

# Shenandoah County Administrator's Weekly Memorandum



**Weekly Message to the Members of the Board of Supervisors for January 27, 2017**

SVP Board Members:

I hope many of you caught the excellent article in today's Daily News Record about the amazing honor bestowed upon our Executive Director, Carrie Chenery. Consultant Connect named Carrie as one of the top 50 economic development professionals in North America! Site selectors and consultants nominate and vote on this prestigious award, and I think this honor represents Carrie's tremendous success as our CEO, the hard work of her staff, and the success of the SVP in elevating the exposure of the region among site selectors. Please join me in congratulating Carrie Chenery on her selection for this award!

SVP Director Named A Top 50 Developer  
Chenery Called One Of Best In North America

By VIC BRADSHAW Daily News-Record

HARRISONBURG — It's been less than two years since it became Carrie Chenery's job to sell the Shenandoah Valley in economic development circles. In that time, it appears she's made a mark.

Chenery, the executive director of the Shenandoah Valley Partnership, was announced last week as one of the top 50 economic developers in North America, based on the votes of site selection consultants and other economic development professionals.

"It's incredibly gratifying, particularly for the whole region," Chenery, 30, said. "It's a real testament to the work we've been doing the last couple of years to give a louder voice for the Shenandoah Valley across the country and really around the world."

The Shenandoah Valley Partnership represents seven counties and five cities stretching along the Interstate 81 corridor from Shenandoah and Page counties in the north to Bath and Rockbridge in the south.

The top 50 list was produced by Consultant Connect, a Kalamazoo, Mich., company focused on bridging the gap between economic developers and site selection consultants. According to its website, the organization has worked with more than 100 national and international customers over the past three years.

Carla Winchester, managing partner for Consultant Connect, said the agency has published the list each of the last three years. About 175 individuals and corporate site consultants are invited to anonymously nominate developers they work with who are worthy of recognition.

"It's such an honor each year to work with these amazing men and women," she said. "They're doing so much for their communities, but their work is not often noticed."

## Second Recent Award

Economic development professionals from all over North America are eligible for the honor, but this year's list is comprised exclusively of people working for organizations in the United States. Winchester said at least one Canadian was recognized in the past.

People who have made the list previously can make it again. She said at least one professional on this year's list was recognized before.

Chenery had no idea she'd been nominated until she got the call saying she'd made the top 50. She was told that four people nominated her.

It's the second honor the SVP has received in just four months. In late September, it received a Gold Excellence in Economic Development award for organizations in its population category for its "Harvest Box Save the Date" promotional effort. Gold is the highest level of recognition.

Chenery said making the top 50 list could be tied to the award-winning promotion as well as Valley Career Hub, an effort by the economic development, business and education communities to highlight in-demand jobs and promote local training programs that support them.

John Downey, president of Blue Ridge Community College and chairman of the SVP's board of directors, viewed Chenery's recognition as a positive sign that the organization is making a mark with the people it wants to reach.

"We've wanted to increase our work with site-selector consultants and our interaction with them," he said, "and I think this goes to prove how successful she's been in doing that. It's one thing to make contact but another thing to make an impression. She made enough of an impression that she's among the top 50 they think of."

Downey called making the top 50 list "a great honor" for Chenery and said it also raises the partnership's profile.

Chenery agreed.

"I think this really is a win for the whole region and organization," she said. "Economic development is a team sport, and I think this raises the profile of our collective efforts."

Economic development professionals from Roanoke, Loudoun County and Lynchburg and with the Virginia Economic Development Partnership also made the list. Winchester said that's a sign that the state is aggressively and effectively pursuing businesses.

Contact Vic Bradshaw at 574-6279 or [vbradshaw@dnronline.com](mailto:vbradshaw@dnronline.com)

**Tourism:** The NSVRC has expanded their services and has been greatly supportive of tourism from an economic development standpoint. They recently received a series of grants through DHCD focused on tourism, outdoor recreation and entrepreneurialism which enabled them to build a website plotting the outdoor assets within the region. This site will serve as an outstanding resource to the tourism offices, enabling visitors to better plan their trips.

Highlighted assets include:

- Hiking Trails, green space, park and conservation lands
- River Access
- Local Outfitters
- Orchards, Breweries, Vineyards
- Farmers Markets
- Visitors Centers
- Transportation Services

I encourage you all to take a look at this new site at: <http://nsvrc.maps.arcgis.com/home/index.html>

**Invitation to Bid for Mowing:** The contract with the existing landscaping company who provides mowing services and snow removal services will be expiring this spring and cannot be extended. The County has issued and is advertising an invitation for bid to secure a new contract.

**Audit Presentation:** Attached is the audit presentation from Tuesday's Board meeting.

# Shenandoah County, Virginia Audit Presentation

January 24, 2017

Robinson, Farmer, Cox Associates, Certified Public Accountants, PLLC

## Overview

- 2015 CAFR Submission-GFOA Certificate of Achievement
- Audit Results
  - Audit Opinion
  - Internal Control & Compliance Opinions
- Financial Highlights
  - Government-wide Financial Statements
  - Fund Financial Statements
  - General Fund Revenue & Expenditure Analysis
- Conclusion
- Questions



## 2015 Certificate of Achievement GFOA



Government Finance Officers Association

### Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Shenandoah  
Virginia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

June 30, 2015

*Jeffrey R. Shaw*  
Executive Director/CEO

## Audit Results

### Objectives:

- The expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with GAAP
- Report on internal control in accordance with Government Auditing Standards
- Report on internal control related to major programs and compliance with the OMB's Uniform Guidance



## Audit Results: Audit Opinions

### **Unmodified Audit Opinion (Highest Level of Assurance Available)**

- In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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 June 30, 2016, 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.



## Audit Results: Compliance

- State Compliance
- Single Audit Compliance
  - Federal Programs Audited:
    - Medical Assistance Program
    - Special Education Cluster
    - Child Nutrition Cluster



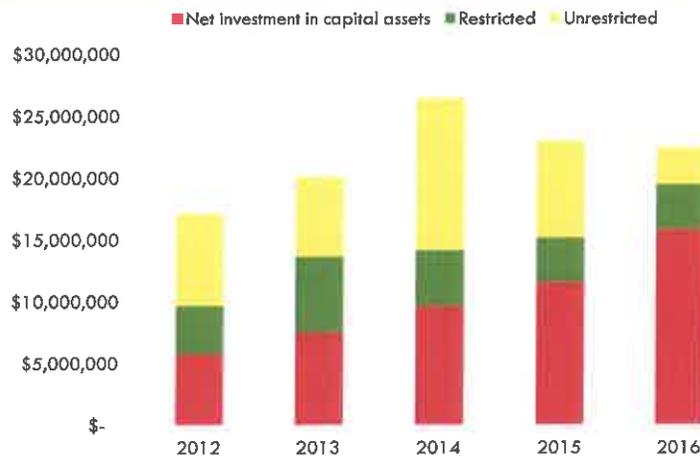
## Government-wide Financial Highlights

Exhibits 1 & 2 – Prepared on the full accrual basis  
(debt/capital assets main difference)

- Ending net position of \$22,414,529 of which \$2,986,924 was unrestricted
- Achieved increase in net position of Business-type Activities by \$1,429,709 ;however a decrease in Governmental Activities by \$2,021,041; total decrease of \$591,332
- Net investment in capital assets of \$15,802,572



## Government-wide Net Position



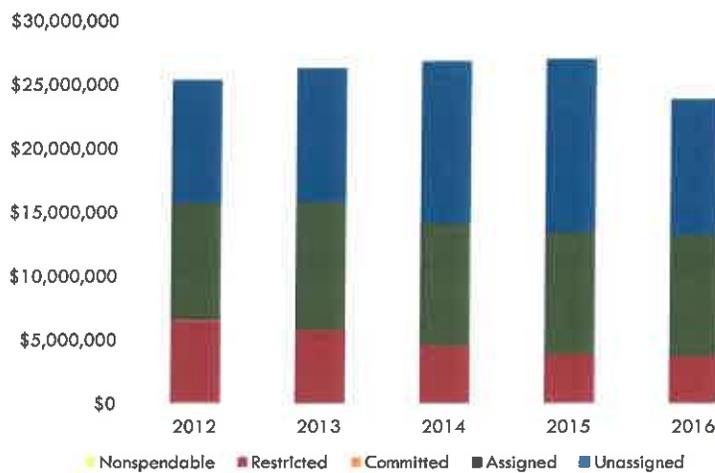
## Governmental Funds Financial Highlights

Exhibits 3 through 6 – Prepared on the modified accrual basis (same basis as your budget)

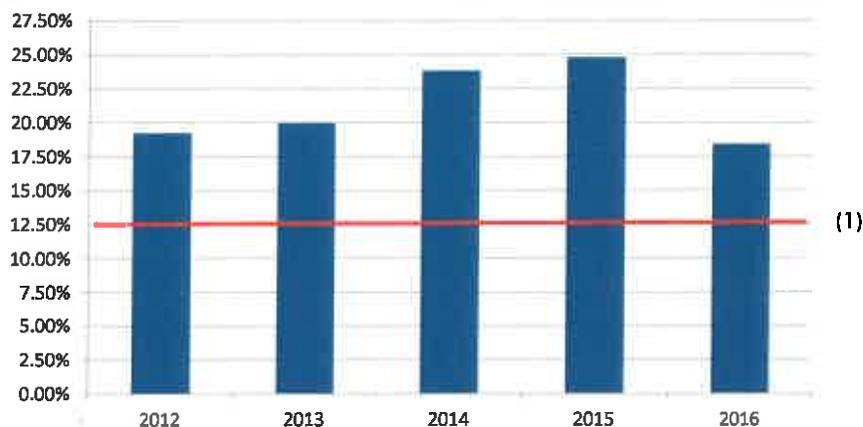
- Combined ending fund balances for governmental funds of \$23,875,918
- Decrease of \$3,153,962 compared to FY2015 fund balance
- General fund unassigned fund balance of \$10,656,213 or 18.4% of 2016 general fund expenditures
- Unrestricted cash and cash equivalents of \$21,187,514



## Fund Balance by Type – Governmental Funds



## Liquidity Analysis-Unassigned Fund Balance Compared to Expenditures



(1) Minimum threshold according to the County's fund balance policy



## General Fund Revenue Analysis

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 38,714,600	\$ 38,714,600	\$ 40,894,148	\$ 2,179,548
Other local taxes	6,628,200	6,628,200	6,524,188	(104,012)
Permits, privilege fees, and regulatory licenses	334,778	334,778	432,609	97,831
Fines and forfeitures	75,000	75,000	66,671	(8,329)
Revenue from the use of money and property	347,000	383,252	422,334	39,082
Charges for services	1,840,737	1,840,737	1,800,087	(40,650)
Miscellaneous	168,000	312,687	752,481	439,794
Recovered costs	608,115	618,045	492,482	(125,563)
Intergovernmental:				
Commonwealth	10,062,962	10,679,331	10,334,634	(344,697)
Federal	3,093,502	2,955,568	2,332,300	(623,268)
Total revenues	\$ 61,872,894	\$ 62,542,198	\$ 64,051,934	\$ 1,509,736

## General Fund Expenditure Analysis

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government administration	\$ 2,750,806	\$ 2,867,033	\$ 2,861,575	\$ 5,458
Judicial administration	1,929,240	1,977,344	1,949,965	27,379
Public safety	14,245,060	14,626,500	14,736,082	(109,582)
Public works	1,148,368	1,236,488	1,149,372	87,116
Health and welfare	7,605,612	7,547,857	7,474,288	73,569
Education	26,407,881	26,407,881	25,685,320	722,561
Parks, recreation, and cultural	1,430,993	1,448,813	1,522,188	(73,375)
Community development	1,206,364	1,767,503	1,629,086	138,417
Nondepartmental	575,300	340,703	13,533	327,170
Capital projects	1,500,207	1,506,684	519,620	987,064
<b>Debt service:</b>				
Principal retirement	-	-	336,816	(336,816)
Interest and other fiscal charges	-	-	14,018	(14,018)
<b>Total expenditures</b>	<b>\$ 58,799,831</b>	<b>\$ 59,726,806</b>	<b>\$ 57,891,863</b>	<b>\$ 1,834,943</b>

## General Fund Budgetary Highlights

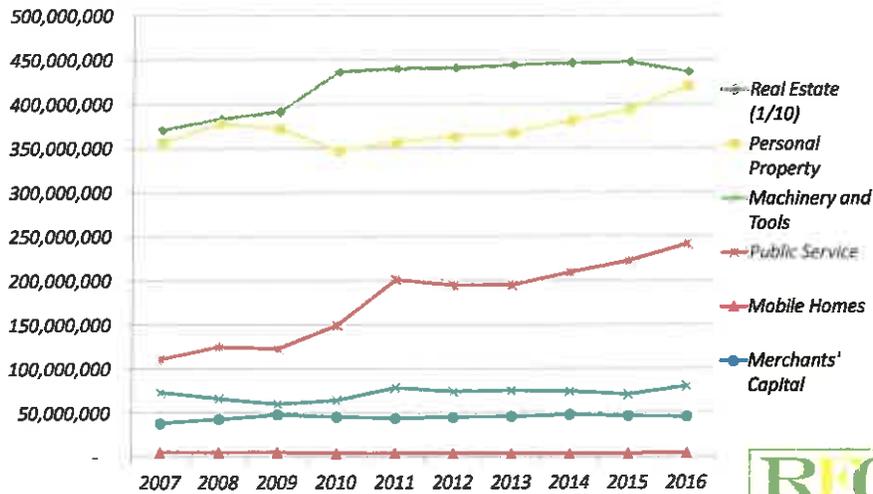
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Total revenues	\$ 61,872,894	\$ 62,542,198	\$ 64,031,934	\$ 1,509,736
Total expenditures	\$ 58,799,831	\$ 59,726,806	\$ 57,891,863	\$ 1,834,943
Excess (deficiency) of revenues over (under) expenditures	\$ 3,073,063	\$ 2,815,392	\$ 6,160,071	\$ 3,344,679
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (8,448,971)	\$ (9,679,013)	\$ (9,399,322)	\$ 279,691
Issuance of capital leases	-	-	410,500	410,500
Total other financing sources (uses)	\$ (8,448,971)	\$ (9,679,013)	\$ (8,988,822)	\$ 690,191
Net change in fund balances	\$ (5,375,908)	\$ (6,863,621)	\$ (2,828,751)	\$ 4,034,870
Fund balances - beginning	\$ 5,375,908	\$ 6,863,621	\$ 18,652,502	\$ 11,788,881
Fund balances - ending	\$ -	\$ -	\$ 15,823,751	\$ 15,823,751

The County's adjusted general fund budget showed a use of fund balance in the amount of \$6.8 million was necessary to balance the FY 16 budget. This deficit was reduced \$2.8 million by the following factors.

- Property taxes received were \$2,179,548 more than budgeted
- Capital project expenditures were \$987,064 less than budgeted
- Other departmental expenditures were \$847,879 less than budgeted



### General Fund Revenue Analysis: Original Tax Assessments



### General Fund Revenue Analysis

#### Property Tax Rates (1)

##### Direct Rates

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Total Direct Rate
2007	\$ 0.51	\$ 2.86	\$ 0.51	\$ 2.86	\$ 0.60	\$ 7.34
2008	0.51	2.86	0.51	2.86	0.60	7.34
2009	0.51	3.15	0.51	3.15	0.60	7.92
2010	0.47	3.15	0.47	3.15	0.60	7.84
2011	0.47	3.15	0.47	3.15	0.60	7.84
2012	0.51	3.15	0.51	3.15	0.60	7.92
2013	0.54	3.50	0.54	3.15	0.60	8.33
2014	0.57	3.50	0.57	3.15	0.60	8.39
2015	0.57	3.50	0.57	3.15	0.60	8.39
2016	0.60	3.60	0.60	3.15	0.60	8.55

Source: County Commissioner of Revenue

(1) Per \$100 of assessed value



## General Fund Revenue Analysis

Fiscal Year	Property Tax Levies and Collections					
	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
2007	\$ 28,582,118	\$ 27,256,379	95.36%	\$ 1,303,811	\$ 28,560,190	99.92%
2008	29,698,692	28,304,547	95.31%	1,358,319	29,662,866	99.88%
2009	31,221,250	28,851,374	92.41%	2,320,836	31,172,210	99.84%
2010	31,762,302	28,815,151	90.72%	2,478,284	31,293,435	98.52%
2011	32,838,732	29,867,700	90.95%	2,438,294	32,305,994	98.38%
2012	35,018,934	33,281,231	95.04%	1,039,768	34,320,999	98.01%
2013	36,226,476	33,721,380	93.08%	1,966,700	35,688,080	98.51%
2014	39,644,404	37,448,266	94.46%	1,471,805	38,920,071	98.17%
2015	39,858,420	37,876,812	95.03%	880,366	38,757,178	97.24%
2016	41,321,753	39,421,018	95.40%		39,421,018	95.40%

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.



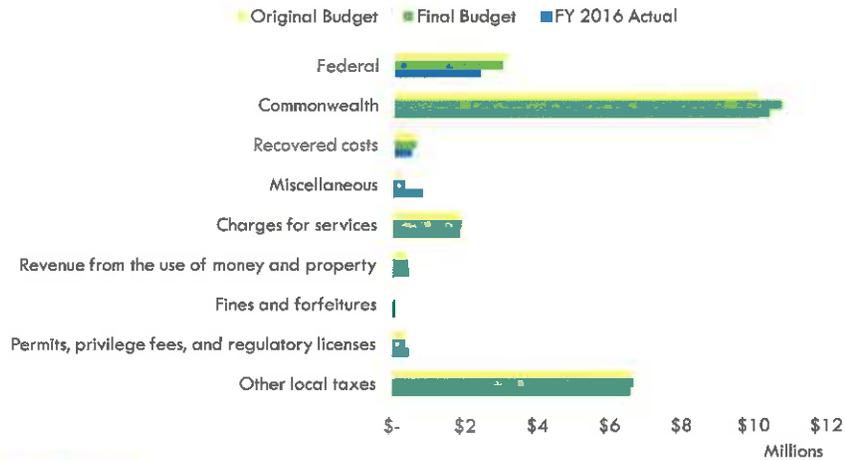
## General Fund Revenue Analysis

### General Governmental Tax Revenues by Source

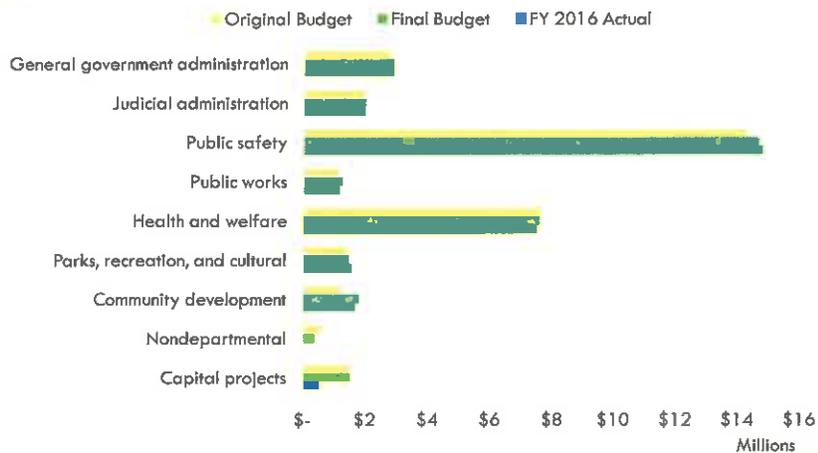
Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Recordation and Wills Tax	Total
2007	\$ 29,159,806	\$ 3,113,379	\$ 1,718,438	\$ 891,116	\$ 801,128	\$ 35,683,867
2008	29,555,714	3,238,398	1,368,894	552,815	477,500	35,193,321
2009	30,532,857	3,313,542	1,243,628	795,000	322,715	36,207,742
2010	30,805,595	2,909,578	1,248,883	815,279	325,862	36,105,197
2011	31,744,361	3,048,872	1,994,437	857,901	298,353	37,943,924
2012	33,009,862	3,168,917	1,962,053	826,120	258,430	39,225,382
2013	35,693,366	3,224,641	1,943,136	825,623	347,126	42,033,892
2014	37,482,790	3,207,116	1,994,637	830,861	304,745	43,820,149
2015	39,515,727	3,262,733	1,955,209	864,693	291,431	45,889,793
2016	40,894,148	3,246,390	1,881,288	871,892	347,726	47,241,444



## General Fund Revenue Analysis



## General Fund Expenditure Analysis



## Proprietary Fund Financial Highlights

Exhibits 7, 8, & 9 – Business-type activities including Sanitary Districts, Landfill Fund, & North Fork Wastewater Fund

- Combined ending net position of 4,191
- Overall operating loss of \$3,375,691 which includes depreciation and amortization costs of \$750,397
- Transfers from the general fund to the proprietary funds amounted to \$4,236,140
- Combined change in net position for all proprietary funds of \$1,429,709
- Decrease in cash and cash equivalents in the proprietary funds of (\$390,721)



## Conclusion

- Management memorandum
- Adjusting journal entries
- More new GASB Statements for upcoming year to be implemented
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting



## Questions

