



POPULAR ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2021



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

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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, 2021. The PAFR provides a snapshot of the financial activities of the County for the period of July 1, 2020 through June 30, 2021. 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, 2021 is available in its entirety on the County's website at the following link:

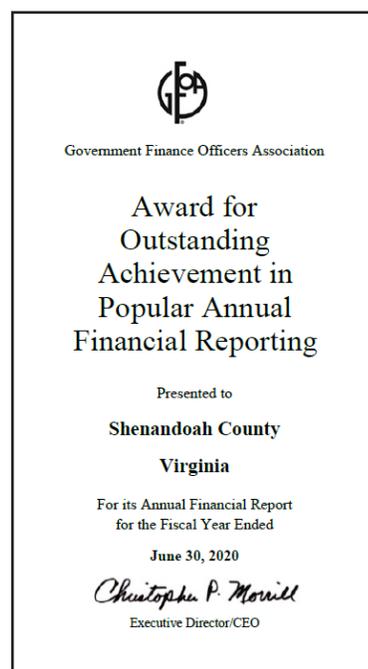
<https://bit.ly/shenacfr21>

SHENANDOAH COUNTY EXECUTIVE LEADERSHIP

Evan Vass
COUNTY ADMINISTRATOR

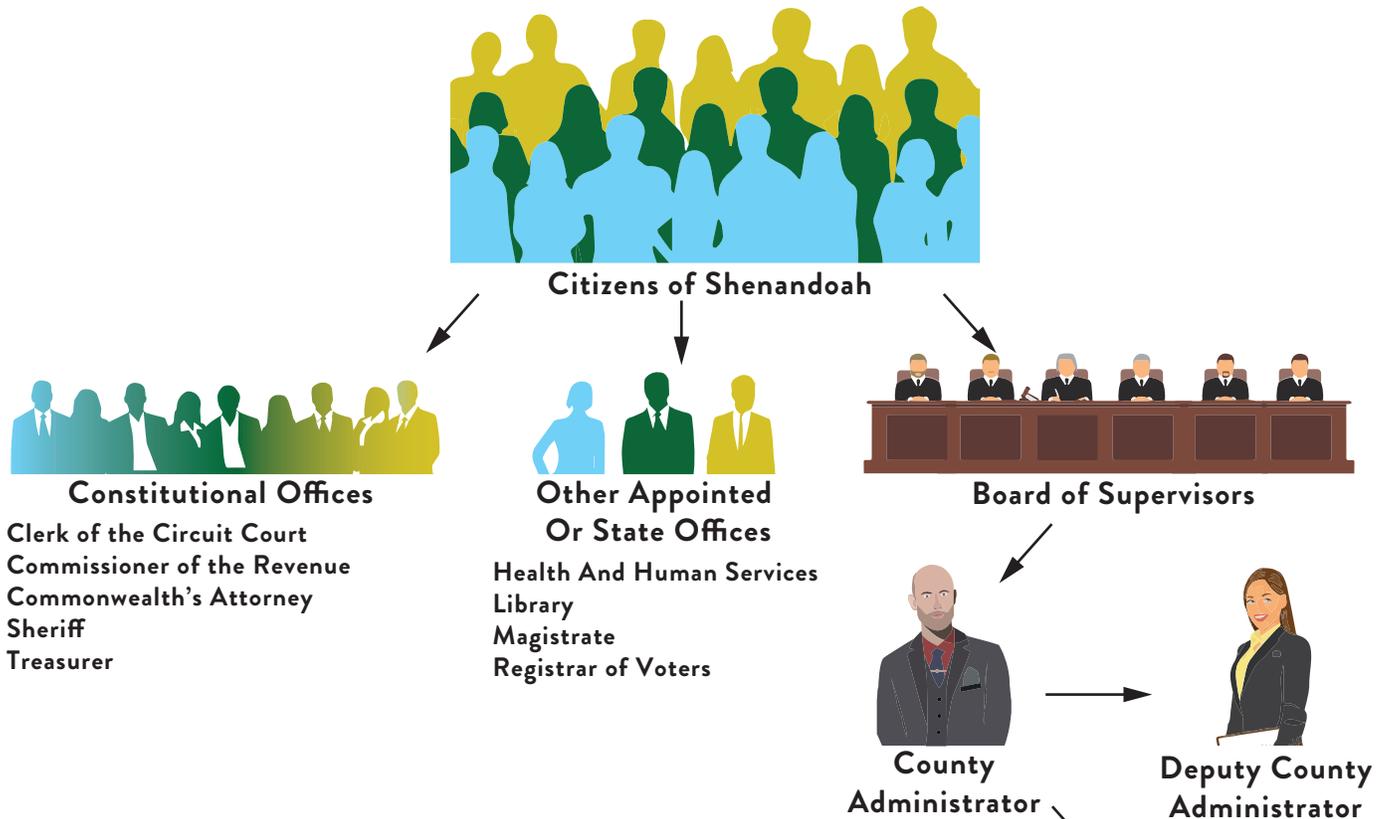
Mandy Belyea
DEPUTY COUNTY ADMINISTRATOR

Amy Dill
DIRECTOR OF FINANCE



County of Shenandoah
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 FY2021 ACFR.

-
- County Departments**
- Administration
 - Animal Shelter
 - Building Inspections
 - Economic Development/Tourism
 - Emergency Communications
 - Finance
 - Fire And Rescue Services
 - General Properties
 - GIS
 - Parks And Recreation
 - Planning And Zoning
 - Public Utilities
 - Solid Waste

QUICK FACTS

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

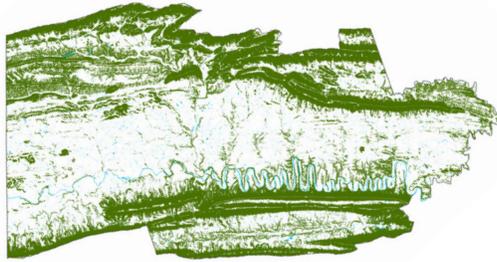


TOP 10 EMPLOYERS*

1. Shenandoah County School Board
2. George's Chicken
3. Shentel Management Company
4. Bowman Andros Products
5. Valley Health System
6. LSC Communications Strasburg
7. County of Shenandoah
8. IAC Strasburg LLC
9. Masco Builder Cabinet Group
10. Mercury Paper Inc

*Source: Virginia Employment Commission - LMI www.virginiaworks.com

STATISTICS



GEOGRAPHY

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



DEMOGRAPHICS*

POPULATION	44,186
MEDIAN AGE	44.7
PER CAPITA PERSONAL INCOME	\$49,948
UNEMPLOYMENT	4.1%

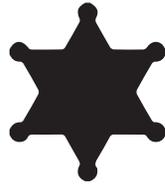


EDUCATION*

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

*Source: Virginia Employment Commission - LMI www.virginiaworks.com

SHENANDOAH COUNTY AT A GLANCE



SHERIFF

1,630 TRAFFIC VIOLATIONS
 11,839 CIVIL PAPERS SERVED
 2,110 ANIMAL CONTROL CALLS ANSWERED



FIRE & RESCUE

1 HEADQUARTERS
 12 STATIONS
 82 UNITS
 8,343 CALLS ANSWERED



RECREATION

700 RECREATION FACILITY PERMITS ISSUED
 177 YOUTH SPORTS PARTICIPANTS
 1 COMMUNITY CENTER
 645 ACRES OF LAND



PUBLIC WORKS: LANDFILL

14 CONVENIENCE SITES
 167 TPD REFUSE COLLECTED
 6 TPD RECYCLING
*TPD = TONS PER DAY

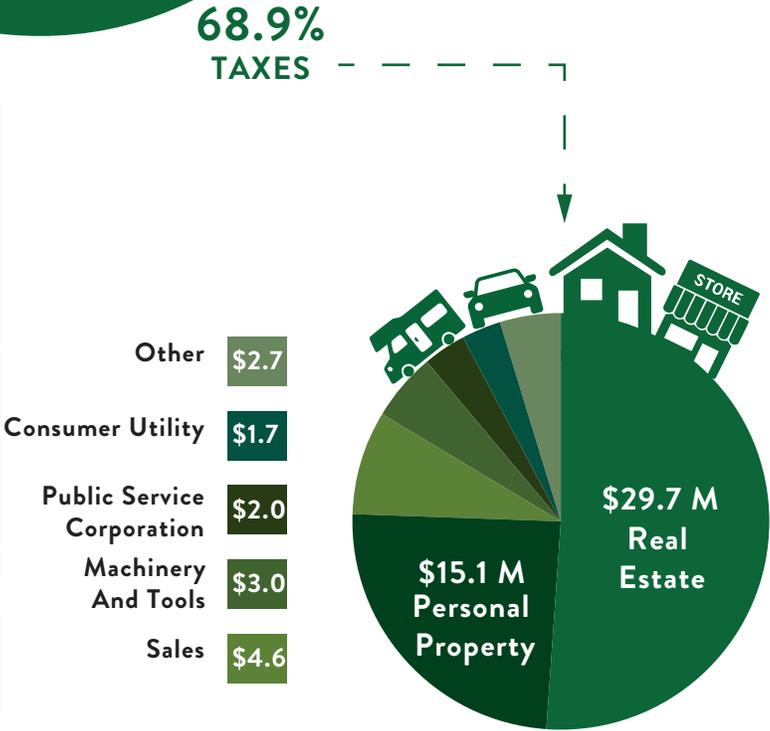
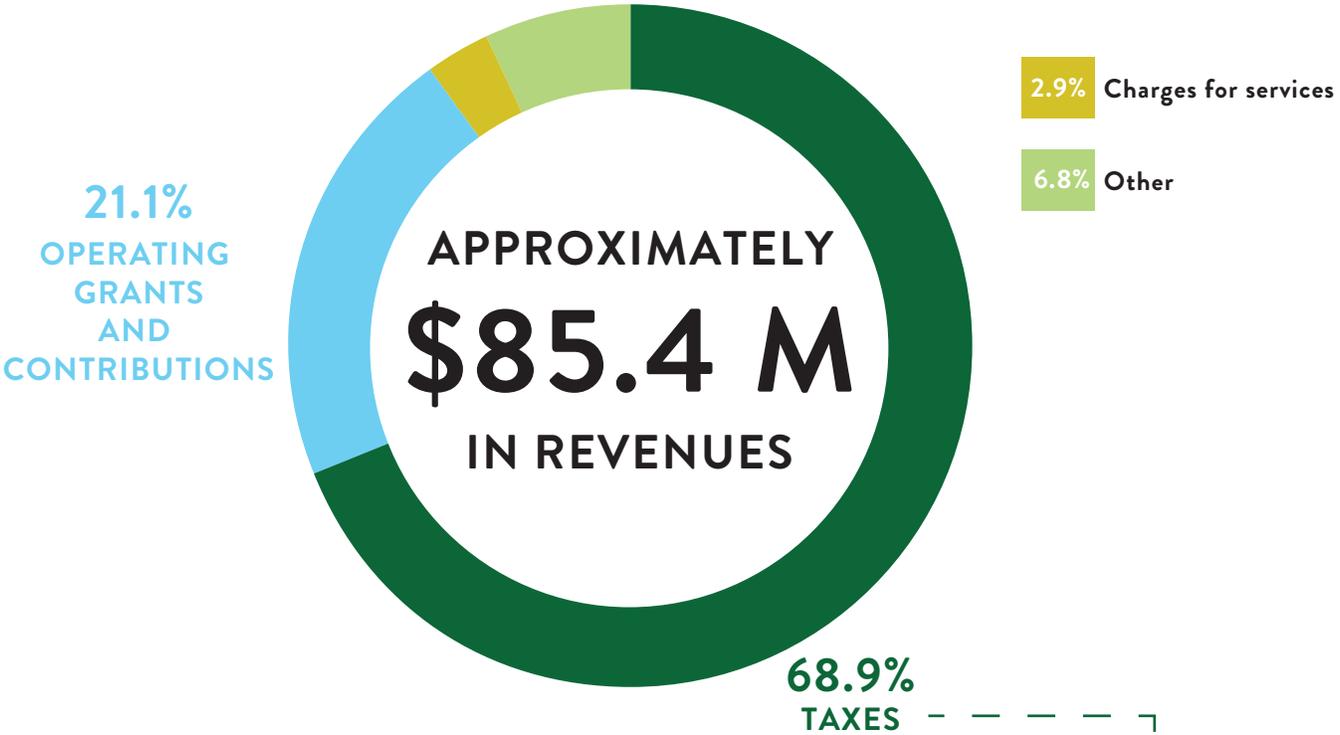


EDUCATION

10 SCHOOLS
 114 SCHOOL BUSES
 5,738 STUDENTS ENROLLED
 517 TEACHERS

Source: Individual County Departments

PRIMARY GOVERNMENT REVENUES



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 FY2021 was \$89.76M compared to \$78.94M in FY2020. Furthermore, combined expenses for the County in FY 2021 were \$83.49M compared to \$77.76M in FY2020. Generally, increases in expenses paralleled inflation.

REVENUES	PRIMARY GOVERNMENT				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL FY2021	TOTAL FY2020	TOTAL FY2019
Program Revenues	20,791,879	3,788,450	24,580,329	16,301,671	18,355,628
General Revenues	64,607,006	570,113	65,177,119	62,648,041	62,160,918
Total Revenues	85,398,885	4,358,563	89,757,448	78,949,712	80,516,546
EXPENSES					
General Government	4,206,060	-	4,206,060	2,906,778	2,766,993
Judicial Administration	2,377,823	-	2,377,823	2,358,719	2,384,105
Public Safety	19,746,148	-	19,746,148	17,671,034	17,064,133
Public Works	1,471,966	-	1,471,966	1,401,848	1,606,368
Health And Welfare	12,065,852	-	12,065,852	10,356,776	9,191,780
Education	29,106,490	-	29,106,490	32,287,111	32,187,526
Parks, Recreation And Culture	2,068,448	-	2,068,448	2,407,958	2,165,131
Community Development	4,040,598	-	4,040,598	1,072,502	1,093,153
Interest	1,825,032	-	1,825,032	2,059,559	2,042,052
Business-Type Activities	-	6,577,458	6,577,458	5,243,532	5,153,724
Total Expenses	76,908,417	6,577,458	83,485,875	77,765,817	75,654,965
Transfers In (Out)	(1,913,458)	1,913,458	-	-	-
Increase (Decrease) In Net Position	6,577,010	(305,437)	6,271,573	1,183,895	4,861,581
Net Position - Beginning	35,826,687	1,953,527	37,780,214	36,596,319	31,695,738
Net Position - Ending	42,403,697	1,648,090	44,051,787	37,780,214	36,557,319

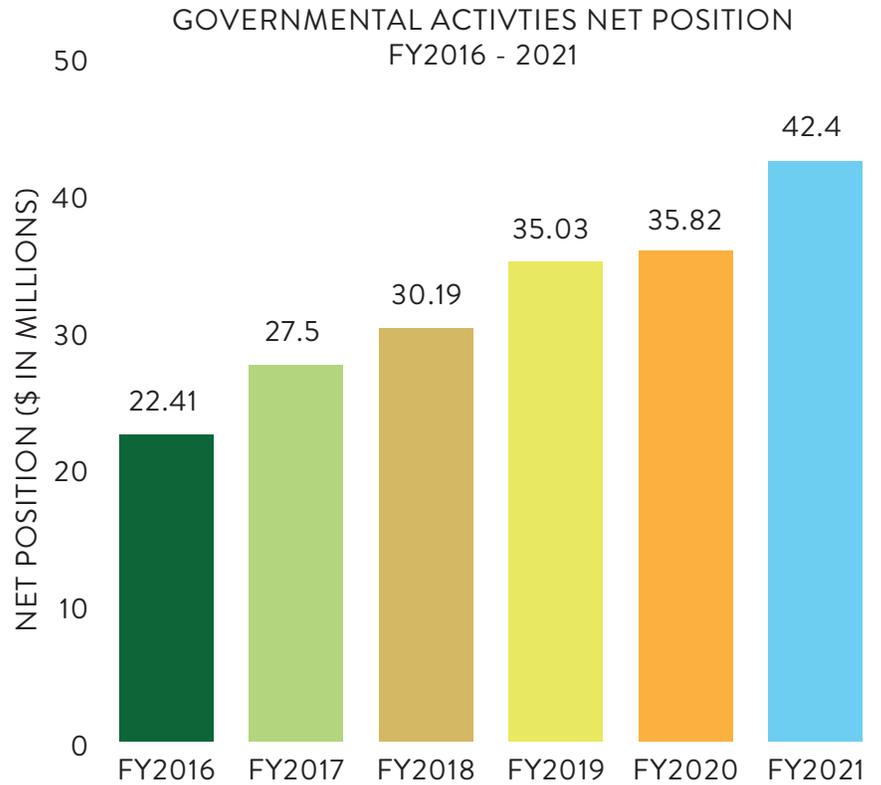
GOVERNMENTAL ACTIVITIES NET POSITION

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.” The statement of net position includes assets, deferred outflows or resources, liabilities (both current and long term), and deferred inflows of resources. Net Position is a measure of the County’s financial position.. *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.



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

ASSETS	PRIMARY GOVERNMENT				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL FY2021	TOTAL FY2020	TOTAL FY2019
Current and other assets	69,051,736	3,832,364	72,884,100	70,152,358	74,986,895
Capital assets	52,953,241	15,650,023	68,603,264	65,147,174	57,457,928
Deferred Outflows	4,878,658	540,416	5,419,074	2,870,916	1,367,998
Total Assets + Deferred Outflows	126,883,635	20,022,803	146,906,438	138,170,448	133,812,821
LIABILITIES					
Current Liabilities	6,211,014	235,423	6,446,437	7,808,781	3,797,759
Long-Term Liabilities	51,006,871	17,763,142	68,770,013	66,773,971	67,705,234
Deferred Inflows of Resources	27,262,053	376,148	27,638,201	25,807,482	25,752,509
Total Liabilities + Deferred Inflows	84,479,938	18,374,713	102,854,651	100,390,234	97,255,502
Net Investment in Capital Assets	19,597,089	11,114,850	30,711,939	31,445,295	22,769,951
Restricted	5,784,306	470	5,784,776	1,067,924	5,130,470
Unrestricted	17,022,302	(9,467,230)	7,555,072	5,266,995	8,656,898
Total Net Position	42,403,697	1,648,090	44,051,787	37,780,214	36,557,319



PRIMARY GOVERNMENT LONG-TERM LIABILITIES

LONG-TERM LIABILITIES	PRIMARY GOVERNMENT				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL FY2021	TOTAL FY2020	TOTAL FY2019
General Obligation / Revenue Bonds	16,909,140	3,064,488	19,973,628	21,778,656	29,110,946
Bond Premium	2,042,590	458,713	2,501,303	2,440,775	1,189,058
Literary Loan Funds	-	-	-	314,500	943,500
Lease Revenue Bonds	19,575,000	-	19,575,000	19,790,000	6,435,000
Capital Leases	1,093,869	512,135	1,606,004	2,284,218	1,843,135
Notes Payable	-	494,837	494,837	626,720	-
Compensated Absences	1,152,939	132,963	1,285,902	1,281,889	1,125,514
Net Pension Liability	7,515,380	836,035	8,351,415	4,230,052	3,717,461
Net OPEB Liabilities	2,717,953	311,239	3,029,192	2,957,319	2,846,223
Landfill Closure and Post-Closure Care	-	11,952,732	11,952,732	11,069,842	10,309,400
Total	51,006,871	17,763,142	68,770,013	66,773,970	57,520,237

At the end of FY2021 the County had total bonded debt outstanding of \$42,049,931. The bonded debt outstanding comprises debt backed by the full faith and credit of the County.

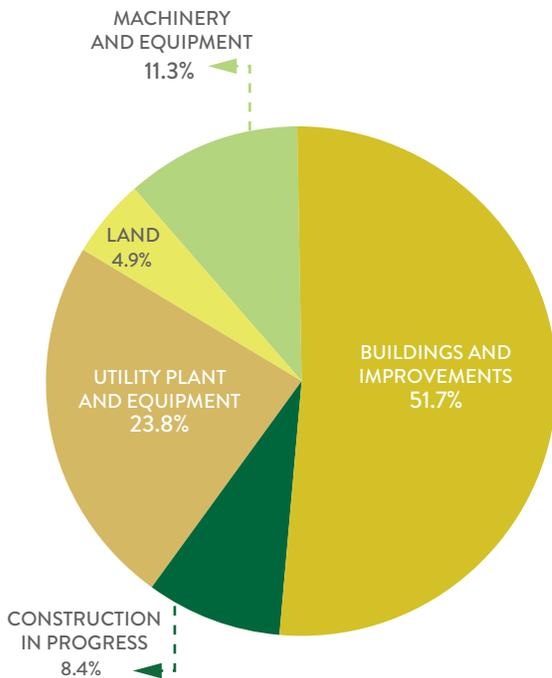
Under the [Virginia Retirement System \(VRS\)](#), all full-time, salaried employees are automatically covered by a VRS retirement plan. Because benefit payments are due and payable after separation in accordance with the plan, the value of these benefits must be recognized as a liability to the County.

New construction to County Facilities, such as Public Safety Towers, often require the issuance of long-term debt to finance the project.



PRIMARY GOVERNMENT CAPITAL ASSETS

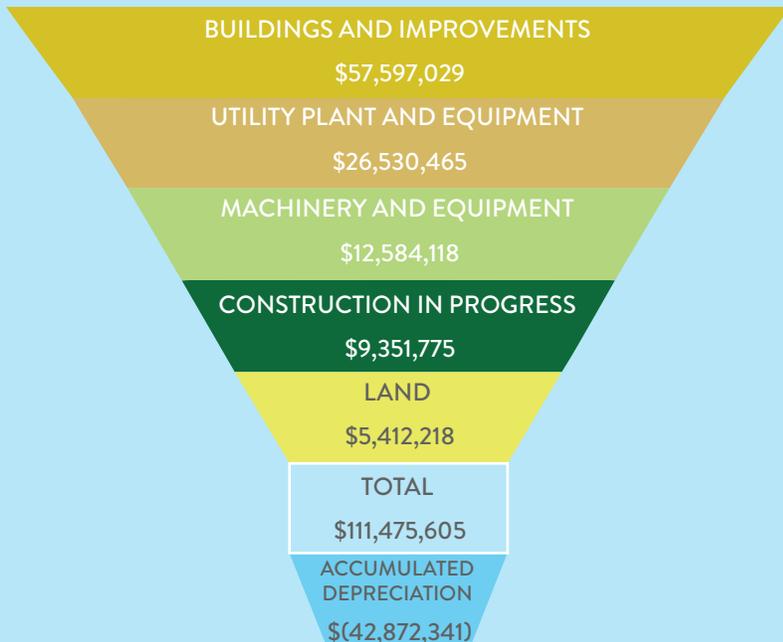
WHERE TO FIND OUR CAPITAL ASSETS



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



TOTAL CAPITAL ASSETS: \$68.6M

Capital Assets for the County totaled \$68.6 M.

Capital Assets for Governmental Activities increased 3% or \$1.5 M from the prior year. Capital Assets for business-type activities increased 8.6% or \$3.4M from the prior year.

Construction In Progress decreased by \$5.8 M or 38.5% from the prior year. This decrease is attributed to the completion of the new Sheriff's Office.



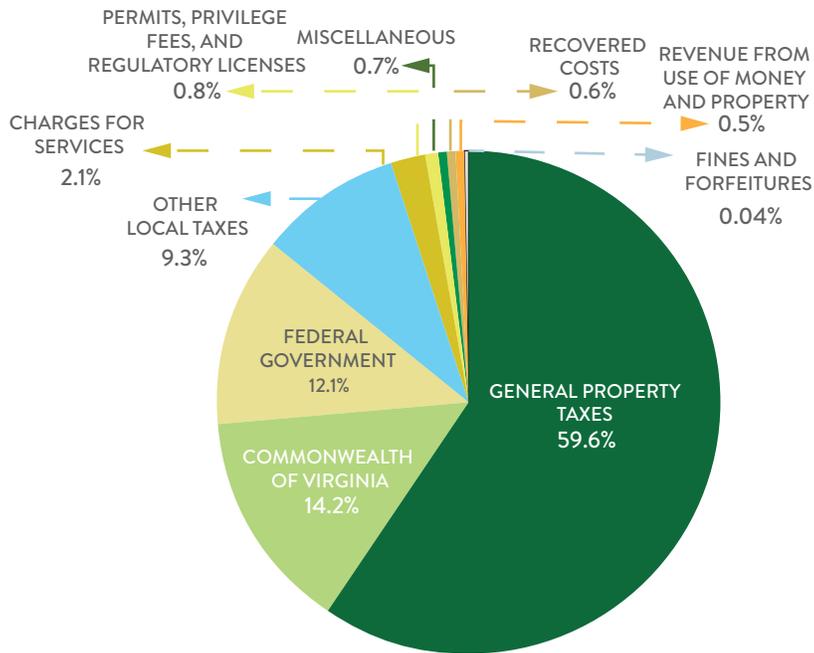
The new Sheriff's Office serves over 44,000 residents daily.



During fiscal year 2016, the County contracted with an architectural firm to provide a conceptual design of a new Sheriff's Office facility. The Sheriff's Office facility will provide the space necessary to support the County's law enforcement services including patrol, crime prevention, civil process, animal control, investigations, and administration. Architectural and engineering services associated with the project continued into fiscal year 2018 and included further design to include the 911 Emergency Communications Center. Construction on the facility began during fiscal year 2019 and was completed by June 30, 2021. To learn more about the Shenandoah County Sheriff's Office, visit www.shencosheriff.com.

GENERAL FUND REVENUES & EXPENSES

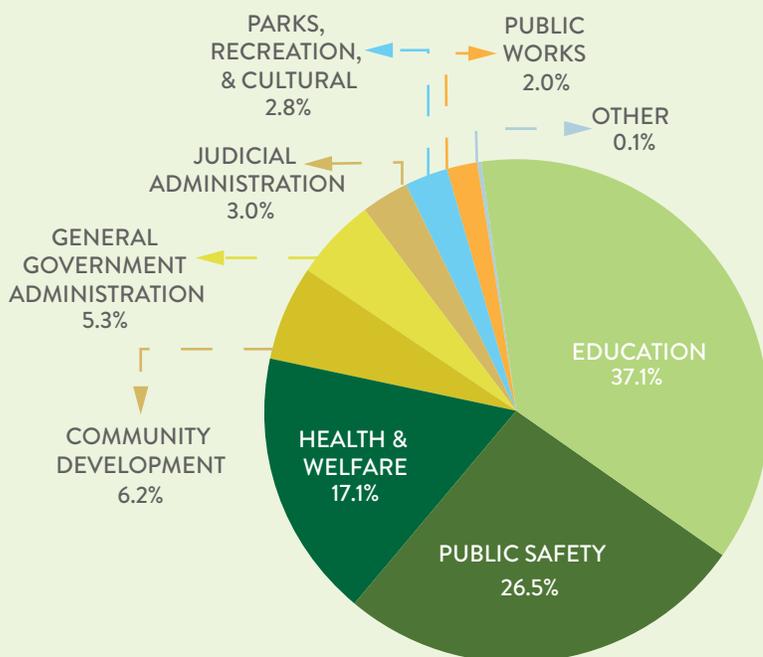
WHERE THE MONEY COMES FROM



General Fund revenues of \$85.4 M were \$3.3 M more than budgeted, a 14% 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.

WHERE THE MONEY GOES



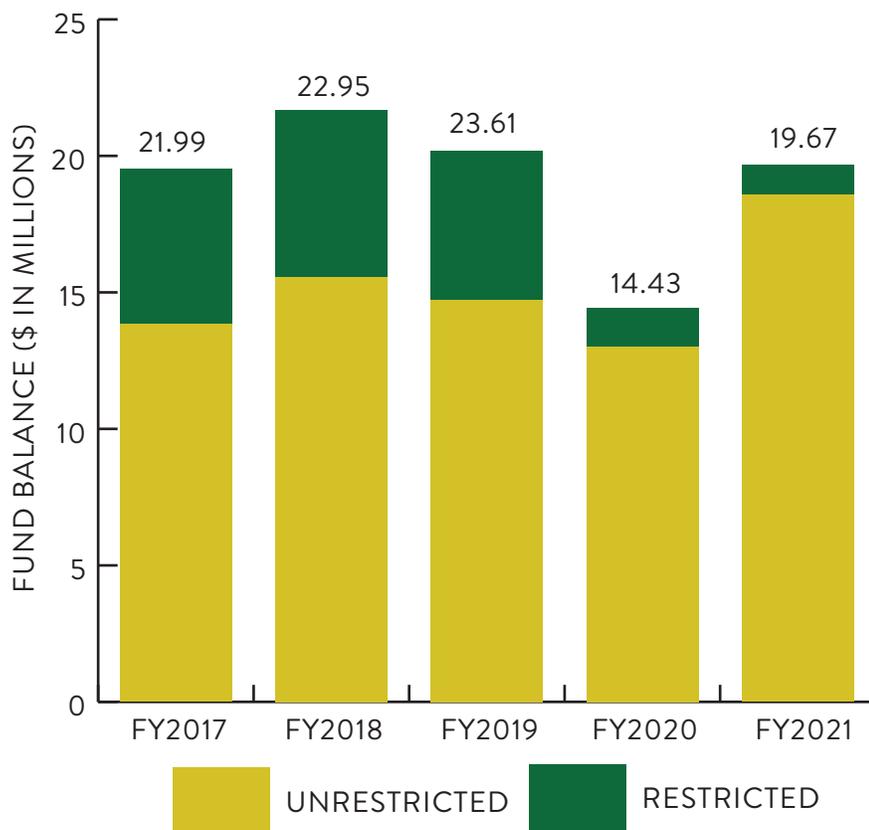
General Fund Expenses of \$71.6 M were 10.5% less than budgeted and do not include transfers to other funds.

This results in an increase of 4.5% or \$3.1 M from the prior year.

Transfers to other funds include \$1.9 M to fund capital projects, including the final phase of construction of a new Sheriff's Office and an emergency radio system replacement.

GENERAL FUND FUND BALANCE

RESTRICTED			UNRESTRICTED			
Nonspendable		Restricted	Committed	Assigned	Unassigned	
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	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 of Supervisors 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 FY2021 WAS \$19.68 M.

THIS INCLUDES \$103 K IN NONSPENDABLE FUNDS, \$1 M IN RESTRICTED, \$1.4 M IN ASSIGNED, \$ 17.18 M IN UNASSIGNED.

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021, UNASSIGNED FUND BALANCE REPRESENTED 24% OF TOTAL GENERAL FUND EXPENDITURES.



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Design By Tyler Hinkle, County Planner