

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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# A LETTER FROM THE DIRECTOR OF FINANCE

The Department of Finance is proud to present the County of Shenandoah's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2019. The PAFR is a summary, extracted from a more detailed report called the Comprehensive Annual Financial Report (CAFR), of the County's financial activities for the period of July 1, 2018 through June 30, 2019. The CAFR is an annual requirement and contains financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is audited by Robinson, Farmer, Cox Associates, PLLC, an independent accounting, auditing and consulting firm. For the past eight years, the County has received the award for excellence in financial reporting for its CAFR from the Government Finance Officers Association (GFOA). Additionally, the CAFR for the fiscal year ended June 30, 2019 received an unmodified (clean, unaltered) opinion, and the PAFR uses the same information in a more reader friendly format. The County of Shenandoah's CAFR for the fiscal year ended June 30, 2019 is available on the County of Shenandoah's official website:

<https://tinyurl.com/shencafr19>

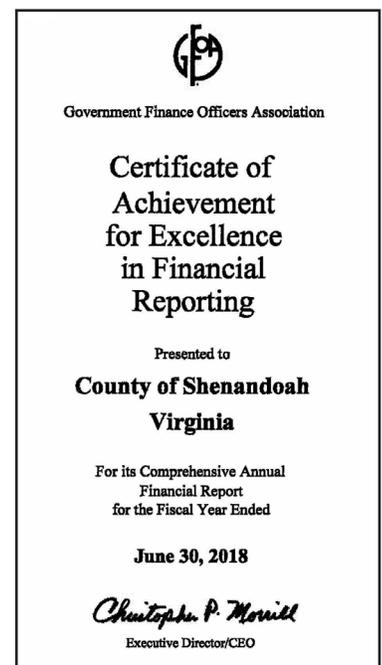
By its summary structure, the PAFR is not intended to conform to GAAP and associated reporting standards set forth by regulatory agencies, but rather satisfies the requirements of the PAFR as set forth by the GFOA.

The goal of our finance department is to better communicate the results of the County's financial operations in a more reader-friendly financial publication. We aim to provide a general analysis of the County's financial position, where revenues come from and where the same dollars are spent, how property taxes support governmental activities, and general information about the community we represent.

Sincerely,

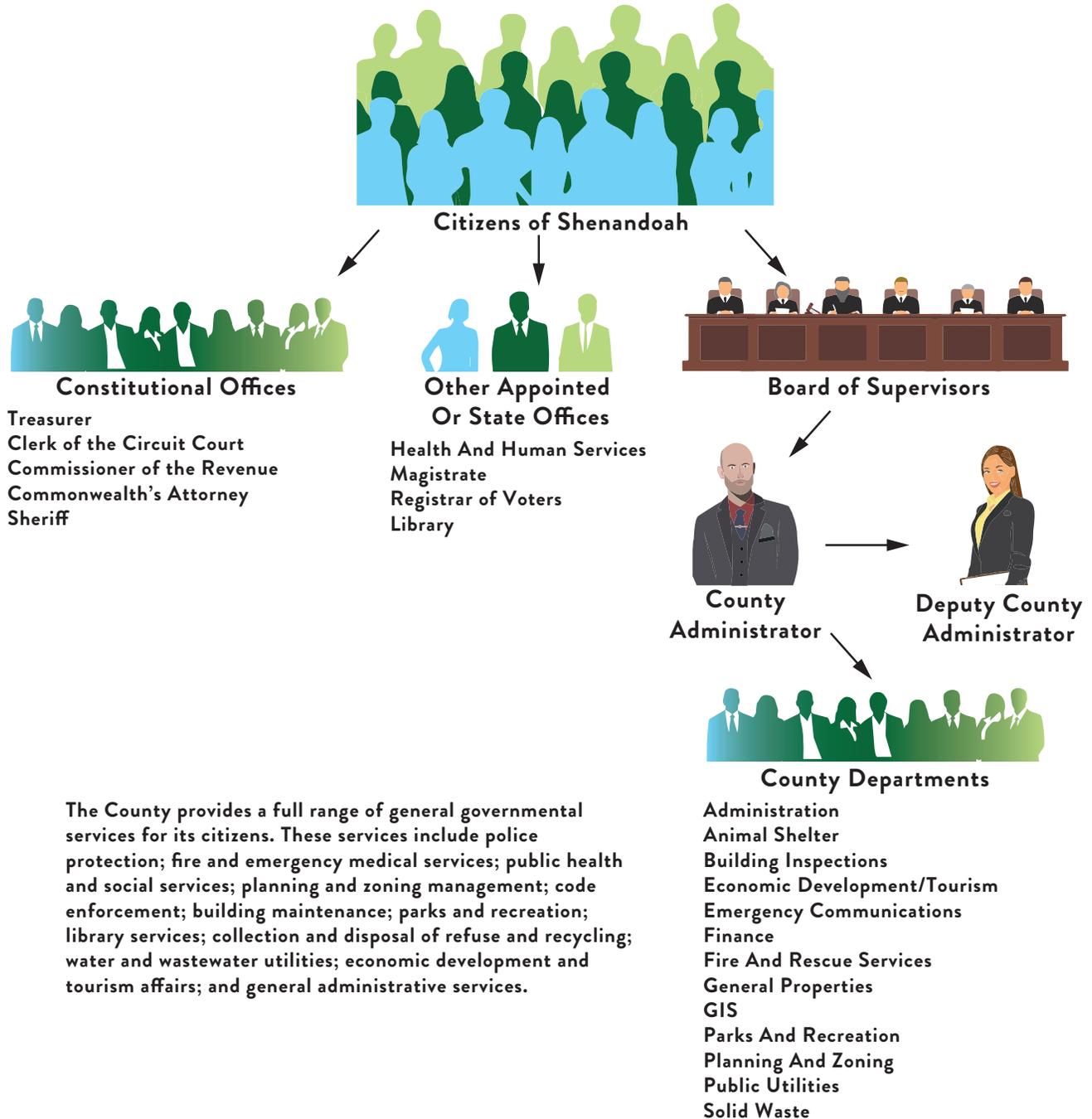


Angie Stine  
Director of Finance



County of Shenandoah  
CAFR Award

# COUNTY OF SHENANDOAH GOVERNMENT

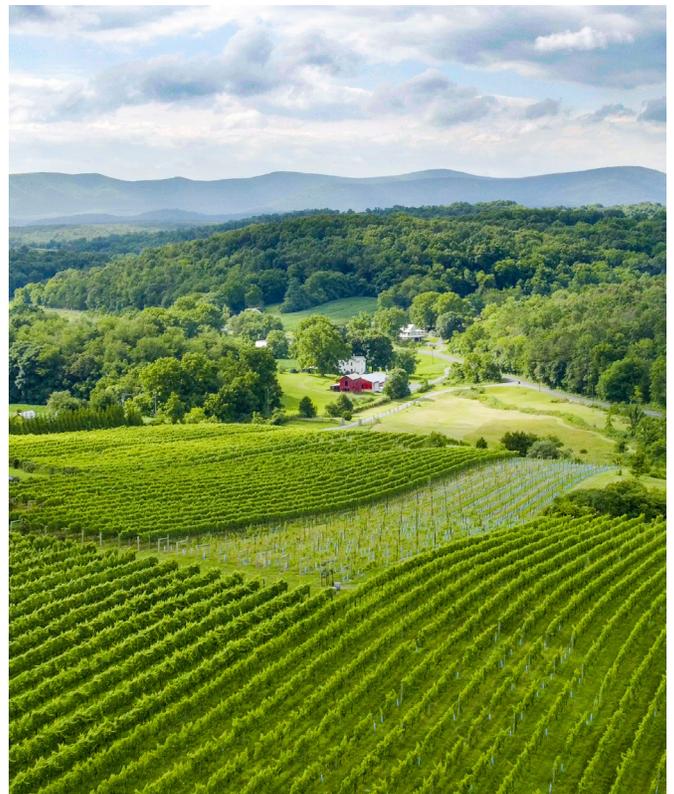


The County provides a full range of general governmental services for its citizens. These services include police protection; fire and emergency medical services; public health and social services; planning and zoning management; code enforcement; building maintenance; parks and recreation; library services;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

# QUICK FACTS

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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 US LLC
6. County of Shenandoah
7. Valley Health System
8. Lac Strasburg LLC
9. Masco Builder Cabinet Group
10. Mercury Paper

# STATISTICS

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## GEOGRAPHY

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



## DEMOGRAPHICS

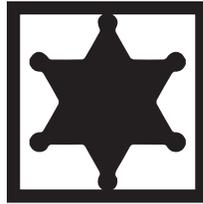
POPULATION	43,497
MEDIAN AGE	44.5
PER CAPITA PERSONAL INCOME	45,387
UNEMPLOYMENT	2.6%



## EDUCATION

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

# SHENANDOAH COUNTY AT A GLANCE



## SHERIFF

2,075 TRAFFIC VIOLATIONS  
 13,921 CIVIL PAPERS SERVED  
 2,233 ANIMAL CONTROL CALLS ANSWERED



## FIRE & RESCUE

1 HEADQUARTERS  
 12 STATIONS  
 82 UNITS  
 4,562 CALLS ANSWERED



## RECREATION

2,270 RECREATION FACILITY PERMITS ISSUED  
 2,216 YOUTH SPORTS PARTICIPANTS  
 1 COMMUNITY CENTER  
 645 ACRES OF LAND



## PUBLIC WORKS: LANDFILL

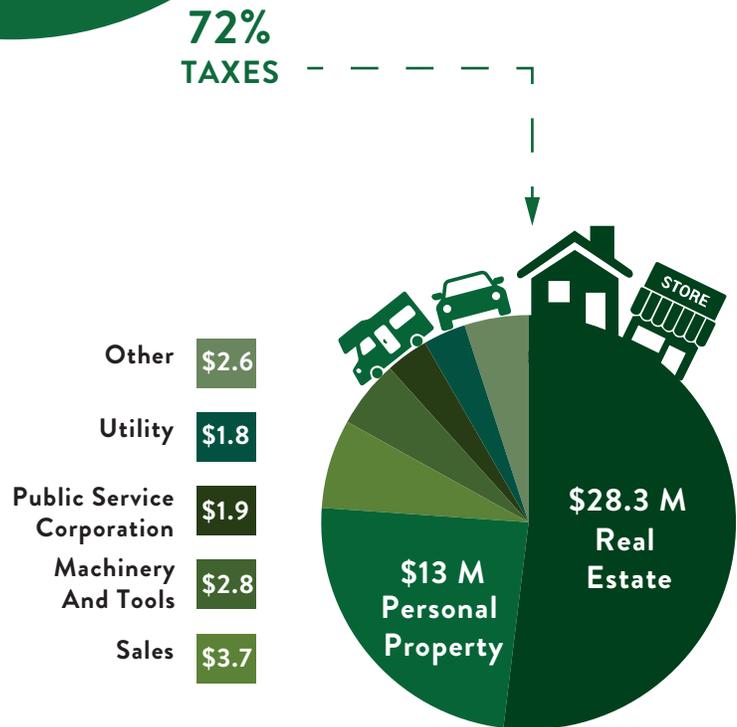
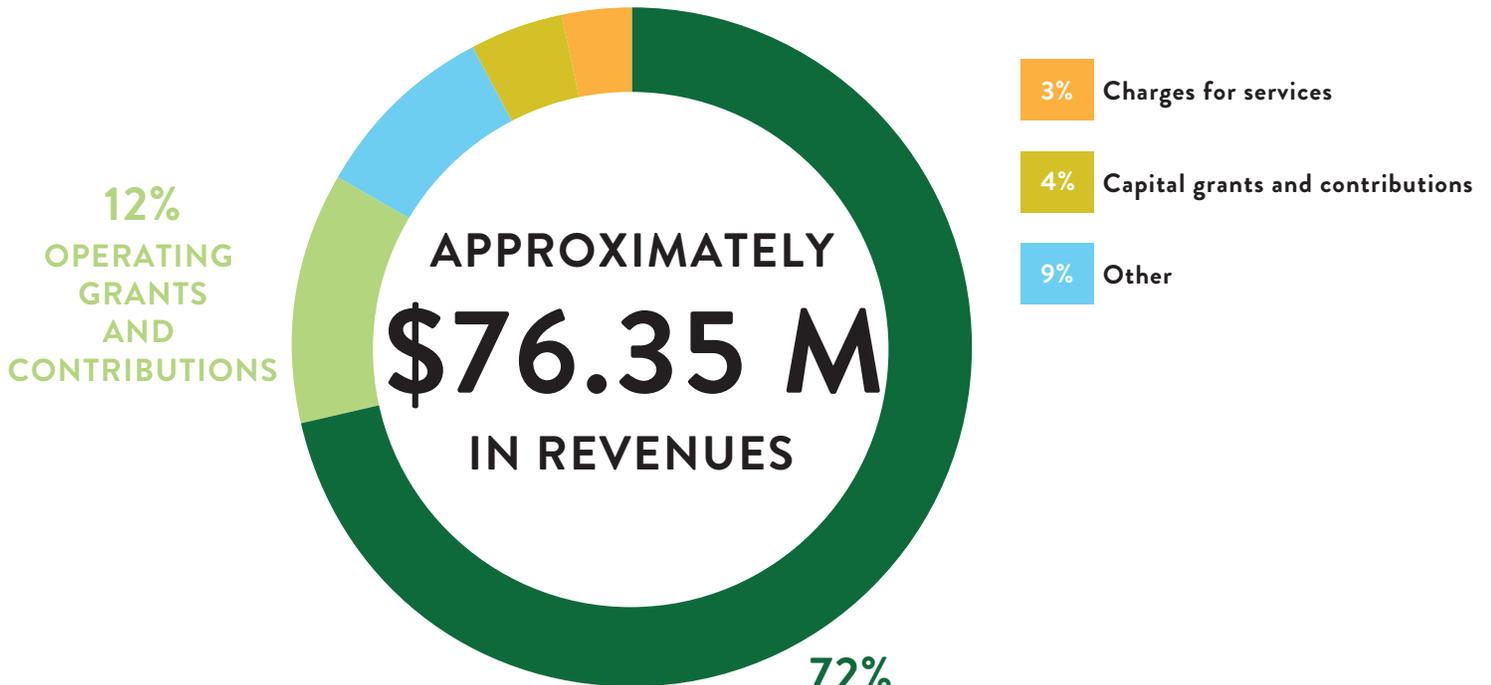
15 CONVENIENCE SITES  
 154 TPD REFUSE COLLECTED  
 7 TPD RECYCLING  
 \*TPD = TONS PER DAY



## EDUCATION

10 SCHOOLS  
 112 SCHOOL BUSES  
 6,058 STUDENTS ENROLLED  
 541 TEACHERS

# COUNTY-WIDE REVENUES



**TAX REVENUES BY SOURCE**  
(IN MILLIONS)

# COUNTY-WIDE REVENUES AND EXPENSES

The County's aggregate financial activities are made up of two all-encompassing classifications: governmental and business type activities. 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 taxes, and other non-program specific revenues. The collective revenue for the County in FY2019 totaled \$80.37M compared to \$73.86M in FY2018. Furthermore, combined expenses for the County were \$75.47M compared to \$69.23M in FY2018. The most significant reason for these increases was construction beginning on the new Sheriff's Office Complex.

REVENUES	COUNTY		TOTAL FY2019	TOTAL FY2018	SCHOOL BOARD
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES			
Program Revenues	14,959,171	3,396,457	18,355,628	15,478,109	-
General Revenues	61,400,026	616,735	62,016,761	58,383,722	-
<b>Total Revenues</b>	<b>76,359,197</b>	<b>4,013,192</b>	<b>80,372,389</b>	<b>73,861,831</b>	<b>74,843,247</b>
<b>EXPENSES</b>					
General Government	2,763,462	-	2,763,462	2,986,698	-
Judicial Administration	2,380,720	-	2,380,720	2,303,707	-
Public Safety	17,046,346	-	17,046,346	15,269,440	-
Public Works	1,605,648	-	1,605,648	1,130,117	-
Health And Welfare	9,041,290	-	9,041,290	8,379,289	-
Education	32,187,526	-	32,187,526	29,061,555	-
Parks, Recreation And Culture	2,163,070	-	2,163,070	2,162,708	-
Community Development	1,092,330	-	1,092,330	1,114,388	-
Interest	2,042,052	-	2,042,052	1,715,549	-
<b>Total Expenses</b>	<b>70,322,444</b>	<b>5,149,364</b>	<b>75,471,808</b>	<b>69,226,443</b>	<b>74,612,833</b>
Transfers In (Out)					
Increase (Decrease) In Net Position	4,842,973	57,608	4,900,581	4,635,388	230,414
Net Position - Beginning	30,192,651	1,503,087	31,695,738	27,060,350	1,365,205
Net Position - Ending	35,035,624	1,560,695	36,596,319	31,695,738	1,595,619

\*Note: Totals do not include the School Board.

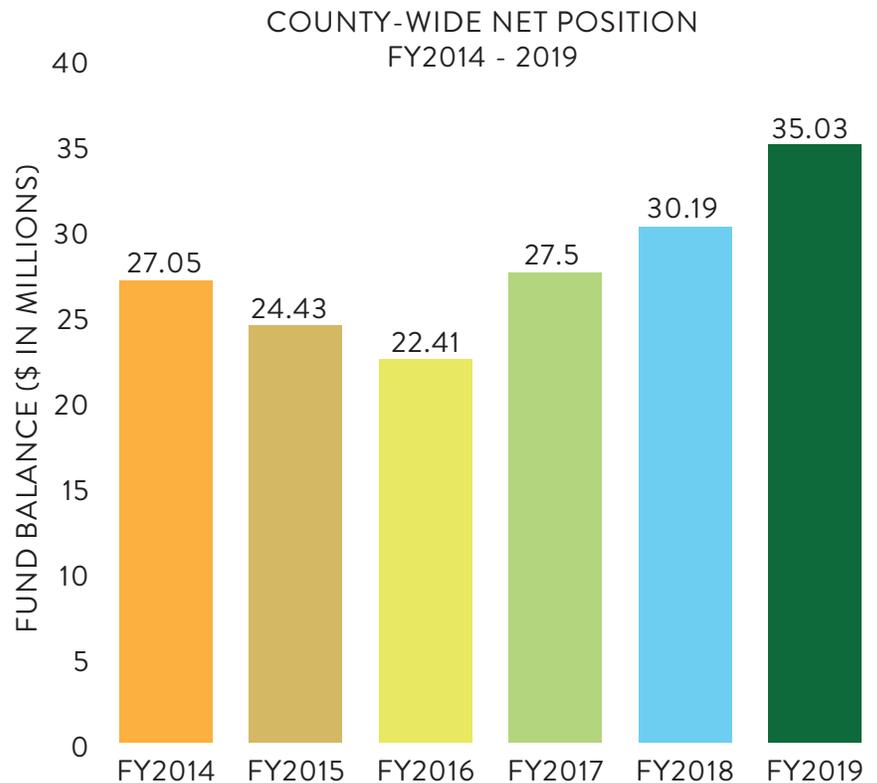
# COUNTY-WIDE NET POSITION

The County issues government-wide financial statements in its CAFR. 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.

The County’s Net Position has increased steadily, as shown.

Positive Net Position balances indicate a measure of financial stability.



## 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.

# COUNTY-WIDE NET POSITION

ASSETS	COUNTY		TOTAL FY2019	TOTAL FY2018	SCHOOL BOARD
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES			
Current and other assets	72,414,902	2,566,311	74,981,213	59,848,889	-
Capital assets	44,383,884	13,079,726	57,463,610	55,675,736	-
Deferred Outflows	1,249,704	157,294	1,406,998	1,359,505	-
<b>Total Assets + Deferred Outflows</b>	<b>118,048,490</b>	<b>15,803,331</b>	<b>133,851,821</b>	<b>116,884,130</b>	<b>7,464,147</b>
<b>LIABILITIES</b>					
Current Liabilities	3,170,163	627,596	3,797,759	2,056,250	-
Long-Term Liabilities	54,561,895	13,143,339	67,705,234	57,520,237	-
Deferred Inflows of Resources	25,280,808	471,701	25,752,509	25,611,905	-
<b>Total Liabilities + Deferred Inflows</b>	<b>83,012,866</b>	<b>14,242,636</b>	<b>97,255,502</b>	<b>85,188,392</b>	<b>5,868,528</b>
Net Investment in Capital Assets	11,418,828	11,351,123	22,769,951	18,333,878	-
Restricted	5,130,470	-	5,130,470	5,939,307	-
Unrestricted	18,486,326	(9,790,428)	8,695,898	7,422,553	-
<b>Total Net Position</b>	<b>35,035,624</b>	<b>1,560,695</b>	<b>36,596,319</b>	<b>31,695,738</b>	<b>7,464,147</b>



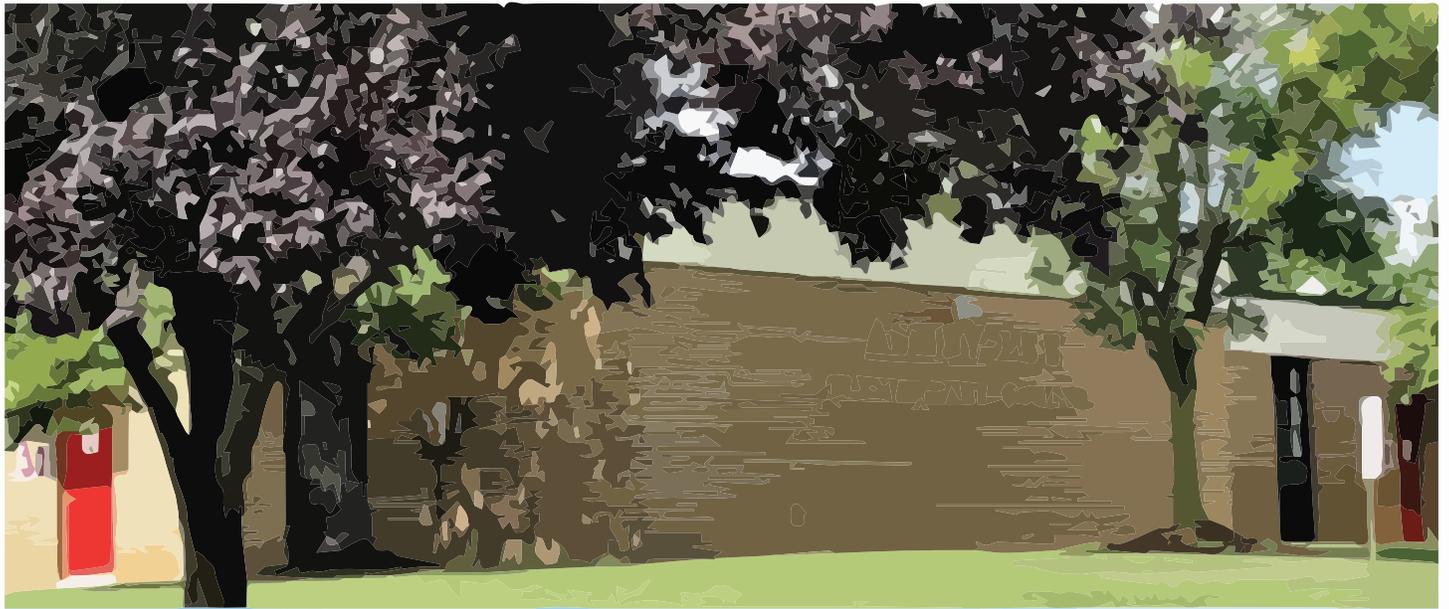
# COUNTY-WIDE LONG-TERM LIABILITIES

LONG-TERM LIABILITIES	COUNTY		TOTAL FY2019	SCHOOL BOARD
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES		
General Obligation/ Revenue Bonds	27,856,936	1,254,010	29,110,946	-
Bond Premium	1,189,058	-	1,189,058	-
Literary Loan Funds	943,500	-	943,500	-
Lease Revenue Bonds	6,435,000	-	6,435,000	-
Capital Leases	1,111,953	731,182	1,843,135	-
Compensated Absences	974,792	150,722	1,125,514	901,496
Net Pension Liability	3,302,221	415,240	3,717,461	53,637,873
Net OPEB Liabilities	2,519,607	326,616	2,846,223	15,162,000
Landfill Closure and Post-Closure Care	-	10,309,400	10,309,400	-
<b>Total</b>	<b>44,333,067</b>	<b>13,187,170</b>	<b>57,520,237</b>	<b>69,701,369</b>

At the end of FY2019, the County had total bonded debt outstanding of \$48,830,523. 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.

\*Note: Under the State Code of Virginia; any bonds or notes of the school board are considered debt by the County governance and therefore must be approved by the Board of Supervisors

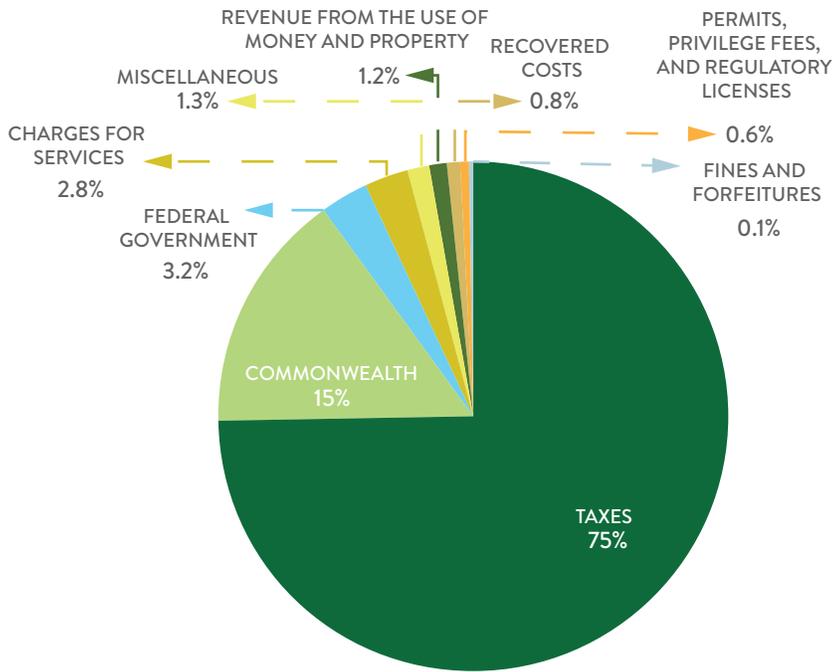


**County Facilities, such as Public Schools, require bonds to prepare for the potential of long-term liabilities.**



# GENERAL FUND

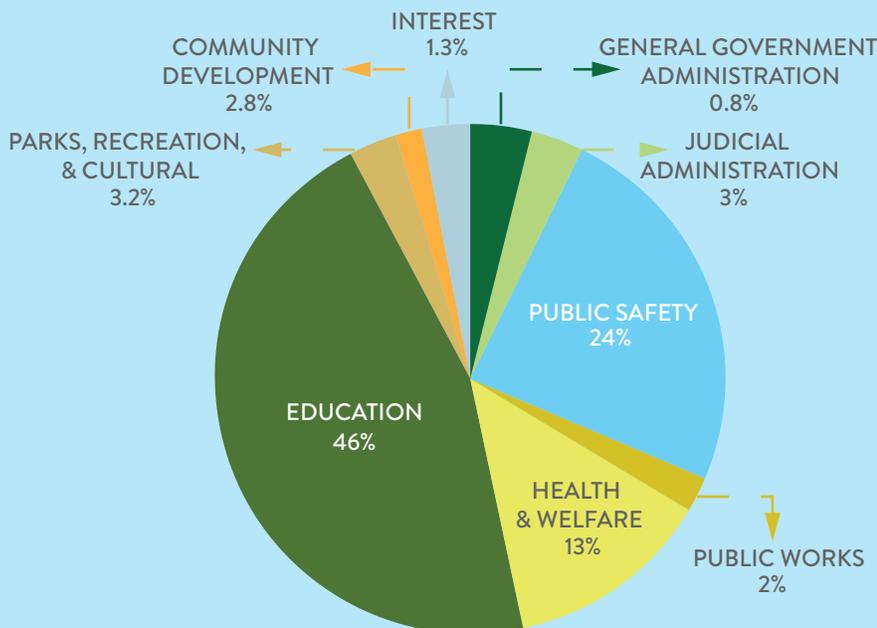
## WHERE THE MONEY COMES FROM



General Fund revenues of \$72.59 M were \$1.65 M more than budgeted, a 9% 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

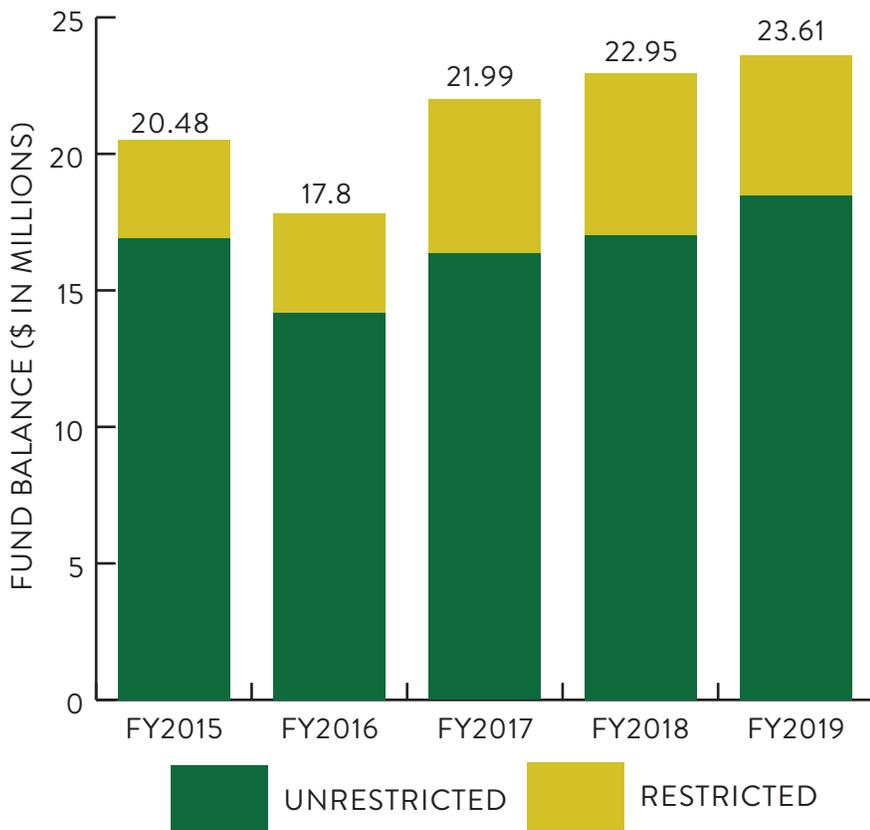
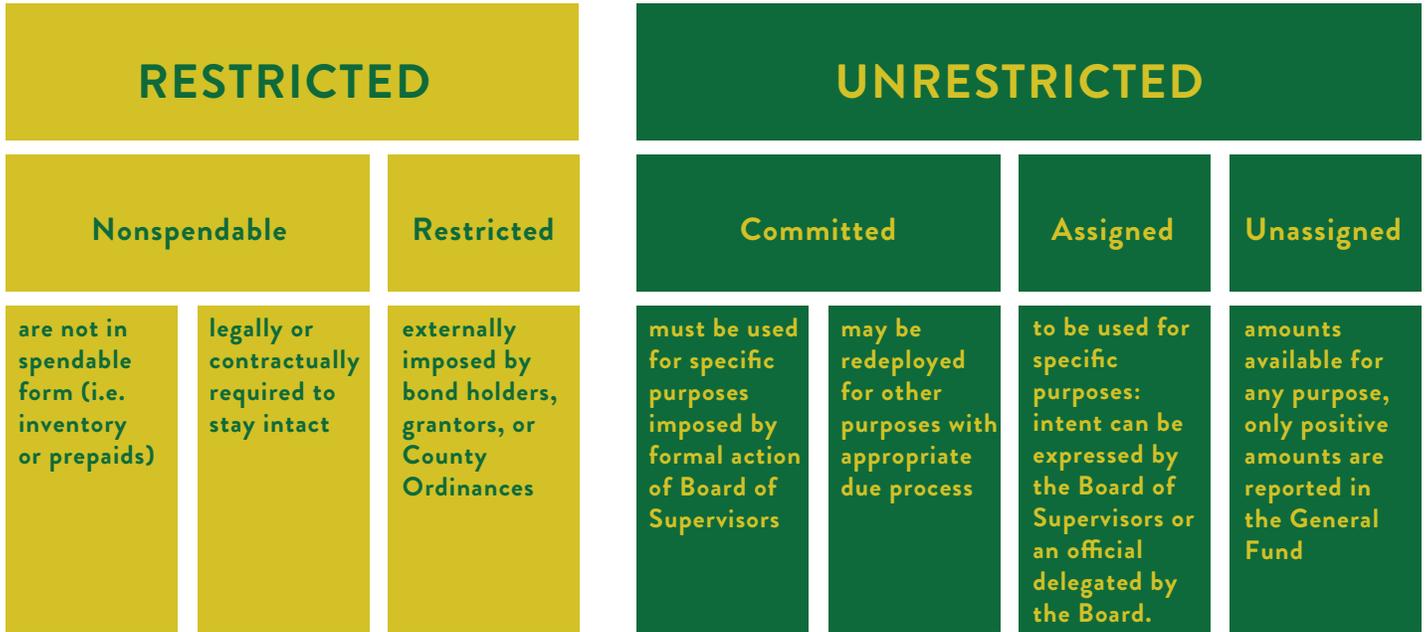


General Fund expenditures of \$67.32 M were 1% less than budgeted and do not include transfers to other funds.

This is an increase of 10% or \$6.48 M from the prior year.

Transfers to other funds include \$1.5 M to fund capital projects.

# GENERAL FUND



**TOTAL FUND BALANCE FOR FY2019 WAS \$20.19 M.**

**THE COUNTY STRIVES TO MAINTAIN AN UNASSIGNED FUND BALANCE FOR UNANTICIPATED EMERGENCIES OF 12.5% OF TOTAL EXPENDITURE AND OTHER FINANCING SOURCES.**

**THIS INCLUDES \$ 13.46 M IN UNRESTRICTED, \$5.13 M IN RESTRICTED, \$1.26 M IN ASSIGNED, \$336 K IN NONSPENDABLE FUNDS.**

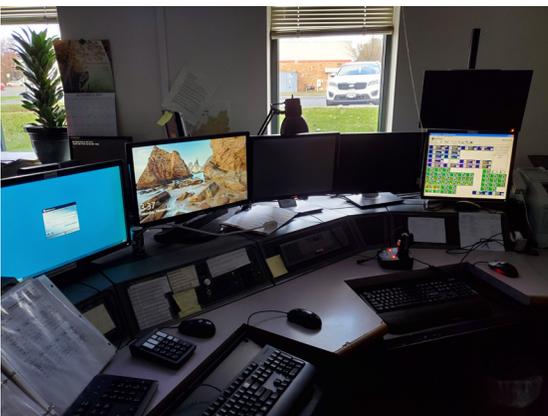
# MAJOR INITIATIVES



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, 2019, construction was 30% complete. The projected completion date of this project is June 30, 2020.



In fiscal year 2019, funds were secured for the radio system replacement and implementation. The project includes the need to upgrade, replace existing towers, and/or add new towers throughout the county. During fiscal year 2019, no construction work had been performed on any of the tower sites, however test boring for rock and road improvements were completed at the Deer Head Road site. As of June 30, 2019, approximately 15% of the project was complete and it is anticipated the project will be complete by October 2020.



Additionally, during fiscal year 2019, the 911 Center CAD software upgrade was completed. The upgrade included a new mapping system that works with county GIS data to provide visual location information of active calls, events, and cellular callers. The system interfaces with the mobile and field reporting software installed in the police cruisers with the Sheriff's Department, Woodstock Police, New Market Police and Mount Jackson Police Departments. It also provides incident information to all Fire and Rescue agencies within Shenandoah County. The 911 Center went live with the upgrade in October 2018.

# YEAR IN REVIEW

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Nearly 1.3 miles of a previously graveled path at the Maurertown Park was paved to allow the citizens of the County a safe place to walk, jog or run while continuing to enjoy the parks beautiful landscape and foilage.



Shenandoah County's Economic Development department launched manufacturing round table conversations, a joint effort between county staff, local manufacturers and workforce development partners, to find opportunities to support local businesses. These discussions led to adult workforce development classes through Lord Fairfax Community College offered locally at Triplett Tech in the evenings when the school wasn't being utilized for students.



The KidzRec program, a division of the county's Parks and Recreation department, celebrated the completion of a summer initiative to provide out-of-school nutritional and physical education programs. The summer program was funded by a \$25,000 grant through the National Parks and Recreation Association.



An Economic Development Strategic Plan, representing a collaborative effort between the County, Towns, local residents, and private industries to work together on a broader vision for the county as it relates to Economic Development, was adopted. A grant from the Agriculture & Forestry Industry Development was received to help make the Strategic Plan development a success. This will be an ongoing project and has endless possibilities for the County.



The Shenandoah County Animal Shelter completed a small addition for a dog run. This dog run is designed for stray dogs who are awaiting possible reclaim by owners or to enter the shelter with the general population of dogs awaiting adoption. This addition was funded by a private donation.





Shenandoah County  
Virginia  
1772