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COUNTY OF SHENANDOAH, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2023

COUNTY OF SHENANDOAH, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Prepared by
Amy Dill, Finance Director
Shenandoah County, Virginia

**COUNTY OF SHENANDOAH, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

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INTRODUCTORY SECTION

County of Shenandoah

BOARD OF SUPERVISORS

DISTRICT 1 – JOSH STEPHENS
DISTRICT 2 – STEVE BAKER
DISTRICT 3 – BRADLEY POLLACK
DISTRICT 4 – KARL ROULSTON
DISTRICT 5 – DENNIS MORRIS
DISTRICT 6 – TIM TAYLOR

600 N. Main Street, Ste 102
WOODSTOCK, VA 22664



OFFICE OF COUNTY ADMINISTRATION

EVAN L. VASS
COUNTY ADMINISTRATOR

MANDY R. BELYEA
DEPUTY COUNTY ADMINISTRATOR

Tel: 540.459.6165 Fax: 540.459.6168
www.shenandoahcountvva.us

December 15, 2023

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 2023. 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 of 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, 2023, 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 of 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 discreetly 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 concurrent 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 a rural county, the County's 2022 estimated population was 44,541. Shenandoah County enjoys a diversified economy, with manufacturing accounting for approximately 20.9% of the jobs in the County, retail accounting for 12.9% and health care accounting for roughly 11.2%. 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 than the State average, and from June 2021 to June 2022, Shenandoah County saw its unemployment rate decrease from 3.6 percent to 2.8 percent.

The County is pleased to report the continuation of two significant economic development projects during Fiscal Year 2023.

In August 2019, Howell Metal received a \$400,000 Commonwealth Opportunity Funds (COF) Grant through the Virginia Economic Development Partnership (VEDP) for an \$8,039,000 expansion resulting in the creation of 102 new jobs. Shenandoah County matched this grant with an additional \$400,000 of local funds paid in four equal installments of \$100,000 per year for four years.

In 2020, IAC Strasburg announced an expansion of their Strasburg facility resulting in the investment of an additional \$4,600,000. Shenandoah County provided \$99,999 in total incentives paid in three installments of \$33,333 per year for fiscal years 2021, 2022, and 2023.

□ 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 years 2017 and 2018, Shenandoah County contracted with a vendor to assess the existing ultra-high frequency (UHF) conventional analog public safety radio communications system. The goal of the needs assessment was to determine the best approach to improve radio communications within the county and to replace aging equipment which has reached its End-of-Life through the manufacturer. The assessment included a review of how the Shenandoah County Emergency Communications Center (ECC) interfaces with the radio communications system, as well as recommendations for replacement of the current system. In fiscal year 2019, funds were secured for the radio system replacement and implementation. The project included the need to upgrade, replace existing towers, and/or add new towers throughout the county. Construction on the various tower sites began during the fiscal year 2020 and is now 100% complete, as of June 30, 2023.

In October of 2021, the County issued 10-yr lease revenue bonds in the amount of \$5.7 million to fund approximately \$4.2 million of capital improvement projects identified as “urgent” and “necessary” for the Shenandoah County Public Schools. These projects included fire and security system upgrades/replacement, building and grounds renovations, and the purchase of vehicles and equipment and began in the summer of 2022, when students were not in the schools. These projects continued into fiscal year 2023, with some still not complete as of the close of the fiscal year. Additionally, approximately \$1.5 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 still were not complete as of the close of fiscal year 2023 due to continued supply chain availability issues.

During fiscal year 2023 the County utilized some of its American Rescue Plan Act (ARPA) funds received in fiscal years 2021 and 2022 that were appropriated in fiscal year 2023. This included projects associated with expanding broadband internet infrastructure through a partnership with the Commonwealth of Virginia and Shentel, as well as the replacement of the heating and cooling system at the County's Circuit Courthouse, and the replacement of a County-owned ambulance. These projects were not complete as of the close of fiscal year 2023 and carried forward into the succeeding fiscal year, as did a reserve of ARPA funds yet to be appropriated totaling approximately \$2.5 million.

□ 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, 2023, 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. 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 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). Anticipated fiscal year 2023 revenues were less than appropriations and transfers to other funds by \$1,474,618. In such cases, the policy allows for appropriation of fund balance to close the gap. However, due to unanticipated increases in personal property taxes due to inflationary impacts on vehicles values, increased real property tax collections due to an increased tax rate, and capital project expenditures that were less than budgeted due to continued supply chain issues, there was an increase in fund balance of \$7,340,463 for the year.

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, 2022. 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, the School Board and the 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,



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, 2022

Christopher P. Morrell

Executive Director/CEO



COUNTY OF SHENANDOAH, VIRGINIA

BOARD OF SUPERVISORS

Karl Roulston, Chairman, District 4
Dennis Morris, Vice Chairman District 5

Josh Stephens, District 1
Steven Baker, District 2

Bradley Pollack, District 3
Tim Taylor, District 6

COUNTY SCHOOL BOARD

Marty Helsley, Chairman, District 2
Dennis Barlow, Vice Chairman, District 1

Cynthia Walsh, District 3
Kyle Gutshall, District 4

Brandi Rutz, District 5
Andrew Keller, District 6

OTHER OFFICIALS

Judge of the Circuit Court	Kevin Black
Judge of the General District Court	Amy Tisinger
Judge of the Juvenile & Domestic Court.....	Chad Logan
Clerk of the General District Court.....	Susan Orndorff
Clerk of the Juvenile & Domestic Court.....	Nikki Taylor
Clerk of the Circuit Court	Sarona Irvin
Commonwealth's Attorney	Amanda McDonald Wiseley
Commissioner of the Revenue	Kathy Black
Treasurer	Cindy George
Sheriff	Timothy Carter
Superintendent of Schools.....	Melody Sheppard
Director of Public Utilities.....	Pat Felling
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	Mellanie Shipe
Director of Solid Waste	Andrew Hounshell
Director of Human Resources	Jennifer Mongold
Facilities Manager.....	Samuel Dellinger
Library Director	Sandy Whitesides

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

**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, 2023, 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, 2023, 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 Principle

As described in Note 3 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 25 to the financial statements, in 2023, the County restated beginning balances to correct a prior period error. 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 15, 2023, 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 15, 2023

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, 2023. The MD&A also includes a comparative analysis for the fiscal year ended June 30, 2022.

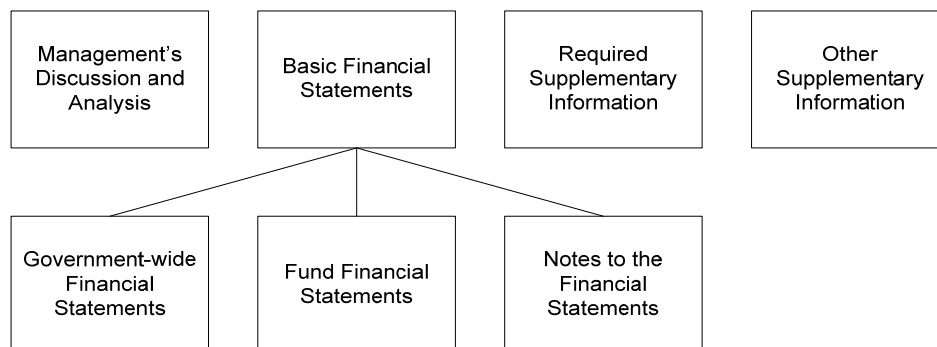
Financial Highlights

- 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 \$70,400,041 (net position). Of this amount, \$30,511,424 (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 \$47,712,368 an increase of \$4,359,956 in comparison with the prior year. Approximately \$28,083,616 or 59 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 \$28,083,616 represents 36 percent of total general fund expenditures.
- The County's total long-term obligations decreased by \$2,210,778 during the current fiscal year, due to principal payments of \$6,800,063 combined with increases in loans payable, arbitrage, compensated absences, net pension liabilities, and landfill closure and post-closure care; as well as the new GASB 96 required recognition of subscription 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 present 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 nonmajor 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 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 nonmajor 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 \$69,818,094 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 57.7 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 100,777,831	\$ 95,948,334	\$ 3,420,509	\$ 3,150,819	\$ 104,198,340	\$ 99,099,153
Capital assets	63,943,493	55,493,318	14,415,545	15,523,441	78,359,038	71,016,759
Total assets	<u>\$ 164,721,324</u>	<u>\$ 151,441,652</u>	<u>\$ 17,836,054</u>	<u>\$ 18,674,260</u>	<u>\$ 182,557,378</u>	<u>\$ 170,115,912</u>
Total deferred outflows of resources	<u>\$ 3,642,815</u>	<u>\$ 4,497,214</u>	<u>\$ 312,091</u>	<u>\$ 387,297</u>	<u>\$ 3,954,906</u>	<u>\$ 4,884,511</u>
Current liabilities	\$ 10,432,984	\$ 11,409,789	\$ 150,754	\$ 258,124	\$ 10,583,738	\$ 11,667,913
Long-term liabilities	46,098,788	44,180,061	18,291,950	17,114,653	64,390,738	61,294,714
Total liabilities	<u>\$ 56,531,772</u>	<u>\$ 55,589,850</u>	<u>\$ 18,442,704</u>	<u>\$ 17,372,777</u>	<u>\$ 74,974,476</u>	<u>\$ 72,962,627</u>
Total deferred inflows of resources	<u>\$ 40,427,105</u>	<u>\$ 44,284,915</u>	<u>\$ 710,662</u>	<u>\$ 1,110,049</u>	<u>\$ 41,137,767</u>	<u>\$ 45,394,964</u>
Net position:						
Net investment in capital assets	\$ 27,070,160	\$ 25,536,383	\$ 11,235,158	\$ 11,635,353	\$ 38,305,318	\$ 37,171,736
Restricted	1,583,299	5,889,358	-	71,316	1,583,299	5,960,674
Unrestricted	42,751,803	24,638,360	(12,240,379)	(11,127,938)	30,511,424	13,510,422
Total net position	<u>\$ 71,405,262</u>	<u>\$ 56,064,101</u>	<u>\$ (1,005,221)</u>	<u>\$ 578,731</u>	<u>\$ 70,400,041</u>	<u>\$ 56,642,832</u>

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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 3,892,298	\$ 3,278,767	\$ 3,823,115	\$ 3,937,554	\$ 7,715,413	\$ 7,216,321
Operating grants and contributions	12,433,955	12,362,508	-	-	12,433,955	12,362,508
Capital grants and contributions	1,790,312	124,929	257,110	136,000	2,047,422	260,929
General revenues:						
Property taxes	63,607,885	58,202,348	571,591	568,325	64,179,476	58,770,673
Other local taxes	8,602,468	8,117,144	-	-	8,602,468	8,117,144
Other	9,077,497	7,027,597	55,939	4,900	9,133,436	7,032,497
Total revenues	\$ 99,404,415	\$ 89,113,293	\$ 4,707,755	\$ 4,646,779	\$ 104,112,170	\$ 93,760,072
Expenses:						
General						
government administration	\$ 3,445,238	\$ 3,870,956	\$ -	\$ -	\$ 3,445,238	\$ 3,870,956
Judicial						
administration	2,630,376	2,527,254	-	-	2,630,376	2,527,254
Public safety	23,430,588	21,359,512	-	-	23,430,588	21,359,512
Public works	1,760,037	1,393,594	-	-	1,760,037	1,393,594
Health and welfare	12,437,107	11,724,892	-	-	12,437,107	11,724,892
Education	28,327,817	32,001,461	-	-	28,327,817	32,001,461
Parks, recreation and culture	2,789,164	2,517,604	-	-	2,789,164	2,517,604
Community development	1,598,172	1,396,423	-	-	1,598,172	1,396,423
Interest	1,612,012	1,693,591	-	-	1,612,012	1,693,591
Business-type activities	-	-	7,900,384	7,033,725	7,900,384	7,033,725
Total expenses	\$ 78,030,511	\$ 78,485,287	\$ 7,900,384	\$ 7,033,725	\$ 85,930,895	\$ 85,519,012
Increase (decrease) in net position before transfers	\$ 21,373,904	\$ 10,628,006	\$ (3,192,629)	\$ (2,386,946)	\$ 18,181,275	\$ 8,241,060
Transfers	(1,608,677)	(1,317,587)	1,608,677	1,317,587	-	-
Increase (decrease) in net position	\$ 19,765,227	\$ 9,310,419	\$ (1,583,952)	\$ (1,069,359)	\$ 18,181,275	\$ 8,241,060
Net position beginning, as restated	51,640,035	42,329,616	578,731	1,648,090	52,218,766	43,977,706
Net position ending	\$ 71,405,262	\$ 51,640,035	\$ (1,005,221)	\$ 578,731	\$ 70,400,041	\$ 52,218,766

Governmental activities – Governmental activities increased the County's net position by \$19,765,227.

Key elements of this increase are as follows:

- General property taxes increased \$5,405,537 in fiscal year 2023 compared to fiscal year 2022. The increase is attributed to an increase in the real property tax rate effective in fiscal year 2023, as well as an increase in the valuation of personal property.
- Unrestricted revenues from use of money and property, and grant and contributions not restricted to specific programs increased \$3,173,011 in fiscal year 2023 compared to fiscal year 2022 due to the recognition of a portion of American Rescue Plan Act funds.
- Expenditures increased in fiscal year 2023 compared to fiscal year 2022 by \$3,969,290 due to increased inflationary pressures on general operating expenditures, primarily in public safety and education; the expenditure of American Rescue Plan Act and other grant funds; and the implementation of salary adjustments resulting from the County's Class and Compensation Study.

Business-type activities – Business-type activities of the two Sanitary Districts increased the Shenandoah County Government's net position by \$228,563. This was an increase of \$26,741 from the previous fiscal year. When comparing fiscal years 2022 and 2023 in Exhibit 8, treatment and purification and maintenance expenses for the Stoney Creek Sanitary District increased while Toms Brook Maurertown Sanitary District saw an increase in treatment and purification expenses and a decrease in maintenance expenses. Operating revenues saw an immaterial decrease in FY 2023.

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 2023, the North Fork Wastewater Treatment Plant fund experienced an increase in assets of \$1,323 largely due to an increase in cash assets. 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 2023, the impact was \$8,987,160 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 \$47,712,368 an increase of \$4,359,956 in comparison with the prior year. Approximately 59% of the total fund balance or \$28,083,616 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 \$28,083,616, while the total general fund balance was \$38,599,176. The General Fund's fund balance increased \$7,340,463 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 36 percent of total general fund expenditures, while total general fund balance represents 49 percent of that same amount.

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 essentially remained constant when comparing fiscal year 2023 to fiscal year 2022, with a \$49 or .03% increase. The restricted fund balance of the Capital Projects Fund, however, saw a major decrease of \$3,022,443 or 92%, largely due to the completion of the multi-year E911 Radio Replacement Project.

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 was a \$6,024,732 increase in appropriations and can be briefly summarized as follows:

- \$4,225,465 increase in contributions to the County School Board due to the delayed adoption of the Commonwealth's FY 2023 budget, the allocation of proceeds from debt issuance for capital projects, the reallocation of FY 2022 carryover funds, and the receipt of unanticipated revenues.

Fiscal year 2023 actual revenues were approximately \$764,357 more than the fiscal year 2023 final budgeted revenues. Fiscal year 2023 actual expenditures were approximately \$13,129,374 less than the fiscal year 2023 final budgeted expenditures. Reasons for these variances are briefly summarized as follows:

- General Property taxes were \$2,735,435 more than the final budget revenues largely due to increased personal property tax collections that were higher than anticipated as a result of greater than anticipated increases in personal property valuations. Real property taxes were \$794,737 more than the final budgeted revenues largely due to a real property tax rate increase to \$0.58 per \$100 of assessed value.
- Intergovernmental revenues from noncategorical aid were \$5,976,917 less than the budgeted revenues due to unused ARPA funds associated with capital expenditures that were not completed prior to the close of the fiscal year, largely due to continued supply chain issues.
- Capital Projects were \$2,238,718 less than the budgeted expenditures as a result of continued pandemic-related supply chain issues in securing vehicles and equipment, as well as the continuation of the E911 Radio Replacement Project.
- Education expenditures were \$4,801,397 less than the budgeted expenditures as a result of less transfers to the County School Board throughout the fiscal year due in large part to approved capital improvement projects for Shenandoah County Public Schools that remained in progress as of June 30, 2023 in the amount of \$4.2 million.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$63,943,493 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total change of the County's investment in capital assets for the current fiscal year over the prior year is largely attributed to the completion of the public safety radio communications system.

County of Shenandoah, Virginia's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,592,816	\$ 4,908,718	\$ 503,500	\$ 503,500	\$ 5,096,316	\$ 5,412,218
Building and improvements	43,580,254	45,061,417	11,040,940	11,040,940	54,621,194	56,102,357
Utility plant in service	-	-	27,634,953	27,581,247	27,634,953	27,581,247
Equipment	35,572,284	11,894,212	-	-	35,572,284	11,894,212
Construction in progress	1,243,533	14,186,743	-	-	1,243,533	14,186,743
Subtotal	\$ 84,988,887	\$ 76,051,090	\$ 39,179,393	\$ 39,125,687	\$ 124,168,280	\$ 115,176,777
Accumulated depreciation	(21,342,863)	(20,582,148)	(24,763,848)	(23,669,978)	(46,106,711)	(44,252,126)
Subtotal	\$ 63,646,024	\$ 55,468,942	\$ 14,415,545	\$ 15,455,709	\$ 78,061,569	\$ 70,924,651
Lease asset-equipment	237,920	237,920	-	-	237,920	237,920
Subtotal	\$ 237,920	\$ 237,920	\$ -	\$ -	\$ 237,920	\$ 237,920
Accumulated amortization	(114,307)	(42,567)	-	-	(114,307)	(42,567)
Subtotal	\$ 123,613	\$ 195,353	\$ -	\$ -	\$ 123,613	\$ 195,353
Intangible asset						
subscriptions	\$ 205,496	\$ -	\$ -	\$ -	\$ 205,496	\$ -
Subtotal	205,496	-	-	-	205,496	-
Accumulated amortization	(31,640)	-	-	-	(31,640)	-
Subtotal	\$ 173,856	\$ -	\$ -	\$ -	\$ 173,856	\$ -
Net capital assets	\$ 63,943,493	\$ 55,664,295	\$ 14,415,545	\$ 15,455,709	\$ 78,359,038	\$ 71,120,004

Additional information on the County's capital assets can be found in Note 8.

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$36,703,864. 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 decreased by \$5,873,109. Additional information on the County of Shenandoah, Virginia's long-term debt can be found in Note 11 of this report.

Economic Factors and Next Year's Budgets and Rates

- The 2023 unemployment rate for the County was 2.8 percent, which is a decrease from a rate of 3.6 percent in 2022. The County's rate is the same as the state average of 2.8 percent and lower than the national average rate of 3.8 percent.
- Population growth in the County is expected to increase which will likely cause a similar affect on general property and other local tax revenues; moreover, the potential for economic development growth continues to gain strength and will also increase the potential for additional local revenues in the future.
- Earnings on idle cash gradually increased in FY 2023, exhibiting a slow return to pre-pandemic earning rates.

All of these factors were considered in preparing the County's budget for fiscal year 2023.

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 102, Woodstock, Virginia 22664.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF SHENANDOAH, VIRGINIA
Statement of Net Position
June 30, 2023

Exhibit 1

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	School Board	Library	Industrial Development Authority
ASSETS						
Cash and cash equivalents	\$ 48,854,786	\$ 2,483,660	\$ 51,338,446	9,073,104	\$ 348,793	\$ 897,572
Cash in custody of others	9,236	-	9,236	-	-	-
Restricted cash	2,302,142	21,025	2,323,167	-	-	979,223
Receivables (net of allowance for uncollectibles):						
Taxes receivable	33,888,490	371,953	34,260,443	-	-	-
Accounts receivable	2,395,711	472,780	2,868,491	35,547	5,641	-
Other	610,153	-	610,153	-	-	-
Notes receivable	-	-	-	-	-	5,175
Lease receivable	5,348,839	-	5,348,839	-	-	-
Due from component unit	3,513,913	-	3,513,913	-	-	-
Due from other governmental units	2,624,613	-	2,624,613	3,596,627	13,997	-
Inventories	-	-	-	63,586	-	612,202
Prepaid items	1,229,948	71,091	1,301,039	119,994	28,496	-
Net pension asset	-	-	-	216,018	-	-
Capital assets (net of accumulated depreciation):						
Land	4,592,816	503,500	5,096,316	5,707,246	-	-
Buildings and improvements	32,298,947	5,984,372	38,283,319	44,582,375	140,713	-
Wells, lines, reservoirs	-	4,692,601	4,692,601	-	-	-
Machinery and equipment	25,510,728	3,235,072	28,745,800	5,092,094	126,868	-
Construction in progress	1,243,533	-	1,243,533	195,506	589,425	-
Lease assets:						
Machinery and equipment	123,613	-	123,613	1,210,514	-	-
Intangible assets:						
Subscription asset	173,856	-	173,856	649,214	-	-
Total assets	\$ 164,721,324	\$ 17,836,054	\$ 182,557,378	\$ 70,541,825	\$ 1,253,933	\$ 2,494,172
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	\$ 3,011,288	\$ 264,371	\$ 3,275,659	\$ 11,288,501	\$ -	\$ -
OPEB related items	631,527	47,720	679,247	3,039,305	-	-
Total deferred outflows of resources	\$ 3,642,815	\$ 312,091	\$ 3,954,906	\$ 14,327,806	\$ -	\$ -
LIABILITIES						
Accounts payable	\$ 2,309,224	\$ 113,830	\$ 2,423,054	\$ 4,078,880	\$ 5,578	\$ 3,150
Contracts payable	55,859	-	55,859	-	-	-
Accrued interest payable	377,213	15,899	393,112	1,675	-	-
Due to primary government	-	-	-	3,513,913	-	-
Unearned revenue	7,690,688	-	7,690,688	2,359,411	-	64,014
Deposits payable-restricted assets	-	21,025	21,025	-	-	-
Long-term liabilities:						
Due within one year	4,943,367	603,004	5,546,371	761,302	-	-
Due in more than one year	41,155,421	17,688,946	58,844,367	56,128,328	-	376,112
Total liabilities	\$ 56,531,772	\$ 18,442,704	\$ 74,974,476	\$ 66,843,509	\$ 5,578	\$ 443,276
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue-property taxes	\$ 31,414,471	\$ 285,872	\$ 31,700,343	\$ -	\$ -	\$ -
Deferred charge on refunding	251,707	-	251,707	-	-	-
Lease related	5,270,418	-	5,270,418	-	-	-
Pension related items	2,648,513	363,974	3,012,487	10,122,937	-	-
OPEB related items	841,996	60,816	902,812	5,273,197	-	-
Total deferred inflows of resources	\$ 40,427,105	\$ 710,662	\$ 41,137,767	\$ 15,396,134	\$ -	\$ -
NET POSITION						
Net investment in capital assets	\$ 27,070,160	\$ 11,235,158	\$ 38,305,318	\$ 55,555,740	\$ 857,006	\$ -
Restricted:						
Asset forfeiture	1,001,352	-	1,001,352	-	-	-
Economic development	-	-	-	-	-	979,223
Pension	-	-	-	216,018	-	-
Opioid settlement	581,947	-	581,947	-	-	-
Unrestricted (deficit)	42,751,803	(12,240,379)	30,511,424	(53,141,770)	391,349	1,071,673
Total net position (deficit)	\$ 71,405,262	\$ (1,005,221)	\$ 70,400,041	\$ 2,629,988	\$ 1,248,355	\$ 2,050,896

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, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,445,238	\$ 90,081	\$ 630,502	\$ -
Judicial administration	2,630,376	133,093	841,565	-
Public safety	23,430,588	2,630,404	2,633,772	-
Public works	1,760,037	2,400	30,116	-
Health and welfare	12,437,107	-	8,200,837	-
Education	28,327,817	-	-	1,689,560
Parks, recreation, and cultural	2,789,164	1,031,214	5,100	-
Community development	1,598,172	5,106	92,063	84,539
Interest on long-term debt	1,612,012	-	-	-
Total governmental activities	<u>\$ 78,030,511</u>	<u>\$ 3,892,298</u>	<u>\$ 12,433,955</u>	<u>\$ 1,774,099</u>
Business-type activities:				
Stoney Creek Sanitary District	\$ 1,784,919	\$ 1,158,044	\$ -	\$ 237,110
Toms Brook Maurertown Sanitary District	788,626	759,424	-	20,000
North Fork Wastewater	151,358	164,185	-	-
Landfill	5,175,481	1,741,462	-	-
Total business-type activities	<u>\$ 7,900,384</u>	<u>\$ 3,823,115</u>	<u>\$ -</u>	<u>\$ 257,110</u>
Total primary government	<u>\$ 85,930,895</u>	<u>\$ 7,715,413</u>	<u>\$ 12,433,955</u>	<u>\$ 2,031,209</u>
COMPONENT UNITS:				
School Board	\$ 85,474,206	\$ 666,589	\$ 55,073,675	\$ 86,662
Library	1,230,355	19,837	685,975	-
Industrial Development Authority	132,493	5,000	218,500	-
Total component units	<u>\$ 86,837,054</u>	<u>\$ 691,426</u>	<u>\$ 55,978,150</u>	<u>\$ 86,662</u>

General revenues:

- General property taxes
- Local sales tax
- Consumer utility taxes
- Motor vehicle licenses
- 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 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	Industrial Development Authority
\$ (2,724,655)	\$ -	\$ (2,724,655)	\$ -	\$ -	\$ -
(1,655,718)	-	(1,655,718)	-	-	-
(18,166,412)	-	(18,166,412)	-	-	-
(1,727,521)	-	(1,727,521)	-	-	-
(4,236,270)	-	(4,236,270)	-	-	-
(26,638,257)	-	(26,638,257)	-	-	-
(1,752,850)	-	(1,752,850)	-	-	-
(1,416,464)	-	(1,416,464)	-	-	-
(1,612,012)	-	(1,612,012)	-	-	-
<u>\$ (59,930,159)</u>	<u>\$ -</u>	<u>\$ (59,930,159)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (389,765)	\$ (389,765)	\$ -	\$ -	\$ -
-	(9,202)	(9,202)	-	-	-
-	12,827	12,827	-	-	-
-	(3,434,019)	(3,434,019)	-	-	-
<u>\$ -</u>	<u>\$ (3,820,159)</u>	<u>\$ (3,820,159)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (59,930,159)</u>	<u>\$ (3,820,159)</u>	<u>\$ (63,750,318)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (29,647,280)	\$ -	\$ -
-	-	-	-	(524,543)	-
-	-	-	-	-	91,007
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,647,280)</u>	<u>\$ (524,543)</u>	<u>\$ 91,007</u>
\$ 63,607,885	\$ 571,591	\$ 64,179,476	\$ -	\$ -	\$ -
5,268,928	-	5,268,928	-	-	-
1,618,484	-	1,618,484	-	-	-
904,610	-	904,610	-	-	-
508,996	-	508,996	-	-	-
301,450	-	301,450	-	-	-
2,057,012	56,344	2,113,356	85,414	938,142	12,686
1,681,922	(405)	1,681,517	3,322,245	15,552	630
5,354,776	-	5,354,776	28,282,219	-	-
(1,608,677)	1,608,677	-	-	-	-
<u>\$ 79,695,386</u>	<u>\$ 2,236,207</u>	<u>\$ 81,931,593</u>	<u>\$ 31,689,878</u>	<u>\$ 953,694</u>	<u>\$ 13,316</u>
\$ 19,765,227	\$ (1,583,952)	\$ 18,181,275	\$ 2,042,598	\$ 429,151	\$ 104,323
51,640,035	578,731	52,218,766	587,390	819,204	1,946,573
<u>\$ 71,405,262</u>	<u>\$ (1,005,221)</u>	<u>\$ 70,400,041</u>	<u>\$ 2,629,988</u>	<u>\$ 1,248,355</u>	<u>\$ 2,050,896</u>

FUND FINANCIAL STATEMENTS

COUNTY OF SHENANDOAH, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2023

Exhibit 3

	Governmental Funds				
	General	Debt Service	County Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 40,072,231	\$ -	\$ 8,232,657	\$ 549,898	\$ 48,854,786
Cash in custody of others	9,236	-	-	-	9,236
Receivables (net of allowance for uncollectibles):					
Taxes receivable	33,888,490	-	-	-	33,888,490
Accounts receivable	2,395,711	-	-	-	2,395,711
Other	610,153	-	-	-	610,153
Lease receivable	5,348,839	-	-	-	5,348,839
Due from component unit	3,513,913	-	-	-	3,513,913
Due from other governmental units	2,624,613	-	-	-	2,624,613
Prepaid items	1,229,948	-	-	-	1,229,948
Restricted assets:					
Cash and cash equivalents	1,971,505	1,674	328,963	-	2,302,142
Total assets	<u>\$ 91,664,639</u>	<u>\$ 1,674</u>	<u>\$ 8,561,620</u>	<u>\$ 549,898</u>	<u>\$ 100,777,831</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 2,309,224	\$ -	\$ -	\$ -	\$ 2,309,224
Retainage payable	55,859	-	-	-	55,859
Unearned revenue	7,690,688	-	-	-	7,690,688
Total liabilities	<u>\$ 10,055,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,055,771</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	\$ 37,157,327	\$ -	\$ -	\$ -	\$ 37,157,327
Unavailable revenue-opioid settlement	581,947	-	-	-	581,947
Lease related	5,270,418	-	-	-	5,270,418
Total deferred inflows of resources	<u>\$ 43,009,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,009,692</u>
FUND BALANCES					
Nonspendable	\$ 1,229,948	\$ -	\$ -	\$ -	\$ 1,229,948
Restricted	3,095,961	1,674	328,963	-	3,426,598
Assigned	6,189,651	-	8,232,657	549,898	14,972,206
Unassigned	28,083,616	-	-	-	28,083,616
Total fund balances	<u>\$ 38,599,176</u>	<u>\$ 1,674</u>	<u>\$ 8,561,620</u>	<u>\$ 549,898</u>	<u>\$ 47,712,368</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 91,664,639</u>	<u>\$ 1,674</u>	<u>\$ 8,561,620</u>	<u>\$ 549,898</u>	<u>\$ 100,777,831</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, 2023

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	\$	47,712,368
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$	4,592,816
Buildings and improvements		32,298,947
Machinery and equipment		25,510,728
Construction in progress		1,243,533
Lease assets		123,613
Intangible assets-subscription asset		<u>173,856</u>
		63,943,493
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	\$	5,742,856
Unavailable revenue - Opioid settlement		<u>581,947</u>
		6,324,803
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	3,011,288
OPEB related items		<u>631,527</u>
		3,642,815
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	\$	(377,213)
General obligation bonds		(8,889,863)
Bond premium		(1,689,436)
Lease revenue bonds		(23,228,000)
Loans payable		(6,142,042)
Arbitrage liability		(82,879)
Compensated absences		(1,275,030)
Lease liabilities		(108,392)
Subscription liabilities		(84,585)
Net pension liability		(2,082,765)
Net OPEB liabilities		<u>(2,515,796)</u>
		(46,476,001)
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	\$	(251,707)
Pension related items		(2,648,513)
OPEB related items		<u>(841,996)</u>
		(3,742,216)
Net position of governmental activities	\$	<u><u>71,405,262</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, 2023

Exhibit 5

	Governmental Funds				
	General	Debt Service	County Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
General property taxes	\$ 62,651,435	\$ -	\$ -	\$ -	62,651,435
Other local taxes	8,602,468	-	-	-	8,602,468
Permits, privilege fees, and regulatory licenses	495,720	-	-	-	495,720
Fines and forfeitures	37,536	-	-	-	37,536
Revenue from the use of money and property	1,966,716	49	90,247	-	2,057,012
Charges for services	3,359,042	-	-	-	3,359,042
Miscellaneous	2,523,628	570,807	3,800	-	3,098,235
Recovered costs	729,840	-	-	-	729,840
Intergovernmental:					
Local government	-	-	1,689,560	-	1,689,560
Commonwealth	13,945,120	-	-	-	13,945,120
Federal	3,928,150	-	-	-	3,928,150
Total revenues	<u>\$ 98,239,655</u>	<u>\$ 570,856</u>	<u>\$ 1,783,607</u>	<u>\$ -</u>	<u>\$ 100,594,118</u>
EXPENDITURES					
Current:					
General government administration	\$ 3,632,845	\$ -	\$ -	\$ -	3,632,845
Judicial administration	2,513,046	-	-	-	2,513,046
Public safety	24,180,862	-	-	-	24,180,862
Public works	1,749,014	-	-	-	1,749,014
Health and welfare	12,865,459	-	-	-	12,865,459
Education	31,296,917	-	-	-	31,296,917
Parks, recreation, and cultural	2,819,627	-	-	-	2,819,627
Community development	2,283,464	-	-	-	2,283,464
Nondepartmental	2,334	-	-	-	2,334
Capital projects	1,293,534	-	4,806,050	-	6,099,584
Debt service:					
Principal retirement	-	5,936,702	-	-	5,936,702
Interest and other fiscal charges	-	1,921,954	-	-	1,921,954
Total expenditures	<u>\$ 82,637,102</u>	<u>\$ 7,858,656</u>	<u>\$ 4,806,050</u>	<u>\$ -</u>	<u>\$ 95,301,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 15,602,553</u>	<u>\$ (7,287,800)</u>	<u>\$ (3,022,443)</u>	<u>\$ -</u>	<u>\$ 5,292,310</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 5,229	\$ 7,287,849	\$ -	\$ 41,887	\$ 7,334,965
Transfers out	(8,943,642)	-	-	-	(8,943,642)
Issuance of loans	530,122	-	-	-	530,122
Subscription based liabilities	146,201	-	-	-	146,201
Total other financing sources (uses)	<u>\$ (8,262,090)</u>	<u>\$ 7,287,849</u>	<u>\$ -</u>	<u>\$ 41,887</u>	<u>\$ (932,354)</u>
Net change in fund balances	\$ 7,340,463	\$ 49	\$ (3,022,443)	\$ 41,887	\$ 4,359,956
Fund balances - beginning, as restated	31,258,713	1,625	11,584,063	508,011	43,352,412
Fund balances - ending	<u>\$ 38,599,176</u>	<u>\$ 1,674</u>	<u>\$ 8,561,620</u>	<u>\$ 549,898</u>	<u>\$ 47,712,368</u>

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, 2023

Exhibit 6

		Primary Government
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	\$	4,359,956
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	\$	7,570,491
Depreciation and amortization expense		(1,944,492)
Allocation of debt financed school assets based on current year repayments		<u>2,969,100</u>
		8,595,099
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>(315,902)</u>
		(315,902)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	\$	956,450
Opioid settlement		<u>(163,855)</u>
		792,595
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 loans	\$	(530,122)
Arbitrage liability		(82,879)
Principal repayments		5,936,702
Subscriptions issued		(146,201)
Lease repayments		129,255
Subscription payments		61,616
Change in accrued interest		<u>191,552</u>
		5,559,923
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	\$	(198,552)
Amortization of bond premium		162,702
Amortization of deferred charge on refunding		39,302
Pension expense		786,084
OPEB expense		<u>(15,980)</u>
		773,556
Change in net position of governmental activities	\$	<u><u>19,765,227</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, 2023

Exhibit 7

	Enterprise Funds				
	Stoney Creek Sanitary District	Toms Brook Maurertown Sanitary District	North Fork Wastewater	Landfill	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,564,103	\$ 847,258	\$ 8,676	\$ 63,623	\$ 2,483,660
Restricted cash	5,500	15,525	-	-	21,025
Taxes receivable, net of allowances for uncollectibles	339,391	32,562	-	-	371,953
Accounts receivable, net of allowances for uncollectibles	214,496	80,084	10,401	167,799	472,780
Prepaid items	33,184	10,861	-	27,046	71,091
Total current assets	\$ 2,156,674	\$ 986,290	\$ 19,077	\$ 258,468	\$ 3,420,509
Noncurrent assets:					
Capital assets (net of accumulated depreciation):					
Land	\$ 37,251	\$ 84,047	\$ 4,950	\$ 377,252	\$ 503,500
Building and improvements	-	-	32,091	5,952,281	5,984,372
Wells, lines, reservoirs	2,962,201	1,730,400	-	-	4,692,601
Machinery and equipment	531,201	128,717	132,421	2,442,733	3,235,072
Total noncurrent assets	\$ 3,530,653	\$ 1,943,164	\$ 169,462	\$ 8,772,266	\$ 14,415,545
Total assets	\$ 5,687,327	\$ 2,929,454	\$ 188,539	\$ 9,030,734	\$ 17,836,054
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 92,984	\$ 25,696	\$ -	\$ 145,691	\$ 264,371
OPEB related items	12,109	5,761	-	29,850	47,720
Total deferred outflows of resources	\$ 105,093	\$ 31,457	\$ -	\$ 175,541	\$ 312,091
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 22,093	\$ 11,905	\$ 5,401	\$ 74,431	\$ 113,830
Deposits payable-restricted assets	5,500	15,525	-	-	21,025
Accrued interest payable	-	320	-	15,579	15,899
Compensated absences	14,788	1,703	-	50,049	66,540
Note payable	-	-	-	144,610	144,610
Bonds payable	-	29,704	-	297,008	326,712
Loans payable	-	-	-	65,142	65,142
Total current liabilities	\$ 42,381	\$ 59,157	\$ 5,401	\$ 646,819	\$ 753,758
Noncurrent liabilities:					
Compensated absences	\$ 44,363	\$ 5,109	\$ -	\$ 50,337	\$ 99,809
Note payable	-	-	-	74,070	74,070
Bonds payable	-	155,740	-	2,414,113	2,569,853
Loans payable	-	-	-	-	-
Landfill closure and post-closure care	-	-	-	14,620,435	14,620,435
Net pension liability	19,183	18,149	-	98,332	135,664
Net OPEB liabilities	47,295	22,914	-	118,906	189,115
Total noncurrent liabilities	\$ 110,841	\$ 201,912	\$ -	\$ 17,376,193	\$ 17,688,946
Total liabilities	\$ 153,222	\$ 261,069	\$ 5,401	\$ 18,023,012	\$ 18,442,704
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue-property taxes	\$ 256,878	\$ 28,994	\$ -	\$ -	\$ 285,872
Pension related items	182,938	50,397	-	130,639	363,974
OPEB related items	13,461	7,571	-	39,784	60,816
Total deferred inflows of resources	\$ 453,277	\$ 86,962	\$ -	\$ 170,423	\$ 710,662
NET POSITION					
Net investment in capital assets	\$ 3,530,653	\$ 1,757,720	\$ 169,462	\$ 5,777,323	\$ 11,235,158
Unrestricted (deficit)	1,655,268	855,160	13,676	(14,764,483)	(12,240,379)
Total net position (deficit)	\$ 5,185,921	\$ 2,612,880	\$ 183,138	\$ (8,987,160)	\$ (1,005,221)

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, 2023

Exhibit 8

	Enterprise Funds				
	Stoney Creek Sanitary District	Toms Brook Mauretown Sanitary District	North Fork Wastewater	Landfill	Total
OPERATING REVENUES					
Charges for services:					
Water sales	\$ 499,773	\$ 276,729	\$ -	\$ -	\$ 776,502
Sewer sales	658,271	456,070	-	-	1,114,341
Septage income	-	26,625	164,185	-	190,810
Waste collection charges	-	-	-	1,741,462	1,741,462
Total operating revenues	\$ 1,158,044	\$ 759,424	\$ 164,185	\$ 1,741,462	\$ 3,823,115
OPERATING EXPENSES					
Treatment and purification	\$ 785,022	\$ 383,135	\$ -	\$ -	\$ 1,168,157
Maintenance	435,337	77,241	123,894	-	636,472
Administration	201,543	93,157	-	-	294,700
Other	164,742	91,664	18,576	-	274,982
Refuse collection and disposal	-	-	-	2,461,385	2,461,385
Landfill closure and post-closure costs	-	-	-	1,792,411	1,792,411
Depreciation and amortization	198,275	134,435	8,888	855,124	1,196,722
Total operating expenses	\$ 1,784,919	\$ 779,632	\$ 151,358	\$ 5,108,920	\$ 7,824,829
Operating income (loss)	\$ (626,875)	\$ (20,208)	\$ 12,827	\$ (3,367,458)	\$ (4,001,714)
NONOPERATING REVENUES (EXPENSES)					
General property taxes	\$ 513,159	\$ 58,432	\$ -	\$ -	\$ 571,591
Investment earnings	28,358	27,986	-	-	56,344
Other	195	(600)	-	-	(405)
Interest expense	-	(8,994)	-	(66,561)	(75,555)
Total nonoperating revenues (expenses)	\$ 541,712	\$ 76,824	\$ -	\$ (66,561)	\$ 551,975
Income before contributions and transfers	\$ (85,163)	\$ 56,616	\$ 12,827	\$ (3,434,019)	\$ (3,449,739)
Capital contributions	\$ 237,110	\$ 20,000	\$ -	\$ -	\$ 257,110
Transfers in	-	-	-	1,613,906	1,613,906
Transfers out	-	-	(5,229)	-	(5,229)
Change in net position	\$ 151,947	\$ 76,616	\$ 7,598	\$ (1,820,113)	\$ (1,583,952)
Total net position (deficit)- beginning	\$ 5,033,974	\$ 2,536,264	\$ 175,540	\$ (7,167,047)	\$ 578,731
Total net position (deficit)- ending	\$ 5,185,921	\$ 2,612,880	\$ 183,138	\$ (8,987,160)	\$ (1,005,221)

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, 2023

Exhibit 9

	Enterprise Funds				
	Stoney Creek Sanitary District	Toms Brook Maurertown Sanitary District	North Fork Wastewater	Landfill	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,142,875	\$ 766,117	\$ 162,650	\$ 1,733,334	\$ 3,804,976
Payments to suppliers	(808,314)	(584,946)	(148,745)	(1,264,792)	(2,806,797)
Payments to employees	(945,192)	(112,878)	-	(1,220,731)	(2,278,801)
Net cash provided by (used for) operating activities	<u>\$ (610,631)</u>	<u>\$ 68,293</u>	<u>\$ 13,905</u>	<u>\$ (752,189)</u>	<u>\$ (1,280,622)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	\$ -	\$ -	\$ -	\$ 1,613,906	\$ 1,613,906
General property taxes	489,452	56,926	-	-	546,378
Litter prevention grant	-	-	-	-	-
Transfers to other funds	-	-	(5,229)	-	(5,229)
Net cash provided by (used for) noncapital financing activities	<u>\$ 489,452</u>	<u>\$ 56,926</u>	<u>\$ (5,229)</u>	<u>\$ 1,613,906</u>	<u>\$ 2,155,055</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase and construction of capital assets	\$ (67,687)	\$ (37,503)	\$ -	\$ (51,368)	\$ (156,558)
Principal paid on capital debt	-	(28,397)	-	(626,391)	(654,788)
Interest paid on capital debt	-	(9,043)	-	(120,335)	(129,378)
Capital contributions	237,110	20,000	-	-	257,110
Net cash provided by (used for) capital and related financing activities	<u>\$ 169,423</u>	<u>\$ (54,943)</u>	<u>\$ -</u>	<u>\$ (798,094)</u>	<u>\$ (683,614)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	\$ 28,358	\$ 27,986	\$ -	\$ -	\$ 56,344
Net cash provided by (used for) investing activities	<u>\$ 28,358</u>	<u>\$ 27,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,344</u>
Net increase (decrease) in cash and cash equivalents	\$ 76,602	\$ 98,262	\$ 8,676	\$ 63,623	\$ 247,163
Cash and cash equivalents (including restricted cash)- beginning	1,493,001	764,521	-	-	2,257,522
Cash and cash equivalents (including restricted cash)- ending	<u>\$ 1,569,603</u>	<u>\$ 862,783</u>	<u>\$ 8,676</u>	<u>\$ 63,623</u>	<u>\$ 2,504,685</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	<u>\$ (626,875)</u>	<u>\$ (20,208)</u>	<u>\$ 12,827</u>	<u>\$ (3,367,458)</u>	<u>\$ (4,001,714)</u>
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:					
Depreciation and amortization expense	\$ 198,275	\$ 134,435	\$ 8,888	\$ 855,124	\$ 1,196,722
Other non-operating income	195	(600)	-	-	(405)
Non-cash closure and post closure costs (recovery)	-	-	-	1,792,411	1,792,411
(Increase) decrease in accounts receivable	(14,963)	7,343	(1,535)	(8,128)	(17,283)
(Increase) decrease in prepaid items	(4,938)	(1,739)	-	27,112	20,435
(Increase) decrease in net pension asset	26,977	7,042	-	33,713	67,732
(Increase) decrease in net OPEB asset	1,447	546	-	1,591	3,584
(Increase) decrease in deferred outflows of resources	26,038	16,832	-	32,336	75,206
Increase (decrease) in accounts payable and accrued liabilities	(49,288)	(30,183)	(6,275)	(13,223)	(98,969)
Increase (decrease) in compensated absences	10,994	(143)	-	14,507	25,358
Increase (decrease) in deposits payable	(400)	(50)	-	-	(450)
Increase (decrease) in net pension liability	19,183	18,149	-	98,332	135,664
Increase (decrease) in deferred inflows of resources	(138,731)	(54,521)	-	(210,184)	(403,436)
Increase (decrease) in net OPEB liabilities	(58,545)	(8,610)	-	(8,322)	(75,477)
Total adjustments	<u>\$ 16,244</u>	<u>\$ 88,501</u>	<u>\$ 1,078</u>	<u>\$ 2,615,269</u>	<u>\$ 2,721,092</u>
Net cash provided by (used for) operating activities	<u>\$ (610,631)</u>	<u>\$ 68,293</u>	<u>\$ 13,905</u>	<u>\$ (752,189)</u>	<u>\$ (1,280,622)</u>
Schedule of non-cash capital and related financing activities:					
Landfill closure and post-closure costs (recovery)	\$ -	\$ -	\$ -	\$ 1,792,411	\$ 1,792,411

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, 2023

Exhibit 10

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,016,031
Receivables:	
Accounts receivable	<u>377,127</u>
Total assets	<u>\$ 1,393,158</u>
NET POSITION	
Restricted:	
Individuals, organizations, and governments	<u>\$ 1,393,158</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, 2023

	Custodial Funds
	<hr/>
Additions	
Interest earnings	\$ 107
Miscellaneous	6,449
Ambulance recovery collections for other governments	<u>2,089,115</u>
 Total additions	 \$ <u>2,095,671</u>
 Deductions	
Beneficiary payments to individuals	\$ 3,745
Payments of ambulance recovery collections to other governments	<u>1,705,543</u>
 Total deductions	 \$ <u>1,709,288</u>
 Net increase (decrease) in fiduciary net position	 \$ 386,383
Net position, beginning	<u>1,006,775</u>
Net position ending	<u><u>\$ 1,393,158</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, 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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 Industrial 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, 2023 (Continued)

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

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, 2023 total \$40,158,187. 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 2023, the County contributed \$2,796,948 for the operations of the jail.

Summary financial information for the RSW Regional Jail at June 30, 2023 is provided below:

	RSW Regional Jail
Total assets and deferred outflows of resources	\$ 72,993,709
Total liabilities and deferred inflows of resources	44,366,108
Total net position	<u>\$ 28,627,601</u>
For the year ended June 30, 2023	
Operating revenue	\$ 14,037,677
Operating expenses	(13,548,931)
Nonoperating income (expense)	<u>(1,031,810)</u>
Change in net position	\$ (543,064)
Net position at beginning of year	29,170,665
Net position at end of year	<u>\$ 28,627,601</u>

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

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

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 \$260,500 for operations to the Northwestern Community Services Board and \$643,952 to the Northwestern Regional Juvenile Detention Center. The School Board contributed \$608,012 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 applicable to governmental units.

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)

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.

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

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 *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)

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 5th and December 5th. 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 \$1,755,533 at June 30, 2023 and is comprised solely of property taxes. This allowance represents 0.6322% of the total levies for the previous six years. The allowance amounted to \$591 for Toms Brook-Maurertown Sanitary District and \$6,053 for Stoney Creek Sanitary District at June 30, 2023.

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 \$2,898 for Toms Brook-Maurertown Sanitary District, and \$22,189 for the landfill fund at June 30, 2023.

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.

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

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

6. Restricted assets

At June 30, 2023, the County’s restricted assets consisted of funds restricted for debt service in the amount of \$1,674, \$1,971,505 in unspent bond proceeds in the General fund, Sanitary Districts customer deposits in the amount of \$21,025 and \$328,963 in unspent bond proceeds in the County Capital Projects fund.

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 obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported 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, 2023 (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 the actual GAAP basis expenditures and other financing sources and uses.

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
Fund Balances:					
Nonspendable:					
Prepaid items	\$ 1,229,948	\$ -	\$ -	\$ -	\$ 1,229,948
Restricted:					
Debt service proceeds	\$ -	\$ 1,674	\$ -	\$ -	\$ 1,674
Asset forfeiture proceeds-Virginia	103,876	-	-	-	103,876
Asset forfeiture proceeds-Federal	897,476	-	-	-	897,476
Opioid settlement	123,104	-	-	-	123,104
Construction	1,971,505	-	328,963	-	2,300,468
Total Restricted	\$ 3,095,961	\$ 1,674	\$ 328,963	\$ -	\$ 3,426,598
Assigned:					
Capital projects	\$ -	\$ -	\$ 8,232,657	\$ 100,084	\$ 8,332,741
Subsequent year expenditures	3,913,622	-	-	-	3,913,622
Law library	35,544	-	-	-	35,544
KidzRec	787,899	-	-	-	787,899
Gypsy moth	10,655	-	-	-	10,655
Purchase development rights	2,503	-	-	-	2,503
Project lifesaver	16,945	-	-	-	16,945
Triad	6,012	-	-	-	6,012
Sheriff federal cases	19,014	-	-	-	19,014
Animal shelter	476,674	-	-	-	476,674
Spay and neuter	86,546	-	-	-	86,546
Pump and haul	20,769	-	-	-	20,769
Crime prevention	3,568	-	-	-	3,568
Jail canteen	36,602	-	-	-	36,602
Sludge disposal	360,249	-	-	-	360,249
Landfill recovery	246,049	-	-	-	246,049
Rollback to CEA	167,000	-	-	-	167,000
Landfill contingency	-	-	-	449,814	449,814
Total Assigned	\$ 6,189,651	\$ -	\$ 8,232,657	\$ 549,898	\$ 14,972,206
Unassigned	\$ 28,083,616	\$ -	\$ -	\$ -	\$ 28,083,616
Total Fund Balances	\$ 38,599,176	\$ 1,674	\$ 8,561,620	\$ 549,898	\$ 47,712,368

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

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)

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)

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.

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).

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 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.

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

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

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:

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.
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.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2023 (Continued)

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

A. Budgets and Budgetary Accounting (continued)

8. Budgetary data presented in the accompanying financial statements includes both the original and the amended budget for the year ended June 30, 2023. Several supplemental appropriations were necessary during the year.

B. Excess of expenditures over appropriations:

For the year ended June 30, 2023, the following functions had expenditures exceeding appropriations:

Fund	Function	Excess of Expenditures over Appropriations
General Fund	Parks, recreation, and cultural	\$ 109,761
General Fund	Health and Welfare	1,477,705
Total General Fund		\$ 1,587,466
Capital Projects Fund	Capital projects	2,238,718
Debt Service Fund	Debt service	832,414
Total Primary Government		\$ 4,658,598

NOTE 3—ADOPTION OF ACCOUNTING PRINCIPLE:

The County implemented provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based IT Arrangements (SBITAs)* during the fiscal year ended June 30, 2023. Statement No. 96, *SBITAs* requires recognition of certain subscription assets and liabilities for certain contracts that convey 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. There was a restatement of beginning net position required as a result of this implementation, reference Note 25.

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COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 4—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

Rated Debt Investments	Fair Quality Ratings	
	AAAm	
Local Government Investment Pool	\$	44,103,886
Total	\$	44,103,886

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 4—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:

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 44,103,886	\$ 44,103,886
Total	\$ 44,103,886	\$ 44,103,886

NOTE 5—INTERFUND OBLIGATIONS:

	Due From Component Unit	Due To Component Unit	Due from Other Funds	Due to Other Funds
Primary Government:				
General Fund	\$ 3,513,913	\$ -	\$ -	\$ -
Sub-total	\$ 3,513,913	\$ -	\$ -	\$ -
Discretely Presented Component Units:				
School Operating Fund	\$ -	\$ 3,513,913	\$ 114,086	\$ -
School Cafeteria Fund	-	-	-	114,086
Sub-total	\$ -	\$ 3,513,913	\$ 114,086	\$ 114,086
Total reporting entity	\$ 3,513,913	\$ 3,513,913	\$ 114,086	\$ 114,086

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, 2023 (Continued)****NOTE 6—INTERFUND TRANSFERS:**

Interfund transfers for the year ended June 30, 2023 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 5,229	\$ 8,943,642
County Debt Service	7,287,849	-
Landfill Contingency	41,887	-
North Fork Wastewater	-	5,229
Landfill	1,613,906	-
Total	<u>\$ 8,948,871</u>	<u>\$ 8,948,871</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 7—DUE FROM OTHER GOVERNMENTAL UNITS:

	<u>Primary Government</u>	<u>Component Unit School Board</u>	<u>Component Unit Library</u>
Commonwealth of Virginia:			
State sales taxes	\$ -	\$ 1,375,578	\$ -
Local sales taxes	956,238	-	-
Comprehensive services act funds	833,851	-	-
Public assistance and welfare	115,509	-	-
Fringe benefits	281,524	-	-
Opioid settlement	-	-	-
Other funds	215,252	120,145	13,997
Federal Government:			
Public assistance and welfare	205,600	-	-
Other funds	16,639	-	-
CARES Act ESSERF	-	1,136,102	-
School funds	-	663,644	-
Cafeteria funds	-	301,158	-
Total	<u>\$ 2,624,613</u>	<u>\$ 3,596,627</u>	<u>\$ 13,997</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 8—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2023 was as follows:

Primary Government

	Beginning Balance, as restated	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 4,908,718	\$ -	\$ (315,902)	\$ 4,592,816
Construction in progress	<u>14,186,743</u>	<u>6,049,583</u>	<u>(18,992,793)</u>	<u>1,243,533</u>
Total capital assets not being depreciated	\$ <u>19,095,461</u>	\$ <u>6,049,583</u>	\$ <u>(19,308,695)</u>	\$ <u>5,836,349</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 45,061,417	\$ 1,251,756	\$ (2,732,919)	\$ 43,580,254
Machinery and equipment	<u>11,894,212</u>	<u>19,056,449</u>	<u>4,621,623</u>	<u>35,572,284</u>
Total capital assets being depreciated	\$ <u>56,955,629</u>	\$ <u>20,308,205</u>	\$ <u>1,888,704</u>	\$ <u>79,152,538</u>
Accumulated depreciation:				
Buildings and improvements	\$ (11,162,880)	\$ (861,461)	\$ 743,034	\$ (11,281,307)
Machinery and equipment	<u>(9,419,268)</u>	<u>(979,650)</u>	<u>337,362</u>	<u>(10,061,556)</u>
Total accumulated depreciation	\$ <u>(20,582,148)</u>	\$ <u>(1,841,111)</u>	\$ <u>1,080,396</u>	\$ <u>(21,342,863)</u>
Total capital assets being depreciated	\$ <u>36,373,481</u>	\$ <u>18,467,094</u>	\$ <u>2,969,100</u>	\$ <u>57,809,675</u>
Lease assets:				
Equipment	\$ 237,920	\$ -	\$ -	\$ 237,920
Accumulated amortization	<u>(42,567)</u>	<u>(71,740)</u>	<u>-</u>	<u>(114,307)</u>
Net lease assets	\$ <u>195,353</u>	\$ <u>(71,740)</u>	\$ <u>-</u>	\$ <u>123,613</u>
Intangible assets:				
Subscription assets	\$ -	\$ 205,496	\$ -	\$ 205,496
Accumulated amortization	<u>-</u>	<u>(31,640)</u>	<u>-</u>	<u>(31,640)</u>
Net subscription assets	\$ <u>-</u>	\$ <u>173,856</u>	\$ <u>-</u>	\$ <u>173,856</u>
Governmental activities capital assets, net	\$ <u>55,664,295</u>	\$ <u>24,618,793</u>	\$ <u>(16,339,595)</u>	\$ <u>63,943,493</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 503,500	\$ -	\$ -	\$ 503,500
Total capital assets not being depreciated	\$ 503,500	\$ -	\$ -	\$ 503,500
Capital assets being depreciated:				
Buildings and infrastructure	\$ 11,040,940	\$ -	\$ -	\$ 11,040,940
Water distribution system	15,072,203	40,142	-	15,112,345
Machinery and equipment	<u>12,509,044</u>	<u>116,416</u>	<u>(102,852)</u>	<u>12,522,608</u>
Total capital assets being depreciated	\$ <u>38,622,187</u>	\$ <u>156,558</u>	\$ <u>(102,852)</u>	\$ <u>38,675,893</u>
Accumulated depreciation:				
Buildings and improvements	\$ (4,508,106)	\$ (548,462)	\$ -	\$ (5,056,568)
Wells, lines and reservoirs	<u>(10,129,910)</u>	<u>(289,834)</u>	<u>-</u>	<u>(10,419,744)</u>
Machinery and equipment	<u>(9,031,962)</u>	<u>(358,426)</u>	<u>102,852</u>	<u>(9,287,536)</u>
Total accumulated depreciation	\$ <u>(23,669,978)</u>	\$ <u>(1,196,722)</u>	\$ <u>102,852</u>	\$ <u>(24,763,848)</u>
Business-type activities, capital assets, net	\$ <u>15,455,709</u>	\$ <u>(1,040,164)</u>	\$ <u>-</u>	\$ <u>14,415,545</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 8—CAPITAL ASSETS: (CONTINUED)

Primary Government: (continued)

Capital assets of the governmental activities in the amount of \$2,732,919 were transferred to the Component Unit School Board, capital assets in the amount of \$4,914,133 were transferred from the Component unit School Board to the Primary Government, additionally, a net transfer of \$787,886 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, 2023 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	\$	690,168
Judicial administration		222,431
Public safety		883,372
Public works		16,241
Health and welfare		9,324
Parks, recreation, and cultural		19,575
Total depreciation and amortization expense-governmental activities	\$	<u>1,841,111</u>

Business-type Activities:

Stoney Creek Sanitary District	\$	198,275
Toms Brook-Maurertown Sanitary District		134,435
North Fork Wastewater Fund		8,888
Landfill		855,124
Total depreciation expense business-type activities	\$	<u>1,196,722</u>

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COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 8—CAPITAL ASSETS: (CONTINUED)

Discretely Presented Component Units:

Activity for the School Board for the year ended June 30, 2023 was as follows:

	Beginning Balance, as restated	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,725,275	\$ -	\$ (18,029)	\$ 5,707,246
Construction in progress	595,910	466,234	(866,638)	195,506
Total capital assets not being depreciated	\$ 6,321,185	\$ 466,234	\$ (884,667)	\$ 5,902,752
Capital assets being depreciated:				
Buildings and improvements	\$ 88,458,350	\$ 730,826	\$ 2,682,011	\$ 91,871,187
Machinery and equipment	18,936,102	4,037,535	(5,208,128)	17,765,509
Total capital assets being depreciated	\$ 107,394,452	\$ 4,768,361	\$ (2,526,117)	\$ 109,636,696
Accumulated depreciation:				
Buildings and improvements	\$ (44,616,721)	\$ (1,979,965)	\$ (692,126)	\$ (47,288,812)
Machinery and equipment	(10,756,552)	(2,166,006)	249,143	(12,673,415)
Total accumulated depreciation	\$ (55,373,273)	\$ (4,145,971)	\$ (442,983)	\$ (59,962,227)
Total capital assets being depreciated, net	\$ 52,021,179	\$ 622,390	\$ (2,969,100)	\$ 49,674,469
Lease assets:				
Equipment	\$ 1,478,941	\$ 283,884	\$ (34,689)	\$ 1,728,136
Accumulated amortization	(250,916)	(301,395)	34,689	(517,622)
Net lease assets	\$ 1,228,025	\$ (17,511)	\$ -	\$ 1,210,514
Intangible assets:				
Subscription assets	\$ 1,325,816	\$ 180,866	\$ (286,642)	\$ 1,220,040
Accumulated amortization	(308,182)	(549,286)	286,642	(570,826)
Net subscription assets	\$ 1,017,634	\$ (368,420)	\$ -	\$ 649,214
School Board capital assets, net	\$ 60,588,023	\$ 702,693	\$ (3,853,767)	\$ 57,436,949

Capital assets of the governmental activities in the amount of \$2,732,919 were transferred to the Component Unit School Board, capital assets in the amount of \$4,914,133 were transferred from the Component unit School Board to the Primary Government, additionally, a net transfer of \$787,886 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, 2023 as required by the Code of Virginia.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 8—CAPITAL ASSETS: (CONTINUED)

Discretely Presented Component Units: (continued)

Activity for the Shenandoah County Library for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 187,035	\$ 402,390	\$ -	\$ 589,425
Capital assets being depreciated:				
Buildings and system	\$ 291,416	\$ -	\$ -	\$ 291,416
Machinery and equipment	303,424	26,845	-	330,269
Total capital assets being depreciated	\$ 594,840	\$ 26,845	\$ -	\$ 621,685
Accumulated depreciation:				
Buildings and system	\$ (142,950)	\$ (7,753)	\$ -	\$ (150,703)
Machinery and equipment	(167,417)	(35,984)	-	(203,401)
Total accumulated depreciation	\$ (310,367)	\$ (43,737)	\$ -	\$ (354,104)
Total Library capital assets being depreciated, net	\$ 284,473	\$ (16,892)	\$ -	\$ 267,581
Library capital assets, net	\$ 471,508	\$ 385,498	\$ -	\$ 857,006

NOTE 9—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 \$7,690,688 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 \$212,256 was outstanding at June 30, 2023. 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 \$133,547 at June 30, 2023.
- C. Parks and Recreation Trip Deposits– Funds collected for future recreational trips totaled \$379,235 at June 30, 2023.
- D. ARPA Funding–Funds received from American Rescue Plan Act unspent at June 30, 2023 totaled \$6,965,650.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 10—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 \$31,414,471, \$37,157,327, and \$581,947 respectively, is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2023, but paid in advance by the taxpayers totaled \$4,063,207 in the general fund at June 30, 2023.
- B. Unbilled Property Taxes – Property taxes for the second half of 2023 that had not been billed as of June 30, 2023 amounted to \$27,351,264.
- C. Unavailable Property Taxes – Uncollected tax billings not available for funding of current expenditures totaled \$5,742,856 at June 30, 2023.
- D. Unavailable Revenue-Opioid Settlement – Unavailable revenue related to the opioid lawsuit settlement totaled \$581,947 at June 30, 2023.

NOTE 11—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, 2023:

	Balance July 1, 2022, as restated	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2023
Governmental Activities:				
Direct Borrowings and Placements:				
General Obligation Bonds	\$ 12,974,691	\$ -	\$ 4,084,828	\$ 8,889,863
Bond Premium	1,852,138	-	162,702	1,689,436
Lease Revenue Bonds	24,535,000	-	1,307,000	23,228,000
Loans Payable	6,156,794	530,122	544,874	6,142,042
Arbitrage Liability	-	82,879	-	82,879
Total direct borrowings and placements	\$ 45,518,623	\$ 613,001	\$ 6,099,404	\$ 40,032,220
Other Liabilities:				
Leases Liabilities	\$ 237,647	\$ -	\$ 129,255	\$ 108,392
Subscription Liabilities	-	146,201	61,616	84,585
Compensated Absences	1,076,478	844,439	645,887	1,275,030
Net pension Liability	-	5,265,461	3,182,696	2,082,765
Net OPEB Liabilities	2,654,116	253,955	392,275	2,515,796
Total Governmental Activities	\$ 49,486,864	\$ 7,123,057	\$ 10,511,133	\$ 46,098,788
Business-type Activities:				
Direct Borrowings and Placements:				
General Obligation/Revenue Bonds	\$ 2,802,302	\$ -	\$ 272,708	\$ 2,529,594
Bond Premium	412,842	-	45,871	366,971
Loans Payable	307,037	-	241,895	65,142
Note Payable	358,865	-	140,185	218,680
Total direct borrowings and placements	\$ 3,881,046	\$ -	\$ 700,659	\$ 3,180,387
Other Liabilities:				
Compensated Absences	140,991	109,953	84,595	166,349
Net Pension Liability	-	342,504	206,840	135,664
Net OPEB Liabilities	264,592	28,158	103,635	189,115
Landfill Closure and Post-Closure Care	12,828,024	1,792,411	-	14,620,435
Total Business-type Activities	\$ 17,114,653	\$ 2,273,026	\$ 1,095,729	\$ 18,291,950
Total Long-Term Obligations	\$ 66,601,517	\$ 9,396,083	\$ 11,606,861	\$ 64,390,739

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, 2023 (Continued)

NOTE 11—LONG-TERM LIABILITIES: (CONTINUED)

The County's outstanding notes from direct borrowings and direct placements related to governmental and business-type activities of \$40,032,220 and \$3,180,387, respectively, contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

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
2024	\$ 528,882	\$ 144,999	\$ 1,513,000	\$ 809,244
2025	423,003	136,795	1,560,000	765,847
2026	325,959	131,550	1,592,000	721,572
2027	240,730	126,779	1,574,000	674,762
2028	204,495	121,633	1,467,000	625,696
2029	203,586	116,199	1,464,000	576,022
2030	218,999	110,682	1,502,000	523,937
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	\$ <u>6,142,042</u>	\$ <u>1,620,891</u>	\$ <u>23,228,000</u>	\$ <u>7,106,003</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 11—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		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,162,468	\$ 703,893	\$ 58,527	\$ 780	\$ 49,578	\$ 2,082
2025	2,218,180	622,133	27,459	273	35,007	903
2026	2,032,314	538,513	18,696	104	-	-
2027	2,094,789	452,190	3,710	11	-	-
2028	262,490	9,947	-	-	-	-
2029	119,622	2,013	-	-	-	-
Total	<u>\$ 8,889,863</u>	<u>\$ 2,328,689</u>	<u>\$ 108,392</u>	<u>\$ 1,168</u>	<u>\$ 84,585</u>	<u>\$ 2,985</u>

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
2024	\$ 29,704	\$ 7,736	\$ 251,137	\$ 101,985
2025	31,069	6,371	263,236	90,404
2026	32,496	4,944	275,398	78,249
2027	33,989	3,451	287,623	65,517
2028	35,550	1,890	299,914	52,208
2029	22,636	337	317,273	38,190
2030	-	-	329,701	23,461
2031	-	-	319,868	8,021
Total	<u>\$ 185,444</u>	<u>\$ 24,729</u>	<u>\$ 2,344,150</u>	<u>\$ 458,035</u>

Year Ending June 30,	Business-type Activities			
	Direct Borrowings and Direct Placements			
	Landfill Loans Payable		Landfill Note Payable	
	Principal	Interest	Principal	Interest
2024	\$ 65,142	\$ 1,530	\$ 144,610	\$ 5,432
2025	-	-	74,070	379
Total	<u>\$ 65,142</u>	<u>\$ 1,530</u>	<u>\$ 218,680</u>	<u>\$ 5,811</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 11—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
Primary Government:									
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	\$ 3,660,000	\$ 130,000
Unamortized premium on Issuance	n/a		n/a	n/a		n/a	n/a	190,437	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	13,270,000	555,000
Unamortized premium on Issuance	n/a		n/a	n/a		n/a	n/a	1,377,523	51,019
2020C lease revenue bonds	9/25/2020	\$	1,475,000	5.125- 5.538%	SA	\$10,000- \$280,000	4/1/2029	1,150,000	285,000
2021 lease revenue bonds	10/21/2021	\$	5,700,000	1.315%	A		6/30/2032	5,148,000	543,000
Total lease revenue bonds								\$ 24,795,960	\$ 1,573,541
General obligation bonds:									
VRA Mt. Jackson WWTP	6/30/2008	\$	4,000,000	3.00%	SA	\$132,000- \$262,490	1/1/2029	\$ 1,357,288	\$ 233,015
VRA Series 2009B Courthouse	11/19/2009	\$	15,760,000	5.125%	SA	\$1,170,000- \$1,355,000	n/a	5,125,000	1,215,000
Unamortized premium on Issuance	n/a		n/a	n/a		n/a	n/a	90,375	45,188
School bonds VPSA 2004B	11/10/2004	\$	4,130,808	4.6-5.6%	SA	\$230,949- \$238,122	1/15/2025	472,575	234,453
Unamortized premium on Issuance	n/a		n/a	n/a		n/a	n/a	31,101	15,171
QSCB Series 2010*	7/8/2010	\$	7,435,000	2.70%	SA	\$480,000- \$485,000	6/1/2027	1,935,000	480,000
Net general obligation school bonds								\$ 9,011,339	\$ 2,222,827
* interest reimbursed by federal interest subsidy									
Arbitrage liability	n/a		n/a	n/a		n/a	n/a	\$ 82,879	\$ -
Other liabilities:									
Loans payable:									
School buses	10/29/2019	\$	1,055,703	2.02%	A	\$222,487	10/29/2024	\$ 327,923	\$ 217,516
Energy saving equipment	6/1/2021	\$	5,360,000	2.66%	SA	\$289,758	6/1/2042	5,301,393	149,731
Sheriff in-car cameras	7/1/2022	\$	38,700	0.00%	A	\$7,740	7/1/2027	30,960	7,740
Fire & rescue body cameras	3/7/2023	\$	77,517	0.00%	SA	\$12,482	3/7/2028	65,259	24,964
Sheriff fleet car cameras	5/19/2023	\$	280,916	0.00%	A	\$70,229	5/19/2028	210,687	70,229
Sheriff tasers	5/16/2023	\$	125,000	0.00%	A	\$25,000	5/16/2028	100,000	25,000
Sheriff body cameras	10/14/2021	\$	168,510	0.00%	A	\$33,702	10/31/2025	105,820	33,702
Total loans payable								\$ 6,142,042	\$ 528,882

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

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 11—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
Primary Government: (continued)								
Governmental activities: (continued)								
Lease liabilities:								
Copiers		\$ 280,487	4.11%	M	\$67,619	2024/2029	\$ 108,392	\$ 58,527
Total lease liabilities							\$ 108,392	\$ 58,527
Subscription liabilities:								
Software		\$ 146,201	4.11%	M	\$4,263	2024/2025	\$ 84,585	\$ 49,578
Total subscription liabilities							\$ 84,585	\$ 49,578
Net pension liability (payable from general fund)							2,082,765	-
Net OPEB liabilities (payable from general fund)							2,515,796	-
Compensated absences (payable from general fund)							1,275,030	510,012
Total other liabilities							\$ 6,066,568	\$ 618,117
Total long-term liabilities from governmental activities							\$ 46,098,788	\$ 4,943,367
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	\$ 604,150	\$ 71,137
VRA Bond 2010-Landfill	11/18/2020	\$ 2,075,000	5.13%	SA	\$170,000- \$260,000	4/30/2031	1,740,000	180,000
Unamortized premium on Issuance	n/a	n/a	n/a		n/a	n/a	366,971	45,871
Total lease revenue bonds							\$ 2,711,121	\$ 297,008
General obligation bonds:								
1995 GO Bond-Tom's Brook	8/1/1995	\$ 634,000	4.50%	M	\$37,440	2/1/2029	\$ 185,444	\$ 29,704
Notes payable:								
Landfill note payable	7/18/2019	\$ 691,178	2.99%	SA	\$150,041	7/18/2025	\$ 218,680	\$ 144,610
Loans payable:								
Landfill equipment	12/13/2019	\$ 314,140	2.35%	M	\$66,672	6/11/2025	65,142	65,142
Total loans payable							\$ 65,142	\$ 65,142
Other Liabilities:								
Landfill closure and post-closure care							14,620,435	-
Net pension liability (payable from business-type activities)							135,664	-
Net OPEB liabilities (payable from business-type activities)							189,115	-
Compensated absences (payable from business-type activities)							166,349	66,540
Total Other Liabilities							\$ 15,111,563	\$ 66,540
Total business-type activities							\$ 18,291,950	\$ 603,004

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

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 11—LONG-TERM LIABILITIES: (CONTINUED)

DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD

Changes in long-term liabilities:

	Balance July 1, 2022, as restated	Increases	Decreases	Balance June 30, 2023	Amount Due Within One Year
Lease Liabilities	\$ 1,237,266	\$ 283,884	\$ 295,431	\$ 1,225,719	\$ 306,643
Subscription Liabilities	669,857	180,866	195,233	655,490	195,821
Compensated Absences	777,643	724,294	466,586	1,035,351	258,838
Net Pension Liability	33,662,343	31,761,034	24,646,653	40,776,724	-
Net OPEB Liabilities	15,296,448	1,142,366	3,242,468	13,196,346	-
Total	\$ 51,643,557	\$ 34,092,444	\$ 28,846,371	\$ 56,889,630	\$ 761,302

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
2024	\$ 306,643	\$ 21,524	\$ 195,821	\$ 19,785
2025	298,135	15,213	179,630	13,927
2026	253,947	9,117	137,922	8,518
2027	187,443	4,845	142,117	4,323
2028	179,551	1,649	-	-
Total	\$ 1,225,719	\$ 52,348	\$ 655,490	\$ 46,553

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
Component Unit School Board:							
Liabilities:							
Other Liabilities:							
Lease liabilities:							
Copiers	various	\$ 309,658	.62%-6.00%	M \$256,182	2024-2028	\$ 1,225,719	\$ 306,643
Subscription liabilities:							
Instructional software	7/31/2022	\$ 180,866	2.88%	M \$2,500-\$5,223	6/30/24 & 25	\$ 111,700	\$ 65,921
Textbook subscriptions	6/30/2020	\$ 1,325,816	4.00%	A \$257,926	6/30/2027	543,790	129,900
Total subscription liabilities						\$ 655,490	\$ 195,821
Net pension liability (payable from school operating fund)						40,776,724	-
Net OPEB liabilities (payable from school operating fund)						13,196,346	-
Compensated absences (payable from school operating fund)						1,035,351	258,838
Total Other Liabilities						\$ 56,889,630	\$ 761,302
Total long-term liabilities, Component Unit School Board						\$ 56,889,630	\$ 761,302

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 12—OTHER LIABILITIES – ENTERPRISE FUNDS:

The other liabilities of the Sanitary Districts at June 30, 2023, consist of the following:

	Stoney Creek	Toms-Brook Maurertown	Total
Security deposits	\$ 5,500	\$ 15,525	\$ 21,025
Total	\$ 5,500	\$ 15,525	\$ 21,025

NOTE 13—DEFERRED COMPENSATION PLAN:

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 14—PENSION PLAN:

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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NOTE 14—PENSION PLAN: (CONTINUED)

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, 2023 (Continued)

NOTE 14—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, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	176	171
Inactive members:		
Vested inactive members	64	34
Non-vested inactive members	90	95
Inactive members active elsewhere in VRS	207	44
Total inactive members	361	173
Active members	322	176
Total covered employees	859	520

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, 2023 was 11.63% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 \$2,087,628 and \$1,606,075 for the years ended June 30, 2023 and June 30, 2022 respectively.

NOTE 14—PENSION PLAN: (CONTINUED)

Contributions (continued)

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 6.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 \$248,398 and \$225,436 for the years ended June 30, 2023 and June 30, 2022, respectively.

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, 2022. The total pension (asset) liabilities used to calculate the net pension (asset) liabilities were determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022.

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, 2021, 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, 2022.

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*

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COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 14—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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 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, 2023 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

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, 2021, 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, 2022.

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, 2023 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2023 (Continued)****NOTE 14—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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>7.83%</u>

* The above allocation provides a one-year expected return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

** On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 14—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, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, 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 100% of the actuarially determined contribution rate. From July 1, 2022 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

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 63,274,194	\$ 64,053,686	\$ (779,492)
Changes for the year:			
Service cost	\$ 1,922,624	\$ -	\$ 1,922,624
Interest	4,310,849	-	4,310,849
Differences between expected and actual experience	(991,752)	-	(991,752)
Contributions - employer	-	1,606,069	(1,606,069)
Contributions - employee	-	770,423	(770,423)
Net investment income	-	(93,525)	93,525
Benefit payments, including refunds	(2,664,772)	(2,664,772)	-
Administrative expenses	-	(39,558)	39,558
Other changes	-	392	(392)
Net changes	\$ 2,576,949	\$ (420,971)	\$ 2,997,920
Balances at June 30, 2022	\$ 65,851,143	\$ 63,632,715	\$ 2,218,428

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

Changes in Net Pension Liability/Asset (continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at June 30, 2021	\$ 15,829,724	\$ 16,947,518	\$ (1,117,794)
Changes for the year:			
Service cost	\$ 309,654	\$ -	\$ 309,654
Interest	1,055,869	-	1,055,869
Differences between expected and actual experience	(92,354)	-	(92,354)
Contributions - employer	-	223,561	(223,561)
Contributions - employee	-	168,376	(168,376)
Net investment income	-	(10,241)	10,241
Benefit payments, including refunds	(993,754)	(993,754)	-
Administrative expenses	-	(10,687)	10,687
Other changes	-	384	(384)
Net changes	\$ 279,415	\$ (622,361)	\$ 901,776
Balances at June 30, 2022	\$ 16,109,139	\$ 16,325,157	\$ (216,018)

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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's			
Net Pension Liability (Asset)	\$ 11,997,209	\$ 2,218,428	\$ (5,635,362)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 1,510,654	\$ (216,018)	\$ (1,653,935)

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$1,174,609 and (\$38,850), respectively. At June 30, 2023, 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	\$ 167,559	\$ 1,192,884	\$ -	\$ 62,945
Changes of assumptions	973,129	-	33,100	-
Net difference between projected and actual earnings on pension plan investments	-	1,772,260	-	502,045
Deferred change in proportionate share	47,343	47,343	-	-
Employer contributions subsequent to the measurement date	2,087,628	-	248,398	-
Total	<u>\$ 3,275,659</u>	<u>\$ 3,012,487</u>	<u>\$ 281,498</u>	<u>\$ 564,990</u>

\$2,087,628 and \$248,398 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, 2024. 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)
2024	\$ (449,098)	\$ (220,638)
2025	(877,654)	(203,103)
2026	(1,378,922)	(334,856)
2027	881,218	226,707
2028	-	-
Thereafter	-	-

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-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, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$6,610,594 and \$6,362,718 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2023, the school division reported a liability of \$40,776,724 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was .428300% as compared to .433620% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$1,811,333. 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.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 14—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)

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,811,716
Change in assumptions	3,844,424	-
Net difference between projected and actual earnings on pension plan investments	-	5,316,431
Changes in proportion and differences between employer contributions and proportionate share of contributions	551,985	1,429,800
Employer contributions subsequent to the measurement date	6,610,594	-
Total	<u>\$ 11,007,003</u>	<u>\$ 9,557,947</u>

\$6,610,594 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, 2024. 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>	
2024	\$ (1,470,692)
2025	(2,124,760)
2026	(3,853,794)
2027	2,287,708
2028	-

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

Component Unit School Board (Professional) (continued)

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2023 (Continued)

NOTE 14—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, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	54,732,329
Plan Fiduciary Net Position		45,211,731
Employers' Net Pension Liability (Asset)	\$	<u>9,520,598</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.61%

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:

			Rate		
		1% Decrease	Current Discount	1% Increase	
		(5.75%)	(6.75%)	(7.75%)	
School division's proportionate share of the VRS Teacher Employee Retirement Plan					
Net Pension Liability	\$	72,830,351	\$ 40,776,724	\$ 14,678,023	

COUNTY OF SHENANDOAH, VIRGINIA**Notes to the Financial Statements
June 30, 2023 (Continued)****NOTE 14—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 2022 Annual Comprehensive Financial Report. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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	\$ 3,275,659	\$ 3,012,487	\$ 2,218,428	\$ -	\$ 1,174,609
Component Unit School Board:					
School Board Nonprofessional	\$ 281,498	\$ 564,990	\$ -	\$ (216,018)	\$ (38,850)
School Board Professional	11,007,003	9,557,947	40,776,724	-	1,811,333
Total Component Unit School Board	\$ 11,288,501	\$ 10,122,937	\$ 40,776,724	\$ (216,018)	\$ 1,772,483

NOTE 15—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, 2023 (Continued)

NOTE 15—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)

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, 2022 (the measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	318	873
Total retirees with coverage	7	32
Total	325	905

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, 2023 was \$55,000.

The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2023 was \$318,000.

Total OPEB Liability

The County's and School Board's total OPEB liabilities were measured as of July 1, 2022. The measurement of the total OPEB liabilities is based on a valuation date of July 1, 2022.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 15—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 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 3.69% and represents the Municipal GO AA 20-year yield curve rate as of July 1, 2022
Healthcare Cost Trend Rates	6.50% for fiscal year end 2023, 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 RP-2014 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 3.69% 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

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2022	\$ 2,088,000	\$ 7,028,000
Changes for the year:		
Service cost	159,000	653,000
Interest	43,000	144,000
Difference between expected and actual experience	30,000	(1,592,000)
Changes in assumptions	(481,000)	(843,000)
Benefit payments	(55,000)	(318,000)
Net changes	(304,000)	(1,956,000)
Balances at June 30, 2023	\$ 1,784,000	\$ 5,072,000

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 15—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 (2.69%) or one percentage point higher (4.69%) than the current discount rate:

	Rate		
	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Primary Government			
\$	1,989,000	\$ 1,784,000	\$ 1,602,000
Component Unit School Board			
\$	5,513,000	\$ 5,072,000	\$ 4,665,000

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% or one percentage point higher 7.50% than the current healthcare cost trend rates:

	Rate		
	1% Decrease 5.50%	Healthcare Cost Trend 6.50%	1% Increase 7.50%
Primary Government			
\$	1,553,000	\$ 1,784,000	\$ 2,061,000
Component Unit School Board			
\$	4,497,000	\$ 5,072,000	\$ 5,745,000

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COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 15—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, 2023, the Primary Government recognized OPEB expense in the amount of \$99,000. The School Board recognized OPEB expense in the amount of \$386,000. At June 30, 2023, 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	\$ 26,000	\$ 271,000	\$ 587,000	\$ 3,226,000
Changes in assumptions	250,000	414,000	724,000	997,000
Employer contributions subsequent to the measurement date	55,000	-	318,000	-
Total	<u>\$ 331,000</u>	<u>\$ 685,000</u>	<u>\$ 1,629,000</u>	<u>\$ 4,223,000</u>

\$55,000 and \$318,000 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, 2024. 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
2024	\$ (109,000)	\$ (419,000)
2025	(73,000)	(419,000)
2026	(63,000)	(419,000)
2027	(59,000)	(419,000)
2028	(56,000)	(412,000)
Thereafter	(49,000)	(824,000)

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, 2023 (Continued)

NOTE 16—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

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 \$8,984 as of June 30, 2023.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 16—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% 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, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$101,582 and \$87,527 for the years ended June 30, 2023 and June 30, 2022, respectively. The Component Unit School Board's contributions to the Group Life Insurance Plan for nonprofessional employees were \$24,033 and \$20,380, for the years ended June 30, 2023 and June 30, 2022 respectively. The Component Unit School Board's contributions to the Group Life Insurance Plan for professional employees were \$225,689 and \$215,652 for the years ended June 30, 2023 and June 30, 2022 respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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, 2023, the County reported a liability of \$897,172 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.07450% as compared to 0.071300% at June 30, 2021.

At June 30, 2023, the School Board reported liability of \$208,911 for nonprofessional employees and \$2,210,601 for professional employees for its proportionate share of the Net GLI OPEB Liability. At June 30, 2022 and June 30, 2021, the participating employer's proportion for nonprofessional employees was 0.01740% and 0.01740% respectively. At June 30, 2022, the participating employer's proportion for School Board professional employees was 0.18360% as compared to 0.18590% at June 30, 2021.

For the year ended June 30, 2023, the County recognized GLI OPEB expense of \$42,286, while the School Board recognized GLI OPEB expense of (\$2,218) and \$61,152 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, 2023 (Continued)

NOTE 16—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, 2023, 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	\$ 71,045	\$ 35,992	\$ 16,543	\$ 8,381
Net difference between projected and actual earnings on GLI OPEB program investments	-	56,060	-	13,054
Change in assumptions	33,463	87,388	7,792	20,349
Changes in proportion	62,604	1,537	-	18,690
Employer contributions subsequent to the measurement date	101,582	-	24,033	-
Total	\$ 268,694	\$ 180,977	\$ 48,368	\$ 60,474

	Component Unit School Board	
	Professional Employees Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 175,052	\$ 88,684
Net difference between projected and actual earnings on GLI OPEB program investments	-	138,130
Change in assumptions	82,452	215,321
Changes in proportion	45,780	86,403
Employer contributions subsequent to the measurement date	225,689	-
Total	\$ 528,973	\$ 528,538

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 16—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)

\$101,582, \$24,033, and \$225,689 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, 2024. 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:

Primary Government	Component Unit School Board			
	Nonprofessional		Professional	
Year Ended June 30,	Year Ended June 30,		Year Ended June 30,	
2024	\$	(361)	2024	\$ (45,471)
2025		1,484	2025	(37,930)
2026		(32,401)	2026	(123,912)
2027		16,799	2027	3,951
2028		614	2028	(21,892)
Thereafter		-	Thereafter	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022. 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, 2023 (Continued)

NOTE 16—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2023 (Continued)

NOTE 16—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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2023 (Continued)

NOTE 16—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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2023 (Continued)

NOTE 16—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, 2022, NOL amounts for the Group Life Insurance Plan is as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Plan
Total GLI OPEB Liability	\$	3,672,085
Plan Fiduciary Net Position		2,467,989
GLI Net OPEB Liability (Asset)	\$	1,204,096
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.21%

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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 16—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return (continued)

* The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

** On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, 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 member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and 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 ending June 30, 2022, 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. From July 1, 2022 on, employers are assumed 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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Program Net OPEB Liability	\$ 1,305,491	\$ 897,172	\$ 567,195
School Board's proportionate share of the GLI Program Net OPEB Liability-nonprofessional employees	\$ 303,990	\$ 208,911	\$ 132,074
School Board's proportionate share of the GLI Program Net OPEB Liability-professional employees	\$ 3,216,683	\$ 2,210,601	\$ 1,397,549

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 16—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 17—HEALTH INSURANCE CREDIT (HIC) PLAN:

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, 2023 (Continued)

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

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	25	62
Inactive members:		
Vested inactive members	-	2
Total inactive members	25	64
Active members	180	176
Total covered employees	205	240

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, 2023 was .06% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$6,509 and \$8,127 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 0.93% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$41,374 and \$27,901 for the years ended June 30, 2023 and June 30, 2022, respectively.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

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

Net HIC OPEB Liability

The County net Health Insurance Credit OPEB liability was measured as of June 30, 2022. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2021 using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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, 2023 (Continued)

NOTE 17—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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2023 (Continued)

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

Actuarial Assumptions (continued)

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2023 (Continued)

NOTE 17—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:

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Allocation</u>	<u>Arithmetic Long-term Rate of Return</u>	<u>Weighted Average Long-term Rate of Return*</u>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>7.83%</u>

*The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

** On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, 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, 2022 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, 2022 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, 2023 (Continued)

NOTE 17—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, 2021	\$ 256,406	\$ 292,206	\$ (35,800)
Changes for the year:			
Service cost	\$ 7,968	\$ -	\$ 7,968
Interest	17,312	-	17,312
Changes of assumptions	67,496	-	67,496
Differences between expected and actual experience	(18,280)	-	(18,280)
Contributions - employer	-	8,127	(8,127)
Net investment income	-	481	(481)
Benefit payments	(15,814)	(15,814)	-
Administrative expenses	-	(503)	503
Other changes	-	6,852	(6,852)
Net changes	\$ 58,682	\$ (857)	\$ 59,539
Balances at June 30, 2022	\$ 315,088	\$ 291,349	\$ 23,739

	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, 2021	\$ 356,538	\$ 30,330	\$ 326,208
Changes for the year:			
Service cost	\$ 6,168	\$ -	\$ 6,168
Interest	23,905	-	23,905
Changes of assumptions	38,555	-	38,555
Differences between expected and actual experience	(10,567)	-	(10,567)
Contributions - employer	-	28,800	(28,800)
Net investment income	-	(286)	286
Benefit payments	(17,103)	(17,103)	-
Administrative expenses	-	(79)	79
Other changes	-	666	(666)
Net changes	\$ 40,958	\$ 11,998	\$ 28,960
Balances at June 30, 2022	\$ 397,496	\$ 42,328	\$ 355,168

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 17—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)	\$	63,098	\$ 23,739	\$ (9,184)
Component Unit School Board's (nonprofessional)				
Net HIC OPEB Liability (Asset)	\$	390,584	\$ 355,168	\$ 324,463

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, 2023, the County and Component Unit School Board (nonprofessional) recognized Health Insurance Credit Plan OPEB expense of \$666, and \$35,515 respectively. At June 30, 2023, 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	\$ -	\$ 7,443	\$ 398	\$ -
Change in assumptions	65,359	2,536	34,214	-
Differences between expected and actual experience	7,685	26,856	-	8,093
Employer contributions subsequent to the measurement date	6,509	-	41,374	-
Total	\$ 79,553	\$ 36,835	\$ 75,986	\$ 8,093

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 17—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)

\$6,509 and \$41,374 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, 2024. 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</u> <u>Government</u>	<u>Component Unit</u> <u>School Board</u> <u>(nonprofessional)</u>
2024	\$ 1,485	\$ 8,491
2025	1,231	8,491
2026	268	7,217
2027	10,767	2,320
2028	7,640	-
Thereafter	14,819	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 18—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, 2023 (Continued)

NOTE 18—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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, 2023 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, 2021. 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 \$505,634 and \$483,008 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2023 (Continued)

**NOTE 18—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, 2023, the school division reported a liability of \$5,349,666 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, 2022 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, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC Plan was .42830% as compared to .43433% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$399,105. 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, 2023, 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	\$ -	\$ 218,061
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	5,370
Change in assumptions	156,291	13,661
Change in proportionate share and differences between actual and expected contributions	95,053	216,000
Employer contributions subsequent to the measurement date	<u>505,634</u>	<u>-</u>
Total	\$ <u><u>756,978</u></u>	\$ <u><u>453,092</u></u>

NOTE 18—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
(CONTINUED)

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)

\$505,634 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, 2024. 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>		
2024	\$	(44,756)
2025		(37,181)
2026		(24,987)
2027		(18,543)
2028		(42,784)
Thereafter		(33,497)

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, 2021, 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, 2022.

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, 2023 (Continued)

NOTE 18—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2023 (Continued)

**NOTE 18—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, 2022, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,470,891
Plan Fiduciary Net Position		221,845
Teacher Employee HIC OPEB Liability (Asset)	\$	1,249,046
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		15.08%

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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.83%

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 18—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 7.83%. 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 6.72%, including expected inflation of 2.50%.

** On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, 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, 2022, 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, 2022 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:

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	6,029,135	\$ 5,349,666	\$ 4,773,698

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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, 2023 (Continued)

NOTE 19—AGGREGATE OPEB INFORMATION:

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

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program (Note 16):				
County	\$ 268,694	\$ 180,977	\$ 897,172	\$ 42,286
County Health Insurance Credit Program (Note 17)	79,553	36,835	23,739	666
County Stand-Alone Plan (Note 15)	331,000	685,000	1,784,000	99,000
Totals	<u>\$ 679,247</u>	<u>\$ 902,812</u>	<u>\$ 2,704,911</u>	<u>\$ 141,952</u>
	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program (Note 16):				
School Board Nonprofessional	\$ 48,368	\$ 60,474	\$ 208,911	\$ (2,218)
School Board Professional	528,973	528,538	2,210,601	61,152
School Board Nonprofessional Health Insurance Credit Program (Note 17)	75,986	8,093	355,168	35,515
Teacher Health Insurance Credit Program (Note 18)	756,978	453,092	5,349,666	399,105
School Stand-Alone Plan (Note 15)	1,629,000	4,223,000	5,072,000	386,000
Totals	<u>\$ 3,039,305</u>	<u>\$ 5,273,197</u>	<u>\$ 13,196,346</u>	<u>\$ 879,554</u>

NOTE 20—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 21—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, 2023 (Continued)

NOTE 22—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 \$14,620,435 for the old landfill, and landfill cells 1 and 2. However landfill cell #3 has capacity used to date estimated to be 55%. The estimated total current cost of the landfill closure and post-closure care of \$15,944,261 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, 2023. 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 23—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	\$ 1,158,044	\$ 759,424	\$ 164,185	\$ 1,741,462	\$ 3,823,115
Depreciation and amortization	198,275	134,435	8,888	855,124	1,196,722
Operating income (loss)	(626,875)	(20,208)	12,827	(3,367,458)	(4,001,714)
Capital contributions	237,110	20,000	-	-	257,110
Property, plant and equipment additions, net of retirements	(67,687)	(37,503)	-	(51,368)	(156,558)
Net working capital	2,114,293	927,133	13,676	(388,351)	2,666,751
Total assets	5,687,327	2,929,454	188,539	9,030,734	17,836,054
Long-term liabilities	110,841	201,912	-	17,376,193	17,688,946
Net position	5,185,921	2,612,880	183,138	(8,987,160)	(1,005,221)

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 24—CONSTRUCTION COMMITMENTS:

The County of Shenandoah had one active construction project as of June 30, 2023. The project consists of Courthouse HVAC renovations. At year end the County's commitment with the contractors are as follows:

	Original Contract Amount	Amount Spent to Date	Amount of Contract Remaining at Year End
Circuit Courthouse HVAC	\$ 1,433,922	\$ 1,061,311	\$ 372,611
Total	\$ 1,433,922	\$ 1,061,311	\$ 372,611

NOTE 25—RESTATEMENT OF BEGINNING NET POSTION:

The beginning net position of the General Fund and Discretely Presented Component Unit School Board was restated to correct a prior year error in the calculation of School Board SBITA indebtedness and to reclassify school capital lease to the General Fund. as follows:

	Governmental Activities General Fund Net Position	Discretely Presented Component Unit School Board Net Position
Fund Balance/Net position at July 1, 2022 as originally reported	\$ 56,064,101	(3,166,819)
Correction to properly reflect school energy capital lease	(4,424,066)	4,424,066
Correction of prior year error (SBITA)	-	(669,857)
Fund Balance/Net position at July 1, 2022 as restated	\$ 51,640,035	587,390

NOTE 26—LEASES RECEIVABLE:

The Town recognized lease revenue of \$248,832 and interest revenue of \$91,275 during fiscal year 2023. Details of leases receivable at June 30, 2023 are as follows:

Lease Description	Start Date	End Date	Payment Frequency	Discount Rate	Ending Balance	Amount Due Within One Year
Telecommunications equipment-AT&T	2021	2024	Monthly	4.113%	\$ 10,818	\$ 10,818
Telecommunications equipment- Crown Communications	2021	2036	Monthly	4.113%	156,192	11,721
Building-Edinburg School	2021	2043	Monthly	1.733%	5,085,199	213,564
Farm	2022	2032	Monthly	3.080%	75,712	7,467
Mt. Jackson Industrial Park	2022	2026	Monthly	7.120%	3,076	1,019
Building-Shenandoah County Human Services	2021	2026	Annual	0.687%	17,842	7,101
Totals					\$ 5,348,839	\$ 251,690

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2023 (Continued)

NOTE 27—LITIGATION:

At June 30, 2023, 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 28—LINE OF DUTY ACT (LODA) (OPEB BENEFITS):

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, 2023 was \$82,911.

NOTE 29—UPCOMING PRONOUNCEMENTS:

Statement No. 99, *Omnibus 2023*, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2023 to reporting periods beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2023 (Continued)

NOTE 29—UPCOMING PRONOUNCEMENTS: (CONTINUED)

Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update—2023*, effective for fiscal years beginning after June 15, 2023.

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, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 59,916,000	\$ 59,916,000	\$ 62,651,435	\$ 2,735,435
Other local taxes	7,810,000	7,810,000	8,602,468	792,468
Permits, privilege fees, and regulatory licenses	541,000	541,000	495,720	(45,280)
Fines and forfeitures	42,500	42,500	37,536	(4,964)
Revenue from the use of money and property	631,767	631,767	1,966,716	1,334,949
Charges for services	2,844,838	2,976,713	3,359,042	382,329
Miscellaneous	582,941	846,036	2,523,628	1,677,592
Recovered costs	819,059	861,095	729,840	(131,255)
Intergovernmental:				
Commonwealth	12,219,186	12,414,037	13,945,120	1,531,083
Federal	11,436,150	11,436,150	3,928,150	(7,508,000)
Total revenues	\$ 96,843,441	\$ 97,475,298	\$ 98,239,655	\$ 764,357
EXPENDITURES				
Current:				
General government administration	\$ 3,945,612	\$ 4,049,351	\$ 3,632,845	\$ 416,506
Judicial administration	2,848,236	2,943,905	2,513,046	430,859
Public safety	23,446,592	25,000,982	24,180,862	820,120
Public works	1,585,868	1,803,211	1,749,014	54,197
Health and welfare	11,129,367	11,387,754	12,865,459	(1,477,705)
Education	31,872,849	36,098,314	31,296,917	4,801,397
Parks, recreation, and cultural	2,395,424	2,709,866	2,819,627	(109,761)
Community development	2,219,737	2,371,129	2,283,464	87,665
Nondepartmental	1,507,000	188,960	2,334	186,626
Capital projects	8,791,059	9,213,004	1,293,534	7,919,470
Total expenditures	\$ 89,741,744	\$ 95,766,476	\$ 82,637,102	\$ 13,129,374
Excess (deficiency) of revenues over (under) expenditures	\$ 7,101,697	\$ 1,708,822	\$ 15,602,553	\$ 13,893,731
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 5,229	\$ 5,229
Transfers out	(8,576,315)	(8,831,315)	(8,943,642)	(112,327)
Issuance of loans	-	-	530,122	530,122
Subscription based IT agreements	-	-	146,201	146,201
Total other financing sources (uses)	\$ (8,576,315)	\$ (8,831,315)	\$ (8,262,090)	\$ 569,225
Net change in fund balances	\$ (1,474,618)	\$ (7,122,493)	\$ 7,340,463	\$ 14,462,956
Fund balances - beginning	1,474,618	7,122,493	31,258,713	24,136,220
Fund balances - ending	\$ -	\$ -	\$ 38,599,176	\$ 38,599,176

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County of Shenandoah, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 1,922,624	\$ 1,773,500	\$ 1,713,263	\$ 1,513,031	\$ 1,527,395
Interest	4,310,849	3,894,759	3,592,971	3,463,665	3,323,028
Changes in benefit terms	-	-	-	-	-
Changes of assumptions	-	2,404,202	-	1,712,494	-
Differences between expected and actual experience	(991,752)	(1,179,422)	1,738,426	(366,432)	(478,973)
Benefit payments	(2,664,772)	(2,637,948)	(2,509,516)	(2,639,468)	(2,085,220)
Net change in total pension liability	\$ 2,576,949	\$ 4,255,091	\$ 4,535,144	\$ 3,683,290	\$ 2,286,230
Total pension liability - beginning	63,274,194	59,019,103	54,483,959	50,800,669	48,514,439
Total pension liability - ending (a)	<u>\$ 65,851,143</u>	<u>\$ 63,274,194</u>	<u>\$ 59,019,103</u>	<u>\$ 54,483,959</u>	<u>\$ 50,800,669</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,606,069	\$ 1,464,689	\$ 1,295,253	\$ 1,238,866	\$ 1,220,983
Contributions - employee	770,423	703,186	704,382	665,080	627,075
Net investment income	(93,525)	13,888,840	957,278	3,183,353	3,310,920
Benefit payments	(2,664,772)	(2,637,948)	(2,509,516)	(2,639,468)	(2,085,220)
Administrator charges	(39,558)	(34,082)	(32,475)	(31,516)	(28,169)
Other	392	1,314	(1,142)	(2,006)	(2,969)
Net change in plan fiduciary net position	\$ (420,971)	\$ 13,385,999	\$ 413,780	\$ 2,414,309	\$ 3,042,620
Plan fiduciary net position - beginning	64,053,686	50,667,687	50,253,907	47,839,598	44,796,978
Plan fiduciary net position - ending (b)	<u>\$ 63,632,715</u>	<u>\$ 64,053,686</u>	<u>\$ 50,667,687</u>	<u>\$ 50,253,907</u>	<u>\$ 47,839,598</u>
County's net pension liability - ending (a) - (b)	\$ 2,218,428	\$ (779,492)	\$ 8,351,416	\$ 4,230,052	\$ 2,961,071
Plan fiduciary net position as a percentage of the total pension liability	96.63%	101.23%	85.85%	92.24%	94.17%
Covered payroll	\$ 16,179,911	\$ 14,728,542	\$ 14,459,661	\$ 13,221,665	\$ 12,900,731
County's net pension liability as a percentage of covered payroll	13.71%	-5.29%	57.76%	31.99%	22.95%

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 13

	2017	2016	2015	2014
\$	1,552,258	\$ 1,551,145	\$ 2,097,765	\$ 1,508,647
	3,179,653	3,018,636	2,851,117	2,676,488
	-	535,857	-	-
	(234,494)	-	-	-
	(369,474)	(729,854)	(666,172)	-
	(2,074,224)	(2,076,885)	(1,702,272)	(1,678,590)
\$	2,053,719	\$ 2,298,899	\$ 2,580,438	\$ 2,506,545
	46,460,720	44,161,821	41,581,383	39,074,838
\$	<u>48,514,439</u>	<u>46,460,720</u>	<u>44,161,821</u>	<u>41,581,383</u>
\$	1,191,677	\$ 1,419,174	\$ 1,314,841	\$ 1,629,069
	612,314	617,782	601,964	660,270
	4,905,320	697,945	1,739,727	5,094,975
	(2,074,224)	(2,076,885)	(1,702,272)	(1,678,590)
	(28,037)	(24,366)	(23,243)	(26,677)
	(4,378)	(294)	(366)	268
\$	<u>4,602,672</u>	<u>633,356</u>	<u>1,930,651</u>	<u>5,679,315</u>
	40,194,306	39,560,950	37,630,301	31,950,986
\$	<u>44,796,978</u>	<u>40,194,306</u>	<u>39,560,952</u>	<u>37,630,301</u>
\$	3,717,461	\$ 6,266,414	\$ 4,600,869	\$ 3,951,082
	92.34%	86.51%	89.58%	90.50%
\$	12,460,402	\$ 12,364,231	\$ 11,980,248	\$ 13,032,381
	29.83%	50.68%	38.40%	30.32%

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, 2014 through June 30, 2022

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 309,654	\$ 314,070	\$ 330,718	\$ 313,409	\$ 361,956
Interest	1,055,869	996,739	946,946	935,964	924,180
Changes of assumptions	-	422,500	-	343,688	-
Differences between expected and actual experience	(92,354)	(202,493)	422,455	8,719	(213,776)
Benefit payments	(993,754)	(935,180)	(989,723)	(897,992)	(910,061)
Net change in total pension liability	\$ 279,415	\$ 595,636	\$ 710,396	\$ 703,788	\$ 162,299
Total pension liability - beginning	15,829,724	15,234,088	14,523,692	13,819,904	13,657,605
Total pension liability - ending (a)	<u>\$ 16,109,139</u>	<u>\$ 15,829,724</u>	<u>\$ 15,234,088</u>	<u>\$ 14,523,692</u>	<u>\$ 13,819,904</u>
Plan fiduciary net position					
Contributions - employer	\$ 223,561	\$ 214,822	\$ 207,606	\$ 208,097	\$ 205,999
Contributions - employee	168,376	162,264	170,644	168,578	156,422
Net investment income	(10,241)	3,719,835	266,331	902,461	977,080
Benefit payments	(993,754)	(935,180)	(989,723)	(897,992)	(910,061)
Administrative expense	(10,687)	(9,549)	(9,430)	(9,297)	(8,738)
Other	384	348	(311)	(565)	(855)
Net change in plan fiduciary net position	\$ (622,361)	\$ 3,152,540	\$ (354,883)	\$ 371,282	\$ 419,847
Plan fiduciary net position - beginning	16,947,518	13,794,978	14,149,861	13,778,579	13,358,732
Plan fiduciary net position - ending (b)	<u>\$ 16,325,157</u>	<u>\$ 16,947,518</u>	<u>\$ 13,794,978</u>	<u>\$ 14,149,861</u>	<u>\$ 13,778,579</u>
School Division's net pension liability - ending (a) - (b)	\$ (216,018)	\$ (1,117,794)	\$ 1,439,110	\$ 373,831	\$ 41,325
Plan fiduciary net position as a percentage of the total pension liability	101.34%	107.06%	90.55%	97.43%	99.70%
Covered payroll	\$ 3,770,366	\$ 3,588,896	\$ 3,758,974	\$ 3,336,274	\$ 3,568,341
School Division's net pension liability as a percentage of covered payroll	-5.73%	-31.15%	38.28%	11.21%	1.16%

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

	2017	2016	2015	2014
\$	359,495	\$ 427,181	\$ 447,419	\$ 457,061
	942,619	896,199	850,571	804,295
	(187,557)	-	-	-
	(558,069)	33,565	(9,646)	-
	(729,744)	(657,857)	(615,175)	(585,358)
\$	(173,256)	\$ 699,088	\$ 673,169	\$ 675,998
	13,830,861	13,131,773	12,458,604	11,782,606
\$	<u>13,657,605</u>	<u>\$ 13,830,861</u>	<u>\$ 13,131,773</u>	<u>\$ 12,458,604</u>
\$	235,452	\$ 328,594	\$ 376,586	\$ 425,500
	175,693	194,128	207,759	201,912
	1,474,249	211,944	534,599	1,583,539
	(729,744)	(657,857)	(615,175)	(585,358)
	(8,654)	(7,534)	(7,246)	(8,448)
	(1,306)	(89)	(112)	83
\$	1,145,690	\$ 69,186	\$ 496,411	\$ 1,617,228
	12,213,042	12,143,856	11,647,445	10,030,217
\$	<u>13,358,732</u>	<u>\$ 12,213,042</u>	<u>\$ 12,143,856</u>	<u>\$ 11,647,445</u>
\$	298,873	\$ 1,617,819	\$ 987,917	\$ 811,159
	97.81%	88.30%	92.48%	93.49%
\$	3,668,393	\$ 3,734,178	\$ 4,162,752	\$ 4,045,497
	8.15%	43.32%	23.73%	20.05%

County of Shenandoah, Virginia

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
For the Measurement Dates of June 30, 2014 through June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's Proportion of the Net Pension Liability	0.428300%	0.433620%	0.440000%	0.446710%	0.430540%
Employer's Proportionate Share of the Net Pension Liability	\$ 40,776,724	\$ 33,662,343	\$ 64,038,832	\$ 58,789,575	\$ 50,631,000
Employer's Covered Payroll	\$ 39,918,034	\$ 38,411,652	\$ 38,638,034	\$ 37,525,255	\$ 34,908,815
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	102%	88%	166%	157%	145%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	85.46%	71.47%	73.51%	74.81%

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 15

2017	2016	2015	2014
0.433720%	0.444314%	0.43849%	0.42994%
\$ 53,339,000	\$ 62,103,000	\$ 55,190,000	\$ 51,957,000
\$ 34,345,532	\$ 33,789,530	\$ 32,605,067	\$ 31,484,690
155%	184%	169%	165%
72.92%	68.28%	70.68%	70.88%

Schedule of Employer Contributions

Pension Plans

For the Years Ended June 30, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
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%
2015	1,321,421	1,321,421	-	11,980,248	11.03%
2014	1,616,015	1,616,015	-	13,032,381	12.40%
Component Unit School Board (nonprofessional)					
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%
2015	373,815	373,815	-	4,162,752	8.98%
2014	425,991	425,991	-	4,045,497	10.53%
Component Unit School Board (professional)					
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%
2015	4,430,421	4,430,421	-	32,605,067	14.50%
2014	3,664,224	3,664,224	-	31,484,690	11.66%

*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, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 159,000	\$ 141,000	\$ 117,000	\$ 105,000	\$ 111,000	\$ 108,000
Interest	43,000	48,000	60,000	61,000	68,000	64,000
Changes in assumptions	(481,000)	203,000	132,000	88,000	-	-
Differences between expected and actual experience	30,000	(108,000)	-	(4,000)	(337,000)	-
Other changes	-	-	(222,000)	-	(19,000)	-
Benefit payments	(55,000)	(52,000)	(52,000)	(36,000)	(39,000)	(60,000)
Net change in total OPEB liability	\$ (304,000)	\$ 232,000	\$ 35,000	\$ 214,000	\$ (216,000)	\$ 112,000
Total OPEB liability - beginning	2,088,000	1,856,000	1,821,000	1,607,000	1,823,000	1,711,000
Total OPEB liability - ending	\$ 1,784,000	\$ 2,088,000	\$ 1,856,000	\$ 1,821,000	\$ 1,607,000	\$ 1,823,000
Covered-employee payroll	\$ 16,410,000	\$ 13,368,000	\$ 13,368,000	\$ 13,001,000	\$ 13,001,000	\$ 11,212,000
County's total OPEB liability (asset) as a percentage of covered-employee payroll	10.87%	15.62%	13.88%	14.01%	12.36%	16.26%

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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 653,000	\$ 546,000	\$ 547,000	\$ 518,000	\$ 451,000	\$ 440,000
Interest	144,000	149,000	239,000	259,000	242,000	230,000
Changes in assumptions	(843,000)	451,000	306,000	288,000	(535,000)	-
Differences between expected and actual experience	(1,592,000)	484,000	(2,374,000)	(370,000)	442,000	-
Benefit payments	(318,000)	(277,000)	(231,000)	(269,000)	(377,000)	(283,000)
Net change in total OPEB liability	\$ (1,956,000)	\$ 1,353,000	\$ (1,513,000)	\$ 426,000	\$ 223,000	\$ 387,000
Total OPEB liability - beginning	7,028,000	5,675,000	7,188,000	6,762,000	6,539,000	6,152,000
Total OPEB liability - ending	\$ 5,072,000	\$ 7,028,000	\$ 5,675,000	\$ 7,188,000	\$ 6,762,000	\$ 6,539,000
Covered-employee payroll	\$ 40,188,000	\$ 37,888,000	\$ 37,888,000	\$ 38,776,000	\$ 38,776,000	\$ 33,263,000
School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	12.62%	18.55%	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, 2023

PRIMARY GOVERNMENT

Valuation Date: 7/1/2022
Measurement Date: 7/1/2022

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	3.69%
Healthcare Trend Rate	6.50% for fiscal year 2023 for fiscal year 2023, decreasing .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 RP-2014 Total Dataset Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

COMPONENT UNIT SCHOOL BOARD

Valuation Date: 7/1/2022
Measurement Date: 7/1/2022

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	3.69%
Healthcare Trend Rate	6.50% for fiscal year 2023, decreasing .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 RP-2014 Total Dataset Mortality Table, fully generational with base year 2006, 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, 2022

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)
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, 2022

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)
Component Unit School Board (nonprofessional)					
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%
Component Unit School Board (professional)					
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, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
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%
2015	57,505	57,505	-	11,980,248	0.48%
2014	62,555	62,555	-	13,032,381	0.48%
Component Unit School Board (nonprofessional)					
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%
2015	19,981	19,981	-	4,162,752	0.48%
2014	19,418	19,418	-	4,045,497	0.48%
Component Unit School Board (professional)					
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%
2015	156,504	156,504	-	32,605,067	0.48%
2014	151,127	151,127	-	31,484,690	0.48%

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2022

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

	2022	2021	2020
Total HIC OPEB Liability			
Service cost	\$ 6,168	\$ 6,394	\$ -
Interest	23,905	21,593	-
Changes in benefit terms	-	-	319,890
Differences between expected and actual experience	(10,567)	(1)	-
Changes of assumptions	38,555	8,662	-
Benefit payments	(17,103)	-	-
Net change in total HIC OPEB liability	\$ 40,958	\$ 36,648	\$ 319,890
Total HIC OPEB Liability - beginning	356,538	319,890	-
Total HIC OPEB Liability - ending (a)	\$ 397,496	\$ 356,538	\$ 319,890
Plan fiduciary net position			
Contributions - employer	\$ 28,800	\$ 26,557	\$ -
Net investment income	(286)	3,892	-
Benefit payments	(17,103)	-	-
Administration charges	(79)	(119)	-
Other	666	-	-
Net change in plan fiduciary net position	\$ 11,998	\$ 30,330	\$ -
Plan fiduciary net position - beginning	30,330	-	-
Plan fiduciary net position - ending (b)	\$ 42,328	\$ 30,330	\$ -
School Board's net HIC OPEB (asset) liability - ending (a) - (b)	\$ 355,168	\$ 326,208	\$ 319,890
Plan fiduciary net position as a percentage of the total HIC OPEB liability	10.65%	8.51%	0.00%
Covered payroll	\$ 3,770,366	\$ 3,588,896	\$ -
School Board's net HIC OPEB liability as a percentage of covered payroll	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, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
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%
2015	8,567	8,567	-	6,590,251	0.13%
2014	6,364	6,364	-	7,071,347	0.09%
Component Unit School Board (nonprofessional)					
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, 2023

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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2022

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
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, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
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%
2014	349,000	349,000	-	31,484,690	1.11%

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 49	\$ 49
Miscellaneous	\$ 513,000	\$ 513,000	\$ 570,807	\$ 57,807
Total revenues	\$ 513,000	\$ 513,000	\$ 570,856	\$ 57,856
EXPENDITURES				
Debt service:				
Principal retirement	\$ 5,390,639	\$ 5,390,639	\$ 5,936,702	\$ (546,063)
Interest and other fiscal charges	1,635,603	1,635,603	1,921,954	(286,351)
Total expenditures	\$ 7,026,242	\$ 7,026,242	\$ 7,858,656	\$ (832,414)
Excess (deficiency) of revenues over (under) expenditures	\$ (6,513,242)	\$ (6,513,242)	\$ (7,287,800)	\$ (774,558)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 6,513,242	\$ 6,513,242	\$ 7,287,849	\$ 774,607
Total other financing sources (uses)	\$ 6,513,242	\$ 6,513,242	\$ 7,287,849	\$ 774,607
Net change in fund balances	\$ -	\$ -	\$ 49	\$ 49
Fund balances - beginning	-	-	1,625	1,625
Fund balances - ending	\$ -	\$ -	\$ 1,674	\$ 1,674

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 90,247	\$ 90,247
Miscellaneous	-	-	3,800	3,800
Intergovernmental revenues:				
Local government	-	-	1,689,560	1,689,560
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,783,607</u>	<u>\$ 1,783,607</u>
EXPENDITURES				
Capital projects	\$ -	\$ 2,567,332	\$ 4,806,050	\$ (2,238,718)
Total expenditures	<u>\$ -</u>	<u>\$ 2,567,332</u>	<u>\$ 4,806,050</u>	<u>\$ (2,238,718)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (2,567,332)</u>	<u>\$ (3,022,443)</u>	<u>\$ (455,111)</u>
Net change in fund balances	\$ -	\$ (2,567,332)	\$ (3,022,443)	\$ (455,111)
Fund balances - beginning	-	2,567,332	11,584,063	9,016,731
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,561,620</u></u>	<u><u>\$ 8,561,620</u></u>

COMBINING FUND STATEMENTS

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 449,814	\$ 100,084	\$ 549,898
Total assets	<u>\$ 449,814</u>	<u>\$ 100,084</u>	<u>\$ 549,898</u>
FUND BALANCES			
Assigned:			
Landfill contingency	\$ 449,814	\$ -	\$ 449,814
Capital projects	<u>-</u>	<u>100,084</u>	<u>100,084</u>
Total fund balances	<u>\$ 449,814</u>	<u>\$ 100,084</u>	<u>\$ 549,898</u>
Total liabilities and fund balances	<u>\$ 449,814</u>	<u>\$ 100,084</u>	<u>\$ 549,898</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2023

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ -	\$ -	\$ -
Miscellaneous	-	-	-
Total revenues	\$ -	\$ -	\$ -
 Excess (deficiency) of revenues over (under) expenditures	 \$ -	 \$ -	 \$ -
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 41,887	\$ -	\$ 41,887
Total other financing sources (uses)	\$ 41,887	\$ -	\$ 41,887
 Net change in fund balances	 \$ 41,887	 \$ -	 \$ 41,887
Fund balances - beginning	407,927	100,084	508,011
Fund balances - ending	<u>\$ 449,814</u>	<u>\$ 100,084</u>	<u>\$ 549,898</u>

COUNTY OF SHENANDOAH, VIRGINIA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

Exhibit 36

	<u>Special Welfare</u>	<u>Ambulance Recovery</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 9,651	\$ 1,006,380	\$ 1,016,031
Receivables:			
Accounts receivable	-	377,127	377,127
Total assets	<u>\$ 9,651</u>	<u>\$ 1,383,507</u>	<u>\$ 1,393,158</u>
NET POSITION			
Restricted:			
Individuals, organizations, and governments	<u>\$ 9,651</u>	<u>\$ 1,383,507</u>	<u>\$ 1,393,158</u>
Total liabilities	<u>\$ 9,651</u>	<u>\$ 1,383,507</u>	<u>\$ 1,393,158</u>

COUNTY OF SHENANDOAH, VIRGINIA
Combining Statement of Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

Exhibit 37

	Special Welfare	Ambulance Recovery	Total
Additions			
Interest earnings	\$ -	\$ 107	\$ 107
Miscellaneous	6,449	-	6,449
Ambulance recovery collections for other governments	-	2,089,115	2,089,115
Total additions	\$ 6,449	\$ 2,089,222	\$ 2,095,671
Deductions			
Beneficiary payments to individuals	\$ 3,745	\$ -	\$ 3,745
Payments of ambulance recovery collections to other governments	-	1,705,543	1,705,543
Total deductions	\$ 3,745	\$ 1,705,543	\$ 1,709,288
Net increase (decrease) in fiduciary net position	\$ 2,704	\$ 383,679	\$ 386,383
Net position, beginning	6,947	999,828	1,006,775
Net position ending	\$ 9,651	\$ 1,383,507	\$ 1,393,158

**DISCRETELY PRESENTED COMPONENT UNIT -
SCHOOL BOARD**

COUNTY OF SHENANDOAH, VIRGINIA
Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2023

Exhibit 38

	School Operating Fund	School Cafeteria Fund	Student Activities Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,221,353	\$ 1,374,904	\$ 1,476,847	\$ 9,073,104
Receivables (net of allowance for uncollectibles):				
Accounts receivable	21,491	1,914	12,142	35,547
Due from other funds	114,086	-	-	114,086
Due from other governmental units	3,295,469	301,158	-	3,596,627
Inventories	-	63,586	-	63,586
Prepaid items	119,994	-	-	119,994
Total assets	<u>\$ 9,772,393</u>	<u>\$ 1,741,562</u>	<u>\$ 1,488,989</u>	<u>\$ 13,002,944</u>
LIABILITIES				
Accounts payable	\$ 443,905	\$ 40,860	\$ 40,580	\$ 525,345
Accrued payroll	3,455,164	98,371	-	3,553,535
Due to other funds	-	114,086	-	114,086
Due to primary government	3,513,913	-	-	3,513,913
Unearned revenue	2,359,411	-	-	2,359,411
Total liabilities	<u>\$ 9,772,393</u>	<u>\$ 253,317</u>	<u>\$ 40,580</u>	<u>\$ 10,066,290</u>
FUND BALANCES				
Nonspendable:				
Inventory	\$ -	\$ 63,586	\$ -	\$ 63,586
Prepaid items	119,994	-	-	119,994
Capital projects	-	-	-	-
Cafeteria	-	1,424,659	-	1,424,659
Student activities	-	-	1,448,409	1,448,409
Unassigned (deficit)	(119,994)	-	-	(119,994)
Total fund balances	<u>\$ -</u>	<u>\$ 1,488,245</u>	<u>\$ 1,448,409</u>	<u>\$ 2,936,654</u>
Total liabilities and fund balances	<u>\$ 9,772,393</u>	<u>\$ 1,741,562</u>	<u>\$ 1,488,989</u>	<u>\$ 13,002,944</u>

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

Total fund balances per above	\$ 2,936,654
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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	44,582,375	
Machinery and equipment	5,092,094	
Construction in progress	195,506	
Lease assets-equipment	1,210,514	
Intangible assets-subscription asset	649,214	57,436,949

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

Net pension asset	\$ 216,018	216,018
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Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$ 11,288,501	
OPEB related items	3,039,305	14,327,806

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	\$ (1,675)	
Leases liabilities	(1,225,719)	
Subscription liabilities	(655,490)	
Compensated absences	(1,035,351)	
Net pension liability	(40,776,724)	
Net OPEB liabilities	(13,196,346)	(56,891,305)

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

Pension related items	\$ (10,122,937)	
OPEB related items	(5,273,197)	(15,396,134)

Net position of governmental activities	\$ 2,629,988
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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds - Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2023

	School Operating Fund		School Cafeteria Fund		Student Activities Special Revenue Fund		Total Governmental Funds
REVENUES							
Revenue from the use of money and property	\$	28,330	\$	57,084	\$	-	\$ 85,414
Charges for services		564,523		102,066		-	666,589
Miscellaneous		858,007		90,026		2,392,241	3,340,274
Recovered costs		126,675		-		-	126,675
Intergovernmental:							
Local government		31,251,319		-		-	31,251,319
Commonwealth		43,184,853		86,999		-	43,271,852
Federal		8,983,361		2,905,124		-	11,888,485
Total revenues	\$	84,997,068	\$	3,241,299	\$	2,392,241	\$ 90,630,608
EXPENDITURES							
Current:							
Education	\$	85,463,199	\$	3,577,783	\$	2,316,409	\$ 91,357,391
Capital projects		1,689,560		-		-	1,689,560
Total expenditures	\$	87,152,759	\$	3,577,783	\$	2,316,409	\$ 93,046,951
Excess (deficiency) of revenues over (under) expenditures	\$	(2,155,691)	\$	(336,484)	\$	75,832	\$ (2,416,343)
OTHER FINANCING SOURCES (USES)							
Leases (as lessee)	\$	283,884	\$	-	\$	-	\$ 283,884
Subscription based liabilities		180,866		-		-	180,866
Total other financing sources (uses)	\$	464,750	\$	-	\$	-	\$ 464,750
Net change in fund balances	\$	(1,690,941)	\$	(336,484)	\$	75,832	\$ (1,951,593)
Fund balances - beginning		1,690,941		1,824,729		1,372,577	4,888,247
Fund balances - ending	\$	-	\$	1,488,245	\$	1,448,409	\$ 2,936,654

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

Net change in fund balances - total governmental funds \$ (1,951,593)

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	\$	4,832,707	
Depreciation and amortization expense		(4,996,652)	
Allocation of debt financed school assets based on current year repayments		(2,969,100)	(3,133,045)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets

Disposal of capital assets	\$	(18,029)	(18,029)
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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	\$	(180,866)	
Leases issued		(283,884)	
Subscription payments		195,233	
Lease payments		295,431	
Change in accrued interest		57	25,971

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	\$	(257,706)	
Pension expense		6,979,310	
OPEB expense		397,690	7,119,294

Change in net position of governmental activities	\$		2,042,598
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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, 2023

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 25,000	\$ 25,000	\$ 28,330	\$ 3,330
Charges for services	794,611	1,272,881	564,523	(708,358)
Miscellaneous	405,632	1,625,511	858,007	(767,504)
Recovered costs	70,000	70,000	126,675	56,675
Intergovernmental:				
Local government	31,827,251	36,273,382	31,251,319	(5,022,063)
Commonwealth	49,677,098	49,690,278	43,184,853	(6,505,425)
Federal	4,211,729	5,245,082	8,983,361	3,738,279
Total revenues	<u>\$ 87,011,321</u>	<u>\$ 94,202,134</u>	<u>\$ 84,997,068</u>	<u>\$ (9,205,066)</u>
EXPENDITURES				
Current:				
Education	\$ 84,208,509	\$ 91,399,322	\$ 85,463,199	\$ 5,936,123
Capital projects	2,802,812	2,802,812	1,689,560	1,113,252
Total expenditures	<u>\$ 87,011,321</u>	<u>\$ 94,202,134</u>	<u>\$ 87,152,759</u>	<u>\$ 7,049,375</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,155,691)</u>	<u>\$ (2,155,691)</u>
OTHER FINANCING SOURCES (USES)				
Leases (as lessee)	\$ -	\$ -	\$ 283,884	\$ 283,884
Subscription based IT agreements	-	-	180,866	180,866
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 464,750</u>	<u>\$ 464,750</u>
Net change in fund balances	\$ -	\$ -	\$ (1,690,941)	\$ (1,690,941)
Fund balances - beginning	-	-	1,690,941	1,690,941
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School Cafeteria Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ 2,000	\$ 2,000	\$ 57,084	\$	55,084
69,000	69,000	102,066		33,066
202,000	202,000	90,026		(111,974)
-	-	-		-
-	-	-		-
42,867	42,867	86,999		44,132
1,874,938	2,809,938	2,905,124		95,186
<u>\$ 2,190,805</u>	<u>\$ 3,125,805</u>	<u>\$ 3,241,299</u>	<u>\$</u>	<u>115,494</u>
\$ 2,190,805	\$ 3,286,073	\$ 3,577,783	\$	(291,710)
-	-	-		-
<u>\$ 2,190,805</u>	<u>\$ 3,286,073</u>	<u>\$ 3,577,783</u>	<u>\$</u>	<u>(291,710)</u>
<u>\$ -</u>	<u>\$ (160,268)</u>	<u>\$ (336,484)</u>	<u>\$</u>	<u>(176,216)</u>
\$ -	\$ -	\$ -	\$	-
-	-	-		-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>	<u>-</u>
\$ -	\$ (160,268)	\$ (336,484)	\$	(176,216)
-	160,268	1,824,729		1,664,461
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,488,245</u>	<u>\$</u>	<u>1,488,245</u>

SUPPORTING SCHEDULES

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Schedule 1
Page 1 of 6

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 34,543,000	\$ 34,543,000	\$ 35,337,737	\$ 794,737
Real and personal public service corporation taxes	1,950,000	1,950,000	2,023,180	73,180
Personal property taxes	19,516,500	19,516,500	21,419,037	1,902,537
Mobile home taxes	16,500	16,500	12,461	(4,039)
Machinery and tools taxes	2,864,000	2,864,000	2,507,173	(356,827)
Merchants capital	300,000	300,000	353,448	53,448
Penalties	389,000	389,000	598,540	209,540
Interest	337,000	337,000	399,859	62,859
Total general property taxes	\$ 59,916,000	\$ 59,916,000	\$ 62,651,435	\$ 2,735,435
Other local taxes:				
Local sales and use taxes	\$ 4,500,000	\$ 4,500,000	\$ 5,268,928	\$ 768,928
Consumers' utility taxes	1,700,000	1,700,000	1,618,484	(81,516)
Utility license taxes	20,000	20,000	32,182	12,182
Motor vehicle licenses	920,000	920,000	904,610	(15,390)
Taxes on recordation and wills	600,000	600,000	508,996	(91,004)
Transient occupancy tax	70,000	70,000	269,268	199,268
Total other local taxes	\$ 7,810,000	\$ 7,810,000	\$ 8,602,468	\$ 792,468
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 21,500	\$ 21,500	\$ 18,412	\$ (3,088)
Land use application fees	-	-	2,960	2,960
Transfer fees	-	-	2,146	2,146
Permits and other licenses	519,500	519,500	472,202	(47,298)
Total permits, privilege fees, and regulatory licenses	\$ 541,000	\$ 541,000	\$ 495,720	\$ (45,280)
Fines and forfeitures:				
Court fines and forfeitures	\$ 42,500	\$ 42,500	\$ 37,536	\$ (4,964)
Revenue from use of money and property:				
Revenue from use of money	\$ 245,000	\$ 245,000	\$ 1,520,741	\$ 1,275,741
Revenue from use of property	386,767	386,767	445,975	59,208
Total revenue from use of money and property	\$ 631,767	\$ 631,767	\$ 1,966,716	\$ 1,334,949
Charges for services:				
Charges for courthouse security	\$ 70,000	\$ 70,000	\$ 52,779	\$ (17,221)
Law library fees	9,000	9,000	6,952	(2,048)
Charges for Commonwealth's Attorney	5,500	5,500	3,770	(1,730)
Charges for animal protection	8,000	8,000	7,530	(470)
Charges for courthouse construction	25,000	25,000	20,021	(4,979)
Charges for parks and recreation	255,000	386,875	386,224	(651)
Charges for spay and neuter	5,000	5,000	4,178	(822)
KidzRec	465,000	465,000	644,990	179,990
Charges for courthouse maintenance	15,000	15,000	12,035	(2,965)
Charges for ambulance recoveries	1,762,338	1,762,338	2,123,635	361,297
Charges for services - other	225,000	225,000	96,928	(128,072)
Total charges for services	\$ 2,844,838	\$ 2,976,713	\$ 3,359,042	\$ 382,329

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

Schedule 1
Page 2 of 6

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund (continued):				
Revenue from local sources: (continued)				
Miscellaneous:				
Miscellaneous	\$ 376,221	\$ 541,303	\$ 1,587,072	\$ 1,045,769
Refunds and recoveries	206,720	304,733	936,556	631,823
Total miscellaneous	<u>\$ 582,941</u>	<u>\$ 846,036</u>	<u>\$ 2,523,628</u>	<u>\$ 1,677,592</u>
Recovered costs:				
Other recovered costs	\$ 819,059	\$ 861,095	\$ 729,840	\$ (131,255)
Total recovered costs	<u>\$ 819,059</u>	<u>\$ 861,095</u>	<u>\$ 729,840</u>	<u>\$ (131,255)</u>
Total revenue from local sources	<u>\$ 73,188,105</u>	<u>\$ 73,625,111</u>	<u>\$ 80,366,385</u>	<u>\$ 6,741,274</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 35,000	\$ 35,000	\$ 34,675	\$ (325)
Mobile home titling tax	20,000	20,000	33,817	13,817
Motor vehicle rental tax	6,000	6,000	22,958	16,958
Moped sales tax	3,000	3,000	7,159	4,159
State recordation tax	250,000	250,000	160,666	(89,334)
Personal property tax relief funds	3,647,829	3,647,829	3,647,829	-
Payment in lieu of tax state forest	-	-	-	-
Total noncategorical aid	<u>\$ 3,961,829</u>	<u>\$ 3,961,829</u>	<u>\$ 3,907,104</u>	<u>\$ (54,725)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 445,000	\$ 448,500	\$ 307,159	\$ (141,341)
Sheriff	2,115,000	2,115,000	2,152,704	37,704
Commissioner of revenue	180,000	180,000	176,560	(3,440)
Treasurer	196,000	196,000	214,112	18,112
Registrar/electoral board	75,000	75,000	82,163	7,163
Clerk of the Circuit Court	397,000	397,000	413,561	16,561
Total shared expenses	<u>\$ 3,408,000</u>	<u>\$ 3,411,500</u>	<u>\$ 3,346,259</u>	<u>\$ (65,241)</u>
Other categorical aid:				
Litter control grant	\$ 18,000	\$ 30,116	\$ 30,116	\$ -
Welfare administration and assistance	860,167	860,167	1,071,198	211,031
Forfeited drug assets	-	-	11,642	11,642
Commission for the arts	4,500	4,500	5,100	600
Comprehensive services act	3,500,000	3,500,000	4,829,340	1,329,340
VJCCCA grant	33,500	33,500	28,569	(4,931)
Victim-witness grant	26,425	26,425	31,996	5,571
Wireless E-911 grant	100,000	100,000	163,654	63,654
Fire programs fund	101,426	101,426	109,915	8,489
Four for life	48,339	48,339	-	(48,339)
RSAF grant	-	143,534	-	(143,534)
School resource officer	85,103	85,103	92,785	7,682
Extradition of prisoners	5,000	5,801	1,182	(4,619)
Rent health department	7,200	7,200	7,200	-
Other categorical aid	59,697	94,597	309,060	214,463
Total other categorical aid	<u>\$ 4,849,357</u>	<u>\$ 5,040,708</u>	<u>\$ 6,691,757</u>	<u>\$ 1,651,049</u>
Total categorical aid	<u>\$ 8,257,357</u>	<u>\$ 8,452,208</u>	<u>\$ 10,038,016</u>	<u>\$ 1,585,808</u>
Total revenue from the Commonwealth	<u>\$ 12,219,186</u>	<u>\$ 12,414,037</u>	<u>\$ 13,945,120</u>	<u>\$ 1,531,083</u>

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

Schedule 1
Page 3 of 6

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund (continued):				
Intergovernmental: (continued)				
Revenue from the federal government:				
Noncategorical aid				
ARPA funds	\$ 8,415,897	\$ 8,415,897	\$ 1,196,219	\$ (7,219,678)
Payments in lieu of taxes	215,000	215,000	235,240	20,240
Total noncategorical aid	<u>\$ 8,630,897</u>	<u>\$ 8,630,897</u>	<u>\$ 1,431,459</u>	<u>\$ (7,199,438)</u>
Categorical aid:				
DMV ground transportation safety grant	\$ 14,318	\$ 14,318	\$ 5,903	\$ (8,415)
U.S. Forest Service Patrol	5,684	5,684	3,101	(2,583)
Bullet proof vest grant	17,738	17,738	4,469	(13,269)
Welfare administration and assistance	2,659,339	2,659,339	2,269,142	(390,197)
Forfeited drug assets	-	-	18,114	18,114
Emergency management	-	-	18,579	18,579
CDBG	-	-	84,539	84,539
Victim witness	79,273	79,273	74,659	(4,614)
Project lifesaver	5,392	5,392	1,575	(3,817)
Homeland security grant	23,509	23,509	-	(23,509)
Triad grant	-	-	660	660
Other categorical aid	-	-	15,950	15,950
Total categorical aid	<u>\$ 2,805,253</u>	<u>\$ 2,805,253</u>	<u>\$ 2,496,691</u>	<u>\$ (308,562)</u>
Total revenue from the federal government	<u>\$ 11,436,150</u>	<u>\$ 11,436,150</u>	<u>\$ 3,928,150</u>	<u>\$ (7,508,000)</u>
Total General Fund	<u>\$ 96,843,441</u>	<u>\$ 97,475,298</u>	<u>\$ 98,239,655</u>	<u>\$ 764,357</u>
Debt Service Funds:				
County Debt Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 49	\$ 49
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49</u>	<u>\$ 49</u>
Miscellaneous:				
Interest subsidy	\$ 513,000	\$ 513,000	\$ 570,807	\$ 57,807
Total miscellaneous	<u>\$ 513,000</u>	<u>\$ 513,000</u>	<u>\$ 570,807</u>	<u>\$ 57,807</u>
Total Debt Service Fund	<u>\$ 513,000</u>	<u>\$ 513,000</u>	<u>\$ 570,856</u>	<u>\$ 57,856</u>
Capital Projects Funds:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 90,247	\$ 90,247
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,247</u>	<u>\$ 90,247</u>
Miscellaneous:				
Sale of equipment	\$ -	\$ -	\$ 3,800	\$ 3,800
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,800</u>	<u>\$ 3,800</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from Discretely Presented Component Unit School Board	\$ -	\$ -	\$ 1,689,560	\$ 1,689,560
Total intergovernmental	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,689,560</u>	<u>\$ 1,689,560</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,783,607</u>	<u>\$ 1,783,607</u>
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,783,607</u>	<u>\$ 1,787,407</u>
Total Primary Government	<u>\$ 97,356,441</u>	<u>\$ 97,988,298</u>	<u>\$ 100,594,118</u>	<u>\$ 11</u>

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 25,000	\$ 25,000	\$ 28,330	\$ 3,330
Total revenue from use of money and property	\$ 25,000	\$ 25,000	\$ 28,330	\$ 3,330
Charges for services:				
Tuition and other payments	\$ 594,611	\$ 1,072,881	\$ 410,218	\$ (662,663)
Other charges for services	200,000	200,000	154,305	(45,695)
Total charges for services	\$ 794,611	\$ 1,272,881	\$ 564,523	\$ (708,358)
Miscellaneous:				
Other miscellaneous	\$ 405,632	\$ 1,625,511	\$ 858,007	\$ (767,504)
Total miscellaneous	\$ 405,632	\$ 1,625,511	\$ 858,007	\$ (767,504)
Recovered costs:				
Other recovered costs	\$ 70,000	\$ 70,000	\$ 126,675	\$ 56,675
Total revenue from local sources	\$ 1,295,243	\$ 2,993,392	\$ 1,577,535	\$ (1,415,857)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Shenandoah, Virginia	\$ 31,827,251	\$ 36,273,382	\$ 31,251,319	\$ (5,022,063)
Revenue from the Commonwealth:				
Categorical aid:				
State sales tax	\$ 8,355,726	\$ 8,241,938	\$ 8,875,964	\$ 634,026
Basic aid	18,167,508	18,167,508	17,283,150	(884,358)
Remedial summer school	101,968	101,968	136,436	34,468
Foster home children	57,180	57,180	11,684	(45,496)
Supplemental in lieu of sales tax	-	-	499,472	499,472
ISAEF	16,465	16,465	16,405	(60)
Gifted and talented	185,977	185,977	181,700	(4,277)
Remedial education	754,052	754,052	736,712	(17,340)
Special education	1,738,040	1,738,040	1,698,071	(39,969)
Textbook payments	447,630	447,630	437,336	(10,294)
Vocational education	750,078	750,078	849,477	99,399
Fringe benefits	3,716,158	3,716,158	3,673,648	(42,510)
Early reading intervention	588,130	588,130	213,657	(374,473)
Mentor teacher program	7,209	15,788	8,169	(7,619)
Compensation supplement	1,229,786	1,229,786	1,128,481	(101,305)
Special education regional program	1,232,901	1,232,901	737,711	(495,190)
At risk program	1,806,079	1,806,079	1,746,240	(59,839)
Primary class size payments	785,464	785,464	772,234	(13,230)
School technology funds	284,000	284,000	284,000	-
School construction	2,802,812	2,802,812	86,662	(2,716,150)
Special education- foster children	9,870	9,870	52,184	42,314
Algebra readiness	86,443	86,443	76,967	(9,476)
Supplemental lottery per pupil	1,916,741	1,916,741	1,334,641	(582,100)
English as a second language	500,112	500,112	406,078	(94,034)
Hold harmless	626,218	626,218	626,218	-
Virginia preschool initiative payment	765,728	765,728	674,065	(91,663)
Academic year governors school	-	-	293,410	293,410
National board certification bonus	-	-	12,500	12,500
Other categorical aid	2,744,823	2,863,212	331,581	(2,531,631)
Total categorical aid	\$ 49,677,098	\$ 49,690,278	\$ 43,184,853	\$ (6,505,425)
Total revenue from the Commonwealth	\$ 49,677,098	\$ 49,690,278	\$ 43,184,853	\$ (6,505,425)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit School Board (continued):				
School Operating Fund (continued):				
Intergovernmental: (continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,226,058	\$ 1,372,291	\$ 1,247,328	\$ (124,963)
School based healthcare	-	-	128,123	128,123
Forest reserve	15,000	15,000	10,926	(4,074)
Title II Part A	255,982	439,202	315,507	(123,695)
Title VI-B	1,336,100	1,336,100	1,184,621	(151,479)
Title III-Part A	59,237	84,991	75,005	(9,986)
Vocational education	118,433	124,515	126,373	1,858
ARPA-HVAC	1,118,161	1,118,161	-	(1,118,161)
ARPA pandemic bonus	-	621,942	698,975	77,033
Preschool	43,538	43,538	27,097	(16,441)
Title IV Part A	39,220	89,342	45,327	(44,015)
CARES Act ESSER	-	-	5,124,079	5,124,079
Total categorical aid	\$ 4,211,729	\$ 5,245,082	\$ 8,983,361	\$ 3,738,279
Total revenue from the federal government	\$ 4,211,729	\$ 5,245,082	\$ 8,983,361	\$ 3,738,279
Total School Operating Fund	\$ 87,011,321	\$ 94,202,134	\$ 84,997,068	\$ (9,205,066)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 2,000	\$ 2,000	\$ 57,084	\$ 55,084
Charges for services:				
School food services	\$ 69,000	\$ 69,000	\$ 102,066	\$ 33,066
Miscellaneous:				
Miscellaneous	\$ 202,000	\$ 202,000	\$ 90,026	\$ (111,974)
Total revenue from local sources	\$ 273,000	\$ 273,000	\$ 249,176	\$ (23,824)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program	\$ 42,867	\$ 42,867	\$ 86,999	\$ 44,132
Total revenue from the Commonwealth	\$ 42,867	\$ 42,867	\$ 86,999	\$ 44,132

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit School Board (continued):				
School Cafeteria Fund (continued):				
Intergovernmental: (continued)				
Revenue from the federal government:				
Categorical aid:				
Summer Food Service Program for Children	\$ -	\$ -	\$ 36,241	\$ 36,241
School lunch and breakfast reimbursements	1,874,938	2,809,938	2,625,971	(183,967)
Other	-	-	6,085	6,085
USDA commodities	-	-	236,827	236,827
Total categorical aid	<u>\$ 1,874,938</u>	<u>\$ 2,809,938</u>	<u>\$ 2,905,124</u>	<u>\$ 95,186</u>
Total revenue from the federal government	<u>\$ 1,874,938</u>	<u>\$ 2,809,938</u>	<u>\$ 2,905,124</u>	<u>\$ 95,186</u>
Total School Cafeteria Fund	<u>\$ 2,190,805</u>	<u>\$ 3,125,805</u>	<u>\$ 3,241,299</u>	<u>\$ 115,494</u>
Student Activities Special Revenue Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 2,392,241	\$ 2,392,241
Total Student Activities Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,392,241</u>	<u>\$ 2,392,241</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 89,202,126</u>	<u>\$ 97,327,939</u>	<u>\$ 90,630,608</u>	<u>\$ (6,697,331)</u>

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Schedule 2
Page 1 of 4

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 242,974	\$ 254,974	\$ 280,744	\$ (25,770)
General and financial information:				
County administrator	\$ 769,227	\$ 796,477	\$ 722,813	\$ 73,664
Finance	519,451	519,451	359,744	159,707
Legal services	195,000	195,000	189,606	5,394
Commissioner of revenue	673,739	713,739	666,771	46,968
Reassessment	6,683	6,683	3,952	2,731
Treasurer	837,601	837,601	796,509	41,092
Central accounting	111,000	111,000	98,438	12,562
Geographic information system	129,595	144,884	131,204	13,680
Total general and financial information	\$ 3,242,296	\$ 3,324,835	\$ 2,969,037	\$ 355,798
Board of elections:				
Electoral board and officials	\$ 192,147	\$ 192,147	\$ 138,872	\$ 53,275
Registrar	268,195	277,395	244,192	33,203
Total board of elections	\$ 460,342	\$ 469,542	\$ 383,064	\$ 86,478
Total general government administration	\$ 3,945,612	\$ 4,049,351	\$ 3,632,845	\$ 416,506
Judicial administration:				
Courts:				
Circuit court	\$ 182,382	\$ 185,290	\$ 156,870	\$ 28,420
General district court	12,925	12,925	13,474	(549)
Special magistrates	3,825	3,825	1,701	2,124
Clerk of the circuit court	805,523	840,774	819,049	21,725
Sheriff	927,168	981,178	895,251	85,927
Juvenile domestic	15,350	15,350	9,293	6,057
Law library	24,100	24,100	4,013	20,087
Victim witness	105,698	105,698	86,343	19,355
Total courts	\$ 2,076,971	\$ 2,169,140	\$ 1,985,994	\$ 183,146
Commonwealth's attorney:				
Commonwealth's attorney	\$ 771,265	\$ 774,765	\$ 527,052	\$ 247,713
Total judicial administration	\$ 2,848,236	\$ 2,943,905	\$ 2,513,046	\$ 430,859
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 7,702,183	\$ 8,258,581	\$ 7,767,362	\$ 491,219
Total law enforcement and traffic control	\$ 7,702,183	\$ 8,258,581	\$ 7,767,362	\$ 491,219
Fire and rescue services:				
Volunteer fire department	\$ 1,109,121	\$ 1,109,121	\$ 1,039,647	\$ 69,474
Forest fire extinction	11,096	11,096	11,095	1
Fire and rescue services	7,704,223	8,103,004	8,480,586	(377,582)
Total fire and rescue services	\$ 8,824,440	\$ 9,653,810	\$ 9,646,552	\$ 7,258

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

Schedule 2
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Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Public safety: (continued)				
Correction and detention:				
Jail	\$ 2,945,960	\$ 2,945,960	\$ 2,803,747	\$ 142,213
Juvenile probation and detention	681,829	681,829	678,427	3,402
Total correction and detention	<u>\$ 3,627,789</u>	<u>\$ 3,627,789</u>	<u>\$ 3,482,174</u>	<u>\$ 145,615</u>
Inspections:				
Building	<u>\$ 706,432</u>	<u>\$ 641,432</u>	<u>\$ 598,334</u>	<u>\$ 43,098</u>
Other protection:				
Animal control	\$ 217,657	\$ 239,674	\$ 182,968	\$ 56,706
Animal shelter	306,735	356,340	313,798	42,542
Medical examiner	2,500	2,500	2,155	345
Emergency services	2,058,856	2,220,856	2,187,519	33,337
Total other protection	<u>\$ 2,585,748</u>	<u>\$ 2,819,370</u>	<u>\$ 2,686,440</u>	<u>\$ 132,930</u>
Total public safety	<u>\$ 23,446,592</u>	<u>\$ 25,000,982</u>	<u>\$ 24,180,862</u>	<u>\$ 820,120</u>
Public works:				
Maintenance of general buildings and grounds:				
General properties	<u>\$ 1,585,868</u>	<u>\$ 1,803,211</u>	<u>\$ 1,749,014</u>	<u>\$ 54,197</u>
Total public works	<u>\$ 1,585,868</u>	<u>\$ 1,803,211</u>	<u>\$ 1,749,014</u>	<u>\$ 54,197</u>
Health and welfare:				
Health:				
Supplement of local health department	<u>\$ 369,462</u>	<u>\$ 369,462</u>	<u>\$ 369,462</u>	<u>\$ -</u>
Mental health and mental retardation:				
Northwestern Community Services Board	<u>\$ 260,500</u>	<u>\$ 260,500</u>	<u>\$ 260,500</u>	<u>\$ -</u>
Total mental health and mental retardation	<u>\$ 260,500</u>	<u>\$ 260,500</u>	<u>\$ 260,500</u>	<u>\$ -</u>
Welfare:				
Welfare administration	\$ 5,041,905	\$ 5,120,292	\$ 4,788,747	\$ 331,545
Comprehensive services act	5,000,000	5,200,000	6,790,586	(1,590,586)
Area Agency on Aging	78,000	78,000	78,000	-
Tax relief for the elderly	300,000	300,000	518,664	(218,664)
Other local health and welfare organizations	79,500	59,500	59,500	-
Total welfare administration	<u>\$ 10,499,405</u>	<u>\$ 10,757,792</u>	<u>\$ 12,235,497</u>	<u>\$ (1,477,705)</u>
Total health and welfare	<u>\$ 11,129,367</u>	<u>\$ 11,387,754</u>	<u>\$ 12,865,459</u>	<u>\$ (1,477,705)</u>

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

Schedule 2
Page 3 of 4

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 45,598	\$ 45,598	\$ 45,598	\$ -
Contribution to County School Board	31,827,251	36,052,716	31,251,319	4,801,397
Total education	\$ 31,872,849	\$ 36,098,314	\$ 31,296,917	\$ 4,801,397
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	\$ 929,835	\$ 1,188,977	\$ 1,168,450	\$ 20,527
KidzRec	462,543	462,543	620,508	(157,965)
Total parks and recreation	\$ 1,392,378	\$ 1,651,520	\$ 1,788,958	\$ (137,438)
Cultural enrichment:				
Contributions to community programs	\$ 88,686	\$ 108,686	\$ 87,311	\$ 21,375
Total cultural enrichment	\$ 88,686	\$ 108,686	\$ 87,311	\$ 21,375
Library:				
Contribution to County Library	\$ 914,360	\$ 949,660	\$ 943,358	\$ 6,302
Total parks, recreation, and cultural	\$ 2,395,424	\$ 2,709,866	\$ 2,819,627	\$ (109,761)
Community development:				
Planning and community development:				
Community development	\$ 412,922	\$ 498,022	\$ 477,086	\$ 20,936
Economic development	1,073,020	1,122,646	1,034,585	88,061
Litter control	18,000	30,116	30,091	25
Total planning and community development	\$ 1,503,942	\$ 1,650,784	\$ 1,541,762	\$ 109,022
Environmental management:				
Soil and water conservation district	\$ 541,059	\$ 541,259	\$ 572,808	\$ (31,549)
Total environmental management	\$ 541,059	\$ 541,259	\$ 572,808	\$ (31,549)
Cooperative extension program:				
Extension office	\$ 174,736	\$ 179,086	\$ 168,894	\$ 10,192
Total community development	\$ 2,219,737	\$ 2,371,129	\$ 2,283,464	\$ 87,665
Nondepartmental:				
Judgments and settlements	\$ 500	\$ 500	\$ -	\$ 500
Revenue refunds	6,500	6,500	2,334	4,166
Contingencies	1,500,000	181,960	-	181,960
Total nondepartmental	\$ 1,507,000	\$ 188,960	\$ 2,334	\$ 186,626
Capital projects:				
Other capital projects	\$ 8,791,059	\$ 9,213,004	\$ 1,293,534	\$ 7,919,470
Total capital projects	\$ 8,791,059	\$ 9,213,004	\$ 1,293,534	\$ 7,919,470
Total General Fund	\$ 89,741,744	\$ 95,766,476	\$ 82,637,102	\$ 13,129,374

Governmental Funds
For the Year Ended June 30, 2023 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Funds:				
County Debt Service Fund				
Debt service:				
Principal	\$ 5,390,639	\$ 5,390,639	\$ 5,936,702	\$ (546,063)
Interest and other fiscal charges	1,635,603	1,635,603	1,921,954	(286,351)
Total debt service	<u>\$ 7,026,242</u>	<u>\$ 7,026,242</u>	<u>\$ 7,858,656</u>	<u>\$ (832,414)</u>
Total County Debt Service Fund	<u>\$ 7,026,242</u>	<u>\$ 7,026,242</u>	<u>\$ 7,858,656</u>	<u>\$ (832,414)</u>
Capital Projects Funds:				
County Capital Projects Fund				
Capital projects expenditures:				
911 Radio	\$ -	\$ 2,286,857	\$ 2,833,662	\$ (546,805)
Emergency communications center	-	280,475	282,828	(2,353)
School energy improvement project	-	-	1,689,560	(1,689,560)
Total County Capital Projects Fund	<u>\$ -</u>	<u>\$ 2,567,332</u>	<u>\$ 4,806,050</u>	<u>\$ (2,238,718)</u>
Total Primary Government	<u>\$ 96,767,986</u>	<u>\$ 105,360,050</u>	<u>\$ 95,301,808</u>	<u>\$ 10,058,242</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instructional	\$ 61,740,544	\$ 65,644,591	\$ 60,803,961	\$ 4,840,630
Operating costs:				
Attendance and health services	\$ 4,241,847	\$ 5,182,468	\$ 4,870,102	\$ 312,366
Pupil transportation	5,591,262	6,046,212	7,178,512	(1,132,300)
Operation and maintenance of school plant	10,133,288	11,934,817	9,415,038	2,519,779
Electronic technology	2,501,568	2,591,234	3,195,586	(604,352)
Total operating costs	<u>\$ 22,467,965</u>	<u>\$ 25,754,731</u>	<u>\$ 24,659,238</u>	<u>\$ 1,095,493</u>
Total school operating fund	<u>\$ 22,467,965</u>	<u>\$ 25,754,731</u>	<u>\$ 24,659,238</u>	<u>\$ 1,095,493</u>
Capital projects:				
Contribution to County of Shenandoah, Capital Projects Fund	<u>\$ 2,802,812</u>	<u>\$ 2,802,812</u>	<u>\$ 1,689,560</u>	<u>\$ 1,113,252</u>
Total School Fund	<u>\$ 87,011,321</u>	<u>\$ 94,202,134</u>	<u>\$ 87,152,759</u>	<u>\$ 7,049,375</u>
School Cafeteria Fund:				
Education:				
School food services:				
School cafeteria	\$ 2,190,805	\$ 3,286,073	\$ 3,577,783	\$ (291,710)
Total School Cafeteria Fund	<u>\$ 2,190,805</u>	<u>\$ 3,286,073</u>	<u>\$ 3,577,783</u>	<u>\$ (291,710)</u>
Student Activities Special Revenue Fund:				
Education:				
Instructional services:				
Other instructional services	\$ -	\$ -	\$ 2,316,409	\$ (2,316,409)
Total Student Activities Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,316,409</u>	<u>\$ (2,316,409)</u>
Total Discretely Presented Component Unit School Board	<u>\$ 89,202,126</u>	<u>\$ 97,488,207</u>	<u>\$ 93,046,951</u>	<u>\$ 4,441,256</u>

STATISTICAL SECTION

Statistical Section

Contents

Tables

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.

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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.

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Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

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COUNTY OF SHENANDOAH, VIRGINIA

Net Position by Component
 Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental Activities:					
Net investment in capital assets	\$ 2,474,405	\$ 3,945,296	\$ 4,603,873	\$ 5,506,961	\$ 7,241,929
Restricted	4,442,313	3,577,673	3,625,033	5,648,061	5,939,307
Unrestricted	<u>20,139,058</u>	<u>16,908,410</u>	<u>14,181,432</u>	<u>16,345,010</u>	<u>17,011,415</u>
Total governmental activities net position	<u>\$ 27,055,776</u>	<u>\$ 24,431,379</u>	<u>\$ 22,410,338</u>	<u>\$ 27,500,032</u>	<u>\$ 30,192,651</u>
Business-type Activities:					
Net investment in capital assets	\$ 7,182,189	\$ 7,613,307	\$ 11,198,699	\$ 11,391,963	\$ 11,091,949
Restricted	-	-	-	-	-
Unrestricted	<u>(7,811,096)</u>	<u>(9,038,825)</u>	<u>(11,194,508)</u>	<u>(9,748,424)</u>	<u>(9,588,862)</u>
Total business-type activities net position	<u>\$ (628,907)</u>	<u>\$ (1,425,518)</u>	<u>\$ 4,191</u>	<u>\$ 1,643,539</u>	<u>\$ 1,503,087</u>
Primary government:					
Net investment in capital assets	\$ 9,656,594	\$ 11,558,603	\$ 15,802,572	\$ 16,898,924	\$ 18,333,878
Restricted	4,442,313	3,577,673	3,625,033	5,648,061	5,939,307
Unrestricted	<u>12,327,962</u>	<u>7,869,585</u>	<u>2,986,924</u>	<u>6,596,586</u>	<u>7,422,553</u>
Total primary government net position	<u>\$ 26,426,869</u>	<u>\$ 23,005,861</u>	<u>\$ 22,414,529</u>	<u>\$ 29,143,571</u>	<u>\$ 31,695,738</u>

Table 1

Fiscal Year				
2019	2020	2021	2022	2023
\$ 11,418,828	\$ 20,131,947	\$ 19,597,089	\$ 25,266,213	\$ 27,070,160
5,130,470	1,067,924	5,784,306	6,661,998	1,583,299
<u>18,486,326</u>	<u>14,626,816</u>	<u>17,022,302</u>	<u>24,135,890</u>	<u>42,751,803</u>
\$ <u>35,035,624</u>	\$ <u>35,826,687</u>	\$ <u>42,403,697</u>	\$ <u>56,064,101</u>	\$ <u>71,405,262</u>
\$ 11,351,123	\$ 11,313,348	\$ 11,114,850	\$ 11,574,663	\$ 11,235,158
-	-	470	71,316	-
<u>(9,790,428)</u>	<u>(9,359,821)</u>	<u>(9,467,230)</u>	<u>(11,067,248)</u>	<u>(12,240,379)</u>
\$ <u>1,560,695</u>	\$ <u>1,953,527</u>	\$ <u>1,648,090</u>	\$ <u>578,731</u>	\$ <u>(1,005,221)</u>
\$ 22,769,951	\$ 31,445,295	\$ 30,711,939	\$ 36,840,876	\$ 38,305,318
5,130,470	1,067,924	5,784,776	6,733,314	1,583,299
<u>8,695,898</u>	<u>5,266,995</u>	<u>7,555,072</u>	<u>13,068,642</u>	<u>30,511,424</u>
\$ <u>36,596,319</u>	\$ <u>37,780,214</u>	\$ <u>44,051,787</u>	\$ <u>56,642,832</u>	\$ <u>70,400,041</u>

COUNTY OF SHENANDOAH, VIRGINIA

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental Activities:					
General government administration	\$ 1,969,430	\$ 2,668,706	\$ 2,897,841	\$ 2,844,200	\$ 2,986,698
Judicial administration	2,073,679	2,083,473	2,042,118	2,214,773	2,303,707
Public safety	13,932,695	12,701,606	14,947,334	15,601,779	15,269,440
Public works	1,228,217	1,677,832	1,147,692	1,203,056	1,130,117
Health and welfare	6,420,661	6,513,167	7,143,608	8,038,337	8,379,289
Education	25,808,176	27,252,564	28,333,067	27,662,686	29,061,555
Parks, recreation, and cultural	1,548,584	1,589,374	1,666,378	1,977,186	2,162,708
Community development	1,086,801	732,115	1,491,749	1,099,573	1,114,388
Interest on long-term debt	2,285,296	2,187,944	2,037,564	1,879,970	1,715,549
Total governmental activities expenses	\$ 56,353,539	\$ 57,406,781	\$ 61,707,351	\$ 62,521,560	\$ 64,123,451
Business-type Activities:					
Sanitary Districts	\$ 2,189,967	\$ 2,199,988	\$ 2,233,317	\$ 2,050,702	\$ 2,089,228
North Fork Wastewater	177,751	256,978	272,530	265,486	276,138
Landfill	409,841	2,726,110	4,063,526	2,802,246	2,737,626
Total business-type activities expenses	\$ 2,777,559	\$ 5,183,076	\$ 6,569,373	\$ 5,118,434	\$ 5,102,992
Total primary government expenses	\$ 59,131,098	\$ 62,589,857	\$ 68,276,724	\$ 67,639,994	\$ 69,226,443
Program Revenues					
Governmental Activities:					
Charges for services:					
General government administration	\$ 329,430	\$ 426,174	\$ 412,296	\$ 426,606	\$ 519,425
Judicial administration	196,855	231,627	206,785	237,787	208,277
Public safety	924,949	622,799	861,624	741,236	952,459
Public works	2,400	8,022	473	-	2,400
Education	397,445	367,829	390,566	-	-
Parks, recreation, and cultural	428,031	383,428	427,623	844,570	1,060,521
Community development	-	-	-	-	-
Operating grants and contributions	8,941,953	7,492,689	8,263,660	11,213,697	8,576,980
Capital grants and contributions	1,190,549	492,667	390,388	79,708	700,000
Total governmental activities program revenues	\$ 12,411,612	\$ 10,025,235	\$ 10,953,415	\$ 13,543,604	\$ 12,020,062
Business-type Activities:					
Charges for services:					
Sanitary Districts	\$ 1,650,491	\$ 1,662,924	\$ 1,823,913	\$ 1,783,104	\$ 1,832,866
North Fork Wastewater	105,479	66,336	65,473	85,581	103,685
Landfill	1,036,704	1,207,176	1,240,290	1,367,091	1,387,496
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	202,000	104,333	36,168	117,500	134,000
Total business-type activities program revenues	\$ 2,994,674	\$ 3,040,769	\$ 3,165,844	\$ 3,353,276	\$ 3,458,047
Total primary government program revenues	\$ 15,406,286	\$ 13,066,004	\$ 14,119,259	\$ 16,896,880	\$ 15,478,109
Net (expense) / revenue					
Governmental Activities	\$ (43,941,927)	\$ (47,381,546)	\$ (50,753,936)	\$ (48,977,956)	\$ (52,103,389)
Business-type Activities	217,115	(2,142,307)	(3,403,529)	(1,765,158)	(1,644,945)
Total primary government net expense	\$ (43,724,812)	\$ (49,523,853)	\$ (54,157,465)	\$ (50,743,114)	\$ (53,748,334)

Table 2

Fiscal Year				
2019	2020	2021	2022	2023
\$ 2,763,462	\$ 2,906,778	\$ 4,206,060	\$ 3,870,956	\$ 3,445,238
2,380,720	2,358,719	2,377,823	2,527,254	2,630,376
17,046,346	17,671,034	19,746,148	21,359,512	23,430,588
1,605,648	1,401,848	1,471,966	1,393,594	1,760,037
9,041,290	10,356,776	12,065,852	11,724,892	12,437,107
32,187,526	32,287,111	29,106,490	27,577,395	28,327,817
2,163,070	2,407,958	2,068,448	2,517,604	2,789,164
1,092,330	1,072,502	4,040,598	1,396,423	1,598,172
2,042,052	2,059,559	1,825,032	1,693,591	1,612,012
<u>\$ 70,322,444</u>	<u>\$ 72,522,285</u>	<u>\$ 76,908,417</u>	<u>\$ 74,061,221</u>	<u>\$ 78,030,511</u>
\$ 2,139,489	\$ 2,065,750	\$ 2,553,474	\$ 2,439,419	\$ 2,573,545
179,363	168,662	199,628	457,564	151,358
2,830,512	3,009,120	3,824,356	4,136,742	5,175,481
<u>\$ 5,149,364</u>	<u>\$ 5,243,532</u>	<u>\$ 6,577,458</u>	<u>\$ 7,033,725</u>	<u>\$ 7,900,384</u>
<u>\$ 75,471,808</u>	<u>\$ 77,765,817</u>	<u>\$ 83,485,875</u>	<u>\$ 81,094,946</u>	<u>\$ 85,930,895</u>
\$ 104,001	\$ 77,682	\$ 85,279	\$ 477,830	\$ 90,081
177,960	159,351	123,375	135,242	133,093
1,161,014	1,549,855	1,536,105	1,440,640	2,630,404
-	-	-	-	2,400
-	-	-	-	-
1,029,266	910,056	751,185	1,572,031	1,031,214
-	-	-	-	5,106
9,080,561	10,221,751	18,018,615	13,108,310	12,433,955
3,406,369	-	277,320	713,335	1,774,099
<u>\$ 14,959,171</u>	<u>\$ 12,918,695</u>	<u>\$ 20,791,879</u>	<u>\$ 17,447,388</u>	<u>\$ 18,100,352</u>
\$ 1,821,974	\$ 1,829,705	\$ 1,792,586	\$ 1,932,016	\$ 1,917,468
139,400	145,186	193,478	164,053	164,185
1,406,250	1,358,085	1,670,386	1,823,760	1,741,462
-	-	-	17,725	-
28,833	50,000	132,000	136,000	257,110
<u>\$ 3,396,457</u>	<u>\$ 3,382,976</u>	<u>\$ 3,788,450</u>	<u>\$ 4,073,554</u>	<u>\$ 4,080,225</u>
<u>\$ 18,355,628</u>	<u>\$ 16,301,671</u>	<u>\$ 24,580,329</u>	<u>\$ 21,520,942</u>	<u>\$ 22,180,577</u>
\$ (55,363,273)	\$ (59,603,590)	\$ (56,116,538)	\$ (56,613,833)	\$ (59,930,159)
(1,752,907)	(1,860,556)	(2,789,008)	(2,960,171)	(3,820,159)
<u>\$ (57,116,180)</u>	<u>\$ (61,464,146)</u>	<u>\$ (58,905,546)</u>	<u>\$ (59,574,004)</u>	<u>\$ (63,750,318)</u>

COUNTY OF SHENANDOAH, VIRGINIA

Changes in Net Position
 Last Ten Fiscal Years (continued)
 (accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property taxes	\$ 37,418,269	\$ 39,124,452	\$ 41,148,042	\$ 42,461,477	\$ 44,834,747
Local sales and use taxes	3,207,116	3,262,733	3,246,390	3,536,415	3,651,977
Consumer utility taxes	1,994,637	1,955,209	1,881,288	1,937,678	1,867,094
Motor vehicle licenses taxes	830,861	864,693	871,892	871,435	891,545
Taxes on recordation and wills	304,745	291,431	347,726	410,384	366,337
Other local taxes	160,650	166,728	176,892	168,394	212,490
Unrestricted grants and contributions	4,066,927	4,036,318	4,092,036	4,146,519	4,104,013
Unrestricted revenues from use of money and property	360,343	452,848	422,388	569,096	705,696
Miscellaneous	1,106,265	771,242	782,381	1,323,671	1,155,162
Transfers	(1,571,745)	(1,363,318)	(4,236,140)	(1,357,419)	(1,143,142)
Total governmental activities	\$ 47,878,068	\$ 49,562,336	\$ 48,732,895	\$ 54,067,650	\$ 56,645,919
Business-type Activities:					
Property taxes	\$ 572,600	\$ 569,402	\$ 580,181	\$ 560,226	\$ 562,737
Unrestricted revenues from use of money and property	6,084	2,685	5,783	12,389	23,197
Miscellaneous	48,904	59,139	11,134	8,040	8,727
Transfers	1,571,745	1,363,318	4,236,140	1,357,419	1,143,142
Total business-type activities	\$ 2,199,333	\$ 1,994,544	\$ 4,833,238	\$ 1,938,074	\$ 1,737,803
Total primary government	\$ 50,077,401	\$ 51,556,880	\$ 53,566,133	\$ 56,005,724	\$ 58,383,722
Change in Net Position					
Governmental Activities	\$ 3,936,141	\$ 2,180,790	\$ (2,021,041)	\$ 5,089,694	\$ 4,542,530
Business-type Activities	2,416,448	(147,763)	1,429,709	172,916	92,858
Total primary government	\$ 6,352,589	\$ 2,033,027	\$ (591,332)	\$ 5,262,610	\$ 4,635,388

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	
\$ 47,553,596	\$ 48,673,614	\$ 50,916,675	\$ 58,202,348	\$ 63,607,885	
3,756,891	4,364,517	4,591,538	4,671,421	5,268,928	
1,797,031	1,756,968	1,665,423	1,616,603	1,618,484	
916,167	916,402	920,131	922,217	904,610	
404,259	463,305	664,903	691,810	508,996	
192,681	157,415	69,116	215,093	301,450	
4,161,599	4,220,789	4,182,522	4,117,449	5,354,776	
1,120,228	887,025	616,576	105,115	2,057,012	
1,497,574	591,756	980,122	1,123,849	1,681,922	
(1,193,780)	(1,637,138)	(1,913,458)	(1,317,587)	(1,608,677)	
\$ 60,206,246	\$ 60,394,653	\$ 62,693,548	\$ 70,348,318	\$ 79,695,386	
\$ 566,297	\$ 558,942	\$ 564,707	\$ 568,325	\$ 571,591	
37,537	26,044	2,836	3,354	56,344	
12,901	31,264	2,570	1,546	(405)	
1,193,780	1,637,138	1,913,458	1,317,587	1,608,677	
\$ 1,810,515	\$ 2,253,388	\$ 2,483,571	\$ 1,890,812	\$ 2,236,207	
\$ 62,016,761	\$ 62,648,041	\$ 65,177,119	\$ 72,239,130	\$ 81,931,593	
\$ 4,842,973	\$ 791,063	\$ 6,577,010	\$ 13,734,485	\$ 19,765,227	
57,608	392,832	(305,437)	(1,069,359)	(1,583,952)	
\$ 4,900,581	\$ 1,183,895	\$ 6,271,573	\$ 12,665,126	\$ 18,181,275	

COUNTY OF SHENANDOAH, VIRGINIA

Table 3

Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Record- ation and Wills Tax	Total
2014 \$	37,418,269 \$	3,207,116 \$	1,994,637 \$	830,861 \$	304,745 \$	43,755,628
2015	39,124,452	3,262,733	1,955,209	864,693	291,431	45,498,518
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	47,553,596	3,756,891	1,797,031	916,167	404,259	54,427,944
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

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COUNTY OF SHENANDOAH, VIRGINIA

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General fund					
Nonspendable	\$ 39,075	\$ 70,758	\$ 45,765	\$ 42,998	\$ 160,559
Restricted	4,217,739	3,509,063	3,625,033	5,648,061	5,939,307
Assigned	1,247,724	1,495,113	1,496,740	961,601	979,660
Unassigned	<u>12,772,653</u>	<u>13,577,568</u>	<u>10,656,213</u>	<u>12,871,656</u>	<u>14,582,450</u>
Total general fund	<u>\$ 18,277,191</u>	<u>\$ 18,652,502</u>	<u>\$ 15,823,751</u>	<u>\$ 19,524,316</u>	<u>\$ 21,661,976</u>
All other governmental funds					
Debt service funds	\$ -	\$ 182,987	\$ -	\$ -	\$ -
Restricted, reported in:					
Capital projects funds	224,574	68,610	-	-	-
Committed, reported in:					
Landfill contingency	-	-	-	-	-
Assigned, reported in:					
Debt service funds	-	-	-	-	184,372
Capital projects funds	8,192,892	7,937,178	7,863,564	8,104,694	8,102,474
Special revenue funds	<u>164,067</u>	<u>188,603</u>	<u>188,603</u>	<u>188,603</u>	<u>188,603</u>
Total all other governmental funds	<u>\$ 8,581,533</u>	<u>\$ 8,377,378</u>	<u>\$ 8,052,167</u>	<u>\$ 8,293,297</u>	<u>\$ 8,475,449</u>

Table 4

Fiscal Year				
2019	2020	2021	2022	2023
\$ 336,882	\$ 350,605	\$ 103,193	\$ 308,153	\$ 1,229,948
5,130,470	1,067,924	1,003,213	987,031	3,095,961
1,261,466	1,253,627	1,397,672	2,718,587	6,189,651
<u>13,463,207</u>	<u>11,759,917</u>	<u>17,175,329</u>	<u>27,244,942</u>	<u>28,083,616</u>
\$ <u>20,192,025</u>	\$ <u>14,432,073</u>	\$ <u>19,679,407</u>	\$ <u>31,258,713</u>	\$ <u>38,599,176</u>
\$ -	\$ -	\$ 1,625	\$ 1,625	\$ 1,674
-	-	4,775,538	4,181,939	328,963
-	-	-	-	-
184,372	-	381,669	-	-
22,528,595	17,820,499	8,157,671	7,502,208	8,332,741
<u>267,535</u>	<u>312,170</u>	<u>357,381</u>	<u>407,927</u>	<u>449,814</u>
\$ <u>22,980,502</u>	\$ <u>18,132,669</u>	\$ <u>13,673,884</u>	\$ <u>12,093,699</u>	\$ <u>9,113,192</u>

COUNTY OF SHENANDOAH, VIRGINIA

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
General property taxes	\$ 37,482,790	\$ 39,515,727	\$ 40,894,148	\$ 42,563,588	\$ 45,169,428
Other local taxes	6,498,009	6,540,794	6,524,188	6,924,306	6,989,443
Permits, privilege fees and regulatory licenses	349,335	445,277	432,609	372,308	426,374
Fines and forfeitures	71,259	83,303	66,671	60,697	51,449
Revenue from use of money and property	360,343	452,848	509,396	569,096	705,696
Charges for services	1,858,516	1,511,299	1,800,087	1,817,194	2,265,259
Miscellaneous	1,805,065	1,092,112	1,267,177	1,206,726	1,855,162
Recovered costs	550,983	512,397	492,482	526,766	497,565
Intergovernmental:					
Local government	-	-	-	-	-
Commonwealth	10,303,365	9,562,497	10,334,634	10,317,912	10,513,169
Federal	3,896,064	2,459,177	2,332,300	5,122,012	2,167,824
Total revenues	\$ 63,175,729	\$ 62,175,431	\$ 64,653,692	\$ 69,480,605	\$ 70,641,369
Expenditures					
General government administration	\$ 2,463,728	\$ 2,735,318	\$ 2,861,575	\$ 2,488,722	\$ 2,618,367
Judicial administration	1,822,544	1,890,580	1,949,965	1,971,210	2,132,675
Public safety	14,007,900	13,795,977	14,736,082	15,198,189	15,984,765
Public works	1,172,071	1,088,347	1,149,372	1,140,004	1,157,835
Health and welfare	6,353,432	6,836,916	7,474,288	8,037,115	8,556,685
Education	23,354,643	24,856,868	25,685,320	25,490,023	26,617,409
Parks, recreation and cultural	1,408,573	1,465,408	1,522,188	1,944,929	2,194,716
Community development	1,033,232	1,058,542	1,629,086	1,377,922	1,460,829
Nondepartmental	13,374	14,152	13,533	21,829	105,689
Capital projects	3,535,193	672,597	676,488	255,451	933,869
Debt service:					
Principal	3,802,563	3,830,034	4,037,566	4,160,835	4,212,946
Interest and other fiscal charges	2,476,051	2,396,218	2,246,551	2,095,262	1,932,353
Bond issuance costs	-	-	-	-	-
Total expenditures	\$ 61,443,304	\$ 60,640,957	\$ 63,982,014	\$ 64,181,491	\$ 67,908,138
Excess (deficiency) of revenues over (under) expenditures	\$ 1,732,425	\$ 1,534,474	\$ 671,678	\$ 5,299,114	\$ 2,733,231
Other financing sources (uses)					
Transfers in	\$ 5,833,132	\$ 5,565,693	\$ 5,235,600	\$ 5,408,275	\$ 6,038,539
Transfers out	(7,404,877)	(6,929,011)	(9,471,740)	(6,765,694)	(7,181,681)
Bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Leases (as lessee)	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Subscriptions	-	-	-	-	-
Financing leases	396,970	-	410,500	-	729,723
Total other financing sources (uses)	\$ (1,174,775)	\$ (1,363,318)	\$ (3,825,640)	\$ (1,357,419)	\$ (413,419)
Net change in fund balances	\$ 557,650	\$ 171,156	\$ (3,153,962)	\$ 3,941,695	\$ 2,319,812
Debt service as a percentage of noncapital expenditures	10.86%	10.55%	9.98%	9.83%	9.32%

Table 5

Fiscal Year				
2019	2020	2021	2022	2023
\$ 47,363,914	\$ 48,206,372	\$ 50,937,428	\$ 56,998,543	\$ 62,651,435
7,067,029	7,658,607	7,911,111	8,117,144	8,602,468
405,834	521,730	664,815	675,224	495,720
41,221	52,366	36,379	36,731	37,536
1,120,228	887,025	616,576	452,091	2,057,012
2,025,186	2,122,848	1,794,750	2,566,812	3,359,042
4,903,943	1,162,130	1,399,696	2,285,325	3,098,235
579,109	484,538	528,055	771,935	729,840
-	-	-	-	1,689,560
10,932,525	11,953,904	12,123,609	13,285,954	13,945,120
2,309,635	2,488,636	10,354,848	3,345,770	3,928,150
\$ 76,748,624	\$ 75,538,156	\$ 86,367,267	\$ 88,535,529	\$ 100,594,118
\$ 2,661,475	\$ 2,845,989	\$ 3,770,714	\$ 3,706,528	\$ 3,632,845
2,297,440	2,133,644	2,159,194	2,437,426	2,513,046
17,185,771	17,995,053	18,961,893	22,467,268	24,180,862
1,627,059	1,342,442	1,449,966	1,433,805	1,749,014
9,240,789	10,732,125	12,231,084	12,247,451	12,865,459
30,412,369	30,693,557	26,573,821	28,101,691	31,296,917
2,198,531	2,386,781	2,005,987	2,520,247	2,819,627
1,480,775	1,474,148	4,414,083	2,008,232	2,283,464
212,682	8,026	56,943	37,662	2,334
4,152,533	9,008,154	5,066,792	1,265,101	6,099,584
4,437,300	4,662,414	4,909,191	5,086,837	5,936,701
2,094,365	2,282,173	2,114,168	1,802,433	1,921,955
118,057	-	-	-	-
\$ 78,119,146	\$ 85,564,506	\$ 83,713,836	\$ 83,114,681	\$ 95,301,808
\$ (1,370,522)	\$ (10,026,350)	\$ 2,653,431	\$ 5,420,848	\$ 5,292,310
\$ 6,427,200	\$ 10,470,713	\$ 6,620,654	\$ 5,969,741	\$ 7,334,965
(7,620,980)	(12,107,851)	(8,534,112)	(7,287,328)	(8,943,642)
13,970,000	-	1,475,000	5,700,000	-
1,530,581	-	-	-	-
-	-	-	101,431	-
-	-	(1,426,424)	-	-
-	-	-	-	146,201
98,823	1,055,703	-	168,510	530,122
\$ 14,405,624	\$ (581,435)	\$ (1,864,882)	\$ 4,652,354	\$ (932,354)
\$ 13,035,102	\$ (10,607,785)	\$ 788,549	\$ 10,073,202	\$ 4,359,956
8.90%	9.16%	8.96%	8.57%	8.96%

General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Recordation and Wills Tax	Total
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
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	47,363,914	3,756,891	1,797,031	916,167	404,259	54,238,262
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

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COUNTY OF SHENANDOAH, VIRGINIA

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Public Service (2)
2014	\$ 4,465,692,800	\$ 381,440,803	\$ 4,202,476	\$ 74,590,349	\$ 48,541,466	\$ 209,304,337
2015	4,479,926,100	393,610,302	4,298,296	70,749,206	47,243,710	222,281,742
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

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

	Total Taxable Assessed Value	Estimated Actual Taxable Value	State Sales Assessment Ratio (3)	Total Direct Rate
\$	5,183,772,231	\$ 4,785,167,757	108.33%	\$ 8.39
	5,218,109,356	4,910,237,467	106.27%	8.39
	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

Property Tax Rates (1)
 Direct and Overlapping Governments
 Last Ten Fiscal Years

		Direct Rates										
Fiscal Year		Real Estate		Personal Property		Mobile Homes		Machinery and Tools		Merchants' Capital		Total Direct Rate
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
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

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 2023		Fiscal Year 2014	
		2023 Assessed Valuation	% of Total Assessed Valuation	2014 Assessed Valuation	% of Total Assessed Valuation
North Shenandoah Investors LLC	Investments	\$ -	0.00%	\$ 20,596,500.00	19.21%
EIP 495 Radio Station Road LLC	Mfg	35,747,900	21.94%	-	0.00%
Bowman Andros Products LLC	Mfg	29,421,300	18.05%	9,434,300	8.80%
Art Mortgage Borrower Propco 2006-2	Investments	14,416,500	8.85%	13,368,800	12.47%
Howell Metal	Distribution	11,906,800	7.31%	11,116,100	10.37%
Lowes Home Centers	Mfg	9,593,000	5.89%	9,499,400	8.86%
Wal-Mart Real Estate	Retail	8,937,600	5.48%	9,269,000	8.65%
Masco Cabinetry	Retail	8,911,700	5.47%	7,889,100	7.36%
Valley Fertilizer and Chemical Co	Mfg	8,459,600	5.19%	6,299,900	5.88%
Telesat Network Services	Mfg	8,121,300	4.98%	9,013,000	8.41%
Massanutten Preservation LP	Retail	7,200,000	4.42%	-	0.00%
Holtzman Oil Corp	Communications	6,956,300	4.27%	-	0.00%
Shenandoah Investors LLC	Distribution	6,742,800	4.14%	-	0.00%
294 Front Royal LLC	Apartments	6,542,600	4.01%	10,718,600	10.00%
		<u>\$ 162,957,400</u>	<u>100.00%</u>	<u>\$ 107,204,700</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
2014	\$	39,644,404	\$ 37,448,266	94.46%	\$ 2,164,861	\$ 39,613,127	99.92%
2015		39,858,420	37,876,812	95.03%	1,946,667	39,823,479	99.91%
2016		41,321,753	39,421,018	95.40%	1,851,765	41,272,783	99.88%
2017		43,635,676	41,757,773	95.70%	1,813,250	43,571,023	99.85%
2018		47,552,508	45,380,283	95.43%	1,764,282	47,144,565	99.14%
2019		48,210,765	46,001,197	95.42%	1,702,383	47,703,580	98.95%
2020		48,971,502	46,508,828	94.97%	1,931,601	48,440,429	98.92%
2021		51,383,447	48,977,945	95.32%	1,522,853	50,500,798	98.28%
2022		58,210,662	54,906,770	94.32%	1,038,593	55,945,363	96.11%
2023		64,087,103	60,693,453	94.70%	-	60,693,453	94.70%

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.

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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	
2014	\$ 42,362,464	\$ 2,201,500	\$ 7,435,000	\$ 1,196,369	\$ -	84,585	\$ 2,266,352	\$ -	\$ -	-
2015	39,210,472	1,887,000	7,265,000	863,395	-	-	1,906,076	-	-	247,294
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

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

	Total Primary Government	Percentage of Personal Income (1)		Per Capita (1)
\$	55,546,270	3.58%	\$	1,301
	51,379,237	3.15%		1,194
	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

Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt		Less: Amounts Reserved for Debt Service		Net Bonded Debt (3)		Ratio of Net General Obligation Debt to Assessed Value (2)		Net Bonded Debt per Capita (1)	
2014	\$	44,563,964	\$	-	\$	44,563,964	\$	0.86%	\$	1,044
2015		41,097,472		-		41,097,472		0.79%		955
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

(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		
2014	\$ 3,420,262	\$ 2,680,364	\$ 739,898	\$ 535,977	\$ 97,195	116.86%	
2015	3,567,662	5,103,920	(1,536,258)	360,276	78,771	-349.91%	
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%	

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemploy- ment Rate
2014	42,684	1,550,624,352	36,328	43.8	6,115	5.60%
2015	43,021	1,630,323,816	37,896	44.0	5,969	4.70%
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%

Sources: Weldon Cooper Center, Virginia Employment Commission, and Bureau of Economic Analysis

Principal Employers
Current Year and Nine Years Prior

Employer	Fiscal Year 2023		Fiscal Year 2014	
	Employees	Rank	Employees	Rank
Shenandoah County School Board	1000+	1	1000+	1
George's Chicken, LLC	500 to 999	2	500 to 999	2
Shentel Management Company	500 to 999	3	250 to 499	9
County of Shenandoah	250 to 499	5	250 to 499	6
Bowman Andros Products	250 to 499	4	250 to 499	5
Winchester Regional Health Inc. (Valley Health)	250 to 499	6	250 to 499	8
Masco Builder Cabinet Group	250 to 499	7	-	-
Wal Mart Associates, Inc.	250 to 499	8	250 to 499	10
IAC Strasburg, LLC	251 to 499	9	250 to 499	4
Food Lion, LLC	250 to 499	10	-	-
R.R. Donnelly and Sons Company	-	-	250 to 499	3
Life Style Staffing	-	-	250 to 499	7

Source: Virginia Employment Commission-LMI

Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government administration	24	24	24	23	23	29	29	23	27	29
Judicial administration	19	19	19	20	26	23	24	24	26	26
Public safety:										
Sheriff's department	69	57	57	57	59	58	59	58	67	67
Fire and rescue	44	48	48	50	50	56	56	71	83	83
Building inspections	6	6	6	6	6	7	6	8	9	9
Animal control	2	2	2	2	2	2	2	2	2	2
Animal Shelter	*	*	*	*	*	*	*	4	4	4
Emergency communications	18	18	18	18	18	21	21	20	21	22
Public works:										
General maintenance	6	6	6	6	6	6	7	6	7	7
Landfill	17	17	17	17	17	17	16	16	18	18
Health and welfare:										
Department of social services	35	41	41	40	44	46	45	48	48	52
Culture and recreation:										
Parks and recreation	5	5	5	5	5	7	6	7	7	7
Library	6	6	7	8	8	8	8	8	8	8
Economic Development	1	1	1	1	1	2	2	2	3	3
Community development:										
Planning	5	5	5	5	5	3	3	3	4	4
Cooperative Extension	1	1	1	1	1	1	1	1	3	1
Totals	<u>258</u>	<u>256</u>	<u>257</u>	<u>259</u>	<u>271</u>	<u>286</u>	<u>285</u>	<u>301</u>	<u>337</u>	<u>342</u>

Source: Department List Query and DSS contact

* Information unavailable

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Sheriffs department:										
Physical arrests										
Traffic violations/arrests	2195	2138	2269	2017	2275	2075	2147	1630	1230	1625
Civil papers	12428	13141	11912	14055	14303	13921	15608	11839	12,276	10,142
Fire and rescue:										
Number of calls answered	5933	7232	7426	7469	7677	7562	9834	8343	10829	9515
Building inspections:										
Permits issued	82	99	89	115	161	130	146	223	190	167
Animal control:										
Number of calls answered	1847	1656	1548	1576	1717	2233	2485	2110	2099	2090
Public works										
General maintenance:										
Trucks/vehicles	6									
Landfill:										
Refuse collected (tons/day)	132	138.5	148.3	162.2	179	154	166	167	172	168
Recycling (tons/day)	7.2	7.0	7.3	18.4	7.4	7	6	6	7	8
Health and welfare										
Department of Social Services:										
Caseload	10905	*	10935	11000	10219	10953	11138	11973	14888	13314
Culture and recreation										
Parks and recreation:										
Recreation facility permits	1853	1833	1743	1762	1680	2270	919	700	342	418
After-school program participants										
Youth sports participants	1013	1403	1512	1644	1732	2216	520	177	384	529
Community development										
Planning:										
Zoning permits issued	331	260	318	293	330	364	351	443	437	437
Component Unit - School Board										
Education:										
School age population	6115	5696	5913	5991	6082	6058	5993	5738	5618	5603
Number of teachers	521	522	529	530	538	541	502	517	504	491
Local expenditures per pupil	3832	4116	4414	4347	4484	4873	5084	4640	5032	5856

Source: Individual County departments

* Information unavailable

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	2	3	3	5	4	3	3	4	4	4
Public safety										
Sheriffs department:										
Patrol units	56	56	56	56	58	60	60	56	78	56
Building inspections:										
Vehicles	4	4	4	4	4	5	5	5	7	5
Animal control:										
Vehicles	2	2	2	2	2	2	2	2	3	3
Public works										
General maintenance:										
Trucks/vehicles	6	6	7	7	5	8	10	10	9	10
Landfill:										
Vehicles	23	23	19	22	22	24	24	24	23	24
Equipment	21	21	18	20	20	19	21	26	20	20
Sites	16	16	16	15	15	15	14	14	13	12
Health and welfare										
Department of Social Services:										
Vehicles	12	12	12	13	13	13	13	13	14	14
Culture and recreation										
Parks and recreation:										
Community centers	1	1	1	1	1	1	1	1	1	1
Vehicles	4	4	4	4	5	6	6	6	5	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	2	2	4	4	3	3	2	2	2
Component Unit - School Board										
Education:										
Schools	10	10	10	10	10	10	10	10	10	10
School buses	110	110	112	112	112	112	114	114	114	114

Source: Individual County departments

COMPLIANCE SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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**

**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, 2023, 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 15, 2023.

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 15, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**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, 2023. 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, 2023.

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 15, 2023

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass - Through Grantor/ Program Title or Cluster title	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures
PRIMARY GOVERNMENT:			
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	\$ 722,513
Virginia Department of Forestry:			
Cooperative Forest Assistance	10.664	Unavailable	15,950
Total pass through payments			\$ 738,463
Total Department of Agriculture			\$ 738,463
Department of Health and Human Services:			
Pass Through Payments:			
Virginia Department of Social Services:			
Temporary Assistance for Needy Families	93.558	Unavailable	\$ 266,631
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	Unavailable	21,405
MaryLee Allen Promoting Safe and Stable Families	93.556	Unavailable	34,382
Low-Income Home Energy Assistance	93.568	Unavailable	50,088
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Unavailable	60,963
Elder Abuse Prevention Interventions Program	93.747	Unavailable	5,036
Title IV-E Prevention Program	93.472	Unavailable	6,369
Guardianship Assistance	93.090	Unavailable	11,683
Chafee Education and Training Vouchers Program	93.599	Unavailable	(531)
Stephanie Tubbs Jones - Child Welfare Services Program	93.645	Unavailable	466
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Unavailable	6,548
Social Services Block Grant	93.667	Unavailable	293,534
Foster Care Title IV-E	93.658	Unavailable	250,975
Children's Health Insurance Program	93.767	Unavailable	3,274
Adoption Assistance	93.659	Unavailable	161,601
Medicaid Cluster:			
Medical Assistance Program	93.778	Unavailable	372,715
Total Department of Health and Human Services			\$ 1,545,139
Department of Homeland Security:			
Pass Through Payments:			
Virginia Department of Emergency Management:			
Emergency Management Performance Grants	97.042	Unavailable	\$ 18,579
Total Department of Homeland Security			\$ 18,579
U.S. Department of Justice:			
Direct Payments			
Bulletproof Vest Partnership Program	16.607	Unavailable	\$ 4,469
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
ATF Overtime	16.000	Unavailable	\$ 3,101
Local Law Enforcement Block Grant	16.401	Unavailable	2,235
Subtotal CFDA 16.401			\$ 5,336
Crime Victim Assistance	16.575	Unavailable	74,659
Equitable Sharing Program	16.922	Unavailable	22,566
Total Department of Justice			\$ 107,030

COUNTY OF SHENANDOAH, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2023

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:			
Alcohol Open Container Requirements	20.607	Unavailable	\$ 5,903
Total Department of Transportation			\$ 5,903
Department of Treasury:			
Pass Through Payments:			
Virginia Department of Accounts:			
COVID-19 Coronavirus Relief Fund	21.019	Unavailable	\$ 9,224
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Unavailable	1,067,527
COVID 19 Coronavirus State and Local Fiscal Recovery Funds-LATCF	21.027	Unavailable	119,468
Virginia Department of Social Services:			
COVID 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Unavailable	1,490
Subtotal ALN 21.027			1,188,485
Total Department of Treasury			\$ 1,197,709
U.S. Department of Housing and Urban Development:			
Pass Through Payments:			
Virginia Department of Housing and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Unavailable	84,539
Total Expenditures of Federal Awards - Primary Government			\$ 3,697,362
COMPONENT UNIT SCHOOL BOARD:			
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Education:			
School Breakfast Program	10.553	APE402530000	\$ 635,310
National School Lunch Program	10.555	APE402540000	1,990,661
Virginia Department of Agriculture and Consumer Services:			
Food Distribution-School Lunch	10.555	Unavailable	236,827
Subtotal ALN 10.555			\$ 2,227,488
COVID-19 Summer Food Service Program for Children	10.559	APE603030000	36,241
Total Child Nutrition Cluster			\$ 2,899,039
Pandemic Electronic Benefit Transfer Administrative Costs	10.649	DOE86556	3,135
Child Nutrition Discretionary Grants Limited Availability	10.579	APE603030000	2,950
Virginia Department of Education:			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE438410000	10,926
Total Department of Agriculture			\$ 2,916,050
Department of Treasury:			
Pass Through Payments:			
Virginia Department of Accounts:			
Virginia Department of Education:			
COVID 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Unavailable	698,975
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	APE429010000	\$ 1,247,328
Student Support and Academic Enrichment Program	84.424	APE602810000	45,327
Supporting Effective Instruction State Grants	84.367	APE600220000	315,507
Special Education Cluster:			
Special Education - Grant to States	84.027	APE430710000	\$ 1,184,621
Special Education - Preschool Grants	84.173	APE625210000	27,097
Total Special Education Cluster			\$ 1,211,718
COVID-19 Education Stabilization Fund-Elementary			
Secondary School Emergency Relief Fund	84.425D	APE50195/50183/50189/50193	\$ 1,586,925
COVID-19 Education Stabilization Fund-Governor's Education Emergency Relief Fund	84.425C	APE50195/50183/50189/50193	12,335
COVID-19 Education Stabilization Fund-American Rescue Plan			
Elementary and Secondary Emergency Relief Fund	84.425U	APE50195/50183/50189/50193	3,524,819
Subtotal Education Stabilization Fund			\$ 5,124,079
Career and Technical Education - Basic Grants to States	84.048	APE606310000	126,373
English Language Acquisition State Grants	84.365	APE605120000	75,005
Total Department of Education			\$ 8,145,337
Department of Health and Human Services:			
Pass Through Payments:			
Department of Education:			
Grants to Support School Based Health Centers	93.501	Unavailable	\$ 128,123
Total Expenditures of Federal Awards Component Unit School Board			\$ 11,888,485
Total Expenditures of Federal Awards			\$ 15,585,847

COUNTY OF SHENANDOAH, VIRGINIA

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

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, 2023. 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 10 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, 2023, the County had food commodities totaling \$63,586 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:	\$ 3,928,150
Reconciling items:	
Expenditures with forfeited drug asset proceeds less than current year revenues	4,452
Payment in lieu of taxes not included above	<u>(235,240)</u>
Total primary government	\$ <u>3,697,362</u>

Discretely presented component unit - School Board	\$ 11,888,485
Total discretely presented component unit - School Board	\$ <u>11,888,485</u>

Total expenditures of federal awards per basic financial statements	\$ <u>15,585,847</u>
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$ <u>15,585,847</u>
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COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I-Summary of Auditors' Results

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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21.027 Coronavirus State and Local Fiscal Recovery Funds
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
84.425 Education Stabilization Fund

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

None

Section III-Federal Award Findings and Questioned Costs

None

Section IV-Summary of Prior Findings

None