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COUNTY OF SHENANDOAH, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2022

COUNTY OF SHENANDOAH, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

Prepared by
Amy Dill, Finance Director
Shenandoah County, Virginia

**COUNTY OF SHENANDOAH, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

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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



Tel: 540.459.6165 Fax: 540.459.6168
www.shenandoahcountyva.us

OFFICE OF COUNTY ADMINISTRATION

EVAN L. VASS
COUNTY ADMINISTRATOR

MANDY R. BELYEA
DEPUTY COUNTY ADMINISTRATOR

December 15, 2022

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

We are pleased to present the Comprehensive Annual Financial Report for the County of Shenandoah (County) for the fiscal year ended 2022. 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, 2022, 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 discretely presented component units included in this report are the Shenandoah County School Board and the Shenandoah County Library. Generally accepted accounting principles require that management

provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County of Shenandoah's MD&A can be found immediately following the report of the independent auditors.

□ The Reporting Entity and Economic Outlook □

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

Situated in the scenic northern Shenandoah Valley of Virginia, the County is 34 miles long and an average of 16 miles wide and contains a land area of 512 square miles. Within the boundaries of the County of Shenandoah are the incorporated towns of Edinburg, Mt. Jackson, New Market, Strasburg, Toms Brook and Woodstock. The County is a political subdivision of the Commonwealth of Virginia administered by a six-member board elected by magisterial district for four year 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 2021 population was 44,396. Shenandoah County enjoys a diversified economy, with manufacturing accounting for approximately 21.2% of the jobs in the County, retail accounting for 12.7% and health care accounting for roughly 11.1%. 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 2020 to June 2021, Shenandoah County saw its unemployment rate decrease from 4.1 percent to 2.6 percent.

The County is pleased to report the continuation of two significant economic development projects during fiscal year 2022.

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 and 47 new jobs. Shenandoah County will provide \$99,999 in total incentives paid in three installments of \$33,333 per year for fiscal years 2021 – 2023.

In addition, the Industrial Development Authority of Shenandoah County (IDA) also sold two acres of property located along Dish Drive in Mount Jackson for the development of a small-scale food distribution center which was built and opened during FY22. As part of the sales agreement, the purchaser agreed to extend water and sewer infrastructure to the opposite side of the street thus extending utilities to the rest of the IDA's properties on that road.

The IDA also continued to make investment into its properties in the Northern Shenandoah Business Park to advance them to a Tier 3 level with the state's site characterization system.

In addition to these projects which the county was directly involved, Mercury Paper also expanded their facility in Strasburg by 93,000 square feet to allow for future growth. And the former Native American

Industries building located on Route 11 in Mt Jackson was redeveloped to allow for the manufacturing of solar panels.

□ 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 includes 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. As of June 30, 2022, the Zepp, Deerhead, Cottontown, Fort Valley, Lost River, and ECC tower sites were 100% complete and functioning for testing purposes. The Rude's Hill tower is 50% complete. Microwave and fiber links are complete on all sites except for Lost River and Rude's Hill. Optimization of all components in the Emergency Communication Center continue, along with installation of the NICE (recording) system. Fleet mapping, subscriber installs, radio, and pager programming are complete. Plans and logistics for system wide testing have been reviewed and approved and will begin in August 2022. This testing is anticipated to take approximately eight (8) weeks to complete. Moreover, as of June 30, 2022, approximately 85% of the project has been completed and it is anticipated the project will be complete February 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 include fire and security system upgrades/replacement, building and grounds renovations, and the purchase of vehicles and equipment and are anticipated to begin in the summer of 2022, when students are not in the schools. 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.

□ 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, 2022, 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 2022 revenues were less than appropriations and transfers to other funds by \$3,757,116. 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 taxes due to reassessments, and American Rescue and Recovery Act funds received, there was an increase in fund balance of \$11,552,468 for the year.

☐ **Other Information** ☐

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Shenandoah, Virginia for

its comprehensive annual financial report for the fiscal year ended June 30, 2021. 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,

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

Amy R. Dill
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

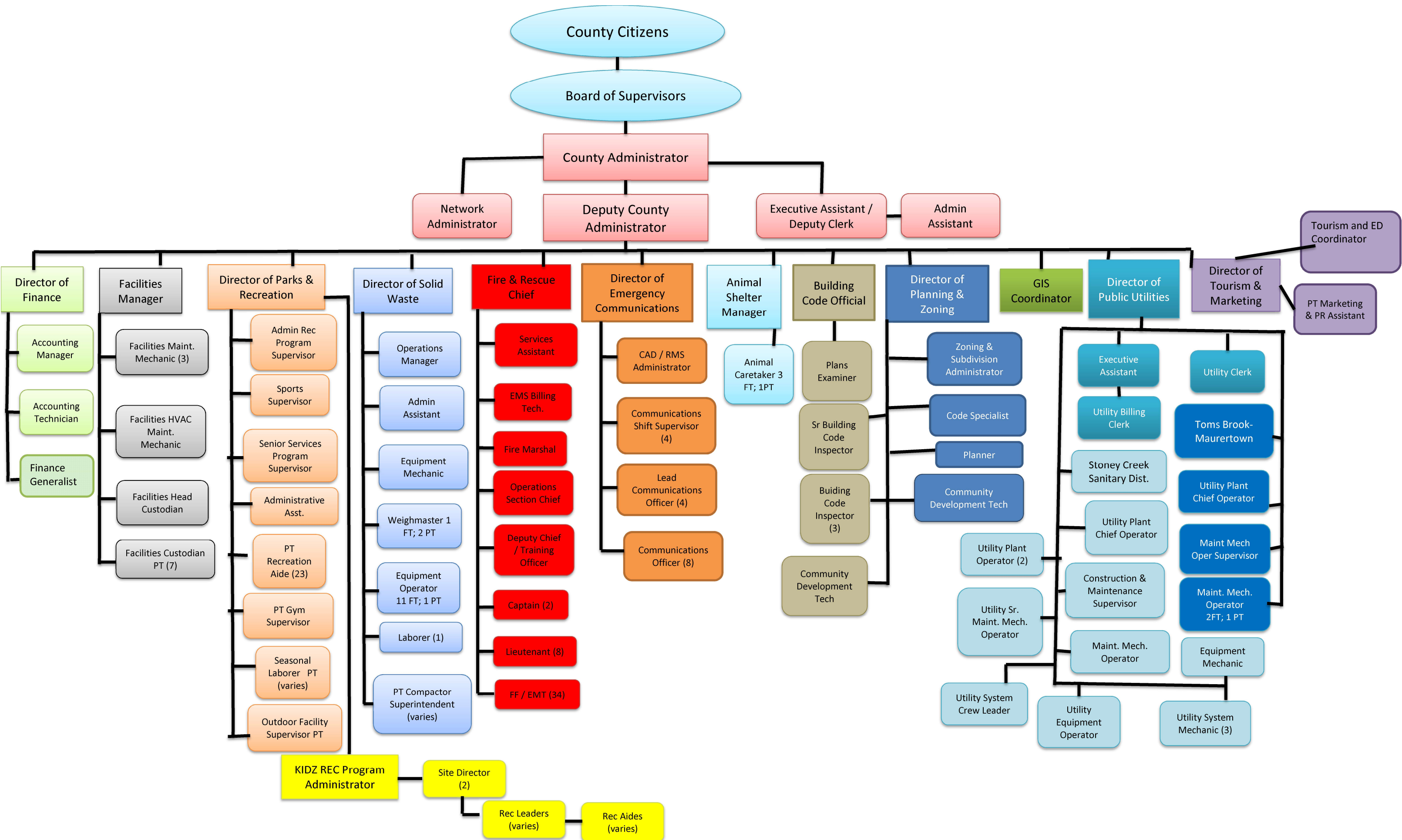
**County of Shenandoah
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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
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, 2022, 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, 2022, 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 2022, the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 26 to the financial statements, in 2022, 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, 2022, 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, 2022

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, 2022. The MD&A also includes a comparative analysis for the fiscal year ended June 30, 2021.

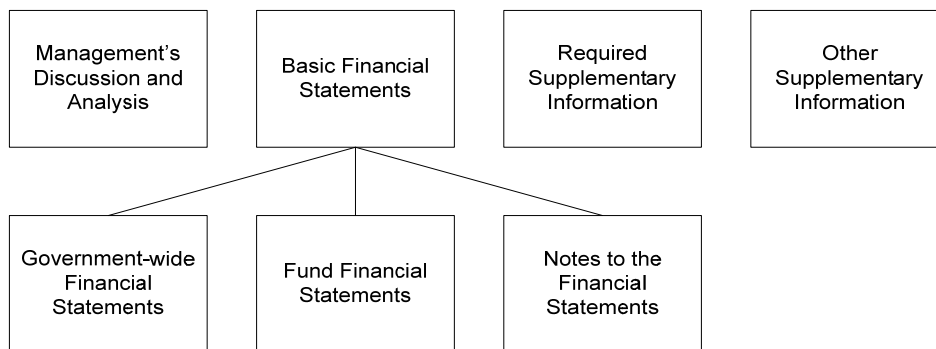
Financial Highlights

- 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 \$56,642,832 (net position). Of this amount, \$13,068,642 (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 \$43,352,412 an increase of \$10,073,202 in comparison with the prior year. Approximately \$27,244,942 or 63 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 \$27,244,942 represents 36 percent of total general fund expenditures.
- The County's total long-term obligations decreased by \$7,475,299 during the current fiscal year, primarily due to the to the payment of principal on its indebtedness.

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 \$56,642,832 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 65 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 95,948,334	\$ 69,051,736	\$ 3,150,819	\$ 3,832,364	\$ 99,099,153	\$ 72,884,100
Capital assets	55,493,318	52,953,241	15,523,441	15,650,023	71,016,759	68,603,264
Total assets	<u>\$ 151,441,652</u>	<u>\$ 122,004,977</u>	<u>\$ 18,674,260</u>	<u>\$ 19,482,387</u>	<u>\$ 170,115,912</u>	<u>\$ 141,487,364</u>
Total deferred outflows of resources	<u>\$ 4,497,214</u>	<u>\$ 4,878,658</u>	<u>\$ 387,297</u>	<u>\$ 540,416</u>	<u>\$ 4,884,511</u>	<u>\$ 5,419,074</u>
Current liabilities	\$ 11,409,789	\$ 6,285,095	\$ 258,124	\$ 235,423	\$ 11,667,913	\$ 6,520,518
Long-term liabilities	44,180,061	51,006,871	17,114,653	17,763,142	61,294,714	68,770,013
Total liabilities	<u>\$ 55,589,850</u>	<u>\$ 57,291,966</u>	<u>\$ 17,372,777</u>	<u>\$ 17,998,565</u>	<u>\$ 72,962,627</u>	<u>\$ 75,290,531</u>
Total deferred inflows of resources	<u>\$ 44,284,915</u>	<u>\$ 27,262,053</u>	<u>\$ 1,110,049</u>	<u>\$ 376,148</u>	<u>\$ 45,394,964</u>	<u>\$ 27,638,201</u>
Net position:						
Net investment in capital assets	\$ 25,266,213	\$ 19,597,089	\$ 11,574,663	\$ 11,114,850	\$ 36,840,876	\$ 30,711,939
Restricted:						
Capital projects	4,183,564	4,777,163	-	-	4,183,564	4,777,163
Debt Service	1,625	-	-	-	1,625	-
Asset forfeiture	960,193	1,003,213	-	-	960,193	1,003,213
Pension	711,760	-	67,732	-	779,492	-
OPEB	32,216	3,930	3,584	470	35,800	4,400
Opioid Settlement	772,640	-	-	-	772,640	-
Unrestricted	24,135,890	16,948,221	(11,067,248)	(9,467,230)	13,068,642	7,480,991
Total net position	<u>\$ 56,064,101</u>	<u>\$ 42,329,616</u>	<u>\$ 578,731</u>	<u>\$ 1,648,090</u>	<u>\$ 56,642,832</u>	<u>\$ 43,977,706</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	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 3,625,743	\$ 2,495,944	\$ 3,937,554	\$ 3,656,450	\$ 7,563,297	\$ 6,152,394
Operating grants and contributions	13,108,310	17,944,534	-	-	13,108,310	17,944,534
Capital grants and contributions	713,335	277,320	136,000	132,000	849,335	409,320
General revenues:						
Property taxes	58,202,348	50,916,675	568,325	564,707	58,770,673	51,481,382
Other local taxes	8,117,144	7,911,111	-	-	8,117,144	7,911,111
Other	5,346,413	5,779,220	4,900	5,406	5,351,313	5,784,626
Total revenues	<u>\$ 89,113,293</u>	<u>\$ 85,324,804</u>	<u>\$ 4,646,779</u>	<u>\$ 4,358,563</u>	<u>\$ 93,760,072</u>	<u>\$ 89,683,367</u>
Expenses:						
General						
government administration	\$ 3,870,956	\$ 4,206,060	\$ -	\$ -	\$ 3,870,956	\$ 4,206,060
Judicial						
administration	2,527,254	2,377,823	-	-	2,527,254	2,377,823
Public safety	21,359,512	19,746,148	-	-	21,359,512	19,746,148
Public works	1,393,594	1,471,966	-	-	1,393,594	1,471,966
Health and welfare	11,724,892	12,065,852	-	-	11,724,892	12,065,852
Education	27,577,395	29,106,490	-	-	27,577,395	29,106,490
Parks, recreation and culture	2,517,604	2,068,448	-	-	2,517,604	2,068,448
Community development	1,396,423	4,040,598	-	-	1,396,423	4,040,598
Interest	1,693,591	1,825,032	-	-	1,693,591	1,825,032
Business-type activities	-	-	7,033,725	6,577,458	7,033,725	6,577,458
Total expenses	<u>\$ 74,061,221</u>	<u>\$ 76,908,417</u>	<u>\$ 7,033,725</u>	<u>\$ 6,577,458</u>	<u>\$ 81,094,946</u>	<u>\$ 83,485,875</u>
Increase (decrease) in net position before transfers	\$ 15,052,072	\$ 8,416,387	\$ (2,386,946)	\$ (2,218,895)	\$ 12,665,126	\$ 6,197,492
Transfers	<u>(1,317,587)</u>	<u>(1,913,458)</u>	<u>1,317,587</u>	<u>1,913,458</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	\$ 13,734,485	\$ 6,502,929	\$ (1,069,359)	\$ (305,437)	\$ 12,665,126	\$ 6,197,492
Net position beginning, as restated	42,329,616	35,826,687	1,648,090	1,953,527	43,977,706	37,780,214
Net position ending	<u>\$ 56,064,101</u>	<u>\$ 42,329,616</u>	<u>\$ 578,731</u>	<u>\$ 1,648,090</u>	<u>\$ 56,642,832</u>	<u>\$ 43,977,706</u>

Governmental activities – Governmental activities increased the County's net position by \$13,734,485.

Key elements of this increase are as follows:

- General property taxes increased \$7,285,673 in fiscal year 2022 compared to fiscal year 2021. The increase is attributed to a significant increase in the valuation of personal property and a real estate tax increase effective January 1, 2021.
- Other local taxes including sales tax increased \$206,033 in fiscal year 2022 compared to fiscal year 2021, indicating a steady or growing economy, locally.
- Expenditures decreased in fiscal year 2022 compared to fiscal year 2021 by \$2,644,175 in Community Development due to the Community Development Block Grant and Brownfields Grant administered in fiscal year 2021 ending.

Business-type activities – Business-type activities of the two Sanitary Districts increased the Shenandoah County Government's net position by \$201,822. This was an increase of \$259,232 from the previous fiscal year. When comparing fiscal years 2021 and 2022 in Exhibit 8, maintenance expenditures for the Stoney Creek Sanitary District decreased while charges for services in the Toms Brook Maurertown Sanitary District increased. The decrease in expenditures can be partially attributed to personnel vacancies.

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 2022, the North Fork Wastewater Treatment Plant fund experienced a decrease in assets of \$38,655 due to the depreciation of its existing machinery and equipment and a reduction 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 2021, the impact was \$7,167,047 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 \$43,352,412 an increase of \$10,073,202 in comparison with the prior year. The general fund accounted for positive variance in net assets. Activity of other funds remained fairly consistent with prior years. This increase can be attributed to 9.3% and 20.6% increase in real estate and personal property tax assessments, respectively. The levy increase is attributable to a large increase in assessed values for personal property and real estate tax increase effective January 1, 2021, and amounted to approximately \$6.5 million in additional revenue. Additionally, the County received a large court restitution settlement which resulted in land being deeded to the County at a value of \$617,000. Approximately 63% of the total fund balance or \$27,244,942 constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is assigned to indicate that 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 \$27,244,942, while the total general fund balance was \$31,258,713. 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 42 percent of that same amount.

The General Fund's fund balance increased \$11,653,387 during the current fiscal year.

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 \$1,475,953 increase in appropriations and can be briefly summarized as follows:

- \$1,439,709 increase in public safety expenditures due to approved capital improvement expenditures, including vehicles and equipment, which were budgeted as “nondepartmental” and allocated to the appropriate departmental budgetary line at the beginning of the fiscal year.

Fiscal year 2022 actual revenues were approximately \$9,338,230 more than the fiscal year 2022 final budgeted revenues. Fiscal year 2022 actual expenditures were approximately \$5,898,268 less than the fiscal year 2022 final budgeted expenditures. Reasons for these variances are briefly summarized as follows:

- Personal property taxes were \$4,842,886 more than the final budgeted revenues primarily due to increased personal property tax collections that were higher than anticipated; this was a result of greater than anticipated increases in personal property valuations.
- Real Property taxes were \$1,766,664 more than the final budgeted revenues primarily due to a real property tax rate increase that was effective January 1, 2022.
- Intergovernmental revenues from other categorical aid were \$1,806,707 more than the budgeted revenues due to more receipts for comprehensive services for at-risk youth, welfare assistance, and other state categorical aid.
- Education expenditures were \$6,960,859 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, 2022 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, 2022, amounts to \$54,781,558 (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 continued construction in progress on the new public safety radio communications system, as well as the Emergency Communications Center.

County of Shenandoah, Virginia's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 4,908,718	\$ 4,908,718	\$ 503,500	\$ 503,500	\$ 5,412,218	\$ 5,412,218
Building and improvements	45,061,417	46,556,089	11,040,940	11,040,940	56,102,357	57,597,029
Utility plant in service	-	-	27,581,247	26,530,465	27,581,247	26,530,465
Equipment	11,894,212	12,584,118	-	-	11,894,212	12,584,118
Construction in progress	13,304,006	9,304,420	-	47,355	13,304,006	9,351,775
Subtotal	\$ 75,168,353	\$ 73,353,345	\$ 39,125,687	\$ 38,122,260	\$ 114,294,040	\$ 111,475,605
Accumulated depreciation	(20,582,148)	(20,400,104)	(23,669,978)	(22,472,237)	(44,252,126)	(42,872,341)
Subtotal	\$ 54,586,205	\$ 52,953,241	\$ 15,455,709	\$ 15,650,023	\$ 70,041,914	\$ 68,603,264
Lease asset equipment	\$ 237,920	\$ -	\$ -	\$ -	\$ 237,920	\$ -
Subtotal	\$ 237,920	\$ -	\$ -	\$ -	\$ 237,920	\$ -
Accumulated amortization	(42,567)	-	-	-	(42,567)	-
Subtotal	\$ 195,353	\$ -	\$ -	\$ -	\$ 195,353	\$ -
Net capital assets	\$ 54,781,558	\$ 52,953,241	\$ 15,455,709	\$ 15,650,023	\$ 70,237,267	\$ 68,603,264

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 \$42,576,973. The bonded debt outstanding comprises debt backed by the full faith and credit of the County. During the current fiscal year, the County's long-term bonded debt increased by \$527,042.

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 2022 unemployment rate for the County was 2.6 percent, which is a decrease from a rate of 4.1 percent in 2021. The County's rate is lower than the state average of 2.8 percent and lower than the national average rate of 3.6 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 continue to remain at extremely low levels.

All of these factors were considered in preparing the County's budget for fiscal year 2022.

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, 2022

Exhibit 1

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	School Board	Library	Industrial Development Authority
ASSETS						
Cash and cash equivalents	\$ 39,348,684	\$ 2,236,047	\$ 41,584,731	8,112,217	\$ 316,817	\$ 1,398,086
Cash in custody of others	8,969	-	8,969	-	-	-
Restricted cash	9,899,134	21,475	9,920,609	2,572,318	-	401,004
Receivables (net of allowance for uncollectibles):						
Taxes receivable	31,365,354	342,690	31,708,044	-	-	-
Accounts receivable	1,708,784	455,497	2,164,281	237,480	119,587	-
Other	4,203	-	4,203	-	-	-
Notes receivable	-	-	-	-	-	4,870
Lease receivable	5,517,407	-	5,517,407	-	-	-
Due from component unit	3,771,719	-	3,771,719	-	-	-
Due from other governmental units	3,983,711	-	3,983,711	3,524,282	14,204	-
Inventories	-	-	-	149,738	-	612,202
Advances to other funds	-	-	-	-	-	-
Prepaid items	308,153	91,526	399,679	99,825	24,918	-
Deposits	-	-	-	-	-	-
Net pension asset	711,760	67,732	779,492	1,117,794	-	-
Net OPEB asset	32,216	3,584	35,800	-	-	-
Other assets	-	-	-	1,017,634	-	-
Capital assets (net of accumulated depreciation):						
Land	4,908,718	503,500	5,412,218	5,725,275	-	-
Buildings and improvements	33,898,537	6,532,834	40,431,371	43,841,629	148,465	-
Wells, lines, reservoirs	-	4,894,937	4,894,937	-	-	-
Machinery and equipment	2,474,944	3,524,438	5,999,382	8,179,550	136,009	-
Construction in progress	13,304,006	-	13,304,006	1,478,647	187,034	-
Lease assets:						
Machinery and equipment	195,353	-	195,353	1,228,025	-	-
Total assets	\$ 151,441,652	\$ 18,674,260	\$ 170,115,912	\$ 77,284,414	\$ 947,034	\$ 2,416,162
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	\$ 3,904,753	\$ 328,155	\$ 4,232,908	\$ 13,673,049	\$ -	\$ -
OPEB related items	592,461	59,142	651,603	3,292,387	-	-
Total deferred outflows of resources	\$ 4,497,214	\$ 387,297	\$ 4,884,511	\$ 16,965,436	\$ -	\$ -
LIABILITIES						
Accounts payable	\$ 2,104,101	\$ 212,798	\$ 2,316,899	\$ 5,154,517	\$ 127,830	\$ -
Contracts payable	268,545	-	268,545	881,377	-	-
Accrued interest payable	568,765	23,851	592,616	1,733	-	-
Due to primary government	-	-	-	3,771,719	-	-
Unearned revenue	8,468,378	-	8,468,378	-	-	-
Deposits payable-restricted assets	-	21,475	21,475	-	-	-
Long-term liabilities:						
Due within one year	6,317,844	667,246	6,985,090	437,222	-	-
Due in more than one year	37,862,217	16,447,407	54,309,624	55,843,281	-	-
Liabilities payable from restricted assets	-	-	-	-	-	376,112
Total liabilities	\$ 55,589,850	\$ 17,372,777	\$ 72,962,627	\$ 66,089,849	\$ 127,830	\$ 376,112
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue-property taxes	\$ 30,713,308	\$ 281,823	\$ 30,995,131	\$ -	\$ -	\$ -
Deferred charge on refunding	291,009	-	291,009	-	-	-
Lease related	5,477,166	-	5,477,166	-	-	-
Pension related items	7,122,587	758,081	7,880,668	27,502,952	-	-
OPEB related items	680,845	70,145	750,990	3,823,868	-	-
Total deferred inflows of resources	\$ 44,284,915	\$ 1,110,049	\$ 45,394,964	\$ 31,326,820	\$ -	\$ -
NET POSITION						
Net investment in capital assets	\$ 25,266,213	\$ 11,574,663	\$ 36,840,876	\$ 55,599,998	\$ 471,508	\$ -
Restricted:						
Capital projects	4,183,564	-	4,183,564	-	-	-
Debt service	1,625	-	1,625	-	-	-
Asset forfeiture	960,193	-	960,193	-	-	-
Pension	711,760	67,732	779,492	1,117,794	-	-
OPEB	32,216	3,584	35,800	-	-	-
Opioid settlement	772,640	-	772,640	-	-	-
Unrestricted (deficit)	24,135,890	(11,067,248)	13,068,642	(59,884,611)	347,696	2,040,050
Total net position (deficit)	\$ 56,064,101	\$ 578,731	\$ 56,642,832	\$ (3,166,819)	\$ 819,204	\$ 2,040,050

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, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,870,956	\$ 477,830	\$ 441,820	\$ -
Judicial administration	2,527,254	135,242	813,290	-
Public safety	21,359,512	1,440,640	2,605,974	-
Public works	1,393,594	-	25,077	-
Health and welfare	11,724,892	-	8,588,479	-
Education	27,577,395	-	-	588,406
Parks, recreation, and cultural	2,517,604	1,572,031	4,500	-
Community development	1,396,423	-	629,170	124,929
Interest on long-term debt	1,693,591	-	-	-
Total governmental activities	<u>\$ 74,061,221</u>	<u>\$ 3,625,743</u>	<u>\$ 13,108,310</u>	<u>\$ 713,335</u>
Business-type activities:				
Stoney Creek Sanitary District	\$ 1,585,594	\$ 1,164,376	\$ -	\$ 72,000
Toms Brook Maurertown Sanitary District	853,825	767,640	-	64,000
North Fork Wastewater	457,564	164,053	-	-
Landfill	4,136,742	1,823,760	17,725	-
Total business-type activities	<u>\$ 7,033,725</u>	<u>\$ 3,919,829</u>	<u>\$ 17,725</u>	<u>\$ 136,000</u>
Total primary government	<u>\$ 81,094,946</u>	<u>\$ 7,545,572</u>	<u>\$ 13,126,035</u>	<u>\$ 849,335</u>
COMPONENT UNITS:				
School Board	\$ 75,968,314	\$ 1,216,944	\$ 52,293,892	\$ 13,998
Library	1,151,568	17,852	1,237,766	-
Industrial Development Authority	458,326	-	133,333	110,111
Total component units	<u>\$ 77,578,208</u>	<u>\$ 1,234,796</u>	<u>\$ 53,664,991</u>	<u>\$ 124,109</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
\$ (2,951,306)	\$ -	\$ (2,951,306)	\$ -	\$ -	\$ -
(1,578,722)	-	(1,578,722)	-	-	-
(17,312,898)	-	(17,312,898)	-	-	-
(1,368,517)	-	(1,368,517)	-	-	-
(3,136,413)	-	(3,136,413)	-	-	-
(26,988,989)	-	(26,988,989)	-	-	-
(941,073)	-	(941,073)	-	-	-
(642,324)	-	(642,324)	-	-	-
(1,693,591)	-	(1,693,591)	-	-	-
<u>\$ (56,613,833)</u>	<u>\$ -</u>	<u>\$ (56,613,833)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (349,218)	\$ (349,218)	\$ -	\$ -	\$ -
-	(22,185)	(22,185)	-	-	-
-	(293,511)	(293,511)	-	-	-
-	(2,295,257)	(2,295,257)	-	-	-
<u>\$ -</u>	<u>\$ (2,960,171)</u>	<u>\$ (2,960,171)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (56,613,833)</u>	<u>\$ (2,960,171)</u>	<u>\$ (59,574,004)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (22,443,480)	\$ -	\$ -
-	-	-	-	104,050	-
-	-	-	-	-	(214,882)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,443,480)</u>	<u>\$ 104,050</u>	<u>\$ (214,882)</u>
\$ 58,202,348	\$ 568,325	\$ 58,770,673	\$ -	\$ -	\$ -
4,671,421	-	4,671,421	-	-	-
1,616,603	-	1,616,603	-	-	-
922,217	-	922,217	-	-	-
691,810	-	691,810	-	-	-
215,093	-	215,093	-	-	-
105,115	3,354	108,469	30,471	320	5,724
1,123,849	1,546	1,125,395	2,345,449	219	138,438
4,117,449	-	4,117,449	27,529,306	17,940	-
(1,317,587)	1,317,587	-	-	-	-
<u>\$ 70,348,318</u>	<u>\$ 1,890,812</u>	<u>\$ 72,239,130</u>	<u>\$ 29,905,226</u>	<u>\$ 18,479</u>	<u>\$ 144,162</u>
\$ 13,734,485	\$ (1,069,359)	\$ 12,665,126	\$ 7,461,746	\$ 122,529	\$ (70,720)
42,329,616	1,648,090	43,977,706	(10,628,565)	696,675	2,110,770
<u>\$ 56,064,101</u>	<u>\$ 578,731</u>	<u>\$ 56,642,832</u>	<u>\$ (3,166,819)</u>	<u>\$ 819,204</u>	<u>\$ 2,040,050</u>

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FUND FINANCIAL STATEMENTS

COUNTY OF SHENANDOAH, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2022

Exhibit 3

	Governmental Funds				
	General	Debt Service	County Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 31,162,216	\$ -	\$ 7,678,457	\$ 508,011	\$ 39,348,684
Cash in custody of others	8,969	-	-	-	8,969
Receivables (net of allowance for uncollectibles):					
Taxes receivable	31,365,354	-	-	-	31,365,354
Accounts receivable	1,708,784	-	-	-	1,708,784
Other	-	-	4,203	-	4,203
Lease receivable	5,517,407	-	-	-	5,517,407
Due from component unit	3,771,719	-	-	-	3,771,719
Due from other governmental units	3,983,711	-	-	-	3,983,711
Prepaid items	308,153	-	-	-	308,153
Restricted assets:					
Cash and cash equivalents	5,715,570	1,625	4,181,939	-	9,899,134
Total assets	<u>\$ 83,541,883</u>	<u>\$ 1,625</u>	<u>\$ 11,864,599</u>	<u>\$ 508,011</u>	<u>\$ 95,916,118</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,823,565	\$ -	\$ 280,536	\$ -	\$ 2,104,101
Contracts payable	268,545	-	-	-	268,545
Unearned revenue	8,468,378	-	-	-	8,468,378
Total liabilities	<u>\$ 10,560,488</u>	<u>\$ -</u>	<u>\$ 280,536</u>	<u>\$ -</u>	<u>\$ 10,841,024</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	\$ 35,499,714	\$ -	\$ -	\$ -	\$ 35,499,714
Unavailable revenue-opioid settlement	745,802	-	-	-	745,802
Lease related	5,477,166	-	-	-	5,477,166
Total deferred inflows of resources	<u>\$ 41,722,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,722,682</u>
FUND BALANCES					
Nonspendable	\$ 308,153	\$ -	\$ -	\$ -	\$ 308,153
Restricted	987,031	1,625	4,181,939	-	5,170,595
Assigned	2,718,587	-	7,402,124	508,011	10,628,722
Unassigned	27,244,942	-	-	-	27,244,942
Total fund balances	<u>\$ 31,258,713</u>	<u>\$ 1,625</u>	<u>\$ 11,584,063</u>	<u>\$ 508,011</u>	<u>\$ 43,352,412</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 83,541,883</u>	<u>\$ 1,625</u>	<u>\$ 11,864,599</u>	<u>\$ 508,011</u>	<u>\$ 95,916,118</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, 2022

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	\$	43,352,412
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$	4,908,718
Buildings and improvements		33,898,537
Machinery and equipment		2,474,944
Construction in progress		13,304,006
Lease assets		<u>195,353</u>
		54,781,558
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	\$	4,786,406
Unavailable revenue - Opioid settlement		745,802
Net pension asset		711,760
Net OPEB Asset		<u>32,216</u>
		6,276,184
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	3,904,753
OPEB related items		<u>592,461</u>
		4,497,214
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	\$	(568,765)
General obligation bonds		(12,974,691)
Bond premium		(1,852,138)
Lease revenue bonds		(24,535,000)
Loans payable		(849,991)
Compensated absences		(1,076,478)
Leases liabilities		(237,647)
Net OPEB liabilities		<u>(2,654,116)</u>
		(44,748,826)
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	\$	(291,009)
Pension related items		(7,122,587)
OPEB related items		<u>(680,845)</u>
		(8,094,441)
Net position of governmental activities	\$	<u><u>56,064,101</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, 2022

Exhibit 5

	Governmental Funds				
	General	Debt Service	County Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
General property taxes	\$ 56,998,543	\$ -	\$ -	\$ -	56,998,543
Other local taxes	8,117,144	-	-	-	8,117,144
Permits, privilege fees, and regulatory licenses	675,224	-	-	-	675,224
Fines and forfeitures	36,731	-	-	-	36,731
Revenue from the use of money and property	436,052	-	16,039	-	452,091
Charges for services	2,566,812	-	-	-	2,566,812
Miscellaneous	1,723,757	588,406	-	-	2,312,163
Recovered costs	771,935	-	-	-	771,935
Intergovernmental:					
Commonwealth	13,259,116	-	-	-	13,259,116
Federal	3,345,770	-	-	-	3,345,770
Total revenues	\$ 87,931,084	\$ 588,406	\$ 16,039	\$ -	\$ 88,535,529
EXPENDITURES					
Current:					
General government administration	\$ 3,706,528	\$ -	\$ -	\$ -	3,706,528
Judicial administration	2,437,426	-	-	-	2,437,426
Public safety	22,467,268	-	-	-	22,467,268
Public works	1,433,805	-	-	-	1,433,805
Health and welfare	12,247,451	-	-	-	12,247,451
Education	28,101,691	-	-	-	28,101,691
Parks, recreation, and cultural	2,520,247	-	-	-	2,520,247
Community development	2,008,232	-	-	-	2,008,232
Nondepartmental	37,662	-	-	-	37,662
Capital projects	-	-	1,265,101	-	1,265,101
Debt service:					
Principal retirement	-	5,086,837	-	-	5,086,837
Interest and other fiscal charges	-	1,802,433	-	-	1,802,433
Total expenditures	\$ 74,960,310	\$ 6,889,270	\$ 1,265,101	\$ -	\$ 83,114,681
Excess (deficiency) of revenues over (under) expenditures	\$ 12,970,774	\$ (6,300,864)	\$ (1,249,062)	\$ -	\$ 5,420,848
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 5,919,195	\$ -	\$ 50,546	\$ 5,969,741
Transfers out	(7,287,328)	-	-	-	(7,287,328)
Issuance of general obligation bonds	5,700,000	-	-	-	5,700,000
Issuance of loans	168,510	-	-	-	168,510
Leases (as lessee)	101,431	-	-	-	101,431
Total other financing sources (uses)	\$ (1,317,387)	\$ 5,919,195	\$ -	\$ 50,546	\$ 4,652,354
Net change in fund balances	\$ 11,653,387	\$ (381,669)	\$ (1,249,062)	\$ 50,546	\$ 10,073,202
Fund balances - beginning, as restated	19,605,326	383,294	12,833,125	457,465	33,279,210
Fund balances - ending	\$ 31,258,713	\$ 1,625	\$ 11,584,063	\$ 508,011	\$ 43,352,412

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, 2022

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	\$	10,073,202
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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	\$	2,744,638	
Depreciation and amortization expense		(1,539,840)	
Allocation of debt financed school assets based on current year repayments		<u>524,296</u>	1,729,094

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	\$	<u>(37,442)</u>	(37,442)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$	1,203,805	
Opioid settlement		<u>745,802</u>	1,949,607

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 debt 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 debt and related items.

Issuance of long-term debt	\$	(5,868,510)	
Principal repayments		5,086,837	
Leases issued		(101,431)	
Lease repayments		376	
Change in accrued interest		<u>(120,912)</u>	<u>(1,003,640)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in compensated absences	\$	76,461	
Amortization of bond premium		190,452	
Amortization of deferred charge on refunding		39,302	
Pension expense		781,881	
OPEB expense		<u>(64,432)</u>	<u>1,023,664</u>

Change in net position of governmental activities	\$	<u><u>13,734,485</u></u>
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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, 2022

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	\$ 1,487,101	\$ 748,946	\$ -	\$ -	\$ 2,236,047
Restricted cash	5,900	15,575	-	-	21,475
Taxes receivable, net of allowances for uncollectibles	311,806	30,884	-	-	342,690
Accounts receivable, net of allowances for uncollectibles	199,533	87,427	8,866	159,671	455,497
Prepaid items	28,246	9,122	-	54,158	91,526
Total current assets	\$ 2,032,586	\$ 891,954	\$ 8,866	\$ 213,829	\$ 3,147,235
Noncurrent assets:					
Capital assets (net of accumulated depreciation):					
Land	\$ 37,251	\$ 84,047	\$ 4,950	\$ 377,252	\$ 503,500
Building and improvements	-	-	33,058	6,499,776	6,532,834
Wells, lines, reservoirs	3,082,369	1,812,568	-	-	4,894,937
Machinery and equipment	541,621	143,481	140,342	2,698,994	3,524,438
Net pension asset	26,977	7,042	-	33,713	67,732
Net OPEB asset	1,447	546	-	1,591	3,584
Total noncurrent assets	\$ 3,689,665	\$ 2,047,684	\$ 178,350	\$ 9,611,326	\$ 15,527,025
Total assets	\$ 5,722,251	\$ 2,939,638	\$ 187,216	\$ 9,825,155	\$ 18,674,260
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 106,527	\$ 41,217	\$ -	\$ 180,411	\$ 328,155
OPEB related items	24,604	7,072	-	27,466	59,142
Total deferred outflows of resources	\$ 131,131	\$ 48,289	\$ -	\$ 207,877	\$ 387,297
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 71,380	\$ 42,088	\$ 11,676	\$ 87,654	\$ 212,798
Deposits payable-restricted assets	5,900	15,575	-	-	21,475
Accrued interest payable	-	369	-	23,482	23,851
Compensated absences	12,039	1,739	-	21,470	35,248
Note payable	-	-	-	140,381	140,381
Bonds payable	-	28,400	-	284,968	313,368
Loans payable	-	-	-	178,249	178,249
Total current liabilities	\$ 89,319	\$ 88,171	\$ 11,676	\$ 736,204	\$ 925,370
Noncurrent liabilities:					
Compensated absences	\$ 36,118	\$ 5,216	\$ -	\$ 64,409	\$ 105,743
Note payable	-	-	-	218,484	218,484
Bonds payable	-	185,441	-	2,716,335	2,901,776
Loans payable	-	-	-	128,788	128,788
Landfill closure and post-closure care	-	-	-	12,828,024	12,828,024
Net OPEB liabilities	105,840	31,524	-	127,228	264,592
Total noncurrent liabilities	\$ 141,958	\$ 222,181	\$ -	\$ 16,083,268	\$ 16,447,407
Total liabilities	\$ 231,277	\$ 310,352	\$ 11,676	\$ 16,819,472	\$ 17,372,777
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue-property taxes	\$ 253,001	\$ 28,822	\$ -	\$ -	\$ 281,823
Pension related items	306,989	103,408	-	347,684	758,081
OPEB related items	28,141	9,081	-	32,923	70,145
Total deferred inflows of resources	\$ 588,131	\$ 141,311	\$ -	\$ 380,607	\$ 1,110,049
NET POSITION					
Net investment in capital assets	\$ 3,661,241	\$ 1,826,255	\$ 178,350	\$ 5,908,817	\$ 11,574,663
Restricted for net OPEB asset	1,447	546	-	1,591	3,584
Restricted for net pension asset	26,977	7,042	-	33,713	67,732
Unrestricted (deficit)	1,344,309	702,421	(2,810)	(13,111,168)	(11,067,248)
Total net position (deficit)	\$ 5,033,974	\$ 2,536,264	\$ 175,540	\$ (7,167,047)	\$ 578,731

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, 2022

Exhibit 8

	Enterprise Funds				
	Stoney Creek Sanitary District	Toms Brook Mauertown Sanitary District	North Fork Wastewater	Landfill	Total
OPERATING REVENUES					
Charges for services:					
Water sales	\$ 483,565	\$ 278,416	\$ -	\$ -	\$ 761,981
Sewer sales	680,811	458,899	-	-	1,139,710
Septage income	-	30,325	164,053	-	194,378
Waste collection charges	-	-	-	1,823,760	1,823,760
Total operating revenues	\$ 1,164,376	\$ 767,640	\$ 164,053	\$ 1,823,760	\$ 3,919,829
OPERATING EXPENSES					
Treatment and purification	\$ 536,949	\$ 245,444	\$ -	\$ -	\$ 782,393
Maintenance	310,884	200,188	433,612	-	944,684
Administration	273,620	181,588	-	-	455,208
Other	306,290	92,241	15,064	-	413,595
Refuse collection and disposal	-	-	-	2,265,223	2,265,223
Landfill closure and post-closure costs	-	-	-	875,291	875,291
Depreciation and amortization	157,851	124,120	8,888	906,871	1,197,730
Total operating expenses	\$ 1,585,594	\$ 843,581	\$ 457,564	\$ 4,047,385	\$ 6,934,124
Operating income (loss)	\$ (421,218)	\$ (75,941)	\$ (293,511)	\$ (2,223,625)	\$ (3,014,295)
NONOPERATING REVENUES (EXPENSES)					
General property taxes	\$ 510,177	\$ 58,148	\$ -	\$ -	\$ 568,325
Investment earnings	1,660	1,694	-	-	3,354
Other	860	686	-	-	1,546
Litter prevention grant	-	-	-	17,725	17,725
Interest expense	-	(10,244)	-	(89,357)	(99,601)
Total nonoperating revenues (expenses)	\$ 512,697	\$ 50,284	\$ -	\$ (71,632)	\$ 491,349
Income before contributions and transfers	\$ 91,479	\$ (25,657)	\$ (293,511)	\$ (2,295,257)	\$ (2,522,946)
Capital contributions	\$ 72,000	\$ 64,000	\$ -	\$ -	\$ 136,000
Transfers in	-	-	251,132	1,066,455	1,317,587
Change in net position	\$ 163,479	\$ 38,343	\$ (42,379)	\$ (1,228,802)	\$ (1,069,359)
Total net position (deficit)- beginning	\$ 4,870,495	\$ 2,497,921	\$ 217,919	\$ (5,938,245)	\$ 1,648,090
Total net position (deficit)- ending	\$ 5,033,974	\$ 2,536,264	\$ 175,540	\$ (7,167,047)	\$ 578,731

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, 2022

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	\$ 822,291	\$ 737,047	\$ 178,051	\$ 1,809,152	\$ 3,546,541
Payments to suppliers	(610,361)	(605,547)	(444,951)	(1,198,578)	(2,859,437)
Payments to employees	(436,259)	(107,596)	-	(1,215,652)	(1,759,507)
Net cash provided by (used for) operating activities	\$ (224,329)	\$ 23,904	\$ (266,900)	\$ (605,078)	\$ (1,072,403)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	\$ -	\$ -	\$ 251,132	\$ 1,066,455	\$ 1,317,587
General property taxes	500,363	56,797	-	-	557,160
Litter prevention grant	-	-	-	17,725	17,725
Net cash provided by (used for) noncapital financing activities	\$ 500,363	\$ 56,797	\$ 251,132	\$ 1,084,180	\$ 1,892,472
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase and construction of capital assets	\$ (396,225)	\$ (61,957)	\$ -	\$ (545,245)	\$ (1,003,427)
Principal paid on capital debt	-	(27,149)	-	(576,107)	(603,256)
Interest paid on capital debt	-	(10,291)	-	(140,286)	(150,577)
Capital contributions	72,000	64,000	-	-	136,000
Net cash provided by (used for) capital and related financing activities	\$ (324,225)	\$ (35,397)	\$ -	\$ (1,261,638)	\$ (1,621,260)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	\$ 1,660	\$ 1,694	\$ -	\$ -	\$ 3,354
Net cash provided by (used for) investing activities	\$ 1,660	\$ 1,694	\$ -	\$ -	\$ 3,354
Net increase (decrease) in cash and cash equivalents	\$ (46,531)	\$ 46,998	\$ (15,768)	\$ (782,536)	\$ (797,837)
Cash and cash equivalents (including restricted cash)- beginning	1,539,532	717,523	15,768	782,536	3,055,359
Cash and cash equivalents (including restricted cash)- ending	\$ 1,493,001	\$ 764,521	\$ -	\$ -	\$ 2,257,522
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (421,218)	\$ (75,941)	\$ (293,511)	\$ (2,223,625)	\$ (3,014,295)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:					
Depreciation and amortization expense	\$ 157,851	\$ 124,120	\$ 8,888	\$ 906,871	\$ 1,197,730
Other non-operating income	860	686	-	-	1,546
Non-cash closure and post closure costs (recovery)	-	-	-	875,291	875,291
(Increase) decrease in accounts receivable	22,021	(30,629)	13,998	(14,608)	(9,218)
(Increase) decrease in prepaid items	(28,056)	(8,893)	-	(54,158)	(91,107)
(Increase) decrease in net pension asset	(364,566)	(134,326)	-	(404,875)	(903,767)
(Increase) decrease in net OPEB asset	(1,252)	(471)	-	(1,391)	(3,114)
(Increase) decrease in deferred outflows of resources	87,876	35,742	-	29,501	153,119
Increase (decrease) in accounts payable and accrued liabilities	56,477	30,566	3,725	(56,901)	33,867
Increase (decrease) in retainage payable	-	-	-	(5,000)	(5,000)
Increase (decrease) in compensated absences	(5,583)	1,872	-	11,739	8,028
Increase (decrease) in deposits payable	(400)	(650)	-	-	(1,050)
Increase (decrease) in deferred inflows of resources	292,908	98,710	-	340,596	732,214
Increase (decrease) in net OPEB liabilities	(21,247)	(16,882)	-	(8,518)	(46,647)
Total adjustments	\$ 196,889	\$ 99,845	\$ 26,611	\$ 1,618,547	\$ 1,941,892
Net cash provided by (used for) operating activities	\$ (224,329)	\$ 23,904	\$ (266,900)	\$ (605,078)	\$ (1,072,403)
Schedule of non-cash capital and related financing activities:					
Landfill closure and post-closure costs (recovery)	\$ -	\$ -	\$ -	\$ 875,291	\$ 875,291

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, 2022

Exhibit 10

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 635,655
Receivables:	
Accounts receivable	<u>371,120</u>
Total assets	<u>\$ 1,006,775</u>
NET POSITION	
Restricted:	
Individuals, organizations, and governments	<u>\$ 1,006,775</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, 2022

	<u>Custodial Funds</u>
Additions	
Interest earnings	\$ 64
Miscellaneous	33,625
Ambulance recovery collections for other governments	<u>1,302,120</u>
Total additions	\$ <u>1,335,809</u>
Deductions	
Beneficiary payments to individuals	\$ 33,736
Payments of ambulance recovery collections to other governments	<u>1,264,692</u>
Total deductions	\$ <u>1,298,428</u>
Net increase (decrease) in fiduciary net position	\$ 37,381
Net position, beginning	<u>969,394</u>
Net position ending	<u><u>\$ 1,006,775</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, 2022

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, 2022 (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, 2022 total \$42,133,134. 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 2022, the County contributed \$2,746,554 for the operations of the jail.

Summary financial information for the RSW Regional Jail at June 30, 2022 is provided below:

	RSW Regional Jail
Total assets and deferred outflows of resources	\$ 75,132,992
Total liabilities and deferred inflows of resources	45,962,327
Total net position	<u>\$ 29,170,665</u>
For the year ended June 30, 2022	
Operating revenue	\$ 16,461,091
Operating expenses	(13,906,761)
Nonoperating income (expense)	<u>(1,168,283)</u>
Change in net position	\$ 1,386,047
Net position at beginning of year	<u>27,784,618</u>
Net position at end of year	<u>\$ 29,170,665</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 \$253,000 for operations to the Northwestern Community Services Board and \$646,566 to the Northwestern Regional Juvenile Detention Center. The School Board contributed \$603,075 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, 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 County Debt Service Fund is a major fund of the County.

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. The County Capital Projects Fund is a major fund of the County.

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 as custodian for individuals, private organizations, other governmental units or other funds. The County maintains two custodial funds. The special welfare fund holds funds for the benefit of certain social service clients, and the ambulance recovery fund holds funds received for ambulance billings, to be distributed to the rescue agencies throughout the County.

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 \$1,694,889 at June 30, 2022 and is comprised solely of property taxes. This allowance represents 0.6491% of the total levies for the previous six years. The allowance amounted to \$586 for Toms Brook-Maurertown Sanitary District and \$5,472 for Stoney Creek Sanitary District at June 30, 2022.

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 \$3,000 for Toms Brook-Maurertown Sanitary District, and \$18,792 for the landfill fund at June 30, 2022.

5. Inventories and prepaid items

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

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

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

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, 2022, the County's restricted assets consisted of unspent bond funds for school renovations of \$5,715,570, funds restricted for debt service in the amount of \$1,625, construction of the E-911 radio system in the Capital Projects fund in the amount of \$4,181,939, Sanitary Districts customer deposits in the amount of \$21,475 and \$2,572,318 in unspent bond proceeds in the Component Unit School Board.

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
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, 2022 (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	\$ 308,153	\$ -	\$ -	\$ -	\$ 308,153
Restricted:					
Debt service proceeds	\$ -	\$ 1,625	\$ -	\$ -	\$ 1,625
Asset forfeiture proceeds-Virginia	88,597	-	-	-	88,597
Asset forfeiture proceeds-Federal	871,596	-	-	-	871,596
Opioid settlement	26,838	-	-	-	26,838
Construction	-	-	4,181,939	-	4,181,939
Total Restricted	\$ 987,031	\$ 1,625	\$ 4,181,939	\$ -	\$ 5,170,595
Assigned:					
Capital projects	\$ -	\$ -	\$ 7,402,124	\$ 100,084	\$ 7,502,208
Law library	32,677	-	-	-	32,677
KidzRec	763,417	-	-	-	763,417
Gypsy moth	10,655	-	-	-	10,655
Purchase development rights	2,503	-	-	-	2,503
Project lifesaver	15,370	-	-	-	15,370
Triad	5,352	-	-	-	5,352
Sheriff federal cases	146,854	-	-	-	146,854
Animal shelter	442,636	-	-	-	442,636
Spay and neuter	84,817	-	-	-	84,817
Pump and haul	19,992	-	-	-	19,992
Crime prevention	3,468	-	-	-	3,468
Jail canteen	36,602	-	-	-	36,602
Sludge disposal	360,249	-	-	-	360,249
Landfill recovery	243,649	-	-	-	243,649
Rollback to CEA	142,000	-	-	-	142,000
Landfill contingency	407,928	-	-	407,927	815,855
DARE	418	-	-	-	418
Total Assigned	\$ 2,718,587	\$ -	\$ 7,402,124	\$ 508,011	\$ 10,628,722
Unassigned	\$ 27,244,942	\$ -	\$ -	\$ -	\$ 27,244,942
Total Fund Balances	\$ 31,258,713	\$ 1,625	\$ 11,584,063	\$ 508,011	\$ 43,352,412

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

The County and Component Unit School Board (The County) leases various assets 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.

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).

Key Estimates and Judgments

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

- The County uses the interest rate stated in lease 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.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease 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 incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor).

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

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

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.
8. Budgetary data presented in the accompanying financial statements includes both the original and the amended budget for the year ended June 30, 2022. Several supplemental appropriations were necessary during the year.

B. Excess of expenditures over appropriations:

For the year ended June 30, 2022, the following functions had expenditures exceeding appropriations:

Fund	Function	Excess of Expenditures over Appropriations
General Fund	General Govt. Admin	\$ 36,269
General Fund	Public Safety	755,028
General Fund	Health and Welfare	1,701,957
Total General Fund		\$ 2,493,254
Debt Service Fund	Debt Service	553,437
Total Primary Government		\$ 2,529,523

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 3—ADOPTION OF ACCOUNTING PRINCIPLE:

The County implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 87, *Leases* during the fiscal year ended June 30, 2022. This Statement is designed to improve accounting and financial reporting for leases by governments. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the leases:

	General	Governmental	Discretely Presented Component Unit School Board Governmental
	Fund	Activities	Activities
Lessee activity:			
Lease assets	\$ -	\$ 136,592	\$ 1,478,941
Lease liabilities	\$ -	\$ 136,592	\$ 1,478,941
Lessor activity:			
Leases receivable	\$ 5,766,662	\$ -	\$ -
Deferred inflows of resources-leases	\$ 5,766,662	\$ -	\$ -

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 and 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.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 4—DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities

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

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

County's Rated Debt Investments' Values

<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ 37,908,542
Total	\$ 37,908,542

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)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Local Government Investment Pool	\$ 37,908,542	\$ 37,908,542
Total	\$ 37,908,542	\$ 37,908,542

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 5—INTERFUND OBLIGATIONS:

	Due From Component Unit	Due To Component Unit	Due from Other Funds	Due to Other Funds
Primary Government:				
General Fund	\$ 3,771,719	\$ -	\$ -	\$ -
Sub-total	\$ 3,771,719	\$ -	\$ -	\$ -
Discretely Presented Component Units:				
School Operating Fund	\$ -	\$ 3,771,719	\$ 145,157	\$ -
School Cafeteria Fund	-	-	-	145,157
Sub-total	\$ -	\$ 3,771,719	\$ 145,157	\$ 145,157
Total reporting entity	\$ 3,771,719	\$ 3,771,719	\$ 145,157	\$ 145,157

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

NOTE 6—INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2022 consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ -	\$ 7,287,328
County Debt Service	5,919,195	-
Landfill Contingency	50,546	-
North Fork Wastewater	251,132	-
Landfill	1,066,455	-
Total	\$ 7,287,328	\$ 7,287,328

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.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 7—DUE FROM OTHER GOVERNMENTAL UNITS:

	Primary Government	Component Unit School Board	Component Unit Library
Commonwealth of Virginia:			
State sales taxes	\$ -	\$ 1,492,238	\$ -
Local sales taxes	865,192	-	-
Comprehensive services act funds	1,477,848	-	-
Public assistance and welfare	117,032	-	-
Fringe benefits	246,252	-	-
Opioid settlement	772,640	-	-
Other funds	183,753	120,145	14,204
Federal Government:			
Public assistance and welfare	186,601	-	-
Other funds	134,393	-	-
CARES Act ESSERF	-	1,259,447	-
School funds	-	603,849	-
Cafeteria funds	-	48,603	-
Total	\$ <u>3,983,711</u>	\$ <u>3,524,282</u>	\$ <u>14,204</u>

NOTE 8—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2022 was as follows:

Primary Government

	Beginning Balance	GASB 87 Implementation	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 4,908,718	\$ -	\$ -	\$ -	\$ 4,908,718
Construction in progress	9,304,420	-	3,999,586	-	13,304,006
Total capital assets not being depreciated	\$ 14,213,138	\$ -	\$ 3,999,586	\$ -	\$ 18,212,724
Capital assets being depreciated:					
Buildings and improvements	\$ 46,556,089	\$ -	\$ -	\$ (1,494,672)	\$ 45,061,417
Machinery and equipment	12,584,118	-	1,378,209	(2,068,115)	11,894,212
Total capital assets being depreciated	\$ 59,140,207	\$ -	\$ 1,378,209	\$ (3,562,787)	\$ 56,955,629
Accumulated depreciation:					
Buildings and improvements	\$ (11,069,698)	\$ -	\$ (856,224)	\$ 763,042	\$ (11,162,880)
Machinery and equipment	(9,330,406)	-	(641,049)	552,187	(9,419,268)
Total accumulated depreciation	\$ (20,400,104)	\$ -	\$ (1,497,273)	\$ 1,315,229	\$ (20,582,148)
Total capital assets being depreciated, net	\$ 38,740,103	\$ -	\$ (119,064)	\$ (2,247,558)	\$ 36,373,481
Lease assets:					
Equipment	\$ -	\$ 136,592	\$ 101,328	\$ -	\$ 237,920
Accumulated amortization	-	-	(42,567)	-	(42,567)
Net lease assets	\$ -	\$ 136,592	\$ 58,761	\$ -	\$ 195,353
Governmental activities capital assets, net	\$ <u>52,953,241</u>	\$ <u>136,592</u>	\$ <u>3,939,283</u>	\$ <u>(2,247,558)</u>	\$ <u>54,781,558</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 8—CAPITAL ASSETS: (CONTINUED)

Primary Government: (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 503,500	\$ -	\$ -	\$ 503,500
Construction in progress	47,355	-	(47,355)	-
Total capital assets not being depreciated	\$ 550,855	\$ -	\$ (47,355)	\$ 503,500
Capital assets being depreciated:				
Buildings and infrastructure	\$ 11,040,940	\$ -	\$ -	\$ 11,040,940
Water distribution system	14,716,224	355,979	-	15,072,203
Lease equipment	-	-	-	-
Machinery and equipment	11,814,241	694,803	-	12,509,044
Total capital assets being depreciated	\$ 37,571,405	\$ 1,050,782	\$ -	\$ 38,622,187
Accumulated depreciation:				
Buildings and improvements	\$ (3,959,654)	\$ (548,452)	\$ -	\$ (4,508,106)
Wells, lines and reservoirs	(9,924,861)	(205,049)	-	(10,129,910)
Lease equipment	-	(518,108)	-	(518,108)
Machinery and equipment	(8,587,733)	73,879	-	(8,513,854)
Total accumulated depreciation	\$ (22,472,237)	\$ (1,197,730)	\$ -	\$ (23,669,978)
Business-type activities, capital assets, net	\$ 15,650,023	\$ (146,948)	\$ (47,355)	\$ 15,455,709

Capital assets of the governmental activities in the amount of \$3,013,679 were transferred to the Component Unit School Board, capital assets in the amount of \$2,734,485 were transferred from the Component unit School Board to the Primary Government, additionally, a net transfer of \$803,490 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, 2022 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	\$ 529,557
Judicial administration	236,885
Public safety	721,059
Public works	10,772
Health and welfare	13,011
Parks, recreation, and cultural	28,556
Total depreciation and amortization expense-governmental activities	\$ 1,539,840
Business-type Activities:	
Stoney Creek Sanitary District	\$ 157,851
Toms Brook-Maurertown Sanitary District	124,120
North Fork Wastewater Fund	8,888
Landfill	906,871
Total depreciation expense business-type activities	\$ 1,197,730

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 8—CAPITAL ASSETS: (CONTINUED)

Discretely Presented Component Units:

Activity for the School Board for the year ended June 30, 2022 was as follows:

	Beginning Balance	GASB 87 Implementation	Increases	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 5,725,275	\$ -	\$ -	\$ -	\$ 5,725,275
Construction in progress	-	-	4,213,132	(2,734,485)	1,478,647
Total capital assets not being depreciated	\$ 5,725,275	\$ -	\$ 4,213,132	\$ (2,734,485)	\$ 7,203,922
Capital assets being depreciated:					
Buildings and improvements	\$ 86,924,504	\$ -	\$ 53,974	\$ 1,479,872	\$ 88,458,350
Machinery and equipment	15,757,882	-	3,283,664	(105,444)	18,936,102
Total capital assets being depreciated	\$ 102,682,386	\$ -	\$ 3,337,638	\$ 1,374,428	\$ 107,394,452
Accumulated depreciation:					
Buildings and improvements	\$ (41,876,902)	\$ -	\$ (1,988,181)	\$ (751,638)	\$ (44,616,721)
Machinery and equipment	(10,785,527)	-	(1,558,424)	1,587,399	(10,756,552)
Total accumulated depreciation	\$ (52,662,429)	\$ -	\$ (3,546,605)	\$ 835,761	\$ (55,373,273)
Total capital assets being depreciated, net	\$ 50,019,957	\$ -	\$ (208,967)	\$ 2,210,189	\$ 52,021,179
Lease assets:					
Equipment	\$ -	\$ 1,478,941	\$ -	\$ -	\$ 1,478,941
Accumulated amortization	-	-	-	(250,916)	(250,916)
Net lease assets	\$ -	\$ 1,478,941	\$ -	\$ (250,916)	\$ 1,228,025
School Board capital assets, net	\$ 55,745,232	\$ 1,478,941	\$ 4,004,165	\$ (775,212)	\$ 60,453,126

Capital assets of the governmental activities in the amount of \$3,013,679 were transferred to the Component Unit School Board, capital assets in the amount of \$2,734,485 were transferred from the Component unit School Board to the Primary Government, additionally, a net transfer of \$803,490 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, 2022 as required by the Code of Virginia.

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COUNTY OF SHENANDOAH, VIRGINIA**Notes to the Financial Statements
June 30, 2022 (Continued)****NOTE 8—CAPITAL ASSETS: (CONTINUED)****Discretely Presented Component Units: (continued)**

Activity for the Shenandoah County Library for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 65,910	\$ 121,125	\$ -	\$ 187,035
Capital assets being depreciated:				
Buildings and system	\$ 291,416	\$ -	\$ -	\$ 291,416
Machinery and equipment	289,039	26,733	(12,348)	303,424
Total capital assets being depreciated	\$ 580,455	\$ 26,733	\$ (12,348)	\$ 594,840
Accumulated depreciation:				
Buildings and system	\$ (135,198)	\$ (7,752)	\$ -	\$ (142,950)
Machinery and equipment	(147,009)	(32,756)	12,348	(167,417)
Total accumulated depreciation	\$ (282,207)	\$ (40,508)	\$ 12,348	\$ (310,367)
Total Library capital assets being depreciated, net	\$ 298,248	\$ (13,775)	\$ -	\$ 284,473
Library capital assets, net	\$ 364,158	\$ 107,350	\$ -	\$ 471,508

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COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

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 \$8,468,378 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 \$214,656 was outstanding at June 30, 2022. 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 \$127,840 at June 30, 2022.
- C. Parks and Recreation Trip Deposits– Funds collected for future recreational trips totaled \$117,797 at June 30, 2022.
- D. ARPA Funding–Funds received from American Rescue Plan Act unspent at June 30, 2022 totaled \$8,005,177.
- E. Payments From Other Localities–Funds received from Warren County unspent at June 30, 2022 totaled \$2,908.

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 \$30,713,308, \$35,499,714, and \$745,802 respectively, is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2022, but paid in advance by the taxpayers totaled \$4,804,865 in the general fund at June 30, 2022.
- B. Unbilled Property Taxes – Property taxes for the second half of 2022 that had not been billed as of June 30, 2022 amounted to \$25,908,443.
- C. Unavailable Property Taxes – Uncollected tax billings not available for funding of current expenditures totaled \$4,786,406 at June 30, 2022.
- D. Unavailable Revenue-Opioid Settlement – Unavailable revenue related to the opioid lawsuit settlement totaled \$745,802 at June 30, 2022.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

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, 2022:

	Balance July 1, 2021	GASB 87 Implementation	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2022
Governmental Activities:					
Direct Borrowings and Placements:					
General Obligation Bonds	\$ 16,909,140	\$ -	\$ -	\$ 3,934,449	\$ 12,974,691
Bond Premium	2,042,590	-	-	190,452	1,852,138
Lease Revenue Bonds	19,575,000	-	5,700,000	740,000	24,535,000
Loans Payable	1,093,869	-	168,510	412,388	849,991
Total direct borrowings and placements	\$ 39,620,599	\$ -	\$ 5,868,510	\$ 5,277,289	\$ 40,211,820
Other Liabilities:					
Leases Liabilities	\$ -	\$ 136,592	\$ 101,431	\$ 376	\$ 237,647
Compensated Absences	1,152,939	-	615,302	691,764	1,076,478
Net OPEB Liabilities	2,717,953	-	621,193	685,030	2,654,116
Total Governmental Activities	\$ 43,491,491	\$ 136,592	\$ 7,206,436	\$ 6,654,459	\$ 44,180,061
Business-type Activities:					
Direct Borrowings and Placements:					
General Obligation/Revenue Bonds	\$ 3,064,488	\$ -	\$ -	\$ 262,186	\$ 2,802,302
Bond Premium	458,713	-	-	45,871	412,842
Loans Payable	512,135	-	-	205,098	307,037
Note Payable	494,837	-	-	135,972	358,865
Total direct borrowings and placements	\$ 4,530,173	\$ -	\$ -	\$ 649,127	\$ 3,881,046
Other Liabilities:					
Compensated Absences	132,963	-	87,806	79,778	140,991
Net OPEB Liabilities	311,239	-	59,728	106,375	264,592
Landfill Closure and Post-Closure Care	11,952,732	-	875,292	-	12,828,024
Total Business-type Activities	\$ 16,927,107	\$ -	\$ 1,022,826	\$ 835,280	\$ 17,114,653
Total Long-Term Obligations	\$ 60,418,598	\$ 136,592	\$ 8,229,262	\$ 7,489,738	\$ 61,294,714

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, 2022 (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 \$40,211,820 and \$3,881,046, 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
2023	\$ 420,961	\$ 12,109	\$ 1,307,000	\$ 830,238
2024	251,218	4,971	1,513,000	809,244
2025	144,110	835	1,560,000	765,847
2026	33,702	-	1,592,000	721,572
2027	-	-	1,574,000	674,762
2028	-	-	1,467,000	625,696
2029	-	-	1,464,000	576,022
2030	-	-	1,502,000	523,937
2031	-	-	1,554,000	470,271
2032	-	-	1,612,000	414,729
2033	-	-	1,060,000	358,363
2034	-	-	1,105,000	309,603
2035	-	-	1,155,000	258,953
2036	-	-	1,205,000	209,478
2037	-	-	1,260,000	160,563
2038	-	-	1,305,000	109,659
2039	-	-	1,360,000	56,741
2040	-	-	225,000	26,169
2041	-	-	230,000	18,975
2042	-	-	240,000	11,544
2043	-	-	245,000	3,875
Total	\$ 849,991	\$ 17,915	\$ 24,535,000	\$ 7,936,241

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (Continued)

NOTE 11—LONG-TERM LIABILITIES: (CONTINUED)

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

Year Ending June 30,	Governmental Activities			
	Direct Borrowings and Direct Placements			
	General Obligation Bonds		Lease Liabilities	
	Principal	Interest	Principal	Interest
2023	\$ 4,072,128	\$ 833,193	\$ 66,819	\$ 799
2024	2,162,468	703,893	62,603	1,312
2025	2,218,180	622,133	58,360	779
2026	2,032,314	538,513	27,459	273
2027	2,094,789	452,190	18,696	104
2028	262,490	9,947	3,710	11
2029	132,322	2,013	-	-
Total	\$ 12,974,691	\$ 3,161,882	\$ 237,647	\$ 3,278

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
2023	\$ 28,400	\$ 9,040	\$ 239,097	\$ 112,993
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	22,633	337	317,273	38,190
2030	-	-	329,701	23,461
2031	-	-	325,082	8,021
	\$ 213,841	\$ 33,769	\$ 2,588,461	\$ 571,028

Year Ending June 30,	Business-type Activities			
	Direct Borrowings and Direct Placements			
	Landfill Loans Payable		Landfill Note Payable	
	Principal	Interest	Principal	Interest
2023	\$ 178,249	\$ 6,993	\$ 140,381	\$ 9,660
2024	63,646	3,026	144,610	5,432
2025	65,142	1,530	73,874	683
	\$ 307,037	\$ 11,549	\$ 358,865	\$ 15,775

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 11—LONG-TERM LIABILITIES: (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%	\$125,000- \$245,000	10/1/2042	\$ 3,785,000	\$ 125,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	199,958	9,522
2018C lease revenue bonds	11/14/2018	\$ 13,970,000	4.125- 5.125%	\$350,000- \$1,145,000	4/1/2039	13,620,000	350,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	1,428,543	51,019
2020C lease revenue bonds	9/25/2020	\$ 1,475,000	4.1-1.538%	\$10,000- \$280,000	4/1/2029	1,430,000	280,000
2021 lease revenue bonds	10/21/2021	\$ 5,700,000	1.315%	A	6/30/2032	5,700,000	552,000
Total lease revenue bonds						\$ 26,163,501	\$ 1,367,541
General obligation bonds:							
VRA Mt. Jackson WWTP	6/30/2008	\$ 4,000,000	3.00%	\$132,000- \$262,490	1/1/2029	\$ 1,596,167	\$ 226,179
VRA Series 2009B Courthouse	11/19/2009	\$ 15,760,000	5.125%	\$1,170,000- \$1,355,000	n/a	6,295,000	1,170,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	135,563	45,188
School Bonds VPSA 2002	5/16/2002	\$ 25,140,000	3.60-5.60%	\$1,965,000	7/15/2022	1,965,000	1,965,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	41,801	41,801
School bonds VPSA 2004B	11/10/2004	\$ 4,130,808	4.6-5.6%	\$230,949- \$238,122	1/15/2025	703,524	230,949
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	46,273	15,171
QSCB Series 2010*	7/8/2010	\$ 7,435,000	2.70%	\$480,000- \$485,000	6/1/2027	2,415,000	480,000
Net general obligation school bonds						\$ 13,198,328	\$ 4,174,288
* interest reimbursed by federal interest subsidy							
Other liabilities:							
Loans payable:							
School buses	6/1/2018	\$ 729,723	2.80%	M \$156,899	6/1/2023	\$ 154,191	\$ 154,191
Computer software	1/25/2019	\$ 98,823	2.25%	M \$19,881	6/1/2023	19,881	19,881
School buses	10/29/2019	\$ 1,055,703	2.02%	A \$222,487	10/29/2024	541,111	213,187
Sheriff body cameras	10/14/2021	\$ 168,510	0.00%	A \$33,702	10/31/2025	134,808	33,702
Total loans payable						\$ 849,991	\$ 420,961
Lease liabilities:							
Copiers		\$ 280,487	4.11%	M \$67,619	2024/2029	\$ 237,647	\$ 66,819
Total lease liabilities						\$ 237,647	\$ 66,819
Net OPEB liabilities (payable from general fund)						2,654,116	-
Compensated absences (payable from general fund)						1,076,478	288,235
Total other liabilities						\$ 3,968,241	\$ 355,054
Total long-term liabilities from governmental activities						\$ 44,180,061	\$ 6,317,844

A = annual installments

M = monthly installments

SA = semi-annual installments

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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
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	\$ 678,461	\$ 69,097
VRA Bond 2010-Landfill	11/18/2020	\$ 2,075,000	5.13%	SA \$170,000- \$260,000	4/30/2031	1,910,000	170,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	412,842	45,871
Total lease revenue bonds						\$ 3,001,303	\$ 284,968
General obligation bonds:							
1995 GO Bond-Tom's Brook	8/1/1995	\$ 634,000	4.50%	M \$37,440	2/1/2029	\$ 213,841	\$ 28,400
Notes payable:							
Landfill note payable	7/18/2019	\$ 691,178	2.99%	SA \$150,041	7/18/2024	\$ 358,865	\$ 140,381
Loans payable:							
Landfill equipment	4/27/2017	\$ 330,260	2.36%	M \$32,756	1/1/2023	\$ 32,293	\$ 32,293
Landfill equipment	6/7/2018	\$ 393,147	3.24%	M \$85,814	6/8/2023	83,770	83,770
Landfill equipment	12/13/2019	\$ 314,140	2.35%	M \$66,672	6/11/2025	190,974	62,186
Total loans payable						\$ 307,037	\$ 178,249
Other Liabilities:							
Landfill closure and post-closure care						12,828,024	-
Net OPEB liabilities (payable from business-type activities)						264,592	-
Compensated absences (payable from business-type activities)						140,991	35,248
Total Other Liabilities						\$ 13,233,607	\$ 35,248
Total business-type activities						\$ 17,114,653	\$ 667,246

A = annual installments

M = monthly installments

SA = semi-annual installments

DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD:

Changes in long-term liabilities:

	Balance July 1, 2021	GASB 87 Implementation	Increases	Decreases	Balance June 30, 2022
Loan Payable	\$ 5,306,803	\$ -	\$ -	\$ -	\$ 5,306,803
Lease Liability	-	1,478,941	-	241,675	1,237,266
Compensated Absences	963,620	-	392,195	578,172	777,643
Net Pension Liability	65,477,942	-	13,933,833	45,749,432	33,662,343
Net OPEB Liabilities	15,182,588	-	3,384,281	3,270,421	15,296,448
Total	\$ 86,930,953	\$ 1,478,941	\$ 17,710,309	\$ 49,839,700	\$ 56,280,503

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (Continued)

NOTE 11—LONG-TERM LIABILITIES: (CONTINUED)

DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD: (continued)

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

Year Ending June 30,	Component Unit School Board			
	Loans Payable		Lease Liabilities	
	Principal	Interest	Principal	Interest
2023	\$ 5,410	\$ 275,909	\$ 237,401	\$ 18,781
2024	149,731	140,027	231,967	14,922
2025	162,491	135,960	220,847	11,223
2026	175,856	131,550	190,959	7,717
2027	189,849	126,779	176,543	4,657
2028	204,495	121,633	179,549	1,649
2029	203,586	116,199	-	-
2030	218,999	110,682	-	-
2031	235,093	104,750	-	-
2032	251,568	98,388	-	-
2033	268,637	91,584	-	-
2034	285,742	84,325	-	-
2035	304,894	76,598	-	-
2036	316,368	68,412	-	-
2037	344,510	59,810	-	-
2038	367,138	50,497	-	-
2039	387,001	40,600	-	-
2040	412,821	30,135	-	-
2041	414,602	19,142	-	-
2042	408,012	8,012	-	-
Total	\$ 5,306,803	\$ 1,890,992	\$ 1,237,266	\$ 58,949

Details of long-term liabilities:

Component Unit School Board:

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates		Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
Liabilities:								
Loan payable:								
Energy saving equipment	6/1/2021	\$ 5,360,000	2.66%	SA	\$ 289,758	6/1/2042	\$ 5,306,803	\$ 5,410
Other Liabilities:								
Lease liabilities:								
Copiers		\$ 309,658	.62%-600%	M	\$ 256,182	2023-2028	\$ 1,237,266	\$ 237,401
Net pension liabilities (payable from school operating fund)							33,662,343	-
Net OPEB liabilities (payable from school operating fund)							15,296,448	-
Compensated absences (payable from school operating fund)							777,643	194,411
Total Other Liabilities							\$ 50,973,700	\$ 431,812
Total long-term liabilities, Component Unit School Board							\$ 56,280,503	\$ 437,222

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 12—OTHER LIABILITIES – ENTERPRISE FUNDS:

The other liabilities of the Sanitary Districts at June 30, 2022, consist of the following:

	Stoney Creek	Toms-Brook Maurertown	Total
Security deposits	\$ 5,900	\$ 15,575	\$ 21,475
Total	\$ 5,900	\$ 15,575	\$ 21,475

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.

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.

NOTE 14—PENSION PLAN: (CONTINUED)

Benefits Structures (continued)

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, 2022 (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, 2020 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	166	163
Inactive members:		
Vested inactive members	55	37
Non-vested inactive members	89	84
Inactive members active elsewhere in VRS	215	43
Total inactive members	359	164
Active members	308	186
Total covered employees	833	513

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, 2022 was 10.40% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 \$1,606,075 and \$1,464,690 for the years ended June 30, 2022 and June 30, 2021 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, 2022 was 6.89% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 \$225,436 and \$215,469 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Asset

The net pension asset (NPA) is calculated separately for each employer and represents that particular employer’s total pension 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 assets were measured as of June 30, 2021. The total pension assets used to calculate the net pension assets were determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021.

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, 2020, 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, 2021.

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

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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, 2020 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 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, 2022 (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, 2020, 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, 2021.

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*

Mortality rates:

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

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, 2022 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

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

The actuarial assumptions used in the June 30, 2020 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, 2022 (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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.39%</u>

* The above allocation provides a one-year expected return of 7.39%. 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 6.94%, 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, 2022 (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, 2021, 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, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, 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, 2021 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 Asset

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at June 30, 2020	\$ 59,019,103	\$ 50,667,687	\$ 8,351,416
Changes for the year:			
Service cost	\$ 1,773,500	\$ -	\$ 1,773,500
Interest	3,894,759	-	3,894,759
Changes of assumptions	2,404,202	-	2,404,202
Differences between expected and actual experience	(1,179,422)	-	(1,179,422)
Contributions - employer	-	1,464,689	(1,464,689)
Contributions - employee	-	703,186	(703,186)
Net investment income	-	13,888,840	(13,888,840)
Benefit payments, including refunds	(2,637,948)	(2,637,948)	-
Administrative expenses	-	(34,082)	34,082
Other changes	-	1,314	(1,314)
Net changes	\$ 4,255,091	\$ 13,385,999	\$ (9,130,908)
Balances at June 30, 2021	\$ 63,274,194	\$ 64,053,686	\$ (779,492)

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

Changes in Net Pension 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, 2020	\$ 15,234,088	\$ 13,794,978	\$ 1,439,110
Changes for the year:			
Service cost	\$ 314,070	\$ -	\$ 314,070
Interest	996,739	-	996,739
Changes of assumptions	422,500	-	422,500
Differences between expected and actual experience	(202,493)	-	(202,493)
Contributions - employer	-	214,822	(214,822)
Contributions - employee	-	162,264	(162,264)
Net investment income	-	3,719,835	(3,719,835)
Benefit payments, including refunds	(935,180)	(935,180)	-
Administrative expenses	-	(9,549)	9,549
Other changes	-	348	(348)
Net changes	\$ 595,636	\$ 3,152,540	\$ (2,556,904)
Balances at June 30, 2021	\$ 15,829,724	\$ 16,947,518	\$ (1,117,794)

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)	\$ 8,379,794	\$ (779,492)	\$ (8,225,468)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 505,791	\$ (1,117,794)	\$ (2,494,233)

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (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, 2022, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$786,078 and \$2,855, respectively. At June 30, 2022, 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	\$ 691,181	\$ 859,683	\$ 25,783	\$ 109,178
Changes of assumptions	1,834,854	-	227,800	-
Net difference between projected and actual earnings on pension plan investments	-	6,920,187	-	1,840,482
Deferred change in proportionate share	100,798	100,798	-	-
Employer contributions subsequent to the measurement date	1,606,075	-	225,436	-
Total	<u>\$ 4,232,908</u>	<u>\$ 7,880,668</u>	<u>\$ 479,019</u>	<u>\$ 1,949,660</u>

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COUNTY OF SHENANDOAH, VIRGINIA**Notes to the Financial Statements
June 30, 2022 (Continued)****NOTE 14—PENSION PLAN: (CONTINUED)*****Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (continued)***

\$1,606,075 and \$225,436 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, 2023. 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:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>
2023	\$ (620,000)	\$ (304,438)
2024	(1,054,064)	(402,074)
2025	(1,482,620)	(428,001)
2026	(2,097,150)	(561,564)
2027	-	-
Thereafter	-	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-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, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

Component Unit School Board (Professional) (continued)

Contributions (continued)

Contributions to the pension plan from the school division were \$6,362,718 and \$6,134,530 for the years ended June 30, 2022 and June 30, 2021, respectively.

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 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, 2022, the school division reported a liability of \$33,662,343 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was .443362% as compared to .440000% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension expense of \$344,562. 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 contributions

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,867,154
Change in assumptions	5,897,554	-
Net difference between projected and actual earnings on pension plan investments	-	21,213,108
Changes in proportion and differences between employer contributions and proportionate share of contributions	933,758	1,473,030
Employer contributions subsequent to the measurement date	6,362,718	-
Total	<u>\$ 13,194,030</u>	<u>\$ 25,553,292</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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)

\$6,362,718 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, 2023. 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>	
2023	\$ (4,388,012)
2024	(3,755,970)
2025	(4,416,018)
2026	(6,166,043)
2027	4,063

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

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

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2020 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

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, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	53,381,141
Plan Fiduciary Net Position		45,617,878
Employers' Net Pension Liability (Asset)	\$	<u>7,763,263</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		85.46%

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.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (Continued)

NOTE 14—PENSION PLAN: (CONTINUED)

Component Unit School Board (Professional) (continued)

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	\$ 64,966,499	\$ 33,662,343	\$ 7,910,493

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report. A copy of the 2021 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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

	Deferred Outflows	Deferred Inflows	Net Pension Liability	Net Pension (Asset)	Pension Expense
VRS Pension Plans:					
Primary Government	\$ 4,232,908	\$ 7,880,668	\$ -	\$ (779,492)	\$ 786,078
Component Unit School Board:					
School Board Nonprofessional	\$ 479,019	\$ 1,949,660	\$ -	\$ (1,117,794)	\$ 2,855
School Board Professional	13,194,030	25,553,292	33,662,343	-	344,562
Total Component Unit School Board	\$ 13,673,049	\$ 27,502,952	\$ 33,662,343	\$ (1,117,794)	\$ 347,417

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

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.

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.

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COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

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

Plan Membership

At July 1, 2021 (the measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	273	861
Total retirees with coverage	5	34
Total	278	895

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, 2022 was \$52,000.

The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2022 was \$277,000.

Total OPEB Liability

The County's and School Board's total OPEB liabilities were measured as of July 1, 2021. The measurement of the total OPEB liabilities is based on a valuation date of July 1, 2021.

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 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 1.92% and represents the Municipal GO AA 20-year yield curve rate as of July 1, 2021
Healthcare Cost Trend Rates	(0.71%) for fiscal year end 2022 (to reflect actual experience), then 7.00% 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.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (Continued)

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

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 1.92% 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, 2021	\$ 1,856,000	\$ 5,675,000
Changes for the year:		
Service cost	141,000	546,000
Interest	48,000	149,000
Difference between expected and actual experience	(108,000)	484,000
Changes in assumptions	203,000	451,000
Benefit payments	(52,000)	(277,000)
Net changes	232,000	1,353,000
Balances at June 30, 2022	\$ 2,088,000	\$ 7,028,000

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 (.92%) or one percentage point higher (2.92%) than the current discount rate:

	1% Decrease (.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
Primary Government			
\$ 2,325,000	\$	2,088,000	\$ 1,875,000
Component Unit School Board			
\$ 7,624,000	\$	7,028,000	\$ 6,472,000

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (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 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 (1.71%) or one percentage point higher .71% than the current healthcare cost trend rates:

	Rates	
	1% Decrease (1.71%)	Healthcare Cost Trend (.71%)
Primary Government		
\$	1,792,000	\$ 2,088,000
Component Unit School Board		
\$	6,132,000	\$ 7,028,000
		\$ 8,100,000

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

For the year ended June 30, 2022, the Primary Government recognized OPEB expense in the amount of \$151,000. The School Board recognized OPEB expense in the amount of \$560,000. At June 30, 2022, 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	\$ -	\$ 374,000	\$ 686,000	\$ 2,112,000
Changes in assumptions	313,000	7,000	837,000	307,000
Employer contributions subsequent to the measurement date	52,000	-	277,000	-
Total	\$ 365,000	\$ 381,000	\$ 1,800,000	\$ 2,419,000

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (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
(continued)***

\$52,000 and \$277,000 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, 2023. 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:

<u>Year Ended June 30,</u>	<u>Primary Government</u>	<u>Component Unit School Board</u>
2023	\$ (43,000)	\$ (141,000)
2024	(42,000)	(141,000)
2025	(6,000)	(141,000)
2026	4,000	(141,000)
2027	8,000	(141,000)
Thereafter	11,000	(191,000)

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.

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COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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 \$8,722 as of June 30, 2022.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$87,527 and \$79,550 for the years ended June 30, 2022 and June 30, 2021, respectively. The Component Unit School Board's contributions to the Group Life Insurance Plan for nonprofessional employees were \$20,380 and \$19,425, for the years ended June 30, 2022 and June 30, 2021 respectively. The Component Unit School Board's contributions to the Group Life Insurance Plan for professional employees were \$215,652 and \$207,268 for the years ended June 30, 2022 and June 30, 2021 respectively.

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

At June 30, 2022, the County reported a liability of \$830,708 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 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, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.07130% as compared to 0.070300% at June 30, 2020.

At June 30, 2022, the School Board reported liability of \$202,817 for nonprofessional employees and \$2,164,497 for professional employees for its proportionate share of the Net GLI OPEB Liability. At June 30, 2021 and June 30, 2020, the participating employer's proportion for nonprofessional employees was 0.01740% and 0.01826% respectively. At June 30, 2021, the participating employer's proportion for School Board professional employees was 0.18590% as compared to 0.18780% at June 30, 2020.

For the year ended June 30, 2022, the County recognized GLI OPEB expense of \$39,085, while the School Board recognized GLI OPEB expense of (\$680) and \$81,913 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, 2022 (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, 2022, 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	\$ 94,745	\$ 198,272	\$ 23,132	\$ 48,408
Net difference between projected and actual earnings on GLI OPEB program investments	-	6,330	-	1,545
Change in assumptions	45,798	113,659	11,181	27,750
Changes in proportion	34,030	4,562	-	26,723
Employer contributions subsequent to the measurement date	87,527	-	20,380	-
Total	\$ 262,100	\$ 322,823	\$ 54,693	\$ 104,426

	Component Unit School Board	
	Professional Employees Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,868	\$ 516,619
Net difference between projected and actual earnings on GLI OPEB program investments	-	16,492
Change in assumptions	119,328	296,149
Changes in proportion	65,429	84,105
Employer contributions subsequent to the measurement date	215,652	-
Total	\$ 647,277	\$ 913,365

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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)

\$87,527, \$20,380, and \$215,652 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, 2023. 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,	
2023	\$	(35,872)	2023	\$ (113,394)
2024		(24,923)	2024	(86,653)
2025		(23,097)	2025	(79,099)
2026		(55,683)	2026	(166,034)
2027		(8,675)	2027	(36,560)
Thereafter	-		Thereafter	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021. The assumptions include several employer groups as noted below. Salary increase and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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, 2022 (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, 2020 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, 2022 (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, 2020 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, 2022 (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, 2020 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, 2022 (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, 2021, NOL amounts for the Group Life Insurance Plan is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Plan
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	2,413,074
GLI Net OPEB Liability (Asset)	\$ 1,164,272
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%

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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, 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, 2021, 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, 2021 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	\$ 1,213,694	\$ 830,708	\$ 521,429
School Board's proportionate share of the GLI Program Net OPEB Liability-nonprofessional employees	\$ 296,322	\$ 202,817	\$ 127,307
School Board's proportionate share of the GLI Program Net OPEB Liability-professional employees	\$ 3,162,408	\$ 2,164,497	\$ 1,358,638

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022 (Continued)

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

Employees Covered by Benefit Terms

As of the June 30, 2020 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	24	62
Total inactive members	24	62
Active members	166	186
Total covered employees	190	248

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, 2022 was .09% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. 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 \$8,127 and \$7,131 for the years ended June 30, 2022 and June 30, 2021, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2022 was 1.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020.

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 \$27,901 and \$26,558 for the years ended June 30, 2022 and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately \$2.5 million of additional employer contributions in FY 2021.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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, 2021. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

The actuarial assumptions used in the June 30, 2020 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:

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (Continued)

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

Actuarial Assumptions (continued)

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

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, 2022 (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, 2020 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, 2022 (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:

Asset Class (Strategy)	Long-Term Target Allocation	Arithmetic Long-term Rate of Return	Weighted Average Long-term Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year return of 7.39%. 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 6.94%, 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, 2021 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, 2021 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, 2022 (Continued)

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

Changes in Net HIC OPEB Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total	Plan	Net
	HIC OPEB Liability (a)	Fiduciary Net Position (b)	HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 234,789	\$ 239,189	\$ (4,400)
Changes for the year:			
Service cost	\$ 7,148	\$ -	\$ 7,148
Interest	15,336	-	15,336
Changes of assumptions	3,978	-	3,978
Differences between expected and actual experience	10,343	-	10,343
Contributions - employer	-	7,131	(7,131)
Net investment income	-	61,786	(61,786)
Benefit payments	(15,188)	(15,188)	-
Other changes	-	(712)	712
Net changes	\$ 21,617	\$ 53,017	\$ (31,400)
Balances at June 30, 2021	\$ 256,406	\$ 292,206	\$ (35,800)

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total	Plan	Net
	HIC OPEB Liability (a)	Fiduciary Net Position (b)	HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 319,890	\$ -	\$ 319,890
Changes for the year:			
Service cost	\$ 6,394	\$ -	\$ 6,394
Interest	21,593	-	21,593
Changes of assumptions	8,662	-	8,662
Differences between expected and actual experience	(1)	-	(1)
Contributions - employer	-	26,557	(26,557)
Net investment income	-	3,892	(3,892)
Administrative expenses	-	(119)	119
Net changes	\$ 36,648	\$ 30,330	\$ 6,318
Balances at June 30, 2021	\$ 356,538	\$ 30,330	\$ 326,208

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's			
Net HIC OPEB Liability (Asset)	\$ (3,652)	\$ (35,800)	\$ (62,683)
Component Unit School Board's (nonprofessional)			
Net HIC OPEB Liability (Asset)	\$ 359,625	\$ 326,208	\$ 297,298

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, 2022, the County and Component Unit School Board (nonprofessional) recognized Health Insurance Credit Plan OPEB expense of (\$2,864), and \$28,601 respectively. At June 30, 2022, 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	\$ -	\$ 29,551	\$ -	\$ 1
Change in assumptions	7,362	3,791	6,675	-
Differences between expected and actual experience	9,014	13,825	-	2,400
Employer contributions subsequent to the measurement date	8,127	-	27,901	-
Total	\$ 24,503	\$ 47,167	\$ 34,576	\$ 2,401

COUNTY OF SHENANDOAH, VIRGINIA**Notes to the Financial Statements
June 30, 2022 (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)***

\$8,127 and \$27,901 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>
2023	\$ (8,399)	\$ 1,387
2024	(8,328)	1,387
2025	(8,582)	1,387
2026	(9,545)	113
2027	955	-
Thereafter	3,108	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022 (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, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$483,008 and \$464,781 for the years ended June 30, 2022 and June 30, 2021, respectively.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements
June 30, 2022 (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, 2022, the school division reported a liability of \$5,574,926 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, 2020 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, 2019 and rolled forward to the measurement date of June 30, 2021. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee HIC Plan was .43433% as compared to .44073% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$431,633. 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 proportion.

At June 30, 2022, 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	\$ -	\$ 73,439
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	97,282
Change in assumptions	150,700	22,405
Change in proportion	122,133	191,550
Employer contributions subsequent to the measurement date	<u>483,008</u>	<u>-</u>
Total	<u>\$ 755,841</u>	<u>\$ 384,676</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

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)

\$483,008 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, 2023. 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:

Year Ended June 30,

2023	\$	(29,221)
2024		(30,055)
2025		(22,444)
2026		(10,234)
2027		(3,562)
Thereafter		(16,327)

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, 2020, 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, 2021.

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

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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, 2020 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, 2022 (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, 2021, 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	\$	1,477,874
Plan Fiduciary Net Position		194,305
Teacher Employee HIC OPEB Liability (Asset)	\$	1,283,569
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		13.15%

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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (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 7.39%. 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 6.94%, 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, 2021, 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, 2021 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	\$	6,275,822	\$ 5,574,926	\$ 4,981,802

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022 (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	Net OPEB (Asset)	OPEB Expense
VRS OPEB Plans:					
Group Life Insurance Program (Note 16):					
County	\$ 262,100	\$ 322,823	\$ 830,708	\$ -	\$ 39,085
County Health Insurance Credit Program (Note 17)	24,503	47,167	-	(35,800)	(2,864)
County Stand-Alone Plan (Note 15)	365,000	381,000	2,088,000	-	151,000
Totals	<u>\$ 651,603</u>	<u>\$ 750,990</u>	<u>\$ 2,918,708</u>	<u>\$ (35,800)</u>	<u>\$ 187,221</u>
	Component Unit School Board				
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	Net OPEB (Asset)	OPEB Expense
VRS OPEB Plans:					
Group Life Insurance Program (Note 16):					
School Board Nonprofessional	\$ 54,693	\$ 104,426	\$ 202,817	\$ -	\$ (680)
School Board Professional	647,277	913,365	2,164,497	-	81,913
School Board Nonprofessional Health Insurance Credit Program (Note 17)	34,576	2,401	326,208	-	28,601
Teacher Health Insurance Credit Program (Note 18)	755,841	384,676	5,574,926	-	431,633
School Stand-Alone Plan (Note 15)	1,800,000	2,419,000	7,028,000	-	560,000
Totals	<u>\$ 3,292,387</u>	<u>\$ 3,823,868</u>	<u>\$ 15,296,448</u>	<u>\$ -</u>	<u>\$ 1,101,467</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 VRSA 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 VRSA 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.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 21—RISK MANAGEMENT: (CONTINUED)

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.

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 \$12,828,024 for the old landfill, and landfill cells 1 and 2. However landfill cell #3 has capacity used to date estimated to be 47%. The estimated total current cost of the landfill closure and post-closure care of \$14,845,848 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, 2022. 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	\$ 1,164,376	\$ 767,640	\$ 164,053	\$ 1,823,760	\$ 3,919,829
Depreciation and amortization	157,851	124,120	8,888	906,871	1,197,730
Operating income (loss)	(421,218)	(75,941)	(293,511)	(2,223,625)	(3,014,295)
Capital contributions	72,000	64,000	-	-	136,000
Property, plant and equipment additions, net of retirements	(396,225)	(61,957)	-	(545,245)	(1,003,427)
Net working capital	1,943,267	803,783	(2,810)	(522,375)	2,221,865
Total assets	5,722,251	2,939,638	187,216	9,825,155	18,674,260
Long-term liabilities	141,958	222,181	-	16,083,268	16,447,407
Net position	5,033,974	2,536,264	175,540	(7,167,047)	578,731

NOTE 24—OTHER ASSETS:

Other assets consist of online textbook subscriptions purchased by the Component Unit School Board that spans several fiscal years. Other assets totaled \$1,017,634, net of amortization expense at June 30, 2022.

COUNTY OF SHENANDOAH, VIRGINIA**Notes to the Financial Statements
June 30, 2022 (Continued)****NOTE 25—CONSTRUCTION COMMITMENTS:**

The County of Shenandoah has two active construction projects as of June 30, 2022. The projects consist of E-911 radio replacement, School energy savings project and 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
911 Radio Replacement	\$ 9,174,880	\$ 7,764,748	\$ 1,410,132
Courthouse HVAC	1,426,071	-	1,426,071
School Energy project	5,306,782	2,554,984	2,751,798
Total	<u>\$ 15,907,733</u>	<u>\$ 10,319,732</u>	<u>\$ 5,588,001</u>

NOTE 26—RESTATEMENT OF BEGINNING FUND BALANCE AND NET POSTION:

The beginning fund balance and net position of the General Fund was restated to correct a prior year error in the calculation of ARPA unearned revenue as follows:

	Governmental Activities General Fund	
	Fund Balance	Net Position
Fund Balance/Net position at July 1, 2021 as originally reported	\$ 19,679,407	\$ 42,403,697
Correction of prior period ARPA unearned revenue	(74,081)	(74,081)
Fund Balance/Net position at July 1, 2021 as restated	<u>\$ 19,605,326</u>	<u>\$ 42,329,616</u>

NOTE 27—LEASES RECEIVABLE:

The Town recognized lease revenue of \$195,710 and interest revenue of \$94,311 during fiscal year 2022. Details of leases receivable at June 30, 2022 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%	\$ 22,574	\$ 11,756
Telecommunications equipment-Crown Communications	2021	2036	Monthly	4.113%	167,864	11,672
Building-Edinburg School	2021	2043	Monthly	1.733%	5,295,061	209,862
Building-Shenandoah County Human Services	2021	2026	Annual	0.687%	31,908	7,016
Totals					<u>\$ 5,517,407</u>	<u>\$ 240,306</u>

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 28—LITIGATION:

At June 30, 2022, 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 29—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, 2022 was \$83,924.

NOTE 30—UPCOMING PRONOUNCEMENTS:

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Financial Statements June 30, 2022 (Continued)

NOTE 30—UPCOMING PRONOUNCEMENTS: (CONTINUED)

Statement No. 99, *Omnibus 2022*, 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 2022 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.

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, 2022

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 50,796,000	\$ 50,796,000	\$ 56,998,543	\$ 6,202,543
Other local taxes	7,700,000	7,700,000	8,117,144	417,144
Permits, privilege fees, and regulatory licenses	538,500	538,500	675,224	136,724
Fines and forfeitures	54,000	54,000	36,731	(17,269)
Revenue from the use of money and property	694,767	694,767	436,052	(258,715)
Charges for services	2,083,700	2,595,809	2,566,812	(28,997)
Miscellaneous	537,722	835,645	1,723,757	888,112
Recovered costs	709,879	715,987	771,935	55,948
Intergovernmental:				
Commonwealth	11,528,275	11,535,352	13,259,116	1,723,764
Federal	2,946,652	3,126,794	3,345,770	218,976
Total revenues	\$ 77,589,495	\$ 78,592,854	\$ 87,931,084	\$ 9,338,230
EXPENDITURES				
Current:				
General government administration	\$ 3,550,119	\$ 3,670,259	\$ 3,706,528	\$ (36,269)
Judicial administration	2,435,288	2,500,878	2,437,426	63,452
Public safety	20,272,531	21,712,240	22,467,268	(755,028)
Public works	1,458,378	1,577,616	1,433,805	143,811
Health and welfare	10,221,576	10,545,494	12,247,451	(1,701,957)
Education	35,062,550	35,062,550	28,101,691	6,960,859
Parks, recreation, and cultural	2,166,763	2,976,242	2,520,247	455,995
Community development	1,825,460	2,250,371	2,008,232	242,139
Nondepartmental	678,000	461,497	37,662	423,835
Capital projects	1,610,529	-	-	-
Total expenditures	\$ 79,281,194	\$ 80,757,147	\$ 74,960,310	\$ 5,796,837
Excess (deficiency) of revenues over (under) expenditures	\$ (1,691,699)	\$ (2,164,293)	\$ 12,970,774	\$ 15,135,067
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (7,663,667)	\$ (7,892,504)	\$ (7,287,328)	\$ 605,176
Issuance of general obligation bonds	5,598,250	5,598,250	5,700,000	101,750
Issuance of loans	-	-	168,510	168,510
Leases (as lessee)	-	-	101,431	101,431
Total other financing sources (uses)	\$ (2,065,417)	\$ (2,294,254)	\$ (1,317,387)	\$ 976,867
Net change in fund balances	\$ (3,757,116)	\$ (4,458,547)	\$ 11,653,387	\$ 16,111,934
Fund balances - beginning, as restated	3,757,116	4,458,547	19,605,326	15,146,779
Fund balances - ending	\$ -	\$ -	\$ 31,258,713	\$ 31,258,713

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County of Shenandoah, Virginia

Schedule of Changes in Net Pension Liability and Related Ratios

Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019
Total pension liability			
Service cost	\$ 1,773,500	\$ 1,713,263	\$ 1,513,031
Interest	3,894,759	3,592,971	3,463,665
Changes in benefit terms	-	-	-
Changes of assumptions	2,404,202	-	1,712,494
Differences between expected and actual experience	(1,179,422)	1,738,426	(366,432)
Benefit payments	(2,637,948)	(2,509,516)	(2,639,468)
Net change in total pension liability	\$ 4,255,091	\$ 4,535,144	\$ 3,683,290
Total pension liability - beginning	59,019,103	54,483,959	50,800,669
Total pension liability - ending (a)	<u>\$ 63,274,194</u>	<u>\$ 59,019,103</u>	<u>\$ 54,483,959</u>
Plan fiduciary net position			
Contributions - employer	\$ 1,464,689	\$ 1,295,253	\$ 1,238,866
Contributions - employee	703,186	704,382	665,080
Net investment income	13,888,840	957,278	3,183,353
Benefit payments	(2,637,948)	(2,509,516)	(2,639,468)
Administrator charges	(34,082)	(32,475)	(31,516)
Other	1,314	(1,142)	(2,006)
Net change in plan fiduciary net position	\$ 13,385,999	\$ 413,780	\$ 2,414,309
Plan fiduciary net position - beginning	50,667,687	50,253,907	47,839,598
Plan fiduciary net position - ending (b)	<u>\$ 64,053,686</u>	<u>\$ 50,667,687</u>	<u>\$ 50,253,907</u>
County's net pension liability - ending (a) - (b)	\$ (779,492)	\$ 8,351,416	\$ 4,230,052
Plan fiduciary net position as a percentage of the total pension liability	101.23%	85.85%	92.24%
Covered payroll	\$ 14,728,542	\$ 14,459,661	\$ 13,221,665
County's net pension liability as a percentage of covered payroll	-5.29%	57.76%	31.99%

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

	2018	2017	2016	2015	2014
\$	1,527,395	\$ 1,552,258	\$ 1,551,145	\$ 2,097,765	\$ 1,508,647
	3,323,028	3,179,653	3,018,636	2,851,117	2,676,488
	-	-	535,857	-	-
	-	(234,494)	-	-	-
	(478,973)	(369,474)	(729,854)	(666,172)	-
	<u>(2,085,220)</u>	<u>(2,074,224)</u>	<u>(2,076,885)</u>	<u>(1,702,272)</u>	<u>(1,678,590)</u>
\$	2,286,230	\$ 2,053,719	\$ 2,298,899	\$ 2,580,438	\$ 2,506,545
	48,514,439	46,460,720	44,161,821	41,581,383	39,074,838
\$	<u>50,800,669</u>	<u>\$ 48,514,439</u>	<u>\$ 46,460,720</u>	<u>\$ 44,161,821</u>	<u>\$ 41,581,383</u>
\$	1,220,983	\$ 1,191,677	\$ 1,419,174	\$ 1,314,841	\$ 1,629,069
	627,075	612,314	617,782	601,964	660,270
	3,310,920	4,905,320	697,945	1,739,727	5,094,975
	(2,085,220)	(2,074,224)	(2,076,885)	(1,702,272)	(1,678,590)
	(28,169)	(28,037)	(24,366)	(23,243)	(26,677)
	<u>(2,969)</u>	<u>(4,378)</u>	<u>(294)</u>	<u>(366)</u>	<u>268</u>
\$	3,042,620	\$ 4,602,672	\$ 633,356	\$ 1,930,651	\$ 5,679,315
	44,796,978	40,194,306	39,560,950	37,630,301	31,950,986
\$	<u>47,839,598</u>	<u>\$ 44,796,978</u>	<u>\$ 40,194,306</u>	<u>\$ 39,560,952</u>	<u>\$ 37,630,301</u>
\$	2,961,071	\$ 3,717,461	\$ 6,266,414	\$ 4,600,869	\$ 3,951,082
	94.17%	92.34%	86.51%	89.58%	90.50%
\$	12,900,731	\$ 12,460,402	\$ 12,364,231	\$ 11,980,248	\$ 13,032,381
	22.95%	29.83%	50.68%	38.40%	30.32%

County of Shenandoah, Virginia

Schedule of Changes in Net Pension Liability and Related Ratios Component Unit School Board (nonprofessional) For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019
Total pension liability			
Service cost	\$ 314,070	\$ 330,718	\$ 313,409
Interest	996,739	946,946	935,964
Changes of assumptions	422,500	-	343,688
Differences between expected and actual experience	(202,493)	422,455	8,719
Benefit payments	(935,180)	(989,723)	(897,992)
Net change in total pension liability	\$ 595,636	\$ 710,396	\$ 703,788
Total pension liability - beginning	15,234,088	14,523,692	13,819,904
Total pension liability - ending (a)	<u>\$ 15,829,724</u>	<u>\$ 15,234,088</u>	<u>\$ 14,523,692</u>
Plan fiduciary net position			
Contributions - employer	\$ 214,822	\$ 207,606	\$ 208,097
Contributions - employee	162,264	170,644	168,578
Net investment income	3,719,835	266,331	902,461
Benefit payments	(935,180)	(989,723)	(897,992)
Administrative expense	(9,549)	(9,430)	(9,297)
Other	348	(311)	(565)
Net change in plan fiduciary net position	\$ 3,152,540	\$ (354,883)	\$ 371,282
Plan fiduciary net position - beginning	13,794,978	14,149,861	13,778,579
Plan fiduciary net position - ending (b)	<u>\$ 16,947,518</u>	<u>\$ 13,794,978</u>	<u>\$ 14,149,861</u>
School Division's net pension liability - ending (a) - (b)	\$ (1,117,794)	\$ 1,439,110	\$ 373,831
Plan fiduciary net position as a percentage of the total pension liability	107.06%	90.55%	97.43%
Covered payroll	\$ 3,588,896	\$ 3,758,974	\$ 3,336,274
School Division's net pension liability as a percentage of covered payroll	-31.15%	38.28%	11.21%

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

2018	2017	2016	2015	2014
\$ 361,956	\$ 359,495	\$ 427,181	\$ 447,419	\$ 457,061
924,180	942,619	896,199	850,571	804,295
-	(187,557)	-	-	-
(213,776)	(558,069)	33,565	(9,646)	-
(910,061)	(729,744)	(657,857)	(615,175)	(585,358)
\$ 162,299	\$ (173,256)	\$ 699,088	\$ 673,169	\$ 675,998
13,657,605	13,830,861	13,131,773	12,458,604	11,782,606
<u>\$ 13,819,904</u>	<u>\$ 13,657,605</u>	<u>\$ 13,830,861</u>	<u>\$ 13,131,773</u>	<u>\$ 12,458,604</u>
\$ 205,999	\$ 235,452	\$ 328,594	\$ 376,586	\$ 425,500
156,422	175,693	194,128	207,759	201,912
977,080	1,474,249	211,944	534,599	1,583,539
(910,061)	(729,744)	(657,857)	(615,175)	(585,358)
(8,738)	(8,654)	(7,534)	(7,246)	(8,448)
(855)	(1,306)	(89)	(112)	83
\$ 419,847	\$ 1,145,690	\$ 69,186	\$ 496,411	\$ 1,617,228
13,358,732	12,213,042	12,143,856	11,647,445	10,030,217
<u>\$ 13,778,579</u>	<u>\$ 13,358,732</u>	<u>\$ 12,213,042</u>	<u>\$ 12,143,856</u>	<u>\$ 11,647,445</u>
\$ 41,325	\$ 298,873	\$ 1,617,819	\$ 987,917	\$ 811,159
99.70%	97.81%	88.30%	92.48%	93.49%
\$ 3,568,341	\$ 3,668,393	\$ 3,734,178	\$ 4,162,752	\$ 4,045,497
1.16%	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, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer's Proportion of the Net Pension Liability	0.443362%	0.440000%	0.446710%
Employer's Proportionate Share of the Net Pension Liability	\$ 33,662,343	\$ 64,038,832	\$ 58,789,575
Employer's Covered Payroll	\$ 38,411,652	\$ 38,638,034	\$ 37,525,255
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	88%	166%	157%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	71.47%	73.51%

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.430540%	0.433720%	0.444314%	0.43849%	0.42994%
\$ 50,631,000	\$ 53,339,000	\$ 62,103,000	\$ 55,190,000	\$ 51,957,000
\$ 34,908,815	\$ 34,345,532	\$ 33,789,530	\$ 32,605,067	\$ 31,484,690
145%	155%	184%	169%	165%
74.81%	72.92%	68.28%	70.68%	70.88%

Schedule of Employer Contributions

Pension Plans

Years Ended June 30, 2013 through June 30, 2022

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					
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%
2013	1,337,231	1,337,231	-	11,814,373	11.32%
Component Unit School Board (nonprofessional)					
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%
2013	410,155	410,155	-	3,896,702	10.53%
Component Unit School Board (professional)					
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%
2013	3,663,267	3,663,267	-	31,419,940	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, 2022

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, 2020 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, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 141,000	\$ 117,000	\$ 105,000	\$ 111,000	\$ 108,000
Interest	48,000	60,000	61,000	68,000	64,000
Changes in assumptions	203,000	132,000	88,000	-	-
Differences between expected and actual experience	(108,000)	-	(4,000)	(337,000)	-
Other changes	-	(222,000)	-	(19,000)	-
Benefit payments	(52,000)	(52,000)	(36,000)	(39,000)	(60,000)
Net change in total OPEB liability	\$ 232,000	\$ 35,000	\$ 214,000	\$ (216,000)	\$ 112,000
Total OPEB liability - beginning	1,856,000	1,821,000	1,607,000	1,823,000	1,711,000
Total OPEB liability - ending	<u>\$ 2,088,000</u>	<u>\$ 1,856,000</u>	<u>\$ 1,821,000</u>	<u>\$ 1,607,000</u>	<u>\$ 1,823,000</u>
Covered-employee payroll	\$ 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	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, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 546,000	\$ 547,000	\$ 518,000	\$ 451,000	\$ 440,000
Interest	149,000	239,000	259,000	242,000	230,000
Changes in assumptions	451,000	306,000	288,000	(535,000)	-
Differences between expected and actual experience	484,000	(2,374,000)	(370,000)	442,000	-
Benefit payments	(277,000)	(231,000)	(269,000)	(377,000)	(283,000)
Net change in total OPEB liability	\$ 1,353,000	\$ (1,513,000)	\$ 426,000	\$ 223,000	\$ 387,000
Total OPEB liability - beginning	5,675,000	7,188,000	6,762,000	6,539,000	6,152,000
Total OPEB liability - ending	\$ 7,028,000	\$ 5,675,000	\$ 7,188,000	\$ 6,762,000	\$ 6,539,000
Covered-employee payroll	\$ 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	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, 2022

PRIMARY GOVERNMENT

Valuation Date: 7/1/2021
Measurement Date: 7/1/2021

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	1.92%
Healthcare Trend Rate	(.71%) for fiscal year 2022 (to reflect actual expense), then 7.00% 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: 7/1/2021
Measurement Date: 7/1/2021

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	1.92%
Healthcare Trend Rate	12.00% for fiscal year 2021 (to reflect actual expense), then 6.00% for fiscal year 2022, 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, 2021

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)
2021	0.07130% \$	830,708	\$ 14,731,520	5.64%	52.64%
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, 2021

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)					
2021	0.01740% \$	202,817 \$	3,597,292	5.64%	52.64%
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)					
2021	0.18590% \$	2,164,497 \$	38,411,652	5.64%	52.64%
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

Years Ended June 30, 2013 through June 30, 2022

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					
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%
2013	56,709	56,709	-	11,814,373	0.48%
Component Unit School Board (nonprofessional)					
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%
2013	18,704	18,704	-	3,896,702	0.48%
Component Unit School Board (professional)					
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%
2013	150,816	150,816	-	31,419,940	0.48%

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2022

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, 2020 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, 2021

	2021	2020	2019	2018	2017
Total HIC OPEB Liability					
Service cost	\$ 7,148	\$ 6,964	\$ 6,695	\$ 7,593	\$ 7,593
Interest	15,336	15,014	15,372	15,288	15,288
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	10,343	(1,832)	(12,246)	-	-
Changes of assumptions	3,978	-	6,293	(10,066)	(10,066)
Benefit payments	(15,188)	(15,570)	(11,356)	(15,000)	(7,151)
Net change in total HIC OPEB liability	\$ 21,617	\$ 4,576	\$ 4,758	\$ (2,185)	\$ 5,664
Total HIC OPEB Liability - beginning	234,789	230,213	225,455	227,640	221,976
Total HIC OPEB Liability - ending (a)	<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	\$ 7,131	\$ 8,434	\$ 7,947	\$ 8,953	\$ 8,841
Net investment income	61,786	4,811	14,757	15,768	22,932
Benefit payments	(15,188)	(15,570)	(11,356)	(15,000)	(7,151)
Administrator charges	(712)	(456)	(496)	-	(376)
Other	-	(2)	(17)	(1,000)	1,155
Net change in plan fiduciary net position	\$ 53,017	\$ (2,783)	\$ 10,835	\$ 8,721	\$ 25,401
Plan fiduciary net position - beginning	239,189	241,972	231,137	222,416	197,015
Plan fiduciary net position - ending (b)	<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)	\$ (35,800)	\$ (4,400)	\$ (11,759)	\$ (5,682)	\$ 5,224
Plan fiduciary net position as a percentage of the total HIC OPEB liability	113.96%	101.87%	105.11%	102.52%	97.71%
Covered payroll	\$ 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	-0.45%	-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, 2021

	2021	2020
Total HIC OPEB Liability		
Service cost	\$ 6,394	\$ -
Interest	21,593	-
Changes in benefit terms	-	319,890
Differences between expected and actual experience	(1)	-
Changes of assumptions	8,662	-
Net change in total HIC OPEB liability	\$ 36,648	\$ 319,890
Total HIC OPEB Liability - beginning	319,890	-
Total HIC OPEB Liability - ending (a)	\$ 356,538	\$ 319,890
Plan fiduciary net position		
Contributions - employer	\$ 26,557	\$ -
Net investment income	3,892	-
Administration charges	(119)	-
Net change in plan fiduciary net position	\$ 30,330	\$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ 30,330	\$ -
School Board's net HIC OPEB (asset) liability - ending (a) - (b)	\$ 326,208	\$ 319,890
Plan fiduciary net position as a percentage of the total HIC OPEB liability	8.51%	0.00%
Covered payroll	\$ 3,588,896	\$ -
School Board's net HIC OPEB liability as a percentage of covered payroll	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, 2013 through June 30, 2022

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					
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%
2013	10,631	10,631	-	11,812,527	0.09%
Component Unit School Board (nonprofessional)					
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. 2020 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, 2022

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, 2020, 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, 2021

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)
2021	0.43433% \$	5,574,926 \$	38,411,652	14.51%	9.95%
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, 2013 through June 30, 2022

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)
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%
2013	348,709	348,709	-	31,419,940	1.11%

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2022

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, 2020 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

COUNTY OF SHENANDOAH, VIRGINIA

Exhibit 32

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

County Debt Service Fund

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 522,892	\$ 522,892	\$ 588,406	\$ 65,514
Total revenues	\$ 522,892	\$ 522,892	\$ 588,406	\$ 65,514
EXPENDITURES				
Debt service:				
Principal retirement	\$ 4,442,565	\$ 4,442,565	\$ 5,086,837	\$ (644,272)
Interest and other fiscal charges	1,893,268	1,893,268	1,802,433	90,835
Total expenditures	\$ 6,335,833	\$ 6,335,833	\$ 6,889,270	\$ (553,437)
Excess (deficiency) of revenues over (under) expenditures	\$ (5,812,941)	\$ (5,812,941)	\$ (6,300,864)	\$ (487,923)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 5,812,941	\$ 5,812,941	\$ 5,919,195	\$ 106,254
Total other financing sources (uses)	\$ 5,812,941	\$ 5,812,941	\$ 5,919,195	\$ 106,254
Net change in fund balances	\$ -	\$ -	\$ (381,669)	\$ (381,669)
Fund balances - beginning	-	-	383,294	383,294
Fund balances - ending	\$ -	\$ -	\$ 1,625	\$ 1,625

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 16,039	\$ 16,039
Total revenues	\$ -	\$ -	\$ 16,039	\$ 16,039
EXPENDITURES				
Capital projects	\$ -	\$ 4,059,337	\$ 1,265,101	\$ 2,794,236
Total expenditures	\$ -	\$ 4,059,337	\$ 1,265,101	\$ 2,794,236
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (4,059,337)	\$ (1,249,062)	\$ 2,810,275
Net change in fund balances	\$ -	\$ (4,059,337)	\$ (1,249,062)	\$ 2,810,275
Fund balances - beginning	-	4,059,337	12,833,125	8,773,788
Fund balances - ending	\$ -	\$ -	\$ 11,584,063	\$ 11,584,063

COMBINING FUND STATEMENTS

COUNTY OF SHENANDOAH, VIRGINIA
Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

Exhibit 34

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 407,927	\$ 100,084	\$ 508,011
Total assets	<u>\$ 407,927</u>	<u>\$ 100,084</u>	<u>\$ 508,011</u>
FUND BALANCES			
Assigned:			
Landfill contingency	\$ 407,927	\$ -	\$ 407,927
Capital projects	-	100,084	100,084
Total fund balances	<u>\$ 407,927</u>	<u>\$ 100,084</u>	<u>\$ 508,011</u>
Total liabilities and fund balances	<u>\$ 407,927</u>	<u>\$ 100,084</u>	<u>\$ 508,011</u>

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2022

	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	\$ 50,546	\$ -	\$ 50,546
Total other financing sources (uses)	\$ 50,546	\$ -	\$ 50,546
Net change in fund balances	\$ 50,546	\$ -	\$ 50,546
Fund balances - beginning	357,381	100,084	457,465
Fund balances - ending	<u>\$ 407,927</u>	<u>\$ 100,084</u>	<u>\$ 508,011</u>

COUNTY OF SHENANDOAH, VIRGINIA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022

Exhibit 36

	<u>Special Welfare</u>	<u>Ambulance Recovery</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 6,947	\$ 628,708	\$ 635,655
Receivables:			
Accounts receivable	-	371,120	371,120
Total assets	<u>\$ 6,947</u>	<u>\$ 999,828</u>	<u>\$ 1,006,775</u>
NET POSITION			
Restricted:			
Individuals, organizations, and governments	<u>\$ 6,947</u>	<u>\$ 999,828</u>	<u>\$ 1,006,775</u>
Total liabilities	<u>\$ 6,947</u>	<u>\$ 999,828</u>	<u>\$ 1,006,775</u>

COUNTY OF SHENANDOAH, VIRGINIA
Combining Statement of Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2022

Exhibit 37

	Special Welfare	Ambulance Recovery	Total
Additions			
Interest earnings	\$ -	\$ 64	\$ 64
Miscellaneous	33,625	-	33,625
Ambulance recovery collections for other governments	-	1,302,120	1,302,120
Total additions	\$ 33,625	\$ 1,302,184	\$ 1,335,809
Deductions			
Beneficiary payments to individuals	\$ 33,736	\$ -	\$ 33,736
Payments of ambulance recovery collections to other governments	-	1,264,692	1,264,692
Total deductions	\$ 33,736	\$ 1,264,692	\$ 1,298,428
Net increase (decrease) in fiduciary net position	\$ (111)	\$ 37,492	\$ 37,381
Net position, beginning	7,058	962,336	969,394
Net position ending	\$ 6,947	\$ 999,828	\$ 1,006,775

**DISCRETELY PRESENTED COMPONENT UNIT -
SCHOOL BOARD**

COUNTY OF SHENANDOAH, VIRGINIA
Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2022

Exhibit 38

	School Operating Fund	School Cafeteria Fund	Student Activities Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,872,532	\$ 1,871,000	\$ 1,368,685	\$ 8,112,217
Receivables (net of allowance for uncollectibles):				
Accounts receivable	216,274	-	21,206	237,480
Due from other funds	145,157	-	-	145,157
Due from other governmental units	3,475,679	48,603	-	3,524,282
Inventories	-	149,738	-	149,738
Prepaid items	96,069	3,756	-	99,825
Restricted assets:				
Cash and cash equivalents	2,572,318	-	-	2,572,318
Total assets	<u>\$ 11,378,029</u>	<u>\$ 2,073,097</u>	<u>\$ 1,389,891</u>	<u>\$ 14,841,017</u>
LIABILITIES				
Accounts payable	\$ 1,788,091	\$ 21,160	\$ 17,314	\$ 1,826,565
Accrued payroll	3,245,901	82,051	-	3,327,952
Due to other funds	-	145,157	-	145,157
Due to primary government	3,771,719	-	-	3,771,719
Contract payable	881,377	-	-	881,377
Total liabilities	<u>\$ 9,687,088</u>	<u>\$ 248,368</u>	<u>\$ 17,314</u>	<u>\$ 9,952,770</u>
FUND BALANCES				
Nonspendable:				
Inventory	\$ -	\$ 149,738	\$ -	\$ 149,738
Prepaid items	96,069	-	-	96,069
Capital projects	1,690,941	-	-	1,690,941
Cafeteria	-	1,674,991	-	1,674,991
Student activities	-	-	1,372,577	1,372,577
Unassigned (deficit)	(96,069)	-	-	(96,069)
Total fund balances	<u>\$ 1,690,941</u>	<u>\$ 1,824,729</u>	<u>\$ 1,372,577</u>	<u>\$ 4,888,247</u>
Total liabilities and fund balances	<u>\$ 11,378,029</u>	<u>\$ 2,073,097</u>	<u>\$ 1,389,891</u>	<u>\$ 14,841,017</u>

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

Total fund balances per above \$ 4,888,247

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

Land	\$ 5,725,275	
Buildings and improvements	43,841,629	
Machinery and equipment	8,179,550	
Construction in progress	1,478,647	
Lease assets-equipment	<u>1,228,025</u>	60,453,126

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

Other assets	\$ 1,017,634	
Net pension asset	1,117,794	
Pension related items	13,673,049	
OPEB related items	<u>3,292,387</u>	19,100,864

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	\$ (1,733)	
Loans payable	(5,306,803)	
Leases liabilities	(1,237,266)	
Compensated absences	(777,643)	
Net pension liability	(33,662,343)	
Net OPEB liabilities	<u>(15,296,448)</u>	(56,282,236)

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

Pension related items	\$ (27,502,952)	
OPEB related items	<u>(3,823,868)</u>	(31,326,820)

Net position of governmental activities \$ (3,166,819)

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

Governmental Funds - Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2022

	School Operating Fund	School Cafeteria Fund	Student Activities Special Revenue Fund	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ 27,250	\$ 3,221	\$ -	\$ 30,471
Charges for services	1,187,286	29,658	-	1,216,944
Miscellaneous	239,163	15,453	2,090,833	2,345,449
Recovered costs	79,050	-	-	79,050
Intergovernmental:				
Local government	28,053,602	-	-	28,053,602
Commonwealth	41,871,109	50,641	-	41,921,750
Federal	6,960,003	3,426,137	-	10,386,140
Total revenues	<u>\$ 78,417,463</u>	<u>\$ 3,525,110</u>	<u>\$ 2,090,833</u>	<u>\$ 84,033,406</u>
EXPENDITURES				
Current:				
Education	\$ 82,037,500	\$ 2,553,365	\$ 1,977,402	\$ 86,568,267
Total expenditures	<u>\$ 82,037,500</u>	<u>\$ 2,553,365</u>	<u>\$ 1,977,402</u>	<u>\$ 86,568,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,620,037)</u>	<u>\$ 971,745</u>	<u>\$ 113,431</u>	<u>\$ (2,534,861)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 4,175	\$ -	\$ -	\$ 4,175
Transfers out	-	(4,175)	-	(4,175)
Total other financing sources (uses)	<u>\$ 4,175</u>	<u>\$ (4,175)</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (3,615,862)	\$ 967,570	\$ 113,431	\$ (2,534,861)
Fund balances - beginning, as restated	5,306,803	857,159	1,259,146	7,423,108
Fund balances - ending	<u>\$ 1,690,941</u>	<u>\$ 1,824,729</u>	<u>\$ 1,372,577</u>	<u>\$ 4,888,247</u>

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

Net change in fund balances - total governmental funds \$ (2,534,861)

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	\$ 7,550,770	
Depreciation and amortization expense	(3,797,521)	
Allocation of debt financed school assets based on current year repayments	<u>(524,296)</u>	3,228,953
Compensated absences	\$ 185,975	
Subscription based informational technology arrangement	(146,440)	
Lease payments	239,943	
Pension expense	6,512,203	
OPEB expense	<u>(24,027)</u>	6,767,654
Change in net position of governmental activities		<u>\$ 7,461,746</u>

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, 2022

	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	\$ 27,250	\$ 2,250
Charges for services	612,450	531,297	1,187,286	655,989
Miscellaneous	522,000	524,400	239,163	(285,237)
Recovered costs	60,000	60,000	79,050	19,050
Intergovernmental:				
Local government	35,014,461	35,014,461	28,053,602	(6,960,859)
Commonwealth	41,001,256	41,081,129	41,871,109	789,980
Federal	3,356,591	10,958,481	6,960,003	(3,998,478)
Total revenues	<u>\$ 80,591,758</u>	<u>\$ 88,194,768</u>	<u>\$ 78,417,463</u>	<u>\$ (9,777,305)</u>
EXPENDITURES				
Current:				
Education	\$ 80,591,758	\$ 88,194,768	\$ 82,037,500	\$ 6,157,268
Total expenditures	<u>\$ 80,591,758</u>	<u>\$ 88,194,768</u>	<u>\$ 82,037,500</u>	<u>\$ 6,157,268</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (3,620,037)	\$ (3,620,037)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 4,175	\$ 4,175
Transfers out	-	-	-	-
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,175</u>	<u>\$ 4,175</u>
Net change in fund balances	\$ -	\$ -	\$ (3,615,862)	\$ (3,615,862)
Fund balances - beginning	-	-	5,306,803	5,306,803
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,690,941</u>	<u>\$ 1,690,941</u>

School Cafeteria Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ 2,500	\$ 2,500	\$ 3,221	\$	721
22,500	22,500	29,658		7,158
2,500	2,500	15,453		12,953
-	-	-		-
-	-	-		-
50,696	50,696	50,641		(55)
2,011,293	2,526,293	3,426,137		899,844
<u>\$ 2,089,489</u>	<u>\$ 2,604,489</u>	<u>\$ 3,525,110</u>	<u>\$</u>	<u>920,621</u>
\$ 2,089,489	\$ 2,604,489	\$ 2,553,365	\$	51,124
<u>\$ 2,089,489</u>	<u>\$ 2,604,489</u>	<u>\$ 2,553,365</u>	<u>\$</u>	<u>51,124</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 971,745</u>	<u>\$</u>	<u>971,745</u>
\$ -	\$ -	\$ -	\$	-
		(4,175)	\$	(4,175)
<u>\$ -</u>	<u>\$ -</u>	<u>(4,175)</u>	<u>\$</u>	<u>(4,175)</u>
\$ -	\$ -	\$ 967,570	\$	967,570
-	-	857,159		857,159
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,824,729</u>	<u>\$</u>	<u>1,824,729</u>

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SUPPORTING SCHEDULES

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

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	\$ 31,118,000	\$ 31,118,000	\$ 32,884,664	\$ 1,766,664
Real and personal public service corporation taxes	1,900,000	1,900,000	1,821,782	(78,218)
Personal property taxes	13,543,000	13,543,000	18,385,886	4,842,886
Mobile home taxes	-	-	31,694	31,694
Machinery and tools taxes	3,200,000	3,200,000	2,733,343	(466,657)
Merchants capital	300,000	300,000	350,524	50,524
Penalties	385,000	385,000	469,454	84,454
Interest	350,000	350,000	321,196	(28,804)
Total general property taxes	\$ 50,796,000	\$ 50,796,000	\$ 56,998,543	\$ 6,202,543
Other local taxes:				
Local sales and use taxes	\$ 4,300,000	\$ 4,300,000	\$ 4,671,421	\$ 371,421
Consumers' utility taxes	1,800,000	1,800,000	1,616,603	(183,397)
Utility license taxes	25,000	25,000	73,300	48,300
Motor vehicle licenses	920,000	920,000	922,217	2,217
Taxes on recordation and wills	475,000	475,000	691,810	216,810
Transient occupancy tax	180,000	180,000	141,793	(38,207)
Total other local taxes	\$ 7,700,000	\$ 7,700,000	\$ 8,117,144	\$ 417,144
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 21,700	\$ 21,700	\$ 20,242	\$ (1,458)
Land use application fees	-	-	50,299	50,299
Transfer fees	-	-	2,573	2,573
Permits and other licenses	516,800	516,800	602,110	85,310
Total permits, privilege fees, and regulatory licenses	\$ 538,500	\$ 538,500	\$ 675,224	\$ 136,724
Fines and forfeitures:				
Court fines and forfeitures	\$ 54,000	\$ 54,000	\$ 36,731	\$ (17,269)
Revenue from use of money and property:				
Revenue from use of money	\$ 310,000	\$ 310,000	\$ 89,076	\$ (220,924)
Revenue from use of property	384,767	384,767	346,976	(37,791)
Total revenue from use of money and property	\$ 694,767	\$ 694,767	\$ 436,052	\$ (258,715)
Charges for services:				
Charges for courthouse security	\$ 75,000	\$ 75,000	\$ 56,999	\$ (18,001)
Law library fees	24,700	24,700	5,870	(18,830)
Charges for Commonwealth's Attorney	5,000	5,000	4,632	(368)
Charges for animal protection	9,500	9,500	8,115	(1,385)
Charges for courthouse construction	27,000	27,000	18,856	(8,144)
Charges for parks and recreation	255,500	312,609	642,163	329,554
Charges for spay and neuter	5,000	5,000	5,400	400
KidzRec	500,000	955,000	929,868	(25,132)
Charges for courthouse maintenance	17,000	17,000	12,154	(4,846)
Charges for ambulance recoveries	1,050,000	1,050,000	804,773	(245,227)
Charges for services - other	115,000	115,000	77,982	(37,018)
Total charges for services	\$ 2,083,700	\$ 2,595,809	\$ 2,566,812	\$ (28,997)

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (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	\$ 327,000	\$ 576,005	\$ 544,218	\$ (31,787)
Refunds and recoveries	210,722	259,640	562,539	302,899
Donation of land	-	-	617,000	617,000
Total miscellaneous	<u>\$ 537,722</u>	<u>\$ 835,645</u>	<u>\$ 1,723,757</u>	<u>\$ 888,112</u>
Recovered costs:				
Other recovered costs	\$ 709,879	\$ 715,987	\$ 771,935	\$ 55,948
Total recovered costs	<u>\$ 709,879</u>	<u>\$ 715,987</u>	<u>\$ 771,935</u>	<u>\$ 55,948</u>
Total revenue from local sources	<u>\$ 63,114,568</u>	<u>\$ 63,930,708</u>	<u>\$ 71,326,198</u>	<u>\$ 7,395,490</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 40,000	\$ 40,000	\$ 28,536	\$ (11,464)
Mobile home titling tax	12,000	12,000	8,155	(3,845)
Games of skill distribution	-	-	7,776	7,776
Motor vehicle rental tax	5,500	5,500	11,265	5,765
Moped sales tax	3,000	3,000	2,487	(513)
State recordation tax	250,000	250,000	191,853	(58,147)
Personal property tax relief funds	3,647,829	3,647,829	3,647,829	-
Payment in lieu of tax state forest	12,000	12,000	-	(12,000)
Total noncategorical aid	<u>\$ 3,970,329</u>	<u>\$ 3,970,329</u>	<u>\$ 3,897,901</u>	<u>\$ (72,428)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 426,500	\$ 426,500	\$ 320,345	\$ (106,155)
Sheriff	1,906,200	1,906,200	1,962,760	56,560
Commissioner of revenue	143,600	143,600	170,030	26,430
Treasurer	139,600	139,600	178,598	38,998
Registrar/electoral board	75,000	75,000	77,566	2,566
Clerk of the Circuit Court	393,400	393,400	391,324	(2,076)
Total shared expenses	<u>\$ 3,084,300</u>	<u>\$ 3,084,300</u>	<u>\$ 3,100,623</u>	<u>\$ 16,323</u>
Other categorical aid:				
Litter control grant	\$ 18,000	\$ 25,077	\$ 25,077	\$ -
Welfare administration and assistance	811,056	811,056	1,155,801	344,745
Forfeited drug assets	-	-	6,151	6,151
Commission for the arts	4,500	4,500	4,500	-
Comprehensive services act	3,018,600	3,018,600	4,618,243	1,599,643
VJCCCA grant	31,201	31,201	23,403	(7,798)
Victim-witness grant	26,425	26,425	18,784	(7,641)
Wireless E-911 grant	130,000	130,000	187,109	57,109
Fire programs fund	91,269	91,269	101,426	10,157
Four for life	46,895	46,895	-	(46,895)
RSAF grant	160,000	160,000	-	(160,000)
School resource officer	79,745	79,745	39,337	(40,408)
Extradition of prisoners	4,500	4,500	2,389	(2,111)
Rent health department	7,200	7,200	7,200	-
Other categorical aid	44,255	44,255	71,172	26,917
Total other categorical aid	<u>\$ 4,473,646</u>	<u>\$ 4,480,723</u>	<u>\$ 6,260,592</u>	<u>\$ 1,779,869</u>
Total categorical aid	<u>\$ 7,557,946</u>	<u>\$ 7,565,023</u>	<u>\$ 9,361,215</u>	<u>\$ 1,796,192</u>
Total revenue from the Commonwealth	<u>\$ 11,528,275</u>	<u>\$ 11,535,352</u>	<u>\$ 13,259,116</u>	<u>\$ 1,723,764</u>

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (Continued)

Schedule 1
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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				
CARES Act	\$ -	\$ -	\$ 14,501	\$ 14,501
ARPA funds	-	-	735,743	735,743
Payments in lieu of taxes	220,000	220,000	219,549	(451)
Total noncategorical aid	\$ 220,000	\$ 220,000	\$ 969,793	\$ 749,793
Categorical aid:				
DMV ground transportation safety grant	\$ 28,724	\$ 28,724	\$ 6,090	\$ (22,634)
U.S. Forest Service Patrol	5,684	5,684	3,399	(2,285)
Bullet proof vest grant	17,738	18,978	6,751	(12,227)
Welfare administration and assistance	2,566,197	2,566,197	2,061,433	(504,764)
Forfeited drug assets	-	-	90,707	90,707
Emergency management	-	-	4,786	4,786
CDBG	-	178,902	124,929	(53,973)
Victim witness	79,273	79,273	51,603	(27,670)
Project lifesaver	3,527	3,527	2,320	(1,207)
Homeland security grant	23,509	23,509	964	(22,545)
Triad grant	2,000	2,000	700	(1,300)
Other categorical aid	-	-	22,295	22,295
Total categorical aid	\$ 2,726,652	\$ 2,906,794	\$ 2,375,977	\$ (530,817)
Total revenue from the federal government	\$ 2,946,652	\$ 3,126,794	\$ 3,345,770	\$ 218,976
Total General Fund	\$ 77,589,495	\$ 78,592,854	\$ 87,931,084	\$ 9,338,230
Debt Service Funds:				
County Debt Service Fund:				
Revenue from local sources:				
Miscellaneous:				
Interest subsidy	\$ 522,892	\$ 522,892	\$ 588,406	\$ 65,514
Total miscellaneous	\$ 522,892	\$ 522,892	\$ 588,406	\$ 65,514
Total Debt Service Fund	\$ 522,892	\$ 522,892	\$ 588,406	\$ 65,514
Capital Projects Funds:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 16,039	\$ 16,039
Total Capital Projects Fund	\$ -	\$ -	\$ 16,039	\$ 16,039
Total Primary Government	\$ 78,112,387	\$ 79,115,746	\$ 88,535,529	\$ 9,419,783

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (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	\$ 27,250	\$ 2,250
Total revenue from use of money and property	\$ 25,000	\$ 25,000	\$ 27,250	\$ 2,250
Charges for services:				
Tuition and other payments	\$ 512,450	\$ 431,297	\$ 723,795	\$ 292,498
Other charges for services	100,000	100,000	463,491	363,491
Total charges for services	\$ 612,450	\$ 531,297	\$ 1,187,286	\$ 655,989
Miscellaneous:				
Other miscellaneous	\$ 522,000	\$ 524,400	\$ 239,163	\$ (285,237)
Total miscellaneous	\$ 522,000	\$ 524,400	\$ 239,163	\$ (285,237)
Recovered costs:				
Other recovered costs	\$ 60,000	\$ 60,000	\$ 79,050	\$ 19,050
Total revenue from local sources	\$ 1,219,450	\$ 1,140,697	\$ 1,532,749	\$ 392,052
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Shenandoah, Virginia	\$ 35,014,461	\$ 35,014,461	\$ 28,053,602	\$ (6,960,859)
Revenue from the Commonwealth:				
Categorical aid:				
State sales tax	\$ 7,706,107	\$ 7,706,107	\$ 9,559,268	\$ 1,853,161
Basic aid	17,636,051	17,636,051	16,475,974	(1,160,077)
Remedial summer school	678,358	595,395	180,516	(414,879)
Foster home children	40,383	40,383	25,659	(14,724)
ISAP	16,772	16,772	16,465	(307)
Gifted and talented	178,870	178,870	176,561	(2,309)
Remedial education	-	-	669,600	669,600
Special education	1,920,326	1,920,326	1,895,534	(24,792)
Textbook payments	362,702	362,702	358,019	(4,683)
Vocational education	822,588	819,156	831,084	11,928
Fringe benefits	3,570,658	3,570,658	3,524,562	(46,096)
Early reading intervention	146,913	42,660	306,981	264,321
Mentor teacher program	5,628	5,628	8,579	2,951
Compensation supplement	1,179,776	1,179,776	1,165,468	(14,308)
Special education regional program	976,556	976,556	1,078,103	101,547
At risk program	1,151,776	1,151,776	1,136,962	(14,814)
Primary class size payments	774,541	774,541	773,258	(1,283)
School technology funds	284,000	284,000	284,000	-
School construction	-	-	13,998	13,998
Special education- foster children	-	-	28,370	28,370
Algebra readiness	81,905	81,905	79,813	(2,092)
Supplemental lottery per pupil	1,364,434	1,364,434	1,353,870	(10,564)
English as a second language	382,409	382,409	397,458	15,049
No-loss COVID 19 funding	861,928	861,928	183,271	(678,657)
Virginia preschool initiative payment	642,138	642,138	553,286	(88,852)
Academic year governors school	100,000	59,296	267,418	208,122
National board certification bonus	-	-	15,000	15,000
Other categorical aid	116,437	427,662	512,032	84,370
Total categorical aid	\$ 41,001,256	\$ 41,081,129	\$ 41,871,109	\$ 789,980
Total revenue from the Commonwealth	\$ 41,001,256	\$ 41,081,129	\$ 41,871,109	\$ 789,980

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	\$ 1,291,017	\$ 1,327,408	\$ 1,242,036	\$ (85,372)
Forest reserve	15,000	15,000	14,316	(684)
Title II Part A	185,163	503,330	111,200	(392,130)
Title VI-B	1,318,791	1,566,775	1,363,480	(203,295)
Title III-Part A	46,227	109,798	104,237	(5,561)
Vocational education	107,000	116,964	122,451	5,487
Preschool	41,943	41,943	43,539	1,596
Title IV Part A	89,813	77,400	117,548	40,148
CARES Act ESSER	261,637	7,199,863	3,841,196	(3,358,667)
Total categorical aid	<u>\$ 3,356,591</u>	<u>\$ 10,958,481</u>	<u>\$ 6,960,003</u>	<u>\$ (3,998,478)</u>
Total revenue from the federal government	<u>\$ 3,356,591</u>	<u>\$ 10,958,481</u>	<u>\$ 6,960,003</u>	<u>\$ (3,998,478)</u>
Total School Operating Fund	<u><u>\$ 80,591,758</u></u>	<u><u>\$ 88,194,768</u></u>	<u><u>\$ 78,417,463</u></u>	<u><u>\$ (9,777,305)</u></u>
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 2,500	\$ 2,500	\$ 3,221	\$ 721
Charges for services:				
School food services	\$ 22,500	\$ 22,500	\$ 29,658	\$ 7,158
Miscellaneous:				
Miscellaneous	\$ 2,500	\$ 2,500	\$ 15,453	\$ 12,953
Total revenue from local sources	<u>\$ 27,500</u>	<u>\$ 27,500</u>	<u>\$ 48,332</u>	<u>\$ 20,832</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program	\$ 50,696	\$ 50,696	\$ 50,641	\$ (55)
Total revenue from the Commonwealth	<u>\$ 50,696</u>	<u>\$ 50,696</u>	<u>\$ 50,641</u>	<u>\$ (55)</u>

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
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	\$ -	\$ 515,000	\$ 34,573	\$ (480,427)
School lunch and breakfast reimbursements	1,600,000	1,600,000	3,184,447	1,584,447
Other	411,293	411,293	3,063	(408,230)
USDA commodities	-	-	204,054	204,054
Total categorical aid	<u>\$ 2,011,293</u>	<u>\$ 2,526,293</u>	<u>\$ 3,426,137</u>	<u>\$ 899,844</u>
Total revenue from the federal government	<u>\$ 2,011,293</u>	<u>\$ 2,526,293</u>	<u>\$ 3,426,137</u>	<u>\$ 899,844</u>
Total School Cafeteria Fund	<u>\$ 2,089,489</u>	<u>\$ 2,604,489</u>	<u>\$ 3,525,110</u>	<u>\$ 920,621</u>
Student Activities Special Revenue Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 2,090,833	\$ 2,090,833
Total Student Activities Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,090,833</u>	<u>\$ 2,090,833</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 82,681,247</u>	<u>\$ 90,799,257</u>	<u>\$ 84,033,406</u>	<u>\$ (6,765,851)</u>

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

Schedule 2
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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	\$ 266,580	\$ 276,080	\$ 293,047	\$ (16,967)
General and financial information:				
County administrator	\$ 640,215	\$ 644,767	\$ 578,508	\$ 66,259
Finance	374,874	380,121	347,471	32,650
Legal services	200,000	200,000	276,378	(76,378)
Commissioner of revenue	561,192	565,130	624,362	(59,232)
Reassessment	221,008	221,008	178,295	42,713
Treasurer	688,575	692,446	779,928	(87,482)
Central accounting	101,000	101,000	88,237	12,763
Geographic information system	113,375	123,170	117,795	5,375
Total general and financial information	\$ 2,900,239	\$ 2,927,642	\$ 2,990,974	\$ (63,332)
Board of elections:				
Electoral board and officials	\$ 185,399	\$ 266,597	\$ 217,668	\$ 48,929
Registrar	197,901	199,940	204,839	(4,899)
Total board of elections	\$ 383,300	\$ 466,537	\$ 422,507	\$ 44,030
Total general government administration	\$ 3,550,119	\$ 3,670,259	\$ 3,706,528	\$ (36,269)
Judicial administration:				
Courts:				
Circuit court	\$ 88,581	\$ 88,581	\$ 58,314	\$ 30,267
General district court	11,225	11,225	13,003	(1,778)
Special magistrates	5,311	5,311	2,558	2,753
Clerk of the circuit court	679,900	681,489	754,089	(72,600)
Sheriff	840,975	901,491	870,871	30,620
Juvenile domestic	15,350	15,350	9,287	6,063
Law library	24,700	24,700	13,455	11,245
Records restoration	-	-	31,319	(31,319)
Victim witness	105,098	105,098	91,189	13,909
Total courts	\$ 1,771,140	\$ 1,833,245	\$ 1,844,085	\$ (10,840)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 664,148	\$ 667,633	\$ 593,341	\$ 74,292
Total judicial administration	\$ 2,435,288	\$ 2,500,878	\$ 2,437,426	\$ 63,452
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 6,370,949	\$ 7,037,973	\$ 7,147,609	\$ (109,636)
Total law enforcement and traffic control	\$ 6,370,949	\$ 7,037,973	\$ 7,147,609	\$ (109,636)
Fire and rescue services:				
Volunteer fire department	\$ 1,082,300	\$ 1,082,300	\$ 1,833,528	\$ (751,228)
Forest fire extinction	11,096	11,096	11,095	1
Fire and rescue services	6,187,478	6,812,370	7,283,170	(470,800)
Total fire and rescue services	\$ 7,280,874	\$ 7,905,766	\$ 9,127,793	\$ (1,222,027)

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (Continued)

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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	\$ 3,058,483	\$ 3,058,483	\$ 2,750,512	\$ 307,971
Juvenile probation and detention	657,200	657,200	678,831	(21,631)
Total correction and detention	<u>\$ 3,715,683</u>	<u>\$ 3,715,683</u>	<u>\$ 3,429,343</u>	<u>\$ 286,340</u>
Inspections:				
Building	\$ 594,299	\$ 633,623	\$ 570,775	\$ 62,848
Other protection:				
Animal control	\$ 202,600	\$ 239,569	\$ 189,813	\$ 49,756
Animal shelter	281,910	332,902	270,017	62,885
Medical examiner	2,500	2,500	1,967	533
Emergency services	1,823,716	1,844,224	1,729,951	114,273
Total other protection	<u>\$ 2,310,726</u>	<u>\$ 2,419,195</u>	<u>\$ 2,191,748</u>	<u>\$ 227,447</u>
Total public safety	<u>\$ 20,272,531</u>	<u>\$ 21,712,240</u>	<u>\$ 22,467,268</u>	<u>\$ (755,028)</u>
Public works:				
Maintenance of general buildings and grounds:				
General properties	\$ 1,458,378	\$ 1,577,616	\$ 1,433,805	\$ 143,811
Total public works	<u>\$ 1,458,378</u>	<u>\$ 1,577,616</u>	<u>\$ 1,433,805</u>	<u>\$ 143,811</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 361,126	\$ 361,126	\$ 361,126	\$ -
Mental health and mental retardation:				
Northwestern Community Services Board	\$ 260,000	\$ 260,000	\$ 259,000	\$ 1,000
Total mental health and mental retardation	<u>\$ 260,000</u>	<u>\$ 260,000</u>	<u>\$ 259,000</u>	<u>\$ 1,000</u>
Welfare:				
Welfare administration	\$ 4,799,350	\$ 4,847,268	\$ 4,581,649	\$ 265,619
Comprehensive services act	4,368,600	4,643,600	6,491,876	(1,848,276)
Area Agency on Aging	78,000	78,000	78,000	-
Tax relief for the elderly	295,000	295,000	415,300	(120,300)
Other local health and welfare organizations	59,500	60,500	60,500	-
Total welfare administration	<u>\$ 9,600,450</u>	<u>\$ 9,924,368</u>	<u>\$ 11,627,325</u>	<u>\$ (1,702,957)</u>
Total health and welfare	<u>\$ 10,221,576</u>	<u>\$ 10,545,494</u>	<u>\$ 12,247,451</u>	<u>\$ (1,701,957)</u>

COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (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)				
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 48,089	\$ 48,089	\$ 48,089	\$ -
Contribution to County School Board	35,014,461	35,014,461	28,053,602	6,960,859
Total education	<u>\$ 35,062,550</u>	<u>\$ 35,062,550</u>	<u>\$ 28,101,691</u>	<u>\$ 6,960,859</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	\$ 810,921	\$ 1,072,906	\$ 1,131,943	\$ (59,037)
KidzRec	446,767	972,928	475,891	497,037
Total parks and recreation	<u>\$ 1,257,688</u>	<u>\$ 2,045,834</u>	<u>\$ 1,607,834</u>	<u>\$ 438,000</u>
Cultural enrichment:				
Contributions to community programs	\$ 56,000	\$ 56,000	\$ 65,927	\$ (9,927)
Total cultural enrichment	<u>\$ 56,000</u>	<u>\$ 56,000</u>	<u>\$ 65,927</u>	<u>\$ (9,927)</u>
Library:				
Contribution to County Library	\$ 853,075	\$ 874,408	\$ 846,486	\$ 27,922
Total parks, recreation, and cultural	<u>\$ 2,166,763</u>	<u>\$ 2,976,242</u>	<u>\$ 2,520,247</u>	<u>\$ 455,995</u>
Community development:				
Planning and community development:				
Community development	\$ 421,582	\$ 788,833	\$ 659,758	\$ 129,075
Economic development	810,340	860,039	705,618	154,421
Litter control	18,000	25,077	25,514	(437)
Total planning and community development	<u>\$ 1,249,922</u>	<u>\$ 1,673,949</u>	<u>\$ 1,390,890</u>	<u>\$ 283,059</u>
Environmental management:				
Soil and water conservation district	\$ 408,077	\$ 408,077	\$ 460,681	\$ (52,604)
Total environmental management	<u>\$ 408,077</u>	<u>\$ 408,077</u>	<u>\$ 460,681</u>	<u>\$ (52,604)</u>
Cooperative extension program:				
Extension office	\$ 167,461	\$ 168,345	\$ 156,661	\$ 11,684
Total community development	<u>\$ 1,825,460</u>	<u>\$ 2,250,371</u>	<u>\$ 2,008,232</u>	<u>\$ 242,139</u>
Nondepartmental:				
Judgments and settlements	\$ 500	\$ 500	\$ 200	\$ 300
Revenue refunds	7,000	7,000	645	6,355
Contingencies	670,500	453,997	36,817	417,180
Total nondepartmental	<u>\$ 678,000</u>	<u>\$ 461,497</u>	<u>\$ 37,662</u>	<u>\$ 423,835</u>
Capital projects:				
Other capital projects	\$ 1,610,529	\$ -	\$ -	\$ -
Total capital projects	<u>\$ 1,610,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total General Fund	<u>\$ 79,281,194</u>	<u>\$ 80,757,147</u>	<u>\$ 74,960,310</u>	<u>\$ 5,796,837</u>

Governmental Funds
For the Year Ended June 30, 2022 (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	\$ 4,442,565	\$ 4,442,565	\$ 5,086,837	\$ (644,272)
Interest and other fiscal charges	1,893,268	1,893,268	1,802,433	90,835
Total debt service	<u>\$ 6,335,833</u>	<u>\$ 6,335,833</u>	<u>\$ 6,889,270</u>	<u>\$ (553,437)</u>
Total County Debt Service Fund	<u>\$ 6,335,833</u>	<u>\$ 6,335,833</u>	<u>\$ 6,889,270</u>	<u>\$ (553,437)</u>
Capital Projects Funds:				
County Capital Projects Fund				
Capital projects expenditures:				
911 Radio	\$ -	\$ 3,459,337	\$ 1,172,480	\$ 2,286,857
Construction of sheriff's office	-	250,000	-	250,000
Emergency communications center	-	350,000	92,621	257,379
Total County Capital Projects Expenditures	<u>\$ -</u>	<u>\$ 4,059,337</u>	<u>\$ 1,265,101</u>	<u>\$ 2,794,236</u>
Total County Capital Projects Fund	<u>\$ -</u>	<u>\$ 4,059,337</u>	<u>\$ 1,265,101</u>	<u>\$ 2,794,236</u>
Total Primary Government	<u>\$ 85,617,027</u>	<u>\$ 91,152,317</u>	<u>\$ 83,114,681</u>	<u>\$ 8,037,636</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instructional	\$ 58,758,468	\$ 59,055,611	\$ 56,890,064	\$ 2,165,547
Operating costs:				
Attendance and health services	\$ 4,216,275	\$ 4,214,775	\$ 4,379,818	\$ (165,043)
Pupil transportation	6,398,259	6,398,259	6,431,633	(33,374)
Operation and maintenance of school plant	8,844,530	16,125,897	11,177,066	4,948,831
Electronic technology	2,374,226	2,400,226	3,158,919	(758,693)
Total operating costs	<u>\$ 21,833,290</u>	<u>\$ 29,139,157</u>	<u>\$ 25,147,436</u>	<u>\$ 3,991,721</u>
Total School Operating Fund	<u>\$ 80,591,758</u>	<u>\$ 88,194,768</u>	<u>\$ 82,037,500</u>	<u>\$ 6,157,268</u>
School Cafeteria Fund:				
Education:				
School food services:				
School cafeteria	\$ 2,089,489	\$ 2,604,489	\$ 2,553,365	\$ 51,124
Total School Cafeteria Fund	<u>\$ 2,089,489</u>	<u>\$ 2,604,489</u>	<u>\$ 2,553,365</u>	<u>\$ 51,124</u>
Student Activities Special Revenue Fund:				
Education:				
Instructional services:				
Other instructional services	\$ -	\$ -	\$ 1,977,402	\$ (1,977,402)
Total Student Activities Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,977,402</u>	<u>\$ (1,977,402)</u>
Total Discretely Presented Component Unit School Board	<u>\$ 82,681,247</u>	<u>\$ 90,799,257</u>	<u>\$ 86,568,267</u>	<u>\$ 4,230,990</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 comprehensive annual 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			
	2013	2014	2015	2016
Governmental Activities:				
Net investment in capital assets	\$ 766,198	\$ 2,474,405	\$ 3,945,296	\$ 4,603,873
Restricted	6,120,414	4,442,313	3,577,673	3,625,033
Unrestricted	<u>16,233,023</u>	<u>20,139,058</u>	<u>16,908,410</u>	<u>14,181,432</u>
Total governmental activities net position	<u>\$ 23,119,635</u>	<u>\$ 27,055,776</u>	<u>\$ 24,431,379</u>	<u>\$ 22,410,338</u>
Business-type Activities:				
Net investment in capital assets	\$ 6,744,936	\$ 7,182,189	\$ 7,613,307	\$ 11,198,699
Restricted	-	-	-	-
Unrestricted	<u>(9,790,291)</u>	<u>(7,811,096)</u>	<u>(9,038,825)</u>	<u>(11,194,508)</u>
Total business-type activities net position	<u>\$ (3,045,355)</u>	<u>\$ (628,907)</u>	<u>\$ (1,425,518)</u>	<u>\$ 4,191</u>
Primary government:				
Net investment in capital assets	\$ 7,511,134	\$ 9,656,594	\$ 11,558,603	\$ 15,802,572
Restricted	6,120,414	4,442,313	3,577,673	3,625,033
Unrestricted	<u>6,442,732</u>	<u>12,327,962</u>	<u>7,869,585</u>	<u>2,986,924</u>
Total primary government net position	<u>\$ 20,074,280</u>	<u>\$ 26,426,869</u>	<u>\$ 23,005,861</u>	<u>\$ 22,414,529</u>

Table 1

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 5,506,961	\$ 7,241,929	\$ 11,418,828	\$ 20,131,947	\$ 19,597,089	\$ 25,266,213
5,648,061	5,939,307	5,130,470	1,067,924	5,784,306	6,661,998
16,345,010	17,011,415	18,486,326	14,626,816	17,022,302	24,135,890
<u>\$ 27,500,032</u>	<u>\$ 30,192,651</u>	<u>\$ 35,035,624</u>	<u>\$ 35,826,687</u>	<u>\$ 42,403,697</u>	<u>\$ 56,064,101</u>
\$ 11,391,963	\$ 11,091,949	\$ 11,351,123	\$ 11,313,348	\$ 11,114,850	\$ 11,574,663
-	-	-	-	470	71,316
(9,748,424)	(9,588,862)	(9,790,428)	(9,359,821)	(9,467,230)	(11,067,248)
<u>\$ 1,643,539</u>	<u>\$ 1,503,087</u>	<u>\$ 1,560,695</u>	<u>\$ 1,953,527</u>	<u>\$ 1,648,090</u>	<u>\$ 578,731</u>
\$ 16,898,924	\$ 18,333,878	\$ 22,769,951	\$ 31,445,295	\$ 30,711,939	\$ 36,840,876
5,648,061	5,939,307	5,130,470	1,067,924	5,784,776	6,733,314
6,596,586	7,422,553	8,695,898	5,266,995	7,555,072	13,068,642
<u>\$ 29,143,571</u>	<u>\$ 31,695,738</u>	<u>\$ 36,596,319</u>	<u>\$ 37,780,214</u>	<u>\$ 44,051,787</u>	<u>\$ 56,642,832</u>

COUNTY OF SHENANDOAH, VIRGINIA

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

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental Activities:				
General government administration	\$ 2,463,006	\$ 1,969,430	\$ 2,668,706	\$ 2,897,841
Judicial administration	1,982,483	2,073,679	2,083,473	2,042,118
Public safety	13,053,085	13,932,695	12,701,606	14,947,334
Public works	1,414,273	1,228,217	1,677,832	1,147,692
Health and welfare	6,971,130	6,420,661	6,513,167	7,143,608
Education	24,661,559	25,808,176	27,252,564	28,333,067
Parks, recreation, and cultural	1,426,020	1,548,584	1,589,374	1,666,378
Community development	892,852	1,086,801	732,115	1,491,749
Interest on long-term debt	2,639,028	2,285,296	2,187,944	2,037,564
Total governmental activities expenses	\$ 55,503,436	\$ 56,353,539	\$ 57,406,781	\$ 61,707,351
Business-type Activities:				
Sanitary Districts	\$ 2,249,735	\$ 2,189,967	\$ 2,199,988	\$ 2,233,317
North Fork Wastewater	209,261	177,751	256,978	272,530
Landfill	2,833,612	409,841	2,726,110	4,063,526
Total business-type activities expenses	\$ 5,292,608	\$ 2,777,559	\$ 5,183,076	\$ 6,569,373
Total primary government expenses	\$ 60,796,044	\$ 59,131,098	\$ 62,589,857	\$ 68,276,724
Program Revenues				
Governmental Activities:				
Charges for services:				
General government administration	\$ 332,185	\$ 329,430	\$ 426,174	\$ 412,296
Judicial administration	249,069	196,855	231,627	206,785
Public safety	1,046,987	924,949	622,799	861,624
Public works	-	2,400	8,022	473
Health and welfare	27,283	-	-	-
Education	355,435	397,445	367,829	390,566
Parks, recreation, and cultural	262,619	428,031	383,428	427,623
Operating grants and contributions	7,994,332	8,941,953	7,492,689	8,263,660
Capital grants and contributions	1,102,782	1,190,549	492,667	390,388
Total governmental activities program revenues	\$ 11,370,692	\$ 12,411,612	\$ 10,025,235	\$ 10,953,415
Business-type Activities:				
Charges for services:				
Sanitary Districts	\$ 1,628,981	\$ 1,650,491	\$ 1,662,924	\$ 1,823,913
North Fork Wastewater	100,784	105,479	66,336	65,473
Landfill	1,095,874	1,036,704	1,207,176	1,240,290
Operating grants and contributions	-	-	-	-
Capital grants and contributions	515,666	202,000	104,333	36,168
Total business-type activities program revenues	\$ 3,341,305	\$ 2,994,674	\$ 3,040,769	\$ 3,165,844
Total primary government program revenues	\$ 14,711,997	\$ 15,406,286	\$ 13,066,004	\$ 14,119,259
Net (expense) / revenue				
Governmental Activities	\$ (44,132,744)	\$ (43,941,927)	\$ (47,381,546)	\$ (50,753,936)
Business-type Activities	(1,951,303)	217,115	(2,142,307)	(3,403,529)
Total primary government net expense	\$ (46,084,047)	\$ (43,724,812)	\$ (49,523,853)	\$ (54,157,465)

Table 2

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 2,844,200	\$ 2,986,698	\$ 2,763,462	\$ 2,906,778	\$ 4,206,060	\$ 3,870,956
2,214,773	2,303,707	2,380,720	2,358,719	2,377,823	2,527,254
15,601,779	15,269,440	17,046,346	17,671,034	19,746,148	21,359,512
1,203,056	1,130,117	1,605,648	1,401,848	1,471,966	1,393,594
8,038,337	8,379,289	9,041,290	10,356,776	12,065,852	11,724,892
27,662,686	29,061,555	32,187,526	32,287,111	29,106,490	27,577,395
1,977,186	2,162,708	2,163,070	2,407,958	2,068,448	2,517,604
1,099,573	1,114,388	1,092,330	1,072,502	4,040,598	1,396,423
1,879,970	1,715,549	2,042,052	2,059,559	1,825,032	1,693,591
<u>\$ 62,521,560</u>	<u>\$ 64,123,451</u>	<u>\$ 70,322,444</u>	<u>\$ 72,522,285</u>	<u>\$ 76,908,417</u>	<u>\$ 74,061,221</u>
\$ 2,050,702	\$ 2,089,228	\$ 2,139,489	\$ 2,065,750	\$ 2,553,474	\$ 2,439,419
265,486	276,138	179,363	168,662	199,628	457,564
2,802,246	2,737,626	2,830,512	3,009,120	3,824,356	4,136,742
<u>\$ 5,118,434</u>	<u>\$ 5,102,992</u>	<u>\$ 5,149,364</u>	<u>\$ 5,243,532</u>	<u>\$ 6,577,458</u>	<u>\$ 7,033,725</u>
<u>\$ 67,639,994</u>	<u>\$ 69,226,443</u>	<u>\$ 75,471,808</u>	<u>\$ 77,765,817</u>	<u>\$ 83,485,875</u>	<u>\$ 81,094,946</u>
\$ 426,606	\$ 519,425	\$ 104,001	\$ 77,682	\$ 85,279	\$ 477,830
237,787	208,277	177,960	159,351	123,375	135,242
741,236	952,459	1,161,014	1,549,855	1,536,105	1,440,640
-	2,400	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
844,570	1,060,521	1,029,266	910,056	751,185	1,572,031
11,213,697	8,576,980	9,080,561	10,221,751	18,018,615	13,108,310
79,708	700,000	3,406,369	-	277,320	713,335
<u>\$ 13,543,604</u>	<u>\$ 12,020,062</u>	<u>\$ 14,959,171</u>	<u>\$ 12,918,695</u>	<u>\$ 20,791,879</u>	<u>\$ 17,447,388</u>
\$ 1,783,104	\$ 1,832,866	\$ 1,821,974	\$ 1,829,705	\$ 1,792,586	\$ 1,932,016
85,581	103,685	139,400	145,186	193,478	164,053
1,367,091	1,387,496	1,406,250	1,358,085	1,670,386	1,823,760
-	-	-	-	-	17,725
117,500	134,000	28,833	50,000	132,000	136,000
<u>\$ 3,353,276</u>	<u>\$ 3,458,047</u>	<u>\$ 3,396,457</u>	<u>\$ 3,382,976</u>	<u>\$ 3,788,450</u>	<u>\$ 4,073,554</u>
<u>\$ 16,896,880</u>	<u>\$ 15,478,109</u>	<u>\$ 18,355,628</u>	<u>\$ 16,301,671</u>	<u>\$ 24,580,329</u>	<u>\$ 21,520,942</u>
\$ (48,977,956)	\$ (52,103,389)	\$ (55,363,273)	\$ (59,603,590)	\$ (56,116,538)	\$ (56,613,833)
<u>(1,765,158)</u>	<u>(1,644,945)</u>	<u>(1,752,907)</u>	<u>(1,860,556)</u>	<u>(2,789,008)</u>	<u>(2,960,171)</u>
<u>\$ (50,743,114)</u>	<u>\$ (53,748,334)</u>	<u>\$ (57,116,180)</u>	<u>\$ (61,464,146)</u>	<u>\$ (58,905,546)</u>	<u>\$ (59,574,004)</u>

COUNTY OF SHENANDOAH, VIRGINIA

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

	Fiscal Year			
	2013	2014	2015	2016
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property taxes	\$ 35,569,694	\$ 37,418,269	\$ 39,124,452	\$ 41,148,042
Local sales and use taxes	3,224,641	3,207,116	3,262,733	3,246,390
Consumer utility taxes	1,943,136	1,994,637	1,955,209	1,881,288
Motor vehicle licenses taxes	825,623	830,861	864,693	871,892
Taxes on recordation and wills	347,126	304,745	291,431	347,726
Other local taxes	154,857	160,650	166,728	176,892
Unrestricted grants and contributions	3,874,170	4,066,927	4,036,318	4,092,036
Unrestricted revenues from use of money and property	130,565	360,343	452,848	422,388
Miscellaneous	2,705,887	1,106,265	771,242	782,381
Transfers	(1,632,819)	(1,571,745)	(1,363,318)	(4,236,140)
Total governmental activities	\$ 47,142,880	\$ 47,878,068	\$ 49,562,336	\$ 48,732,895
Business-type Activities:				
Property taxes	\$ 592,586	\$ 572,600	\$ 569,402	\$ 580,181
Unrestricted revenues from use of money and property	10,256	6,084	2,685	5,783
Miscellaneous	-	48,904	59,139	11,134
Transfers	1,632,819	1,571,745	1,363,318	4,236,140
Total business-type activities	\$ 2,235,661	\$ 2,199,333	\$ 1,994,544	\$ 4,833,238
Total primary government	\$ 49,378,541	\$ 50,077,401	\$ 51,556,880	\$ 53,566,133
Change in Net Position				
Governmental Activities	\$ 3,010,136	\$ 3,936,141	\$ 2,180,790	\$ (2,021,041)
Business-type Activities	284,358	2,416,448	(147,763)	1,429,709
Total primary government	\$ 3,294,494	\$ 6,352,589	\$ 2,033,027	\$ (591,332)

Table 2

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 42,461,477	\$ 44,834,747	\$ 47,553,596	\$ 48,673,614	\$ 50,916,675	\$ 58,202,348
3,536,415	3,651,977	3,756,891	4,364,517	4,591,538	4,671,421
1,937,678	1,867,094	1,797,031	1,756,968	1,665,423	1,616,603
871,435	891,545	916,167	916,402	920,131	922,217
410,384	366,337	404,259	463,305	664,903	691,810
168,394	212,490	192,681	157,415	69,116	215,093
4,146,519	4,104,013	4,161,599	4,220,789	4,182,522	4,117,449
569,096	705,696	1,120,228	887,025	616,576	105,115
1,323,671	1,155,162	1,497,574	591,756	980,122	1,123,849
(1,357,419)	(1,143,142)	(1,193,780)	(1,637,138)	(1,913,458)	(1,317,587)
\$ 54,067,650	\$ 56,645,919	\$ 60,206,246	\$ 60,394,653	\$ 62,693,548	\$ 70,348,318
\$ 560,226	\$ 562,737	\$ 566,297	\$ 558,942	\$ 564,707	\$ 568,325
12,389	23,197	37,537	26,044	2,836	3,354
8,040	8,727	12,901	31,264	2,570	1,546
1,357,419	1,143,142	1,193,780	1,637,138	1,913,458	1,317,587
\$ 1,938,074	\$ 1,737,803	\$ 1,810,515	\$ 2,253,388	\$ 2,483,571	\$ 1,890,812
\$ 56,005,724	\$ 58,383,722	\$ 62,016,761	\$ 62,648,041	\$ 65,177,119	\$ 72,239,130
\$ 5,089,694	\$ 4,542,530	\$ 4,842,973	\$ 791,063	\$ 6,577,010	\$ 13,734,485
172,916	92,858	57,608	392,832	(305,437)	(1,069,359)
\$ 5,262,610	\$ 4,635,388	\$ 4,900,581	\$ 1,183,895	\$ 6,271,573	\$ 12,665,126

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
2013 \$	35,569,694 \$	3,224,641 \$	1,943,136 \$	825,623 \$	347,126 \$	41,910,220
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

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COUNTY OF SHENANDOAH, VIRGINIA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General fund				
Nonspendable	\$ 16,995	\$ 39,075	\$ 70,758	\$ 45,765
Restricted	3,938,418	4,217,739	3,509,063	3,625,033
Assigned	1,178,694	1,247,724	1,495,113	1,496,740
Unassigned	<u>10,497,972</u>	<u>12,772,653</u>	<u>13,577,568</u>	<u>10,656,213</u>
Total general fund	<u>\$ 15,632,079</u>	<u>\$ 18,277,191</u>	<u>\$ 18,652,502</u>	<u>\$ 15,823,751</u>
All other governmental funds				
Debt service funds	\$ -	\$ -	\$ 182,987	\$ -
Restricted, reported in:				
Capital projects funds	1,788,689	224,574	68,610	-
Committed, reported in:				
Landfill contingency	-	-	-	-
Assigned, reported in:				
Debt service funds	-	-	-	-
Capital projects funds	8,780,403	8,192,892	7,937,178	7,863,564
Special revenue funds	<u>99,903</u>	<u>164,067</u>	<u>188,603</u>	<u>188,603</u>
Total all other governmental funds	<u>\$ 10,668,995</u>	<u>\$ 8,581,533</u>	<u>\$ 8,377,378</u>	<u>\$ 8,052,167</u>

Table 4

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 42,998	\$ 160,559	\$ 336,882	\$ 350,605	\$ 103,193	\$ 308,153
5,648,061	5,939,307	5,130,470	1,067,924	1,003,213	987,031
961,601	979,660	1,261,466	1,253,627	1,397,672	2,718,587
<u>12,871,656</u>	<u>14,582,450</u>	<u>13,463,207</u>	<u>11,759,917</u>	<u>17,175,329</u>	<u>27,244,942</u>
<u>\$ 19,524,316</u>	<u>\$ 21,661,976</u>	<u>\$ 20,192,025</u>	<u>\$ 14,432,073</u>	<u>\$ 19,679,407</u>	<u>\$ 31,258,713</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,625	\$ 1,625
-	-	-	-	4,775,538	4,181,939
-	-	-	-	-	-
-	184,372	184,372	-	381,669	-
8,104,694	8,102,474	22,528,595	17,820,499	8,157,671	7,502,208
<u>188,603</u>	<u>188,603</u>	<u>267,535</u>	<u>312,170</u>	<u>357,381</u>	<u>407,927</u>
<u>\$ 8,293,297</u>	<u>\$ 8,475,449</u>	<u>\$ 22,980,502</u>	<u>\$ 18,132,669</u>	<u>\$ 13,673,884</u>	<u>\$ 12,093,699</u>

COUNTY OF SHENANDOAH, VIRGINIA

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
General property taxes	\$ 35,693,366	\$ 37,482,790	\$ 39,515,727	\$ 40,894,148
Other local taxes	6,495,383	6,498,009	6,540,794	6,524,188
Permits, privilege fees and regulatory licenses	347,305	349,335	445,277	432,609
Fines and forfeitures	78,423	71,259	83,303	66,671
Revenue from use of money and property	130,565	360,343	452,848	509,396
Charges for services	1,847,850	1,858,516	1,511,299	1,800,087
Miscellaneous	2,705,887	1,805,065	1,092,112	1,267,177
Recovered costs	499,341	550,983	512,397	492,482
Intergovernmental:				
Commonwealth	10,281,425	10,303,365	9,562,497	10,334,634
Federal	2,689,859	3,896,064	2,459,177	2,332,300
Total revenues	\$ 60,769,404	\$ 63,175,729	\$ 62,175,431	\$ 64,653,692
Expenditures				
General government administration	\$ 2,540,618	\$ 2,463,728	\$ 2,735,318	\$ 2,861,575
Judicial administration	1,764,922	1,822,544	1,890,580	1,949,965
Public safety	13,244,694	14,007,900	13,795,977	14,736,082
Public works	1,062,575	1,172,071	1,088,347	1,149,372
Health and welfare	6,775,287	6,353,432	6,836,916	7,474,288
Education	22,094,286	23,354,643	24,856,868	25,685,320
Parks, recreation and cultural	1,384,394	1,408,573	1,465,408	1,522,188
Community development	951,035	1,033,232	1,058,542	1,629,086
Nondepartmental	16,891	13,374	14,152	13,533
Capital projects	6,932,038	3,535,193	672,597	676,488
Debt service:				
Principal	3,897,642	3,802,563	3,830,034	4,037,566
Interest and other fiscal charges	2,569,834	2,476,051	2,396,218	2,246,551
Bond issuance costs	156,175	-	-	-
Total expenditures	\$ 63,390,391	\$ 61,443,304	\$ 60,640,957	\$ 63,982,014
Excess (deficiency) of revenues over (under) expenditures	\$ (2,620,987)	\$ 1,732,425	\$ 1,534,474	\$ 671,678
Other financing sources (uses)				
Transfers in	\$ 5,868,257	\$ 5,833,132	\$ 5,565,693	\$ 5,235,600
Transfers out	(7,501,076)	(7,404,877)	(6,929,011)	(9,471,740)
Bonds issued	4,495,000	-	-	-
Premium on bonds issued	285,655	-	-	-
Leases (as lessee)	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Capital leases	393,307	396,970	-	410,500
Total other financing sources (uses)	\$ 3,541,143	\$ (1,174,775)	\$ (1,363,318)	\$ (3,825,640)
Net change in fund balances	\$ 920,156	\$ 557,650	\$ 171,156	\$ (3,153,962)
Debt service as a percentage of noncapital expenditures	11.84%	10.86%	10.55%	9.98%

Table 5

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 42,563,588	\$ 45,169,428	\$ 47,363,914	\$ 48,206,372	\$ 50,937,428	\$ 56,998,543
6,924,306	6,989,443	7,067,029	7,658,607	7,911,111	8,117,144
372,308	426,374	405,834	521,730	664,815	675,224
60,697	51,449	41,221	52,366	36,379	36,731
569,096	705,696	1,120,228	887,025	616,576	452,091
1,817,194	2,265,259	2,025,186	2,122,848	1,794,750	2,566,812
1,206,726	1,855,162	4,903,943	1,162,130	1,399,696	2,285,325
526,766	497,565	579,109	484,538	528,055	771,935
10,317,912	10,513,169	10,932,525	11,953,904	12,123,609	13,285,954
5,122,012	2,167,824	2,309,635	2,488,636	10,354,848	3,345,770
\$ 69,480,605	\$ 70,641,369	\$ 76,748,624	\$ 75,538,156	\$ 86,367,267	\$ 88,535,529
\$ 2,488,722	\$ 2,618,367	\$ 2,661,475	\$ 2,845,989	\$ 3,770,714	\$ 3,706,528
1,971,210	2,132,675	2,297,440	2,133,644	2,159,194	2,437,426
15,198,189	15,984,765	17,185,771	17,995,053	18,961,893	22,467,268
1,140,004	1,157,835	1,627,059	1,342,442	1,449,966	1,433,805
8,037,115	8,556,685	9,240,789	10,732,125	12,231,084	12,247,451
25,490,023	26,617,409	30,412,369	30,693,557	26,573,821	28,101,691
1,944,929	2,194,716	2,198,531	2,386,781	2,005,987	2,520,247
1,377,922	1,460,829	1,480,775	1,474,148	4,414,083	2,008,232
21,829	105,689	212,682	8,026	56,943	37,662
255,451	933,869	4,152,533	9,008,154	5,066,792	1,265,101
4,160,835	4,212,946	4,437,300	4,662,414	4,909,191	5,086,837
2,095,262	1,932,353	2,094,365	2,282,173	2,114,168	1,802,433
-	-	118,057	-	-	-
\$ 64,181,491	\$ 67,908,138	\$ 78,119,146	\$ 85,564,506	\$ 83,713,836	\$ 83,114,681
\$ 5,299,114	\$ 2,733,231	\$ (1,370,522)	\$ (10,026,350)	\$ 2,653,431	\$ 5,420,848
\$ 5,408,275	\$ 6,038,539	\$ 6,427,200	\$ 10,470,713	\$ 6,620,654	\$ 5,969,741
(6,765,694)	(7,181,681)	(7,620,980)	(12,107,851)	(8,534,112)	(7,287,328)
-	-	13,970,000	-	1,475,000	5,700,000
-	-	1,530,581	-	-	-
-	-	-	-	-	101,431
-	-	-	-	(1,426,424)	-
-	729,723	98,823	1,055,703	-	168,510
\$ (1,357,419)	\$ (413,419)	\$ 14,405,624	\$ (581,435)	\$ (1,864,882)	\$ 4,652,354
\$ 3,941,695	\$ 2,319,812	\$ 13,035,102	\$ (10,607,785)	\$ 788,549	\$ 10,073,202
9.83%	9.32%	8.90%	9.16%	8.96%	8.57%

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
2013 \$	35,693,366 \$	3,224,641 \$	1,943,136 \$	825,623 \$	347,126 \$	42,033,892
2014	37,482,790	3,207,116	1,994,637	830,861	304,745	43,820,149
2015	39,515,727	3,262,733	1,955,209	864,693	291,431	45,889,793
2016	40,894,148	3,246,390	1,881,288	871,892	347,726	47,241,444
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

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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)
2013	\$	4,441,341,600	\$	367,548,462	\$	4,141,738	\$	75,260,772	\$	46,502,386	\$	194,991,068
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

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
\$	5,129,786,026	\$ 4,735,332,803	108.33%	\$ 8.33
	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

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
2013	\$	0.54	\$	3.50	\$	0.54	\$	3.15	\$	0.60	\$	8.33
2014		0.57		3.50		0.57		3.15		0.60		8.39
2015		0.57		3.50		0.57		3.15		0.60		8.39
2016		0.60		3.60		0.60		3.15		0.60		8.55
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

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 2022		Fiscal Year 2013	
		2022 Assessed Valuation	% of Total Assessed Valuation	2013 Assessed Valuation	% of Total Assessed Valuation
Bowman Andros Products LLC	Mfg	\$ 29,398,200	20.32%	\$ 9,364,300	8.64%
EIP 495 Radio Station Road LLC	Mfg	29,087,500	20.11%	-	0.00%
North Shenandoah Investors LLC	Investments	-	0.00%	20,596,500	19.01%
Art Mortgage Borrower Propco 2006-2	Distribution	14,416,500	9.97%	13,368,800	12.34%
Howell Metal	Mfg	11,906,800	8.23%	11,116,100	10.26%
Lowes Home Centers	Retail	9,593,000	6.63%	9,499,400	8.77%
Wal-Mart Real Estate	Retail	9,069,800	6.27%	9,269,000	8.55%
Masco Cabinetry	Mfg	8,911,700	6.16%	7,889,100	7.28%
294 Front Royal LLC	Mfg	8,522,300	5.89%	10,718,600	9.89%
Valley Fertilizer and Chemical Co	Retail	8,459,600	5.85%	-	0.00%
Telesat Network Services	Communications	8,094,300	5.60%	9,013,000	8.32%
Mt Airy Properties LLC	Distribution	-	0.00%	7,532,000	6.95%
Massanutten Preservation LP	Apartments	7,200,000	4.98%	-	0.00%
		<u>\$ 144,659,700</u>	<u>100.00%</u>	<u>\$ 108,366,800</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
2013	\$ 36,226,476	\$ 33,721,380	93.08%	\$ 2,477,452	\$ 36,198,832	99.92%
2014	39,644,404	37,448,266	94.46%	2,162,294	39,610,560	99.91%
2015	39,858,420	37,876,812	95.03%	1,943,244	39,820,056	99.90%
2016	41,321,753	39,421,018	95.40%	1,845,814	41,266,832	99.87%
2017	43,635,676	41,757,773	95.70%	1,525,063	43,282,836	99.19%
2018	47,552,508	45,380,283	95.43%	1,721,056	47,101,339	99.05%
2019	48,210,765	46,001,197	95.42%	1,620,625	47,621,822	98.78%
2020	48,971,502	46,508,828	94.97%	1,758,540	48,267,368	98.56%
2021	51,383,447	48,977,945	95.32%	874,678	49,852,623	97.02%
2022	58,210,662	54,906,770	94.32%	-	54,906,770	94.32%

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	<u>Direct Borrowings and Placements</u>				<u>Direct Borrowings and Placements</u>		
	General Obligation Bonds	Literary Fund Loans	Lease Revenue Bonds	Loans Payable	General Obligation Bonds	Notes Payable	Loans Payable
2013	\$ 45,442,086	\$ 2,516,000	\$ 7,595,000	\$ 1,131,300	\$ 2,802,329	\$ -	\$ -
2014	42,362,464	2,201,500	7,435,000	1,196,369	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	3,215,144	358,865	307,037

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)
\$	59,486,715	3.99%	\$	1,397
	55,461,685	3.58%		1,299
	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
	44,092,866	2.00%		998

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)
2013	\$	47,958,086	\$	-	\$ 47,958,086	0.93%	\$ 1,126
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%	336

(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						
	Water/Sewer/Refuse and Septage Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2013	\$ 3,428,481	\$ 4,581,746	\$ (1,153,265)	\$ 274,393	\$ 142,435	-276.68%	
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%	

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
2013	42,583	\$ 1,491,086,328	\$ 35,016	43.7	6,069	6.20%
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	2.60%

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

Principal Employers
Current Year and Nine Years Prior

Employer	Fiscal Year 2022		Fiscal Year 2013	
	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	8
Bowman Andros Products	500 to 999	4	250 to 499	4
County of Shenandoah	250 to 499	5	250 to 499	6
Winchester Regional Health Inc. (Valley Health)	250 to 499	6	250 to 499	7
Masco Builder Cabinet Group	250 to 499	7	-	-
Wal Mart Associates, Inc.	250 to 499	8	250 to 499	10
Food Lion, LLC	250 to 499	9	-	-
Mercury Paper	100 to 249	10	-	-
IAC Strasburg, LLC	-	-	250 to 499	5
R.R. Donnelly and Sons Company	-	-	250 to 499	3
Life Style Staffing	-	-	250 to 499	9

Source: Virginia Employment Commission-LMI

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government administration	21	24	24	24	23	23	29	29	23	27
Judicial administration	15	19	19	19	20	26	23	24	24	26
Public safety:										
Sheriff's department	84	69	57	57	57	59	58	59	58	67
Fire and rescue	42	44	48	48	50	50	56	56	71	83
Building inspections	5	6	6	6	6	6	7	6	8	9
Animal control	2	2	2	2	2	2	2	2	2	2
Animal Shelter	*	*	*	*	*	*	*	*	4	4
Emergency communications	*	18	18	18	18	18	21	21	20	21
Public works:										
General maintenance	6	6	6	6	6	6	6	7	6	7
Landfill	19	17	17	17	17	17	17	16	16	18
Health and welfare:										
Department of social services	35	35	41	41	40	44	46	45	48	48
Culture and recreation:										
Parks and recreation	5	5	5	5	5	5	7	6	7	7
Library	6	6	6	7	8	8	8	8	8	8
Economic Development	1	1	1	1	1	1	2	2	2	3
Community development:										
Planning	5	5	5	5	5	5	3	3	3	4
Cooperative Extension	1	1	1	1	1	1	1	1	1	3
Totals	<u>247</u>	<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>

Source: Department List Query and DSS contact

* Information unavailable

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Sheriffs department:										
Physical arrests										
Traffic violations/arrests	2070	2195	2138	2269	2017	2275	2075	2147	1630	1230
Civil papers	10500	12428	13141	11912	14055	14303	13921	15608	11839	12,276
Fire and rescue:										
Number of calls answered	11150	5933	7232	7426	7469	7677	7562	9834	8343	10829
Building inspections:										
Permits issued	78	82	99	89	115	161	130	146	223	190
Animal control:										
Number of calls answered	1643	1847	1656	1548	1576	1717	2233	2485	2110	2099
Public works										
General maintenance:										
Trucks/vehicles	6	6								
Landfill:										
Refuse collected (tons/day)	117.02	132	138.5	148.3	162.2	179	154	166	167	172
Recycling (tons/day)	6.8	7.2	7.0	7.3	18.4	7.4	7	6	6	7
Health and welfare										
Department of Social Services:										
Caseload	5753	10905	*	10935	11000	10219	10953	11138	11973	14888
Culture and recreation										
Parks and recreation:										
Recreation facility permits	1137	1853	1833	1743	1762	1680	2270	919	700	342
After-school program participants										
Youth sports participants	1156	1013	1403	1512	1644	1732	2216	520	177	384
Community development										
Planning:										
Zoning permits issued	375	331	260	318	293	330	364	351	443	437
Component Unit - School Board										
Education:										
School age population	6069	6115	5696	5913	5991	6082	6058	5993	5738	5618
Number of teachers	520	521	522	529	530	538	541	502	517	504
Local expenditures per pupil	3711	3832	4116	4414	4347	4484	4873	5084	4640	5032

Source: Individual County departments

* Information unavailable

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	2	2	3	3	5	4	3	3	4	4
Public safety										
Sheriffs department:										
Patrol units	51	56	56	56	56	58	60	60	56	78
Building inspections:										
Vehicles	4	4	4	4	4	4	5	5	5	7
Animal control:										
Vehicles	2	2	2	2	2	2	2	2	2	3
Public works										
General maintenance:										
Trucks/vehicles	6	6	6	7	7	5	8	10	10	9
Landfill:										
Vehicles	23	23	23	19	22	22	24	24	24	23
Equipment	21	21	21	18	20	20	19	21	26	20
Sites	15	16	16	16	15	15	15	14	14	13
Health and welfare										
Department of Social Services:										
Vehicles	12	12	12	12	13	13	13	13	13	14
Culture and recreation										
Parks and recreation:										
Community centers	1	1	1	1	1	1	1	1	1	1
Vehicles	4	4	4	4	4	5	6	6	6	5
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	2	4	4	3	3	2	2
Component Unit - School Board										
Education:										
Schools	10	10	10	10	10	10	10	10	10	10
School buses	108	110	110	112	112	112	112	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, 2022, 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, 2022.

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, Fanner, Cox Associates

Staunton, Virginia
December 15, 2022



**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 described 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, 2022. 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 types of 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, 2022.

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, 2022

COUNTY OF SHENANDOAH, VIRGINIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

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	\$ 648,081
Total Department of Agriculture			\$ 648,081
Department of Health and Human Services:			
Pass Through Payments:			
Virginia Department of Social Services:			
Temporary Assistance for Needy Families	93.558	Unavailable	\$ 240,603
Refugee and Entrant Assistance State/Replacement Designee			
Administered Programs	93.566	Unavailable	3,647
MaryLee Allen Promoting Safe and Stable Families	93.556	Unavailable	33,948
Low-Income Home Energy Assistance	93.568	Unavailable	38,130
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child			
Care and Development Fund	93.596	Unavailable	49,960
Foster Care - Title IV-E	93.658	Unavailable	268,304
Elder Abuse Prevention Interventions Program	93.747	Unavailable	2,554
Title IV-E Prevention Program	93.472	Unavailable	4,792
Community Based Child Abuse Prevention Grants	93.590	Unavailable	1,000
Guardianship Assistance	93.090	Unavailable	10,741
Chafee Education and Training Vouchers Program	93.599	Unavailable	6,755
Stephanie Tubbs Jones - Child Welfare Services Program	93.645	Unavailable	538
John H. Chafee Foster Care Program for Successful Transition to			
Adulthood	93.674	Unavailable	6,561
Social Services Block Grant	93.667	Unavailable	247,477
Children's Health Insurance Program	93.767	Unavailable	3,581
Adoption Assistance	93.659	Unavailable	158,292
Medicaid Cluster:			
Medical Assistance Program	93.778	Unavailable	336,468
Total Department of Health and Human Services			\$ 1,413,351
Department of Homeland Security:			
Pass Through Payments:			
Virginia Department of Emergency Management:			
Homeland Security Grant Program	97.067	Unavailable	\$ 1,347
Emergency Management Performance Grants	97.042	Unavailable	4,404
Total Department of Homeland Security			\$ 5,751
U.S. Department of Justice:			
Direct Payments			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 29,046
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
ATF Overtime	16.401	Unavailable	\$ 3,399
Local Law Enforcement Block Grant	16.401	Unavailable	3,020
Subtotal CFDA 16.401			\$ 6,419
Crime Victim Assistance	16.575	Unavailable	51,603
Equitable Sharing Program	16.922	Unavailable	213,157
Total Department of Justice			\$ 300,225

COUNTY OF SHENANDOAH, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2022

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	\$ 6,090
Total Department of Transportation			\$ 6,090
Department of Treasury:			
Pass Through Payments:			
Virginia Department of Accounts:			
COVID-19 Coronavirus Relief Fund	21.019	Unavailable	\$ 14,501
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Unavailable	629,219
Virginia Department of Justice:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	120304	106,524
Subtotal ALN 21.027			735,743
Total Department of Treasury			\$ 750,244
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	124,929
Total Expenditures of Federal Awards - Primary Government			\$ 3,248,671
COMPONENT UNIT SCHOOL BOARD:			
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Education:			
School Breakfast Program	10.553	APE402530000	\$ 854,646
National School Lunch Program	10.555	APE402540000	2,329,801
Virginia Department of Agriculture and Consumer Services:			
Food Distribution-School Lunch	10.555	Unavailable	204,054
Subtotal ALN 10.555			\$ 2,533,855
COVID-19 Summer Food Service Program for Children	10.559	APE603030000	34,573
Total Child Nutrition Cluster			\$ 3,423,074
Pandemic Electronic Benefit Transfer Administrative Costs	10.649	DOE86556	\$ 3,063
Virginia Department of Education:			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE438410000	14,316
Total Department of Agriculture			\$ 3,440,453
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	APE429010000	\$ 1,242,036
Student Support and Academic Enrichment Program	84.424	APE602810000	117,548
Supporting Effective Instruction State Grants	84.367	APE600220000	111,200
Special Education Cluster:			
Special Education - Grant to States	84.027	APE430710000	\$ 1,330,026
Special Education - Individuals with Disabilities Education Act	84.027	APE430710000	33,454
Special Education - Preschool Grants	84.173	APE625210000	43,539
Total Special Education Cluster			\$ 1,407,019
COVID-19 Education Stabilization Fund-Elementary			
Secondary School Emergency Relief Fund	84.425D	APE60177000	\$ 2,161,546
COVID-19 Education Stabilization Fund-Governor's			
Education Emergency Relief Fund	84.425C	APE60177000	33,649
COVID-19 Education Stabilization Fund-American Rescue Plan			
Elementary and Secondary Emergency Relief Fund	84.425U	APE60177000	1,646,001
Subtotal Education Stabilization Fund			\$ 3,841,196
Career and Technical Education - Basic Grants to States	84.048	APE606310000	122,451
English Language Acquisition State Grants	84.365	APE605120000	104,237
Total Department of Education			\$ 6,945,687
Total Expenditures of Federal Awards Component Unit School Board			\$ 10,386,140
Total Expenditures of Federal Awards			\$ 13,634,811

COUNTY OF SHENANDOAH, VIRGINIA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

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, 2022. 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, 2022, the County had food commodities totaling \$149,738 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:	\$ 3,345,770
Reconciling items:	
Expenditures with forfeited drug asset proceeds less than current year revenues	122,450
Payment in lieu of taxes not included above	(219,549)
Total primary government	\$ 3,248,671

Discretely presented component unit - School Board	\$ 10,386,140
Total discretely presented component unit - School Board	\$ 10,386,140

Total expenditures of federal awards per basic financial statements	\$ 13,634,811
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$ 13,634,811
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COUNTY OF SHENANDOAH, VIRGINIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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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84.010 Title I Grants to Local Educational Agencies
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Child Nutrition Cluster

10.553 School Breakfast Program
10.555 National School Lunch Program
10.555 Food Distribution
10.559 COVID 19 Summer Food Service Program for Children (SFSPC)

84.425 Education Stabilization Fund
93.667 Social Services Block Grant

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