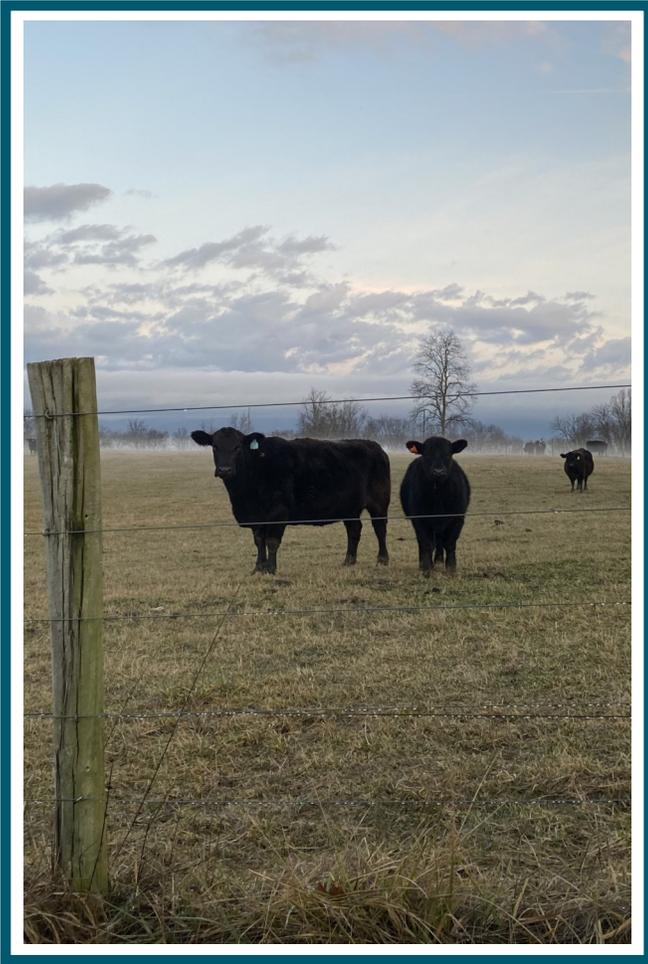


# COUNTY OF SHENANDOAH

**POPULAR ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2023**



**COUNTY OF SHENANDOAH, VIRGINIA**



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## BOARD OF SUPERVISORS\*

DISTRICT I: JOSHUA STEPHENS

DISTRICT II: STEVEN BAKER

DISTRICT III: BRADLEY POLLACK

DISTRICT IV: KARL ROULSTON

DISTRICT V: DENNIS MORRIS

DISTRICT VI: TIMOTHY TAYLOR

\*During Reporting Period

# INTRODUCTION

The Shenandoah County Administration and Department of Finance are pleased to present the Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023. The PAFR provides a snapshot of the financial activities of the County for the period of July 1, 2022 through June 30, 2023. The PAFR includes summary data from a more detailed financial report, the Annual Comprehensive Financial Report (ACFR). The ACFR contains detailed financial statements, note disclosures, and schedules that are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The ACFR is audited by a firm of licensed certified public accountants, Robinson, Farmer, Cox Associates, PLLC, and the ACFR has received an unmodified opinion. By its summary structure, the PAFR condenses financial information and does not conform to GAAP. Moreover, the PAFR focuses only on the primary government, which includes governmental and business-type activities, as well as the governmental fund, the General Fund. Complete financial information related to Shenandoah County Public Schools, a component unit of the County, is not contained in this PAFR.

This PAFR is intended to provide the public with important information about the County's financial condition in a concise and easily understandable format; as such, this PAFR supplements the ACFR and is not a substitute for the ACFR. The

County's ACFR for the fiscal year ended June 30, 2023 is available in its entirety on the County's website at <https://shenandoahcountyva.us/finance>.

## SHENANDOAH COUNTY EXECUTIVE LEADERSHIP

**Evan Vass**, COUNTY ADMINISTRATOR  
**Mandy Belyea**, DEPUTY COUNTY ADMINISTRATOR  
**Amy Dill**, DIRECTOR OF FINANCE



Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

**County of Shenandoah  
Virginia**

For its Annual Financial Report  
For the Fiscal Year Ended

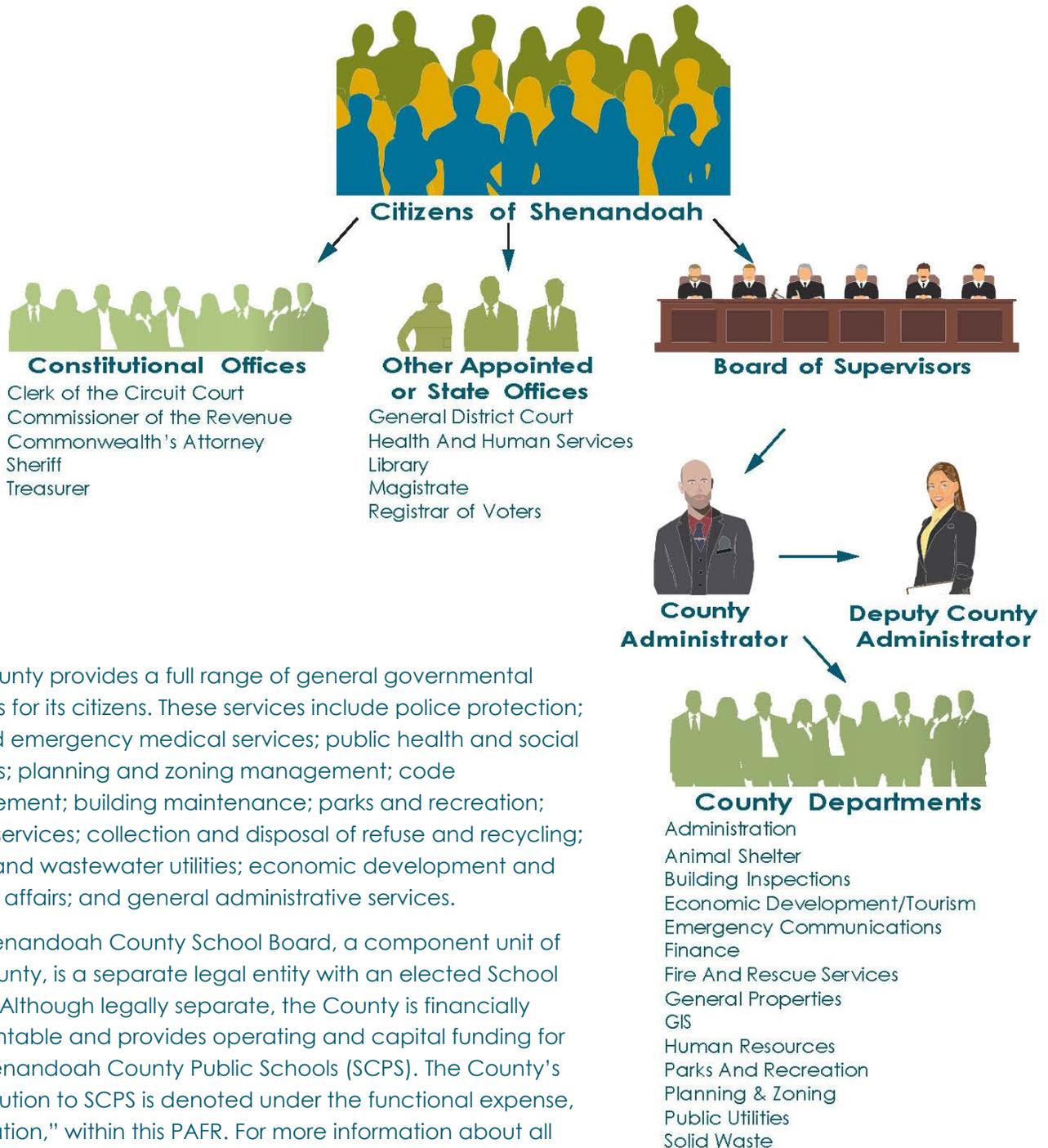
June 30, 2022

*Christopher P. Merrill*

Executive Director/CEO

County of Shenandoah  
FY 2022 PAFR Award

# COUNTY OF SHENANDOAH GOVERNMENT



The County provides a full range of general governmental services for its citizens. These services include police protection; fire and emergency medical services; public health and social services; planning and zoning management; code enforcement; building maintenance; parks and recreation; library services; collection and disposal of refuse and recycling; water and wastewater utilities; economic development and tourism affairs; and general administrative services.

The Shenandoah County School Board, a component unit of the County, is a separate legal entity with an elected School Board. Although legally separate, the County is financially accountable and provides operating and capital funding for the Shenandoah County Public Schools (SCPS). The County's contribution to SCPS is denoted under the functional expense, "Education," within this PAFR. For more information about all financial activities for the SCPS, please see the FY2023 ACFR.

# QUICK FACTS

SHENANDOAH COUNTY,  
FORMED MAY 15, 1772,  
IS HOME TO **SIX**  
**INCORPORATED TOWNS**  
AS WELL AS **OVER**  
**100 UNINCORPORATED**  
**COMMUNITIES**



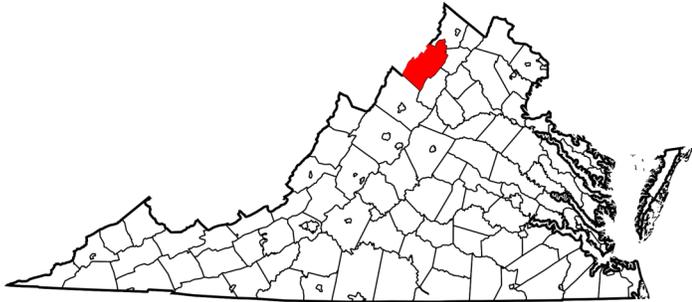
## TOP 10 EMPLOYERS\*

- |                                   |                                    |
|-----------------------------------|------------------------------------|
| 1. Shenandoah County School Board | 6. Winchester Regional Health, Inc |
| 2. George's Chicken               | 7. Masco Builder Cabinet Group     |
| 3. Shentel Management Company     | 8. Wal-Mart Associates, Inc        |
| 4. County of Shenandoah           | 9. IAC Strasburg, LLC              |
| 5. Bowman Andros Products         | 10. Food Lion, LLC                 |

\*Source: Virginia Employment Commission - LMI [virginiaworks.com/Community-Profiles](https://www.virginiaworks.com/Community-Profiles)

# COUNTY STATISTICS

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## GEOGRAPHY

LAND	249.2 SQ. MI.
MOUNTAIN	249.2 SQ. MI.
WATER	13.6 SQ. MI.



## DEMOGRAPHICS

POPULATION	44,541
MEDIAN AGE	43.9
PER CAPITA PERSONAL INCOME	\$56,745
UNEMPLOYMENT	2.8%

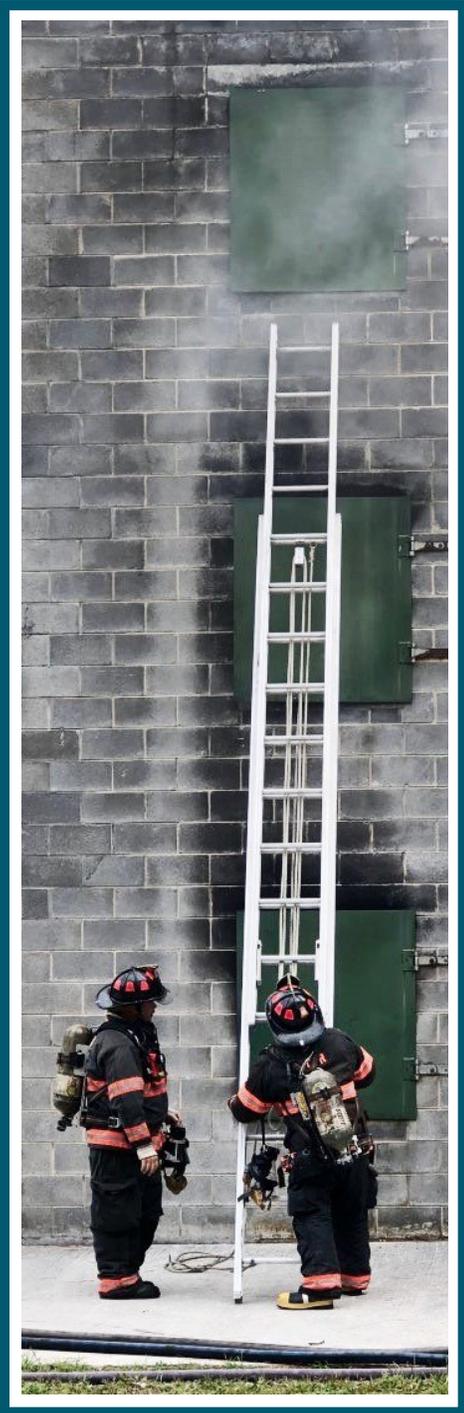
## EDUCATION\*

HIGH SCHOOL	40%
SOME COLLEGE	21%
ASSOCIATES DEGREE	6%
BACHELORS DEGREE	12%
GRADUATE DEGREE+	6%



\*Source: Virginia Employment Commission - [viriniaworks.com](http://viriniaworks.com)

# SHENANDOAH COUNTY AT A GLANCE



## SHERIFF

1,625	TRAFFIC VIOLATIONS
10,142	CIVIL PAPERS SERVED
2,090	ANIMAL CONTROL CALLS ANSWERED



## FIRE & RESCUE

1	HEADQUARTERS
12	STATIONS
9,515	FIRE & RESCUE CALLS ANSWERED



## RECREATION

418	RECREATION FACILITY PERMITS ISSUED
529	YOUTH SPORTS PARTICIPANTS
1	COMMUNITY CENTER
645	ACRES OF LAND



## PUBLIC WORKS: LANDFILL

12	CONVENIENCE SITES
168 TPD	REFUSE COLLECTED
8 TPD	RECYCLING
*TPD= TONS PER DAY	

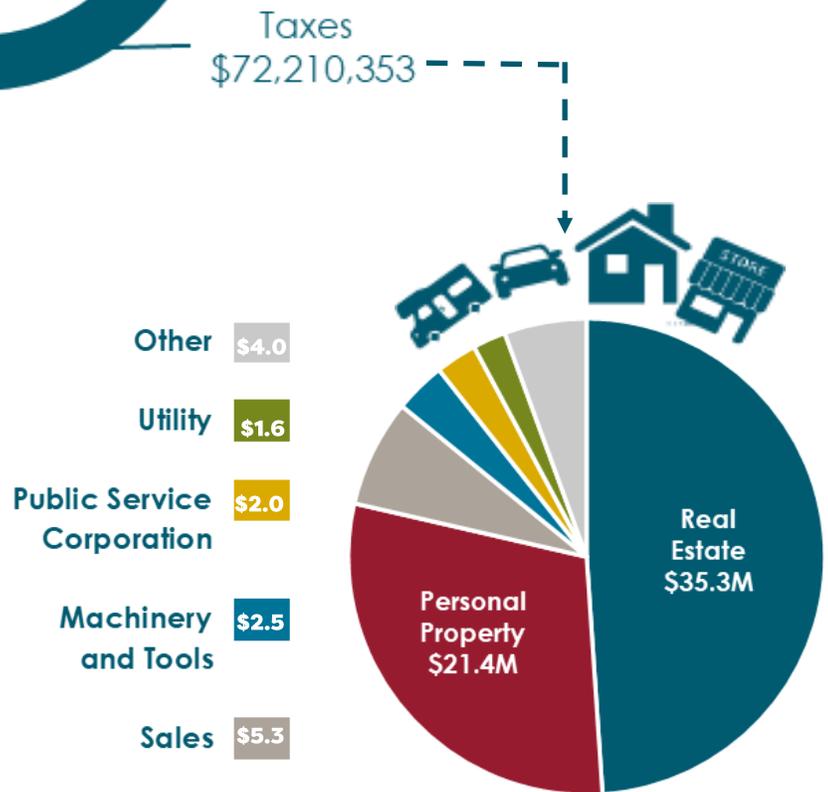
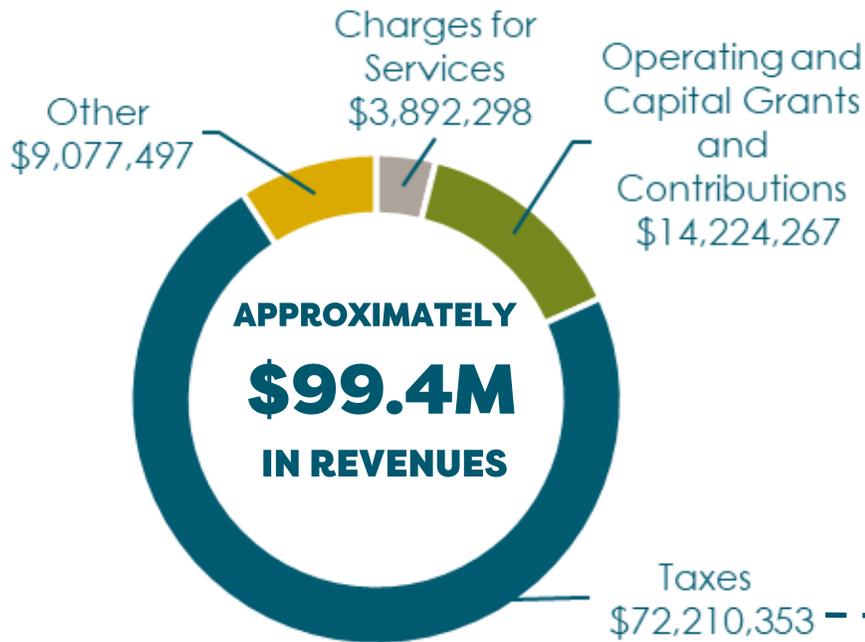


## EDUCATION

10	SCHOOLS
114	SCHOOL BUSES
5,603	STUDENTS ENROLLED
491	TEACHERS

\*Source: Individual County Departments

# PRIMARY GOVERNMENT REVENUES



(IN MILLIONS)

# PRIMARY GOVERNMENT REVENUES & EXPENSES

The County's aggregate financial activities are made up of two all-encompassing classifications: governmental and business-type activities. Governmental Activities represent functions of the County that are principally supported by taxes and intergovernmental revenues, while business-type activities represent functions that are intended to recover all or a significant portion of their costs through user fees and charges. Additionally, there are two main sources of revenues: Program Revenues and General Revenues. Program Revenues include charges for services and program-specific grants and contributions. General Revenues include property and other local taxes, and other non-program specific revenues. The collective revenue for the County in FY2023 was \$104.11M compared to \$93.76M in FY2022. Furthermore, combined expenses for the County in FY 2023 were \$85.93M compared to \$81.09M in FY2022. Key elements impacting the increase in net position of the County's governmental activities include increased general property tax revenues attributed to a real property tax rate increase effective in fiscal year 2023, as well as an increase in the valuation of personal property. Unrestricted revenues from the use of money and property, and grants and contributions not restricted to specific programs increased by \$3M due to recognition of a portion of American Rescue Plan Act funds. Business-type activities also saw an increased net position due to decreased treatment, purification, and maintenance expenditures for the Stoney Creek Sanitary District and decreased maintenance expenditures in the Toms Brook Maurertown Sanitary District.

	PRIMARY GOVERNMENT				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL FY 2023	TOTAL FY 2022	TOTAL FY 2021
<b>REVENUES</b>					
Program Revenues	18,116,565	4,080,225	22,196,790	21,520,942	24,580,329
General Revenues	81,287,850	627,530	81,915,380	72,239,130	65,177,119
<b>Total Revenues</b>	<b>99,404,415</b>	<b>4,707,755</b>	<b>104,112,170</b>	<b>93,760,072</b>	<b>89,757,448</b>
<b>EXPENSES</b>					
General Government	3,445,238	-	3,445,238	3,870,956	4,206,060
Judicial Administration	2,630,376	-	2,630,376	2,527,254	2,377,823
Public Safety	23,430,588	-	23,430,588	21,359,512	19,746,148
Public Works	1,760,037	-	1,760,037	1,393,594	1,471,966
Health And Welfare	12,437,107	-	12,437,107	11,724,892	12,065,852
Education	28,327,817	-	28,327,817	27,577,395	29,106,490
Parks, Recreation And Culture	2,789,164	-	2,789,164	2,517,604	2,068,448
Community Development	1,598,172	-	1,598,172	1,396,423	4,040,598
Interest	1,612,012	-	1,612,012	1,693,591	1,825,032
Business-Type Activities	-	7,900,384	7,900,384	7,033,725	6,577,458
<b>Total Expenses</b>	<b>78,030,511</b>	<b>7,900,384</b>	<b>85,930,895</b>	<b>81,094,946</b>	<b>83,485,875</b>
Transfers In (Out)	(1,608,677)	1,608,677	-	-	-
Increase (Decrease) In Net Position	19,765,227	(1,583,952)	18,181,275	12,665,126	6,271,573
Net Position - Beginning	51,640,035	578,731	52,218,766	43,977,706	37,780,214
Net Position - Ending	71,405,262	(1,005,221)	70,400,041	56,642,832	44,051,787

# GOVERNMENTAL ACTIVITIES NET POSITION

The County issues government-wide financial statements in its ACFR. These statements are designed to provide readers with a broad overview of the County. Included in this report is a "Statement of Net Position." This statement defines net position as the difference between all assets and all liabilities. **When analyzing the County's net position, it is important to consider the direction and rate at which the amount is increasing or decreasing, not merely the amount itself.**

Net Position is the difference between what the County owns and what the County owes.

Positive Net Position balances indicate a measure of financial stability.

The County's Net Position has increased steadily. This shows that the County is financially improving.

## GOVERNMENTAL NET POSITION



### NET POSITION IS BROKEN DOWN INTO THREE MAJOR CATEGORIES

#### 1 NET INVESTMENT IN CAPITAL ASSETS:

Amount invested in capital assets less accumulated depreciation and outstanding balance of any debt used for construction or acquisition of the assets.

#### 2 RESTRICTED NET POSITION :

Amounts that consist of resources that have limitations on their use.

#### 3 UNRESTRICTED NET POSITION:

Remaining amounts that can be used to meet the County's ongoing obligations.

# PRIMARY GOVERNMENT NET POSITION

	PRIMARY GOVERNMENT				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL FY 2023	TOTAL FY 2022	TOTAL FY 2021
<b>ASSETS</b>					
Current and Other Assets	100,777,831	3,420,509	104,198,340	99,099,153	72,884,100
Capital Assets	63,943,493	14,415,545	78,359,038	71,016,759	68,603,264
Deferred Outflows	3,642,815	312,091	3,954,906	4,884,511	5,419,074
<b>Total Assets + Deferred Outflows</b>	<b>168,364,139</b>	<b>18,148,145</b>	<b>186,512,284</b>	<b>175,000,423</b>	<b>146,906,438</b>
<b>LIABILITIES</b>					
Current Liabilities	10,432,984	150,754	10,583,738	11,667,913	6,446,437
Long-Term Liabilities	46,098,788	18,291,950	64,390,738	61,294,714	68,770,013
Deferred Inflows of Resources	40,427,105	710,662	41,137,767	45,394,964	27,638,201
<b>Total Liabilities + Deferred Inflows</b>	<b>96,958,877</b>	<b>19,153,366</b>	<b>116,112,243</b>	<b>118,357,591</b>	<b>102,854,651</b>
Net Investment in Capital Assets	27,070,160	11,235,158	38,305,318	36,840,876	30,711,939
Restricted	1,583,299	-	1,583,299	6,733,314	5,784,776
Unrestricted	42,751,803	(12,240,379)	30,511,424	13,068,642	7,555,072
<b>Total Net Position</b>	<b>71,405,262</b>	<b>(1,005,221)</b>	<b>70,400,041</b>	<b>56,642,832</b>	<b>44,051,787</b>



# PRIMARY GOVERNMENT LONG-TERM LIABILITIES

LONG-TERM LIABILITIES	PRIMARY GOVERNMENT				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL FY 2023	TOTAL FY 2022	TOTAL FY 2021
General Obligation/Revenue Bonds	8,889,863	2,529,594	11,419,457	15,776,993	19,973,628
Bond Premium	1,689,436	366,971	2,056,407	2,264,980	2,501,303
Literary Loan Funds	-	-	-	-	-
Lease Revenue Bonds	23,228,000	-	23,228,000	24,535,000	19,575,000
Capital Leases	-	-	-	-	1,606,004
Notes Payable	-	218,680	218,680	358,865	494,837
Loans Payable	6,142,042	65,142	6,207,184	1,157,028	-
Arbitrage Liabilities	82,879	-	82,879	-	-
Lease Liabilities	108,392	-	108,392	237,647	-
Subscription Liabilities	84,585	-	84,585	-	-
Compensated Absences	1,275,030	166,349	1,441,379	1,217,469	1,285,902
Net Pension Liability	2,082,765	135,664	2,218,429	-	8,351,415
Net OPEB Liabilities	2,515,796	189,115	2,704,911	2,918,708	3,029,192
Landfill Closure and Post-Closure Care	-	14,620,435	14,620,435	12,828,024	11,952,732
<b>Total</b>	<b>46,098,788</b>	<b>18,291,950</b>	<b>64,390,738</b>	<b>61,294,714</b>	<b>68,770,013</b>

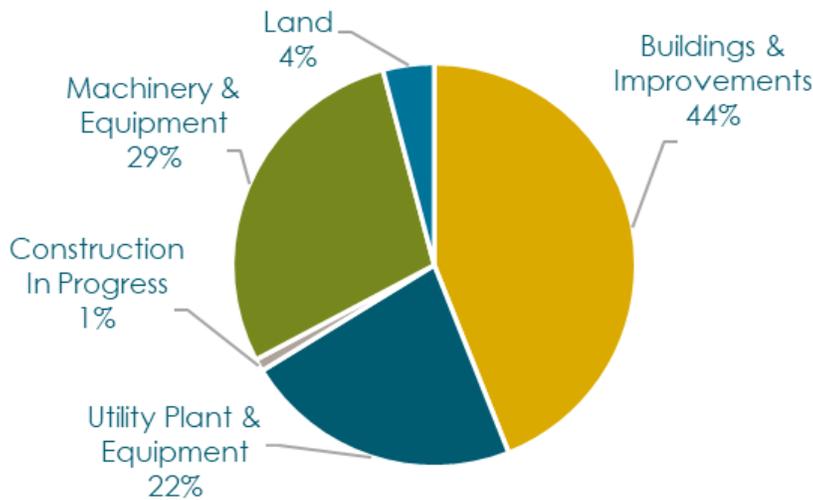
At the end of FY2023 the County had total bonded debt outstanding of \$36,703,864. The bonded debt outstanding comprises debt backed by the full faith and credit of the County.

Under the [Virginia Retirement System \(VRS\)](#), all full-time, salaried employees are automatically covered by a VRS retirement plan. Because benefit payments are due and payable after separation in accordance with the plan, the value of these benefits must be recognized as a liability to the County.



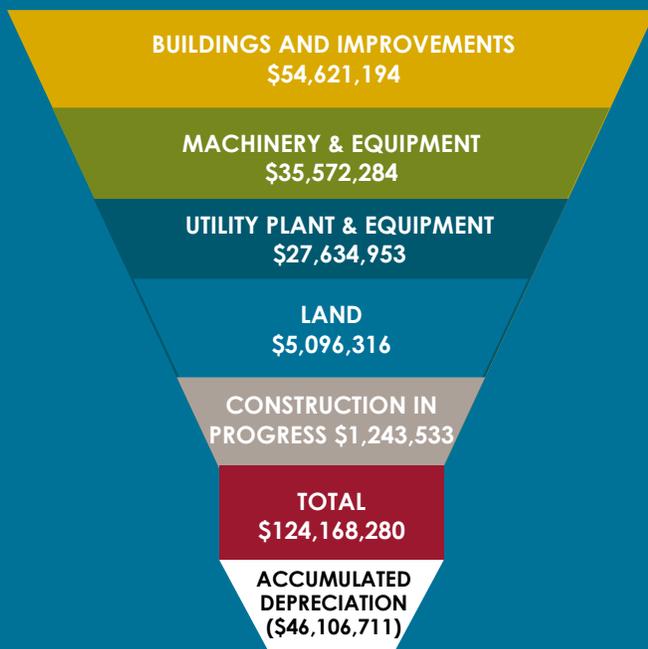
# PRIMARY GOVERNMENT CAPITAL ASSETS

## WHERE TO FIND OUR CAPITAL ASSETS



Capital Assets are significant pieces of property such as facilities, parks, water lines, fire trucks, and construction projects.

The County's Capital Assets are split into two types with Land and Construction In Progress not being depreciated while Buildings, Improvements, Infrastructure, and Machinery and Equipment are being depreciated.



## HOW OUR CAPITAL ASSETS BREAK DOWN

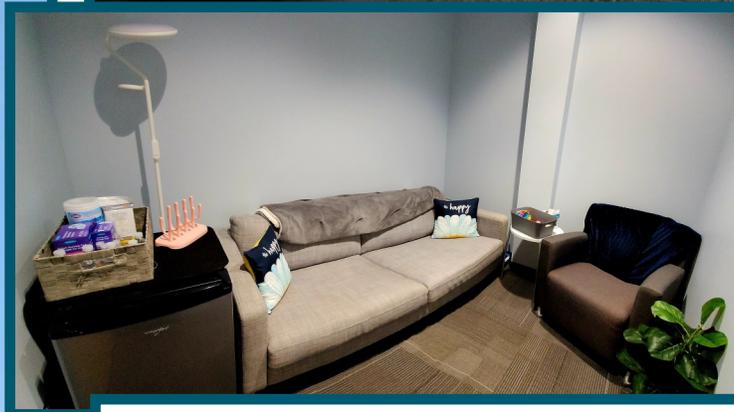
Net Capital Assets for the County totaled \$78.34 M.

Net Capital Assets for Governmental Activities increased 3.5% or \$9.16 M from the prior year. Net Capital Assets for business-type activities decreased 6.7% or \$1.04M from the prior year.

Construction In Progress decreased by \$12.06M or 90.7% from the prior year. This decrease is attributed to the completion of the E-911 Radio and Emergency Communications Center Projects.



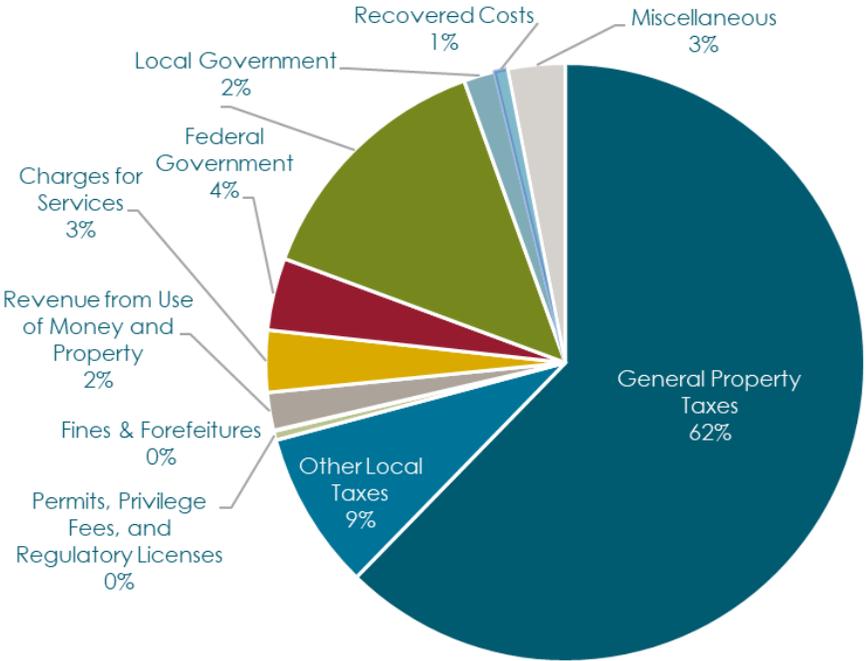
In fiscal year 2023 the County relocated their 911 center to a new, state-of-the-art facility. The new facility currently has eight dispatch positions that monitor all County deputies, town police officers, all volunteer and professional firefighters, EMTs, and fire marshals, as well as any supporting departments needed to assist in emergency and non-emergency calls for service while aiding our community members. The center features the upgraded Public Safety Radio System, Next-Generation 911, upgraded VESTA phone system, and various tools to ensure the safety of the community.



Shenandoah County was one of the first in the area to offer a “quiet room.” A new tool being offered nationwide to assist Communications Officers in their challenging and often stressful tasks. Stress is part of the job, but some calls are worse than others. This dedicated room allows staff a brief moment of respite and reflection after the demands of those strenuous call(s), which ultimately allows Communications Officers to provide better service to the community they serve.



# GENERAL FUND REVENUES



General Fund revenues of \$100.6 M were \$2.6M more than budgeted, a 13.6% increase from the prior year.

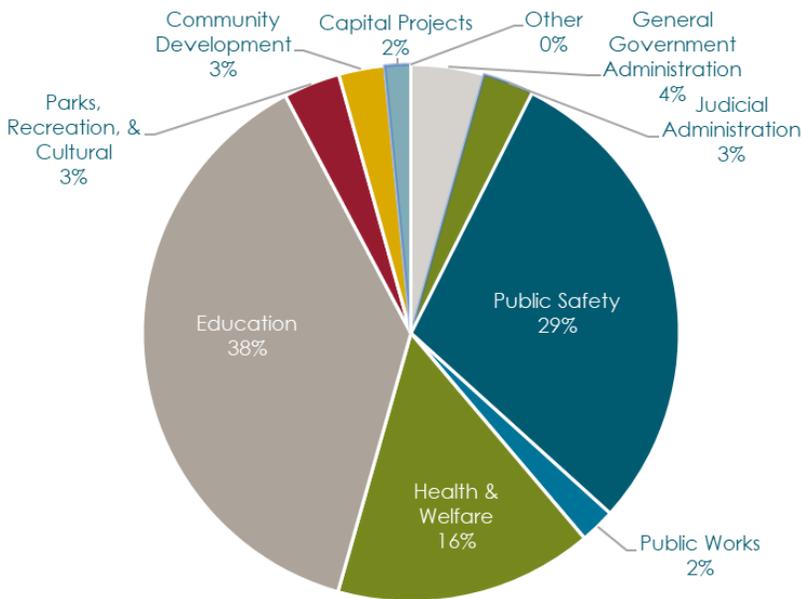
The General Fund is the general operating fund of the County which is used to account for all of the financial resources, except those REQUIRED to be accounted for in another fund.

## GENERAL FUND REVENUES

REVENUES	TOTAL FY 2023	TOTAL FY 2022	TOTAL FY 2021
General Property Taxes	62,651,435	56,998,543	50,937,428
Other Local Taxes	8,602,468	8,117,144	7,911,111
Permits, Privilege Fees, and Regulatory Licenses	495,720	675,224	664,815
Fines & Forfeitures	37,536	36,731	36,379
Revenue from Use of Money and Property	2,057,012	436,052	448,041
Charges for Services	3,359,042	2,566,812	1,794,750
Federal Government	3,928,150	3,345,770	10,354,848
Commonwealth of Virginia	13,945,120	13,259,116	12,123,609
Local Government	1,689,560	-	-
Recovered Costs	729,840	771,935	528,055
Miscellaneous	3,098,235	1,723,757	606,095
<b>Total Revenues</b>	<b>100,594,118</b>	<b>87,931,084</b>	<b>85,405,131</b>

FY 2023 revenues were \$12.6M more than FY 2022 due to increased personal property tax collections that were higher than anticipated, greater than anticipated personal property valuations, a real property tax rate increase, receipt of increased grant funding, and the recognition of a portion of American Rescue Plan Act funds in FY 2023.

# GENERAL FUND EXPENSES



General Fund expenses of \$82.64 M were 15.9% less than budgeted and do not include transfers to other funds.

This results in an increase of 10.2% or \$7.68M from the prior year.

Transfers to other funds include \$4.8 M to fund capital projects, including construction of a new Emergency Communications Center and an emergency radio system replacement.

EXPENSES	GENERAL FUND EXPENSES		
	TOTAL FY 2023	TOTAL FY 2022	TOTAL FY 2021
General Government Administration	3,632,845	3,706,528	3,770,714
Judicial Administration	2,513,046	2,437,426	2,159,194
Public Safety	24,180,862	22,467,268	18,961,893
Public Works	1,749,014	1,433,805	1,449,966
Health & Welfare	12,865,459	12,247,451	12,231,084
Education	31,296,917	28,101,691	26,573,821
Parks, Recreation, & Cultural	2,819,627	2,520,247	2,005,987
Community Development	2,283,464	2,008,232	4,414,083
Capital Projects	1,293,534	-	-
Other	2,334	37,662	56,943
<b>Total Expenses</b>	<b>82,637,102</b>	<b>74,960,310</b>	<b>71,623,685</b>

FY 2023 expenses were \$7.7M more than FY 2022 due to increased inflationary pressures on general operating expenditures, primarily in public safety and education, the expenditure of American Rescue Plan Act and other grant funds, the implementation of salary adjustments resulting from the County's Class and Compensation Study, and the completion of capital projects.

# GENERAL FUND FUND BALANCE

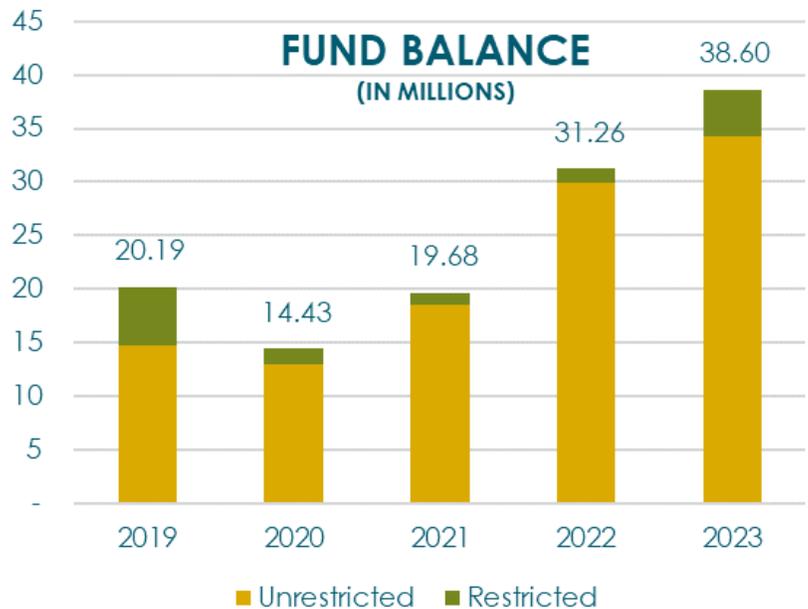
RESTRICTED		
Nonspendable		Restricted
are not in spendable form (i.e. inventory or prepaids)	legally or contractually required to stay intact	externally imposed by bond holders, grantors, or County Ordinances
<i>Examples:</i> Inventory Prepaid Expenditures	<i>Examples:</i> Opioid Settlement Funds Construction	<i>Examples:</i> Debt service proceeds Asset forfeiture

UNRESTRICTED				
Committed		Assigned	Unassigned	
must be used for specific purposes imposed by formal action of Board of Supervisors	may be redeployed for other purposes with appropriate due process	to be used for specific purposes: intent can be expressed by the Board or an official delegated by the Board	amounts available for any purpose, only positive amounts are reported in the General Fund	

**TOTAL FUND BALANCE FOR FY2023 WAS \$38.60 M.**

**THIS INCLUDES \$1.23M IN NONSPENDABLE FUNDS, \$3.10M IN RESTRICTED, \$6.19M IN ASSIGNED, \$ 28.09M IN UNASSIGNED.**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023, UNASSIGNED FUND BALANCE REPRESENTED 34% OF TOTAL GENERAL FUND EXPENDITURES. THIS IS HIGHER THAN USUAL DUE TO THE CONTINUED INCLUSION OF BOND FINANCING PROCEEDS.**



**THE COUNTY STRIVES TO MAINTAIN AN UNASSIGNED FUND BALANCE OF 12.5% OF TOTAL EXPENDITURES.**



# SHENANDOAH

COUNTY

