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COUNTY  
OF  
SHENANDOAH, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED  
JUNE 30, 2025

**COUNTY OF SHENANDOAH, VIRGINIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2025**

Prepared by

Amy Dill, Finance Director

Shenandoah County, Virginia

**COUNTY OF SHENANDOAH, VIRGINIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025**

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## **INTRODUCTORY SECTION**

District 1: Josh Stephens  
District 2: Steve Baker  
District 3: David Ferguson  
District 4: Karl Roulston  
District 5: Dennis Morris  
District 6: Tim Taylor



ADMINISTRATION  
Evan L. Vass, County Administrator  
Mandy R. Belyea, Deputy County Administrator

December 22, 2025

**To the Honorable Chairman, Members of the Board of Supervisors, and Citizens of the County of Shenandoah, Virginia:**

We are pleased to present the Annual Comprehensive Financial Report for the County of Shenandoah (County) for the fiscal year ended 2025. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of operations of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's activities have been included.

The accounting firm Robinson, Farmer, Cox Associates, Certified Public Accountants, has audited the County's financial statements. The goal of the independent audit is to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and evaluating the overall financial statement presentation. This examination was conducted using guidelines set forth by Government Auditing Standards Board and the Specification for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts. Based upon this audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The financial reporting entity (*the County*) includes all funds of the primary government (*i.e., the County of Shenandoah as legally defined*), as well as all its component units. The County provides a full range of services including police and fire protection, sanitation services, recreational activities, cultural events, and welfare services.

Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The discretely presented component units included in this report are the Shenandoah County School Board and the Shenandoah County Library. Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to

complement the MD&A and should be read in conjunction with it. The County of Shenandoah's MD&A can be found immediately following the report of the independent auditors.

## □ **The Reporting Entity and Economic Outlook** □

The County of Shenandoah was formed in 1772 from Frederick County and was originally named Dunmore County in honor of Governor Dunmore. In 1778, the name was changed to Shenandoah after the Shenandoah River, an Indian name meaning "Daughter of the Stars."

Situated in the scenic northern Shenandoah Valley of Virginia, the County is 34 miles long and an average of 16 miles wide and contains a land area of 512 square miles. Within the boundaries of the County of Shenandoah are the incorporated towns of Edinburg, Mt. Jackson, New Market, Strasburg, Toms Brook and Woodstock. The County is a political subdivision of the Commonwealth of Virginia administered by a six-member board elected by magisterial district for four-year staggered terms. The Board of Supervisors elects one of its own to serve as Chairman and appoints a County Administrator to oversee the general administration of the County.

Although it is a rural county, the County's 2025 estimated population was 45,228. Shenandoah County enjoys a diversified economy, with manufacturing accounting for approximately 21.2% of the jobs in the County, retail accounting for 12.7% and health care accounting for roughly 11.3%. Again, agriculture accounts for less than 1% of the employment in the County since most farmers are self-employed, and many have jobs off the farm to supplement their incomes. The County's unemployment is lower at 3.6 percent than the State average of 3.8 percent, and from June 2024 to June 2025, Shenandoah County saw its unemployment rate increase from 3.0 percent to 3.8 percent.

Shenandoah County saw a lot of Economic Development activity in Fiscal Year 2025. In February 2025, the Governor announced the opening of a new manufacturing facility, Serioplast, investing \$25,725,000 into a 140,000 square foot existing building in Mount Jackson and creating 45 new jobs.

In May 2025, the Economic Development Authority of Shenandoah County sold a 9-acre parcel in conjunction with a private land sale of an additional 77 acres of land to Tackanock Tallmadge, LLC for predevelopment of a potential data center in the Northern Shenandoah Business Park in Strasburg.

The County also saw the continuation of the Wholesome Foods project which received an Agriculture & Forestry Industries Development (AFID) Grant through the Virginia Department of Agriculture & Consumer Services (VDACS) in the amount of \$40,000 for a \$1,195,000 expansion resulting in the creation of 12 new jobs. Shenandoah County matched this grant with an additional \$40,000 of local funds to be paid out as the company meets certain benchmarks in investment. This project is expected to be completed in spring of 2026.

In addition, the County also announced the expansion of Crazy Fox Coffee Roasters in New Market with over \$100,000 in capital investment in new equipment with help from an AFID Infrastructure Grant through VDACS.

## □ Major Initiatives and Goals □

The mission statement of the County of Shenandoah is as follows:

*The government of Shenandoah County is to promote an organizational environment that emphasizes the efficient delivery of high-quality services to the public, assist the Board of Supervisors in carrying out its strategic objectives, and effectively communicate information about County operations and services to citizens, the Board of Supervisors, the public, the employees, and the media.*

During fiscal year 2025, Shenandoah County continued its contract with a vendor to perform Enterprise Resource Planning (ERP) consulting services associated with the assessment, evaluation, procurement, selection, acquisition, and implementation of a comprehensive ERP software solution or solution(s). Following a comprehensive, enterprise-wide evaluation of the County's needs, the vendor assisted in determining an appropriate scope and strategy to replace the County's current software systems environment with a new ERP system, or combination of related software. The goal was met to embark on a comprehensive assessment of the current systems and processes to implement both modern, integrated technological solutions and adopt business process improvements and best practices to support the provision of quality government solutions. This project continued into fiscal year 2026 and will likely continue for multiple fiscal years.

In November of 2024, the County issued a 5-yr lease revenue bonds in the amount of \$4.79 million to fund approximately \$3.3 million of capital improvement projects identified as "urgent" and "necessary" for the Shenandoah County Public Schools. These projects included security, HVAC, roofing, athletics, physical education, and miscellaneous projects and the purchase of vehicles and equipment. Given the nature of some of the projects and the need to complete them while students were not in school, some of the projects continued into the succeeding fiscal year. Additionally, approximately \$1.7 million of this debt financing was authorized for the County's general government capital projects, primarily consisting of the purchase of vehicles and equipment, which also continued into succeeding fiscal years due to continued supply chain issues or delays with associated grant funding approvals. The County also issued a 20-yr revenue bond in the amount of \$7.96 million to fund infrastructure and site improvements at the County Landfill facility. This project continued into the succeeding fiscal year due to the overall scope impacting the project duration.

During fiscal year 2025 the County utilized some of its American Rescue Plan Act (ARPA) funds received in fiscal years 2021 and 2022 that were appropriated in fiscal years 2023 and 2024. This included a multi-year project associated with expanding broadband internet infrastructure through a partnership with the Commonwealth of Virginia and Shentel. This project was not complete as of the close of fiscal year 2025 and carried forward into the succeeding fiscal year, at which time the project will be completed.

## □ Financial Information □

The management of the County of Shenandoah is responsible for establishing and maintaining internal controls to ensure the protection of the County assets. In developing and evaluating the County of Shenandoah's accounting system, consideration is given to the adequacy of internal

accounting controls. 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 that: (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 judgments by management.

### **Single Audit**

As a recipient of federal and state financial assistance, the County also is responsible for ensuring that adequate internal controls are in place to make certain the County operates in compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management.

As a part of the County's single audit, described earlier, tests are made to determine the adequacy of the system of internal control, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 2025, provided no instances of material weaknesses in the system of internal control and no violations of applicable laws and regulations.

### **Budgeting Controls**

In addition to internal accounting controls, the County also maintains budgetary controls to ensure compliance with the annual appropriated budget approved by the County Board of Supervisors. All funds are appropriated on an annual basis. The County adopts a budget for all governmental funds including the General, County Debt Service, and County Capital Projects funds. Budgetary control is maintained at the function level and any unspent capital and unspent grant appropriations, at the fiscal year end, may be re-appropriated as part of the following year's revised budget.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

### **Relevant financial policies**

The County of Shenandoah, Virginia has adopted a comprehensive set of financial policies. The County utilizes a five-year capital improvement plan for the Primary Government and its related components with respect to long-term financial planning. Potential funding requirements on the horizon for capital spending and associated operating costs are identified using this tool. The annual budget process includes consideration for future levels of revenues and expenditures and assists in the projection of fund balance levels for the current budget year and outgoing years as well.

The development of the annual budget and consideration of ongoing operations are significantly impacted by the County's financial policies. The County has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to appropriations and transfers to other funds). The County's legal level of budgetary control is monitored at the departmental level. A Fund Balance Policy is utilized to assist in determining

the ability to adequately cover proposed budgeted expenditures as well as identifying proper levels of unassigned fund balance. This policy is strategically used as part of the annual budget process and is used to assist in budgeted expenditures given certain levels of projected revenues.

Anticipated fiscal year 2025 revenues were less than appropriations and transfers to other funds by \$5,011,301. In such cases, the policy allows for appropriation of fund balance to close the gap. However, there was an increase in the fund balance of \$12,665,059 for the year due to:

- unanticipated increases in personal property tax collections due to inflationary impacts on vehicles values and an increased tax rate
- increased real property tax collections due to an increased tax rate, as well as new construction and renovations impacting property values completed during the fiscal year
- decreased expenditures associated with the Children's Services Act (CSA)
- increased revenues from the use of money due to improving interest rates and interest earned on unspent bonds
- capital project expenditures that were not completed by June 30, 2025

□ **Other Information** □

### **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The accounting firm of Robinson, Farmer, Cox Associates, CPA's, was selected by the County. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The auditors' report on the basic financial statements and combining individual fund statements and schedules is included in the Financial Section of this report. The auditors' report related specifically to the single audit is included in the Compliance Section.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Shenandoah, Virginia for its comprehensive annual financial report for the fiscal year ended June 30, 2025. The County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

The preparation of this annual financial report could not have been accomplished without the

dedicated efforts of Evan Vass, County Administrator; Mandy Belyea, Deputy County Administrator; Cindy George, Treasurer; members of the Finance staff; and the School Board and members of their staff. We would like to express our appreciation to all members of those departments who assisted and contributed to the preparation of this report.

Moreover, without the leadership and support of the Board of Supervisors, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in cursive script that reads "Amy R. Dill".

Amy R. Dill  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

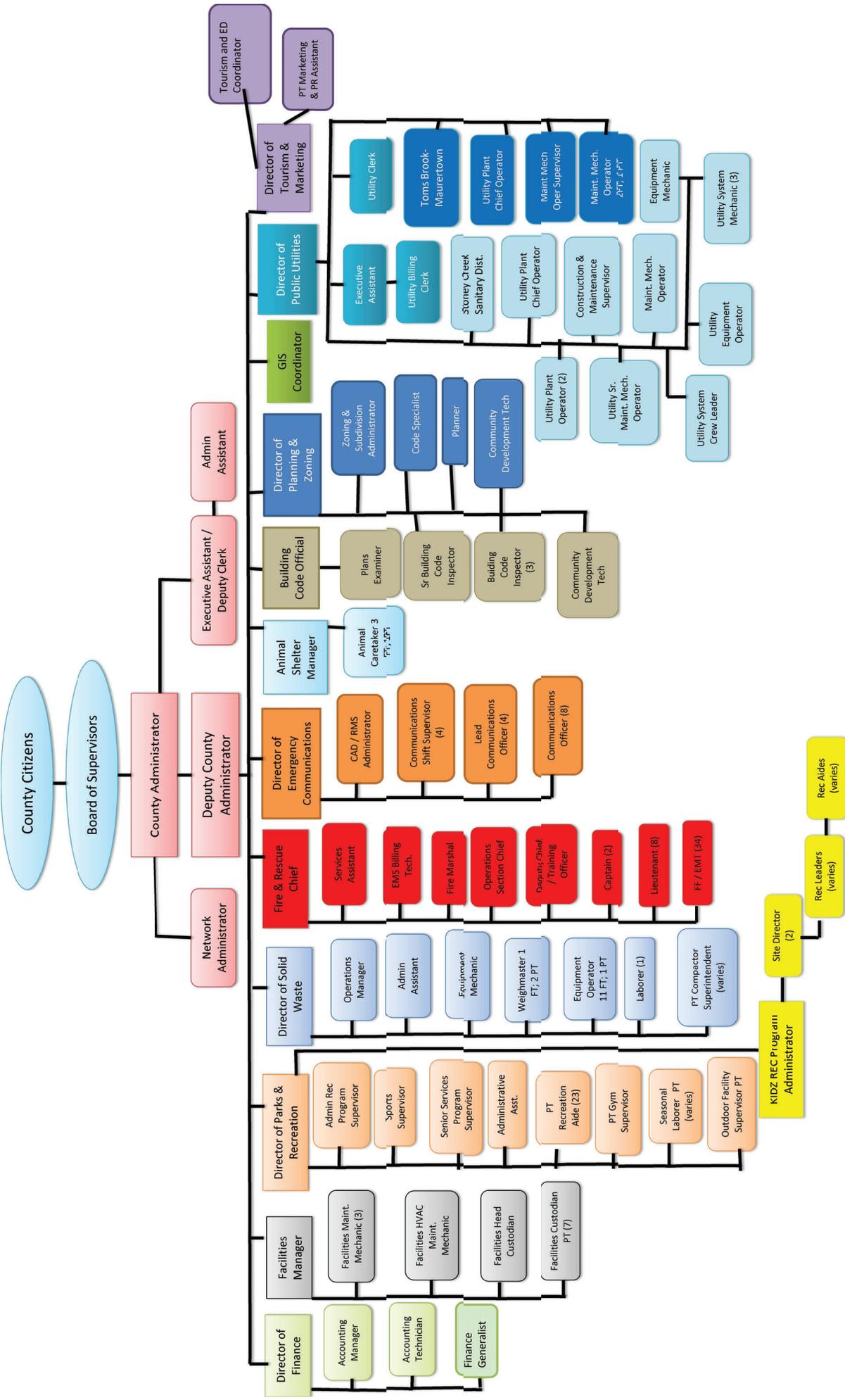
**County of Shenandoah  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



# COUNTY OF SHENANDOAH, VIRGINIA

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## BOARD OF SUPERVISORS

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Josh Stephens, Chairman, District 1  
Dennis Morris, Vice-Chairman District 5

Steven A. Baker, District 2  
Karl Roulston, District 4

David E. Ferguson, District 3  
Timothy F. Taylor, District 6

## COUNTY SCHOOL BOARD

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Dennis Barlow, Chairman, District 1  
Kyle Gutshall, Vice-Chairman, District 4

Thomas A. B. Streett, District 2  
Gloria E. Carlineo, District 3

Larry E. Vance, District 5  
Michael D. Rickard, District 6

## OTHER OFFICIALS

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Judge of the Circuit Court.....	Kevin Black
Judge of the General District Court.....	Amy Tisinger
Judge of the Juvenile & Domestic Court.....	Kimberly M. Athey
Clerk of the General District Court.....	William Nicholson
Clerk of the Juvenile & Domestic Court.....	Nikki Taylor
Clerk of the Circuit Court.....	Karla Ortt
Commonwealth's Attorney.....	Elizabeth Cooper
Commissioner of the Revenue.....	Melissa Hockman
Treasurer.....	Cindy George
Sheriff.....	Timothy Carter
Superintendent of Schools.....	Melody Sheppard
Director of Public Utilities.....	Samuel Dinges
Director of Social Services.....	Beth Delullo
General Registrar.....	Lisa McDonald
County Administrator.....	Evan L. Vass
Deputy County Administrator.....	Mandy Belyea
County Attorney.....	Jason Ham
Finance Director.....	Amy Dill
Director of Community Development.....	Lemuel Hancock
Director of Parks and Recreation.....	Jered Hoover
Chief of Fire and Rescue.....	Tim Williams
Director of Emergency Communications Center.....	Rhonda Weaver
Director of Solid Waste.....	Andrew Hounshell
Director of Human Resources.....	Jennifer Mongold
Facilities Manager.....	Samuel Dellinger
Library Director.....	Sandy Whitesides

## **FINANCIAL SECTION**



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**INDEPENDENT AUDITORS' REPORT**

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**TO THE HONORABLE MEMBERS  
OF THE BOARD OF SUPERVISORS  
COUNTY OF SHENANDOAH, VIRGINIA**

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Shenandoah, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Shenandoah, Virginia, as of and for the year ended June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Shenandoah, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Change in Accounting Principles***

As described in Note 23 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

***Restatement of Beginning Balances***

As described in Note 23 to the financial statements, in 2025, the County restated beginning balances to implement GASB Statement No. 101. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Shenandoah, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County of Shenandoah, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Shenandoah, Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Shenandoah, Virginia's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of County of Shenandoah, Virginia'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 County of Shenandoah, Virginia'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 County of Shenandoah, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
December 22, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Shenandoah, 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, 2025. The MD&A also includes a comparative analysis for the fiscal year ended June 30, 2024.

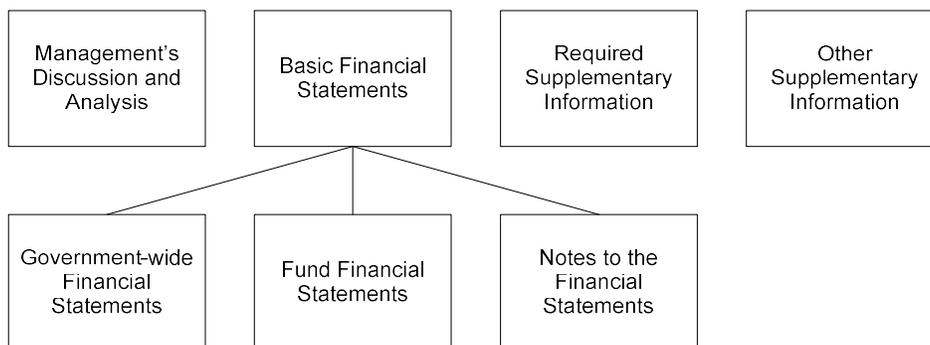
### **Financial Highlights**

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$94,516,270 (net position). Of this amount, \$55,139,386 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$72,738,441 an increase of \$12,954,599 in comparison with the prior year. Approximately \$44,163,870 or 60.7 percent of the total fund balance is unassigned and available for spending at the County's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund of \$44,163,870 represents 26.9 percent of total operating expenditures, including total school expenditures, less transfers.
- The County's total long-term obligations increased by \$12,418,422 during the current fiscal year, due to increases in general obligation/revenue bond balances, lease liabilities, and net pension liabilities.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report contains required supplementary information and other supplementary information.

#### **Components of the Financial Report**



**Government-wide financial statements** - The government-wide financial statements provide financial statement users with a general overview of the County's finances. The statements provide both long-term and short-term information about the County's financial status. Two financial statements are used to present this information: 1) the statement of net position, and 2) the statement of activities. These statements are reported using the economic resources measurement focus and the accrual basis of accounting, which is similar to the accounting used by private-sector companies.

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 between them 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 deteriorating. Other non-financial factors also need to be considered to determine the overall financial position of the County.

The statement of activities presents information showing how the County'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 the 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, judicial administration, public safety, public works, health and welfare, parks and recreation, cultural, and community development. Business-type activities of the County include the Toms Brook-Maurertown Sanitary District, the Stoney Creek Sanitary District, North Fork Wastewater Treatment Plant fund, and the Landfill fund.

The government-wide financial statements include not only the County of Shenandoah, Virginia (known as the primary government), but also a legally separate school district and a legally separate library for which the County of Shenandoah, Virginia is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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 of Shenandoah, Virginia, like other 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 expendable resources, as well as on balance of expendable 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 County's near-term financing decisions. Both the governmental fund balance sheet and the governmental 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 eight 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, the debt service fund, and the capital projects fund, both of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds - The County maintains one type of proprietary fund. Enterprise funds are used to report on the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Toms Brook-Maurertown Sanitary District, Stoney Creek Sanitary District, North Fork Wastewater Treatment Plant, and the Landfill. 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 Toms Brook-Maurertown Sanitary District, Stoney Creek Sanitary District, North Fork Wastewater, and the Landfill, all of which are considered to be major funds of the County.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

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.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in the connection with non-major governmental funds are also presented as required supplementary information.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$94,516,270 at the close of the end of the fiscal year. The County's net position is divided into three categories: (1) net investment in capital assets; (2) restricted; and (3) unrestricted.

Shenandoah County's net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding, represents 39.7 percent of total net position. The County uses these capital assets to provide services to citizens; therefore, these assets are not 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 cannot be used to liquidate these liabilities.

## Summary Statement of Net Position

### Summary Statement of Net Position County of Shenandoah, Virginia's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 126,787,096	\$ 111,558,071	\$ 12,599,244	\$ 3,769,545	\$ 139,386,340	\$ 115,327,616
Capital assets	58,975,887	63,630,883	13,766,969	13,826,504	72,742,856	77,457,387
Total assets	\$ 185,762,983	175,188,954	\$ 26,366,213	\$ 17,596,049	212,129,196	\$ 192,785,003
Total deferred outflows of resources	\$ 5,660,361	\$ 3,152,919	\$ 642,661	\$ 373,636	\$ 6,303,022	\$ 3,526,555
Current liabilities	\$ 8,189,149	\$ 6,969,217	\$ 341,356	\$ 416,169	\$ 8,530,505	\$ 7,385,386
Long-term liabilities	44,982,699	41,707,085	27,637,130	18,494,014	72,619,829	60,201,099
Total liabilities	\$ 53,171,848	48,676,302	27,978,486	\$ 18,910,183	81,150,334	\$ 67,586,485
Total deferred inflows of resources	\$ 42,084,388	\$ 41,063,488	\$ 681,226	\$ 593,241	\$ 42,765,614	\$ 41,656,729
Net position:						
Net investment in capital assets	\$ 25,932,690	\$ 29,490,555	\$ 11,603,083	\$ 11,121,189	\$ 37,535,773	\$ 40,611,744
Restricted	1,839,950	1,829,281	1,161	-	1,841,111	1,829,281
Capital projects	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Asset forfeiture	1,073,489	1,073,489	-	-	1,073,489	1,073,489
Pension	-	-	-	-	-	-
OPEB	10,669	-	1,161	-	11,830	-
Economic Development	-	-	-	-	-	-
Opioid Settlement	755,792	755,792	-	-	755,792	755,792
Unrestricted	68,394,468	57,282,247	(13,255,082)	(12,654,928)	55,139,386	44,627,319
Total net position	\$ 96,167,108	88,602,083	(1,650,838)	\$ (1,533,739)	94,516,270	\$ 87,068,344

At the end of the current fiscal year, the County is able to report positive balances in all categories of net position, except for business-type unrestricted net position, both for the County as a whole and for its separate governmental and business-type activities.

**County of Shenandoah, Virginia's Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 4,724,552	\$ 4,338,174	\$ 3,978,223	\$ 3,854,066	\$ 8,702,775	\$ 8,192,240
Operating grants and contributions	11,598,066	11,172,133	(14,229)	-	11,583,837	11,172,133
Capital grants and contributions	9,355,350	7,258,000	387,500	296,000	9,742,850	7,554,000
General revenues:						
Property taxes	69,122,223	65,953,134	591,330	583,231	69,713,553	66,536,365
Other local taxes	9,898,812	9,173,476	-	-	9,898,812	9,173,476
Other	9,114,401	13,064,987	345,037	107,081	9,459,438	13,172,068
Total revenues	\$ 113,813,404	\$ 110,959,904	\$ 5,287,861	\$ 4,840,378	\$ 119,101,265	\$ 115,800,282
Expenses:						
General						
government administration	\$ 5,438,810	\$ 4,575,350	\$ -	\$ -	\$ 5,438,810	\$ 4,575,350
Judicial						
administration	3,477,682	3,292,390	-	-	3,477,682	3,292,390
Public safety	31,433,648	27,531,451	-	-	31,433,648	27,531,451
Public works	1,928,760	1,734,246	-	-	1,928,760	1,734,246
Health and welfare	11,605,940	10,477,640	-	-	11,605,940	10,477,640
Education	32,319,201	29,429,220	-	-	32,319,201	29,429,220
Parks, recreation and culture	3,709,374	3,578,986	-	-	3,709,374	3,578,986
Community development	10,830,219	10,186,465	-	-	10,830,219	10,186,465
Interest	1,509,976	1,551,899	-	-	1,509,976	1,551,899
Business-type activities	-	-	8,226,149	7,360,095	8,226,149	7,360,095
Total expenses	\$ 102,253,610	\$ 92,357,647	\$ 8,226,149	\$ 7,360,095	\$ 110,479,759	\$ 99,717,742
Increase (decrease) in net position before transfers	\$ 11,559,794	\$ 18,602,257	\$ (2,938,288)	\$ (2,519,717)	\$ 8,621,506	\$ 16,082,540
Transfers	(2,917,000)	(1,991,199)	2,917,000	1,991,199	-	-
Increase (decrease) in net position	\$ 8,642,794	\$ 16,611,058	\$ (21,288)	\$ (528,518)	\$ 8,621,506	\$ 16,082,540
Net position beginning, as previously reported	88,602,083	71,991,025	(1,533,739)	(1,005,221)	87,068,344	70,985,804
Implementation of GASB 101	(1,077,769)		(95,811)		(1,173,580)	
Net position (deficit) - beginning, as restated	87,524,314		(1,629,550)		85,894,764	
Net position ending	\$ 96,167,108	\$ 88,602,083	\$ (1,650,838)	\$ (1,533,739)	\$ 94,516,270	\$ 87,068,344

Governmental activities – Governmental activities increased the County’s net position by \$8,642,794.

Key elements of this increase are as follows:

- General property taxes increased \$3,169,089 in fiscal year 2025 compared to fiscal year 2024. The increase is attributed to an increase in the real and personal property tax rates effective in fiscal year 2025.
- Revenues from capital grants and contributions increased \$2,097,350 in fiscal year 2025 compared to fiscal year 2024 due to the continued recognition of American Rescue Plan Act funds as projects were completed.
- Expenditures increased in fiscal year 2025 compared to fiscal year 2024 by \$9,895,963. This increase was associated with multiple functional areas. General government administration

expenses were greater than the prior year largely due to the reassessment of real property, which occurs every four years and is a major expense. Public safety expenditures rose primarily due to the addition of new positions in both the Emergency Communications Center and the Sheriff's Department. A significant increase in education expenses was largely attributable to the Local Composite Index (LCI) or the locality's ability to pay for education, as calculated by the state, which increased from .3852 to .4248 based upon the locality's true value of real property, adjusted gross income, and taxable retail sales. Additionally, the expenditure of American Rescue Plan Act funds associated with a major broadband project were recognized. This large-scale, multi-year project to bring broadband service to 6,586 unserved homes and businesses within the County continued in fiscal year 2025 and will conclude in fiscal year 2026.

**Business-type activities** – Business-type activities decreased the Shenandoah County Government's net position by \$21,288. When comparing fiscal years 2024 and 2025 in Exhibit 8, treatment and purification expenditures for the Stoney Creek Sanitary District increased while operating revenues for water and sewer sales saw an increase associated with rate increases. The Toms Brook Maurertown Sanitary District saw an increase in treatment and purification and administration expenditures while operating revenues saw a slight increase in FY 2025 associated with rate increases for both water and sewer sales.

Two other enterprise funds are included in the business-type activities. First is the North Fork Wastewater Treatment Plant and the second is the Landfill Enterprise Fund. In fiscal year 2025, the North Fork Wastewater Treatment Plant fund experienced a slight increase in septage income of \$35,169 associated with an increase in septic hauler fees and the sludge disposal rate. The Landfill Enterprise Fund was created in fiscal year 2012 in response to the leachate line project. The creation of this fund required significant changes to the financial statements as assets moved from the General Fund to the Landfill Fund. The landfill continues to have a negative impact on the business-type activities and for fiscal year 2025 the impact was \$9,777,271; however, the General Fund assets benefit from this transfer.

### **Financial Analysis of the County'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 County'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 \$72,738,441 an increase of \$12,954,599 in comparison with the prior fiscal year. Approximately 60.7% of the total fund balance or \$44,163,870 constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is assigned to indicate what is not available to finance operations as it has been designated by the Board of Supervisors for future capital projects.

The General Fund is the operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$44,163,870, while the total general fund balance was \$63,766,462. The General Fund's fund balance increased \$12,665,059 during the current fiscal year. 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 26.9 percent of total general fund expenditures, including total school expenditures, less transfers. Total general fund balance represents 65.4 percent of total general fund expenditures.

In addition to the General Fund's fund balance, it is equally important to recognize fluctuations in the fund balances of the Debt Service Fund and Capital Projects Fund.

The Debt Service Fund's fund balance increased slightly when comparing fiscal year 2025 to fiscal year 2024, with a \$186,227 increase. The assigned fund balance of the General Fund for capital projects saw an increase of \$2,524,907 or 31%, due to unspent bond proceeds associated with the new recurring debt financing plan for County and School capital projects, which are held for requisition as projects are completed.

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

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget for expenditures was a \$18,258,331 increase in appropriations and can be briefly summarized as follows:

- \$7,334,805 in grant and capital project carry forwards from fiscal year 2024.
- \$3,491,224 in education expenses related to special budget carryforwards and deferred revenue from fiscal year 2024
- \$8,479,575 in quarterly reappropriations throughout the year related to unanticipated revenues.

Fiscal year 2025 actual revenues were approximately \$4,992,659 more than the fiscal year 2025 final budgeted revenues. Fiscal year 2025 actual expenditures were approximately \$19,756,937 less than the fiscal year 2025 final budgeted expenditures. Reasons for these variances are briefly summarized as follows:

- General property taxes were \$6,764,542 more than the final budget revenues. This is partially attributed to personal property tax collections that were higher than anticipated as a result of greater than anticipated increases in personal property valuations. Additionally, real property taxes were \$1,558,946 more than the final budgeted revenues due to new construction and renovations completed during the fiscal year.
- Revenue from the use of money increased \$2,067,103 due to improving interest rates and interest earned on unspent bond proceeds and ARPA funds affecting interest earned on bank and holding accounts.
- Intergovernmental revenues from noncategorical aid were \$2,398,887 more than the budgeted revenues due to American Rescue Plan Act (ARPA) funds received through a Virginia Telecommunications Initiative (VATI) Grant from the Department of Housing and Community Development to match ARPA State and Local Fiscal Recovery Funds (SLFRF) previously allocated to a major broadband project throughout the county.
- Children's Services Act (CSA) actual expenditures were \$1,691,088 less than budgeted expenditures due to decreased need and spending in fiscal year 2025. This budget is difficult to project, as children's needs within the community fluctuate on a consistent basis. Factors such as children with eligible needs moving into or out of the community directly impact these expenditures.
- Welfare administration actual expenditures were \$752,294 less than budgeted expenditures due largely in part to vacancy savings associated with salaries and benefits.
- Education expenditures were \$11,022,111 less than the budgeted expenditures as a result of less transfers to the County School Board throughout the fiscal year partially due to approved capital improvement projects for Shenandoah County Public Schools that remained in progress as of June 30, 2025, and vacancy savings associated with salaries and benefits.

## **Capital Asset and Debt Administration**

**Capital assets** - The County's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$58,975,887 (net of accumulated depreciation) or a decrease of \$4,654,996 compared to June 30, 2024. This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total change in the County's investment in capital assets for the current fiscal year over the prior year saw a significant decrease associated with increased accumulated depreciation.

### **County of Shenandoah, Virginia's Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 7,998,174	\$ 7,998,174	\$ 503,500	\$ 503,500	\$ 8,501,674	\$ 8,501,674
Building and improvements	43,052,068	42,850,629	11,074,246	11,040,940	54,126,314	53,891,569
Utility plant in service	-	-	15,311,933	15,268,583	15,311,933	15,268,583
Equipment	39,020,058	37,246,449	13,108,709	12,917,895	52,128,767	50,164,344
Construction in progress	-	1,464,032	421,592	13,005	421,592	1,477,037
Subtotal	\$ 90,070,300	\$ 89,559,284	\$ 40,419,980	\$ 39,743,923	\$ 130,490,280	\$ 129,303,207
Accumulated depreciation	(31,221,613)	(26,124,716)	(26,653,011)	(25,917,419)	(57,874,624)	(52,042,135)
Subtotal	58,848,687	63,434,568	13,766,969	13,826,504	72,615,656	77,261,072
Lease asset equipment	202,283	252,424	-	-	202,283	252,424
Subtotal	202,283	252,424	-	-	202,283	252,424
Accumulated amortization	(113,798)	(161,816)	-	-	(113,798)	(161,816)
Subtotal	88,485	90,608	-	-	88,485	90,608
Intangible asset subscriptions	205,496	205,496	-	-	205,496	205,496
Subtotal	205,496	205,496	-	-	205,496	205,496
Accumulated amortization	(166,781)	(99,789)	-	-	(166,781)	(99,789)
Subtotal	38,715	105,707	-	-	38,715	105,707
Net capital assets	\$ 58,975,887	\$ 63,630,883	\$ 13,766,969	\$ 13,826,504	\$ 72,742,856	\$ 77,457,387

Additional information on the County's capital assets can be found in Note 7.

**Long-term debt** - At the end of the current fiscal year, the County had total bonded debt outstanding of \$41,986,343. The bonded debt outstanding comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's long-term bonded debt increased by \$9,417,770.

Additional information on the County of Shenandoah, Virginia's long-term debt can be found in Note 10 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

- The 2025 unemployment rate for the County was 3.8 percent, which is an increase from a rate of 2.7 percent in 2024. The County's rate is lower than the state average of 3.9 percent and lower than the national average rate of 4.4 percent.
- A Fire & Ems Assessment and Service Plan provided by a consultant in fiscal year 2025 outlined the County's growing future needs for apparatus and infrastructure (physical and human) for the combined system.
- A long-term financial planning concept was adopted in the fiscal year 2025 budget to begin a five-year capital debt financing plan. This plan is estimated to finance approximately \$5 million each fiscal year to fund both County and School capital needs. This debt financing is an annually recurring plan to ensure capital needs are met ongoing and will require a gradual tax rate increase over the next five fiscal years to meet debt service needs.

All of these factors were considered in preparing the County's budget for fiscal year 2026.

## **Requests for Information**

This financial report is designed to provide a general overview of the finances of the County of Shenandoah, Virginia. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Shenandoah Department of Finance, 600 N. Main Street; Suite 108, Woodstock, Virginia 22664.

## **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

COUNTY OF SHENANDOAH, VIRGINIA  
Statement of Net Position  
June 30, 2025

Exhibit 1

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	School Board	Library	Economic Development Authority
<b>ASSETS</b>						
Cash and cash equivalents	\$ 71,654,229	\$ 2,835,198	\$ 74,489,427	55,555		
Cash in custody of others	8,358	-	8,358	6,685,891	\$ 395,335	\$ 2,068,412
Restricted cash	3,320,004	8,770,442	12,090,446	-	-	336,595
Receivables (net of allowance for uncollectibles):						
Taxes receivable	36,321,697	396,290	36,717,987	-	-	-
Accounts receivable	2,624,252	521,119	3,145,371	157,338	350	-
Other	1,015,342	-	1,015,342	-	-	-
Notes receivable	-	-	-	-	-	100,000
Lease receivable	5,108,109	-	5,108,109	-	-	-
Due from component unit	2,048,263	-	2,048,263	-	-	-
Due from other governmental units	4,145,837	-	4,145,837	2,454,703	31,146	-
Inventories	-	-	-	28,130	-	363,942
Prepaid items	530,336	75,034	605,370	381,024	30,706	-
Net pension asset	-	-	-	379,831	-	-
Net OPEB asset	10,669	1,161	11,830	-	-	-
Capital assets (net of accumulated depreciation):						
depreciation):						
Land	7,998,174	503,500	8,501,674	5,707,246	-	-
Buildings and improvements	30,357,208	4,919,117	35,276,325	42,966,162	125,209	-
Wells, lines, reservoirs	-	4,422,373	4,422,373	-	-	-
Machinery and equipment	20,493,305	3,500,387	23,993,692	6,987,768	122,162	-
Construction in progress	-	421,592	421,592	3,090,207	668,279	-
Lease assets:						
Machinery and equipment	88,485	-	88,485	718,121	4,067	-
Intangible assets:						
Subscription asset	38,715	-	38,715	137,077	-	-
Total assets	\$ 185,762,983	\$ 26,366,213	\$ 212,129,196	\$ 69,693,498	\$ 1,377,254	\$ 2,868,949
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related items	\$ 4,842,474	\$ 563,809	\$ 5,406,283	\$ 14,020,339	\$ -	\$ -
OPEB related items	817,887	78,852	896,739	2,688,791	-	-
Total deferred outflows of resources	\$ 5,660,361	\$ 642,661	\$ 6,303,022	\$ 16,709,130	\$ -	\$ -
<b>LIABILITIES</b>						
Accounts payable	\$ 6,350,404	\$ 214,454	\$ 6,564,858	\$ 4,145,301	\$ 20,762	\$ -
Accrued interest payable	368,253	106,327	474,580	683	-	-
Due to primary government	-	-	-	2,002,888	-	45,375
Unearned revenue	1,470,492	-	1,470,492	1,045,521	-	-
Deposits payable-restricted assets	-	20,575	20,575	-	-	-
Long-term liabilities:						
Due within one year	6,347,876	694,244	7,042,120	50,621,508	2,873	-
Due in more than one year	38,634,823	26,942,886	65,577,709	-	1,203	168,112
Total liabilities	\$ 53,171,848	\$ 27,978,486	\$ 81,150,334	\$ 58,872,060	\$ 24,838	\$ 213,487
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenue-property taxes	\$ 33,789,416	\$ 294,570	\$ 34,083,986	\$ -	\$ -	\$ -
Deferred charge on refunding	76,762	-	76,762	-	-	-
Lease related	4,949,670	-	4,949,670	-	-	-
Pension related items	2,190,849	271,025	2,461,874	8,815,430	-	-
OPEB related items	1,077,691	115,631	1,193,322	5,564,762	-	-
Total deferred inflows of resources	\$ 42,084,388	\$ 681,226	\$ 42,765,614	\$ 14,380,192	\$ -	\$ -
<b>NET POSITION</b>						
Net investment in capital assets	\$ 25,932,690	\$ 11,603,083	\$ 37,535,773	\$ 58,739,623	\$ 915,641	\$ -
Restricted:						
Asset forfeiture	1,073,489	-	1,073,489	-	-	-
Economic development	-	-	-	-	-	336,595
Pension	-	-	-	379,831	-	-
OPEB	10,669	1,161	11,830	-	-	-
Opioid settlement	755,792	-	755,792	-	-	-
Unrestricted (deficit)	68,394,468	(13,255,082)	55,139,386	(45,969,078)	436,775	2,318,867
Total net position (deficit)	\$ 96,167,108	\$ (1,650,838)	\$ 94,516,270	\$ 13,150,376	\$ 1,352,416	\$ 2,655,462

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 5,438,810	\$ 410,736	\$ 567,766	\$ -
Judicial administration	3,477,682	176,824	1,164,111	-
Public safety	31,433,648	1,968,162	3,020,249	-
Public works	1,928,760	2,400	34,745	-
Health and welfare	11,605,940	-	6,424,954	-
Education	32,319,201	-	-	-
Parks, recreation, and cultural	3,709,374	1,493,543	147,382	-
Community development	10,830,219	672,887	238,859	9,355,350
Interest on long-term debt	1,509,976	-	-	-
Total governmental activities	<u>\$ 102,253,610</u>	<u>\$ 4,724,552</u>	<u>\$ 11,598,066</u>	<u>\$ 9,355,350</u>
Business-type activities:				
Stoney Creek Sanitary District	\$ 2,191,143	\$ 1,430,778	\$ -	\$ 350,000
Toms Brook Maurertown Sanitary District	1,085,918	833,268	-	37,500
North Fork Wastewater	168,669	195,328	-	-
Landfill	4,780,419	1,518,849	(14,229)	-
Total business-type activities	<u>\$ 8,226,149</u>	<u>\$ 3,978,223</u>	<u>\$ (14,229)</u>	<u>\$ 387,500</u>
Total primary government	<u>\$ 110,479,759</u>	<u>\$ 8,702,775</u>	<u>\$ 11,583,837</u>	<u>\$ 9,742,850</u>
<b>COMPONENT UNITS:</b>				
School Board	\$ 91,974,523	\$ 788,361	\$ 59,550,056	\$ 9,056
Library	1,392,409	21,107	414,280	-
Economic Development Authority	485,983	35,640	-	-
Total component units	<u>\$ 93,852,915</u>	<u>\$ 845,108</u>	<u>\$ 59,964,336</u>	<u>\$ 9,056</u>

General revenues:  
 General property taxes  
 Local sales tax  
 Consumer utility taxes  
 Motor vehicle licenses  
 Cigarette taxes  
 Tax on recordation and wills  
 Other local taxes  
 Unrestricted revenues from use of money  
 Miscellaneous  
 Grants and contributions not restricted to specific programs  
 Transfers  
 Total general revenues and transfers  
 Change in net position  
 Net position (deficit) - beginning, as previously reported  
 Implementation of GASB 101  
 Net position (deficit) - beginning, as restated  
 Net position (deficit)- ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	School Board	Library	Economic Development Authority
\$ (4,460,308)	\$ -	\$ (4,460,308)	\$ -	\$ -	\$ -
(2,136,747)	-	(2,136,747)	-	-	-
(26,445,237)	-	(26,445,237)	-	-	-
(1,891,615)	-	(1,891,615)	-	-	-
(5,180,986)	-	(5,180,986)	-	-	-
(32,319,201)	-	(32,319,201)	-	-	-
(2,068,449)	-	(2,068,449)	-	-	-
(563,123)	-	(563,123)	-	-	-
(1,509,976)	-	(1,509,976)	-	-	-
<u>\$ (76,575,642)</u>	<u>\$ -</u>	<u>\$ (76,575,642)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (410,365)	\$ (410,365)	\$ -	\$ -	\$ -
-	(215,150)	(215,150)	-	-	-
-	26,659	26,659	-	-	-
-	(3,275,799)	(3,275,799)	-	-	-
<u>\$ -</u>	<u>\$ (3,874,655)</u>	<u>\$ (3,874,655)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (76,575,642)</u>	<u>\$ (3,874,655)</u>	<u>\$ (80,450,297)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (31,627,050)	\$ -	\$ -
-	-	-	-	(957,022)	-
-	-	-	-	-	(450,343)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,627,050)</u>	<u>\$ (957,022)</u>	<u>\$ (450,343)</u>
\$ 69,122,223	\$ 591,330	\$ 69,713,553	\$ -	\$ -	\$ -
5,691,106	-	5,691,106	-	-	-
1,583,987	-	1,583,987	-	-	-
956,990	-	956,990	-	-	-
94,771	-	94,771	-	-	-
558,926	-	558,926	-	-	-
1,013,032	-	1,013,032	-	-	-
2,787,181	308,328	3,095,509	84,569	1,050,428	315,132
2,189,814	36,709	2,226,523	3,593,118	21,588	317,935
4,137,406	-	4,137,406	32,275,563	-	24,527
(2,917,000)	2,917,000	-	-	-	-
<u>\$ 85,218,436</u>	<u>\$ 3,853,367</u>	<u>\$ 89,071,803</u>	<u>\$ 35,953,250</u>	<u>\$ 1,072,016</u>	<u>\$ 657,594</u>
\$ 8,642,794	\$ (21,288)	\$ 8,621,506	\$ 4,326,200	\$ 114,994	\$ 207,251
88,602,083	(1,533,739)	87,068,344	9,641,899	1,237,422	2,448,211
(1,077,769)	(95,811)	(1,173,580)	(817,723)	-	-
<u>\$ 87,524,314</u>	<u>\$ (1,629,550)</u>	<u>\$ 85,894,764</u>	<u>\$ 8,824,176</u>	<u>\$ 1,237,422</u>	<u>\$ 2,448,211</u>
<u>\$ 96,167,108</u>	<u>\$ (1,650,838)</u>	<u>\$ 94,516,270</u>	<u>\$ 13,150,376</u>	<u>\$ 1,352,416</u>	<u>\$ 2,655,462</u>

## **FUND FINANCIAL STATEMENTS**

Balance Sheet  
Governmental Funds  
June 30, 2025

	Governmental Funds				
	General	Debt Service	County Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 62,684,088	\$ 186,149	\$ 8,118,246	\$ 665,746	\$ 71,654,229
Cash in custody of others	8,358	-	-	-	8,358
Receivables (net of allowance for uncollectibles):					
Taxes receivable	36,321,697	-	-	-	36,321,697
Accounts receivable	2,624,252	-	-	-	2,624,252
Other	1,015,342	-	-	-	1,015,342
Lease receivable	5,108,109	-	-	-	5,108,109
Due from component unit	2,048,263	-	-	-	2,048,263
Due from other governmental units	4,145,837	-	-	-	4,145,837
Prepaid items	530,336	-	-	-	530,336
Restricted assets:					
Cash and cash equivalents	3,318,166	1,838	-	-	3,320,004
Total assets	<u>\$ 117,804,448</u>	<u>\$ 187,987</u>	<u>\$ 8,118,246</u>	<u>\$ 665,746</u>	<u>\$ 126,776,427</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 6,350,404	\$ -	\$ -	\$ -	\$ 6,350,404
Unearned revenue	1,470,492	-	-	-	1,470,492
Total liabilities	<u>\$ 7,820,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,820,896</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	\$ 40,252,078	\$ -	\$ -	\$ -	\$ 40,252,078
Unavailable revenue-opioid settlement	1,015,342	-	-	-	1,015,342
Lease related	4,949,670	-	-	-	4,949,670
Total deferred inflows of resources	<u>\$ 46,217,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,217,090</u>
<b>FUND BALANCES</b>					
Nonspendable	\$ 530,336	\$ -	\$ -	\$ -	\$ 530,336
Restricted	4,795,394	1,838	-	-	4,797,232
Assigned	14,276,862	186,149	8,118,246	665,746	23,247,003
Unassigned	44,163,870	-	-	-	44,163,870
Total fund balances	<u>\$ 63,766,462</u>	<u>\$ 187,987</u>	<u>\$ 8,118,246</u>	<u>\$ 665,746</u>	<u>\$ 72,738,441</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 117,804,448</u>	<u>\$ 187,987</u>	<u>\$ 8,118,246</u>	<u>\$ 665,746</u>	<u>\$ 126,776,427</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2025**

**Exhibit 4**

		<u>Primary Government</u>
Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	72,738,441
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$ 7,998,174	
Buildings and improvements	30,357,208	
Machinery and equipment	20,493,306	
Lease assets	88,484	
Intangible assets-subscription asset	<u>38,715</u>	58,975,887
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenue in the funds.		
Unavailable revenue - property taxes	\$ 6,462,662	
Unavailable revenue - Opioid settlement	1,015,342	
Net OPEB Asset	<u>10,669</u>	7,488,673
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 4,842,474	
OPEB related items	<u>817,887</u>	5,660,361
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest	\$ (368,253)	
General obligation bonds	(4,497,329)	
Bond premium	(1,696,572)	
Lease revenue bonds	(24,945,000)	
Loans payable	(5,733,976)	
Arbitrage liability	(195,907)	
Compensated absences	(3,091,150)	
Lease liabilities	(89,978)	
Net pension liability	(2,324,327)	
Net OPEB liabilities	<u>(2,408,460)</u>	(45,350,952)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Deferred charge on refunding	\$ (76,762)	
Pension related items	(2,190,849)	
OPEB related items	<u>(1,077,691)</u>	<u>(3,345,302)</u>
Net position of governmental activities	\$	<u><u>96,167,108</u></u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

**Exhibit 5**

	Governmental Funds				
	General	Debt Service	County Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
General property taxes	\$ 68,427,410	\$ -	\$ -	\$ -	\$ 68,427,410
Other local taxes	9,898,812	-	-	-	9,898,812
Permits, privilege fees, and regulatory licenses	689,928	-	-	-	689,928
Fines and forfeitures	37,960	-	-	-	37,960
Revenue from the use of money and property	3,110,627	78	-	-	3,110,705
Charges for services	3,673,140	-	-	-	3,673,140
Miscellaneous	1,777,328	433,478	51,800	-	2,262,606
Recovered costs	1,046,757	-	-	-	1,046,757
Intergovernmental:					
Commonwealth	17,104,501	-	-	-	17,104,501
Federal	7,986,321	-	-	-	7,986,321
Total revenues	\$ 113,752,784	\$ 433,556	\$ 51,800	\$ -	\$ 114,238,140
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 4,888,574	\$ -	\$ -	\$ -	\$ 4,888,574
Judicial administration	3,230,046	-	-	-	3,230,046
Public safety	28,081,926	-	-	-	28,081,926
Public works	1,986,411	-	-	-	1,986,411
Health and welfare	11,522,872	-	-	-	11,522,872
Education	31,332,484	-	-	-	31,332,484
Parks, recreation, and cultural	3,597,040	-	-	-	3,597,040
Community development	2,483,084	-	-	-	2,483,084
Nondepartmental	7,548	-	-	-	7,548
Capital projects	10,237,908	-	-	-	10,237,908
Debt service:					
Principal retirement	87,144	4,330,580	-	-	4,417,724
Interest and other fiscal charges	903	1,746,466	-	-	1,747,369
Total expenditures	\$ 97,455,940	\$ 6,077,046	\$ -	\$ -	\$ 103,532,986
Excess (deficiency) of revenues over (under) expenditures	\$ 16,296,844	\$ (5,643,490)	\$ 51,800	\$ -	\$ 10,705,154
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ 5,829,717	\$ -	\$ 51,513	\$ 5,881,230
Transfers out	(8,798,230)	-	-	-	(8,798,230)
Issuance of general obligation bonds	4,790,000	-	-	-	4,790,000
Issuance of Premium on general obligation bonds	312,119	-	-	-	312,119
Leases (as lessee)	64,326	-	-	-	64,326
Total other financing sources (uses)	\$ (3,631,785)	\$ 5,829,717	\$ -	\$ 51,513	\$ 2,249,445
Net change in fund balances	\$ 12,665,059	\$ 186,227	\$ 51,800	\$ 51,513	\$ 12,954,599
Fund balance - beginning	51,101,403	1,760	8,066,446	614,233	59,783,842
Fund balances - ending	\$ 63,766,462	\$ 187,987	\$ 8,118,246	\$ 665,746	\$ 72,738,441

The notes to the financial statements are an integral part of this statement.

COUNTY OF SHENANDOAH, VIRGINIA  
 Reconciliation of Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2025

Exhibit 6

		<u>Primary Government</u>
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	\$	12,954,599
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 expense. This is the amount by which the capital outlays exceeded depreciation in the current period.		
Capital outlays	\$	1,598,612
Depreciation and amortization expense		(5,260,234)
Allocation of debt financed school assets based on current year repayments		<u>(986,717)</u>
		(4,648,339)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position		
Disposal of capital assets	\$	<u>(6,660)</u>
		(6,660)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	\$	694,813
Opioid settlement		<u>(66,132)</u>
		628,681
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.		
Issuance of general obligation bonds	\$	(4,790,000)
Issuance of Premium on general obligation bonds		(312,119)
Arbitrage liability		(55,016)
Principal repayments		4,417,724
Subscriptions issued		-
Issuance of leases (as lessee)		(64,326)
Change in accrued interest		<u>(23,148)</u>
		<u>(826,885)</u>
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.		
Change in compensated absences	\$	(734,529)
Amortization of bond premium		184,082
Amortization of deferred charge on refunding		132,378
Pension expense		912,024
OPEB expense		<u>47,443</u>
		<u>541,398</u>
Change in net position of governmental activities	\$	<u><u>8,642,794</u></u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

**Exhibit 7**

	Enterprise Funds				
	Stoney Creek Sanitary District	Toms Brook Mauretown Sanitary District	North Fork Wastewater	Landfill	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 1,918,570	\$ 757,652	\$ 69,556	\$ 89,420	\$ 2,835,198
Restricted cash	5,500	15,075	-	8,749,867	8,770,442
Taxes receivable, net of allowances for uncollectibles	366,920	29,370	-	-	396,290
Accounts receivable, net of allowances for uncollectibles	265,074	108,612	15,006	132,427	521,119
Due from other funds	382	-	-	-	382
Prepaid items	52,062	21,457	213	1,302	75,034
Total current assets	<u>\$ 2,608,508</u>	<u>\$ 932,166</u>	<u>\$ 84,775</u>	<u>\$ 8,973,016</u>	<u>\$ 12,598,465</u>
Noncurrent assets:					
Capital assets (net of accumulated depreciation):					
Land	\$ 37,251	\$ 84,047	\$ 4,950	\$ 377,252	\$ 503,500
Building and improvements	-	-	30,156	4,888,961	4,919,117
Wells, lines, reservoirs	2,835,892	1,586,481	-	-	4,422,373
Machinery and equipment	448,698	157,016	116,580	2,778,093	3,500,387
Construction in progress	-	-	-	421,592	421,592
Net OPEB asset	440	176	-	545	1,161
Total noncurrent assets	<u>\$ 3,322,281</u>	<u>\$ 1,827,720</u>	<u>\$ 151,686</u>	<u>\$ 8,466,443</u>	<u>\$ 13,768,130</u>
Total assets	<u>\$ 5,930,789</u>	<u>\$ 2,759,886</u>	<u>\$ 236,461</u>	<u>\$ 17,439,459</u>	<u>\$ 26,366,595</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	\$ 242,369	\$ 92,720	\$ -	\$ 228,720	\$ 563,809
OPEB related items	30,744	12,560	-	35,548	78,852
Total deferred outflows of resources	<u>\$ 273,113</u>	<u>\$ 105,280</u>	<u>\$ -</u>	<u>\$ 264,268</u>	<u>\$ 642,661</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 90,123	\$ 29,298	\$ 11,823	\$ 83,210	\$ 214,454
Deposits payable-restricted assets	5,500	15,075	-	-	20,575
Accrued interest payable	-	215	-	106,112	106,327
Due to other funds	-	382	-	-	382
Compensated absences	19,923	3,719	-	45,849	69,491
Bonds payable	-	32,496	-	592,257	624,753
Total current liabilities	<u>\$ 115,546</u>	<u>\$ 81,185</u>	<u>\$ 11,823</u>	<u>\$ 827,428</u>	<u>\$ 1,035,982</u>
Noncurrent liabilities:					
Compensated absences	\$ 59,768	\$ 11,158	\$ -	\$ 39,201	\$ 110,127
Bonds payable	-	92,181	-	10,130,508	10,222,689
Arbitrage payable	-	-	-	66,311	66,311
Landfill closure and post-closure care	-	-	-	16,035,977	16,035,977
Net pension liability	98,350	40,549	-	109,782	248,681
Net OPEB liabilities	101,044	41,281	-	116,776	259,101
Total noncurrent liabilities	<u>\$ 259,162</u>	<u>\$ 185,169</u>	<u>\$ -</u>	<u>\$ 26,498,555</u>	<u>\$ 26,942,886</u>
Total liabilities	<u>\$ 374,708</u>	<u>\$ 266,354</u>	<u>\$ 11,823</u>	<u>\$ 27,325,983</u>	<u>\$ 27,978,868</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue-property taxes	\$ 265,123	\$ 29,447	\$ -	\$ -	\$ 294,570
Pension related items	131,770	35,840	-	103,415	271,025
OPEB related items	45,401	18,630	-	51,600	115,631
Total deferred inflows of resources	<u>\$ 442,294</u>	<u>\$ 83,917</u>	<u>\$ -</u>	<u>\$ 155,015</u>	<u>\$ 681,226</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 3,321,841	\$ 1,702,867	\$ 151,686	\$ 6,426,689	\$ 11,603,083
Restricted for net OPEB asset	440	176	-	545	1,161
Unrestricted (deficit)	2,064,619	811,852	72,952	(16,204,505)	(13,255,082)
Total net position (deficit)	<u>\$ 5,386,900</u>	<u>\$ 2,514,895</u>	<u>\$ 224,638</u>	<u>\$ (9,777,271)</u>	<u>\$ (1,650,838)</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Statement of Revenues, Expenditures, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

**Exhibit 8**

	Enterprise Funds				Total
	Stoney Creek Sanitary District	Toms Brook Maurertown Sanitary District	North Fork Wastewater	Landfill	
<b>OPERATING REVENUES</b>					
Charges for services:					
Water sales	\$ 632,435	\$ 313,531	\$ -	\$ -	\$ 945,966
Sewer sales	798,343	519,737	-	-	1,318,080
Septage income	-	-	195,328	-	195,328
Waste collection charges	-	-	-	1,518,849	1,518,849
Total operating revenues	\$ 1,430,778	\$ 833,268	\$ 195,328	\$ 1,518,849	\$ 3,978,223
<b>OPERATING EXPENSES</b>					
Treatment and purification	\$ 1,059,355	\$ 553,019	\$ -	\$ -	\$ 1,612,374
Maintenance	210,612	146,648	140,522	-	497,782
Administration	303,708	100,813	-	-	404,521
Other	366,126	136,409	19,259	-	521,794
Refuse collection and disposal	-	-	-	2,561,498	2,561,498
Landfill closure and post-closure costs	-	-	-	769,114	769,114
Depreciation and amortization	251,342	142,708	8,888	962,674	1,365,612
Total operating expenses	\$ 2,191,143	\$ 1,079,597	\$ 168,669	\$ 4,293,286	\$ 7,732,695
Operating income (loss)	\$ (760,365)	\$ (246,329)	\$ 26,659	\$ (2,774,437)	\$ (3,754,472)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
General property taxes	\$ 532,034	\$ 59,296	\$ -	\$ -	\$ 591,330
Investment earnings	35,346	31,581	-	241,401	308,328
Other	6,224	30,396	-	89	36,709
Loss on disposal of property	-	-	-	(14,229)	(14,229)
Interest expense	-	(6,321)	-	(487,133)	(493,454)
Total nonoperating revenues (expenses)	\$ 573,604	\$ 114,952	\$ -	\$ (259,872)	\$ 428,684
Income before contributions and transfers	\$ (186,761)	\$ (131,377)	\$ 26,659	\$ (3,034,309)	\$ (3,325,788)
Capital contributions	\$ 350,000	\$ 37,500	\$ -	\$ -	\$ 387,500
Transfers in	-	-	-	2,920,048	2,920,048
Transfers out	-	-	-	(3,048)	(3,048)
Change in net position	\$ 163,239	\$ (93,877)	\$ 26,659	\$ (117,309)	\$ (21,288)
Total net position (deficit)- beginning, as previously reported	\$ 5,249,184	\$ 2,609,571	\$ 197,979	\$ (9,590,473)	\$ (1,533,739)
Implementation of GASB 101	(25,523)	(799)	-	(69,489)	(95,811)
Total net position (deficit)- beginning, as restated	5,223,661	2,608,772	197,979	(9,659,962)	(1,629,550)
Total net position (deficit)- ending	\$ 5,386,900	\$ 2,514,895	\$ 224,638	\$ (9,777,271)	\$ (1,650,838)

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

**Exhibit 9**

	Enterprise Funds				
	Stoney Creek	Toms Brook	North Fork	Landfill	Total
	Sanitary District	Sanitary District	Wastewater		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 1,398,683	\$ 850,565	\$ 217,727	\$ 1,601,166	\$ 4,068,141
Payments to suppliers	(847,627)	(486,607)	(169,432)	(1,492,210)	(2,995,876)
Payments to employees	(1,163,723)	(489,985)	-	(1,235,830)	(2,889,538)
Net cash provided by (used for) operating activities	<u>\$ (612,667)</u>	<u>\$ (126,027)</u>	<u>\$ 48,295</u>	<u>\$ (1,126,874)</u>	<u>\$ (1,817,273)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	\$ -	\$ -	\$ -	\$ 2,920,048	\$ 2,920,048
Transfers to other funds	-	-	-	(3,048)	(3,048)
General property taxes	524,781	60,279	-	-	585,060
Net cash provided by (used for) noncapital financing activities	<u>\$ 524,781</u>	<u>\$ 60,279</u>	<u>\$ -</u>	<u>\$ 2,902,771</u>	<u>\$ 3,487,831</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from capital debt	\$ -	\$ -	\$ -	\$ 7,965,000	\$ 7,965,000
Purchase and construction of capital assets	(106,805)	(30,346)	-	(1,183,157)	(1,320,308)
Premium on bond issuance	-	-	-	694,065	694,065
Principal paid on capital debt	-	(31,065)	-	(405,298)	(436,363)
Interest paid on capital debt	-	(6,375)	-	(408,209)	(414,584)
Capital contributions	350,000	37,500	-	-	387,500
Net cash provided by (used for) capital and related financing activities	<u>\$ 243,195</u>	<u>\$ (30,286)</u>	<u>\$ -</u>	<u>\$ 6,662,401</u>	<u>\$ 6,875,310</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest income	\$ 35,346	\$ 31,581	\$ -	\$ 241,401	\$ 308,328
Net cash provided by (used for) investing activities	<u>\$ 35,346</u>	<u>\$ 31,581</u>	<u>\$ -</u>	<u>\$ 241,401</u>	<u>\$ 308,328</u>
Net increase (decrease) in cash and cash equivalents	\$ 190,655	\$ (64,453)	\$ 48,295	\$ 8,679,699	\$ 8,854,196
Cash and cash equivalents (including restricted cash)- beginning	1,733,415	837,180	21,261	159,588	2,751,444
Cash and cash equivalents (including restricted cash)- ending	<u>\$ 1,924,070</u>	<u>\$ 772,727</u>	<u>\$ 69,556</u>	<u>\$ 8,839,287</u>	<u>\$ 11,605,640</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss)	\$ (760,365)	\$ (246,329)	\$ 26,659	\$ (2,774,437)	\$ (3,754,472)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:					
Depreciation and amortization expense	\$ 251,342	\$ 142,708	\$ 8,888	\$ 962,674	\$ 1,365,612
Loss on disposal of property	-	-	-	14,229	14,229
Other non-operating income	6,224	30,396	-	89	36,709
Non-cash closure and post closure costs (recovery)	-	-	-	769,114	769,114
(Increase) decrease in accounts receivable	(38,119)	(12,749)	22,399	67,999	39,530
(Increase) decrease in due from other funds	(382)	-	-	-	(382)
(Increase) decrease in net OPEB asset	(440)	(176)	-	(545)	(1,161)
(Increase) decrease in prepaid items	(20,037)	(9,631)	(213)	27,082	(2,799)
(Increase) decrease in deferred outflows of resources	(106,985)	(56,832)	-	(105,208)	(269,025)
Increase (decrease) in accounts payable and accrued liabilities	(34,314)	(26,262)	(9,438)	(97,383)	(167,397)
Increase (decrease) in compensated absences	(5,057)	5,109	-	(55,360)	(55,308)
Increase (decrease) in due to other funds	-	382	-	-	382
Increase (decrease) in deposits payable	(200)	(350)	-	-	(550)
Increase (decrease) in net pension liability	62,285	26,098	-	65,123	153,506
Increase (decrease) in deferred inflows of resources	26,992	22,902	-	33,290	83,184
Increase (decrease) in net OPEB liabilities	6,389	(1,293)	-	(33,541)	(28,445)
Total adjustments	<u>\$ 147,698</u>	<u>\$ 120,302</u>	<u>\$ 21,636</u>	<u>\$ 1,647,563</u>	<u>\$ 1,937,199</u>
Net cash provided by (used for) operating activities	<u>\$ (612,667)</u>	<u>\$ (126,027)</u>	<u>\$ 48,295</u>	<u>\$ (1,126,874)</u>	<u>\$ (1,817,273)</u>
Schedule of non-cash capital and related financing activities:					
Landfill closure and post-closure costs (recovery)	\$ -	\$ -	\$ -	\$ 769,114	\$ 769,114
Loss on disposal of property	\$ -	\$ -	\$ -	\$ 14,229	\$ 14,229

The notes to the financial statements are an integral part of this statement.

COUNTY OF SHENANDOAH, VIRGINIA  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2025

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Exhibit 10

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 359,894
Receivables:	
Accounts receivable	<u>405,646</u>
Total assets	<u>\$ 765,540</u>
<b>NET POSITION</b>	
Restricted:	
Individuals, organizations, and governments	<u>\$ 765,540</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2025**

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	<b>Custodial Funds</b>
	<u>                    </u>
<b>Additions</b>	
Interest earnings	\$ 56
Miscellaneous	53,047
Ambulance recovery collections for other governments	<u>1,607,516</u>
Total additions	<u>\$ 1,660,619</u>
<b>Deductions</b>	
Beneficiary payments to individuals	\$ 52,515
Payments of ambulance recovery collections to other governments	<u>1,642,983</u>
Total deductions	<u>\$ 1,695,498</u>
Net increase (decrease) in fiduciary net position	\$ (34,879)
Net position, beginning	<u>800,419</u>
Net position ending	<u><u>\$ 765,540</u></u>

The notes to the financial statements are an integral part of this statement.

# COUNTY OF SHENANDOAH, VIRGINIA

## Notes to the Financial Statements June 30, 2025

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### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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#### A. Financial Reporting Entity

The County of Shenandoah, Virginia (government) is a municipal corporation governed by an elected six-member Board of Supervisors. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

**Blended component units.** The Stoney Creek and Toms Brook-Maurertown Sanitary Districts account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the County is that the cost of providing services to the general public be financed or recovered through user charges. The Sanitary Districts are governed by the County Board of Supervisors, benefit the primary government even though it does not provide services directly to it, and are reported as blended component units.

**Discretely presented component units.** The Shenandoah County School Board (Board) is responsible for elementary and secondary education within the government's jurisdiction. The members of the Board's governing board are elected by the voters. However, the government is financially accountable for the Board because the government's council approves the Boards' budget, levies taxes (if necessary), and must approve any debt issuances. The Shenandoah County School Board does not prepare separate financial statements.

The Shenandoah County Library operates to provide services to the citizens of the County. The Board of Supervisors appoints the Library Trustees as well as provides significant funding to the Library. Complete financial statements for the Library can be obtained from their offices in Edinburg, Virginia.

The Economic Development Authority operates to promote economic development to businesses throughout the County. The Board of Supervisors appoints the Board Members as well as provides significant funding to the Authority. Complete financial statements for the Authority can be obtained from their offices in Woodstock, Virginia.

#### **Other Organizations**

Included in the County's Financial Report: None

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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A. Financial Reporting Entity (continued)

Other Organizations (continued)

Excluded from the County's Financial Report:

**Joint Venture** – The County of Rappahannock, the County of Shenandoah, and the County of Warren participate in supporting the Rappahannock-Shenandoah-Warren (RSW) Regional Jail, which serves as the localities' regional adult detention center. The RSW Regional Jail became operational on July 1, 2014. The RSW Regional Jail is governed by a nine-member board, an Authority, consisting of three members each from the three participating counties. The participating localities pay a per diem charge each year based on the participating localities' usage of the jail for the preceding three years. In April 2012, the RSW Regional Jail Authority issued \$45,240,000 in moral obligation bonds with varying annual payments, with a final maturity at April 1, 2043. The bonds were issued at a premium of \$4,992,732. The outstanding principal portion and unamortized premium of the bonds for the RSW Regional Jail at June 30, 2025 total \$37,410,369. While the participating localities have an ongoing financial responsibility to fund the RSW Regional Jail debt should it lack sufficient funds to make scheduled debt service payments, the participating localities do not have an equity interest in the jail. During fiscal year 2025, the County contributed \$3,395,728 for the operations of the jail.

Summary financial information for the RSW Regional Jail at June 30, 2025 is provided below:

	RSW Regional Jail
Total assets and deferred outflows of resources \$	69,212,844
Total liabilities and deferred inflows of resources	40,957,710
Total net position	\$ 28,255,134
For the year ended June 30, 2025	
Operating revenue	\$ 16,499,711
Operating expenses	(15,529,528)
Nonoperating income (expense)	(545,985)
Change in net position	\$ 424,198
Net position at beginning of year, as restated	27,830,936
Net position at end of year	\$ 28,255,134

Complete financial statements for the RSW Regional Jail can be obtained from the Jail Superintendent at 6601 Winchester Road, Front Royal, Virginia 22630.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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A. Financial Reporting Entity (continued)

Other Organizations (continued)

Excluded from the County's Financial Report:

**Jointly Governed Organizations** – The County, in conjunction with other localities has created the Northwestern Regional Juvenile Detention Center and the Northwestern Community Services Board. The School Board participates in the Shenandoah Valley Regional Program for Special Education. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$243,000 for operations to the Northwestern Community Services Board and \$714,004 to the Northwestern Regional Juvenile Detention Center. The School Board contributed \$610,792 to the Shenandoah Valley Regional Program for operations. The County does not maintain an ongoing financial interest or responsibility for these organizations.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. 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 demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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**C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisition, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund. The General Fund includes the activities for Virginia Public Assistance, American Rescue Plan Act, Rollback to CEA, Opioid Settlement, Forfeited Drug Assets, Sheriff Federal Case, Jail Canteen, Animal Shelter, Law Library, Transient Occupancy, Gypsy Moth, Spay/Neuter, Pump and Haul, KidzRec, Jail Telephone, Purchase Development Rights, Project Lifesaver, Triad, Crime Prevention, DARE, Sludge Disposal and Landfill Recovery Funds.

The *debt service fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. It also is used to report the financial resources being accumulated for future debt service.

The *capital projects fund* accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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**C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

The government reports the following major proprietary funds:

The *Stoney Creek Sanitary District and Toms Brook-Maurertown Sanitary District funds* account for the activities of the Districts blended component units of the government. The Districts operate the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution systems of the County. The governing body for these component units is the same as the governing body of the primary government and there is a financial benefit relationship between the primary government and component units.

The *North Fork Wastewater fund* accounts for the activity of the leachate services provided at the sewage treatment plant.

The *Landfill fund* accounts for the activity of the refuse disposal services provided to the residents of the County. It was created on June 30, 2012 to account for this activity and to segregate operations for the 2011 general obligation bond issue.

The government reports the following governmental fund types:

*Special revenue fund* accounts for and reports the proceeds of the specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Landfill Contingency Fund is a nonmajor special revenue fund of the County.

*Capital projects fund* accounts for and reports financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The Industrial Park Water and Sewer Fund is a nonmajor capital projects fund of the County.

The government reports the following fiduciary fund types:

*Custodial funds* account for assets held by the County a custodian for individuals, private organizations, other governmental units or other funds. The special welfare, and ambulance recovery accounts are the County's custodial funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sanitary Districts are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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**D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance**

**1. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, amounts in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**3. Property taxes**

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due and collectible semi-annually on June 5<sup>th</sup> and December 5<sup>th</sup>. The County bills and collects its own property taxes.

**4. Allowance for uncollectible accounts**

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$1,699,097 at June 30, 2025 and is comprised solely of property taxes. This allowance represents 0.6350% of the total levies for the previous six years. The allowance amounted to \$598 for Toms Brook-Maurertown Sanitary District and \$6,944 for Stoney Creek Sanitary District at June 30, 2025.

Accounts receivable are stated at book value. The Sanitary Districts calculate their allowance for uncollectible utility accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$1,138 for Toms Brook-Maurertown Sanitary District, and \$63,797 for the landfill fund at June 30, 2025.

**5. Inventories and prepaid items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Quantities on hand at year-end are considered immaterial and have not been recorded, except in the School Cafeteria Fund where it can be easily measured.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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**D. Assets, liabilities, and deferred outflows/inflows of resources and net position/fund balance (continued)**

**6. Restricted assets**

At June 30, 2025, the County’s restricted assets consisted of funds restricted for debt service in the amount of \$1,838, \$3,318,166 in unspent debt proceeds in the General fund, \$8,749,867 in unspent debt proceeds in the Landfill fund, and Sanitary Districts customer deposits in the amount of \$20,575.

**7. Capital assets**

Capital assets, are tangible and intangible assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset’s life are not capitalized. Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Wells, lines and reservoirs	40-50
Building improvements	20
Vehicles	5
Equipment	5
Subscription assets	3-5
Lease assets-equipment	5

**8. Compensated absences**

It is the government’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**9. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term net of the applicable bond premium or discount.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

---

**D. Assets, liabilities, and deferred outflows/inflows of resources and net position/fund balance (continued)**

**9. Long-term obligations (continued)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**10. Fund Balance**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund).
- Restricted fund balance – amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers
- Committed fund balance – amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or Board adopts another ordinance to remove or revise the limitation.
- Assigned fund balance – amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. 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 – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The County establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Assets, liabilities, and deferred outflows/inflows of resources and net position/fund balance (continued)

10. Fund Balance (continued)

Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes). In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 12.5% of total operating expenditures, including total school expenditures, less local transfers.

The detail of the County’s governmental fund balances are detailed below:

	General Fund	Major Debt Service Fund	Major Capital Projects Fund	Other Funds	Total
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid items	\$ 530,336	\$ -	\$ -	\$ -	\$ 530,336
<b>Restricted:</b>					
Debt service proceeds	\$ -	\$ 1,838	\$ -	\$ -	\$ 1,838
Asset forfeiture proceeds-Virginia	132,140	-	-	-	132,140
Asset forfeiture proceeds-Federal	1,037,812	-	-	-	1,037,812
Opioid settlement	307,276	-	-	-	307,276
Construction	3,318,166	-	-	-	3,318,166
<b>Total Restricted</b>	<b>\$ 4,795,394</b>	<b>\$ 1,838</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,797,232</b>
<b>Assigned:</b>					
Debt service	\$ -	\$ 186,149	\$ -	\$ -	\$ 186,149
Capital projects	2,473,107	-	8,118,246	100,084	10,691,437
Subsequent year expenditures	5,011,301	-	-	-	5,011,301
Subsequent year expenditures-School Board	4,141,365	-	-	-	4,141,365
Law library	49,586	-	-	-	49,586
KidzRec	665,525	-	-	-	665,525
Purchase development rights	103,650	-	-	-	103,650
Project lifesaver	17,425	-	-	-	17,425
Parks and recreation	58,781	-	-	-	58,781
Triad	7,487	-	-	-	7,487
Sheriff federal cases	19,014	-	-	-	19,014
Animal shelter	723,180	-	-	-	723,180
Spay and neuter	105,923	-	-	-	105,923
Pump and haul	23,419	-	-	-	23,419
Crime prevention	3,568	-	-	-	3,568
Jail canteen	36,602	-	-	-	36,602
Sludge disposal	360,249	-	-	-	360,249
Landfill recovery	250,649	-	-	-	250,649
Rollback to CEA	112,031	-	-	-	112,031
Public safety apparatus and equipment	89,166	-	-	-	89,166
Landfill contingency	-	-	-	565,662	565,662
DARE	24,834	-	-	-	24,834
<b>Total Assigned</b>	<b>\$ 14,276,862</b>	<b>\$ 186,149</b>	<b>\$ 8,118,246</b>	<b>\$ 665,746</b>	<b>\$ 23,247,003</b>
<b>Unassigned</b>	<b>\$ 44,163,870</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,163,870</b>
<b>Total Fund Balances</b>	<b>\$ 63,766,462</b>	<b>\$ 187,987</b>	<b>\$ 8,118,246</b>	<b>\$ 665,746</b>	<b>\$ 72,738,441</b>

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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**D. Assets, liabilities, and deferred outflows/inflows of resources and net position/fund balance (continued)**

**11. Net position**

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g. restricted bond and grant proceeds) and unrestricted resources, in order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**12. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**E. Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

**F. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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**G. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one type of item that qualifies for reporting in this category. It is comprised of certain items related pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. Similarly, the County showed unavailable opioid revenue settlement funds in this category. The County also shows a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, certain items related to pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

**H. Pensions**

For purposes of measuring the net pension (asset)/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's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (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.

**I. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net VRS related OPEB (asset)/liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary 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.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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**I. Other Postemployment Benefits (OPEB) (continued)**

***Medical, Dental, and Prescription Insurance – Pay as You Go Program***

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined based on an actuarial valuation. Benefit payments are recognized when due and payable in accordance with the benefit terms.

**J. Leases and Subscription-Based IT Arrangements**

The County and Component Unit School Board (The County) has various lease assets and subscription based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

***Lessee***

The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.  
e of the underlying asset.

***Lessor***

The County recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).  
e incentives).  
incentives).

***Subscriptions***

The County recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$5,000, in individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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**J. Leases and Subscription-Based IT Arrangements (continued)**

*Subscriptions (continued)*

or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

*Key Estimates and Judgments*

Lease and subscription-based IT arrangement accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease and subscription payments to present value, (2) lease and subscription term, and (3) lease and subscription payments.

- The County uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease liability (lessee), lease receivable (lessor) or subscription liability.

The County monitors changes in circumstances that would require a remeasurement or modification of its leases and subscriptions. The County will remeasure the lease receivable and deferred inflows of resources (lessor), the lease asset and liability (lessee) or the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease receivable, lease liability or subscription liability.

**NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

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**A. Budgets and Budgetary Accounting**

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements.

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. The appropriation for each function can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government activities and the School Board is authorized to transfer budgeted amounts within the school system's categories. The legal level of budgetary control is at the function level.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

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**NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY: (CONTINUED)**

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**A. Budgets and Budgetary Accounting (continued)**

- 5. Formal budgetary integration is employed as a management control device during the year for the General Fund. The School Fund and School Cafeteria Fund are integrated only at the level of legal adoption. The School Activity Fund does not have a legally adopted budget.
- 6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 7. Appropriations lapse on June 30 for all County units.
- 8. Budgetary data presented in the accompanying financial statements includes both the original and the amended budget for the year ended June 30, 2025. Several supplemental appropriations were necessary during the year.

**B. Excess of expenditures over appropriations:**

For the year ended June 30, 2025, the following functions had expenditures exceeding appropriations:

Fund	Function	Excess of Expenditures over Appropriations
Debt Service Fund	Debt service	\$ 197,779
Total Primary Government		\$ 197,779

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# COUNTY OF SHENANDOAH, VIRGINIA

## Notes to the Financial Statements June 30, 2025 (Continued)

### NOTE 3—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.

#### Investments

Statutes authorize the County to invest in obligations of the United States or 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 that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard & Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502) banker's acceptance, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

#### Custodial Credit Risk (Investments)

The County of Shenandoah, Virginia sets forth the following authorized investments to mitigate custodial credit risk. Whereas authorized investments for public funds are limited to those set forth in Chapter 18, Section 2.2-4501 of the Code of Virginia. Investment vehicles for the County of Shenandoah, Virginia shall be further restricted in consideration of the size of the portfolio and the absence of professional investment personnel.

#### Credit Risk of Debt Securities

The County of Shenandoah, Virginia may invest any and all funds belonging to it or in its control in the following:

1. U.S. Treasury Bills, Notes, Bonds and other direct obligations of the United States Government.
2. Repurchase agreements executed through Federal Reserve Member Banks or Primary Dealers in U.S. Government securities, and collateralized by Treasury or Agency obligations the market value of which is at least 102% of the purchase price of the repo.
3. Obligations of the Commonwealth of Virginia and of its local governments and public bodies, provided such obligations have a debt rating of at least "AA" or equivalent by Moody's and/or Standard & Poor's.
4. Certificates of deposit or other deposits of national banks located within the Commonwealth and state-chartered banks under Commonwealth supervision provided such deposits are insured or collateralized as provided by the Virginia Security for Public Deposits Act.
5. Local Government Investment Pool (LGIP) Fund is comprised of legal investments authorized for public funds and has an average maturity of 30 days.

#### **County's Rated Debt Investments' Values**

<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ 67,899,438
Total	\$ 67,899,438

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)**

External Investment Pool

The fair value of the positions in the external investment pool Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pools rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

Interest Rate Risk

All County investments must be in securities maturing within five years. Maturities of the County's investments are as follows:

<b>Investment Maturities (in years)</b>		
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than 1 Year</b>
Local Government Investment Pool	\$ 67,899,438	\$ 67,899,438
Total	\$ 67,899,438	\$ 67,899,438

**NOTE 4—INTERFUND OBLIGATIONS:**

	Due From Component Unit	Due To Component Unit
Primary Government:		
General Fund	\$ 2,048,263	\$ -
Sub-total	\$ 2,048,263	\$ -
Discretely Presented Component Units:		
School Operating Fund	\$ -	\$ 2,002,888
Economic Development Authority	-	45,375
Sub-total	\$ -	\$ 2,048,263
Total reporting entity	\$ 2,048,263	\$ 2,048,263

Balances due to/from component units resulted from the time lag between the dates that interfund goods and services were provided.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 5—INTERFUND TRANSFERS:**

Interfund transfers for the year ended June 30, 2025 consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ -	\$ 8,798,230
County Debt Service	5,829,717	-
Landfill Contingency	51,513	-
Landfill	2,920,048	3,048
Total	<u>\$ 8,801,278</u>	<u>\$ 8,801,278</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

**NOTE 6—DUE FROM OTHER GOVERNMENTAL UNITS:**

	Primary Government	Component Unit School Board	Component Unit Library
Commonwealth of Virginia:			
State sales taxes	\$ -	\$ 1,547,446	\$ -
Local sales taxes	975,351	-	-
Comprehensive services act funds	673,428	-	-
Public assistance and welfare	135,588	-	-
Fringe benefits	323,468	-	-
VATI broadband	798,165	-	-
Other funds	230,202	85,856	30,706
Federal Government:			
Public assistance and welfare	232,288	-	-
Other funds	71,979	-	-
ARPA-VATI Broadband	705,368	-	-
CARES Act	-	-	-
School funds	-	785,302	-
Cafeteria funds	-	36,099	-
Total	<u>\$ 4,145,837</u>	<u>\$ 2,454,703</u>	<u>\$ 30,706</u>

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 7—CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2025 was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 7,998,174	\$ -	\$ -	\$ 7,998,174
Construction in progress	<u>1,464,032</u>	<u>915,924</u>	<u>(2,379,956)</u>	<u>-</u>
Total capital assets not being depreciated	<u>\$ 9,462,206</u>	<u>\$ 915,924</u>	<u>\$ (2,379,956)</u>	<u>\$ 7,998,174</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 42,850,629	\$ 940,491	\$ (739,052)	\$ 43,052,068
Machinery and equipment	<u>37,246,449</u>	<u>2,057,827</u>	<u>(284,218)</u>	<u>39,020,058</u>
Total capital assets being depreciated	<u>\$ 80,097,078</u>	<u>\$ 2,998,318</u>	<u>\$ (1,023,270)</u>	<u>\$ 82,072,126</u>
Accumulated depreciation:				
Buildings and improvements	\$ (11,997,863)	\$ (900,237)	\$ 203,240	\$ (12,694,860)
Machinery and equipment	<u>(14,126,853)</u>	<u>(4,226,556)</u>	<u>(173,344)</u>	<u>(18,526,753)</u>
Total accumulated depreciation	<u>\$ (26,124,716)</u>	<u>\$ (5,126,793)</u>	<u>\$ 29,896</u>	<u>\$ (31,221,613)</u>
Total capital assets being depreciated, net	<u>\$ 53,972,362</u>	<u>\$ (2,128,475)</u>	<u>\$ (993,374)</u>	<u>\$ 50,850,513</u>
Lease assets:				
Equipment	\$ 252,424	\$ 64,326	\$ (114,467)	\$ 202,283
Accumulated amortization	<u>(161,816)</u>	<u>(66,449)</u>	<u>114,467</u>	<u>(113,798)</u>
Net lease assets	<u>\$ 90,608</u>	<u>\$ (2,123)</u>	<u>\$ -</u>	<u>\$ 88,485</u>
Intangible assets:				
Subscription assets	\$ 205,496	\$ -	\$ -	\$ 205,496
Accumulated amortization	<u>(99,789)</u>	<u>(66,992)</u>	<u>-</u>	<u>(166,781)</u>
Net subscription assets	<u>\$ 105,707</u>	<u>\$ (66,992)</u>	<u>\$ -</u>	<u>\$ 38,715</u>
Governmental activities capital assets, net	<u>\$ 63,630,883</u>	<u>\$ (1,281,666)</u>	<u>\$ (3,373,330)</u>	<u>\$ 58,975,887</u>
	Ending Balance	Increases	Decreases	Ending Balance
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 503,500	\$ -	\$ -	\$ 503,500
Construction in progress	<u>13,005</u>	<u>451,937</u>	<u>(43,350)</u>	<u>421,592</u>
Total capital assets not being depreciated	<u>\$ 516,505</u>	<u>\$ 451,937</u>	<u>\$ (43,350)</u>	<u>\$ 925,092</u>
Capital assets being depreciated:				
Buildings and infrastructure	\$ 11,040,940	\$ 33,306	\$ -	\$ 11,074,246
Water distribution system	15,268,583	43,350	-	15,311,933
Machinery and equipment	<u>12,917,895</u>	<u>835,064</u>	<u>(644,250)</u>	<u>13,108,709</u>
Total capital assets being depreciated	<u>\$ 39,227,418</u>	<u>\$ 911,720</u>	<u>\$ (644,250)</u>	<u>\$ 39,494,888</u>
Accumulated depreciation:				
Buildings and improvements	\$ (5,605,010)	\$ (550,119)	\$ -	\$ (6,155,129)
Wells, lines and reservoirs	(10,655,967)	(233,593)	-	(10,889,560)
Machinery and equipment	<u>(9,656,442)</u>	<u>(581,900)</u>	<u>630,020</u>	<u>(9,608,322)</u>
Total accumulated depreciation	<u>\$ (25,917,419)</u>	<u>\$ (1,365,612)</u>	<u>\$ 630,020</u>	<u>\$ (26,653,011)</u>
Business-type activities, capital assets, net	<u>\$ 13,826,504</u>	<u>\$ (1,955)</u>	<u>\$ (57,580)</u>	<u>\$ 13,766,969</u>

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

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**NOTE 7—CAPITAL ASSETS: (CONTINUED)**

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**Primary Government: (continued)**

Capital assets of the governmental activities in the amount of \$1,011,951 were transferred to the Component Unit School Board, additionally, a net transfer of \$25,234 was transferred in accumulated depreciation from the governmental activities to the Component Unit School Board, due to debt repayments made by the Primary Government for the year ended June 30, 2025 as required by the Code of Virginia.

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

Governmental Activities:	
General government administration	\$ 915,270
Judicial administration	326,678
Public safety	3,769,719
Public works	38,686
Health and welfare	28,950
Parks, recreation, and cultural	180,931
Total depreciation and amortization expense-governmental activities	<u>\$ 5,260,234</u>
Business-type Activities:	
Stoney Creek Sanitary District	\$ 251,342
Toms Brook-Maurertown Sanitary District	142,708
North Fork Wastewater Fund	8,888
Landfill	962,674
Total depreciation expense business-type activities	<u>\$ 1,365,612</u>

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**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 7—CAPITAL ASSETS: (CONTINUED)**

**Discretely Presented Component Units:**

Activity for the School Board for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,707,246	\$ -	\$ -	\$ 5,707,246
Construction in progress	2,849,630	824,023	(583,446)	3,090,207
Total capital assets not being depreciated	<u>\$ 8,556,876</u>	<u>\$ 824,023</u>	<u>\$ (583,446)</u>	<u>\$ 8,797,453</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 93,317,462	\$ 743,546	\$ 718,771	\$ 94,779,779
Machinery and equipment	21,263,289	3,368,808	(474,237)	24,157,860
Total capital assets being depreciated	<u>\$ 114,580,751</u>	<u>\$ 4,112,354</u>	<u>\$ 244,534</u>	<u>\$ 118,937,639</u>
Accumulated depreciation:				
Buildings and improvements	\$ (49,531,781)	\$ (2,098,876)	\$ (182,960)	\$ (51,813,617)
Machinery and equipment	(15,048,696)	(3,046,538)	925,142	(17,170,092)
Total accumulated depreciation	<u>\$ (64,580,477)</u>	<u>\$ (5,145,414)</u>	<u>\$ 742,182</u>	<u>\$ (68,983,709)</u>
Total capital assets being depreciated, net	<u>\$ 50,000,274</u>	<u>\$ (1,033,060)</u>	<u>\$ 986,716</u>	<u>\$ 49,953,930</u>
Lease assets:				
Equipment	\$ 1,865,669	\$ 17,265	\$ (30,596)	\$ 1,852,338
Accumulated amortization	(856,599)	(332,727)	55,109	(1,134,217)
Net lease assets	<u>\$ 1,009,070</u>	<u>\$ (315,462)</u>	<u>\$ 24,513</u>	<u>\$ 718,121</u>
Intangible assets:				
Subscription assets	\$ 211,325	\$ 170,550	\$ (137,373)	\$ 244,502
Accumulated amortization	(114,931)	(129,867)	137,373	(107,425)
Net subscription assets	<u>\$ 96,394</u>	<u>\$ 40,683</u>	<u>\$ -</u>	<u>\$ 137,077</u>
School Board capital assets, net	<u>\$ 59,662,614</u>	<u>\$ (483,816)</u>	<u>\$ 427,783</u>	<u>\$ 59,606,581</u>

Capital assets of the governmental activities in the amount of \$1,011,951 were transferred to the Component Unit School Board, additionally, a net transfer of \$25,234 was transferred in accumulated depreciation from the governmental activities to the Component Unit School Board, due to debt repayments made by the Primary Government for the year ended June 30, 2025 as required by the Code of Virginia.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 7—CAPITAL ASSETS: (CONTINUED)**

**Discretely Presented Component Units: (continued)**

Activity for the Shenandoah County Library for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 589,425	\$ 78,854	\$ -	\$ 668,279
Capital assets being depreciated:				
Buildings and system	\$ 291,416	\$ -	\$ -	\$ 291,416
Machinery and equipment	371,940	32,550	-	404,490
Leased equipment	9,751	-	-	9,751
Total capital assets being depreciated	\$ 673,107	\$ 32,550	\$ -	\$ 705,657
Accumulated depreciation:				
Buildings and system	\$ (158,455)	\$ (7,752)	\$ -	\$ (166,207)
Machinery and equipment	(240,292)	(42,036)	-	(282,328)
Leased equipment	(2,842)	(2,842)	-	(5,684)
Total accumulated depreciation	\$ (401,589)	\$ (52,630)	\$ -	\$ (454,219)
Total Library capital assets being depreciated, net	\$ 271,518	\$ (20,080)	\$ -	\$ 251,438
Library capital assets, net	\$ 860,943	\$ 58,774	\$ -	\$ 919,717

**NOTE 8—UNEARNED REVENUE:**

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenue totaling \$1,470,492 is comprised of the following:

- A. Unearned Revenue – Former Employee – In conjunction with the plea agreement of the former County landfill director on criminal charges of mail fraud, money laundering and forfeiture of assets, he agreed to provide restitution to the County in the amount of \$400,000 of which \$207,656 was outstanding at June 30, 2025. Payments commenced February 1, 1996, with final payment due February 1, 2001. This agreement is secured by the personal residence of the former director and other assets. Other restitution received by the County from the sale of assets seized by the authorities in September 1994 will not be applied against this restitution amount. The February 1, 1998 and 1997 payments were not made by the former employee. Therefore, the plea agreement was violated. As a result of violating the agreement, the former employee’s personal residence was seized and sold on September 23, 1997, for \$192,500. After payment of liens and selling expense, the County received \$106,598 in July 1998.
- B. Asset Forfeiture Proceeds – Assets seized as a result of law enforcement raids awaiting approval from the federal government totaled \$149,006 at June 30, 2025.
- C. Parks and Recreation Trip Deposits– Funds collected for future recreational trips totaled \$257,853 at June 30, 2025.
- D. ARPA Funding–Funds received from American Rescue Plan Act unspent at June 30, 2025 totaled \$855,977.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 9—DEFERRED/UNAVAILABLE REVENUE PROPERTY TAXES:**

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred and unavailable revenue in the government-wide and fund financial statements totaling \$33,789,416, \$40,252,078, and \$1,015,342 respectively, is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2025, but paid in advance by the taxpayers totaled \$4,701,921 in the general fund at June 30, 2025.
- B. Unbilled Property Taxes – Property taxes for the second half of 2025 that had not been billed as of June 30, 2025 amounted to \$29,087,495.
- C. Unavailable Property Taxes – Uncollected tax billings not available for funding of current expenditures totaled \$6,462,662 at June 30, 2025.
- D. Unavailable Revenue-Opioid Settlement – Unavailable revenue related to the opioid lawsuit settlement totaled \$1,015,342 at June 30, 2025.

**NOTE 10—LONG-TERM LIABILITIES:**

Changes in long-term obligations

The following is a summary of changes in long-term liability transactions of the Primary Government for the year ended June 30, 2025:

	Balance July 1, 2024, as restated	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2025
<u>Governmental Activities:</u>				
<b>Direct Borrowings and Placements:</b>				
General Obligation Bonds	\$ 6,719,137	\$ -	\$ 2,221,808	\$ 4,497,329
Bond Premium	1,568,536	312,119	184,083	1,696,572
Lease Revenue Bonds	21,715,000	4,790,000	1,560,000	24,945,000
Loans Payable	6,282,742	-	548,766	5,733,976
Arbitrage Liability	140,891	55,016	-	195,907
Total direct borrowings and placements	<u>\$ 36,426,306</u>	<u>\$ 5,157,135</u>	<u>\$ 4,514,657</u>	<u>\$ 37,068,784</u>
Other Liabilities:				
Leases Liabilities	\$ 77,789	\$ 64,326	\$ 52,137	\$ 89,978
Subscription Liabilities	35,007	-	35,007	-
Compensated Absences	2,356,621	2,148,502	1,413,973	3,091,150
Net pension Liability	874,922	10,269,535	8,820,130	2,324,327
Net OPEB Liabilities	3,014,209	610,261	1,216,010	2,408,460
Total Governmental Activities	<u>\$ 42,784,854</u>	<u>\$ 18,249,759</u>	<u>\$ 16,051,914</u>	<u>\$ 44,982,699</u>
<u>Business-type Activities:</u>				
<b>Direct Borrowings and Placements:</b>				
General Obligation/Revenue Bonds	\$ 2,244,800	\$ 7,965,000	\$ 296,948	\$ 9,912,852
Bond Premium	321,100	694,065	80,575	934,590
Loans Payable	65,142	-	65,142	-
Note Payable	74,273	-	74,273	-
Arbitrage Liability	-	66,311	-	66,311
Total direct borrowings and placements	<u>\$ 2,705,315</u>	<u>\$ 8,725,376</u>	<u>\$ 516,938</u>	<u>\$ 10,913,753</u>
Other Liabilities:				
Compensated Absences	234,926	85,648	140,956	179,618
Net Pension Liability	95,177	1,100,444	946,940	248,681
Net OPEB Liabilities	287,544	105,398	133,841	259,101
Landfill Closure and Post-Closure Care	15,266,863	769,114	-	16,035,977
Total Business-type Activities	<u>\$ 18,589,825</u>	<u>\$ 10,785,980</u>	<u>\$ 1,738,675</u>	<u>\$ 27,637,130</u>
Total Long-Term Obligations	<u>\$ 61,374,679</u>	<u>\$ 29,035,739</u>	<u>\$ 17,790,589</u>	<u>\$ 72,619,829</u>

For governmental activities, the liability for compensated absences, net pension liability and the net OPEB liabilities are fully liquidated by the general fund.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 10—LONG-TERM LIABILITIES: (CONTINUED)**

The County’s outstanding notes from direct borrowings and direct placements related to governmental and business-type activities of \$37,068,784 and \$10,913,753, respectively, contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment. Additionally, the County has non-capital debt related to assisting the Town of Mount Jackson construct its wastewater treatment plant in the amount of \$872,329 at June 30, 2025.

**PRIMARY GOVERNMENT**

Annual requirements to amortize long-term liabilities and related interest are as follows:

Year Ending June 30,	Direct Borrowings and Direct Placements			
	Governmental Activities			
	Loans Payable		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 456,730	\$ 158,482	\$ 2,452,000	\$ 945,022
2027	366,812	147,446	2,484,000	852,856
2028	346,495	135,743	2,422,000	755,999
2029	348,552	123,412	2,469,000	656,100
2030	218,999	110,682	2,562,000	551,100
2031	235,093	104,750	1,554,000	470,271
2032	251,568	98,388	1,612,000	414,729
2033	268,637	91,584	1,060,000	358,363
2034	285,742	84,325	1,105,000	309,603
2035	304,894	76,598	1,155,000	258,953
2036	316,368	68,412	1,205,000	209,478
2037	344,510	59,810	1,260,000	160,563
2038	367,138	50,497	1,305,000	109,659
2039	387,001	40,600	1,360,000	56,741
2040	412,821	30,135	225,000	26,169
2041	414,602	19,142	230,000	18,975
2042	408,014	8,013	240,000	11,544
2043	-	-	245,000	3,875
Total	\$ 5,733,976	\$ 1,408,019	\$ 24,945,000	\$ 6,170,000

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 10—LONG-TERM LIABILITIES: (CONTINUED)**

PRIMARY GOVERNMENT (continued)

Annual requirements to amortize long-term liabilities and related interest are as follows: (continued)

Year Ending June 30,	Governmental Activities			
	Direct Borrowings and Direct Placements			
	General Obligation Bonds		Lease Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 2,032,314	\$ 538,513	\$ 47,407	\$ 330
2027	2,094,789	452,190	30,056	139
2028	262,490	9,947	9,865	42
2029	107,736	2,013	2,650	5
Total	\$ 4,497,329	\$ 1,002,663	\$ 89,978	\$ 516

Year Ending June 30,	Business-type Activities			
	Direct Borrowings and Direct Placements			
	Toms Brook-Maurertown Sanitary District Bonds		Landfill VRA Loans	
	Principal	Interest	Principal	Interest
2026	\$ 32,496	\$ 4,944	\$ 511,683	\$ 451,379
2027	33,989	3,451	537,489	427,638
2028	35,550	1,890	558,305	402,735
2029	22,642	337	589,129	376,541
2030	-	-	614,962	348,930
2031-2035	-	-	2,011,607	1,402,629
2036-2040	-	-	2,190,000	900,969
2041-2045	-	-	2,775,000	303,884
Total	\$ 124,677	\$ 10,622	\$ 9,788,175	\$ 4,614,705

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 10—LONG-TERM LIABILITIES: (CONTINUED)**

PRIMARY GOVERNMENT (continued)

Details of long-term liabilities:

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates		Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
<b>Primary Government:</b>								
Governmental activities:								
Lease revenue bonds:								
2012C lease revenue bonds	12/6/2012	\$ 4,495,000	3.125-4.845%	A	\$125,000- \$245,000	10/1/2042	\$ 3,395,000	\$ 135,000
Unamortized premium on Issuance	n/a	n/a	n/a		n/a	n/a	171,392	9,522
2018C lease revenue bonds	11/14/2018	\$ 13,970,000	4.125-5.125%	A	\$350,000- \$1,145,000	4/1/2039	12,130,000	615,000
Unamortized premium on Issuance	n/a	n/a	n/a		n/a	n/a	1,275,485	51,019
2020C lease revenue bonds	9/25/2020	\$ 1,475,000	.41-1.538%	SA	\$10,000- \$280,000	4/1/2029	575,000	285,000
2021 lease revenue bonds	10/21/2021	\$ 5,700,000	1.315%	A		6/30/2032	4,055,000	557,000
2024C lease revenue bonds	11/19/2024	\$ 4,790,000	.41-1.538%	SA	\$10,000- \$280,000	4/1/2029	4,790,000	860,000
Unamortized premium on Issuance	n/a	n/a	n/a		n/a	n/a	249,695	62,424
Total lease revenue bonds							\$ 26,641,572	\$ 2,574,965
General obligation bonds:								
VRA Mt. Jackson WWTP	6/30/2008	\$ 4,000,000	3.00%	SA	\$132,000- \$262,490	1/1/2029	\$ 872,329	\$ 247,314
VRA Series 2009B Courthouse	11/19/2009	\$ 15,760,000	5.125%	SA	\$1,170,000- \$1,355,000	n/a	2,655,000	1,300,000
QSCB Series 2010*	7/8/2010	\$ 7,435,000	2.70%	SA	\$480,000- \$485,000	6/1/2027	970,000	485,000
Net general obligation school bonds							\$ 4,497,329	\$ 2,032,314
* interest reimbursed by federal interest subsidy								
Arbitrage liability	n/a	n/a	n/a		n/a	n/a	\$ 195,907	\$ -
Other liabilities:								
Loans payable:								
Energy saving equipment	6/1/2021	\$ 5,360,000	2.66%	SA	\$289,758	6/1/2042	\$ 4,989,171	\$ 175,856
Sheriff in-car cameras	7/1/2022	\$ 38,700	0.00%	A	\$7,740	7/1/2027	7,740	7,740
Fire & rescue body cameras	3/7/2023	\$ 77,517	0.00%	SA	\$12,482	3/7/2028	26,863	13,432
Sheriff fleet car cameras	5/19/2023	\$ 280,916	0.00%	A	\$70,229	5/19/2028	70,229	70,229
Sheriff tasers	5/16/2023	\$ 125,000	0.00%	A	\$25,000	5/16/2028	50,000	25,000
Sheriff body cameras	10/14/2021	\$ 168,510	0.00%	A	\$33,702	10/31/2025	35,473	35,473
Police vehicles	5/10/2024	\$ 678,500	4.857%	A	\$124,000- \$148,500	5/1/2029	554,500	129,000
Total loans payable							\$ 5,733,976	\$ 456,730

A= annual installments M= monthly installments SA= semi-annual installments

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 10—LONG-TERM LIABILITIES: (CONTINUED)**

PRIMARY GOVERNMENT (continued)

Details of long-term liabilities: (continued)

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates		Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
<b>Primary Government: (continued)</b>								
Governmental activities: (continued)								
Lease liabilities:								
Copiers		\$ 293,619	3.08-4.11%	M	\$70-\$985	2026/2029	\$ 89,978	\$ 47,407
Total lease liabilities							\$ 89,978	\$ 47,407
Net pension liability (payable from general fund)							2,324,327	-
Net OPEB liabilities (payable from general fund)							2,408,460	-
Compensated absences (payable from general fund)							3,091,150	1,236,460
Total other liabilities							\$ 7,823,937	\$ 1,283,867
Total long-term liabilities from governmental activities							\$ 44,982,699	\$ 6,347,876
Business-type activities:								
Lease revenue bonds:								
VRA Bond 2011-Landfill	12/1/2012	\$ 1,340,415	2.93%	SA	\$69,097- \$84,700	6/30/2031	\$ 453,175	\$ 76,683
VRA Bond 2010-Landfill	11/18/2020	\$ 2,075,000	5.13%	SA	\$170,000- \$260,000	4/30/2031	1,370,000	200,000
Unamortized premium on Issuance	n/a	n/a	n/a		n/a	n/a	275,228	45,871
VRA Bond 2024-Landfill	11/19/2024	\$ 7,965,000	4.125-5.125%	SA	\$614,578- \$619,306	4/1/2045	7,965,000	235,000
Unamortized premium on Issuance	n/a	n/a	n/a		n/a	n/a	659,362	34,703
Total lease revenue bonds							\$ 10,722,765	\$ 592,257
General obligation bonds:								
1995 GO Bond-Tom's Brook	8/1/1995	\$ 634,000	4.50%	M	\$37,440	2/1/2029	\$ 124,677	\$ 32,496
Arbitrage liability	n/a	n/a	n/a		n/a	n/a	\$ 66,311	\$ -
Other Liabilities:								
Landfill closure and post-closure care							16,035,977	-
Net pension liability (payable from business-type activities)							248,681	-
Net OPEB liabilities (payable from business-type activities)							259,101	-
Compensated absences (payable from business-type activities)							179,618	69,491
Total Other Liabilities							\$ 16,723,377	\$ 69,491
Total business-type activities							\$ 27,637,130	\$ 694,244

A= annual installments M= monthly installments SA= semi-annual installments

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 10—LONG-TERM LIABILITIES: (CONTINUED)**

DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD

Changes in long-term liabilities:

	Balance July 1, 2024, as restated	Increases	Decreases	Balance June 30, 2025	Amount Due Within One Year
Lease Liabilities	\$ 1,030,402	\$ 43,760	\$ 335,034	\$ 739,128	\$ 312,454
Subscription Liabilities	93,769	157,475	123,414	127,830	75,437
Compensated Absences	1,885,372	916,522	1,131,223	1,670,671	668,268
Net Pension Liability	42,325,941	16,278,348	20,847,222	37,757,067	-
Net OPEB Liabilities	13,417,730	2,496,574	4,531,333	11,382,971	-
<b>Total</b>	<b>\$ 58,753,214</b>	<b>\$ 19,892,679</b>	<b>\$ 26,968,226</b>	<b>\$ 51,677,667</b>	<b>\$ 1,056,159</b>

Annual requirements to amortize long-term liabilities and related interest are as follows:

Year Ending June 30,	Component Unit School Board			
	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 312,454	\$ 11,497	\$ 75,437	\$ 3,659
2027	225,095	6,035	52,393	1,607
2028	191,994	2,101	-	-
2029	9,585	138	-	-
<b>Total</b>	<b>\$ 739,128</b>	<b>\$ 19,771</b>	<b>\$ 127,830</b>	<b>\$ 5,266</b>

Details of long-term liabilities:

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
<b>Component Unit School Board:</b>							
Liabilities:							
Other Liabilities:							
Lease liabilities:							
Copiers	various	\$ 1,862,518	.62%-6.00%	M \$27,737	2025-2029	\$ 739,128	\$ 312,454
Subscription liabilities:							
Instructional software	7/31/2022	\$ 254,817	2.88%	M \$2,500-\$5,223	6/30/24 & 25	\$ 127,830	\$ 75,437
Net pension liability (payable from school operating fund)						37,757,067	-
Net OPEB liabilities (payable from school operating fund)						11,382,971	-
Compensated absences (payable from school operating fund)						1,670,671	668,268
<b>Total Other Liabilities</b>						<b>\$ 51,677,667</b>	<b>\$ 1,056,159</b>
<b>Total long-term liabilities, Component Unit School Board</b>						<b>\$ 51,677,667</b>	<b>\$ 1,056,159</b>

A= annual installments M= monthly installments SA= semi-annual installments

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 10—LONG-TERM LIABILITIES: (CONTINUED)**

DISCRETELY PRESENTED COMPONENT UNIT-LIBRARY

Changes in long-term liabilities:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Amount Due Within One Year
Lease Liabilities	\$ <u>6,928</u>	\$ <u>-</u>	\$ <u>2,852</u>	\$ <u>4,076</u>	\$ <u>2,873</u>

Annual requirements to amortize long-term liabilities and related interest are as follows:

June 30,	Principal	Interest
2026	\$ <u>2,873</u>	\$ <u>20</u>
2027	<u>1,203</u>	<u>2</u>
Total	\$ <u><u>4,076</u></u>	\$ <u><u>22</u></u>

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
Component Unit Library:							
Liabilities:							
Other Liabilities:							
Lease liabilities:							
Copier	7/1/2023	\$ 2,573	0.71% M	\$241	2027	\$ <u>4,076</u>	\$ <u>2,873</u>

A= annual installments M= monthly installments SA= semi-annual installments

**NOTE 11—OTHER LIABILITIES – ENTERPRISE FUNDS:**

The other liabilities of the Sanitary Districts at June 30, 2025, consist of the following:

	Stoney Creek	Toms-Brook Maurertown	Total
Security deposits	\$ <u>5,500</u>	\$ <u>15,075</u>	\$ <u>20,575</u>
Total	\$ <u><u>5,500</u></u>	\$ <u><u>15,075</u></u>	\$ <u><u>20,575</u></u>

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

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**NOTE 12—DEFERRED COMPENSATION PLAN:**

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The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The County does not match the employee's contributions. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Under the provisions of the Small business Job Protection Act of 1996, all amounts currently or thereafter held under the Plan, including amounts deferred and earnings or other accumulations attributable thereto, shall be held for the exclusive benefit of Plan participants and beneficiaries in annuity contracts, or in trust or in one or more custodial accounts pursuant to one or more separate written instruments.

Investments are managed by the plan's trustee under one of twenty-seven investment options, or a combination thereof. The choice of the investment option is made solely by the participants.

**NOTE 13—PENSION PLAN:**

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***Plan Description***

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan 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.

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COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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**NOTE 13—PENSION PLAN: (CONTINUED)**

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***Benefits Structures***

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit.

Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

***Average Final Compensation and Service Retirement Multiplier***

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.7% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who 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.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 13—PENSION PLAN: (CONTINUED)**

***Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits***

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

***Employees Covered by Benefit Terms***

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b>Primary Government</b>	<b>Component Unit School Board Nonprofessional</b>
Inactive members or their beneficiaries currently receiving benefits	190	183
Inactive members:		
Vested inactive members	67	33
Non-vested inactive members	112	126
Inactive members active elsewhere in VRS	238	51
Total inactive members	417	210
Active members	352	186
Total covered employees	959	579

***Contributions***

The contribution requirement for active employees is governed by §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’s contractually required employer contribution rate for the year ended June 30, 2025 was 11.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This 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 County were \$2,498,855 and \$2,216,594 for the years ended June 30, 2025 and June 30, 2024 respectively.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

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**NOTE 13—PENSION PLAN: (CONTINUED)**

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***Contributions (continued)***

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 5.77% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This 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 Component Unit School Board’s nonprofessional employees were \$294,100 and \$261,030 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$71,076 and \$32,041 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$71,425 and \$25,015 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$7,107,625 and \$3,411,516 for the County and School Board, respectively, for the year ended June 30, 2025.

***Net Pension (Asset) Liability***

The net pension asset (NPA) and net pension liability (NPL) are calculated separately for each employer and represents that particular employer’s total pension (asset) liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The County’s and Component Unit School Board’s (nonprofessional) net pension (asset) liabilities were measured as of June 30, 2024. The total pension (asset) liabilities used to calculate the net pension (asset) liabilities were determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024.

***Actuarial Assumptions – General Employees***

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 13—PENSION PLAN: (CONTINUED)**

**Actuarial Assumptions – General Employees (Continued)**

Mortality rates:

All Others (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service-related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non -10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

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**NOTE 13—PENSION PLAN: (CONTINUED)**

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***Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits***

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.5%
Salary increases, including inflation	3.5% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

Mortality rates:

All Others (Non-10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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**NOTE 13—PENSION PLAN: (CONTINUED)**

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***Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits (continued)***

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 13—PENSION PLAN: (CONTINUED)**

***Long-Term Expected Rate of Return***

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 estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return*</b>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
Diversifying Strategies	6.00%	5.80%	0.35%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

\* The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%.

\*\* On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which is roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 13—PENSION PLAN: (CONTINUED)**

***Discount Rate***

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. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2024, the employer contribution rate was the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2024, the rate contributed by the school board for the VRS teacher retirement plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2024 on, participating employers and school divisions 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 liability.

***Changes in Net Pension Liability/Asset***

	<b>Primary Government</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at June 30, 2023	\$ 68,800,141	\$ 67,830,042	\$ 970,099
Changes for the year:			
Service cost	\$ 2,603,139	\$ -	\$ 2,603,139
Interest	4,701,120	-	4,701,120
Differences between expected and actual experience	4,020,308	-	4,020,308
Contributions - employer	-	2,216,581	(2,216,581)
Contributions - employee	-	950,005	(950,005)
Net investment income	-	6,595,793	(6,595,793)
Benefit payments, including refunds	(3,514,126)	(3,514,126)	-
Administrative expenses	-	(42,143)	42,143
Other changes	-	1,422	(1,422)
Net changes	\$ 7,810,441	\$ 6,207,532	\$ 1,602,909
Balances at June 30, 2024	\$ 76,610,582	\$ 74,037,574	\$ 2,573,008

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

*Changes in Net Pension Liability/Asset (continued)*

	<b>Component School Board (nonprofessional)</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Asset (a) - (b)</b>
Balances at June 30, 2023	\$ 16,300,803	\$ 16,781,438	\$ (480,635)
Changes for the year:			
Service cost	\$ 395,828	\$ -	\$ 395,828
Interest	1,092,827	-	1,092,827
Differences between expected and actual experience	668,796	-	668,796
Contributions - employer	-	263,075	(263,075)
Contributions - employee	-	206,943	(206,943)
Net investment income	-	1,612,550	(1,612,550)
Benefit payments, including refunds	(1,006,021)	(1,006,021)	-
Administrative expenses	-	(11,050)	11,050
Other changes	(7,180)	(22,051)	14,871
Net changes	\$ 1,144,250	\$ 1,043,446	\$ 100,804
Balances at June 30, 2024	\$ 17,445,053	\$ 17,824,884	\$ (379,831)

***Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate***

The following presents the net pension liability (asset) of the County and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (asset) 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:

	<b>Rate</b>		
	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
County's			
Net Pension Liability (Asset)	\$ 13,228,589	\$ 2,573,008	\$ (5,995,939)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 1,349,871	\$ (379,831)	\$ (1,836,056)

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 13—PENSION PLAN: (CONTINUED)**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2025, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$1,489,095 and \$150,441, respectively. At June 30, 2025, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,861,718	\$ 539,031	\$ 322,270	\$ -
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments		1,877,133	-	481,340
Deferred change in proportionate share	45,710	45,710	-	-
Employer contributions subsequent to the measurement date	2,498,855	-	294,100	-
<b>Total</b>	<b>\$ 5,406,283</b>	<b>\$ 2,461,874</b>	<b>\$ 616,370</b>	<b>\$ 481,340</b>

\$2,498,855 and \$294,100 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. 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 Ended June 30,	Primary Government	Component Unit School Board (nonprofessional)
2026	\$ (841,722)	\$ (103,716)
2027	1,527,591	135,577
2028	165,754	(91,129)
2029	(406,069)	(99,802)
2030	-	-
Thereafter	-	-

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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**NOTE 13—PENSION PLAN: (CONTINUED)**

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***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report-pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**Component Unit School Board (Professional)**

***Plan Description***

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information related to the plan description is included in the first section of this note.

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 division were \$6,163,960 and \$6,784,128 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$204,012 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$210,777 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$20,536,886 for the year ended June 30, 2025.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2025, the school division reported a liability of \$37,757,067 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was .40223% as compared to .41877% at June 30, 2023.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 13—PENSION PLAN: (CONTINUED)**

**Component Unit School Board (Professional) (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

For the year ended June 30, 2025, the school division recognized pension expense of \$2,921,139. Since there was a change in proportionate share 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 contribution. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

**Component Unit School Board (Professional) (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 6,550,319	\$ 777,444
Change in assumptions	685,341	-
Net difference between projected and actual earnings on pension plan investments	-	5,197,283
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,349	2,359,363
Employer contributions subsequent to the measurement date	6,163,960	-
Total	<u>\$ 13,403,969</u>	<u>\$ 8,334,090</u>

\$6,163,960 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ (3,217,847)
2027	2,563,128
2028	241,472
2029	(680,834)
2030	-

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 13—PENSION PLAN: (CONTINUED)**

**Component Unit School Board (Professional) (continued)**

***Actuarial Assumptions***

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

***Actuarial Assumptions (continued)***

Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 13—PENSION PLAN: (CONTINUED)**

**Component Unit School Board (Professional) (continued)**

***Net Pension Liability***

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, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee Retirement Plan</b>
Total Pension Liability	\$	60,622,260
Plan Fiduciary Net Position		51,235,326
Employers' Net Pension Liability (Asset)	\$	9,386,934
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		84.52%

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.

The long-term expected rate of return and discount rate information previously described also apply to this plan.

***Sensitivity of the School Division’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the school division’s proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the school division’s proportionate share of the net pension 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:

	<b>Rate</b>		
	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 70,145,230	\$ 37,757,067	\$ 11,232,192

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 13—PENSION PLAN: (CONTINUED)**

**Component Unit School Board (Professional) (continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report. A copy of the 2024 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability</u>	<u>Net Pension (Asset)</u>	<u>Pension Expense</u>
VRS Pension Plans:					
Primary Government	\$ 5,406,283	\$ 2,461,874	\$ 2,573,008	\$ -	\$ 1,489,095
Component Unit School Board:					
School Board Nonprofessional	\$ 616,370	\$ 481,340	\$ -	\$ (379,831)	\$ 150,441
School Board Professional	13,403,969	8,334,090	37,757,067	-	2,921,139
Total Component Unit School Board	<u>\$ 14,020,339</u>	<u>\$ 8,815,430</u>	<u>\$ 37,757,067</u>	<u>\$ (379,831)</u>	<u>\$ 3,071,580</u>

**NOTE 14—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):**

***Plan Description***

In addition to the pension benefits described in Note 14, the County administers a single-employer defined benefit healthcare plan, the County of Shenandoah OPEB Plan. The plan provides post-employment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

The School Board also administers a single-employer defined benefit healthcare plan, the Shenandoah County School Board OPEB Plan. Similar to the Shenandoah County OPEB Plan, this plan provides post-employment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The School Board plan does not issue a publicly available financial report.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

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**NOTE 14—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)**

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***Benefits Provided***

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Prescription insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits if they have at least 5 years of service with the County. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits if they have at least 10 years of services with the School Board.

***Plan Membership***

At July 1, 2024 (the measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	319	671
Total retirees with coverage	3	26
Total	<u>322</u>	<u>697</u>

***Contributions***

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or the School board for the respective plans. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2025 was \$85,000.

The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$304,000.

***Total OPEB Liability***

The County's and School Board's total OPEB liabilities were measured as of July 1, 2024. The measurement of the total OPEB liabilities is based on a valuation date of July 1, 2024.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

NOTE 14—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)

**Actuarial Assumptions**

The total OPEB liability in the July 1, 2024 actuarial valuations for the County and for the School Board were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Salary Increases	2.5% per year for general salary inflations
Discount Rate	The discount rate has been set to equal 4.09% and represents the Municipal GO AA 20-year yield curve rate as of July 1, 2024
Healthcare Cost Trend Rates	6.50% and 7.00% for the County and Component Unit School Board respectively, for fiscal year end 2025 decreasing 0.50% per year to an ultimate rate of 5.00%
Mortality Rates	Mortality rates for Active employees and healthy retirees were based on a PUB-2010 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

**Discount Rate**

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is equal to the Fidelity Index 20-Year Municipal GO AA Index. The final equivalent single discount rate used for this year’s valuation is 4.09% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

**Changes in Total OPEB Liability**

	<b>Primary Government Total OPEB Liability</b>	<b>Component Unit School Board Total OPEB Liability</b>
Balances at June 30, 2024	\$ 2,317,000	\$ 5,722,000
Changes for the year:		
Service cost	176,000	448,000
Interest	95,000	232,000
Difference between expected and actual experience	(709,000)	(1,250,000)
Changes in assumptions	(4,000)	(431,000)
Benefit payments	(85,000)	(304,000)
Net changes	<u>(527,000)</u>	<u>(1,305,000)</u>
Balances at June 30, 2025	<u>\$ 1,790,000</u>	<u>\$ 4,417,000</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 14—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)**

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following amounts present the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) than the current discount rate:

	<b>Rate</b>		
	<b>1% Decrease (3.09%)</b>	<b>Current Discount Rate (4.09%)</b>	<b>1% Increase (5.09%)</b>
<b>Primary Government</b>			
\$	2,011,000	\$ 1,790,000	\$ 1,596,000
<b>Component Unit School Board</b>			
\$	4,827,000	\$ 4,417,000	\$ 4,043,000

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower 5.50% and 6.00% or one percentage point higher 7.50% and 8.0%, respectively than the current healthcare cost trend rates:

	<b>Rate</b>		
	<b>1% Decrease 5.5%/7.0%</b>	<b>Healthcare Cost Trend 6.50%/7.0%</b>	<b>1% Increase 7.5%/8.0%</b>
<b>Primary Government</b>			
\$	1,546,000	\$ 1,790,000	\$ 2,085,000
<b>Component Unit School Board</b>			
\$	3,930,000	\$ 4,417,000	\$ 4,988,000

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COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 14—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources***

For the year ended June 30, 2025, the Primary Government recognized OPEB expense in the amount of \$160,000. The School Board recognized OPEB expense in the amount of \$32,000. At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to Pay as You Go OPEB plan are as follows:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 98,000	\$ 720,000	\$ 594,000	\$ 3,322,000
Changes in assumptions	332,000	271,000	498,000	1,060,000
Employer contributions subsequent to the measurement date	85,000	-	304,000	-
Total	<u>\$ 515,000</u>	<u>\$ 991,000</u>	<u>\$ 1,396,000</u>	<u>\$ 4,382,000</u>

\$85,000 and \$304,000 reported as deferred outflows of resources related to the Pay as You Go OPEB Plan resulting from the County’s and Component Unit School Board’s (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the fiscal year ending June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pay as You Go OPEB Plan will be recognized in the OPEB expense in future reporting periods as follows:

Year Ended June 30,	Primary Government	Component Unit School Board
2026	\$ (107,000)	\$ (656,000)
2027	(103,000)	(656,000)
2028	(100,000)	(649,000)
2029	(92,000)	(638,000)
2030	(43,000)	(475,000)
Thereafter	(116,000)	(216,000)

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found on the required supplementary information following the notes to the financial statements.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):**

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***Plan Description***

The Group Life Insurance (GLI) Plan was established pursuant to §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. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan 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 Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

***Eligible Employees***

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. 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 GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seat belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts 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. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

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**Contributions**

The contribution requirements for the GLI Plan are governed by §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 Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% 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, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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. County contributions to the Group Life Insurance Plan from the entity were \$102,707 and \$109,042 for the years ended June 30, 2025 and June 30, 2024, respectively. The Component Unit School Board's contributions to the Group Life Insurance Plan for nonprofessional employees were \$23,955 and \$25,528, for the years ended June 30, 2025 and June 30, 2024 respectively. The Component Unit School Board's contributions to the Group Life Insurance Plan for professional employees were \$203,851 and \$232,758 for the years ended June 30, 2025 and June 30, 2024 respectively.

***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Plan OPEB***

At June 30, 2025, the County reported a liability of \$877,561 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 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, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.07864% as compared to 0.079860% at June 30, 2023.

At June 30, 2025, the School Board reported liability of \$205,441 for nonprofessional employees and \$1,873,298 for professional employees for its proportionate share of the Net GLI OPEB Liability. At June 30, 2024 and June 30, 2023, the participating employer's proportion for nonprofessional employees was 0.01849% and 0.01889% respectively. At June 30, 2024, the participating employer's proportion for School Board professional employees was 0.16787% as compared to 0.17743% at June 30, 2023.

For the year ended June 30, 2025, the County recognized GLI OPEB expense of \$47,107, while the School Board recognized GLI OPEB expense of \$2,760 and \$11,232 for nonprofessional and professional employees, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Plan OPEB (continued)***

At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Nonprofessional Employees Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 138,412	\$ 21,436	\$ 32,404	\$ 5,018
Net difference between projected and actual earnings on GLI OPEB program investments	-	73,969	-	17,317
Change in assumptions	5,000	43,490	1,171	10,181
Changes in proportion	76,766	13,012	13,338	11,130
Employer contributions subsequent to the measurement date	102,707	-	23,955	-
Total	\$ 322,885	\$ 151,907	\$ 70,868	\$ 43,646

	Component Unit School Board	
	Professional Employees Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 295,462	\$ 45,758
Net difference between projected and actual earnings on GLI OPEB program investments	-	157,899
Change in assumptions	10,678	92,837
Changes in proportion	6,482	188,097
Employer contributions subsequent to the measurement date	203,852	-
Total	\$ 516,474	\$ 484,591

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Plan OPEB (continued)***

\$102,707, \$23,955, and \$203,852 for the County, Component Unit School Board-Nonprofessional and Component Unit School Board-Professional respectively, 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, 2026. 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:

<u>Primary Government</u>	<u>Component Unit School Board</u>		
	<u>Nonprofessional</u>	<u>Professional</u>	
<u>Year Ended June 30,</u>	<u>Year Ended June 30,</u>	<u>Year Ended June 30,</u>	
2026	\$ (16,231)	2026	\$ (127,543)
2027	35,836	2027	(10,592)
2028	18,917	2028	(33,651)
2029	18,328	2029	(11,974)
2030	11,423	2030	11,791
Thereafter	-	Thereafter	-

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.5%
Salary increases, including inflation:	
Teachers	3.5%-5.95%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

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*Actuarial Assumptions (continued)*

**Mortality Rates – Teachers**

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***Actuarial Assumptions (continued)***

**Mortality Rates – Non-Largest Ten Locality Employers – General Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***Actuarial Assumptions (continued)***

**Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the Group Life Insurance Plan represents the Plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the Group Life Insurance Plan is as follows (amounts expressed in thousands):

		<b>Group Life Insurance OPEB Plan</b>
Total GLI OPEB Liability	\$	4,196,055
Plan Fiduciary Net Position		3,080,133
GLI Net OPEB Liability (Asset)	\$	1,115,922
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		73.41%

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.

**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:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***Long-Term Expected Rate of Return (continued)***

\* The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%.

\*\* On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

***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 employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by the entity 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 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to 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.

***Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate***

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s 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:

	<b>Rate</b>		
	<b>1% Decrease (5.75%)</b>	<b>Current Discount (6.75%)</b>	<b>1% Increase (7.75%)</b>
County's proportionate share of the GLI Program Net OPEB Liability	\$ 1,364,722	\$ 877,561	\$ 484,000
School Board's proportionate share of the GLI Program Net OPEB Liability-nonprofessional employees	\$ 319,488	\$ 205,441	\$ 113,307
School Board's proportionate share of the GLI Program Net OPEB Liability-professional employees	\$ 2,913,222	\$ 1,873,298	\$ 1,033,177

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

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**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

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***GLI Plan Fiduciary Net Position***

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN:**

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***Plan Description***

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan 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 HIC 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.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

***Eligible Employees***

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

***Benefit Amounts***

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. 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. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Plan (VLDP), the monthly benefit is \$45.00 per month.

***HIC Plan Notes***

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under 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.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)**

***Employees Covered by Benefit Terms***

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<b>Primary Government</b>	<b>Component Unit School Board Nonprofessional</b>
Inactive members or their beneficiaries currently receiving benefits	50	55
Inactive members:		
Vested inactive members	2	1
Inactive members active elsewhere in VRS	57	50
Total inactive members	109	106
Active members	201	186
Total covered employees	310	292

***Contributions***

The contribution requirements for active employees is governed by §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. The County contractually required employer contribution rate for the year ended June 30, 2025 was .06% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 from the County to the Health Insurance Credit Plan were \$7,471 and \$6,951 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 0.93% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. This 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 Component Unit School Board's nonprofessional employees were \$47,401 and \$43,951 for the years ended June 30, 2025 and June 30, 2024, respectively.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

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**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)**

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***Net HIC OPEB Liability (Asset)***

The County net Health Insurance Credit OPEB liability was measured as of June 30, 2024. The total Health Insurance Credit OPEB liability (asset) was determined by an actuarial valuation performed as of June 30, 2023 using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

***Actuarial Assumptions***

The total HIC OPEB liability (asset) was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.5%
Salary increases, including inflation:	
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

**Mortality Rates – Non-Largest Ten Locality Employers – General Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)**

**Actuarial Assumptions (continued)**

**Mortality Rates – Non-Largest Ten Locality Employers – General Employees (continued)**

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)**

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*Actuarial Assumptions (continued)*

**Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees (continued)**

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)**

***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:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Allocation</b>	<b>Arithmetic Long-term Rate of Return</b>	<b>Weighted Average Long-term Rate of Return*</b>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

\*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). 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. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

\*\* On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

***Discount Rate***

The discount rate used to measure the total HIC OPEB liability 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, 2024 the rate contributed by the entity 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, 2024 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 SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Changes in Net HIC OPEB Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 328,907	\$ 301,926	\$ 26,981
Changes for the year:			
Service cost	\$ 6,461	\$ -	\$ 6,461
Interest	22,175	-	22,175
Differences between expected and actual experience	(32,813)	-	(32,813)
Contributions - employer	-	6,952	(6,952)
Net investment income	-	28,066	(28,066)
Benefit payments	(13,695)	(13,695)	-
Administrative expenses	-	(384)	384
Other changes	-	-	-
Net changes	\$ (17,872)	\$ 20,939	\$ (38,811)
Balances at June 30, 2024	\$ 311,035	\$ 322,865	\$ (11,830)

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 330,372	\$ 66,063	\$ 264,309
Changes for the year:			
Service cost	\$ 4,407	\$ -	\$ 4,407
Interest	21,886	-	21,886
Differences between expected and actual experience	(2,000)	-	(2,000)
Contributions - employer	-	43,052	(43,052)
Net investment income	-	7,721	(7,721)
Benefit payments	(21,084)	(21,084)	-
Administrative expenses	-	(116)	116
Other changes	-	1	(1)
Net changes	\$ 3,209	\$ 29,574	\$ (26,365)
Balances at June 30, 2024	\$ 333,581	\$ 95,637	\$ 237,944

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)**

***Sensitivity of the Health Insurance Credit Net OPEB Liability (Asset) to Changes in the Discount Rate***

The following presents the County’s and Component Unit School Board’s (nonprofessional) Health Insurance Credit Plan net HIC OPEB liability (asset) using the discount rate of 6.75%, as well as what the County’s and Component Unit School Board’s (nonprofessional) net HIC OPEB liability (asset) 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:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's			
Net HIC OPEB Liability (Asset) \$	26,788	(11,830)	(44,017)
Component Unit School Board's (nonprofessional)			
Net HIC OPEB Liability (Asset) \$	269,173	237,944	211,075

***Health Insurance Credit Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Plan OPEB***

For the year ended June 30, 2025, the County and Component Unit School Board (nonprofessional) recognized Health Insurance Credit Plan OPEB expense of \$3,405, and \$7,928 respectively. At June 30, 2025, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the County’s Health Insurance Credit Plan from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on HIC OPEB plan investments	\$ -	\$ 6,535	\$ -	\$ 1,591
Change in assumptions	46,356	26	12,182	-
Differences between expected and actual experience	5,027	43,854	-	39,567
Employer contributions subsequent to the measurement date	7,471	-	47,401	-
Total	<u>\$ 58,854</u>	<u>\$ 50,415</u>	<u>\$ 59,583</u>	<u>\$ 41,158</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)**

***Health Insurance Credit Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Plan OPEB (continued)***

\$7,471 and \$47,401 reported as deferred outflows of resources related to the HIC OPEB resulting from the County’s Component Unit School Board’s (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. 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 Ended June 30,</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>
2026	\$ (6,439)	\$ (14,557)
2027	4,060	(13,039)
2028	944	(876)
2029	331	(504)
2030	640	-
Thereafter	1,432	-

***HIC Plan Data***

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):**

***Plan Description***

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan 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 HIC 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.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

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**NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)**

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***Plan Description (continued)***

The specific information for the Teacher HIC Plan OPEB, including eligibility, coverage, and benefits is described below:

***Eligible Employees***

The Teacher Employee Retiree HIC Plan was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

***Benefit Amounts***

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. 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. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Plan (VLDP), the monthly benefit is either: \$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.

***HIC Plan Notes***

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.

***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) 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. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 from the school division to the VRS Teacher Employee Health Insurance Credit Plan were \$524,800 and \$521,550 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

**NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)**

***Teacher Employee Health Insurance Credit Plan OPEB Liabilities, Teacher Employee Health Insurance Credit Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee Health Insurance Credit Plan OPEB***

At June 30, 2025, the school division reported a liability of \$4,649,288 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Plan Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The school division’s proportion of the Net VRS Teacher Employee Health Insurance Credit Plan OPEB Liability was based on the school division’s actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division’s proportion of the VRS Teacher Employee HIC Plan was .40231% as compared to .41909% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$284,519. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 220,272
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	16,538
Change in assumptions	80,094	-
Change in proportionate share and differences between actual and expected contributions	40,972	376,557
Employer contributions subsequent to the measurement date	<u>524,800</u>	<u>-</u>
Total	<u>\$ 645,866</u>	<u>\$ 613,367</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)

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*Teacher Employee Health Insurance Credit OPEB Liabilities, Teacher Employee HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB: (continued)*

\$524,800 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>		
2026	\$	(94,045)
2027		(88,585)
2028		(111,753)
2029		(99,018)
2030		(65,655)
Thereafter		(33,245)

**Actuarial Assumptions**

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.5%
Salary increases, including inflation:	
Teacher employees	3.5%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

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COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

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NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)

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*Actuarial Assumptions (continued)*

**Mortality Rates – Teachers**

Pre-Retirement:

Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements  
June 30, 2025 (Continued)

NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)

**Net Teacher Employee HIC OPEB Liability**

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,478,105
Plan Fiduciary Net Position		322,457
Teacher Employee HIC OPEB Liability (Asset)	\$	1,155,648
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		21.82%

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.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on the VRS 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 VRS 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 estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):  
(CONTINUED)**

***Long-Term Expected Rate of Return (continued)***

\* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). 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. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

\*\* On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

***Discount Rate***

The discount rate used to measure the total Teacher Employee HIC OPEB 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 and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2024 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB 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 Teacher Employee HIC OPEB liability.

***Sensitivity of the School Division’s Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate***

The following presents the school division’s proportionate share of the VRS Teacher HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division’s proportionate share of the net HIC 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:

	<b>Rate</b>		
	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 5,287,400	\$ 4,649,288	\$ 4,108,429

Detailed information about the VRS Teacher Employee HIC Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 18—AGGREGATE OPEB INFORMATION:**

The following table summarizes the County and School Board OPEB deferred outflows, inflows, liabilities, and expense for all plans:

	<b>Primary Government</b>				
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Net OPEB Liability</b>	<b>Net OPEB (Asset)</b>	<b>OPEB Expense</b>
VRS OPEB Plans:					
Group Life Insurance Program (Note 15):					
County	\$ 322,885	\$ 151,907	\$ 877,561	\$ -	\$ 47,107
County Health Insurance Credit Program (Note 16)	58,854	50,415	-	11,830	3,405
County Stand-Alone Plan (Note 14)	515,000	991,000	1,790,000	-	160,000
Totals	<u>\$ 896,739</u>	<u>\$ 1,193,322</u>	<u>\$ 2,667,561</u>	<u>\$ 11,830</u>	<u>\$ 210,512</u>
	<b>Component Unit School Board</b>				
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Net OPEB Liability</b>	<b>Net OPEB (Asset)</b>	<b>OPEB Expense</b>
VRS OPEB Plans:					
Group Life Insurance Program (Note 15):					
School Board Nonprofessional	\$ 70,868	\$ 43,646	\$ 205,441	\$ -	\$ 2,760
School Board Professional	516,474	484,591	1,873,298	-	11,232
School Board Nonprofessional Health Insurance Credit Program (Note 16)	59,583	41,158	237,944	-	7,928
Teacher Health Insurance Credit Program (Note 17)	645,866	613,367	4,649,288	-	284,519
School Stand-Alone Plan (Note 14)	1,396,000	4,382,000	4,417,000	-	32,000
Totals	<u>\$ 2,688,791</u>	<u>\$ 5,564,762</u>	<u>\$ 11,382,971</u>	<u>\$ -</u>	<u>\$ 338,439</u>

**NOTE 19—CONTINGENT LIABILITIES:**

Federal programs in which the county and its component units participate were audited in accordance with the provisions of the Uniform Guidance. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures, if any, would be immaterial.

While \$380,600 of the General Obligation Bond Series of 1995 and 1997 have been recorded in the Toms Brook-Maurertown Sanitary District, from which repayment is anticipated, the General Fund has a contingent liability for the repayment of this amount should the Sanitary District be unable to do so.

**NOTE 20—RISK MANAGEMENT:**

The County is a member the VACO Self Insurance Association for worker’s compensation insurances. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The county pays VACO contributions and assessments based upon classifications and rates. These amounts are deposited into a designated cash reserve fund of the association out of which expenses, claims and awards are to be paid. In the event of a catastrophic loss which creates an equity deficit and for which all available excess insurance is depleted, the Association may assess all members in proportion to 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. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 21—LANDFILL CLOSURE AND POST-CLOSURE CARE COST:**

State and federal laws and regulations require that the County of Shenandoah place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. During fiscal year 2003, the County opened new landfill cells and significantly completed closure of its old landfill. The estimated liability for landfill closure and post-closure care costs has a balance of \$16,035,977 for the old landfill, and landfill cells 1 and 2. However landfill cell #3 has capacity used to date estimated to be 71%. The estimated total current cost of the landfill closure and post-closure care of \$17,769,064 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain both of the landfills were incurred as of June 30, 2025. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County demonstrated financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Government Financial Assurance Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

**NOTE 22—SEGMENT INFORMATION FOR BUSINESS-TYPE ACTIVITIES:**

	Stoney Creek Sanitary District	Toms Brook Sanitary District	North Fork Wastewater Fund	Landfill Fund	Total Enterprise Funds
Operating revenue	\$ 1,430,778	\$ 833,268	\$ 195,328	\$ 1,518,849	\$ 3,978,223
Depreciation and amortization	251,342	142,708	8,888	962,674	1,365,612
Operating income (loss)	(760,365)	(246,329)	26,659	(2,774,437)	(3,754,472)
Capital contributions	350,000	37,500	-	-	387,500
Property, plant and equipment additions, net of retirements	(106,805)	(30,346)	-	(1,183,157)	(1,320,308)
Net working capital	2,492,962	850,981	72,952	8,157,417	11,574,312
Total assets	5,930,789	2,759,886	236,461	17,439,459	26,366,595
Long-term liabilities	259,162	185,169	-	26,498,555	26,942,886
Net position	5,386,900	2,514,895	224,638	(9,777,271)	(1,650,838)

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2025 (Continued)**

**NOTE 23—ADOPTION OF ACCOUNTING PRINCIPLE:**

During the current year, the County implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the County now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The change in accounting principle resulted in the following restatement of beginning net position:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	Discretely Presented Component
	<u>Fund Balance</u>	<u>Net Position</u>	<u>Unit School Board</u> <u>Net Position</u>
Fund Balance/Net position at July 1, 2024 as originally reported	\$ 88,602,083	\$ (1,533,739)	\$ 9,641,899
Implementation of GASB Statement No. 101	<u>(1,077,769)</u>	<u>(95,811)</u>	<u>(817,723)</u>
Fund Balance/Net position at July 1, 2024 as restated	<u>\$ 87,524,314</u>	<u>\$ (1,629,550)</u>	<u>\$ 8,824,176</u>

**NOTE 24—LEASES RECEIVABLE:**

The Town recognized lease revenue of \$342,472 and interest revenue of \$84,643 during fiscal year 2025. Details of leases receivable at June 30, 2025 are as follows:

<u>Lease Description</u>	<u>Start Date</u>	<u>End Date</u>	<u>Payment Frequency</u>	<u>Discount Rate</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Telecommunications equipment-AT&T	2024	2029	Monthly	4.113%	\$ 252,633	\$ 13,178
Telecommunications equipment-Crown Communications	2021	2036	Monthly	4.113%	132,702	11,818
Building-Edinburg School	2021	2043	Monthly	1.733%	4,654,340	221,090
Farm	2022	2032	Monthly	3.080%	60,755	7,513
Mt. Jackson Industrial Park	2022	2026	Monthly	7.120%	4,086	1,011
Building-Shenandoah County Human Services	2021	2026	Annual	0.687%	<u>3,593</u>	<u>3,593</u>
Totals					<u>\$ 5,108,109</u>	<u>\$ 258,203</u>

## COUNTY OF SHENANDOAH, VIRGINIA

### Notes to the Financial Statements June 30, 2025 (Continued)

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#### **NOTE 25—LITIGATION:**

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At June 30, 2025, there were no matters of litigation involving the County for which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

#### **NOTE 26—LINE OF DUTY ACT (LODA) (OPEB BENEFITS):**

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The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The County has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the County to VACORP. VACORP assumes all liability for the County's LODA claims that are approved. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2025 was \$73,978.

#### **NOTE 27—UPCOMING PRONOUNCEMENTS:**

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Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, Implementation Guidance Update—2025, effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

**REQUIRED SUPPLEMENTARY INFORMATION**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 61,662,868	\$ 61,662,868	\$ 68,427,410	\$ 6,764,542
Other local taxes	9,835,000	9,835,000	9,898,812	63,812
Permits, privilege fees, and regulatory licenses	594,266	594,266	689,928	95,662
Fines and forfeitures	46,000	46,000	37,960	(8,040)
Revenue from the use of money and property	1,109,321	1,109,321	3,110,627	2,001,306
Charges for services	3,113,730	3,846,266	3,673,140	(173,126)
Miscellaneous	543,699	1,062,865	1,777,328	714,463
Recovered costs	1,044,025	1,079,238	1,046,757	(32,481)
Intergovernmental:				
Commonwealth	14,545,903	22,805,767	17,104,501	(5,701,266)
Federal	3,792,903	6,718,534	7,986,321	1,267,787
Total revenues	<u>\$ 96,287,715</u>	<u>\$ 108,760,125</u>	<u>\$ 113,752,784</u>	<u>\$ 4,992,659</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 5,259,003	\$ 5,585,927	\$ 4,888,574	\$ 697,353
Judicial administration	3,161,212	3,298,498	3,230,046	68,452
Public safety	28,049,821	29,084,884	28,081,926	1,002,958
Public works	1,929,513	2,054,857	1,986,411	68,446
Health and welfare	13,873,678	13,908,509	11,522,872	2,385,637
Education	38,863,371	42,354,595	31,332,484	11,022,111
Parks, recreation, and cultural	2,757,417	3,760,880	3,597,040	163,840
Community development	2,737,733	3,073,621	2,483,084	590,537
Nondepartmental	839,751	157,916	7,548	150,368
Capital projects	1,395,000	13,845,143	10,237,908	3,607,235
Debt service:				
Principal retirement	87,144	87,144	87,144	-
Interest and other fiscal charges	903	903	903	-
Total expenditures	<u>\$ 98,954,546</u>	<u>\$ 117,212,877</u>	<u>\$ 97,455,940</u>	<u>\$ 19,756,937</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,666,831)</u>	<u>\$ (8,452,752)</u>	<u>\$ 16,296,844</u>	<u>\$ 24,749,596</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (7,344,470)	\$ (7,569,033)	\$ (8,798,230)	\$ (1,229,197)
Issuance of general obligation bonds	5,000,000	5,000,000	4,790,000	(210,000)
Issuance of premium on general obligation bonds	-	-	312,119	312,119
Leases (as lessee)	-	-	64,326	64,326
Total other financing sources (uses)	<u>\$ (2,344,470)</u>	<u>\$ (2,569,033)</u>	<u>\$ (3,631,785)</u>	<u>\$ (1,062,752)</u>
Net change in fund balances	\$ (5,011,301)	\$ (11,021,785)	\$ 12,665,059	\$ 23,686,844
Fund balance - beginning	5,011,301	11,021,785	51,101,403	40,079,618
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,766,462</u>	<u>\$ 63,766,462</u>

**County of Shenandoah, Virginia**

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Primary Government  
 For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total pension liability</b>				
Service cost	\$ 2,603,139	\$ 2,219,871	\$ 1,922,624	\$ 1,773,500
Interest	4,701,120	4,496,705	4,310,849	3,894,759
Changes in benefit terms	-	-	-	-
Changes of assumptions	-	-	-	2,404,202
Differences between expected and actual experience	4,020,308	(861,265)	(991,752)	(1,179,422)
Benefit payments	<u>(3,514,126)</u>	<u>(2,906,313)</u>	<u>(2,664,772)</u>	<u>(2,637,948)</u>
<b>Net change in total pension liability</b>	\$ 7,810,441	\$ 2,948,998	\$ 2,576,949	\$ 4,255,091
<b>Total pension liability - beginning</b>	68,800,141	65,851,143	63,274,194	59,019,103
<b>Total pension liability - ending (a)</b>	<u>\$ 76,610,582</u>	<u>\$ 68,800,141</u>	<u>\$ 65,851,143</u>	<u>\$ 63,274,194</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 2,216,581	\$ 2,087,544	\$ 1,606,069	\$ 1,464,689
Contributions - employee	950,005	894,806	770,423	703,186
Net investment income	6,595,793	4,160,009	(93,525)	13,888,840
Benefit payments	(3,514,126)	(2,906,313)	(2,664,772)	(2,637,948)
Administrative charges	(42,143)	(40,399)	(39,558)	(34,082)
Other	<u>1,422</u>	<u>1,680</u>	<u>392</u>	<u>1,314</u>
<b>Net change in plan fiduciary net position</b>	\$ 6,207,532	\$ 4,197,327	\$ (420,971)	\$ 13,385,999
<b>Plan fiduciary net position - beginning</b>	67,830,042	63,632,715	64,053,686	50,667,687
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 74,037,574</u>	<u>\$ 67,830,042</u>	<u>\$ 63,632,715</u>	<u>\$ 64,053,686</u>
<b>County's net pension liability - ending (a) - (b)</b>	\$ 2,573,008	\$ 970,099	\$ 2,218,428	\$ (779,492)
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	96.64%	98.59%	96.63%	101.23%
<b>Covered payroll</b>	\$ 20,177,727	\$ 18,811,528	\$ 16,179,911	\$ 14,728,542
<b>County's net pension liability as a percentage of covered payroll</b>	12.75%	5.16%	13.71%	-5.29%

	2020	2019	2018	2017	2016	2015
\$	1,713,263	\$ 1,513,031	\$ 1,527,395	\$ 1,552,258	\$ 1,551,145	\$ 2,097,765
	3,592,971	3,463,665	3,323,028	3,179,653	3,018,636	2,851,117
	-	-	-	-	535,857	-
	-	1,712,494	-	(234,494)	-	-
	1,738,426	(366,432)	(478,973)	(369,474)	(729,854)	(666,172)
	<u>(2,509,516)</u>	<u>(2,639,468)</u>	<u>(2,085,220)</u>	<u>(2,074,224)</u>	<u>(2,076,885)</u>	<u>(1,702,272)</u>
\$	4,535,144	\$ 3,683,290	\$ 2,286,230	\$ 2,053,719	\$ 2,298,899	\$ 2,580,438
	54,483,959	50,800,669	48,514,439	46,460,720	44,161,821	41,581,383
\$	<u>59,019,103</u>	<u>54,483,959</u>	<u>50,800,669</u>	<u>48,514,439</u>	<u>46,460,720</u>	<u>44,161,821</u>
\$	1,295,253	\$ 1,238,866	\$ 1,220,983	\$ 1,191,677	\$ 1,419,174	\$ 1,314,841
	704,382	665,080	627,075	612,314	617,782	601,964
	957,278	3,183,353	3,310,920	4,905,320	697,945	1,739,727
	(2,509,516)	(2,639,468)	(2,085,220)	(2,074,224)	(2,076,885)	(1,702,272)
	(32,475)	(31,516)	(28,169)	(28,037)	(24,366)	(23,243)
	<u>(1,142)</u>	<u>(2,006)</u>	<u>(2,969)</u>	<u>(4,378)</u>	<u>(294)</u>	<u>(366)</u>
\$	413,780	\$ 2,414,309	\$ 3,042,620	\$ 4,602,672	\$ 633,356	\$ 1,930,651
	50,253,907	47,839,598	44,796,978	40,194,306	39,560,950	37,630,301
\$	<u>50,667,687</u>	<u>50,253,907</u>	<u>47,839,598</u>	<u>44,796,978</u>	<u>40,194,306</u>	<u>39,560,952</u>
\$	8,351,416	\$ 4,230,052	\$ 2,961,071	\$ 3,717,461	\$ 6,266,414	\$ 4,600,869
	85.85%	92.24%	94.17%	92.34%	86.51%	89.58%
\$	14,459,661	\$ 13,221,665	\$ 12,900,731	\$ 12,460,402	\$ 12,364,231	\$ 11,980,248
	57.76%	31.99%	22.95%	29.83%	50.68%	38.40%

County of Shenandoah, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Component Unit School Board (nonprofessional)  
 For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total pension liability</b>				
Service cost	\$ 395,828	\$ 333,654	\$ 309,654	\$ 314,070
Interest	1,092,827	1,075,554	1,055,869	996,739
Changes of assumptions	-	-	-	422,500
Differences between expected and actual experience	668,796	(200,233)	(92,354)	(202,493)
Benefit payments	<u>(1,013,201)</u>	<u>(1,017,311)</u>	<u>(993,754)</u>	<u>(935,180)</u>
<b>Net change in total pension liability</b>	<b>\$ 1,144,250</b>	<b>\$ 191,664</b>	<b>\$ 279,415</b>	<b>\$ 595,636</b>
<b>Total pension liability - beginning</b>	<b>16,300,803</b>	<b>16,109,139</b>	<b>15,829,724</b>	<b>15,234,088</b>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 17,445,053</u></b>	<b><u>\$ 16,300,803</u></b>	<b><u>\$ 16,109,139</u></b>	<b><u>\$ 15,829,724</u></b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 263,075	\$ 248,662	\$ 223,561	\$ 214,822
Contributions - employee	206,943	196,203	168,376	162,264
Net investment income	1,612,550	1,038,923	(10,241)	3,719,835
Benefit payments	(1,013,201)	(1,017,311)	(993,754)	(935,180)
Administrative expense	(11,050)	(10,599)	(10,687)	(9,549)
Other	<u>(14,871)</u>	<u>403</u>	<u>384</u>	<u>348</u>
<b>Net change in plan fiduciary net position</b>	<b>\$ 1,043,446</b>	<b>\$ 456,281</b>	<b>\$ (622,361)</b>	<b>\$ 3,152,540</b>
<b>Plan fiduciary net position - beginning</b>	<b>16,781,438</b>	<b>16,325,157</b>	<b>16,947,518</b>	<b>13,794,978</b>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 17,824,884</u></b>	<b><u>\$ 16,781,438</u></b>	<b><u>\$ 16,325,157</u></b>	<b><u>\$ 16,947,518</u></b>
<b>School Division's net pension liability - ending (a) - (b)</b>	<b>\$ (379,831)</b>	<b>\$ (480,635)</b>	<b>\$ (216,018)</b>	<b>\$ (1,117,794)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	102.18%	102.95%	101.34%	107.06%
<b>Covered payroll</b>	<b>\$ 4,725,934</b>	<b>\$ 4,448,863</b>	<b>\$ 3,770,366</b>	<b>\$ 3,588,896</b>
<b>School Division's net pension liability as a percentage of covered payroll</b>	-8.04%	-10.80%	-5.73%	-31.15%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Exhibit 14

	2020	2019	2018	2017	2016	2015
\$	330,718	\$ 313,409	\$ 361,956	\$ 359,495	\$ 427,181	\$ 447,419
	946,946	935,964	924,180	942,619	896,199	850,571
	-	343,688	-	(187,557)	-	-
	422,455	8,719	(213,776)	(558,069)	33,565	(9,646)
	(989,723)	(897,992)	(910,061)	(729,744)	(657,857)	(615,175)
\$	710,396	\$ 703,788	\$ 162,299	\$ (173,256)	\$ 699,088	\$ 673,169
	14,523,692	13,819,904	13,657,605	13,830,861	13,131,773	12,458,604
\$	<u>15,234,088</u>	<u>\$ 14,523,692</u>	<u>\$ 13,819,904</u>	<u>\$ 13,657,605</u>	<u>\$ 13,830,861</u>	<u>\$ 13,131,773</u>
\$	207,606	\$ 208,097	\$ 205,999	\$ 235,452	\$ 328,594	\$ 376,586
	170,644	168,578	156,422	175,693	194,128	207,759
	266,331	902,461	977,080	1,474,249	211,944	534,599
	(989,723)	(897,992)	(910,061)	(729,744)	(657,857)	(615,175)
	(9,430)	(9,297)	(8,738)	(8,654)	(7,534)	(7,246)
	(311)	(565)	(855)	(1,306)	(89)	(112)
\$	(354,883)	\$ 371,282	\$ 419,847	\$ 1,145,690	\$ 69,186	\$ 496,411
	14,149,861	13,778,579	13,358,732	12,213,042	12,143,856	11,647,445
\$	<u>13,794,978</u>	<u>\$ 14,149,861</u>	<u>\$ 13,778,579</u>	<u>\$ 13,358,732</u>	<u>\$ 12,213,042</u>	<u>\$ 12,143,856</u>
\$	1,439,110	\$ 373,831	\$ 41,325	\$ 298,873	\$ 1,617,819	\$ 987,917
	90.55%	97.43%	99.70%	97.81%	88.30%	92.48%
\$	3,758,974	\$ 3,336,274	\$ 3,568,341	\$ 3,668,393	\$ 3,734,178	\$ 4,162,752
	38.28%	11.21%	1.16%	8.15%	43.32%	23.73%

**County of Shenandoah, Virginia**

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan  
For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>		<u>2023</u>		<u>2022</u>		<u>2021</u>
Employer's Proportion of the Net Pension Liability	0.402230%		0.418770%		0.428300%		0.433620%
Employer's Proportionate Share of the Net Pension Liability	\$ 37,757,067	\$	42,325,941	\$	40,776,724	\$	33,662,343
Employer's Covered Payroll	\$ 43,103,325	\$	41,792,185	\$	39,918,034	\$	38,411,652
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	88%		101%		102%		88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.52%		82.45%		85.46%		85.46%

Exhibit 15

2020	2019	2018	2017	2016	2015
0.440000%	0.446710%	0.430540%	0.433720%	0.444314%	0.43849%
\$ 64,038,832	\$ 58,789,575	\$ 50,631,000	\$ 53,339,000	\$ 62,103,000	\$ 55,190,000
\$ 38,638,034	\$ 37,525,255	\$ 34,908,815	\$ 34,345,532	\$ 33,789,530	\$ 32,605,067
166%	157%	145%	155%	184%	169%
71.47%	73.51%	74.81%	72.92%	68.28%	70.68%

Schedule of Employer Contributions  
Pension Plans  
For the Years Ended June 30, 2016 through June 30, 2025

<u>Date</u>	<u>Contractually Required Contribution (1)*</u>	<u>Contributions in Relation to Contractually Required Contribution (2)*</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
<b>Primary Government</b>					
2025	\$ 2,498,855	\$ 2,498,855	\$ -	\$ 21,786,019	11.47%
2024	2,216,594	2,216,594	-	20,177,727	10.99%
2023	2,087,628	2,087,628	-	18,811,528	11.10%
2022	1,606,075	1,606,075	-	16,179,911	9.93%
2021	1,464,690	1,464,690	-	14,728,542	9.94%
2020	1,291,119	1,291,119	-	14,459,661	9.37%
2019	1,238,870	1,238,870	-	13,221,665	9.37%
2018	1,220,980	1,220,980	-	12,900,731	9.46%
2017	1,191,675	1,191,675	-	12,460,402	9.56%
2016	1,433,014	1,433,014	-	12,364,231	11.59%
<b>Component Unit School Board (nonprofessional)</b>					
2025	\$ 294,100	\$ 294,100	\$ -	\$ 5,097,055	5.77%
2024	261,030	261,030	-	4,725,934	5.52%
2023	248,398	248,398	-	4,448,863	5.58%
2022	225,436	225,436	-	3,770,366	5.98%
2021	215,469	215,469	-	3,588,896	6.00%
2020	209,530	209,530	-	3,758,974	5.57%
2019	209,518	209,518	-	3,336,274	6.28%
2018	221,810	221,810	-	3,568,341	6.22%
2017	240,836	240,836	-	3,668,393	6.57%
2016	335,329	335,329	-	3,734,178	8.98%
<b>Component Unit School Board (professional)</b>					
2025	\$ 6,163,960	\$ 6,163,960	\$ -	\$ 43,372,082	14.21%
2024	6,784,128	6,784,128	-	43,103,325	15.74%
2023	6,610,594	6,610,594	-	41,792,185	15.82%
2022	6,362,718	6,362,718	-	39,918,034	15.94%
2021	6,134,530	6,134,530	-	38,411,652	15.97%
2020	5,840,296	5,840,296	-	38,638,034	15.12%
2019	5,792,551	5,792,551	-	37,525,255	15.44%
2018	5,595,934	5,595,934	-	34,908,815	16.32%
2017	4,933,757	4,933,757	-	34,345,532	14.66%
2016	4,715,959	4,715,959	-	33,789,530	14.06%

\*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

Notes to Required Supplementary Information  
 Pension Plans  
 For the Year Ended June 30, 2025

**Changes of benefit terms** –There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non- 10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others (Non- 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Component Unit School Board - Professional Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of Changes in Total OPEB Liability and Related Ratios  
 Primary Government  
 For the Years Ended June 30, 2018 through June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Total OPEB liability</b>				
Service cost	\$ 176,000	\$ 145,000	\$ 159,000	\$ 141,000
Interest	95,000	70,000	43,000	48,000
Changes in assumptions	(4,000)	276,000	(481,000)	203,000
Differences between expected and actual experience	(709,000)	106,000	30,000	(108,000)
Other changes	-	-	-	-
Benefit payments	(85,000)	(64,000)	(55,000)	(52,000)
<b>Net change in total OPEB liability</b>	<b>\$ (527,000)</b>	<b>\$ 533,000</b>	<b>\$ (304,000)</b>	<b>\$ 232,000</b>
<b>Total OPEB liability - beginning</b>	<b>2,317,000</b>	<b>1,784,000</b>	<b>2,088,000</b>	<b>1,856,000</b>
<b>Total OPEB liability - ending</b>	<b>\$ 1,790,000</b>	<b>\$ 2,317,000</b>	<b>\$ 1,784,000</b>	<b>\$ 2,088,000</b>
<b>Covered-employee payroll</b>	<b>\$ 19,770,000</b>	<b>\$ 16,410,000</b>	<b>\$ 16,410,000</b>	<b>\$ 13,368,000</b>
<b>County's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>9.05%</b>	<b>14.12%</b>	<b>10.87%</b>	<b>15.62%</b>

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>				
Service cost	\$ 117,000	\$ 105,000	\$ 111,000	\$ 108,000
Interest	60,000	61,000	68,000	64,000
Changes in assumptions	132,000	88,000	-	-
Differences between expected and actual experience	-	(4,000)	(337,000)	-
Other changes	(222,000)	-	(19,000)	-
Benefit payments	(52,000)	(36,000)	(39,000)	(60,000)
<b>Net change in total OPEB liability</b>	<b>\$ 35,000</b>	<b>\$ 214,000</b>	<b>\$ (216,000)</b>	<b>\$ 112,000</b>
<b>Total OPEB liability - beginning</b>	<b>1,821,000</b>	<b>1,607,000</b>	<b>1,823,000</b>	<b>1,711,000</b>
<b>Total OPEB liability - ending</b>	<b>\$ 1,856,000</b>	<b>\$ 1,821,000</b>	<b>\$ 1,607,000</b>	<b>\$ 1,823,000</b>
<b>Covered-employee payroll</b>	<b>\$ 13,368,000</b>	<b>\$ 13,001,000</b>	<b>\$ 13,001,000</b>	<b>\$ 11,212,000</b>
<b>County's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>13.88%</b>	<b>14.01%</b>	<b>12.36%</b>	<b>16.26%</b>

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Schedule of Changes in Total OPEB Liability and Related Ratios  
 Component Unit School Board  
 For the Years Ended June 30, 2018 through June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Total OPEB liability</b>				
Service cost	\$ 448,000	\$ 430,000	\$ 653,000	\$ 546,000
Interest	232,000	199,000	144,000	149,000
Changes in assumptions	(431,000)	(8,000)	(843,000)	451,000
Differences between expected and actual experience	(1,250,000)	265,000	(1,592,000)	484,000
Benefit payments	<u>(304,000)</u>	<u>(236,000)</u>	<u>(318,000)</u>	<u>(277,000)</u>
<b>Net change in total OPEB liability</b>	\$ (1,305,000)	\$ 650,000	\$ (1,956,000)	\$ 1,353,000
<b>Total OPEB liability - beginning</b>	<u>5,722,000</u>	<u>5,072,000</u>	<u>7,028,000</u>	<u>5,675,000</u>
<b>Total OPEB liability - ending</b>	<u>\$ 4,417,000</u>	<u>\$ 5,722,000</u>	<u>\$ 5,072,000</u>	<u>\$ 7,028,000</u>
<b>Covered-employee payroll</b>	\$ 34,840,000	\$ 40,188,000	\$ 37,888,000	\$ 37,888,000
<b>School Board's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	12.68%	14.24%	12.62%	18.55%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>				
Service cost	\$ 547,000	\$ 518,000	\$ 451,000	\$ 440,000
Interest	239,000	259,000	242,000	230,000
Changes in assumptions	306,000	288,000	(535,000)	-
Differences between expected and actual experience	(2,374,000)	(370,000)	442,000	-
Benefit payments	<u>(231,000)</u>	<u>(269,000)</u>	<u>(377,000)</u>	<u>(283,000)</u>
<b>Net change in total OPEB liability</b>	\$ (1,513,000)	\$ 426,000	\$ 223,000	\$ 387,000
<b>Total OPEB liability - beginning</b>	<u>7,188,000</u>	<u>6,762,000</u>	<u>6,539,000</u>	<u>6,152,000</u>
<b>Total OPEB liability - ending</b>	<u>\$ 5,675,000</u>	<u>\$ 7,188,000</u>	<u>\$ 6,762,000</u>	<u>\$ 6,539,000</u>
<b>Covered-employee payroll</b>	\$ 37,888,000	\$ 38,776,000	\$ 38,776,000	\$ 33,263,000
<b>School Board's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	14.98%	18.54%	17.44%	19.66%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Notes to Required Supplementary Information - OPEB  
 For the Year Ended June 30, 2025

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**PRIMARY GOVERNMENT**

Valuation Date: 7/1/2024  
 Measurement Date: 7/1/2024

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	4.09%
Healthcare Trend Rate	6.50% for fiscal year end 2025 ,decreasing 0.50% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.5% annually
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the PUB-2010 Total Dataset Mortality Table, fully generational with base year 2010, projected using two-dimensional mortality improvement scale MP-2021.

**COMPONENT UNIT SCHOOL BOARD**

Valuation Date: 7/1/2024  
 Measurement Date: 7/1/2024

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	4.09%
Healthcare Trend Rate	7.0% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.5% annually
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the PUB-2010 Total Dataset Mortality Table, fully generational with base year 2010, projected using two-dimensional mortality improvement scale MP-2021.

Schedule of County's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates Ended June 30, 2017 through June 30, 2025

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2024	0.07864% \$	877,561	\$ 20,192,893	4.35%	73.41%
2023	0.07986%	957,772	18,811,528	5.09%	69.30%
2022	0.07450%	897,172	16,208,492	5.54%	67.21%
2021	0.07130%	830,708	14,731,520	5.64%	67.45%
2020	0.07030%	1,173,192	14,468,455	8.11%	52.64%
2019	0.06983%	1,136,319	13,688,932	8.30%	52.00%
2018	0.06788%	1,030,000	12,907,494	7.98%	51.22%
2017	0.06765%	1,018,000	12,477,922	8.16%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of School Board's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates Ended June 30, 2017 through June 30, 2025

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
<b>Component Unit School Board (nonprofessional)</b>					
2024	0.01849%	\$ 205,441	\$ 4,727,476	4.35%	73.41%
2023	0.01889%	226,550	4,450,469	5.09%	69.30%
2022	0.01740%	208,911	3,773,983	5.54%	67.21%
2021	0.01740%	202,817	3,597,292	5.64%	67.45%
2020	0.01826%	304,729	3,758,974	8.11%	52.64%
2019	0.01876%	305,275	3,677,842	8.30%	52.00%
2018	0.01876%	285,000	3,568,341	7.99%	52.21%
2017	0.02000%	300,000	3,668,393	8.18%	48.86%
<b>Component Unit School Board (professional)</b>					
2024	0.16787%	\$ 1,873,298	\$ 43,103,325	4.35%	73.41%
2023	0.17743%	2,127,942	41,794,196	5.09%	69.30%
2022	0.18360%	2,210,601	39,918,034	5.54%	67.21%
2021	0.18590%	2,164,497	38,411,652	5.64%	67.45%
2020	0.18777%	3,133,574	38,642,859	8.11%	52.64%
2019	0.19142%	3,114,913	37,525,255	8.30%	52.00%
2018	0.18357%	2,787,000	34,908,815	7.98%	52.21%
2017	0.18620%	2,802,000	34,345,532	8.16%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
<b>Primary Government</b>					
2025	\$ 102,707	\$ 102,707	\$ -	\$ 21,852,476	0.47%
2024	109,042	109,042	-	20,192,893	0.54%
2023	101,582	101,582	-	18,811,528	0.54%
2022	87,527	87,527	-	16,208,492	0.54%
2021	79,550	79,550	-	14,731,520	0.54%
2020	75,236	75,236	-	14,468,455	0.52%
2019	71,182	71,182	-	13,688,932	0.52%
2018	67,119	67,119	-	12,907,494	0.52%
2017	64,885	64,885	-	12,477,922	0.52%
2016	59,348	59,348	-	12,364,231	0.48%
<b>Component Unit School Board (nonprofessional)</b>					
2025	\$ 23,955	\$ 23,955	\$ -	\$ 5,097,055	0.47%
2024	25,528	25,528	-	4,727,476	0.54%
2023	24,033	24,033	-	4,450,469	0.54%
2022	20,380	20,380	-	3,773,983	0.54%
2021	19,425	19,425	-	3,597,292	0.54%
2020	19,547	19,547	-	3,758,974	0.52%
2019	19,125	19,125	-	3,677,842	0.52%
2018	18,555	18,555	-	3,568,341	0.52%
2017	19,180	19,180	-	3,668,393	0.52%
2016	17,924	17,924	-	3,734,178	0.48%
<b>Component Unit School Board (professional)</b>					
2025	\$ 203,852	\$ 203,852	\$ -	\$ 43,372,082	0.47%
2024	232,758	232,758	-	43,103,325	0.54%
2023	225,689	225,689	-	41,794,196	0.54%
2022	215,652	215,652	-	39,918,034	0.54%
2021	207,268	207,268	-	38,411,652	0.54%
2020	200,943	200,943	-	38,642,859	0.52%
2019	195,131	195,131	-	37,525,255	0.52%
2018	181,805	181,805	-	34,908,815	0.52%
2017	178,597	178,597	-	34,345,532	0.52%
2016	162,190	162,190	-	33,789,530	0.48%

Notes to Required Supplementary Information  
 Group Life Insurance (GLI) Plan  
 For the Year Ended June 30, 2025

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**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Teachers**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of Changes in the County's Net OPEB (Asset) Liability and Related Ratios  
 Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total HIC OPEB Liability</b>								
Service cost	\$ 6,461	\$ 6,036	\$ 7,968	\$ 7,148	\$ 6,964	\$ 6,695	\$ 7,593	\$ 7,593
Interest	22,175	21,233	17,312	15,336	15,014	15,372	15,288	15,288
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(32,813)	(315)	(18,280)	10,343	(1,832)	(12,246)	-	-
Changes of assumptions	-	-	67,496	3,978	-	6,293	(10,066)	(10,066)
Benefit payments	(13,695)	(13,135)	(15,814)	(15,188)	(15,570)	(11,356)	(15,000)	(7,151)
<b>Net change in total HIC OPEB liability</b>	<b>\$ (17,872)</b>	<b>\$ 13,819</b>	<b>\$ 58,682</b>	<b>\$ 21,617</b>	<b>\$ 4,576</b>	<b>\$ 4,758</b>	<b>\$ (2,185)</b>	<b>\$ 5,664</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>328,907</b>	<b>315,088</b>	<b>256,406</b>	<b>234,789</b>	<b>230,213</b>	<b>225,455</b>	<b>227,640</b>	<b>221,976</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 311,035</b>	<b>\$ 328,907</b>	<b>\$ 315,088</b>	<b>\$ 256,406</b>	<b>\$ 234,789</b>	<b>\$ 230,213</b>	<b>\$ 225,455</b>	<b>\$ 227,640</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 6,952	\$ 6,508	\$ 8,127	\$ 7,131	\$ 8,434	\$ 7,947	\$ 8,953	\$ 8,841
Net investment income	28,066	17,245	481	61,786	4,811	14,757	15,768	22,932
Benefit payments	(13,695)	(13,135)	(15,814)	(15,188)	(15,570)	(11,356)	(15,000)	(7,151)
Administrator charges	(384)	(410)	(503)	(712)	(456)	(496)	-	(376)
Other	-	369	6,852	-	(2)	(17)	(1,000)	1,155
<b>Net change in plan fiduciary net position</b>	<b>\$ 20,939</b>	<b>\$ 10,577</b>	<b>\$ (857)</b>	<b>\$ 53,017</b>	<b>\$ (2,783)</b>	<b>\$ 10,835</b>	<b>\$ 8,721</b>	<b>\$ 25,401</b>
<b>Plan fiduciary net position - beginning</b>	<b>301,926</b>	<b>291,349</b>	<b>292,206</b>	<b>239,189</b>	<b>241,972</b>	<b>231,137</b>	<b>222,416</b>	<b>197,015</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 322,865</b>	<b>\$ 301,926</b>	<b>\$ 291,349</b>	<b>\$ 292,206</b>	<b>\$ 239,189</b>	<b>\$ 241,972</b>	<b>\$ 231,137</b>	<b>\$ 222,416</b>
<b>County's net HIC OPEB (asset) liability - ending (a) - (b)</b>	<b>\$ (11,830)</b>	<b>\$ 26,981</b>	<b>\$ 23,739</b>	<b>\$ (35,800)</b>	<b>\$ (4,400)</b>	<b>\$ (11,759)</b>	<b>\$ (5,682)</b>	<b>\$ 5,224</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability (asset)</b>	103.80%	91.80%	92.47%	113.96%	101.87%	105.11%	102.52%	97.71%
<b>Covered payroll</b>	<b>\$ 11,585,198</b>	<b>\$ 10,847,860</b>	<b>\$ 9,028,307</b>	<b>\$ 7,922,934</b>	<b>\$ 7,665,307</b>	<b>\$ 7,223,984</b>	<b>\$ 6,885,719</b>	<b>\$ 6,799,392</b>
<b>County's net HIC OPEB liability (asset) as a percentage of covered payroll</b>	-0.10%	0.25%	0.26%	-0.45%	-0.06%	-0.16%	-0.08%	0.08%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in the Component Unit School Board's (nonprofessional) Net OPEB  
 (Asset) Liability and Related Ratios  
 Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2020 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total HIC OPEB Liability</b>					
Service cost	\$ 4,407	\$ 4,131	\$ 6,168	\$ 6,394	\$ -
Interest	21,886	26,392	23,905	21,593	-
Changes in benefit terms	-	-	-	-	319,890
Differences between expected and actual experience	(2,000)	(76,365)	(10,567)	(1)	-
Changes of assumptions	-	-	38,555	8,662	-
Benefit payments	(21,084)	(21,282)	(17,103)	-	-
<b>Net change in total HIC OPEB liability</b>	<u>\$ 3,209</u>	<u>\$ (67,124)</u>	<u>\$ 40,958</u>	<u>\$ 36,648</u>	<u>\$ 319,890</u>
<b>Total HIC OPEB Liability - beginning</b>	<u>330,372</u>	<u>397,496</u>	<u>356,538</u>	<u>319,890</u>	<u>-</u>
<b>Total HIC OPEB Liability - ending (a)</b>	<u>\$ 333,581</u>	<u>\$ 330,372</u>	<u>\$ 397,496</u>	<u>\$ 356,538</u>	<u>\$ 319,890</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 43,052	\$ 41,420	\$ 28,800	\$ 26,557	\$ -
Net investment income	7,721	3,651	(286)	3,892	-
Benefit payments	(21,084)	(21,282)	(17,103)	-	-
Administration charges	(116)	(90)	(79)	(119)	-
Other	1	36	666	-	-
<b>Net change in plan fiduciary net position</b>	<u>\$ 29,574</u>	<u>\$ 23,735</u>	<u>\$ 11,998</u>	<u>\$ 30,330</u>	<u>\$ -</u>
<b>Plan fiduciary net position - beginning</b>	<u>66,063</u>	<u>42,328</u>	<u>30,330</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 95,637</u>	<u>\$ 66,063</u>	<u>\$ 42,328</u>	<u>\$ 30,330</u>	<u>\$ -</u>
<b>School Board's net HIC OPEB (asset) liability - ending (a) - (b)</b>	\$ 237,944	\$ 264,309	\$ 355,168	\$ 326,208	\$ 319,890
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	28.67%	20.00%	10.65%	8.51%	0.00%
<b>Covered payroll</b>	\$ 4,725,934	\$ 4,448,863	\$ 3,770,366	\$ 3,588,896	\$ -
<b>School Board's net HIC OPEB liability as a percentage of covered payroll</b>	5.03%	5.94%	9.42%	9.09%	N/A

Schedule is intended to show information for 10 years. 2020 was the first year of participation by the Component Unit School Board. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
<b>Primary Government</b>					
2025	\$ 7,471	\$ 7,471	\$ -	\$ 12,444,724	0.06%
2024	6,951	6,951	-	11,585,198	0.06%
2023	6,509	6,509	-	10,847,860	0.06%
2022	8,127	8,127	-	9,028,307	0.09%
2021	7,131	7,131	-	7,922,934	0.09%
2020	8,432	8,432	-	7,665,307	0.11%
2019	7,946	7,946	-	7,223,984	0.11%
2018	8,951	8,951	-	6,885,719	0.13%
2017	8,839	8,839	-	6,799,392	0.13%
2016	8,891	8,891	-	6,838,899	0.13%
<b>Component Unit School Board (nonprofessional)</b>					
2025	\$ 47,401	\$ 47,401	\$ -	\$ 5,097,055	0.93%
2024	43,951	43,951	-	4,725,934	0.93%
2023	41,374	41,374	-	4,448,863	0.93%
2022	27,901	27,901	-	3,770,366	0.74%
2021	26,558	26,558	-	3,588,896	0.74%

Schedule is intended to show information for 10 years. 2021 was the first year of participation by the Component Unit School Board. However, additional years will be included as they become available.

Notes to Required Supplementary Information  
 Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2025

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**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of County School Board's Share of Net OPEB Liability  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

<b>Date (1)</b>	<b>Employer's Proportion of the Net HIC OPEB Liability (2)</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)</b>	<b>Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)</b>
2024	0.40231% \$	4,649,288 \$	43,103,325	10.79%	21.82%
2023	0.41909%	5,076,929	41,787,938	12.15%	17.90%
2022	0.42830%	5,349,666	39,918,034	13.40%	15.08%
2021	0.43433%	5,574,926	38,411,652	14.51%	13.15%
2020	0.44073%	5,749,395	38,638,034	14.88%	9.95%
2019	0.44739%	5,856,771	37,525,255	15.61%	8.97%
2018	0.43160%	5,480,000	34,904,821	15.70%	8.08%
2017	0.43519%	5,521,000	34,345,532	16.07%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2015 through June 30, 2025

<b>Date</b>	<b>Contractually Required Contribution (1)</b>	<b>Contributions in Relation to Contractually Required Contribution (2)</b>	<b>Contribution Deficiency (Excess) (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Contributions as a % of Covered Payroll (5)</b>
2025	\$ 524,800	\$ 524,800	\$ -	\$ 43,372,082	1.21%
2024	521,550	521,550	-	43,103,325	1.21%
2023	505,634	505,634	-	41,787,938	1.21%
2022	483,008	483,008	-	39,918,034	1.21%
2021	464,781	464,781	-	38,411,652	1.21%
2020	463,698	463,698	-	38,638,034	1.20%
2019	450,303	450,303	-	37,525,255	1.20%
2018	429,329	429,329	-	34,908,815	1.23%
2017	381,235	381,235	-	34,345,532	1.11%
2016	358,152	358,152	-	33,789,530	1.06%
2015	345,571	345,571	-	32,605,067	1.06%

Notes to Required Supplementary Information  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2025

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**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

## **OTHER SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual--

County Debt Service Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 78	\$ 78
Miscellaneous	547,000	547,000	433,478	(113,522)
Total revenues	\$ 547,000	\$ 547,000	\$ 433,556	\$ (113,444)
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	\$ 4,341,573	\$ 4,341,573	\$ 4,330,580	\$ 10,993
Interest and other fiscal charges	1,537,694	1,537,694	1,746,466	(208,772)
Total expenditures	\$ 5,879,267	\$ 5,879,267	\$ 6,077,046	\$ (197,779)
Excess (deficiency) of revenues over (under) expenditures	\$ (5,332,267)	\$ (5,332,267)	\$ (5,643,490)	\$ (311,223)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 5,332,267	\$ 5,332,267	\$ 5,829,717	\$ 497,450
Total other financing sources (uses)	\$ 5,332,267	\$ 5,332,267	\$ 5,829,717	\$ 497,450
Net change in fund balances	\$ -	\$ -	\$ 186,227	\$ 186,227
Fund balances - beginning	-	-	1,760	1,760
Fund balances - ending	\$ -	\$ -	\$ 187,987	\$ 187,987

COUNTY OF SHENANDOAH, VIRGINIA  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 County Capital Projects Fund  
 For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	51,800	51,800
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,800</u>	<u>\$ 51,800</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 51,800	\$ 51,800
Net change in fund balances	\$ -	\$ -	\$ 51,800	\$ 51,800
Fund balances - beginning	-	-	8,066,446	8,066,446
Fund balances - ending	<u>-</u>	<u>-</u>	<u>8,118,246</u>	<u>8,118,246</u>

## **COMBINING FUND STATEMENTS**

COUNTY OF SHENANDOAH, VIRGINIA  
 Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2025

Exhibit 34

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 565,662	\$ 100,084	\$ 665,746
Total assets	<u>\$ 565,662</u>	<u>\$ 100,084</u>	<u>\$ 665,746</u>
<b>FUND BALANCES</b>			
Assigned:			
Landfill contingency	\$ 565,662	\$ -	\$ 565,662
Capital projects	-	100,084	100,084
Total fund balances	<u>\$ 565,662</u>	<u>\$ 100,084</u>	<u>\$ 665,746</u>
Total liabilities and fund balances	<u>\$ 565,662</u>	<u>\$ 100,084</u>	<u>\$ 665,746</u>

COUNTY OF SHENANDOAH, VIRGINIA  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2025

Exhibit 35

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 51,513	\$ -	\$ 51,513
Total other financing sources (uses)	<u>\$ 51,513</u>	<u>\$ -</u>	<u>\$ 51,513</u>
Net change in fund balances	\$ 51,513	\$ -	\$ 51,513
Fund balances - beginning	514,149	100,084	614,233
Fund balances - ending	<u>\$ 565,662</u>	<u>\$ 100,084</u>	<u>\$ 665,746</u>

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2025**

**Exhibit 36**

	<u>Special Welfare</u>	<u>Ambulance Recovery</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,955	\$ 342,939	\$ 359,894
Receivables:			
Accounts receivable	-	405,646	405,646
Total assets	<u>\$ 16,955</u>	<u>\$ 748,585</u>	<u>\$ 765,540</u>
<b>NET POSITION</b>			
Restricted:			
Individuals, organizations, and governments	<u>\$ 16,955</u>	<u>\$ 748,585</u>	<u>\$ 765,540</u>
Total liabilities	<u>\$ 16,955</u>	<u>\$ 748,585</u>	<u>\$ 765,540</u>

COUNTY OF SHENANDOAH, VIRGINIA  
 Combining Statement of Changes in Fiduciary Net Position  
 Custodial Funds  
 For the Year Ended June 30, 2025

Exhibit 37

	<u>Special Welfare</u>	<u>Ambulance Recovery</u>	<u>Total</u>
<b>Additions</b>			
Interest earnings	\$ -	\$ 56	\$ 56
Miscellaneous	53,047	-	53,047
Ambulance recovery collections for other governments	-	1,607,516	1,607,516
Total additions	<u>\$ 53,047</u>	<u>\$ 1,607,572</u>	<u>\$ 1,660,619</u>
<b>Deductions</b>			
Beneficiary payments to individuals	\$ 52,515	\$ -	\$ 52,515
Payments of ambulance recovery collections to other governments	-	1,642,983	1,642,983
Total deductions	<u>\$ 52,515</u>	<u>\$ 1,642,983</u>	<u>\$ 1,695,498</u>
Net increase (decrease) in fiduciary net position	\$ 532	\$ (35,411)	\$ (34,879)
Net position, beginning	<u>16,423</u>	<u>783,996</u>	<u>800,419</u>
Net position ending	<u>\$ 16,955</u>	<u>\$ 748,585</u>	<u>\$ 765,540</u>

**DISCRETELY PRESENTED COMPONENT UNIT -  
SCHOOL BOARD**

COUNTY OF SHENANDOAH, VIRGINIA  
 Combining Balance Sheet  
 Discretely Presented Component Unit - School Board  
 June 30, 2025

Exhibit 38

	School Operating Fund	School Cafeteria Fund	Student Activities Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,549,259	\$ 1,551,117	\$ 1,585,515	\$ 6,685,891
Receivables (net of allowance for uncollectibles):				
Accounts receivable	142,207	-	15,131	157,338
Due from other funds	411,978	-	-	411,978
Due from other governmental units	2,418,604	36,099	-	2,454,703
Inventories	-	28,130	-	28,130
Prepaid items	380,374	-	650	381,024
Total assets	<u>\$ 6,902,422</u>	<u>\$ 1,615,346</u>	<u>\$ 1,601,296</u>	<u>\$ 10,119,064</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 331,357	\$ 94,214	\$ 54,680	\$ 480,251
Accrued payroll	3,522,656	142,394	-	3,665,050
Due to other funds	-	411,978	-	411,978
Due to primary government	2,002,888	-	-	2,002,888
Unearned revenue	1,045,521	-	-	1,045,521
Total liabilities	<u>\$ 6,902,422</u>	<u>\$ 648,586</u>	<u>\$ 54,680</u>	<u>\$ 7,605,688</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	\$ -	\$ 28,130	\$ -	\$ 28,130
Prepaid items	380,374	-	-	380,374
Cafeteria	-	938,630	-	938,630
Student activities	-	-	1,546,616	1,546,616
Unassigned (deficit)	(380,374)	-	-	(380,374)
Total fund balances	<u>\$ -</u>	<u>\$ 966,760</u>	<u>\$ 1,546,616</u>	<u>\$ 2,513,376</u>
Total liabilities and fund balances	<u>\$ 6,902,422</u>	<u>\$ 1,615,346</u>	<u>\$ 1,601,296</u>	<u>\$ 10,119,064</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances per above \$ 2,513,376

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$ 5,707,246	
Buildings and improvements	42,966,162	
Machinery and equipment	6,987,768	
Construction in progress	3,090,207	
Lease assets-equipment	718,121	
Intangible assets-subscription asset	<u>137,077</u>	59,606,581

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Net pension asset \$ 379,831 379,831

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items \$ 14,020,339  
 OPEB related items 2,688,791 16,709,130

Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest	\$ (683)	
Leases liabilities	(739,128)	
Subscription liabilities	(127,830)	
Compensated absences	(1,670,671)	
Net pension liability	(37,757,067)	
Net OPEB liabilities	<u>(11,382,971)</u>	(51,678,350)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items \$ (8,815,430)  
 OPEB related items (5,564,762) (14,380,192)

Net position of governmental activities \$ 13,150,376

COUNTY OF SHENANDOAH, VIRGINIA  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds - Discretely Presented Component Unit - School Board**  
**For the Year Ended June 30, 2025**

Exhibit 39

	School Operating Fund	School Cafeteria Fund	Student Activities Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 30,467	\$ 54,102	\$ -	\$ 84,569
Charges for services	668,139	120,222	-	788,361
Miscellaneous	587,443	88,092	2,917,583	3,593,118
Recovered costs	142,819	-	-	142,819
Intergovernmental:				
Local government	31,288,846	-	-	31,288,846
Commonwealth	52,011,165	101,953	-	52,113,118
Federal	4,298,486	3,147,508	-	7,445,994
Total revenues	<u>\$ 89,027,365</u>	<u>\$ 3,511,877</u>	<u>\$ 2,917,583</u>	<u>\$ 95,456,825</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 88,748,787	\$ 3,812,239	\$ 2,936,639	\$ 95,497,665
Debt service:				
Principal	458,448	-	-	458,448
Interest and other fiscal charges	21,365	-	-	21,365
Total expenditures	<u>\$ 89,228,600</u>	<u>\$ 3,812,239</u>	<u>\$ 2,936,639</u>	<u>\$ 95,977,478</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (201,235)</u>	<u>\$ (300,362)</u>	<u>\$ (19,056)</u>	<u>\$ (520,653)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases (as lessee)	\$ 43,760	\$ -	\$ -	\$ 43,760
Subscription based liabilities	157,475	-	-	157,475
Total other financing sources (uses)	<u>\$ 201,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,235</u>
Net change in fund balances	\$ -	\$ (300,362)	\$ (19,056)	\$ (319,418)
Fund balances - beginning	-	1,267,122	1,565,672	2,832,794
Fund balances - ending	<u>\$ -</u>	<u>\$ 966,760</u>	<u>\$ 1,546,616</u>	<u>\$ 2,513,376</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ (319,418)

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 expense. This is the amount by which the depreciation expense exceeded capital outlays in the current period.

Capital outlays	\$ 4,565,258	
Depreciation and amortization expense	(5,608,008)	
Allocation of debt financed school assets based on current year repayments	<u>986,717</u>	(56,033)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

Subscriptions issued	\$ (157,475)	
Leases issued	(43,760)	
Principal repayments	458,448	
Change in accrued interest	<u>451</u>	257,664

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.

Changes in compensated absences	\$ 214,701	
Pension expense	3,388,525	
OPEB expense	<u>840,761</u>	4,443,987

Change in net position of governmental activities \$ 4,326,200

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Discretely Presented Component Unit - School Board**  
**For the Year Ended June 30, 2025**

	<b>School Operating Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 28,000	\$ 28,000	\$ 30,467	\$ 2,467
Charges for services	952,991	877,258	668,139	(209,119)
Miscellaneous	497,832	1,515,699	587,443	(928,256)
Recovered costs	82,600	151,652	142,819	(8,833)
Intergovernmental:				
Local government	38,819,733	39,642,561	31,288,846	(8,353,715)
Commonwealth	49,363,113	53,054,849	52,011,165	(1,043,684)
Federal	3,339,268	5,121,306	4,298,486	(822,820)
Total revenues	<u>\$ 93,083,537</u>	<u>\$ 100,391,325</u>	<u>\$ 89,027,365</u>	<u>\$ (11,363,960)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 93,083,537	\$ 100,391,325	\$ 88,748,787	\$ 11,642,538
Debt service:				
Principal	-	-	458,448	(458,448)
Interest and other fiscal charges	-	-	21,365	(21,365)
Total expenditures	<u>\$ 93,083,537</u>	<u>\$ 100,391,325</u>	<u>\$ 89,228,600</u>	<u>\$ 11,162,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (201,235)</u>	<u>\$ (201,235)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases (as lessee)	\$ -	\$ -	\$ 43,760	\$ 43,760
Subscription based liabilities	-	-	157,475	157,475
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,235</u>	<u>\$ 201,235</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<b>School Cafeteria Fund</b>			
<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>
\$ 62,000	\$ 62,000	\$ 54,102	\$ (7,898)
355,200	355,200	120,222	(234,978)
202,800	202,800	88,092	(114,708)
-	-	-	-
-	-	-	-
85,000	85,000	101,953	16,953
3,257,000	3,266,950	3,147,508	(119,442)
<u>\$ 3,962,000</u>	<u>\$ 3,971,950</u>	<u>\$ 3,511,877</u>	<u>\$ (460,073)</u>
\$ 3,962,000	\$ 3,971,950	\$ 3,812,239	\$ 159,711
-	-	-	-
-	-	-	-
<u>\$ 3,962,000</u>	<u>\$ 3,971,950</u>	<u>\$ 3,812,239</u>	<u>\$ 159,711</u>
\$ -	\$ -	\$ (300,362)	\$ (300,362)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ (300,362)	\$ (300,362)
-	-	1,267,122	1,267,122
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 966,760</u>	<u>\$ 966,760</u>

## **SUPPORTING SCHEDULES**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 37,870,000	\$ 37,870,000	\$ 39,428,946	\$ 1,558,946
Real and personal public service corporation taxes	1,970,000	1,970,000	2,244,412	274,412
Personal property taxes	18,297,700	18,297,700	22,260,634	3,962,934
Mobile home taxes	30,000	30,000	32,477	2,477
Machinery and tools taxes	2,337,568	2,337,568	2,704,090	366,522
Merchants capital	355,000	355,000	572,083	217,083
Penalties	458,000	458,000	685,794	227,794
Interest	344,600	344,600	498,974	154,374
Total general property taxes	<u>\$ 61,662,868</u>	<u>\$ 61,662,868</u>	<u>\$ 68,427,410</u>	<u>\$ 6,764,542</u>
Other local taxes:				
Local sales and use taxes	\$ 5,465,000	\$ 5,465,000	\$ 5,691,106	\$ 226,106
Consumers' utility taxes	1,700,000	1,700,000	1,583,987	(116,013)
Cigarette taxes	180,000	180,000	94,771	(85,229)
Utility license taxes	30,000	30,000	26,152	(3,848)
Motor vehicle licenses	920,000	920,000	956,990	36,990
Taxes on recordation and wills	610,000	610,000	558,926	(51,074)
Transient occupancy tax	930,000	930,000	986,880	56,880
Total other local taxes	<u>\$ 9,835,000</u>	<u>\$ 9,835,000</u>	<u>\$ 9,898,812</u>	<u>\$ 63,812</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 20,000	\$ 20,000	\$ 17,041	\$ (2,959)
Land use application fees	-	-	9,620	9,620
Transfer fees	-	-	2,128	2,128
Permits and other licenses	574,266	574,266	661,139	86,873
Total permits, privilege fees, and regulatory licenses	<u>\$ 594,266</u>	<u>\$ 594,266</u>	<u>\$ 689,928</u>	<u>\$ 95,662</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 46,000	\$ 46,000	\$ 37,960	\$ (8,040)
Revenue from use of money and property:				
Revenue from use of money	\$ 720,000	\$ 720,000	\$ 2,787,103	\$ 2,067,103
Revenue from use of property	389,321	389,321	323,524	(65,797)
Total revenue from use of money and property	<u>\$ 1,109,321</u>	<u>\$ 1,109,321</u>	<u>\$ 3,110,627</u>	<u>\$ 2,001,306</u>
Charges for services:				
Charges for courthouse security	\$ 70,000	\$ 70,000	\$ 78,505	\$ 8,505
Law library fees	-	-	9,424	9,424
Charges for Commonwealth's Attorney	5,500	5,500	4,743	(757)
Charges for animal protection	8,000	8,000	6,785	(1,215)
Charges for courthouse construction	25,000	25,000	29,570	4,570
Charges for parks and recreation	494,000	967,316	798,401	(168,915)
Charges for spay and neuter	5,000	7,593	5,754	(1,839)
KidzRec	559,000	695,142	695,142	-
Charges for courthouse maintenance	12,500	12,500	16,622	4,122
Charges for ambulance recoveries	1,800,000	1,920,000	1,924,520	4,520
Charges for services - other	134,730	135,215	103,674	(31,541)
Total charges for services	<u>\$ 3,113,730</u>	<u>\$ 3,846,266</u>	<u>\$ 3,673,140</u>	<u>\$ (173,126)</u>

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund (continued):</b>				
Revenue from local sources: (continued)				
Miscellaneous:				
Miscellaneous	\$ 351,871	\$ 416,462	\$ 572,108	\$ 155,646
Refunds and recoveries	190,828	526,869	955,399	428,530
Donations	1,000	119,534	249,821	130,287
Total miscellaneous	<u>\$ 543,699</u>	<u>\$ 1,062,865</u>	<u>\$ 1,777,328</u>	<u>\$ 714,463</u>
Recovered costs:				
Other recovered costs	\$ 1,044,025	\$ 1,079,238	\$ 1,046,757	\$ (32,481)
Total recovered costs	<u>\$ 1,044,025</u>	<u>\$ 1,079,238</u>	<u>\$ 1,046,757</u>	<u>\$ (32,481)</u>
Total revenue from local sources	<u>\$ 77,948,909</u>	<u>\$ 79,235,824</u>	<u>\$ 88,661,962</u>	<u>\$ 9,426,138</u>
Intergovernmental:	8,659			
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 35,000	\$ 35,000	\$ 34,298	\$ (702)
Mobile home titling tax	20,000	20,000	8,023	(11,977)
Motor vehicle rental tax	14,000	14,000	7,697	(6,303)
Moped sales tax	5,000	5,000	6,783	1,783
State recordation tax	220,000	220,000	174,368	(45,632)
Personal property tax relief funds	3,647,829	3,647,829	3,647,829	-
Total noncategorical aid	<u>\$ 3,941,829</u>	<u>\$ 3,941,829</u>	<u>\$ 3,878,998</u>	<u>\$ (62,831)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 495,567	\$ 542,520	\$ 582,463	\$ 39,943
Sheriff	2,414,680	2,414,680	2,450,109	35,429
Commissioner of revenue	194,655	194,655	181,500	(13,155)
Treasurer	244,670	244,670	233,669	(11,001)
Registrar/electoral board	113,822	113,822	90,488	(23,334)
Clerk of the Circuit Court	441,327	441,327	469,852	28,525
Total shared expenses	<u>\$ 3,904,721</u>	<u>\$ 3,951,674</u>	<u>\$ 4,008,081</u>	<u>\$ 56,407</u>
Other categorical aid:				
Litter control grant	\$ 31,000	\$ 34,745	\$ 34,745	\$ -
Welfare administration and assistance	1,010,839	1,010,839	1,163,521	152,682
Forfeited drug assets	-	-	11,927	11,927
Commission for the arts	4,500	4,500	4,500	-
Comprehensive services act	4,733,166	4,733,166	2,792,601	(1,940,565)
VJCCA grant	31,204	31,204	36,769	5,565
Victim-witness grant	31,709	31,709	25,457	(6,252)
Wireless E-911 grant	160,000	160,000	184,009	24,009
Fire programs fund	115,830	235,059	131,844	(103,215)
Four for life	51,215	51,215	50,177	(1,038)
RSAF grant	207,500	207,500	-	(207,500)
School resource officer	-	-	56,387	56,387
DHCD VATI Broadband	-	-	723,649	723,649
DHCD Make Virginia Ready	-	2,902,705	3,700,870	798,165
Extradition of prisoners	5,000	6,513	2,517	(3,996)
Rent health department	-	-	6,600	6,600
Other categorical aid	317,390	5,503,109	291,849	(5,211,260)
Total other categorical aid	<u>\$ 6,699,353</u>	<u>\$ 14,912,264</u>	<u>\$ 9,217,422</u>	<u>\$ (5,694,842)</u>
Total categorical aid	<u>\$ 10,604,074</u>	<u>\$ 18,863,938</u>	<u>\$ 13,225,503</u>	<u>\$ (5,638,435)</u>
Total revenue from the Commonwealth	<u>\$ 14,545,903</u>	<u>\$ 22,805,767</u>	<u>\$ 17,104,501</u>	<u>\$ (5,701,266)</u>

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund (continued):</b>				
Intergovernmental: (continued)				
Revenue from the federal government:				
Noncategorical aid				
Payments in lieu of taxes	\$ 223,000	\$ 223,000	\$ 258,408	\$ 35,408
Total noncategorical aid	<u>\$ 223,000</u>	<u>\$ 223,000</u>	<u>\$ 258,408</u>	<u>\$ 35,408</u>
Categorical aid:				
DMV ground transportation safety grant	\$ 13,300	\$ 13,300	\$ 18,050	\$ 4,750
U.S. Forest Service Patrol	5,280	5,280	-	(5,280)
ARPA funds	-	2,531,944	4,930,831	2,398,887
Bullet proof vest grant	17,738	17,738	-	(17,738)
Welfare administration and assistance	3,125,159	3,125,159	2,414,433	(710,726)
Forfeited drug assets	-	200,000	-	(200,000)
Emergency management	23,509	23,509	24,047	538
EPA Brownfields grant	250,000	250,000	83,741	(166,259)
Victim witness	66,590	73,989	59,516	(14,473)
Stormwater grant	-	131,875	142,882	11,007
Justice assistance grant	-	54,413	54,413	-
Other categorical aid	68,327	68,327	-	(68,327)
Total categorical aid	<u>\$ 3,569,903</u>	<u>\$ 6,495,534</u>	<u>\$ 7,727,913</u>	<u>\$ 1,232,379</u>
Total revenue from the federal government	<u>\$ 3,792,903</u>	<u>\$ 6,718,534</u>	<u>\$ 7,986,321</u>	<u>\$ 1,267,787</u>
Total General Fund	<u><u>\$ 96,287,715</u></u>	<u><u>\$ 108,760,125</u></u>	<u><u>\$ 113,752,784</u></u>	<u><u>\$ 4,992,659</u></u>
<b>Debt Service Funds:</b>				
<b>County Debt Service Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 78	\$ 78
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78</u>	<u>\$ 78</u>
Miscellaneous:				
Interest subsidy	\$ 547,000	\$ 547,000	\$ 433,478	\$ (113,522)
Total miscellaneous	<u>\$ 547,000</u>	<u>\$ 547,000</u>	<u>\$ 433,478</u>	<u>\$ (113,522)</u>
Total Debt Service Fund	<u><u>\$ 547,000</u></u>	<u><u>\$ 547,000</u></u>	<u><u>\$ 433,556</u></u>	<u><u>\$ (113,444)</u></u>
<b>Capital Projects Funds:</b>				
<b>County Capital Projects Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Other	\$ -	\$ -	\$ 51,800	\$ 51,800
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,800</u>	<u>\$ 51,800</u>
Total Capital Projects Fund	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 51,800</u></u>	<u><u>\$ 51,800</u></u>
Total Primary Government	<u><u>\$ 96,834,715</u></u>	<u><u>\$ 109,307,125</u></u>	<u><u>\$ 114,238,140</u></u>	<u><u>\$ 11</u></u>

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 4,357	\$ 4,357
Revenue from the use of property	28,000	28,000	26,110	(1,890)
Total revenue from use of money and property	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ 30,467</u>	<u>\$ 2,467</u>
Charges for services:				
Tuition and other payments	\$ 702,991	\$ 627,258	\$ 563,794	\$ (63,464)
Other charges for services	250,000	250,000	104,345	(145,655)
Total charges for services	<u>\$ 952,991</u>	<u>\$ 877,258</u>	<u>\$ 668,139</u>	<u>\$ (209,119)</u>
Miscellaneous:				
Other miscellaneous	\$ 497,832	\$ 1,515,699	\$ 587,443	\$ (928,256)
Total miscellaneous	<u>\$ 497,832</u>	<u>\$ 1,515,699</u>	<u>\$ 587,443</u>	<u>\$ (928,256)</u>
Recovered costs:				
Other recovered costs	\$ 82,600	\$ 151,652	\$ 142,819	\$ (8,833)
Total revenue from local sources	<u>\$ 1,561,423</u>	<u>\$ 2,572,609</u>	<u>\$ 1,428,868</u>	<u>\$ (1,143,741)</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Shenandoah, Virginia	\$ 38,819,733	\$ 39,642,561	\$ 31,288,846	\$ (8,353,715)
Revenue from the Commonwealth:				
Categorical aid:				
State sales tax	\$ 8,607,244	\$ 8,607,244	\$ 8,862,717	\$ 255,473
Basic aid	21,176,653	21,426,653	21,450,427	23,774
Remedial summer school	120,033	120,033	145,893	25,860
Foster home children	35,576	35,576	13,569	(22,007)
Supplemental in lieu of sales tax	-	-	1,359,223	1,359,223
ISAEF	16,405	16,405	16,054	(351)
Gifted and talented	196,951	196,951	197,688	737
Special education	2,066,426	2,066,426	2,074,160	7,734
Textbook payments	502,934	945,487	502,505	(442,982)
Vocational education	999,080	999,080	1,027,610	28,530
Fringe benefits	3,613,901	3,613,901	3,627,426	13,525
Early reading intervention	225,274	225,274	213,030	(12,244)
Mentor teacher program	-	-	4,692	4,692
Compensation supplement	835,438	835,438	843,966	8,528
Special education regional program	577,302	577,302	451,632	(125,670)
At risk program	1,303,264	1,303,264	4,884,691	3,581,427
Primary class size payments	841,790	841,790	867,175	25,385
School technology funds	284,000	284,000	284,000	-
School construction	-	-	9,056	9,056
School safety security equipment	250,000	206,115	183,209	(22,906)
Special education- foster children	7,767	7,767	16,550	8,783
Algebra readiness	85,139	85,139	87,569	2,430
Supplemental lottery per pupil	4,836,392	4,836,392	1,400,416	(3,435,976)
English as a second language	623,039	901,051	820,047	(81,004)
SOQ position bonus payment	-	-	571,988	571,988
All in implementation PPA	-	-	730,550	730,550
Virginia preschool initiative payment	774,035	774,035	730,058	(43,977)
Academic year governors school	-	398,776	364,174	(34,602)
National board certification bonus	12,500	12,500	10,000	(2,500)
All in Virginia	-	1,626,072	-	(1,626,072)
Other categorical aid	1,371,970	2,112,178	261,090	(1,851,088)
Total categorical aid	<u>\$ 49,363,113</u>	<u>\$ 53,054,849</u>	<u>\$ 52,011,165</u>	<u>\$ (1,043,684)</u>
Total revenue from the Commonwealth	<u>\$ 49,363,113</u>	<u>\$ 53,054,849</u>	<u>\$ 52,011,165</u>	<u>\$ (1,043,684)</u>

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit School Board (continued):</b>				
<b>School Operating Fund (continued):</b>				
Intergovernmental: (continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,412,857	\$ 1,654,496	\$ 1,521,818	\$ (132,678)
Forest reserve	12,000	12,000	10,321	(1,679)
Title II Part A	226,498	345,543	205,606	(139,937)
Title VI-B	1,359,758	2,176,578	1,443,827	(732,751)
Title III-Part A	51,667	53,493	52,850	(643)
Vocational education	123,204	134,614	136,505	1,891
School improvement	-	145,900	133,990	(11,910)
Preschool	45,113	80,072	35,025	(45,047)
Title IV Part A	108,171	119,085	112,216	(6,869)
CARES Act ESSER	-	-	303,154	303,154
Other	-	399,525	343,174	(56,351)
Total categorical aid	<u>\$ 3,339,268</u>	<u>\$ 5,121,306</u>	<u>\$ 4,298,486</u>	<u>\$ (822,820)</u>
Total revenue from the federal government	<u>\$ 3,339,268</u>	<u>\$ 5,121,306</u>	<u>\$ 4,298,486</u>	<u>\$ (822,820)</u>
Total School Operating Fund	<u>\$ 93,083,537</u>	<u>\$ 100,391,325</u>	<u>\$ 89,027,365</u>	<u>\$ (11,363,960)</u>
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	<u>\$ 62,000</u>	<u>62,000</u>	<u>\$ 54,102</u>	<u>\$ (7,898)</u>
Charges for services:				
School food services	<u>\$ 355,200</u>	<u>355,200</u>	<u>\$ 120,222</u>	<u>\$ (234,978)</u>
Miscellaneous:				
Miscellaneous	<u>\$ 202,800</u>	<u>202,800</u>	<u>\$ 88,092</u>	<u>\$ (114,708)</u>
Total revenue from local sources	<u>\$ 620,000</u>	<u>\$ 620,000</u>	<u>\$ 262,416</u>	<u>\$ (357,584)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 101,953</u>	<u>\$ 16,953</u>
Total revenue from the Commonwealth	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 101,953</u>	<u>\$ 16,953</u>

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit School Board (continued):</b>				
<b>School Cafeteria Fund (continued):</b>				
Intergovernmental: (continued)				
Revenue from the federal government:				
Categorical aid:				
School lunch and breakfast reimbursements	\$ 3,257,000	\$ 3,266,950	\$ 2,835,003	\$ (431,947)
USDA commodities	-	-	312,505	312,505
Total categorical aid	<u>\$ 3,257,000</u>	<u>\$ 3,266,950</u>	<u>\$ 3,147,508</u>	<u>\$ (119,442)</u>
Total revenue from the federal government	<u>\$ 3,257,000</u>	<u>\$ 3,266,950</u>	<u>\$ 3,147,508</u>	<u>\$ (119,442)</u>
Total School Cafeteria Fund	<u>\$ 3,962,000</u>	<u>\$ 3,971,950</u>	<u>\$ 3,511,877</u>	<u>\$ (460,073)</u>
<b>Student Activities Special Revenue Fund:</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 2,917,583	\$ 2,917,583
Total Student Activities Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,917,583</u>	<u>\$ 2,917,583</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 97,045,537</u>	<u>\$ 104,363,275</u>	<u>\$ 95,456,825</u>	<u>\$ (8,906,450)</u>

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 174,621	\$ 190,126	\$ 190,113	\$ 13
General and financial information:				
County administrator	\$ 1,030,783	\$ 1,056,955	\$ 1,030,792	\$ 26,163
Finance	589,783	847,617	756,908	90,709
Legal services	205,000	205,000	186,903	18,097
Commissioner of revenue	912,112	923,297	852,603	70,694
Reassessment	600,000	600,000	304,089	295,911
Treasurer	916,902	927,390	857,659	69,731
Central accounting	129,420	129,420	113,826	15,594
Geographic information system	148,494	150,709	137,510	13,199
Total general and financial information	\$ 4,532,494	\$ 4,840,388	\$ 4,240,290	\$ 600,098
Board of elections:				
Electoral board and officials	\$ 201,850	\$ 201,850	\$ 174,195	\$ 27,655
Registrar	350,038	353,563	283,976	69,587
Total board of elections	\$ 551,888	\$ 555,413	\$ 458,171	\$ 97,242
Total general government administration	\$ 5,259,003	\$ 5,585,927	\$ 4,888,574	\$ 697,353
Judicial administration:				
Courts:				
Circuit court	\$ 188,393	\$ 190,051	\$ 162,631	\$ 27,420
General district court	15,850	15,850	11,050	4,800
Special magistrates	5,325	5,325	2,214	3,111
Clerk of the circuit court	921,487	935,154	871,937	63,217
Sheriff	916,272	927,474	1,133,941	(206,467)
Juvenile domestic	16,050	16,050	12,943	3,107
Law library	6,000	6,000	2,814	3,186
Records restoration	-	26,823	26,823	-
Victim witness	98,287	105,686	84,991	20,695
Total courts	\$ 2,167,664	\$ 2,228,413	\$ 2,309,344	\$ (80,931)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 993,548	\$ 1,070,085	\$ 920,702	\$ 149,383
Total judicial administration	\$ 3,161,212	\$ 3,298,498	\$ 3,230,046	\$ 68,452
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 8,967,351	\$ 9,505,964	\$ 8,527,057	\$ 978,907
Total law enforcement and traffic control	\$ 8,967,351	\$ 9,505,964	\$ 8,527,057	\$ 978,907
Fire and rescue services:				
Volunteer fire department	\$ 1,342,363	\$ 1,467,092	\$ 1,494,079	\$ (26,987)
Ambulance and rescue services	42,969	173,012	170,944	2,068
Forest fire extinction	11,096	11,096	10,687	409
Fire and rescue services	9,109,719	9,276,042	9,516,161	(240,119)
Total fire and rescue services	\$ 10,506,147	\$ 10,927,242	\$ 11,191,871	\$ (264,629)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (continued)</b>				
Public safety: (continued)				
Correction and detention:				
Jail	\$ 3,501,870	\$ 3,501,870	\$ 3,407,797	\$ 94,073
Juvenile probation and detention	735,454	735,454	759,233	(23,779)
Total correction and detention	<u>\$ 4,237,324</u>	<u>\$ 4,237,324</u>	<u>\$ 4,167,030</u>	<u>\$ 70,294</u>
Inspections:				
Building	\$ 742,200	\$ 752,647	\$ 699,690	\$ 52,957
Other protection:				
Animal control	\$ 200,935	\$ 212,480	\$ 192,851	\$ 19,629
Animal shelter	364,799	390,407	366,458	23,949
Medical examiner	2,500	2,500	1,300	1,200
Emergency services	3,028,565	3,056,320	2,935,669	120,651
Total other protection	<u>\$ 3,596,799</u>	<u>\$ 3,661,707</u>	<u>\$ 3,496,278</u>	<u>\$ 165,429</u>
Total public safety	<u>\$ 28,049,821</u>	<u>\$ 29,084,884</u>	<u>\$ 28,081,926</u>	<u>\$ 1,002,958</u>
Public works:				
Maintenance of general buildings and grounds:				
General properties	\$ 1,929,513	\$ 2,054,857	\$ 1,986,411	\$ 68,446
Total public works	<u>\$ 1,929,513</u>	<u>\$ 2,054,857</u>	<u>\$ 1,986,411</u>	<u>\$ 68,446</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 459,730	\$ 459,730	\$ 459,730	\$ -
Mental health and mental retardation:				
Northwestern Community Services Board	\$ 243,000	\$ 243,000	\$ 243,000	\$ -
Other	7,500	7,500	7,500	-
Total mental health and mental retardation	<u>\$ 250,500</u>	<u>\$ 250,500</u>	<u>\$ 250,500</u>	<u>\$ -</u>
Welfare:				
Welfare administration	\$ 5,984,692	\$ 6,019,523	\$ 5,260,229	\$ 759,294
Comprehensive services act	6,400,866	6,400,866	4,709,778	1,691,088
Area Agency on Aging	78,000	78,000	78,000	-
Tax relief for the elderly	630,390	630,390	695,135	(64,745)
Other local health and welfare organizations	69,500	69,500	69,500	-
Total welfare administration	<u>\$ 13,163,448</u>	<u>\$ 13,198,279</u>	<u>\$ 10,812,642</u>	<u>\$ 2,385,637</u>
Total health and welfare	<u>\$ 13,873,678</u>	<u>\$ 13,908,509</u>	<u>\$ 11,522,872</u>	<u>\$ 2,385,637</u>

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (continued)</b>				
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 43,638	\$ 43,638	\$ 43,638	\$ -
Contribution to County School Board	38,819,733	42,310,957	31,288,846	11,022,111
Total education	<u>\$ 38,863,371</u>	<u>\$ 42,354,595</u>	<u>\$ 31,332,484</u>	<u>\$ 11,022,111</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	\$ 1,069,992	\$ 1,915,161	\$ 1,741,471	\$ 173,690
KidzRec	530,306	673,868	697,945	(24,077)
Total parks and recreation	<u>\$ 1,600,298</u>	<u>\$ 2,589,029</u>	<u>\$ 2,439,416</u>	<u>\$ 149,613</u>
Cultural enrichment:				
Contributions to community programs	\$ 104,167	\$ 104,167	\$ 108,360	\$ (4,193)
Total cultural enrichment	<u>\$ 104,167</u>	<u>\$ 104,167</u>	<u>\$ 108,360</u>	<u>\$ (4,193)</u>
Library:				
Contribution to County Library	\$ 1,052,952	\$ 1,067,684	\$ 1,049,264	\$ 18,420
Total parks, recreation, and cultural	<u>\$ 2,757,417</u>	<u>\$ 3,760,880</u>	<u>\$ 3,597,040</u>	<u>\$ 163,840</u>
Community development:				
Planning and community development:				
Community development	\$ 615,471	\$ 622,475	\$ 524,877	\$ 97,598
Economic development	1,136,854	1,221,510	810,823	410,687
Litter control	31,000	34,745	34,751	(6)
Total planning and community development	<u>\$ 1,783,325</u>	<u>\$ 1,878,730</u>	<u>\$ 1,370,451</u>	<u>\$ 508,279</u>
Environmental management:				
Soil and water conservation district	\$ 738,500	\$ 738,500	\$ 697,368	\$ 41,132
Gypsy moth	-	239,361	239,361	-
Total environmental management	<u>\$ 738,500</u>	<u>\$ 977,861</u>	<u>\$ 936,729</u>	<u>\$ 41,132</u>
Cooperative extension program:				
Extension office	\$ 215,908	\$ 217,030	\$ 175,904	\$ 41,126
Total community development	<u>\$ 2,737,733</u>	<u>\$ 3,073,621</u>	<u>\$ 2,483,084</u>	<u>\$ 590,537</u>
Nondepartmental:				
Judgments and settlements	\$ 500	\$ 500	\$ -	\$ 500
Revenue refunds	6,500	6,500	7,548	(1,048)
Contingencies	832,751	150,916	-	150,916
Total nondepartmental	<u>\$ 839,751</u>	<u>\$ 157,916</u>	<u>\$ 7,548</u>	<u>\$ 150,368</u>
Capital projects:				
Other capital projects	\$ 1,395,000	\$ 13,845,143	\$ 10,237,908	\$ 3,607,235
Total capital projects	<u>\$ 1,395,000</u>	<u>\$ 13,845,143</u>	<u>\$ 10,237,908</u>	<u>\$ 3,607,235</u>
Debt service:				
Principal	\$ 87,144	\$ 87,144	\$ 87,144	\$ -
Interest and other fiscal charges	903	903	903	-
Total debt service	<u>\$ 88,047</u>	<u>\$ 88,047</u>	<u>\$ 88,047</u>	<u>\$ -</u>
Total General Fund	<u>\$ 98,954,546</u>	<u>\$ 117,212,877</u>	<u>\$ 97,455,940</u>	<u>\$ 19,756,937</u>

Governmental Funds  
 For the Year Ended June 30, 2025 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Funds:</b>				
<b>County Debt Service Fund</b>				
Debt service:				
Principal	\$ 4,341,573	\$ 4,341,573	\$ 4,330,580	\$ 10,993
Interest and other fiscal charges	1,537,694	1,537,694	1,746,466	(208,772)
Total debt service	<u>\$ 5,879,267</u>	<u>\$ 5,879,267</u>	<u>\$ 6,077,046</u>	<u>\$ (197,779)</u>
Total County Debt Service Fund	<u>\$ 5,879,267</u>	<u>\$ 5,879,267</u>	<u>\$ 6,077,046</u>	<u>\$ (197,779)</u>
Total Primary Government	<u>\$ 104,833,813</u>	<u>\$ 123,092,144</u>	<u>\$ 103,532,986</u>	<u>\$ 19,559,158</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Instructional	\$ 68,519,641	\$ 74,584,609	\$ 64,987,053	\$ 9,597,556
Operating costs:				
Attendance and health services	\$ 5,136,917	\$ 5,168,988	\$ 4,401,132	\$ 767,856
Pupil transportation	6,236,130	7,506,694	7,833,774	(327,080)
Operation and maintenance of school plant	10,449,536	10,370,721	8,606,866	1,763,855
Electronic technology	2,741,313	2,760,313	2,919,962	(159,649)
Total operating costs	<u>\$ 24,563,896</u>	<u>\$ 25,806,716</u>	<u>\$ 23,761,734</u>	<u>\$ 2,044,982</u>
Total school operating fund	<u>\$ 93,083,537</u>	<u>\$ 100,391,325</u>	<u>\$ 88,748,787</u>	<u>\$ 11,642,538</u>
Debt service:				
Principal	\$ -	\$ -	\$ 458,448	\$ (458,448)
Interest and other fiscal charges	-	-	21,365	(21,365)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,813</u>	<u>\$ (479,813)</u>
Total School Fund	<u>\$ 93,083,537</u>	<u>\$ 100,391,325</u>	<u>\$ 89,228,600</u>	<u>\$ 11,162,725</u>
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
School cafeteria	\$ 3,962,000	\$ 3,971,950	\$ 3,812,239	\$ 159,711
Total School Cafeteria Fund	<u>\$ 3,962,000</u>	<u>\$ 3,971,950</u>	<u>\$ 3,812,239</u>	<u>\$ 159,711</u>
<b>Student Activities Special Revenue Fund:</b>				
Education:				
Instructional services:				
Other instructional services	\$ -	\$ -	\$ 2,936,639	\$ (2,936,639)
Total Student Activities Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,936,639</u>	<u>\$ (2,936,639)</u>
Total Discretely Presented Component Unit School Board	<u>\$ 97,045,537</u>	<u>\$ 104,363,275</u>	<u>\$ 95,977,478</u>	<u>\$ 8,385,797</u>

## **STATISTICAL SECTION**

## Statistical Section

<u>Contents</u>	<u>Tables</u>
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.	1 - 5
Revenue Capacity These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	5-10
Debt Capacity These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.	11-13
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 and to help make comparisons over time and with other governments.	14-15
Operating Information These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relate to the services the County provides and the activities it performs.	16-18

*Sources:* Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

COUNTY OF SHENANDOAH, VIRGINIA

Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	2016	2017	2018	2019	2020
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 4,603,873	\$ 5,506,961	\$ 7,241,929	\$ 11,418,828	\$ 20,131,947
Restricted	3,625,033	5,648,061	5,939,307	5,130,470	1,067,924
Unrestricted	14,181,432	16,345,010	17,011,415	18,486,326	14,626,816
Total governmental activities net position	\$ <u>22,410,338</u>	\$ <u>27,500,032</u>	\$ <u>30,192,651</u>	\$ <u>35,035,624</u>	\$ <u>35,826,687</u>
<b>Business-type Activities:</b>					
Net investment in capital assets	\$ 11,198,699	\$ 11,391,963	\$ 11,091,949	\$ 11,351,123	\$ 11,313,348
Restricted	-	-	-	-	-
Unrestricted	(11,194,508)	(9,748,424)	(9,588,862)	(9,790,428)	(9,359,821)
Total business-type activities net position	\$ <u>4,191</u>	\$ <u>1,643,539</u>	\$ <u>1,503,087</u>	\$ <u>1,560,695</u>	\$ <u>1,953,527</u>
<b>Primary government:</b>					
Net investment in capital assets	\$ 15,802,572	\$ 16,898,924	\$ 18,333,878	\$ 22,769,951	\$ 31,445,295
Restricted	3,625,033	5,648,061	5,939,307	5,130,470	1,067,924
Unrestricted	2,986,924	6,596,586	7,422,553	8,695,898	5,266,995
Total primary government net position	\$ <u>22,414,529</u>	\$ <u>29,143,571</u>	\$ <u>31,695,738</u>	\$ <u>36,596,319</u>	\$ <u>37,780,214</u>

Table 1

Fiscal Year				
2021	2022	2023	2024	2025
\$ 19,597,089	\$ 25,266,213	\$ 27,070,160	\$ 29,490,555	\$ 25,932,690
5,784,306	6,661,998	1,583,299	1,829,281	1,839,950
<u>17,022,302</u>	<u>24,135,890</u>	<u>42,751,803</u>	<u>57,282,247</u>	<u>68,394,468</u>
<u>\$ 42,403,697</u>	<u>\$ 56,064,101</u>	<u>\$ 71,405,262</u>	<u>\$ 88,602,083</u>	<u>\$ 96,167,108</u>
\$ 11,114,850	\$ 11,574,663	\$ 11,235,158	\$ 11,121,189	\$ 11,603,083
470	71,316	-	-	1,161
<u>(9,467,230)</u>	<u>(11,067,248)</u>	<u>(12,240,379)</u>	<u>(12,654,928)</u>	<u>(13,255,082)</u>
<u>\$ 1,648,090</u>	<u>\$ 578,731</u>	<u>\$ (1,005,221)</u>	<u>\$ (1,533,739)</u>	<u>\$ (1,650,838)</u>
\$ 30,711,939	\$ 36,840,876	\$ 38,305,318	\$ 40,611,744	\$ 37,535,773
5,784,776	6,733,314	1,583,299	1,829,281	1,841,111
<u>7,555,072</u>	<u>13,068,642</u>	<u>30,511,424</u>	<u>44,627,319</u>	<u>55,139,386</u>
<u>\$ 44,051,787</u>	<u>\$ 56,642,832</u>	<u>\$ 70,400,041</u>	<u>\$ 87,068,344</u>	<u>\$ 94,516,270</u>

COUNTY OF SHENANDOAH, VIRGINIA

Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	2016	2017	2018	2019
<b>Expenses</b>				
Governmental Activities:				
General government administration	\$ 2,897,841	\$ 2,844,200	\$ 2,986,698	\$ 2,763,462
Judicial administration	2,042,118	2,214,773	2,303,707	2,380,720
Public safety	14,947,334	15,601,779	15,269,440	17,046,346
Public works	1,147,692	1,203,056	1,130,117	1,605,648
Health and welfare	7,143,608	8,038,337	8,379,289	9,041,290
Education	28,333,067	27,662,686	29,061,555	32,187,526
Parks, recreation, and cultural	1,666,378	1,977,186	2,162,708	2,163,070
Community development	1,491,749	1,099,573	1,114,388	1,092,330
Interest on long-term debt	2,037,564	1,879,970	1,715,549	2,042,052
Total governmental activities expenses	\$ 61,707,351	\$ 62,521,560	\$ 64,123,451	\$ 70,322,444
Business-type Activities:				
Sanitary Districts	\$ 2,233,317	\$ 2,050,702	\$ 2,089,228	\$ 2,139,489
North Fork Wastewater	272,530	265,486	276,138	179,363
Landfill	4,063,526	2,802,246	2,737,626	2,830,512
Total business-type activities expenses	\$ 6,569,373	\$ 5,118,434	\$ 5,102,992	\$ 5,149,364
Total primary government expenses	\$ 68,276,724	\$ 67,639,994	\$ 69,226,443	\$ 75,471,808
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services:				
General government administration	\$ 412,296	\$ 426,606	\$ 519,425	\$ 104,001
Judicial administration	206,785	237,787	208,277	177,960
Public safety	861,624	741,236	952,459	1,161,014
Public works	473	-	2,400	-
Education	390,566	-	-	-
Parks, recreation, and cultural	427,623	844,570	1,060,521	1,029,266
Community development	-	-	-	-
Operating grants and contributions	8,263,660	11,213,697	8,576,980	9,080,561
Capital grants and contributions	390,388	79,708	700,000	3,406,369
Total governmental activities program revenues	\$ 10,953,415	\$ 13,543,604	\$ 12,020,062	\$ 14,959,171
Business-type Activities:				
Charges for services:				
Sanitary Districts	\$ 1,823,913	\$ 1,783,104	\$ 1,832,866	\$ 1,821,974
North Fork Wastewater	65,473	85,581	103,685	139,400
Landfill	1,240,290	1,367,091	1,387,496	1,406,250
Operating grants and contributions	-	-	-	-
Capital grants and contributions	36,168	117,500	134,000	28,833
Total business-type activities program revenues	\$ 3,165,844	\$ 3,353,276	\$ 3,458,047	\$ 3,396,457
Total primary government program revenues	\$ 14,119,259	\$ 16,896,880	\$ 15,478,109	\$ 18,355,628
Net (expense) / revenue				
Governmental Activities	\$ (50,753,936)	\$ (48,977,956)	\$ (52,103,389)	\$ (55,363,273)
Business-type Activities	(3,403,529)	(1,765,158)	(1,644,945)	(1,752,907)
Total primary government net expense	\$ (54,157,465)	\$ (50,743,114)	\$ (53,748,334)	\$ (57,116,180)

Table 2

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 2,906,778	\$ 4,206,060	\$ 3,870,956	\$ 3,445,238	\$ 1,678,514	\$ 5,438,810	
2,358,719	2,377,823	2,527,254	2,630,376	3,292,390	3,477,682	
17,671,034	19,746,148	21,359,512	23,430,588	27,531,451	31,433,648	
1,401,848	1,471,966	1,393,594	1,760,037	1,734,246	1,928,760	
10,356,776	12,065,852	11,724,892	12,437,107	10,477,640	11,605,940	
32,287,111	29,106,490	27,577,395	28,327,817	29,429,220	32,319,201	
2,407,958	2,068,448	2,517,604	2,789,164	6,475,822	3,709,374	
1,072,502	4,040,598	1,396,423	1,598,172	10,186,465	10,830,219	
2,059,559	1,825,032	1,693,591	1,612,012	1,551,899	1,509,976	
<u>\$ 72,522,285</u>	<u>\$ 76,908,417</u>	<u>\$ 74,061,221</u>	<u>\$ 78,030,511</u>	<u>\$ 92,357,647</u>	<u>\$ 102,253,610</u>	
\$ 2,065,750	\$ 2,553,474	\$ 2,439,419	\$ 2,573,545	\$ 2,898,376	\$ 3,277,061	
168,662	199,628	457,564	151,358	248,210	168,669	
3,009,120	3,824,356	4,136,742	5,175,481	4,213,509	4,780,419	
<u>\$ 5,243,532</u>	<u>\$ 6,577,458</u>	<u>\$ 7,033,725</u>	<u>\$ 7,900,384</u>	<u>\$ 7,360,095</u>	<u>\$ 8,226,149</u>	
<u>\$ 77,765,817</u>	<u>\$ 83,485,875</u>	<u>\$ 81,094,946</u>	<u>\$ 85,930,895</u>	<u>\$ 99,717,742</u>	<u>\$ 110,479,759</u>	
\$ 77,682	\$ 85,279	\$ 477,830	\$ 90,081	\$ 361,128	\$ 410,736	
159,351	123,375	135,242	133,093	163,133	176,824	
1,549,855	1,536,105	1,440,640	2,630,404	2,041,873	1,968,162	
-	-	-	2,400	14,187	2,400	
-	-	-	-	-	-	
910,056	751,185	1,572,031	1,031,214	2,039,709	1,493,543	
-	-	-	5,106	5,283	672,887	
10,221,751	18,018,615	13,108,310	12,433,955	11,172,133	11,598,066	
-	277,320	713,335	1,774,099	11,993,530	9,355,350	
<u>\$ 12,918,695</u>	<u>\$ 20,791,879</u>	<u>\$ 17,447,388</u>	<u>\$ 18,100,352</u>	<u>\$ 27,790,976</u>	<u>\$ 25,677,968</u>	
\$ 1,829,705	\$ 1,792,586	\$ 1,932,016	\$ 1,917,468	\$ 1,990,698	\$ 2,264,046	
145,186	193,478	164,053	164,185	160,159	195,328	
1,358,085	1,670,386	1,823,760	1,741,462	1,703,209	1,518,849	
-	-	17,725	-	-	(14,229)	
50,000	132,000	136,000	257,110	296,000	387,500	
<u>\$ 3,382,976</u>	<u>\$ 3,788,450</u>	<u>\$ 4,073,554</u>	<u>\$ 4,080,225</u>	<u>\$ 4,150,066</u>	<u>\$ 4,351,494</u>	
<u>\$ 16,301,671</u>	<u>\$ 24,580,329</u>	<u>\$ 21,520,942</u>	<u>\$ 22,180,577</u>	<u>\$ 31,941,042</u>	<u>\$ 30,029,462</u>	
\$ (59,603,590)	\$ (56,116,538)	\$ (56,613,833)	\$ (59,930,159)	\$ (64,566,671)	\$ (76,575,642)	
(1,860,556)	(2,789,008)	(2,960,171)	(3,820,159)	(3,210,029)	(3,874,655)	
<u>\$ (61,464,146)</u>	<u>\$ (58,905,546)</u>	<u>\$ (59,574,004)</u>	<u>\$ (63,750,318)</u>	<u>\$ (67,776,700)</u>	<u>\$ (80,450,297)</u>	

COUNTY OF SHENANDOAH, VIRGINIA

Changes in Net Position  
 Last Ten Fiscal Years (continued)  
 (accrual basis of accounting)

	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property taxes	\$ 41,148,042	\$ 42,461,477	\$ 44,834,747	\$ 47,553,596
Local sales and use taxes	3,246,390	3,536,415	3,651,977	3,756,891
Consumer utility taxes	1,881,288	1,937,678	1,867,094	1,797,031
Motor vehicle licenses taxes	871,892	871,435	891,545	916,167
Taxes on recordation and wills	347,726	410,384	366,337	404,259
Other local taxes	176,892	168,394	212,490	192,681
Unrestricted grants and contributions	4,092,036	4,146,519	4,104,013	4,161,599
Unrestricted revenues from use of money and property	422,388	569,096	705,696	1,120,228
Miscellaneous	782,381	1,323,671	1,155,162	1,497,574
Transfers	(4,236,140)	(1,357,419)	(1,143,142)	(1,193,780)
Total governmental activities	<u>\$ 48,732,895</u>	<u>\$ 54,067,650</u>	<u>\$ 56,645,919</u>	<u>\$ 60,206,246</u>
Business-type Activities:				
Property taxes	\$ 580,181	\$ 560,226	\$ 562,737	\$ 566,297
Unrestricted revenues from use of money and property	5,783	12,389	23,197	37,537
Miscellaneous	11,134	8,040	8,727	12,901
Transfers	4,236,140	1,357,419	1,143,142	1,193,780
Total business-type activities	<u>\$ 4,833,238</u>	<u>\$ 1,938,074</u>	<u>\$ 1,737,803</u>	<u>\$ 1,810,515</u>
Total primary government	<u>\$ 53,566,133</u>	<u>\$ 56,005,724</u>	<u>\$ 58,383,722</u>	<u>\$ 62,016,761</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ (245,061)	\$ 1,964,261	\$ 1,282,646	\$ 602,656
Business-type Activities	3,068,080	293,129	(15,104)	(50,041)
Total primary government	<u>\$ 2,823,019</u>	<u>\$ 2,257,390</u>	<u>\$ 1,267,542</u>	<u>\$ 552,615</u>

Table 2

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 48,673,614	\$ 50,916,675	\$ 58,202,348	\$ 63,607,885	\$ 65,953,134	\$ 69,122,223	
4,364,517	4,591,538	4,671,421	5,268,928	5,494,465	5,691,106	
1,756,968	1,665,423	1,616,603	1,618,484	1,577,236	1,583,987	
916,402	920,131	922,217	904,610	945,422	956,990	
463,305	664,903	691,810	508,996	529,366	558,926	
157,415	69,116	215,093	301,450	626,987	1,107,803	
4,220,789	4,182,522	4,117,449	5,354,776	4,135,547	4,137,406	
887,025	616,576	105,115	2,057,012	2,337,320	2,787,181	
591,756	980,122	1,123,849	1,681,922	1,569,451	2,189,814	
(1,637,138)	(1,913,458)	(1,317,587)	(1,608,677)	(1,991,199)	(2,917,000)	
\$ 60,394,653	\$ 62,693,548	\$ 70,348,318	\$ 79,695,386	\$ 81,177,729	\$ 85,218,436	
\$ 558,942	\$ 564,707	\$ 568,325	\$ 571,591	\$ 583,231	\$ 591,330	
26,044	2,836	3,354	56,344	80,845	308,328	
31,264	2,570	1,546	(405)	26,236	36,709	
1,637,138	1,913,458	1,317,587	1,608,677	1,991,199	2,917,000	
\$ 2,253,388	\$ 2,483,571	\$ 1,890,812	\$ 2,236,207	\$ 2,681,511	\$ 3,853,367	
\$ 62,648,041	\$ 65,177,119	\$ 72,239,130	\$ 81,931,593	\$ 83,859,240	\$ 89,071,803	
\$ 4,278,115	\$ 6,079,715	\$ 10,418,159	\$ 15,128,715	\$ 16,611,058	\$ 8,642,794	
(535,620)	(476,600)	(1,929,347)	(973,822)	(528,518)	(21,288)	
\$ 3,742,495	\$ 5,603,115	\$ 8,488,812	\$ 14,154,893	\$ 16,082,540	\$ 8,621,506	

Governmental Activities Tax Revenues by Source  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local sales and use Tax</b>	<b>Consumer Utility Tax</b>	<b>Motor Vehicle License Tax</b>	<b>Recordation and Wills Tax</b>	<b>Total</b>
2016 \$	41,148,042	\$ 3,246,390	\$ 1,881,288	\$ 871,892	\$ 347,726	\$ 47,495,338
2017	42,461,477	3,536,415	1,937,678	871,435	410,384	49,217,389
2018	44,834,747	3,651,977	1,867,094	891,545	366,377	51,611,740
2019	48,673,614	3,756,891	1,797,031	916,167	404,259	55,547,962
2020	48,673,614	4,364,517	1,756,968	916,402	463,305	56,174,806
2021	50,916,675	4,591,538	1,665,423	920,131	664,903	58,758,670
2022	58,202,348	4,671,421	1,616,603	922,217	691,810	66,104,399
2023	63,607,885	5,268,928	1,618,484	904,610	508,996	71,908,903
2024	65,953,134	5,494,465	1,577,236	945,422	529,366	74,499,623
2025	69,122,223	5,691,106	1,583,987	956,990	558,926	77,913,232

**COUNTY OF SHENANDOAH, VIRGINIA**

Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund				
Nonspendable	\$ 45,765	\$ 42,998	\$ 160,559	\$ 336,882
Restricted	3,625,033	5,648,061	5,939,307	5,130,470
Assigned	1,496,740	961,601	979,660	1,261,466
Unassigned	<u>10,656,213</u>	<u>12,871,656</u>	<u>14,582,450</u>	<u>13,463,207</u>
Total general fund	<u>\$ 15,823,751</u>	<u>\$ 19,524,316</u>	<u>\$ 21,661,976</u>	<u>\$ 20,192,025</u>
All other governmental funds				
Debt service funds	\$ -	\$ -	\$ -	\$ -
Restricted, reported in:				
Capital projects funds	-	-	-	-
Assigned, reported in:				
Debt service funds	-	-	184,372	184,372
Capital projects funds	7,863,564	8,104,694	8,102,474	22,528,595
Special revenue funds	<u>188,603</u>	<u>188,603</u>	<u>188,603</u>	<u>267,535</u>
Total all other governmental funds	<u>\$ 8,052,167</u>	<u>\$ 8,293,297</u>	<u>\$ 8,475,449</u>	<u>\$ 22,980,502</u>

**Table 4**

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 350,605	\$ 103,193	\$ 308,153	\$ 1,229,948	\$ 728,435	\$ 530,336
1,067,924	1,003,213	987,031	3,095,961	2,679,425	4,795,394
1,253,627	1,397,672	2,718,587	6,189,651	9,942,892	14,276,862
<u>11,759,917</u>	<u>17,175,329</u>	<u>27,244,942</u>	<u>28,083,616</u>	<u>37,750,651</u>	<u>44,163,870</u>
\$ <u>14,432,073</u>	\$ <u>19,679,407</u>	\$ <u>31,258,713</u>	\$ <u>38,599,176</u>	\$ <u>51,101,403</u>	\$ <u>63,766,462</u>
\$ -	\$ 1,625	\$ 1,625	\$ 1,674	\$ 1,760	\$ 187,987
-	4,775,538	4,181,939	328,963	-	-
-	381,669	-	-	-	-
17,820,499	8,157,671	7,502,208	8,332,741	8,066,446	8,118,246
<u>312,170</u>	<u>357,381</u>	<u>407,927</u>	<u>449,814</u>	<u>614,233</u>	<u>665,746</u>
\$ <u>18,132,669</u>	\$ <u>13,673,884</u>	\$ <u>12,093,699</u>	\$ <u>9,113,192</u>	\$ <u>8,682,439</u>	\$ <u>8,971,979</u>

**COUNTY OF SHENANDOAH, VIRGINIA**

Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>				
General property taxes	\$ 40,894,148	\$ 42,563,588	\$ 45,169,428	\$ 47,363,914
Other local taxes	6,524,188	6,924,306	6,989,443	7,067,029
Permits, privilege fees and regulatory licenses	432,609	372,308	426,374	405,834
Fines and forfeitures	66,671	60,697	51,449	41,221
Revenue from use of money and property	509,396	569,096	705,696	1,120,228
Charges for services	1,800,087	1,817,194	2,265,259	2,025,186
Miscellaneous	1,267,177	1,206,726	1,855,162	4,903,943
Recovered costs	492,482	526,766	497,565	579,109
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	10,334,634	10,317,912	10,513,169	10,932,525
Federal	2,332,300	5,122,012	2,167,824	2,309,635
Total revenues	<u>\$ 64,653,692</u>	<u>\$ 69,480,605</u>	<u>\$ 70,641,369</u>	<u>\$ 76,748,624</u>
<b>Expenditures</b>				
General government administration	\$ 2,861,575	\$ 2,488,722	\$ 2,618,367	\$ 2,661,475
Judicial administration	1,949,965	1,971,210	2,132,675	2,297,440
Public safety	14,736,082	15,198,189	15,984,765	17,185,771
Public works	1,149,372	1,140,004	1,157,835	1,627,059
Health and welfare	7,474,288	8,037,115	8,556,685	9,240,789
Education	25,685,320	25,490,023	26,617,409	30,412,369
Parks, recreation and cultural	1,522,188	1,944,929	2,194,716	2,198,531
Community development	1,629,086	1,377,922	1,460,829	1,480,775
Nondepartmental	13,533	21,829	105,689	212,682
Capital projects	676,488	255,451	933,869	4,152,533
Debt service:				
Principal	4,037,566	4,160,835	4,212,946	4,437,300
Interest and other fiscal charges	2,246,551	2,095,262	1,932,353	2,094,365
Bond issuance costs	-	-	-	118,057
Total expenditures	<u>\$ 63,982,014</u>	<u>\$ 64,181,491</u>	<u>\$ 67,908,138</u>	<u>\$ 78,119,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 671,678</u>	<u>\$ 5,299,114</u>	<u>\$ 2,733,231</u>	<u>\$ (1,370,522)</u>
<b>Other financing sources (uses)</b>				
Transfers in	\$ 5,235,600	\$ 5,408,275	\$ 6,038,539	\$ 6,427,200
Transfers out	(9,471,740)	(6,765,694)	(7,181,681)	(7,620,980)
Bonds issued	-	-	-	13,970,000
Premium on bonds issued	-	-	-	1,530,581
Leases (as lessee)	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Subscriptions	-	-	-	-
Financing leases	410,500	-	729,723	98,823
Total other financing sources (uses)	<u>\$ (3,825,640)</u>	<u>\$ (1,357,419)</u>	<u>\$ (413,419)</u>	<u>\$ 14,405,624</u>
Net change in fund balances	<u>\$ (3,153,962)</u>	<u>\$ 3,941,695</u>	<u>\$ 2,319,812</u>	<u>\$ 13,035,102</u>
Debt service as a percentage of noncapital expenditures	9.98%	9.83%	9.32%	8.90%

**Table 5**

							Fiscal Year					
							2020	2021	2022	2023	2024	2025
\$	48,206,372	\$	50,937,428	\$	56,998,543	\$	62,651,435	\$	65,928,141	\$	68,427,410	
	7,658,607		7,911,111		8,117,144		8,602,468		9,173,476		9,898,812	
	521,730		664,815		675,224		495,720		642,249		689,928	
	52,366		36,379		36,731		37,536		29,788		37,960	
	887,025		616,576		452,091		2,057,012		2,624,459		3,110,705	
	2,122,848		1,794,750		2,566,812		3,359,042		3,666,137		3,816,022	
	1,162,130		1,399,696		2,285,325		3,098,235		2,326,090		2,211,226	
	484,538		528,055		771,935		729,840		798,794		1,046,757	
	-		-		-		1,689,560		-		-	
	11,953,904		12,123,609		13,285,954		13,945,120		14,405,258		17,121,882	
	2,488,636		10,354,848		3,345,770		3,928,150		12,895,952		7,877,438	
\$	<u>75,538,156</u>	\$	<u>86,367,267</u>	\$	<u>88,535,529</u>	\$	<u>100,594,118</u>	\$	<u>112,490,344</u>	\$	<u>114,238,140</u>	
\$	2,845,989	\$	3,770,714	\$	3,706,528	\$	3,632,845	\$	4,004,975	\$	4,888,574	
	2,133,644		2,159,194		2,437,426		2,513,046		2,829,172		3,230,046	
	17,995,053		18,961,893		22,467,268		24,180,862		27,109,929		28,081,926	
	1,342,442		1,449,966		1,433,805		1,749,014		1,846,485		1,986,411	
	10,732,125		12,231,084		12,247,451		12,865,459		10,934,844		11,522,872	
	30,693,557		26,573,821		28,101,691		31,296,917		28,329,101		31,332,484	
	2,386,781		2,005,987		2,520,247		2,819,627		3,491,379		3,597,040	
	1,474,148		4,414,083		2,008,232		2,283,464		2,516,294		2,483,084	
	8,026		56,943		37,662		2,334		16,712		7,548	
	9,008,154		5,066,792		1,265,101		6,099,584		12,621,875		10,237,908	
	4,662,414		4,909,191		5,086,837		5,936,701		4,327,197		4,417,724	
	2,282,173		2,114,168		1,802,433		1,921,955		1,689,461		1,747,369	
	-		-		-		-		-		-	
\$	<u>85,564,506</u>	\$	<u>83,713,836</u>	\$	<u>83,114,681</u>	\$	<u>95,301,808</u>	\$	<u>99,717,424</u>	\$	<u>103,532,986</u>	
\$	<u>(10,026,350)</u>	\$	<u>2,653,431</u>	\$	<u>5,420,848</u>	\$	<u>5,292,310</u>	\$	<u>12,772,920</u>	\$	<u>10,705,154</u>	
\$	10,470,713	\$	6,620,654	\$	5,969,741	\$	7,334,965	\$	5,517,326	\$	5,881,230	
	(12,107,851)		(8,534,112)		(7,287,328)		(8,943,642)		(7,508,525)		(8,798,230)	
	-		1,475,000		5,700,000		-		-		4,790,000	
	-		-		-		-		-		312,119	
	-		-		101,431		-		25,490		64,326	
	-		(1,426,424)		-		-		-		-	
	-		-		-		146,201		-		-	
	1,055,703		-		168,510		530,122		678,500		-	
\$	<u>(581,435)</u>	\$	<u>(1,864,882)</u>	\$	<u>4,652,354</u>	\$	<u>(932,354)</u>	\$	<u>(1,287,209)</u>	\$	<u>2,249,445</u>	
\$	<u>(10,607,785)</u>	\$	<u>788,549</u>	\$	<u>10,073,202</u>	\$	<u>4,359,956</u>	\$	<u>11,485,711</u>	\$	<u>12,954,599</u>	
	9.16%		8.96%		8.57%		8.96%		6.40%		6.05%	

General Governmental Tax Revenues by Source  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local sales and use Tax</b>	<b>Consumer Utility Tax</b>	<b>Motor Vehicle License Tax</b>	<b>Recordation and Wills Tax</b>	<b>Total</b>
2016 \$	40,894,148 \$	3,246,390 \$	1,881,288 \$	871,892 \$	347,726 \$	47,241,444
2017	42,563,588	3,536,415	1,937,678	871,435	410,384	49,319,500
2018	45,169,428	3,651,977	1,867,094	891,545	366,337	51,946,381
2019	48,206,372	3,756,891	1,797,031	916,167	404,259	55,080,720
2020	48,206,372	4,364,517	1,781,678	916,402	463,305	55,732,274
2021	50,937,428	4,591,538	1,665,423	920,131	664,903	58,779,423
2022	56,998,543	4,671,421	1,616,603	922,217	691,810	64,900,594
2023	62,651,435	5,268,928	1,618,484	904,610	508,996	70,952,453
2024	65,928,141	5,494,465	1,605,803	945,422	529,366	74,503,197
2025	68,427,410	5,691,106	1,610,139	956,990	558,926	77,244,571

**COUNTY OF SHENANDOAH, VIRGINIA**

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Real Estate (1)</b>	<b>Personal Property</b>	<b>Mobile Homes</b>	<b>Machinery and Tools</b>	<b>Merchants' Capital</b>	<b>Public Service (2)</b>
2016	\$ 4,364,147,300	\$ 420,770,509	\$ 4,870,181	\$ 80,349,258	\$ 46,311,933	\$ 241,371,336
2017	4,383,540,000	431,716,486	4,964,567	96,057,176	53,095,887	254,718,911
2018	4,406,982,871	389,568,841	4,883,411	96,239,068	56,513,020	267,575,579
2019	4,429,431,900	461,818,927	4,937,071	94,669,186	54,758,072	289,945,878
2020	4,471,055,200	473,024,856	4,898,211	97,670,952	51,791,848	289,209,579
2021	4,523,911,400	533,641,945	5,110,469	86,137,279	57,477,855	295,495,431
2022	5,994,141,000	696,021,750	4,823,005	85,274,945	53,966,946	288,180,330
2023	6,066,768,400	653,209,212	5,052,993	79,756,319	63,094,934	325,292,023
2024	6,134,483,500	666,185,949	4,946,294	90,333,259	63,866,436	313,789,883
2025	6,189,074,600	682,157,682	5,217,481	86,119,330	82,518,398	339,432,977

Source: Commissioner of Revenue

- (1) Real estate assessed at 100% of fair market value.
- (2) Assessed values are established by the State Corporation Commission.
- (3) Source: Virginia Department of Taxation.

Table 7

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	<b>Total Taxable Assessed Value</b>	<b>Estimated Actual Taxable Value</b>	<b>State Sales Assessment Ratio (3)</b>	<b>Total Direct Rate</b>
\$	5,157,820,517	\$ 4,999,826,015	103.16%	8.55
	5,224,093,027	5,195,001,021	100.56%	8.55
	5,221,762,790	5,192,683,761	100.56%	8.63
	5,335,561,034	5,305,848,284	100.56%	8.93
	5,387,650,646	5,357,647,818	100.56%	8.93
	5,501,774,379	5,471,136,017	100.56%	9.03
	7,122,407,976	7,082,744,606	100.56%	8.71
	7,193,173,881	7,153,116,429	100.56%	9.00
	7,273,605,321	7,233,099,961	100.56%	9.14
	7,384,520,468	9,336,857,337	79.09%	9.14

Property Tax Rates (1)  
 Direct and Overlapping Governments  
 Last Ten Fiscal Years

<b>Direct Rates</b>						
<b>Fiscal Year</b>	<b>Real Estate</b>	<b>Personal Property</b>	<b>Mobile Homes</b>	<b>Machinery and Tools</b>	<b>Merchants' Capital</b>	<b>Total Direct Rate</b>
2016	\$ 0.60	\$ 3.60	\$ 0.60	\$ 3.15	\$ 0.60	\$ 8.55
2017	0.60	3.60	0.60	3.15	0.60	8.55
2018	0.64	3.60	0.64	3.15	0.60	8.63
2019	0.64	3.90	0.64	3.15	0.60	8.93
2020	0.64	3.90	0.64	3.15	0.60	8.93
2021	0.69	3.90	0.69	3.15	0.60	9.03
2022	0.58	3.80	0.58	3.15	0.60	8.71
2023	0.60	4.05	0.60	3.15	0.60	9.00
2024	0.64	4.11	0.64	3.15	0.60	9.14
2025	0.64	4.11	0.64	3.15	0.60	9.14

Source: County Commissioner of Revenue

(1) Per \$100 of assessed value

Principal Property Taxpayers  
 Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2025		Fiscal Year 2016	
		2025 Assessed Valuation	% of Total Assessed Valuation	2016 Assessed Valuation	% of Total Assessed Valuation
EIP 495 Radio Station Road LLC	Mfg	\$ 35,747,900	25.13%	\$ -	0.00%
Bowman Andros Products LLC	Mfg	28,974,800	20.37%	9,741,800	13.02%
Art Mortgage Borrower Propco 2006-2	Investments	14,416,500	10.13%	12,357,400	16.52%
Howell Metal	Mfg	11,906,800	8.37%	11,201,000	14.97%
Lowes Home Centers	Retail	9,593,000	6.74%	9,308,000	12.44%
Wal-Mart Real Estate	Retail	8,937,600	6.28%	8,673,100	11.60%
Masco Cabinetry	Mfg	8,911,700	6.26%	7,080,600	9.47%
Valley Fertilizer and Chemical Co	Mfg	8,459,600	5.95%	8,409,800	11.24%
Telesat Network Services	Communications	8,121,300	5.71%	8,026,300	10.73%
Massanutten Preservation LP	Development	7,200,000	5.06%	-	0.00%
		<u>\$ 142,269,200</u>	<u>100.00%</u>	<u>\$ 74,798,000</u>	<u>100.00%</u>

Source: Commissioner of Revenue

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax (1,3) Levy for Fiscal Year	Collected within the Fiscal Year of the Levy (1,3)		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 41,321,753	\$ 39,421,018	95.40%	\$ 1,875,314	\$ 41,296,332	99.94%
2017	43,635,676	41,757,773	95.70%	1,848,473	43,606,246	99.93%
2018	47,552,508	45,380,283	95.43%	2,137,846	47,518,129	99.93%
2019	48,210,765	46,001,197	95.42%	2,128,486	48,129,683	99.83%
2020	48,971,502	46,508,828	94.97%	2,230,184	48,739,012	99.53%
2021	51,383,447	48,977,945	95.32%	1,981,415	50,959,360	99.17%
2022	58,210,662	54,906,770	94.32%	2,619,057	57,525,827	98.82%
2023	64,087,103	60,693,453	94.70%	2,303,228	62,996,681	98.30%
2024	67,901,905	66,289,779	97.63%	-	66,289,779	97.63%
2025	68,901,457	64,303,926	93.33%	-	64,303,926	93.33%

Source: Commissioner of Revenue, County Treasurer's office

- (1) Exclusive of penalties and interest.
- (2) Does not include land redemptions.
- (3) Does not include PPTRA reimbursements from the Commonwealth of Virginia.

COUNTY OF SHENANDOAH, VIRGINIA

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Governmental Activities							Business-type Activities		
Fiscal Year	Direct Borrowings and Placements						Direct Borrowings and Placements		
	General Obligation Bonds	Literary Fund Loans	Lease Revenue Bonds	Loans Payable	Leases	Subscriptions	General Obligation Bonds	Notes Payable	Loans Payable
2016	\$ 35,949,790	\$ 1,572,500	\$ 7,000,000	\$ 937,079	\$ -	\$ -	\$ 1,570,934	\$ -	\$ 187,007
2017	32,565,081	1,258,000	6,720,000	616,021	-	-	1,341,214	-	456,030
2018	29,045,994	943,500	6,435,000	1,111,953	-	-	1,254,010	-	731,182
2019	26,927,746	629,000	20,105,000	897,373	-	-	1,168,777	-	536,176
2020	23,138,794	314,500	19,790,000	1,569,682	-	-	1,080,637	626,720	714,536
2021	18,951,730	-	19,575,000	1,093,869	-	-	3,523,201	494,837	512,135
2022	14,826,829	-	24,535,000	849,991	237,647	-	3,215,144	358,865	307,037
2023	10,662,178	-	23,228,000	6,142,042	108,392	84,585	2,896,565	218,680	65,142
2024	8,428,564	-	21,715,000	6,282,742	77,789	35,007	2,565,900	74,273	65,142
2025	6,389,808	-	24,945,000	5,733,976	89,978	-	10,913,753	-	-

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics - Table 14

Table 11

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	<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
\$	47,217,310	2.85%	\$ 1,118
	42,956,346	2.49%	995
	39,521,639	2.13%	914
	50,264,072	2.55%	1,156
	47,234,869	2.32%	1,083
	44,150,772	2.00%	999
	44,330,513	1.86%	999
	43,405,584	1.72%	975
	39,244,417	1.53%	881
	48,072,515	1.88%	1,063

Ratio of Net General Bonded Debt to  
Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Gross Bonded Debt</b>	<b>Less: Amounts Reserved for Debt Service</b>	<b>Net Bonded Debt (3)</b>	<b>Ratio of Net General Obligation Debt to Assessed Value (2)</b>	<b>Net Bonded Debt per Capita (1)</b>
2016	37,522,290	-	37,522,290	0.73%	889
2017	33,823,081	-	33,823,081	0.65%	783
2018	29,989,494	-	29,989,494	0.57%	694
2019	27,556,746	-	27,556,746	0.52%	634
2020	23,453,294	-	23,453,294	0.44%	538
2021	18,951,730	-	18,951,730	0.34%	429
2022	14,826,829	-	14,826,829	0.21%	334
2023	10,662,178	-	10,662,178	0.15%	239
2024	8,428,564	-	8,428,564	0.12%	189
2025	6,389,808	-	6,389,808	0.09%	141

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 14

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 7

(3) Includes all long-term general obligation bonded debt, Literary Fund Loans, excludes revenue bonds, capital leases, and compensated absences.

Pledged-Revenue Coverage  
Last Ten Fiscal Years

Fiscal Year	Enterprise Fund Revenue Bonds						Coverage
	Water/Sewer/Refuse and Septage Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2016	\$ 3,726,774	\$ 6,505,367	\$ (2,778,593)	\$ 335,145	\$ 63,841	-696.41%	
2017	3,816,431	5,065,643	(1,249,212)	290,957	52,791	-363.41%	
2018	3,918,708	5,053,336	(1,134,628)	205,199	50,253	-444.16%	
2019	3,984,359	5,088,964	(1,104,605)	280,239	60,400	-324.27%	
2020	3,949,226	5,167,600	(1,218,374)	288,378	63,969	-345.79%	
2021	4,226,563	6,463,522	(2,236,959)	471,305	83,044	-403.53%	
2022	3,919,829	6,934,124	(3,014,295)	235,037	108,259	-878.05%	
2023	3,823,115	7,824,829	(4,001,714)	654,788	75,555	-547.92%	
2024	3,854,066	7,304,589	(3,450,523)	429,201	55,506	-711.88%	
2025	3,978,223	7,732,695	(3,754,472)	436,363	493,454	-403.79%	

Note: Water/Sewer, refuse disposal charges and other include property taxes and investment earnings but not capital contributions.

Demographic and Economic Statistics  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2016	42,228	1,659,180,348	39,291	44.1	5,913	4.30%
2017	43,175	1,724,409,500	39,940	44.5	5,991	3.70%
2018	43,225	1,859,323,375	43,015	44.4	6,082	3.20%
2019	43,497	1,974,198,339	45,387	44.5	6,058	2.60%
2020	43,616	2,035,994,880	46,680	44.7	5,993	6.90%
2021	44,186	2,207,002,328	49,948	44.7	5,738	4.10%
2022	44,396	2,386,418,188	53,753	43.9	5,620	3.60%
2023	44,541	2,527,479,045	56,745	43.9	5,603	2.80%
2024	44,566	2,562,224,000	56,651	43.6	5,655	2.70%
2025	45,228	2,562,224,000 *	56,651 *	43.6	5,660	3.80%

Sources: Weldon Cooper Center, Virginia Employment Commission, and Bureau of Economic Analysis  
\* updated information unavailable due to federal government shutdown (same as prior year)

Principal Employers  
 Current Year and Nine Years Prior

<u>Employer</u>	<u>Fiscal Year 2025</u>		<u>Fiscal Year 2016</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Shenandoah County School Board	1000+	1	1000+	1
George's Chicken, LLC	500 to 999	2	500 to 999	2
County of Shenandoah	250 to 499	3	250 to 499	6
Bowman Andros Products	250 to 499	4	250 to 499	4
Valley Health System	250 to 499	5	250 to 499	8
Shentel Management Company	250 to 499	6	250 to 499	7
Mercury Paper Inc.	250 to 499	7	-	-
Wal Mart Associates, Inc.	250 to 499	8	250 to 499	9
Masco Builder Cabinet Group	250 to 499	9	-	-
Food Lion, LLC	250 to 499	10	-	-

Source: Virginia Employment Commission-LMI

Full-time Equivalent County Government Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government administration	24	23	23	29	29	23	27	29	29	30
Judicial administration	19	20	26	23	24	24	26	26	28	29
<i>Public safety:</i>										
Sheriff's department	57	57	59	58	59	58	67	67	69	70
Fire and rescue	48	50	50	56	56	71	83	83	85	85
Building inspections	6	6	6	7	6	8	9	9	9	9
Animal control	2	2	2	2	2	2	2	2	2	2
Animal Shelter	*	*	*	*	*	4	4	4	4	4
Emergency communications	18	18	18	21	21	20	21	22	22	24
<i>Public works:</i>										
General maintenance	6	6	6	6	7	6	7	7	9	9
Landfill	17	17	17	17	16	16	18	18	18	18
<i>Health and welfare:</i>										
Department of social services	41	40	44	46	45	48	48	52	53	53
<i>Culture and recreation:</i>										
Parks and recreation	5	5	5	7	6	7	7	7	7	7
Library	7	8	8	8	8	8	8	8	8	8
Economic Development	1	1	1	2	2	2	3	3	3	3
<i>Community development:</i>										
Planning	5	5	5	3	3	3	4	4	4	4
Cooperative Extension	1	1	1	1	1	1	3	1	1	1
<b>Totals</b>	<u>257</u>	<u>259</u>	<u>271</u>	<u>286</u>	<u>285</u>	<u>301</u>	<u>337</u>	<u>342</u>	<u>351</u>	<u>356</u>

Source: HR Department and DSS contact

\* Information unavailable

Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Sheriffs department:										
Physical arrests										
Traffic violations/arrests	2269	2017	2275	2075	2147	1630	1230	1625	757	670
Civil papers	11912	14055	14303	13921	15608	11839	12,276	10,142	9,975	8,184
Fire and rescue:										
Number of calls answered	7426	7469	7677	7562	9834	8343	10829	9515	10967	10674
Building inspections:										
Permits issued	89	115	161	130	146	223	190	167	218	190
Animal control:										
Number of calls answered	1548	1576	1717	2233	2485	2110	2099	2090	2113	1932
Landfill:										
Refuse collected (tons/day)	148.3	162.2	179	154	166	167	172	168	150	158
Recycling (tons/day)	7.3	18.4	7.4	7	6	6	7	8	9	6
Health and welfare										
Department of Social Services:										
Caseload	10935	11000	10219	10953	11138	11973	14888	13314	16469	16436
Culture and recreation										
Parks and recreation:										
Recreation facility permits	1743	1762	1680	2270	919	700	342	418	627	1382
After-school program participants										
Youth sports participants	1512	1644	1732	2216	520	177	384	529	1283	1355
Community development										
Planning:										
Zoning permits issued	318	293	330	364	351	443	437	437	443	404
Component Unit - School Board										
Education:										
School age population	5913	5991	6082	6058	5993	5738	5618	5603	5655	5660
Number of teachers	529	530	538	541	502	517	504	491	481	483
Local expenditures per pupil	4414	4347	4484	4873	5084	4640	5032	5856	5563	6088

Source: Individual County departments

\* Information unavailable

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	3	5	4	3	3	4	4	4	4	4
Public safety										
Sheriffs department:										
Patrol units	56	56	58	60	60	56	78	56	56	55
Building inspections:										
Vehicles	4	4	4	5	5	5	7	5	7	5
Animal control:										
Vehicles	2	2	2	2	2	2	3	3	3	3
Public works										
Trucks/vehicles	7	7	5	8	10	10	9	10	10	11
Landfill:										
Vehicles	19	22	22	24	24	24	23	24	24	24
Equipment	18	20	20	19	21	26	20	20	24	23
Sites	16	15	15	15	14	14	13	12	12	12
Health and welfare										
Department of Social Services:										
Vehicles	12	13	13	13	13	13	14	14	14	13
Culture and recreation										
Parks and recreation:										
Community centers	1	1	1	1	1	1	1	1	2	2
Vehicles	4	4	5	6	6	6	5	6	6	6
Parks acreage	645	645	645	645	645	645	645	645	645	645
Tennis courts	2	2	2	2	2	2	2	2	2	2
Community development										
Planning:										
Vehicles	2	4	4	3	3	2	2	2	2	2
Component Unit - School Board										
Education:										
Schools	10	10	10	10	10	10	10	10	10	10
School buses	112	112	112	112	114	114	114	114	114	114

Source: Individual County departments

# **COMPLIANCE**



**INDEPENDENT AUDITORS' 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**

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**TO THE HONORABLE MEMBERS  
OF THE BOARD OF SUPERVISORS  
COUNTY OF SHENANDOAH, VIRGINIA**

We have audited, in accordance with the 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 discretely presented component units, each major fund and the aggregate remaining fund information of the County of Shenandoah, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Shenandoah, Virginia's basic financial statements, and have issued our report thereon dated December 22, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Shenandoah, Virginia's internal control over financial reporting (internal control) as a basis for designing 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 County of Shenandoah, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Shenandoah, Virginia'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 that a material misstatement of the entity'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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether County of Shenandoah, Virginia'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 instances of noncompliance or other matters that are 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
December 22, 2025



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

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**TO THE HONORABLE MEMBERS  
OF THE BOARD OF SUPERVISORS  
COUNTY OF SHENANDOAH, VIRGINIA**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited County of Shenandoah, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Shenandoah, Virginia's major federal programs for the year ended June 30, 2025. County of Shenandoah, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Shenandoah, Virginia complied, in all material respects, with the 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, 2025.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Shenandoah, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Shenandoah, Virginia's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Shenandoah, Virginia's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Shenandoah, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Shenandoah, Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Shenandoah, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Shenandoah, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 County of Shenandoah, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
December 22, 2025

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

Federal Grantor/Pass - Through Grantor/ Program Title or Cluster title	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>PRIMARY GOVERNMENT:</b>			
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Unavailable	\$ <u>708,259</u>
Department of Health and Human Services:			
Pass Through Payments:			
Virginia Department of Social Services:			
Temporary Assistance for Needy Families	93.558	Unavailable	\$ 258,233
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	Unavailable	31,364
MaryLee Allen Promoting Safe and Stable Families	93.556	Unavailable	22,647
Low-Income Home Energy Assistance	93.568	Unavailable	46,630
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Unavailable	51,153
Elder Abuse Prevention Interventions Program	93.747	Unavailable	1,952
Title IV-E Prevention Program	93.472	Unavailable	12,449
Guardianship Assistance	93.090	Unavailable	26,441
Chafee Education and Training Vouchers Program	93.599	Unavailable	89
Stephanie Tubbs Jones - Child Welfare Services Program	93.645	Unavailable	1,091
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Unavailable	1,680
Social Services Block Grant	93.667	Unavailable	243,872
Foster Care Title IV-E	93.658	Unavailable	241,772
Children's Health Insurance Program	93.767	Unavailable	7,853
Adoption Assistance	93.659	Unavailable	142,906
Medicaid Cluster:			
Medical Assistance Program	93.778	Unavailable	<u>616,042</u>
Total Department of Health and Human Services			\$ <u>1,706,174</u>
Environmental Protection Agency:			
Direct Payments:			
Brownfields Multipurpose, Assessment, Revolving Loan Fund. and Cleanup Cooperative Agreements	66.818	N/A	\$ 83,741
Pass Through Payments:			
Town of Woodstock, Virginia			
Geographic Programs - Chesapeake Bay Program	66.466	Unavailable	<u>142,882</u>
Total Environmental Protection Agency			\$ <u>226,623</u>
Department of Homeland Security:			
Pass Through Payments:			
Virginia Department of Emergency Management:			
Emergency Management Performance Grants	97.042	EMP-2023-EP-00006, EMP-2024-EP-05008	\$ <u>24,047</u>
Department of Justice:			
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020MUBX0035	\$ 54,413
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	<u>59,516</u>
Total Department of Justice			\$ <u>113,929</u>

COUNTY OF SHENANDOAH, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2025

Federal Grantor/Pass - Through Grantor/ Program Title or Cluster title	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures
Primary Government (continued):			
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BPT-2024-54091-24091, BPT- 2025-55158-25158	\$ 18,050
Total Department of Transportation			<u>\$ 18,050</u>
Department of Treasury:			
Direct Payments:			
COVID 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,493,611
Pass Through Payments:			
Department of Virginia Tourism:			
COVID 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Unavailable	35,000
Virginia Department of Housing and Community Development: COVID 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Unavailable	<u>3,402,220</u>
Total Department of Treasury			<u>\$ 4,930,831</u>
Total Expenditures of Federal Awards - Primary Government			<u>\$ 7,727,913</u>
<b>COMPONENT UNIT SCHOOL BOARD:</b>			
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Education:			
School Breakfast Program	10.553	APE402530000	\$ 660,037
National School Lunch Program	10.555	APE402540000	2,134,379
Child Nutrition Discretionary Grants Limited Availability	10.579	APE600710000, DOE868040000	<u>11,805</u>
Virginia Department of Agriculture and Consumer Services:			
Food Distribution-School Lunch	10.555	Unavailable	\$ 312,505
Subtotal ALN 10.555			<u>\$ 2,446,884</u>
Total Child Nutrition Cluster			<u>\$ 3,118,726</u>
Child and Adult Care Food Program	10.558	APE700270000, APE700280000	28,782
Virginia Department of Education:			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE438410000	<u>10,321</u>
Total Department of Agriculture			<u>\$ 3,157,829</u>
Department of Treasury:			
Pass Through Payments:			
Virginia Department of Education:			
COVID 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	APE452900000	\$ 56,786
Total Department of Treasury			<u>\$ 56,786</u>
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	APE428920000, APE429010000	\$ 1,655,808
Student Support and Academic Enrichment Program	84.424	APE602810000, APE601550000,	398,604
Supporting Effective Instruction State Grants	84.367	APE600230000	205,606
Special Education Cluster:			
Special Education - Grant to States	84.027	APE430710000	\$ 1,443,827
Special Education - Preschool Grants	84.173	APE625210000	<u>35,025</u>
Total Special Education Cluster			<u>\$ 1,478,852</u>
COVID-19 Education Stabilization Fund-American Rescue Plan			
Elementary and Secondary School Emergency Relief Fund	84.425D	APE501890000, APE501930000	<u>\$ 303,154</u>
Career and Technical Education - Basic Grants to States	84.048	APE606310000, APE600311005	136,505
English Language Acquisition State Grants	84.365	APE605120000	<u>52,850</u>
Total Department of Education			<u>\$ 4,231,379</u>
Total Expenditures of Federal Awards Component Unit School Board			<u>\$ 7,445,994</u>
Total Expenditures of Federal Awards			<u>\$ 15,173,907</u>

**COUNTY OF SHENANDOAH, VIRGINIA**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025**

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**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Shenandoah, Virginia under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of the 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 of Shenandoah, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Shenandoah, Virginia.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(1) Expenditures reported on the Schedule are reported on the 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.

(2) County of Shenandoah, Virginia has elected not to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(3) Pass-through entity identifying numbers are presented where available.

**NOTE C - FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, the County had food commodities totaling \$27,816 in inventory.

**NOTE D - MATCHING COSTS**

Matching costs, the nonfederal share of certain program costs, are not included in the Schedule.

**NOTE E - LOANS**

County of Shenandoah, Virginia had no federal loans required to be presented in the Schedule.

**NOTE F - SUBRECIPIENTS**

No funds were passed through to subrecipients.

**NOTE G - RELATIONSHIP TO FINANCIAL STATEMENTS**

Federal expenditures, revenues, and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	\$ 7,986,321
Reconciling items:	
Payment in lieu of taxes not included above	<u>(258,408)</u>
Total primary government	<u>\$ 7,727,913</u>
Discretely presented component unit - School Board	\$ <u>7,445,994</u>
Total discretely presented component unit - School Board	\$ <u>7,445,994</u>
Total expenditures of federal awards per basic financial statements	\$ <u>15,173,907</u>
Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$ <u>15,173,907</u>

**COUNTY OF SHENANDOAH, VIRGINIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

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**Section I-Summary of Auditors' Results**

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Financial Statements

Type of auditors' report issued unmodified

Internal control over financial reporting:

- Material weakness(es) identified?      yes   x   no

- Significant deficiency(ies) identified?      yes   x   none reported

Noncompliance material to financial statements noted?      yes   x   no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?      yes   x   no

- Significant deficiency(ies) identified?      yes   x   none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?      yes   x   no

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
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**Child Nutrition Cluster**

10.553	.....	School Breakfast Program
10.555	.....	National School Lunch Program
10.555	.....	Food Distribution
84.010	.....	Title I Grants to Local Educational Agencies State Administrative Matching Grants for the
10.561	.....	Supplemental Nutrition Assistance Program

Dollar threshold used to distinguish between type A and type B programs:      \$750,000

Auditee qualified as low-risk auditee?   x   yes      no

**Section II-Financial Statement Findings**

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None

**Section III-Federal Award Findings and Questioned Costs**

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None

**Section IV-Summary of Prior Findings**

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None