.00	1,491.00	1,498.00	1,513.00
62.00	63.00	64.00	98.00	48.00	50.00	50.00	52.00
239.00	238.00	238.00	241.00	236.00	239.00	241.00	242.00
115.00	115.00	115.00	116.00	118.00	118.00	119.00	119.00
110.00	108.00	113.00	108.00	109.00	108.00	108.00	108.00
57.00	58.50	65.00	65.00	65.00	69.00	71.00	74.00
45.00	48.50	53.00	53.00	52.00	68.00	66.00	69.00
3.50	3.50	3.50	3.50	3.80	4.00	12.00	3.00
5.00	5.00	7.00	7.00	7.00	10.00	2.00	5.00
2,490.2	2,521.1	2,542.1	2,666.8	2,612.1	2,656.0	2,673.0	2,712.0

COUNTY OF ROCKINGHAM, VIRGINIA

OPERATING INDICATORS BY FUNCTION / PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	2012	2013
Police: (1)		
Calls for service	20,913	21,124
Adult arrest	3,899	4,162
Juvenile arrest	175	202
Traffic citations	4,236	1,879
Fire: (2)		
Total fire runs	7,001	7,475
Total rescue runs	17,158	17,283
Public service: (3)		
Garbage collected (ton)	79,062	108,882
Recycle collected (ton)	24,861	24,323
Water and sewer: (3)		
New water connections	54	97
New wastewater connections	2	97
Average daily water consumption (gallons)	61,788,500	58,389,558
Average daily sewage treatment (gallons)	60,180,000	50,065,833
Transportation: (5)		
Total route miles	1,135	1,138
Education: (6)		
Average daily membership	11,236	11,223
Kindergarteners	832	852
Grades 1-12	10,404	10,371

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,							
2014	2015	2016	2017	2018	2019	2020	2021
23,546	22,714	25,081	32,250	33,803	33,485	19,329	33,047
3,749	4,119	4,201	4,253	5,232	5,016	3,518	2,466
373	257	195	294	220	253	108	58
1,363	1,479	1,682	3,081	3,634	3,167	2,155	1,883
7,119	6,959	6,907	6,623	11,016	8,029	7,544	7,633
17,289	18,313	18,948	19,414	13,512	15,553	6,734	21,131
107,977	127,842	124,278	134,879	133,255	144,209	144,357	145,726
16,343	12,714	9,632	2,276	2,188	2,737	2,990	3,049
115	118	124	105	109	128	182	246
115	129	112	97	134	119	170	239
69,591,675	74,113,083	71,094,539	70,032,583	76,006,333	78,061,833	82,545,667	88,162,083
63,479,583	62,545,110	73,577,916	73,000,000	85,927,083	111,199,290	84,716,040	87,522,664
1,139	1,145	1,146	1,146	1,146	1,146	1,149	1,149
11,304	11,290	11,287	11,261	11,252	11,356	11,487	11,005
820	854	838	795	812	808	864	766
10,484	10,436	10,449	10,466	10,440	10,548	10,623	10,239

COUNTY OF ROCKINGHAM, VIRGINIA

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	2012	2013
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	897	898
Number of street lights	16	16
Traffic signals	40	41
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	3
Community centers	3	3
Water: (3)		
Wells (County owned)	2	2
Water lines (feet)	526,623	534,150
Fire hydrants	778	803
Storage capacity (MGPD)	10,088,000	10,088,000
Average daily consumption (MGPD)	2,031,403	2,076,660
Peak consumption (MGPD)	3,519,000	2,979,000
Wastewater: (3)		
Sanitary sewers (feet)	567,234	571,944

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,							
2014	2015	2016	2017	2018	2019	2020	2021
1	1	1	1	1	1	1	1
10	10	11	11	11	11	11	11
8	7	8	7	7	7	7	7
					1	1	2
54	54	54	54	54	54	54	54
187	192	192	192	210	210	215	215
898	899	900	900	882	882	880	880
16	16	16	16	16	16	16	16
41	42	42	43	43	43	43	43
81	81	81	81	81	81	81	81
22	19	19	19	19	19	19	19
31	31	31	31	31	33	33	33
13	13	13	13	13	17	17	17
13	13	14	14	14	14	14	14
1	1	1	1	1	2	2	2
3	3	3	3	3	3	3	3
3	3	3	3	3	3	3	3
2	2	2	2	3	3	3	3
538,958	553,039	577,643	587,938	599,862	622,226	632,505	653,683
815	854	909	957	999	1,002	1,031	1,071
10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000	10,088,000
2,287,945	2,436,595	2,337,355	2,302,441	2,498,838	2,566,576	2,713,830	2,898,479
3,267,000	3,252,000	3,188,000	3,322,000	3,315,000	3,847,000	4,274,000	4,123,000
572,727	586,191	588,915	598,057	608,165	613,756	621,871	639,325

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 2, 2021.

Internal Control over Financial Reporting

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

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

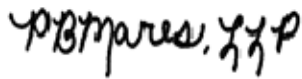
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no 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.



Harrisonburg, Virginia
December 2, 2021



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

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

Report on Compliance for Each Major Federal Program

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, 2021. 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, 2021.

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.

JB Mares, LLP

Harrisonburg, Virginia
December 2, 2021

COUNTY OF ROCKINGHAM, VIRGINIA

Page 1

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE:				
<u>Direct payments:</u>				
Cooperative Law Enforcement	10.U01	N/A	\$ -	\$ 5,849
<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	-	1,763,702
Total SNAP Cluster				1,763,702
Department of Agriculture and Consumer Services				
Child Nutrition Cluster:				
Commodity Distributions	10.555	40623	-	336,005
Child Nutrition Discretionary Grants Limited Availability	10.579	868040	-	73,794
Department of Education:				
Child Nutrition Cluster:				
COVID-19: Summer Food Service Program for Children	10.559	601750/601760	-	418,098
Summer Food Service Program for Children	10.559	603020/603030	-	4,025,766
Total Child Nutrition Cluster				4,853,663
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	43841	-	26,670
Total Forest Service Schools and Roads Cluster				26,670
Total Department of Agriculture				6,649,884
DEPARTMENT OF DEFENSE:				
<u>Direct payments:</u>				
Payments to States in Lieu of Real Estate Taxes	12.112	N/A	-	506,216
Total Department of Defense				506,216
DEPARTMENT OF JUSTICE:				
<u>Direct payments:</u>				
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	-	125,382
Federal Forfeiture - Equitable Sharing Program	16.922	N/A	-	15,362
<u>Pass-through payments:</u>				
Violence Against Women Office:				
Violence Against Women Formula Grants	16.588	20-X9349VA19/21-Y9349VA20	-	22,960
Department of Criminal Justice Services:				
COVID19: Coronavirus Emergency Supplemental Funding Program	16.034	20-A5145CE20	-	50,000
Crime Victim Assistance - Discretionary Grants	16.575	21-X9573VW19	-	129,548
Total Department of Justice, Office of Justice Programs, Bureau of Justice Assistance				343,252

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DEPARTMENT OF TRANSPORTATION:				
<u>Pass-through payments:</u>				
Federal Highway Administration:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	UPC 117324	\$ -	\$ 33,159
Total Highway Planning and Construction Cluster				<u>33,159</u>
Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	154AL-2021-51101-21101	-	<u>18,106</u>
Total Department of Transportation				<u>51,265</u>
DEPARTMENT OF THE TREASURY:				
<u>Pass-through payments:</u>				
Virginia Department of Accounts:				
COVID-19: Coronavirus Relief Fund	21.019	SLT0022	1,387,187	<u>12,692,788</u>
Total Department of The Treasury				<u>12,692,788</u>
DEPARTMENT OF EDUCATION:				
<u>Pass-through payments:</u>				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	429010	-	<u>1,476,191</u>
Special Education Cluster:				
Special Education - Grants to States	84.027	430710	-	2,488,338
Special Education - Preschool Grants	84.173	625210	-	<u>66,759</u>
Total Special Education Cluster				<u>2,555,097</u>
Adult Education - Basic Grants to States	84.002	V002A180047/STATE190002	-	338,836
Career and Technical Education - Basic Grants to States	84.048	600310	-	191,430
English Language Acquisition State Grants	84.365	605120	-	96,132
Supporting Effective Instruction State Grant	84.367	614800	-	270,420
Student Support and Academic Enrichment Program	84.424	600230	-	118,526
COVID-19: Education Stabilization Fund	84.425	601770/601730/700370/865290	-	<u>704,514</u>
Total Department of Education				<u>5,751,146</u>

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Direct payments:</u>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	\$ -	\$ 347,371
<u>Pass-through payments:</u>				
Department of Social Services:				
Promoting Safe and Stable Families	93.556	Not provided	-	34,988
Temporary Assistance to Needy Families	93.558	Not provided	-	677,778
Refugee and Entrant Assistance - State Administered Programs	93.566	Not provided	-	21,223
Low-Income Home Energy Assistance	93.568	Not provided	-	106,280
Child Care and Development Fund Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not provided	-	126,819
Total Child Care and Development Fund Cluster				126,819
Chafee Education and Training Vouchers Program (ETV)	93.599	Not provided	-	4,960
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not provided	-	450
Foster Care - Title IV-E	93.658	Not provided	-	1,595,180
Adoption Assistance	93.659	Not provided	-	2,242,636
Social Services Block Grant	93.667	Not provided	-	975,538
Chafee Foster Care Independence Program	93.674	Not provided	-	10,533
Children's Health Insurance Program	93.767	Not provided	-	15,949
Medicaid Cluster:				
Medical Assistance Program	93.778	Not provided	-	1,823,928
Total Medicaid Cluster				1,823,928
Total Department of Health and Human Services				7,983,633
SOCIAL SECURITY ADMINISTRATION:				
<u>Direct payments:</u>				
Social Security Administration:				
Reward for Incarceration Notification	96.U01	N/A	-	14,600
Total Social Security Administration				14,600
DEPARTMENT OF HOMELAND SECURITY:				
<u>Direct payments:</u>				
Assistance to Firefighters Grant	97.044	N/A	-	16,017
<u>Pass-through payments:</u>				
Department of Emergency Management:				
Emergency Management Performance Grants	97.042	EMPG Local 2020	-	19,022
Total Department of Homeland Security				35,039
Total Expenditures of Federal Awards			\$ 1,387,187	\$ 34,027,823

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS Year Ended June 30, 2021

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, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Nonmonetary deferral assistance including food commodities is considered federal assistance and, therefore, is reported on the Schedule. Federal financial assistance does not include direct federal cash assistance to individuals.

Direct Payments – Assistance received directly from the Federal government is classified as direct payments on the Schedule.

Pass-through Payments – Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule of Expenditures of Federal Awards.

Major Programs – Major programs for the County and its component units were determined using a risk-based approach in accordance with Uniform Guidance.

Cluster of Programs – Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered as one federal program for determining major programs. The following are the clusters administered by the County and its component units: SNAP, Child Nutrition, Forest Service Schools and Roads, Highway Planning and Construction, Child Care and Development Fund, Medicaid, and Special Education.

COUNTY OF ROCKINGHAM, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS Year Ended June 30, 2021

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 \$336,005 at the time received were consumed during the year ended June 30, 2021. These commodities were included in the determination of federal awards expended during the year ended June 30, 2021.

COUNTY OF ROCKINGHAM, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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:

Federal Assistance Listing Number	Name of Federal Program or Cluster
21.019	COVID-19: Coronavirus Relief Fund
Child Nutrition Cluster:	
10.555	Commodity Distributions
10.559	COVID-19: Summer Food Service Program for Children
10.559	Summer Food Service Program for Children
10.579	Child Nutrition Discretionary Gants Limited Availability
Special Education Cluster:	
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants
84.425	COVID-19: Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs \$ 1,020,835

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, 2021

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.