



COUNTY OF SHENANDOAH, VIRGINIA



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BOARD OF SUPERVISORS*

DISTRICT I: DICK
NEESE

DISTRICT II: STEVEN
BAKER

DISTRICT III: RICHARD
WALKER

DISTRICT IV: KARL
ROULSTON

DISTRICT V: DENNIS
MORRIS

DISTRICT VI: CONRAD
HELSLEY

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*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, 2020. The PAFR provides a snapshot of the financial activities of the County for the period of July 1, 2019 through June 30, 2020. 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, 2020 is available in its entirety on the County's website at the following link:

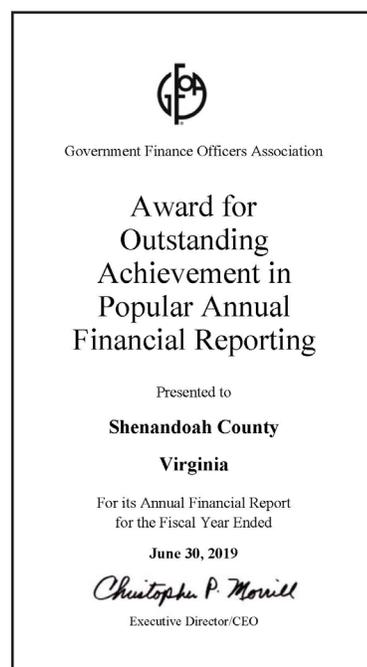
<https://bit.ly/shenacfr20>

SHENANDOAH COUNTY EXECUTIVE LEADERSHIP

Evan Vass
COUNTY ADMINISTRATOR

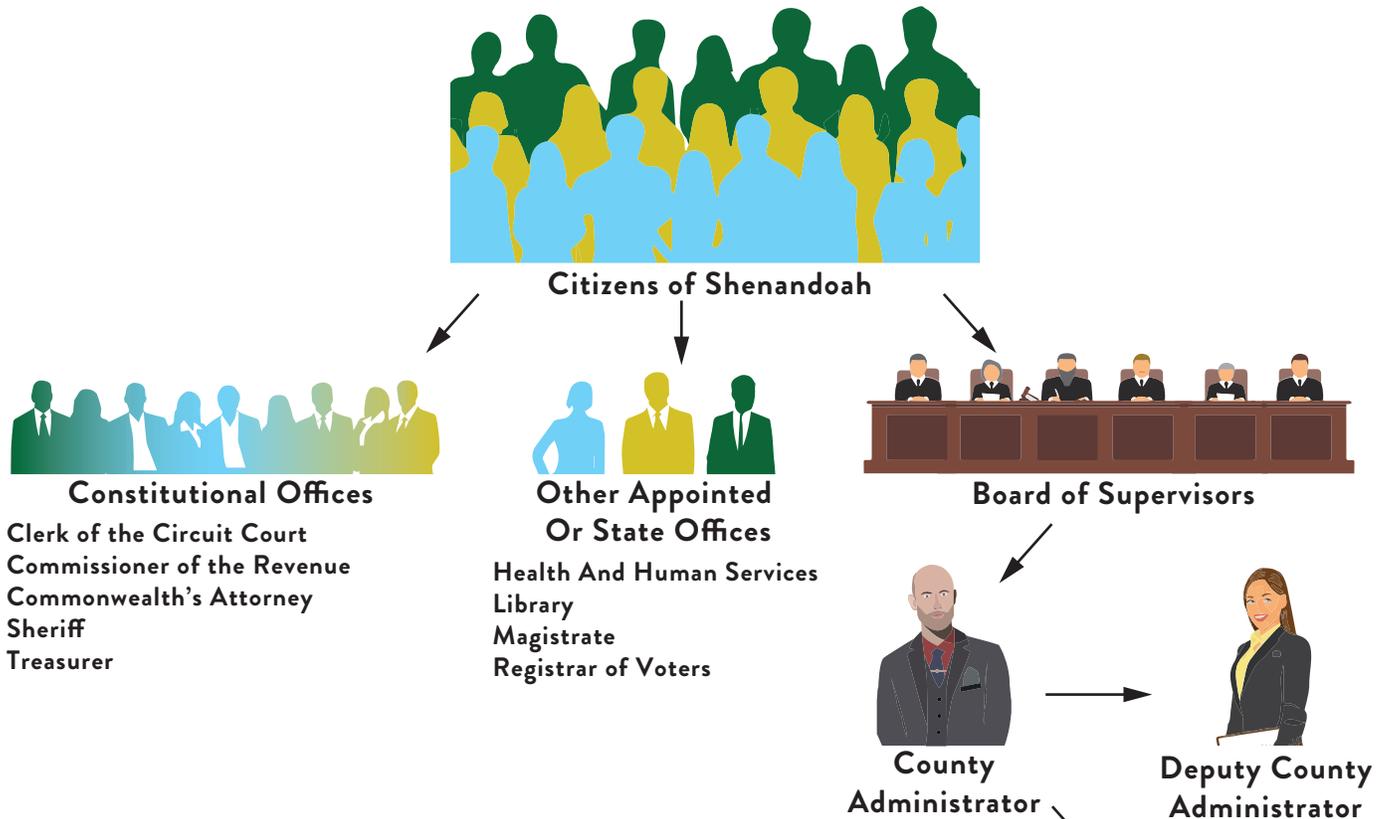
Mandy Belyea
DEPUTY COUNTY ADMINISTRATOR

Angie Stine
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 FY2020 ACFR.

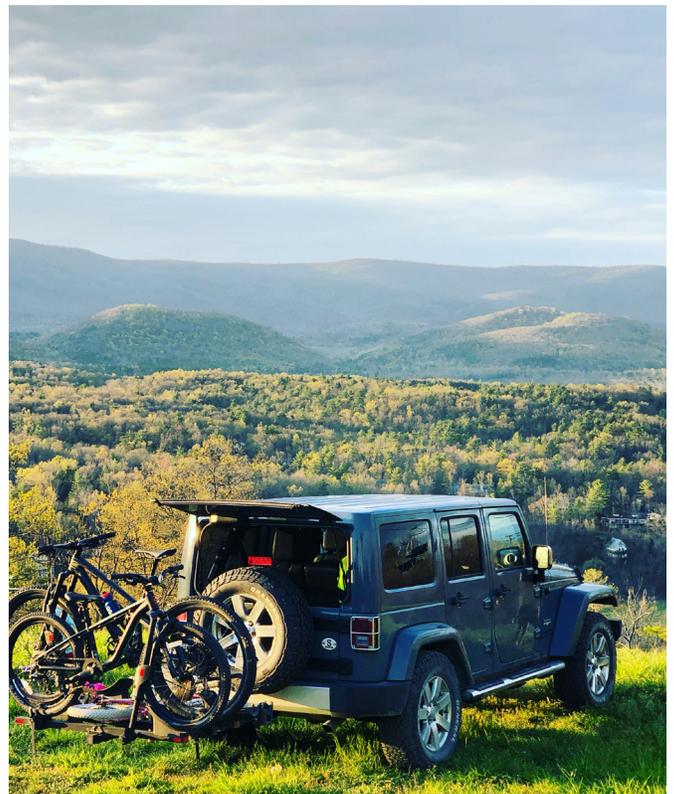


County Departments

- 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

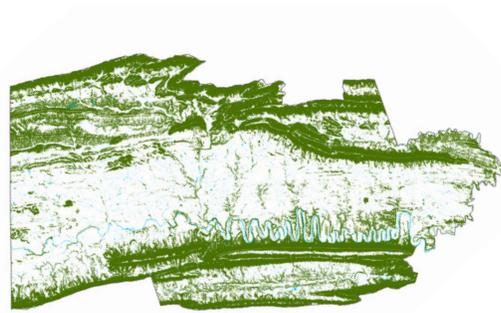
SHENANDOAH COUNTY,
FORMED
MAY 15, 1772,
IS HOME TO **SIX**
INCORPORATED TOWNS
AS WELL AS **OVER**
100 UNINCORPORATED
COMMUNITIES.



TOP 10 EMPLOYERS

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

STATISTICS



GEOGRAPHY

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



DEMOGRAPHICS

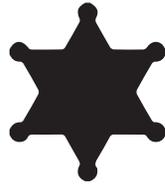
POPULATION	43,616
MEDIAN AGE	44.7
PER CAPITA PERSONAL INCOME	\$46,680
UNEMPLOYMENT	6.9%



EDUCATION

HIGH SCHOOL	38%
SOME COLLEGE	23%
ASSOCIATES DEGREE	7%
BACHELORS DEGREE	13%
GRADUATE DEGREE+	6%

SHENANDOAH COUNTY AT A GLANCE



SHERIFF

2,147 TRAFFIC VIOLATIONS
 15,608 CIVIL PAPERS SERVED
 2,485 ANIMAL CONTROL CALLS ANSWERED



FIRE & RESCUE

1 HEADQUARTERS
 12 STATIONS
 82 UNITS
 9,834 CALLS ANSWERED



RECREATION

919 RECREATION FACILITY PERMITS ISSUED
 520 YOUTH SPORTS PARTICIPANTS
 1 COMMUNITY CENTER
 645 ACRES OF LAND



PUBLIC WORKS: LANDFILL

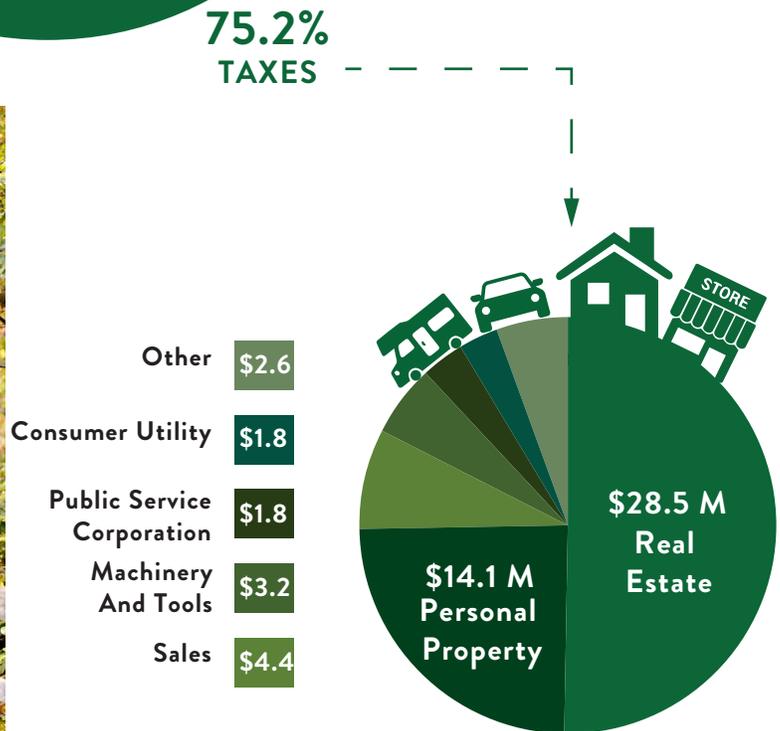
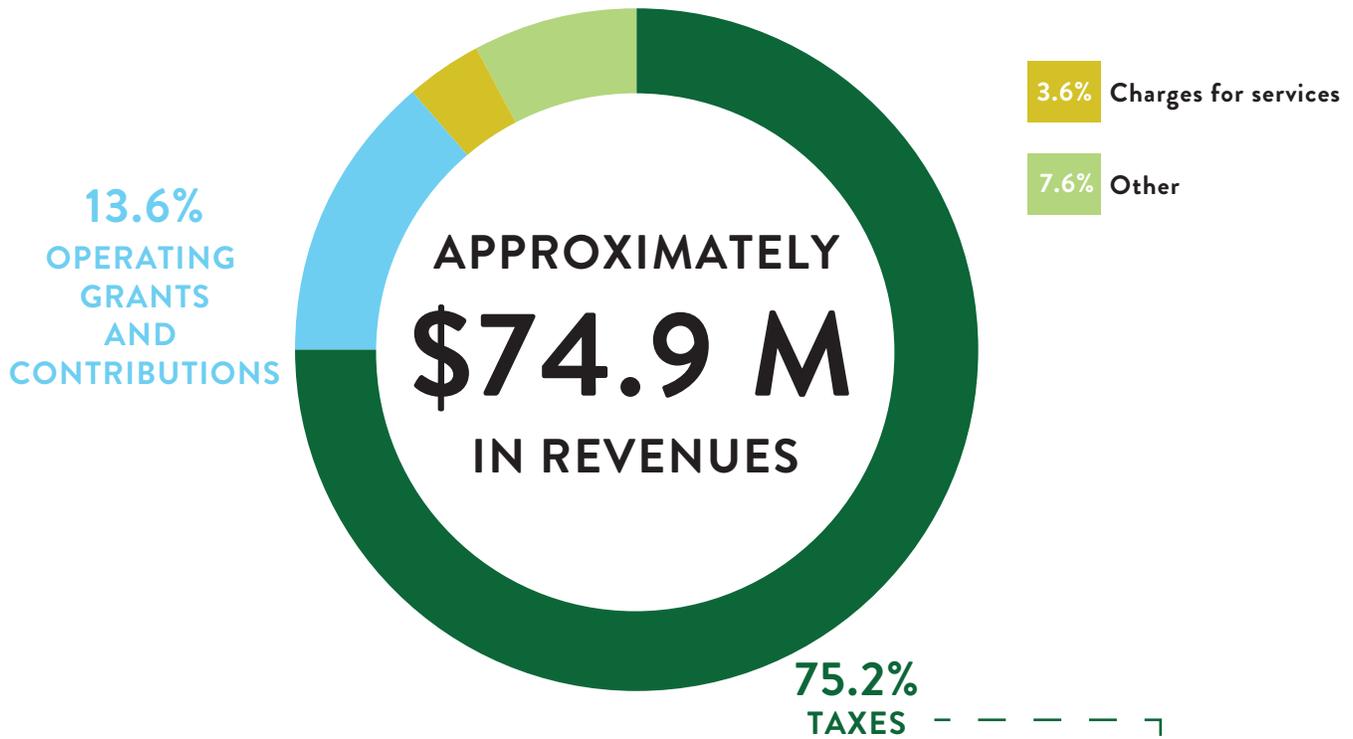
14 CONVENIENCE SITES
 166 TPD REFUSE COLLECTED
 6 TPD RECYCLING
*TPD = TONS PER DAY



EDUCATION

10 SCHOOLS
 114 SCHOOL BUSES
 5,993 STUDENTS ENROLLED
 502 TEACHERS

PRIMARY GOVERNMENT REVENUES



PRIMARY GOVERNMENT REVENUES & EXPENSES

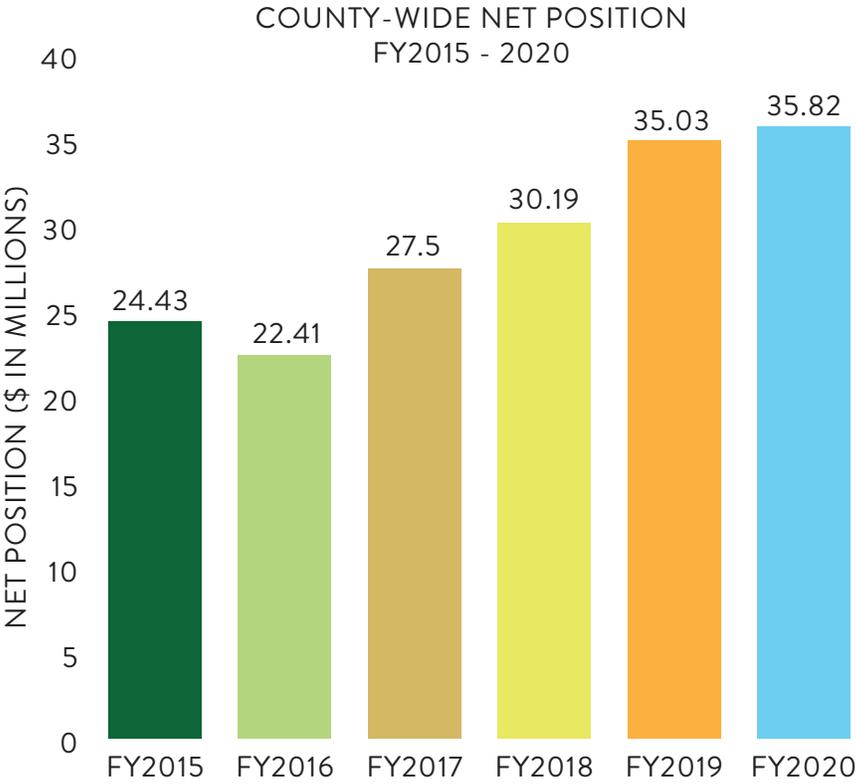
The County's aggregate financial activities are made up of two all-encompassing classifications: governmental and business-type activities. Governmental Activities represent functions of the County that are principally supported by taxes and intergovernmental revenues while business-type activities represent 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 FY2020 was \$78.94M compared to \$80.52M in FY2019. Furthermore, combined expenses for the County in FY 2020 were \$77.76M compared to \$75.65M in FY2019. Generally, increases in expenses paralleled inflation with some increase related to the County's response to the COVID-19 Pandemic.

REVENUES	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL FY2020	TOTAL FY2019
Program Revenues	12,918,695	3,382,976	16,301,671	18,355,628
General Revenues	62,031,791	616,250	62,648,041	62,160,918
Total Revenues	74,950,486	3,999,226	78,949,712	80,516,546
EXPENSES				
General Government	2,906,778	-	2,906,778	2,766,993
Judicial Administration	2,358,719	-	2,358,719	2,384,105
Public Safety	17,671,034	-	17,671,034	17,064,133
Public Works	1,401,848	-	1,401,848	1,606,368
Health And Welfare	10,356,776	-	10,356,776	9,191,780
Education	32,287,111	-	32,287,111	32,187,526
Parks, Recreation And Culture	2,407,958	-	2,407,958	2,165,131
Community Development	1,072,502	-	1,072,502	1,093,153
Interest	2,059,559	-	2,059,559	2,042,052
Business-Type Activities	-	5,243,532	5,243,532	5,153,724
Total Expenses	72,522,285	5,243,532	77,765,817	75,654,965
Transfers In (Out)	(1,637,138)	1,637,138	-	-
Increase (Decrease) In Net Position	791,063	402,832	1,183,895	4,861,581
Net Position - Beginning	35,035,624	1,560,695	36,596,319	31,695,738
Net Position - Ending	35,826,687	1,963,527	37,780,214	36,557,319

PRIMARY GOVERNMENT 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.



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 FY2020	TOTAL FY2019
Current and other assets	67,237,971	2,914,387	70,152,358	74,986,895
Capital assets	51,411,933	13,735,241	65,147,174	57,457,928
Deferred Outflows	2,569,724	301,192	2,870,916	1,367,998
Total Assets + Deferred Outflows	121,219,628	16,950,820	138,170,869	133,812,821
LIABILITIES				
Current Liabilities	7,614,914	193,867	7,808,916	3,797,759
Long-Term Liabilities	52,407,006	14,366,965	66,773,971	67,705,234
Deferred Inflows of Resources	25,371,021	436,461	25,807,482	25,752,509
Total Liabilities + Deferred Inflows	85,392,941	14,997,293	100,390,234	97,255,502
Net Investment in Capital Assets	20,131,947	11,313,348	31,445,295	22,769,951
Restricted	1,067,924	-	1,067,924	5,130,470
Unrestricted	14,626,816	(9,359,821)	5,266,995	8,656,898
Total Net Position	35,826,687	1,953,527	37,780,214	36,557,319



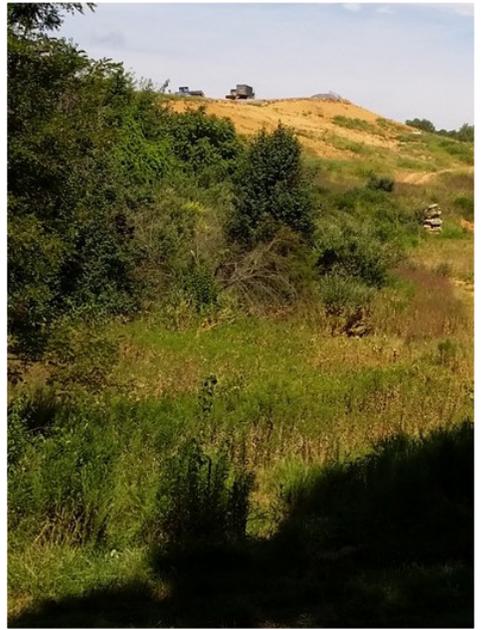
PRIMARY GOVERNMENT LONG-TERM LIABILITIES

LONG-TERM LIABILITIES	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL FY2020
General Obligation/Revenue Bonds	20,698,019	1,080,637	21,778,656
Bond Premium	2,440,775	-	2,440,775
Literary Loan Funds	314,500	-	314,500
Lease Revenue Bonds	19,790,000	-	19,790,000
Capital Leases	1,569,682	714,536	2,284,218
Notes Payable	-	626,720	626,720
Compensated Absences	1,158,176	123,713	1,281,889
Net Pension Liability	3,777,762	452,290	4,230,052
Net OPEB Liabilities	2,658,092	299,227	2,957,319
Landfill Closure and Post-Closure Care	-	11,069,842	11,069,842
Total	52,407,006	14,366,965	66,773,970

At the end of FY2020 the County had total bonded debt outstanding of \$44,323,931. The bonded debt outstanding comprises debt backed by the full faith and credit of the County.

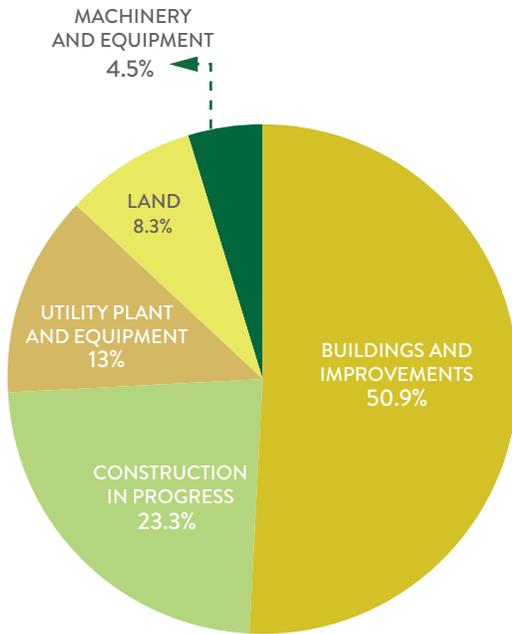
Under the Virginia Retirement System (VRS), all full-time, salaried employees are automatically covered by a VRS retirement plan. Because benefit payments are due and payable after separation in accordance with the plan, the value of these benefits must be recognized as a liability to the County.

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



PRIMARY GOVERNMENT CAPITAL ASSETS

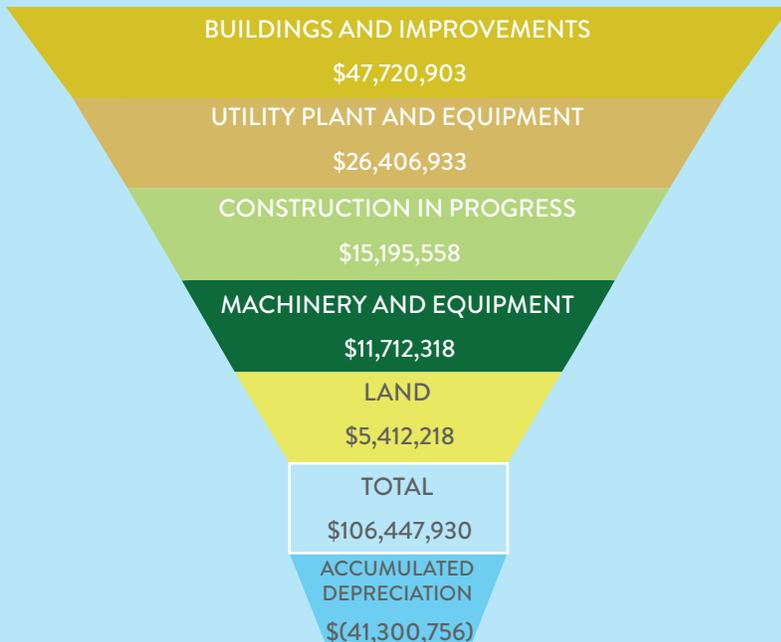
WHERE TO FIND OUR CAPITAL ASSETS



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: \$65.2M

Capital Assets for the County totaled \$65.2 M.

Capital Assets for Governmental Activities increased 15% or \$7 M from the prior year. Capital Assets for business-type activities decreased 33% or \$6.7M from the prior year.

Construction In Progress increased by \$8.9 M or 145% from the prior year. This increase is attributed to the construction of the new Sheriff's Office.



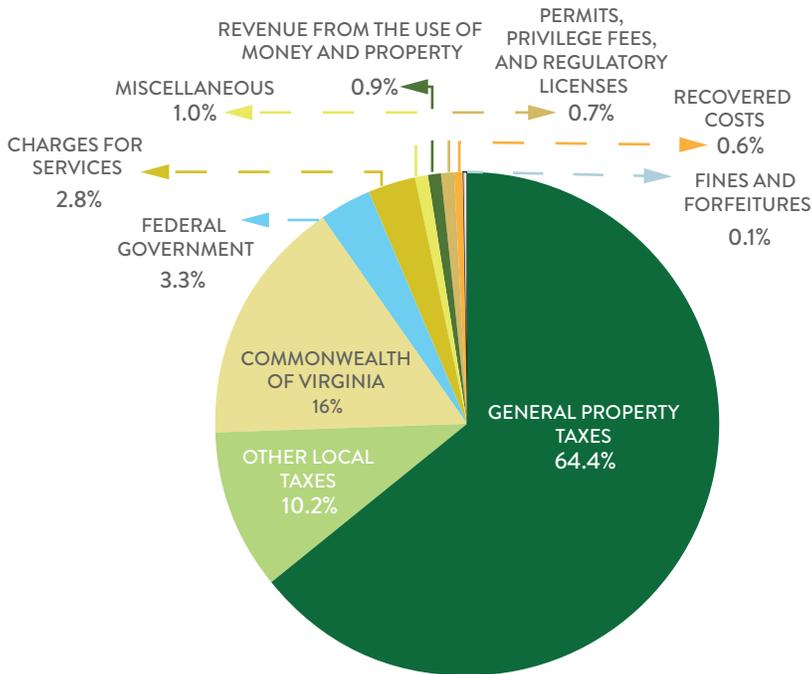
Once completed, the new Sheriff's Office will serve over 43,000 residents daily.



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 as of June 30, 2020, construction was 95% complete. The projected completion date of this project is September, 2020.

GENERAL FUND

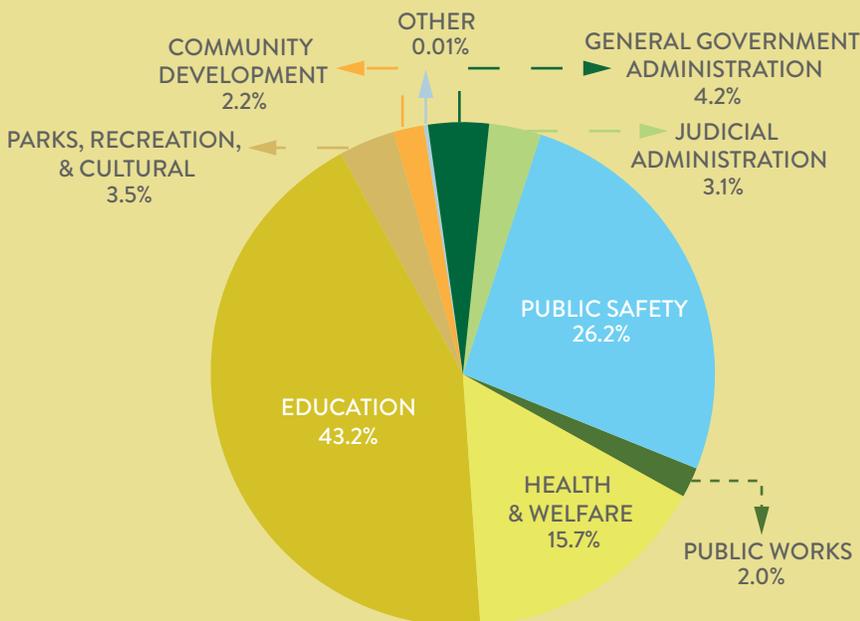
WHERE THE MONEY COMES FROM



General Fund revenues of \$74.9 M were \$468 K more than budgeted, a 3% 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

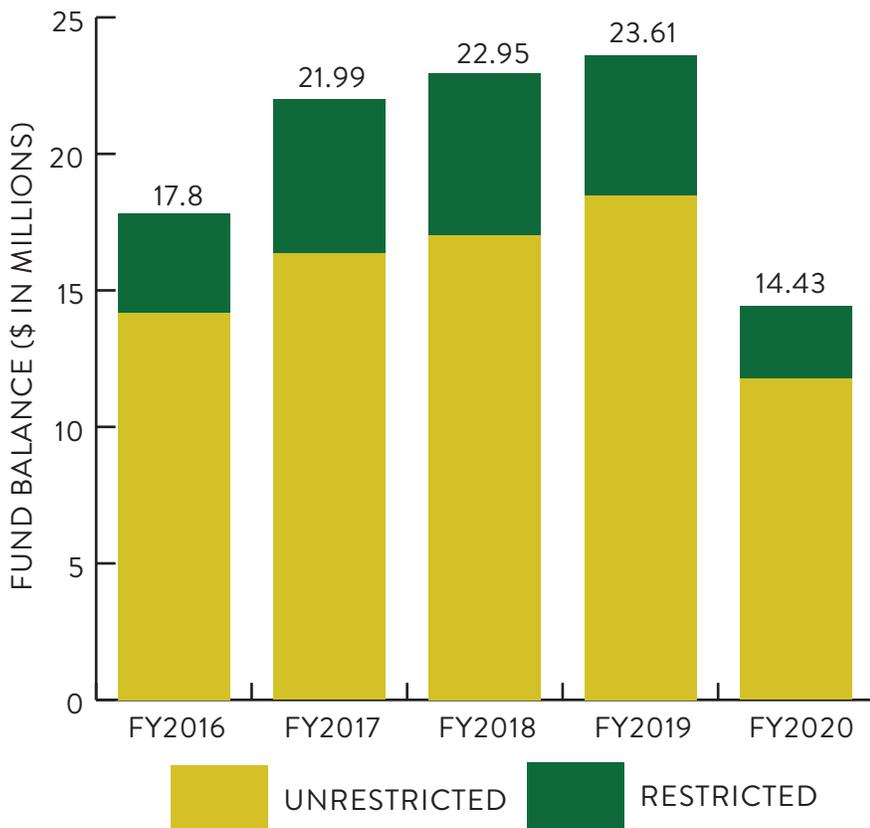
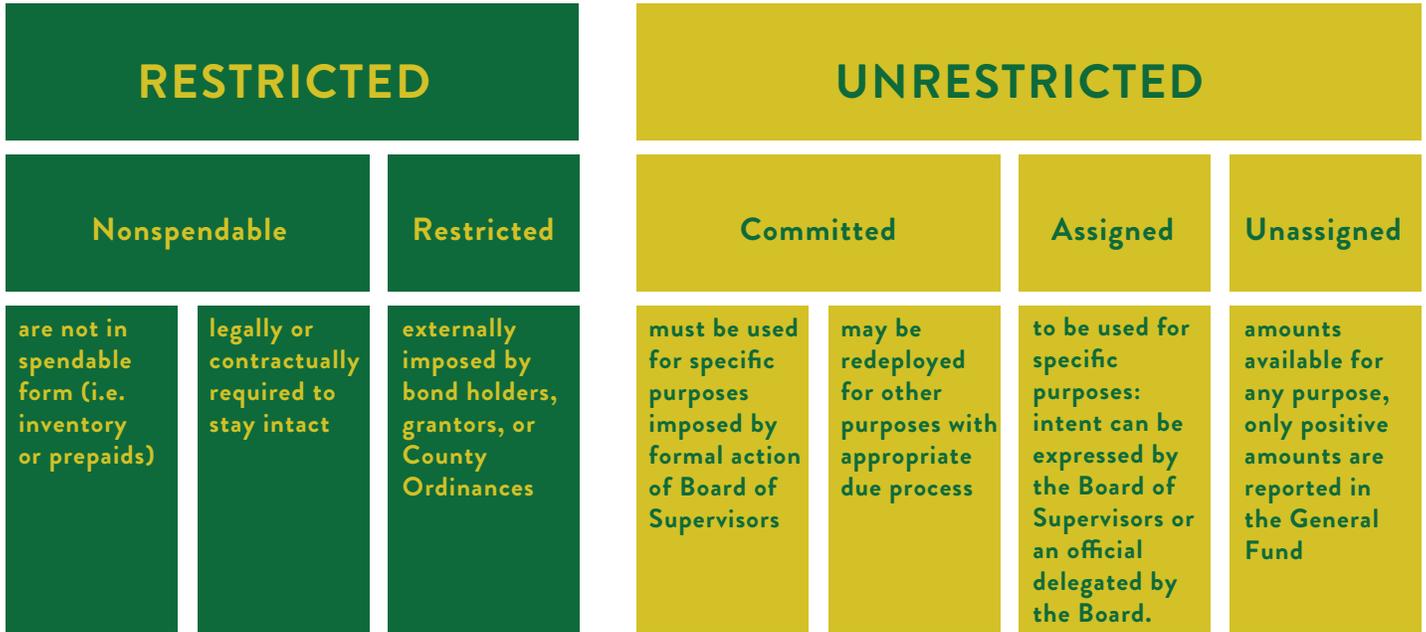


General Fund expenditures of \$68.56 M were 4% less than budgeted and do not include transfers to other funds.

This results in an increase of 2% or \$1.23 M from the prior year.

Transfers to other funds include \$4 M to fund capital projects, including construction of a new Sheriff's Office and an emergency radio system replacement.

GENERAL FUND



TOTAL FUND BALANCE FOR FY2020 WAS \$14.43 M.

THIS INCLUDES \$350 K IN NONSPENDABLE FUNDS, \$1.07 M IN RESTRICTED, \$1.25 M IN ASSIGNED, \$ 11.76 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, 2020, UNASSIGNED FUND BALANCE REPRESENTED 16% OF TOTAL GENERAL FUND EXPENDITURES ABOVE THE POLICY THRESHOLD.



600 North Main Street
Suite 102
Woodstock, Virginia 22664

Design By Tyler Hinkle, County Planner