

COUNTY OF PAGE, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2007



COUNTY OF PAGE, VIRGINIA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2007

**COUNTY OF PAGE, VIRGINIA
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2007**

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Directory of Principal Officials	i
Organizational Chart	ii
Independent Auditors' Report	1-2
Management's Discussion and Analysis.....	3-8
Basic Financial Statements:	
Government—wide Financial Statements	
Exhibit 1 Statement of Net Assets.....	9
Exhibit 2 Statement of Activities.....	10-11
Fund Financial Statements	
Exhibit 3 Balance Sheet — Governmental Funds.....	12
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	13
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds.....	14
Exhibit 6 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds to the Statement of Activities	15
Exhibit 7 Statement of Fiduciary Net Assets — Fiduciary Funds.....	16
Notes to Financial Statements	17-41
Required Supplementary Information:	
Exhibit 8 General Fund — Schedule of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual	42
Exhibit 9 Schedule of Pension Funding Progress	43
Other Supplementary Information:	
Exhibit 10 Capital Projects Fund — Schedule of Revenues, Expenditures, and Changes In Fund Balances — Budget and Actual	44
Exhibit 11 Combining Balance Sheet — Nonmajor Special Revenue Funds	45
Exhibit 12 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances — Nonmajor Special Revenue Funds	46
Exhibit 13 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual — Nonmajor Special Revenue Funds	47-50
Exhibit 14 Combining Statement of Fiduciary Net Assets — Fiduciary Funds.....	51
Exhibit 15 Combining Statement of Changes in Assets and Liabilities — Agency Funds	52
Exhibit 16 Combining Balance Sheet — Discretely Presented Component Unit — School Board.....	53

Table of Contents (continued)

		<u>Page</u>
Other Supplementary Information: (Continued)		
Exhibit 17	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances — Governmental Funds — Discretely Presented Component Unit — School Board.....	54
Exhibit 18	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual — Discretely Presented Component Unit — School Board.....	55-56
Exhibit 19	Statement of Net Assets — Proprietary Funds-Discretely Presented Component Unit — School Board.....	57
Exhibit 20	Statement of Revenues, Expenditures, and Changes in Fund Net Assets — Proprietary Funds-Discretely Presented Component Unit — School Board ...	58
Exhibit 21	Statement of Cash Flows — Proprietary Funds-Discretely Presented Component Unit — School Board.....	59
 Supporting Schedules and Tables		
Schedule 1	Schedule of Revenues — Budget and Actual — Governmental Funds.....	60-64
Schedule 2	Schedule of Expenditures — Budget and Actual — Governmental Funds	65-69
Table 1	Government-Wide Expenses by Function.....	70-71
Table 2	Government-Wide Revenues by Function	72-73
Table 3	General Governmental Expenditures by Function — Last Ten Fiscal Years ...	74-75
Table 4	General Governmental Revenues by Source — Last Ten Fiscal Years	76-77
Table 5	Property Tax Levies and Collections — Last Ten Fiscal Years	78
Table 6	Assessed Value of Taxable Property — Last Ten Fiscal Years.....	79
Table 7	Property Tax Rates — Last Ten Fiscal Years.....	80
Table 8	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita — Last Ten Fiscal Years	81
Table 9	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures — Last Ten Fiscal Years.....	82
 Compliance		
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		83-84
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133		85-86
Schedule of Expenditures of Federal Awards.....		87-89
Schedule of Findings and Questioned Costs.....		90

COUNTY OF PAGE, VIRGINIA

BOARD OF SUPERVISORS

Tommy R. LaFrance, Chairman
Gerald M. Cabbage, Vice-Chairman

Charles C. Ballard
John T. Rust

Charles M. Hoke
Carol L. Fisher-Strickler

Mark Belton, County Administrator

OFFICIALS

Judge of the Circuit Court James V. Lane
Judge of the General District Court..... W. Dale Houff
Judge of the Juvenile & Domestic Relations District Court..... William W. Sharp
Clerk of the Circuit Court..... Ron Wilson
Commonwealth's Attorney John T. Hennessy
Commissioner of the Revenue..... Charles L. Campbell
Treasurer..... C. R. Suddith, Jr.
Sheriff Daniel W. Presgraves
Superintendent of Schools..... Randall W. Thomas
Director of Department of Social Services..... Peter J. Creaturo

SCHOOL BOARD

Shanon K. Lucas, Chairman

Randy J. Bailey
Bryan Cave, Vice Chairman

Larry W. Foltz
C. L. Tomney

Barbara Stombock, Clerk

FINANCE BOARD

Members, Page County Board of Supervisors
C. R. Suddith, Jr.

BOARD OF SOCIAL SERVICES

Audrey Sedwick, Chairman

Gerald M. Cabbage
Penny Good

Louise Kyger
Jeanette Painter

Dawn Ponn

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT

TO THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS COUNTY OF PAGE, VIRGINIA

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Page, Virginia, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Page, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Page, Virginia, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 6, 2008 on our consideration of the County of Page, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and is important in assessing the results of our audit.

The Management's Discussion and Analysis and other required supplementary information as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Page, Virginia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and supporting schedules and tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the County of Page, Virginia. The combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, supporting schedules and tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Robinson, Farmer, Cox Associates

Verona, Virginia
February 6, 2008

Management's Discussion and Analysis

The following is a narrative overview and analysis of the financial activities of the County of Page, Virginia for the fiscal year ended June 30, 2007.

Financial Highlights

The assets of the County of Page, Virginia exceeded its liabilities at the close of the most recent fiscal year by \$2,605,470. Of this amount, (\$1,392,473) is unrestricted. The School Board's net assets were \$10,698,361 of which \$1,300,187 is unrestricted.

At the end of the fiscal year, unreserved fund balance for the general fund was \$8,522,996.

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$55,269,540 an increase of \$45,978,958 in comparison with the prior year. \$8,678,179 is available for spending at the government's discretion (unreserved fund balance).

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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Local governmental accounting and financial reporting originally focused on funds that were designed to enhance and demonstrate fiscal accountability, now to be accompanied by government-wide financial statements, the objective of operational accountability will also be met. These objectives will provide financial statement users with both justifications from the government that public monies have been used to comply with public decisions and as to whether operating objectives have been met efficiently and effectively and can continue to be met in the future.

Government-wide Financial Statements

Government-wide financial statements provide financial statement users with a general overview of County finances. The statements include all assets and liabilities using the accrual basis of accounting. All current year revenue and expenses are taken into account regardless of when cash is received or paid. Both the financial overview and accrual accounting factors are used in the reporting of a private-sector business. Two financial statements are used to present this information: 1) the statement of net assets and 2) the statement of activities.

The statement of net assets presents all of the County's permanent accounts, or assets, liabilities and net assets. The difference between assets and liabilities is reported as net assets. Increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other non-financial factors will also need to be considered to determine the overall financial position of the County.

The statement of activities presents information showing how the government's net assets changed during the fiscal year. The statement is focused on the gross and net cost of various governmental functions that are supported by general tax and other revenue. The statement of activities presents expenses before revenues, emphasizing that in government revenues are generated for the express purpose of providing services and not as an end unto itself.

Both government-wide financial statements separate governmental activities and business-type activities of the County. Taxes and intergovernmental revenues principally support governmental activities. They include general government administration; judicial administration; public safety; public works; health and welfare; parks, recreation and cultural; and community development. Business-type activities recover all or a significant portion of their costs through user fees and charges. The County currently shows no business-type activities.

The government-wide financial statements include, in addition to the primary government or County, two component units; the Page County School Board and the Page County IDA. Although the component units are legally separate entities, the County is financially accountable for them. A primary government is accountable for an organization if the primary government appoints a majority of the organization's governing body. A primary government is financially accountable if, in addition, either the government is able to impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. For example, the primary government may approve debt issuance, rate structure and/or provide significant funding for operations of the component unit.

Fund Financial Statements

The fund financial statements will be more familiar to past financial statement users. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The County's funds 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, or services, reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, a reconciliation of the two methods is provided in Exhibits 4 & 6 in this report.

Proprietary Funds

There are two types of proprietary funds: enterprise funds which are established to account for the delivery of goods and services to the general public and internal service funds which account for the delivery of goods and services to other departments or agencies of the government. Proprietary funds use the accrual basis of accounting, similar to private sector business.

The County of Page has one internal service fund: Health Insurance Fund. The Health Insurance Fund accounts for insurance premiums paid by the Discretely Presented School Board for all departments. Individual fund data for the internal funds is provided in Exhibits 19-21 in this report.

Fiduciary Funds

Fiduciary funds account for assets held by the government as a trustee or agent for another organization or individual. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the government-wide financial statement because the funds are not available to support the County's own activities.

Notes to the Financial Statements

The notes provide additional information that is needed to fully understand the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As previously noted, net assets may serve as a useful indicator of a government's financial position. The Page County's assets exceeded its liabilities by \$2,605,470 at fiscal year end.

The County's net assets are divided into three categories: (1) invested in capital assets, net of related debt; (2) restricted; and (3) unrestricted.

COUNTY OF PAGE'S NET ASSETS

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 60,326,882	\$ 14,655,653
Capital assets	8,589,271	7,802,095
Total assets	<u>\$ 68,916,153</u>	<u>\$ 22,457,748</u>
Long-term liabilities	\$ 61,258,012	\$ 17,438,385
Other liabilities	5,052,671	3,889,251
Total liabilities	<u>\$ 66,310,683</u>	<u>\$ 21,327,636</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 3,923,675	\$ 3,437,095
Restricted	74,268	2,158,957
Unrestricted	(1,392,473)	(4,465,670)
Total net assets	<u>\$ 2,605,470</u>	<u>\$ 1,130,382</u>

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.

Restricted net assets represent resources that are subject to external restrictions on how they may be used. All \$74,268 of these net assets are reserved for debt service and bond covenants.

At the end of the fiscal year, the County is able to report positive balances in all of the three categories of net assets, except for unrestricted.

Governmental Activities

Governmental activities have increased the County's net assets by \$1,475,088 due in large part to the increase in personal property tax rates and real estate reassessments. Key elements of this increase are as follows:

COUNTY OF PAGE'S CHANGES IN NET ASSETS For the Year Ended June 30, 2007

	Governmental Activities	
	2007	2006
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 1,552,118	\$ 1,123,580
Operating grants & contributions	6,825,546	6,796,724
Capital grants & contributions	-	289,340
General revenues:		
General property taxes	14,274,262	13,306,915
Other local taxes	3,439,730	3,326,249
Use of money & property	2,054,348	244,611
Miscellaneous	113,272	553,400
Grants and cont. not restricted	1,858,734	2,716,086
Total revenues	<u>\$ 30,118,010</u>	<u>\$ 28,356,905</u>
<u>Expenses:</u>		
General government	\$ 2,721,418	\$ 2,391,188
Judicial administration	1,031,210	912,629
Public safety	6,326,121	5,562,040
Health and welfare	5,010,637	4,797,023
Education	8,012,794	8,030,679
Parks, recreation and cultural	355,263	304,228
Community development	843,537	1,042,107
Public works	2,284,169	4,237,339
Interest on long-term debt	2,057,773	518,790
Total expenses	<u>\$ 28,642,922</u>	<u>\$ 27,796,023</u>
Changes in net assets	\$ 1,475,088	\$ 560,882
Net assets, July 1, 2006, as adjusted	<u>1,130,382</u>	<u>569,500</u>
Net assets, June 30, 2007	<u><u>\$ 2,605,470</u></u>	<u><u>\$ 1,130,382</u></u>

Financial Analysis of the Government's Funds

As earlier mentioned, the County uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of financial resources. Such information is useful in assessing the County's financing requirements. Unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the year end, the County's governmental funds reported combined ending fund balances of \$55,269,540, an increase of \$45,978,958 over the prior year. \$74,268 is reserved to indicate that it is not available for new spending because it has already been committed to bond covenants for the USDA loan for improvements to Battlecreek Landfill. The increase in governmental funds can be attributed to debt proceeds received for school construction not spent in fiscal year 2007.

The general fund is the chief operating fund of the County. As of June 30, 2007, the unreserved and total fund balance was \$8,617,681.

General Fund Budgetary Highlights

Differences between the original expenditure budgeted appropriations and the final amended budgeted appropriations totaled \$520,264. The receipt of additional state and federal grants for various operating areas accounted for over much of the budget increase.

Capital Asset and Debt Administration

Capital Assets

Investments in capital assets may be made in five different categories, which include land, buildings, and major subsystems, machinery and equipment, infrastructure or construction in process.

COUNTY OF PAGE, VIRGINIA CAPITAL ASSETS FOR GOVERNMENTAL ACTIVITIES (Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
Land	\$ 1,549,464	\$ 1,549,464
Buildings and system	4,277,390	4,696,701
Machinery and equip	1,519,571	1,555,930
Construction in progress	1,242,846	-
Totals	<u>\$ 8,589,271</u>	<u>\$ 7,802,095</u>

Additional information on the County's assets can be found in the notes to the financial statements.

Long-term debt: At fiscal year end the County had the following outstanding debt:

COUNTY OF PAGE'S OUTSTANDING DEBT
For Year Ended June 30, 2007

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
General Obligation Bonds	\$ 57,017,307	\$ 13,684,205
Revenue notes	682,733	744,800
Landfill closure/post closure	2,416,429	2,463,302
Bond anticipation note	636,611	-
Compensated absences	316,915	268,140
Note payable	188,017	277,938
Totals	<u>\$ 61,258,012</u>	<u>\$ 17,438,385</u>

Additional information on the County's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets

The December unemployment rate for the County is 5.1 percent, which is much greater than the rate a year ago. This is high in comparison with the state's average of 3.3 percent and the national average of 4.5 percent. These factors will be considered when preparing the County's budget for the 2008 fiscal year.

Requests for Information

This financial report is designed to provide readers with a general overview of the County of Page's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to: Finance Department, 117 South Court Street, Luray, Virginia, 22835.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets
June 30, 2007

	Primary Government	Component Unit	Component Unit
	Governmental Activities	School Board	Economic Development Authority
ASSETS			
Cash and cash equivalents	\$ 56,920,712	\$ 1,474,868	\$ 113,679
Receivables (net of allowance for uncollectibles):			
Taxes receivable	1,913,459	-	-
Accounts receivable	241,761	29,469	-
Due from primary government	-	2,321,688	-
Due from other governmental units	1,176,682	776,291	-
Inventories	-	42,683	-
Prepaid expenses	-	21,406	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	74,268	-	-
Capital assets (net of accumulated depreciation):			
Land	1,549,464	885,591	-
Buildings and system	4,277,390	6,362,163	-
Machinery and equipment	1,519,571	551,200	-
Construction in progress	1,242,846	1,599,220	-
Total assets	\$ 68,916,153	\$ 14,064,579	\$ 113,679
LIABILITIES			
Accounts payable	\$ 814,806	\$ 184,648	\$ -
Accrued liabilities	161,453	3,056,439	-
Accrued interest payable	1,367,384	-	-
Due to component unit	2,321,688	-	-
Unearned revenue	387,340	-	-
Long-term liabilities:			
Due within one year	1,137,634	-	-
Due in more than one year	60,120,378	125,131	-
Total liabilities	\$ 66,310,683	\$ 3,366,218	\$ -
NET ASSETS			
Invested in capital assets, net of related debt	\$ 3,923,675	\$ 9,398,174	\$ -
Restricted for:			
Debt service and bond covenants	74,268	-	-
Unrestricted (deficit)	(1,392,473)	1,300,187	113,679
Total net assets	\$ 2,605,470	\$ 10,698,361	\$ 113,679

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

County of Page, Virginia

Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 2,721,418	\$ 24,093	\$ 331,522	\$ -
Judicial administration	1,031,210	55,701	494,280	-
Public safety	6,326,121	207,704	2,917,788	-
Public works	2,284,169	802,572	16	-
Health and welfare	5,010,637	5,919	3,081,940	-
Education	8,012,794	-	-	-
Parks, recreation, and cultural	355,263	53,251	-	-
Community development	843,537	402,878	-	-
Interest on long-term debt	2,057,773	-	-	-
Total governmental activities	<u>\$ 28,642,922</u>	<u>\$ 1,552,118</u>	<u>\$ 6,825,546</u>	<u>\$ -</u>
Total primary government	<u>\$ 28,642,922</u>	<u>\$ 1,552,118</u>	<u>\$ 6,825,546</u>	<u>\$ -</u>
COMPONENT UNITS:				
School Board	\$ 33,063,635	\$ 1,785,838	\$ 23,320,555	\$ 152,368
Industrial Development Authority	156,753	-	254,707	-
Total component units	<u>\$ 33,220,388</u>	<u>\$ 1,785,838</u>	<u>\$ 23,575,262</u>	<u>\$ 152,368</u>

General revenues:

- General property taxes
- Local sales tax
- Motor vehicle licenses
- Transient occupancy taxes
- Meals tax
- Tax on recordation and wills
- E-911 tax
- Other local taxes
- Unrestricted revenues from use of money and property
- Miscellaneous
- Grants and contributions not restricted to specific programs
- Total general revenues
- Change in net assets
- Net assets - beginning, as adjusted
- Net assets - ending

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

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		Component Unit	Component Unit
Governmental Activities	Total	School Board	EDA
\$ (2,365,803)	\$ (2,365,803)	\$ -	\$ -
(481,229)	(481,229)	-	-
(3,200,629)	(3,200,629)	-	-
(1,481,581)	(1,481,581)	-	-
(1,922,778)	(1,922,778)	-	-
(8,012,794)	(8,012,794)	-	-
(302,012)	(302,012)	-	-
(440,659)	(440,659)	-	-
(2,057,773)	(2,057,773)	-	-
<u>\$ (20,265,258)</u>	<u>\$ (20,265,258)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (20,265,258)</u>	<u>\$ (20,265,258)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	(7,804,874)	\$ -
-	-	-	97,954
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,804,874)</u>	<u>\$ 97,954</u>
\$ 14,274,262	\$ 14,274,262	\$ -	\$ -
1,351,034	1,351,034	-	-
267,265	267,265	-	-
402,471	402,471	-	-
275,584	275,584	-	-
273,960	273,960	-	-
178,749	178,749	-	-
690,667	690,667	-	-
2,054,348	2,054,348	509	-
113,272	113,272	-	-
1,858,734	1,858,734	8,003,686	-
<u>\$ 21,740,346</u>	<u>\$ 21,740,346</u>	<u>\$ 8,004,195</u>	<u>\$ -</u>
\$ 1,475,088	\$ 1,475,088	\$ 199,321	\$ 97,954
1,130,382	1,130,382	10,499,040	15,725
<u>\$ 2,605,470</u>	<u>\$ 2,605,470</u>	<u>\$ 10,698,361</u>	<u>\$ 113,679</u>

THIS PAGE LEFT BLANK INTENTIONALLY

FUND FINANCIAL STATEMENTS

Balance Sheet
 Governmental Funds
 June 30, 2007

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 10,053,285	\$ 46,816,726	\$ 50,701	\$ 56,920,712
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,913,459	-	-	1,913,459
Accounts receivable	218,060	-	23,701	241,761
Due from other funds	215,311	-	-	215,311
Due from other governmental units	750,294	-	426,388	1,176,682
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	74,268	-	74,268
 Total assets	 <u>\$ 13,150,409</u>	 <u>\$ 46,890,994</u>	 <u>\$ 500,790</u>	 <u>\$ 60,542,193</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 300,258	\$ 299,633	\$ 214,915	\$ 814,806
Accrued liabilities	151,387	-	10,066	161,453
Due to other funds	-	-	215,311	215,311
Due to component unit	2,321,688	-	-	2,321,688
Unearned revenue	1,759,395	-	-	1,759,395
 Total liabilities	 <u>\$ 4,532,728</u>	 <u>\$ 299,633</u>	 <u>\$ 440,292</u>	 <u>\$ 5,272,653</u>
Fund balances:				
Reserved for:				
Debt service	\$ -	\$ 74,268	\$ -	\$ 74,268
Unreserved, reported in:				
General fund	8,522,996	-	-	8,522,996
Special revenue funds	-	-	-	-
Designated	94,685	-	60,498	155,183
Capital projects funds	-	46,517,093	-	46,517,093
 Total fund balances	 <u>\$ 8,617,681</u>	 <u>\$ 46,591,361</u>	 <u>\$ 60,498</u>	 <u>\$ 55,269,540</u>
 Total liabilities and fund balances	 <u>\$ 13,150,409</u>	 <u>\$ 46,890,994</u>	 <u>\$ 500,790</u>	 <u>\$ 60,542,193</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
June 30, 2007

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 55,269,540
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,589,271
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,372,055
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(62,625,396)</u>
Net assets of governmental activities	<u>\$ 2,605,470</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2007

	General	Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
General property taxes	\$ 14,484,551	\$ -	\$ -	\$ 14,484,551
Other local taxes	3,260,981	-	178,749	3,439,730
Permits, privilege fees, and regulatory licenses	409,010	-	-	409,010
Fines and forfeitures	54,251	-	-	54,251
Revenue from the use of money and property	571,347	1,483,001	-	2,054,348
Charges for services	992,056	-	59,170	1,051,226
Miscellaneous	113,272	-	-	113,272
Intergovernmental revenues:				
Commonwealth	4,901,328	-	2,155,088	7,056,416
Federal	526,946	-	1,138,549	1,665,495
Total revenues	<u>\$ 25,313,742</u>	<u>\$ 1,483,001</u>	<u>\$ 3,531,556</u>	<u>\$ 30,328,299</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,351,468	\$ -	\$ -	\$ 2,351,468
Judicial administration	1,029,276	-	-	1,029,276
Public safety	5,822,943	-	624,172	6,447,115
Public works	1,974,751	-	-	1,974,751
Health and welfare	573,955	-	4,406,557	4,980,512
Education	7,647,713	-	-	7,647,713
Parks, recreation, and cultural	295,026	-	59,907	354,933
Community development	833,154	-	-	833,154
Nondepartmental	159,074	-	-	159,074
Capital projects	-	1,592,427	-	1,592,427
Debt service:				
Principal retirement	649,837	-	-	649,837
Interest and other fiscal charges	796,643	-	-	796,643
Total expenditures	<u>\$ 22,133,840</u>	<u>\$ 1,592,427</u>	<u>\$ 5,090,636</u>	<u>\$ 28,816,903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,179,902</u>	<u>\$ (109,426)</u>	<u>\$ (1,559,080)</u>	<u>\$ 1,511,396</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 74,268	\$ 1,548,666	\$ 1,622,934
Transfers out	(1,622,934)	-	-	(1,622,934)
Issuance of general obligation bonds	-	43,830,951	-	43,830,951
Bond premiums	-	636,611	-	636,611
Total other financing sources (uses)	<u>\$ (1,622,934)</u>	<u>\$ 44,541,830</u>	<u>\$ 1,548,666</u>	<u>\$ 44,467,562</u>
Net change in fund balances	\$ 1,556,968	\$ 44,432,404	\$ (10,414)	\$ 45,978,958
Fund balances - beginning	7,060,713	2,158,957	70,912	9,290,582
Fund balances - ending	<u>\$ 8,617,681</u>	<u>\$ 46,591,361</u>	<u>\$ 60,498</u>	<u>\$ 55,269,540</u>

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

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, 2007

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

Net change in fund balances - total governmental funds	\$ 45,978,958
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.	787,176
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(210,289)
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 assets. Also, governmental funds report the effect of issuance costs, 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.	(43,770,852)
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.	<u>(1,309,905)</u>
Change in net assets of governmental activities	<u>\$ 1,475,088</u>

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

Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2007

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>108,362</u>
Total assets	\$ <u><u>108,362</u></u>
LIABILITIES	
Amounts held for social services clients	\$ 4,301
Amounts held for others	79,054
Amounts held for inmates	<u>25,007</u>
Total liabilities	\$ <u><u>108,362</u></u>

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2007

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Page, Virginia (government) is a municipal corporation governed by an elected five-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 County has no blended component units.

Discretely presented component units. The Page 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 Board is presented as a governmental fund type.

The Page County Economic Development Authority is included as a component unit because the Authority's primary use of funds is to provide for economic development of the County, thereby benefiting the County even though it does not provide services directly to the County. The Page County Industrial Development Authority does prepare separate financial statements. Complete financial statements for the Authority may be obtained at the Authority's administrative office at 1 Cave Street, Luray, Virginia 22835.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets 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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations' does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Page County Industrial Development Authority.

D. Jointly Governed Organizations

A jointly governed organization is a multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

Rockingham Library Association — The County of Page, the County of Rockingham, and the City of Harrisonburg participate in the Rockingham County Library Association which provides library services to its participants. The Rockingham Library Association is governed by a Board of Trustees consisting of 19 members, who are elected at the annual meeting each year of the Rockingham Library Association. Each locality's contribution is set by contractual agreement with the Rockingham Library Association. The County of Page contributed \$158,000 to the Association for operating purposes for the year ended June 30, 2007.

Luray-Page County Airport Commission - The Luray-Page County Airport Commission is a jointly governed organization of the Town of Luray and the County of Page, Virginia formed by mutual agreement to build and maintain an airport to serve local needs. The Commission reports separately to the Town Council and the Board of Supervisors of Page County on an annual basis. There are eight members on the Board of the Commission who meet on an as-needed basis. The County of Page, Virginia contributed \$11,300 to the Commission for operations and capital expenditures for the year ended June 30, 2007.

The County, in conjunction with other localities, has created 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 \$60,000 to the Northwestern Community Services Board.

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

The government-wide 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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as 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 expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, other local 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 all financial resources of the general government, except those required to be accounted for in another fund. The General Fund includes the activities of Department of Justice VJCCCA, Gypsy Moth, Community Development, Virginia State Library Archives, Crime Victim Witness Program, Local DARE, and Water Quality Funds.

The *capital projects fund* accounts for the resources to be used for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. The County Capital Projects Fund is a major fund of the County.

The government reports the following major proprietary funds:

Internal service funds account for the financing of health insurance services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. Internal service funds consist of the health insurance fund.

Additionally, the government reports the following fund types:

Special revenue funds account for the proceeds of the specific revenue sources (other than major capital projects) that are legally restricted to expenditures. Virginia Public Assistance, Comprehensive Services Act, E-911, Parks and Recreation are non-major special revenue funds of the County.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Agency funds account for assets held by the County as an agent or custodian for individuals, private organizations, other governmental units or other funds. The special welfare, cash bonds fund, neutering/spaying and sheriff funds are the County's agency funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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 government's internal service funds are charges to funds for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government and the School Board to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, liabilities, and net assets or equity (continued)

1. Deposits and investments (continued)

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance was \$284,190 or equal to 13 percent of outstanding property taxes at June 30, 2007.

Property is assessed at its value on January 1. Property taxes attached 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.

3. 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.

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, liabilities, and net assets or equity (continued)

4. Capital assets (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Vehicles	5
Office equipment	5
Computer equipment	5

5. 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.

6. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 is reported as other financing sources. Premiums received on debt 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.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, liabilities, and net assets or equity (continued)

7. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. Reclassifications

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

G. Investments

Investments are stated at fair value. Certificates of deposit, short-term repurchase agreements, and equity investments are reported in the accompanying financial statements as cash and cash equivalents.

H. 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 2—RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance—total governmental funds* and *net assets—governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of these differences are as follows:

	Primary Government	Component Unit School Board
Bonds payable, including unamortized premiums	\$ (58,336,651)	\$ -
Accrued interest payable	(1,367,384)	-
Notes payable	(188,017)	-
Landfill closure and post-closure costs	(2,416,429)	-
Compensated absences	(316,915)	(125,131)
Net adjustment to reduce <i>fund balance—total governmental funds</i> to arrive at <i>net assets—governmental activities</i>	\$ <u>(62,625,396)</u>	\$ <u>(125,131)</u>

NOTE 2—RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of these differences are as follows:

	Primary Government	Component Unit School Board
Capital outlay	\$ 1,618,897	\$ 80,669
Depreciation expense	(530,471)	(360,084)
Primary government capital asset allocation	<u>(301,250)</u>	<u>301,250</u>
Net adjustment to increase (decrease) <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>787,176</u>	\$ <u>21,835</u>

Another element of that reconciliation states that “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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of these differences are as follows:

	Primary Government	Component Unit School Board
Debt issued or incurred:		
Issuance of bonds, including premiums	\$ (44,467,562)	-
Principal repayments:		
General obligation debt	497,849	-
Notes payable	89,921	-
Lease revenue bond	62,067	-
Decrease in landfill closure and post-closure costs	<u>46,873</u>	<u>-</u>
Net adjustment to (decrease) increase <i>net changes in balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>(43,770,852)</u>	\$ <u>-</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 2—RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued)

Another element of that reconciliation states that “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.” The details of these differences are as follows:

	Primary Government	Component Unit School Board
Compensated absences	\$ (48,775)	\$ 15,844
Accrued interest	(1,261,130)	-
Net adjustment to (decrease) increase <i>net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities</i>	\$ (1,309,905)	\$ 15,844

NOTE 3—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 activity level within each department. The appropriation for each department or activity 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.
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.
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. All budget data presented in the accompanying financial statements is the revised budget as of June 30.

NOTE 4—DEPOSITS AND INVESTMENTS

Deposits

All cash of the primary government and its discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (a multiple financial institution collateral pool), Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. Deposits covered by the Act are considered insured since the Treasury Board is authorized to make additional assessments.

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 and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

Custodial Credit Risk (Investments)

The County of Page 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 Page shall be further restricted in consideration of the size of the portfolio and the absence of professional investment personnel.

Credit Risk of Debt Securities

The County of Page 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. Obligations of Agencies of the Federal Government, including but not limited to the Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation and Student Loan Marketing Association.
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. 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.
5. 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.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 4—DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk of Debt Securities: (Continued)

6. U.S. dollar denominated Bankers' Acceptances issued by a domestic bank or a foreign bank with an agency domiciled in the U.S., and rated by Thomson Bankwatch at least B/C (issuing bank) and I (country of origin). Not more than 40% of the total funds available for investment may be invested in banker's acceptances.
7. U.S. dollar denominated Commercial Paper issued by an entity incorporated in the U.S. and rated at least A-1 by Standard & Poor's Corp. and P-1 by Moody's Investors Service. Not more than 35% of the total funds available for investment may be invested in commercial paper, and not more than 5% in the obligations of any one issuer.

The County's rated debt investments as of June 30, 2007 were rated by Moody and/or an equivalent national rating organization and the ratings are presented below using the Moody rating scale.

Locality's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings				
	AAA	AA	A	A1	Unrated
Local Government Investment Pool	\$ 1,693,739	\$ -	\$ -	\$ -	\$ -
SNAP External Investment Pool	44,169,005	-	-	-	-
Total	<u>\$ 45,862,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

External Investment Pools

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The fair value of the positions in the 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 pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD:

Note: All deposits of the health insurance fund were allocated to the component unit school board on the government-wide financial statements — Exhibit 1.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 5—INTERFUND OBLIGATIONS

<u>Fund</u>	<u>Interfund Receivable Primary Government/ Component Unit</u>	<u>Interfund Payable Primary Government/ Component Unit</u>	<u>Interfund Receivable Primary Government/ Component Unit</u>	<u>Interfund Payable Primary Government/ Component Unit</u>
Primary Government:				
General Fund	\$ -	\$ 2,321,688	\$ 215,311	\$ -
Virginia Public Assistance Fund	-	-	-	153,985
Comprehensive Services Act	-	-	-	61,326
Sub-total	<u>\$ -</u>	<u>\$ 2,321,688</u>	<u>\$ 215,311</u>	<u>\$ 215,311</u>
Discretely Presented Component Units:				
School Fund	\$ 2,321,688	\$ -	\$ -	\$ -
Total reporting entity	<u>\$ 2,321,688</u>	<u>\$ 2,321,688</u>	<u>\$ 215,311</u>	<u>\$ 215,311</u>

NOTE 6—INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2007 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 1,622,934
Virginia Public Assistance Fund	341,557	-
Comprehensive Services Act	977,141	-
E-911 Fund	229,968	-
County Capital Projects Fund	74,268	-
Total reporting entity	<u>\$ 1,622,934</u>	<u>\$ 1,622,934</u>

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 7—DUE FROM OTHER GOVERNMENTAL UNITS

	Primary Government	Component Units
Commonwealth of Virginia:		
State sales taxes	\$ -	\$ 505,653
Local sales taxes	272,682	-
Comprehensive Services Act funds	272,403	-
Public assistance and welfare	61,476	-
Other funds	457,230	82,631
Federal Government:		
Public assistance and welfare	92,509	-
School funds	-	188,007
Other funds	20,382	-
Total	<u>\$ 1,176,682</u>	<u>\$ 776,291</u>

NOTE 8—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,549,464	\$ -	\$ -	\$ 1,549,464
Construction in progress	-	1,242,846	-	1,242,846
Total capital assets not being depreciated	<u>\$ 1,549,464</u>	<u>\$ 1,242,846</u>	<u>\$ -</u>	<u>\$ 2,792,310</u>
Capital assets being depreciated:				
Buildings	\$ 5,918,091	\$ -	\$ (430,000)	\$ 5,488,091
Machinery and equipment	2,797,631	376,051	(50,200)	3,123,482
Total capital assets being depreciated	<u>\$ 8,715,722</u>	<u>\$ 376,051</u>	<u>\$ (480,200)</u>	<u>\$ 8,611,573</u>
Less accumulated depreciation for:				
Buildings	\$ (1,221,390)	\$ (118,061)	\$ 128,750	\$ (1,210,701)
Machinery and equipment	(1,241,701)	(412,410)	50,200	(1,603,911)
Total accumulated depreciation	<u>\$ (2,463,091)</u>	<u>\$ (530,471)</u>	<u>\$ 178,950</u>	<u>\$ (2,814,612)</u>
Total capital assets being depreciated, net	<u>\$ 6,252,631</u>	<u>\$ (154,420)</u>	<u>\$ (301,250)</u>	<u>\$ 5,796,961</u>
Governmental activities capital assets, net	<u>\$ 7,802,095</u>	<u>\$ 1,088,426</u>	<u>\$ (301,250)</u>	<u>\$ 8,589,271</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 8—CAPITAL ASSETS: (CONTINUED):

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

Governmental activities:	
General government	\$ 20,003
Judicial administration	2,259
Public safety	156,236
Public works	280,261
Health and welfare	2,724
Education	63,750
Community Development	5,238
Total depreciation expense-governmental activities	<u>\$ 530,471</u>

Discretely presented component unit-School Board:

Activity for the School Board for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 885,591	\$ -	\$ -	\$ 885,591
Construction in progress	1,599,220	-	-	1,599,220
Total capital assets not being depreciated	<u>\$ 2,484,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,484,811</u>
Capital assets being depreciated:				
Buildings	\$ 10,003,266	\$ 430,000	\$ -	\$ 10,433,266
Machinery and equipment	3,808,810	80,669	-	3,889,479
Total capital assets being depreciated	<u>\$ 13,812,076</u>	<u>\$ 510,669</u>	<u>\$ -</u>	<u>\$ 14,322,745</u>
Less accumulated depreciation for:				
Buildings	\$ (3,763,762)	\$ (307,341)	\$ -	\$ (4,071,103)
Machinery and equipment	(3,156,786)	(181,493)	-	(3,338,279)
Total accumulated depreciation	<u>\$ (6,920,548)</u>	<u>\$ (488,834)</u>	<u>\$ -</u>	<u>\$ (7,409,382)</u>
Total capital assets being depreciated, net	<u>\$ 6,891,528</u>	<u>\$ 21,835</u>	<u>\$ -</u>	<u>\$ 6,913,363</u>
School Board capital assets, net	<u>\$ 9,376,339</u>	<u>\$ 21,835</u>	<u>\$ -</u>	<u>\$ 9,398,174</u>

Depreciation expense for the year ended June 30, 2007 totaled \$488,834.

NOTE 9—DEFINED PENSION BENEFIT OBLIGATION

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)
Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Administering Entity: Virginia Retirement System (System)

The County contributes to the Virginia Retirement System (VRS), an agent and cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating law enforcement officers and firefighters) and at age 50 with 30 years of service for participating employees (age 50 with 25 years for participating law enforcement officers and firefighters) payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their web site at [http://www.varetire.org/PDF/2005 AnnuRept.pdf](http://www.varetire.org/PDF/2005%20AnnuRept.pdf) obtained by writing to the System at P. O. Box 2500, Richmond, Virginia 23218-2500.

B. Funding Policy

Primary Government:

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. The employer has assumed this 5% member contribution. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The County's contribution rate for the fiscal year ended June 30, 2007 was 7.88% of the annual covered payroll.

Discretely Presented Component Unit - School Board:

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. The employer has assumed this 5% member contribution. In addition, the School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended June 30, 2007 was 8.97% of the annual covered payroll.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 9—DEFINED PENSION BENEFIT OBLIGATION: (CONTINUED)

C. Annual Pension Cost

	Primary Government County Retirement Plan	Discretely Presented Component Unit School Board Non-Professional Retirement Plan
Contribution rates for the year ended June 30, 2007:		
Employer	7.88%	6.50%
Plan members ¹	5.00%	8.97%
Annual pension cost	\$ 463,546	\$ 154,111
Contributions made	\$ 463,546	\$ 154,111
Actuarial valuation date	06/30/05	06/30/05
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage, open	Level percentage, open
Payroll growth rate	2.50%	2.50%
Remaining amortization period	20 years	20 years
Asset valuation method	Modified market	Modified market
Actuarial assumptions:		
Investment rate of return ²	7.50%	7.50%
Projected salary increases ²		
Non LEO Employees	3.75% to 5.60%	3.75% to 5.60%
LEO Employees	3.50% to 4.75%	3.50% to 4.75%
Cost-of-Living adjustments	2.50%	2.50%

¹This member contribution has been assumed by the employer.

²Includes inflation at 2.50%.

Three-Year Trend Information				
	Fiscal Year Ending	Annual Pension Cost (APC) ¹	Percentage of APC Contributed	Net Pension Obligation
Primary Government:				
County	6/30/05	\$ 43,513	100%	\$ -
	6/30/06	52,134	100%	-
	6/30/07	463,546	100%	-
Discretely Presented Component Unit:				
School Board				
Non-Professional	6/30/05	\$ 89,756	100%	\$ -
	6/30/06	97,370	100%	-
	6/30/07	154,111	100%	-

¹Employer portion only

NOTE 9—DEFINED PENSION BENEFIT OBLIGATION: (CONTINUED)

D. Discretely Component Unit School Board

PROFESSIONAL EMPLOYEES:

Plan Description

The Page County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. That report may be obtained by writing to the System at P. O. Box 2500, Richmond, Virginia 23218-2500.

Funding Policy

Plan members are required to contribute 5.0% of their annual covered salary and Page County School Board is required to contribute at an actuarially determined rate. The current rate is 6.62% of annual covered payroll. The contribution requirements of plan members and Page County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2007, 2006, and 2005 were \$1,573,360, \$1,057,708, and \$866,303 respectively, equal to the required contributions for each year.

This space left blank intentionally

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 10—LONG-TERM INDEBTEDNESS

Primary Government Indebtedness

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

Year Ending June 30,	Governmental Activities			
	Lease Revenue Bond		General Obligation/Revenue Bonds	
	Principal	Interest	Principal	Interest
2008	\$ 62,067	\$ 27,015	\$ 954,173	\$ 3,021,757
2009	62,067	24,442	1,769,146	2,584,954
2010	62,067	21,870	1,798,281	2,490,129
2011	62,067	19,297	1,843,338	2,393,539
2012	62,067	16,724	1,689,365	2,302,091
2013	62,067	14,151	1,666,407	2,217,999
2014	62,067	11,578	1,734,513	2,133,360
2015	62,067	9,005	1,793,737	2,045,561
2016	62,067	6,432	1,864,132	1,954,549
2017	62,067	3,859	1,940,756	1,859,885
2018	62,063	1,286	2,010,939	1,768,776
2019	-	-	2,079,949	1,680,516
2020	-	-	2,150,400	1,588,244
2021	-	-	2,219,194	1,492,789
2022	-	-	2,102,334	1,396,361
2023	-	-	2,181,777	1,300,581
2024	-	-	2,266,897	1,202,319
2025	-	-	2,353,401	1,099,509
2026	-	-	2,446,553	991,336
2027	-	-	2,546,082	877,447
2028	-	-	1,887,716	778,459
2029	-	-	1,969,968	694,867
2030	-	-	2,057,751	607,590
2031	-	-	2,151,088	515,244
2032	-	-	2,250,004	417,534
2033	-	-	2,354,522	314,053
2034	-	-	364,669	252,791
2035	-	-	380,473	236,987
2036	-	-	396,962	220,498
2037	-	-	414,166	203,294
2038	-	-	432,115	185,345
2039	-	-	450,841	166,619
2040	-	-	470,380	147,080
2041	-	-	490,765	126,695
2042	-	-	512,034	105,426
2043	-	-	534,224	83,236
2044	-	-	557,376	60,084
2045	-	-	581,532	35,928
2046	-	-	528,696	10,726
Totals	\$ 682,733	\$ 155,659	\$ 58,196,657	\$ 41,564,159

Note: As of June 30, 2007 only \$11,752,801 of Series 2006 bonds have been drawn down. The bond amortization schedule presented will be the schedule when all funds are drawn down. As a result the amortization schedule differs by \$1,179,350 at June 30, 2007.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 10—LONG-TERM INDEBTEDNESS (CONTINUED)

Primary Government Indebtedness (continued)

Year Ending June 30,	Governmental Activities	
	Note Payable	
	Principal	Interest
2008	\$ 92,619	\$ 5,641
2009	95,398	2,862
Totals	\$ <u>188,017</u>	\$ <u>8,503</u>

Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the Primary Government for the year ended June 30, 2007:

	Balance June 30, 2006	Issuances	Retirements	Balance June 30, 2007
Claims, judgments and compensated absences payable	\$ 268,140	\$ 48,775	\$ -	\$ 316,915
Landfill closure and post-closure care costs	2,463,302	-	46,873	2,416,429
Lease revenue bond	744,800	-	62,067	682,733
Note payable	277,938	-	89,921	188,017
General obligation bonds	13,684,205	43,830,951	497,849	57,017,307
Premiums on bond issue	-	636,611	-	636,611
Total	\$ <u>17,438,385</u>	\$ <u>44,516,337</u>	\$ <u>696,710</u>	\$ <u>61,258,012</u>

(1) Note: Section 15.2-1800.1, Code of Virginia, 1950, as amended, was enacted during the year ended June 30, 2002, which affected the reporting of local school capital assets and related debt for financial statement purposes. All debt historically reported by the Discretely Presented Component Unit - School Board, has been assumed by the Primary Government as a result of this legislation.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 10—LONG-TERM INDEBTEDNESS (CONTINUED)

Details of Long-Term Liabilities

Governmental Activities:

	<u>Total Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<u>General Obligation Bonds:</u>		
<u>Virginia Public School Authority (V.P.S.A.) Bonds:</u>		
\$2,735,000 Virginia Public School Authority Bond issued August 30, 1990, due in annual installments of 80,000 to \$180,000 through July, 2011. Interest payable annually at varying rates of 6.4% to 7.1%	\$ 685,000	\$ 160,000
\$1,000,000 Virginia Public School Authority Bond Series 1993 due in annual installments of \$5,000 to \$95,000 through 2014. Interest payable annually at varying interest rates of 4.475% to 5.0%	140,000	40,000
\$4,175,000 Virginia Public School Authority Bond issued May 19, 1992, due in annual installments of \$80,000 to \$315,000 through December, 2011. Interest payable semi-annually at 6.1% to 6.4%	565,000	140,000
\$1,500,000 Virginia Public School Authority Bond issued November 16, 2000, due in annual installments of \$80,000 to \$85,000 through July 15, 2020. Interest payable semi-annually at varying interest rates of 4.975% to 5.85%	<u>1,160,000</u>	<u>85,000</u>
\$30,695,000 Virginia Public School Authority Bond issued November 19, 2006, at a premium of \$305,572 due in annual installments of \$655,000 to \$2,005,000 through November 19, 2032. Interest payable semi-annually at 6.1% to 6.4%	30,695,000	-
\$12,019,506 Virginia Public School Authority Bond issued November 19, 2006, at a premium of \$331,039 due in annual installments of \$458,384 to \$740,470 through November 19, 2032. Interest payable semi-annually at 6.1% to 6.4%	<u>12,019,506</u>	<u>458,384</u>
Total general obligation bonds	\$ <u>45,264,506</u>	\$ <u>883,384</u>
<u>Lease Revenue Bonds:</u>		
\$931,000 lease revenue bonds issued January 15, 2003 due in annual installments of \$62,067 through January 15, 2018. Interest payable annually at 4.11%.	\$ <u>682,733</u>	\$ <u>62,067</u>
<u>Series 2006 Revenue Bonds</u>		
\$13,000,000 bonds issued June 16, 2006, payments vary throughout the life of the loan. Interest on the bonds is 2.76% through June 2046. These bonds were issued in connection with the Battle Creek landfill.	\$ <u>11,752,801</u>	\$ <u>70,789</u>
<u>Note Payable</u>		
\$450,000 note payable for the purchase of the Stanley Shopping Plaza dated November 12, 2003 payable in annual installments of \$98,260 including interest at 3% through November 2008.	\$ <u>188,017</u>	\$ <u>92,619</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 10—LONG-TERM INDEBTEDNESS (CONTINUED)

Details of Long-Term Liabilities: (Continued)

Governmental Activities: (Continued)

	<u>Total Amount Outstanding</u>	<u>Amount Due Within One Year</u>
Compensated absences	\$ 316,915	\$ -
Estimated cost of landfill closure and post closure monitoring care, payable over the next 17 years	\$ 2,416,429	\$ -
Unamortized premium on bond issues	\$ 636,611	\$ 28,775
Total Long-term liabilities	<u>\$ 61,258,012</u>	<u>\$ 1,137,634</u>

Change in Component Unit-School Board Long-Term Liabilities:

The following is a summary of long-term debt transactions of the Component Unit School Board for the year ended June 30, 2007:

	<u>Balance June 30, 2006</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance June 30, 2007</u>
Compensated absences	\$ 140,975	\$ -	\$ 15,844	\$ 125,131

NOTE 11—RISK MANAGEMENT

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. The County is also a member of the Virginia Association of Counties Risk Pool for general property liability insurance. These programs are administered by servicing contractors that furnish claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays Virginia Municipal Group and Virginia Association of Counties Risk Pool contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the Association and Risk Pool and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association and Risk Pool may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The Component Unit School Board administers the health insurance program for the Health Insurance Fund (an Internal Service Fund) by charging the various fund types a portion of the premium.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2007 (Continued)

NOTE 12—CONTINGENT LIABILITIES

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. 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. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

At the time of our audit, it was learned that a constitutional officer of the County was under federal investigation. At this time, it is unsure as to the nature of the investigation or the results of the investigation.

NOTE 13—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 \$387,340 is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2007, but paid in advance by the taxpayers totaled \$387,340 at June 30, 2007.

NOTE 14—HEALTH INSURANCE FUND

The County maintains an internal service fund entitled Health Insurance Fund that has been included in the fund financial statements. The purpose of this fund is to disclose the County's self-insured health insurance transactions for the fiscal year as required by GASB 10. The County was self-insured for health insurance purposes in prior years, but is not longer self-insured and has retained Anthem to administer the program. The School Board uses Anthem as the administrator of their self-insured plan. The Health Insurance fund pays Anthem an administrative fee for these services. This fund serves the School Board component unit and accounts for the health insurance activities of the aforementioned funds but does not constitute a transfer of risk from the County.

Significant losses, over \$50,000 with a maximum of \$60,000, are covered by commercial insurance. There have been no changes in coverage for the last three years, nor have settlement amounts exceeded coverage during this time period.

The County records an estimated liability for indemnity health care claims. Claims liabilities are based on estimates of the ultimate cost of reported claims and an estimate for claims incurred but not reported (IBNR) based on historical experience.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 14—HEALTH INSURANCE FUND: (CONTINUED)

The fund established a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. At June 30, 2007 there was no fund liability. The following represents the change in approximate aggregate liabilities for the fund:

	Beginning of Fiscal Year (Surplus) <u>Liability</u>	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End (Surplus) <u>Liability</u>
2006-2007	\$ (208,970)	\$ 3,161,037	\$ 3,247,799	\$ (122,208)
2005-2006	(175,273)	2,239,025	2,205,328	(208,970)
2004-2005	(77,144)	2,552,146	2,454,017	(175,273)
2003-2004	(200,114)	2,189,998	2,312,968	(77,144)
2002-2003	1,232	1,809,661	2,011,007	(200,114)

NOTE 15—SURETY BONDS

Fidelity and Deposit Company of Maryland - Surety:	
Ron Wilson, Clerk of the Circuit Court	\$ 25,000
C. R. Suddith, Jr., Treasurer	400,000
Charles L. Campbell, Commissioner of the Revenue	3,000
Daniel Presgraves, Sheriff	30,000
All Constitutional Officer's Employees - Blanket Bond	50,000
The Travelers Indemnity Company - Surety:	
Randall Thomas, Superintendent of Schools	100,000
Barbara Stombock, Clerk of the School Board	100,000
All School Board Employees - Blanket Bond	100,000
Fidelity and Deposit Company of Maryland - Surety:	
All County Employees - Blanket Bond	10,000
Fidelity and Deposit Company of Maryland - Surety:	
Tommy R. LaFrances, Chairman	1,000
Charles C. Ballard, Supervisor	1,000
Gerald M. Cabbage, Vice-Chairman	1,000
Carol L. Fisher-Strickler, Supervisor	1,000
Charles M. Hoke, Supervisor	1,000
John T. Rust, Supervisor	1,000
Department of Social Services	1,000

NOTE 16—CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require that the County place a final cover on its landfill when closed and to 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 wastes. The recognition of these landfill closure and post-closure care costs are based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care cost is attributable to the Stanley landfill, which was closed in February 1999 and Battle Creek landfill which was acquired in June 2005.

The post-closure and thirty year monitoring costs for the Stanley landfill are estimated at \$2,195,074. The estimated total current cost of the landfill closure and post-closure care of \$2,766,848 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were performed as of June 30, 2007. Included in the County's post-closure and thirty year monitoring costs of \$2,195,074 is \$1,280,000 for corrective action costs for exceeding groundwater protection standards. However, the actual cost of closure and post-closure may be different due to inflation, changes in technology, or change in landfill laws and regulations.

During June of 2005, the County acquired Battle Creek landfill. The post-closure and thirty year monitoring costs are estimated at \$4,427,070. The estimated total current cost of the landfill closure and post-closure care of \$221,355 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were performed as of June 30, 2007. The estimated useful life of the Battle Creek landfill is 39 years. However, the actual cost of closure and post-closure may be different due to inflation, changes in technology, or change in landfill laws and regulations.

The County will finance the closure and post-closure care from future revenues earned by the General Fund and charges derived from the use of the landfill. No assets have been restricted at this time to pay these costs. The anticipated future inflation costs and additional costs that might arise from changes in post-closure requirements (due to changes in technology or laws and regulations, for example) may need to be covered from future tax revenue.

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.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2007 (Continued)

NOTE 17—ADJUSTMENT TO BEGINNING FUND BALANCE/NET ASSETS

During the year ended June 30, 2007 the beginning fund balance and net asset balances of the Primary Government were adjusted by \$287,214 to correct transfers made to the VPA fund incorrectly from the general fund.

	<u>General Fund</u>	<u>Primary Government</u>
Balance at July 1, 2006, as originally reported	\$ 6,773,499	\$ 843,168
Adjustment for transfer correction	287,214	287,214
Balance at July 1, 2006, as adjusted	<u>\$ 7,060,713</u>	<u>\$ 1,130,382</u>

NOTE 18—GENERAL FUND UNRESERVED DESIGNATED FUND BALANCE

General Fund unreserved designated fund balance consists of the following at June 30, 2007:

Page County Water Quality	\$ 7,168
Local Dare	3,002
Crime Victim Witness	2,127
Dept. of Justice VJCAA	400
DHCD	1,215
Virginia State Library Archives	<u>80,773</u>
Total unreserved designated fund balance	<u>\$ 94,685</u>

NOTE 19—CONSTRUCTION CONTRACTS OUSTANDING

The Primary Government had the following material construction contracts outstanding at June 30, 2007:

<u>Project</u>	<u>Original Contract Amount</u>	<u>Amount Spent to Date</u>	<u>Amount of Contract Remaining at Year End</u>
High Schools	\$ <u>62,000,000</u>	\$ <u>1,000,118</u>	\$ <u>60,999,882</u>

THIS PAGE LEFT BLANK INTENTIONALLY

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 12,296,908	\$ 12,296,908	\$ 14,484,551	\$ 2,187,643
Other local taxes	3,002,449	3,002,449	3,260,981	258,532
Permits, privilege fees, and regulatory licenses	549,586	549,586	409,010	(140,576)
Fines and forfeitures	41,038	39,274	54,251	14,977
Revenue from the use of money and property	195,000	195,000	571,347	376,347
Charges for services	1,736,736	1,736,736	992,056	(744,680)
Miscellaneous	350,762	354,660	113,272	(241,388)
Intergovernmental revenues:				
Commonwealth	5,138,584	5,175,934	4,901,328	(274,606)
Federal	338,264	338,264	526,946	188,682
Total revenues	<u>\$ 23,649,327</u>	<u>\$ 23,688,811</u>	<u>\$ 25,313,742</u>	<u>\$ 1,624,931</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,672,351	\$ 2,672,351	\$ 2,351,468	\$ 320,883
Judicial administration	1,009,700	1,041,777	1,029,276	12,501
Public safety	5,966,537	6,474,480	5,822,943	651,537
Public works	2,388,738	2,388,738	1,974,751	413,987
Health and welfare	389,161	389,161	573,955	(184,794)
Education	7,355,156	7,355,156	7,647,713	(292,557)
Parks, recreation, and cultural	296,752	296,752	295,026	1,726
Community development	1,030,043	1,010,287	833,154	177,133
Nondepartmental	200,615	200,615	159,074	41,541
Debt service:				
Principal retirement	649,837	649,837	649,837	-
Interest and other fiscal charges	810,332	810,332	796,643	13,689
Total expenditures	<u>\$ 22,769,222</u>	<u>\$ 23,289,486</u>	<u>\$ 22,133,840</u>	<u>\$ 1,155,646</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 880,105</u>	<u>\$ 399,325</u>	<u>\$ 3,179,902</u>	<u>\$ 2,780,577</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>\$ (880,105)</u>	<u>\$ (1,327,051)</u>	<u>\$ (1,622,934)</u>	<u>\$ (295,883)</u>
Total other financing sources and uses	<u>\$ (880,105)</u>	<u>\$ (1,327,051)</u>	<u>\$ (1,622,934)</u>	<u>\$ (295,883)</u>
Net change in fund balances	\$ -	\$ (927,726)	\$ 1,556,968	\$ 2,484,694
Fund balances - beginning, as adjusted	-	927,726	7,060,713	6,132,987
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,617,681</u>	<u>\$ 8,617,681</u>

PRIMARY GOVERNMENT:

County Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
06/30/06	\$ 13,688,634	\$ 14,816,000	\$ 1,127,366	92.39%	\$ 5,460,474	20.65%
06/30/05	12,985,262	14,916,154	1,930,892	87.06%	4,550,723	42.43%
06/30/04	12,721,115	12,951,165	230,050	98.22%	4,091,439	5.62%
06/30/03	12,449,004	9,765,394	(2,683,610)	127.48%	4,094,929	-65.53%
06/30/02	12,237,547	9,663,750	(2,573,797)	126.63%	3,817,778	-67.42%

DISCRETELY PRESENTED COMPONENT UNIT:

School Board Non-Professional Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
06/30/06	\$ 4,160,983	\$ 4,952,267	\$ 791,284	84.02%	\$ 1,539,032	51.41%
06/30/05	3,922,698	4,890,283	967,585	80.21%	1,379,572	70.14%
06/30/04	3,818,996	4,442,221	623,225	85.97%	1,234,037	50.50%
06/30/03	3,827,111	3,936,042	108,931	97.23%	1,129,776	9.64%
06/30/02	3,825,475	3,528,049	(297,426)	108.43%	1,183,315	-25.13%

OTHER SUPPLEMENTARY INFORMATION

Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,483,001	\$ 1,483,001
Total revenues	\$ -	\$ -	\$ 1,483,001	\$ 1,483,001
EXPENDITURES				
Capital projects	\$ 12,181,000	\$ 12,181,000	\$ 1,592,427	\$ 10,588,573
Total expenditures	\$ 12,181,000	\$ 12,181,000	\$ 1,592,427	\$ 10,588,573
Excess (deficiency) of revenues over (under) expenditures	\$ (12,181,000)	\$ (12,181,000)	\$ (109,426)	\$ 12,071,574
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 74,268	\$ 74,268
Issuance of general obligation bonds	12,181,000	12,181,000	43,830,951	31,649,951
Bond premiums	-	-	636,611	636,611
Total other financing sources and uses	\$ 12,181,000	\$ 12,181,000	\$ 44,541,830	\$ 32,360,830
Net change in fund balances	\$ -	\$ -	\$ 44,432,404	\$ 44,432,404
Fund balances - beginning	-	-	2,158,957	2,158,957
Fund balances - ending	\$ -	\$ -	\$ 46,591,361	\$ 46,591,361

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Virginia Public Assistance Fund	Comprehensive Services Act Fund	E-911 Fund	Parks and Recreation Fund	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 1,238	\$ 5,750	\$ 43,713	\$ 50,701
Receivables (net of allowance for uncollectibles):					
Accounts receivable	-	-	23,701	-	23,701
Due from other governmental units	153,985	272,403	-	-	426,388
Total assets	<u>\$ 153,985</u>	<u>\$ 273,641</u>	<u>\$ 29,451</u>	<u>\$ 43,713</u>	<u>\$ 500,790</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 211,360	\$ 1,491	\$ 2,064	\$ 214,915
Accrued liabilities	-	955	9,111	-	10,066
Due to other funds	153,985	61,326	-	-	215,311
Total liabilities	<u>\$ 153,985</u>	<u>\$ 273,641</u>	<u>\$ 10,602</u>	<u>\$ 2,064</u>	<u>\$ 440,292</u>
Fund balances:					
Unreserved:					
Designated for subsequent expenditure	\$ -	\$ -	\$ 18,849	\$ 41,649	\$ 60,498
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,849</u>	<u>\$ 41,649</u>	<u>\$ 60,498</u>
Total liabilities and fund balances	<u>\$ 153,985</u>	<u>\$ 273,641</u>	<u>\$ 29,451</u>	<u>\$ 43,713</u>	<u>\$ 500,790</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2007**

	Virginia Public Assistance Fund	Comprehensive Services Act Fund	E-911 Fund	Parks and Recreation Fund	Total
REVENUES					
Other local taxes	\$ -	\$ -	\$ 178,749	\$ -	\$ 178,749
Charges for services	4,071	1,848	-	53,251	59,170
Intergovernmental revenues:					
Commonwealth	551,437	1,391,954	211,697	-	2,155,088
Federal	1,138,549	-	-	-	1,138,549
Total revenues	<u>\$ 1,694,057</u>	<u>\$ 1,393,802</u>	<u>\$ 390,446</u>	<u>\$ 53,251</u>	<u>\$ 3,531,556</u>
EXPENDITURES					
Current:					
Public safety	\$ -	\$ -	\$ 624,172	\$ -	\$ 624,172
Health and welfare	2,035,614	2,370,943	-	-	4,406,557
Parks, recreation, and cultural	-	-	-	59,907	59,907
Total expenditures	<u>\$ 2,035,614</u>	<u>\$ 2,370,943</u>	<u>\$ 624,172</u>	<u>\$ 59,907</u>	<u>\$ 5,090,636</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (341,557)</u>	<u>\$ (977,141)</u>	<u>\$ (233,726)</u>	<u>\$ (6,656)</u>	<u>\$ (1,559,080)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>\$ 341,557</u>	<u>\$ 977,141</u>	<u>\$ 229,968</u>	<u>\$ -</u>	<u>\$ 1,548,666</u>
Total other financing sources and uses	<u>\$ 341,557</u>	<u>\$ 977,141</u>	<u>\$ 229,968</u>	<u>\$ -</u>	<u>\$ 1,548,666</u>
Net change in fund balances	\$ -	\$ -	\$ (3,758)	\$ (6,656)	\$ (10,414)
Fund balances - beginning	-	-	22,607	48,305	70,912
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,849</u>	<u>\$ 41,649</u>	<u>\$ 60,498</u>

County of Page, Virginia

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2007

	VPA Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 4,071	\$ 4,071
Intergovernmental revenues:				
Commonwealth	617,612	617,612	551,437	(66,175)
Federal	1,275,179	1,275,179	1,138,549	(136,630)
Total revenues	<u>\$ 1,892,791</u>	<u>\$ 1,892,791</u>	<u>\$ 1,694,057</u>	<u>\$ (198,734)</u>
EXPENDITURES				
Current:				
Health and welfare	\$ 2,246,413	\$ 2,246,413	\$ 2,035,614	\$ 210,799
Total expenditures	<u>\$ 2,246,413</u>	<u>\$ 2,246,413</u>	<u>\$ 2,035,614</u>	<u>\$ 210,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (353,622)</u>	<u>\$ (353,622)</u>	<u>\$ (341,557)</u>	<u>\$ 12,065</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 353,622	\$ 353,622	\$ 341,557	\$ (12,065)
Total other financing sources and uses	<u>\$ 353,622</u>	<u>\$ 353,622</u>	<u>\$ 341,557</u>	<u>\$ (12,065)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Comprehensive Services Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 1,848	\$ 1,848
1,439,443	1,439,443	1,391,954	(47,489)
-	-	-	-
<u>\$ 1,439,443</u>	<u>\$ 1,439,443</u>	<u>\$ 1,393,802</u>	<u>\$ (45,641)</u>
\$ 2,428,874	\$ 2,428,874	\$ 2,370,943	\$ 57,931
<u>\$ 2,428,874</u>	<u>\$ 2,428,874</u>	<u>\$ 2,370,943</u>	<u>\$ 57,931</u>
\$ (989,431)	\$ (989,431)	\$ (977,141)	\$ 12,290
\$ 989,431	\$ 989,431	\$ 977,141	\$ (12,290)
<u>\$ 989,431</u>	<u>\$ 989,431</u>	<u>\$ 977,141</u>	<u>\$ (12,290)</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Page, Virginia

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2007 (continued)

	E-911 Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ 415,000	\$ 451,002	\$ 178,749	\$ (272,253)
Charges for services	-	-	-	-
Intergovernmental revenues:				
Commonwealth	180,879	251,319	211,697	(39,622)
Federal	-	-	-	-
Total revenues	<u>\$ 595,879</u>	<u>\$ 702,321</u>	<u>\$ 390,446</u>	<u>\$ (311,875)</u>
EXPENDITURES				
Current:				
Public safety	\$ 692,913	\$ 829,415	\$ 624,172	\$ 205,243
Parks, recreation, and cultural	-	-	-	-
Total expenditures	<u>\$ 692,913</u>	<u>\$ 829,415</u>	<u>\$ 624,172</u>	<u>\$ 205,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (97,034)</u>	<u>\$ (127,094)</u>	<u>\$ (233,726)</u>	<u>\$ (106,632)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 97,034</u>	<u>\$ 127,094</u>	<u>\$ 229,968</u>	<u>\$ 102,874</u>
Total other financing sources and uses	<u>\$ 97,034</u>	<u>\$ 127,094</u>	<u>\$ 229,968</u>	<u>\$ 102,874</u>
Net change in fund balances	\$ -	\$ -	\$ (3,758)	\$ (3,758)
Fund balances - beginning	-	-	22,607	22,607
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,849</u>	<u>\$ 18,849</u>

Exhibit 13

Parks and Recreation Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	-
53,805	59,805	53,251	(6,554)
-	-	-	-
-	-	-	-
<u>\$ 53,805</u>	<u>\$ 59,805</u>	<u>\$ 53,251</u>	<u>\$ (6,554)</u>
\$ -	\$ -	\$ -	-
53,805	59,805	59,907	(102)
<u>\$ 53,805</u>	<u>\$ 59,805</u>	<u>\$ 59,907</u>	<u>\$ (102)</u>
\$ -	\$ -	\$ (6,656)	\$ (6,656)
\$ -	\$ -	\$ -	-
\$ -	\$ -	\$ -	-
\$ -	\$ -	\$ (6,656)	\$ (6,656)
-	-	48,305	48,305
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,649</u>	<u>\$ 41,649</u>

Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>				<u>Total</u>
	<u>Special Welfare</u>	<u>Cash Bonds Fund</u>	<u>Neutering/ Spaying Fund</u>	<u>Jail Inmate</u>	
ASSETS					
Cash and cash equivalents	\$ 4,301	\$ 67,739	\$ 11,315	\$ 25,007	\$ 108,362
Total assets	<u>\$ 4,301</u>	<u>\$ 67,739</u>	<u>\$ 11,315</u>	<u>\$ 25,007</u>	<u>\$ 108,362</u>
LIABILITIES					
Amounts held for social services clients	\$ 4,301	\$ -	\$ -	\$ -	\$ 4,301
Amounts held for others	-	67,739	11,315	-	79,054
Amounts held for inmates	-	-	-	25,007	25,007
Total liabilities	<u>\$ 4,301</u>	<u>\$ 67,739</u>	<u>\$ 11,315</u>	<u>\$ 25,007</u>	<u>\$ 108,362</u>

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2007**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	\$ 2,819	\$ 8,823	\$ 7,341	\$ 4,301
LIABILITIES				
Amounts held for social services clients	\$ 2,819	\$ 8,823	\$ 7,341	\$ 4,301
Neutering/Spaying Fund:				
ASSETS				
Cash and cash equivalents	\$ 8,875	\$ 5,040	\$ 2,600	\$ 11,315
LIABILITIES				
Amounts held for neutering/spaying	\$ 8,875	\$ 5,040	\$ 2,600	\$ 11,315
Cash Bonds Fund:				
ASSETS				
Cash and cash equivalents	\$ 60,121	\$ 56,619	\$ 49,001	\$ 67,739
LIABILITIES				
Amounts held for bonds fund	\$ 60,121	\$ 56,619	\$ 49,001	\$ 67,739
Jail Inmate Accounts Fund:				
ASSETS				
Cash in custody of others	\$ 8,507	\$ 532,133	\$ 515,633	\$ 25,007
LIABILITIES				
Amounts held for inmates	\$ 8,507	\$ 532,133	\$ 515,633	\$ 25,007
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	\$ 71,815	\$ 70,482	\$ 58,942	\$ 83,355
Cash in custody of others	8,507	532,133	515,633	25,007
Total assets	\$ 80,322	\$ 602,615	\$ 574,575	\$ 108,362
LIABILITIES				
Amounts held for social services clients	\$ 2,819	\$ 8,823	\$ 7,341	\$ 4,301
Amounts held for neutering/spaying	8,875	5,040	2,600	11,315
Amounts held for bonds fund	60,121	56,619	49,001	67,739
Amounts held for inmates	8,507	532,133	515,633	25,007
Total liabilities	\$ 80,322	\$ 602,615	\$ 574,575	\$ 108,362

**Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2007**

	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 541,800	\$ 541,800
Receivables (net of allowance for uncollectibles):			
Accounts receivable	29,469	-	29,469
Due from primary government	2,321,688	-	2,321,688
Due from other governmental units	776,291	-	776,291
Inventories	-	42,683	42,683
Prepaid items	21,406	-	21,406
	<u>3,148,854</u>	<u>584,483</u>	<u>3,733,337</u>
Total assets	<u>\$ 3,148,854</u>	<u>\$ 584,483</u>	<u>\$ 3,733,337</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 177,355	\$ 7,293	\$ 184,648
Accrued liabilities	<u>2,971,499</u>	<u>84,940</u>	<u>3,056,439</u>
	<u>3,148,854</u>	<u>92,233</u>	<u>3,241,087</u>
Total liabilities	<u>\$ 3,148,854</u>	<u>\$ 92,233</u>	<u>\$ 3,241,087</u>
Fund balances:			
Unreserved:			
Designated for subsequent expenditure	\$ -	\$ 492,250	\$ 492,250
Total fund balances	<u>\$ -</u>	<u>\$ 492,250</u>	<u>\$ 492,250</u>
Total liabilities and fund balances	<u>\$ 3,148,854</u>	<u>\$ 584,483</u>	<u>\$ 3,733,337</u>

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

Total fund balances per above	492,250
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,398,174
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	933,068
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(125,131)</u>
Net assets of governmental activities	<u>\$ 10,698,361</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2007**

	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Revenue from the use of money and property	\$ -	\$ 509	\$ 509
Charges for services	1,035,419	750,419	1,785,838
Intergovernmental revenues:			
Local government	7,638,686	-	7,638,686
Commonwealth	20,931,291	23,474	20,954,765
Federal	1,873,995	644,163	2,518,158
Total revenues	<u>\$ 31,479,391</u>	<u>\$ 1,418,565</u>	<u>\$ 32,897,956</u>

EXPENDITURES

Current:			
Education	\$ 31,480,766	\$ 1,447,618	\$ 32,928,384
Total expenditures	<u>\$ 31,480,766</u>	<u>\$ 1,447,618</u>	<u>\$ 32,928,384</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,375)	\$ (29,053)	\$ (30,428)
Net change in fund balances	\$ (1,375)	\$ (29,053)	\$ (30,428)
Fund balances - beginning	1,375	521,303	522,678
Fund balances - ending	<u>\$ -</u>	<u>\$ 492,250</u>	<u>\$ 492,250</u>

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ (30,428)

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. 21,835

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. 15,844

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 192,070

Change in net assets of governmental activities \$ 199,321

County of Page, 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, 2007

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	899,808	1,047,860	1,035,419	(12,441)
Intergovernmental revenues:				
Local government	7,942,393	7,942,393	7,638,686	(303,707)
Commonwealth	20,831,031	20,817,348	20,931,291	113,943
Federal	1,810,141	1,810,141	1,873,995	63,854
Total revenues	<u>\$ 31,483,373</u>	<u>\$ 31,617,742</u>	<u>\$ 31,479,391</u>	<u>\$ (138,351)</u>
EXPENDITURES				
Current:				
Education	<u>\$ 31,483,373</u>	<u>\$ 31,617,742</u>	<u>\$ 31,480,766</u>	<u>\$ 136,976</u>
Total expenditures	<u>\$ 31,483,373</u>	<u>\$ 31,617,742</u>	<u>\$ 31,480,766</u>	<u>\$ 136,976</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (1,375)	\$ (1,375)
Net change in fund balances	\$ -	\$ -	\$ (1,375)	\$ (1,375)
Fund balances - beginning	-	-	1,375	1,375
Fund balances - ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Exhibit 18

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 509	\$ 509
808,558	808,558	750,419	(58,139)
-	-	-	-
24,179	24,179	23,474	(705)
642,000	642,000	644,163	2,163
<u>\$ 1,474,737</u>	<u>\$ 1,474,737</u>	<u>\$ 1,418,565</u>	<u>\$ (56,172)</u>
\$ 1,474,737	\$ 1,474,737	\$ 1,447,618	\$ 27,119
<u>\$ 1,474,737</u>	<u>\$ 1,474,737</u>	<u>\$ 1,447,618</u>	<u>\$ 27,119</u>
\$ -	\$ -	\$ (29,053)	\$ (29,053)
\$ -	\$ -	\$ (29,053)	\$ (29,053)
-	-	521,303	521,303
<u>-</u>	<u>-</u>	<u>492,250</u>	<u>492,250</u>

Statement of Net Assets
Proprietary Funds
Discretely Presented Component Unit - School Board
June 30, 2007

	<u>Internal Service Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ <u>933,068</u>
Total assets	\$ <u>933,068</u>
 NET ASSETS	
Unrestricted	\$ <u>933,068</u>
Total net assets	\$ <u><u>933,068</u></u>

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Funds
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2007

	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ <u>3,161,037</u>
Total operating revenues	\$ <u>3,161,037</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ <u>2,981,000</u>
Total operating expenses	\$ <u>2,981,000</u>
Operating income (loss)	\$ <u>180,037</u>
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	\$ <u>12,033</u>
Total nonoperating revenues (expenses)	\$ <u>12,033</u>
Change in net assets	\$ 192,070
Total net assets - beginning	<u>740,998</u>
Total net assets - ending	\$ <u><u>933,068</u></u>

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

Statement of Cash Flows
 Proprietary Funds
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2007

	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 3,161,037
Payments for premiums	<u>(2,981,000)</u>
Net cash provided (used) by operating activities	<u>\$ 180,037</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends received	\$ 12,033
Net cash provided (used) by investing activities	<u>\$ 12,033</u>
Net increase (decrease) in cash and cash equivalents	\$ 192,070
Cash and cash equivalents - beginning	<u>740,998</u>
Cash and cash equivalents - ending	<u><u>\$ 933,068</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ <u>180,037</u>
Net cash provided (used) by operating activities	<u><u>\$ 180,037</u></u>

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

THIS PAGE LEFT BLANK INTENTIONALLY

SUPPORTING SCHEDULES AND TABLES

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2007

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	\$ 7,793,933	\$ 7,793,933	\$ 9,097,250	\$ 1,303,317
Real and personal public service corporation taxes	340,000	340,000	273,394	(66,606)
Personal property taxes	3,865,625	3,865,625	4,833,114	967,489
Penalties	194,100	194,100	162,608	(31,492)
Interest	103,250	103,250	118,185	14,935
Total general property taxes	<u>\$ 12,296,908</u>	<u>\$ 12,296,908</u>	<u>\$ 14,484,551</u>	<u>\$ 2,187,643</u>
Other local taxes:				
Local sales and use taxes	\$ 1,291,000	\$ 1,291,000	\$ 1,351,034	\$ 60,034
Cellular phone taxes	250,000	250,000	218,688	(31,312)
Business licenses	136,000	136,000	179,932	43,932
Communication taxes	-	-	240,831	240,831
Consumption taxes	49,000	49,000	51,216	2,216
Motor vehicle licenses	347,000	347,000	267,265	(79,735)
Taxes on recordation and wills	351,449	351,449	273,960	(77,489)
Transient occupancy taxes	323,000	323,000	402,471	79,471
Meals taxes	255,000	255,000	275,584	20,584
Total other local taxes	<u>\$ 3,002,449</u>	<u>\$ 3,002,449</u>	<u>\$ 3,260,981</u>	<u>\$ 258,532</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 8,000	\$ 8,000	\$ 6,132	\$ (1,868)
Land use application fees	3,000	3,000	70,880	67,880
Transfer fees	1,500	1,500	967	(533)
Permits and other licenses	537,086	537,086	331,031	(206,055)
Total permits, privilege fees, and regulatory licenses	<u>\$ 549,586</u>	<u>\$ 549,586</u>	<u>\$ 409,010</u>	<u>\$ (140,576)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 41,038	\$ 39,274	\$ 54,251	\$ 14,977
Revenue from use of money and property:				
Revenue from use of money	\$ 150,000	\$ 150,000	\$ 524,312	\$ 374,312
Revenue from use of property	45,000	45,000	47,035	2,035
Total revenue from use of money and property	<u>\$ 195,000</u>	<u>\$ 195,000</u>	<u>\$ 571,347</u>	<u>\$ 376,347</u>
Charges for services:				
Sheriff's fees	\$ 1,943	\$ 1,943	\$ 4,837	\$ 2,894
Charges for Animal Protection	4,500	4,500	9,481	4,981
Charges for Commonwealth's Attorney	1,293	1,293	1,450	157
Work release and other inmate fees	135,000	135,000	149,623	14,623
Charges for sanitation and waste removal	1,575,000	1,575,000	802,572	(772,428)
Other charges for services	19,000	19,000	24,093	5,093
Total charges for services	<u>\$ 1,736,736</u>	<u>\$ 1,736,736</u>	<u>\$ 992,056</u>	<u>\$ (744,680)</u>
Miscellaneous revenue:				
Miscellaneous	\$ 350,762	\$ 354,660	\$ 113,272	\$ (241,388)
Total revenue from local sources	<u>\$ 18,172,479</u>	<u>\$ 18,174,613</u>	<u>\$ 19,885,468</u>	<u>\$ 1,710,855</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	\$ 9,000	\$ 9,000	\$ 8,585	\$ (415)
Wine taxes	9,000	9,000	8,999	(1)
Mobile home titling tax	30,000	30,000	38,660	8,660
State recordation tax	351,450	351,450	40,112	(311,338)
Railroad rolling stock tax	29,000	29,000	28,585	(415)
Motor vehicle rental tax	2,200	2,200	2,817	617

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2007

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Noncategorical aid: (Continued)				
Personal property tax relief funds	\$ 1,640,791	\$ 1,640,791	\$ 1,646,075	\$ 5,284
Total noncategorical aid	<u>\$ 2,071,441</u>	<u>\$ 2,071,441</u>	<u>\$ 1,773,833</u>	<u>\$ (297,608)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 246,411	\$ 246,411	\$ 265,860	\$ 19,449
Sheriff	1,999,398	1,999,398	2,183,848	184,450
Commissioner of revenue	129,630	129,630	148,919	19,289
Treasurer	116,495	116,495	134,444	17,949
Medical examiner	405	405	-	(405)
Registrar/electoral board	81,678	81,678	48,159	(33,519)
Clerk of the Circuit Court	257,679	257,679	137,486	(120,193)
Total shared expenses	<u>\$ 2,831,696</u>	<u>\$ 2,831,696</u>	<u>\$ 2,918,716</u>	<u>\$ 87,020</u>
Other categorical aid:				
CJS GTS grant	\$ -	\$ 36,850	\$ 57,215	\$ 20,365
Fire programs funds	-	-	36,631	36,631
Victim witness assistance	42,031	42,031	42,031	-
Other	193,416	193,916	72,902	(121,014)
Total other categorical aid	<u>\$ 235,447</u>	<u>\$ 272,797</u>	<u>\$ 208,779</u>	<u>\$ (64,018)</u>
Total categorical aid	<u>\$ 3,067,143</u>	<u>\$ 3,104,493</u>	<u>\$ 3,127,495</u>	<u>\$ 23,002</u>
Total revenue from the Commonwealth	<u>\$ 5,138,584</u>	<u>\$ 5,175,934</u>	<u>\$ 4,901,328</u>	<u>\$ (274,606)</u>
Revenue from the federal government:				
Payments in lieu of taxes	<u>\$ 83,704</u>	<u>\$ 83,704</u>	<u>\$ 84,901</u>	<u>\$ 1,197</u>
Noncategorical aid:				
DSS cost allocation plan reimbursement	<u>\$ 33,000</u>	<u>\$ 33,000</u>	<u>\$ -</u>	<u>\$ (33,000)</u>
Categorical aid:				
Forfeited assets	\$ 4,873	\$ 4,873	\$ 4,873	\$ -
Criminal justice technology grant	20,000	20,000	47,364	27,364
Sheriff GTS	32,000	32,000	-	(32,000)
Triad grant	-	-	2,413	2,413
Byrne Grant	-	-	129,898	129,898
DMV ground transportation safety grant	1,500	1,500	14,628	13,128
Community oriented police grants	84,557	84,557	35,980	(48,577)
Bullet proof vest grant	-	-	1,635	1,635
Terrorism prevention	-	-	53,564	53,564
FEMA/Homeland security	35,187	35,187	100,263	65,076
Citizens corp	-	-	2,508	2,508
Victim witness assistance	43,443	43,443	48,903	5,460
DEQ royalties	-	-	16	16
Total categorical aid	<u>\$ 221,560</u>	<u>\$ 221,560</u>	<u>\$ 442,045</u>	<u>\$ 220,485</u>
Total revenue from the federal government	<u>\$ 338,264</u>	<u>\$ 338,264</u>	<u>\$ 526,946</u>	<u>\$ 188,682</u>
Total General Fund	<u>\$ 23,649,327</u>	<u>\$ 23,688,811</u>	<u>\$ 25,313,742</u>	<u>\$ 1,624,931</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2007

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	\$ -	\$ -	\$ 4,071	\$ 4,071
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 617,612	\$ 617,612	\$ 551,437	\$ (66,175)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,275,179	\$ 1,275,179	\$ 1,138,549	\$ (136,630)
Total Virginia Public Assistance Fund	<u>\$ 1,892,791</u>	<u>\$ 1,892,791</u>	<u>\$ 1,694,057</u>	<u>\$ (198,734)</u>
Comprehensive Services Act Fund:				
Revenue from local sources:				
Charges for services:				
Comprehensive services	\$ -	\$ -	\$ 1,848	\$ 1,848
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act program	\$ 1,439,443	\$ 1,439,443	\$ 1,387,138	\$ (52,305)
Child support public assistance funds	-	-	4,816	4,816
Total categorical aid	<u>\$ 1,439,443</u>	<u>\$ 1,439,443</u>	<u>\$ 1,391,954</u>	<u>\$ (47,489)</u>
Total revenue from the Commonwealth	<u>\$ 1,439,443</u>	<u>\$ 1,439,443</u>	<u>\$ 1,391,954</u>	<u>\$ (47,489)</u>
Total Comprehensive Services Act Fund	<u>\$ 1,439,443</u>	<u>\$ 1,439,443</u>	<u>\$ 1,393,802</u>	<u>\$ (45,641)</u>
E-911 Fund:				
Revenue from local sources:				
Other local taxes:				
Emergency telephone service taxes	\$ 415,000	\$ 451,002	\$ 178,749	\$ (272,253)
Categorical aid:				
Sheriff	\$ 76,997	\$ 76,997	\$ 74,754	\$ (2,243)
PSAP grant	103,882	174,322	136,943	(37,379)
Total categorical aid	<u>\$ 180,879</u>	<u>\$ 251,319</u>	<u>\$ 211,697</u>	<u>\$ (39,622)</u>
Total revenue from the Commonwealth	<u>\$ 180,879</u>	<u>\$ 251,319</u>	<u>\$ 211,697</u>	<u>\$ (39,622)</u>
Total E-911 Fund	<u>\$ 595,879</u>	<u>\$ 702,321</u>	<u>\$ 390,446</u>	<u>\$ (311,875)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2007

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Parks and Recreation Fund				
Revenue from local sources:				
Parks and recreation fees	\$ 53,805	\$ 59,805	\$ 53,251	\$ (6,554)
Capital Projects Fund:				
County Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,483,001	\$ 1,483,001
Total Primary Government	\$ 27,631,245	\$ 27,783,171	\$ 30,328,299	\$ 2,545,128
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Charges for services:				
Charges for education	\$ 899,808	\$ 1,047,860	\$ 1,035,419	\$ (12,441)
Total revenue from local sources	\$ 899,808	\$ 1,047,860	\$ 1,035,419	\$ (12,441)
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Page, Virginia	\$ 7,942,393	\$ 7,942,393	\$ 7,638,686	\$ (303,707)
Total revenues from local governments	\$ 7,942,393	\$ 7,942,393	\$ 7,638,686	\$ (303,707)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,408,901	\$ 3,408,901	\$ 3,146,947	\$ (261,954)
Basic school aid	11,219,365	11,219,365	11,199,875	(19,490)
GED funding	15,717	15,717	44,008	28,291
Remedial summer education	56,277	56,277	49,561	(6,716)
Gifted and talented	101,987	101,987	100,569	(1,418)
Remedial education	254,967	254,967	251,423	(3,544)
Enrollment loss payments	-	-	71,187	71,187
Special education	1,086,158	1,394,740	1,071,064	(323,676)
Textbook payments	259,582	156,369	252,127	95,758
Vocational standards of quality payments	392,649	379,032	389,297	10,265
Social security	596,622	596,622	599,789	3,167
Retirement fringe benefits	762,351	762,351	752,306	(10,045)
Vocational occupational technical education	34,182	34,182	34,562	380
Early reading intervention	58,636	58,636	56,681	(1,955)
Group life instructional	38,245	38,245	35,199	(3,046)
Adult literacy	2,880	2,880	-	(2,880)
Homebound education	34,159	34,159	12,726	(21,433)
Lottery	593,639	593,639	582,824	(10,815)
Tobacco Settlement	26,137	26,137	25,921	(216)
Regional program tuition	336,382	201,273	348,767	147,494
Compensation supplement	226,920	226,920	276,566	49,646
At risk payments	250,312	180,849	245,598	64,749
School construction	152,307	152,307	152,368	61
Primary class size	302,167	276,405	296,201	19,796
Technology	258,000	258,000	516,000	258,000
Standards of Learning algebra readiness	37,995	37,995	38,091	96

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2007

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Operating Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
At risk four-year olds	\$ 292,123	\$ 292,123	\$ 308,352	\$ 16,229
English as a second language	29,461	29,461	37,917	8,456
Other state funds	2,910	27,809	35,365	7,556
Total categorical aid	<u>\$ 20,831,031</u>	<u>\$ 20,817,348</u>	<u>\$ 20,931,291</u>	<u>\$ 113,943</u>
Revenue from the federal government:				
Categorical aid:				
Federal land use	\$ 16,000	\$ 16,000	\$ 16,115	\$ 115
Adult literacy	70,957	70,957	43,116	(27,841)
Title I	691,724	691,724	816,370	124,646
Title VI-B, special education flow-through	657,932	657,932	576,173	(81,759)
Vocational education	67,000	67,000	67,843	843
Title VI-B, special education pre-school	17,000	17,000	10,652	(6,348)
Drug free schools	19,507	19,507	18,778	(729)
Title II Part A	192,756	192,756	177,696	(15,060)
Title V	17,265	17,265	15,025	(2,240)
School improvement grant	-	-	30,027	30,027
State academic achievement	-	-	14,241	14,241
Sliver grant	15,000	15,000	2,622	(12,378)
School-to-work	-	-	15,000	15,000
Education technology	-	-	16,212	16,212
Emergency impact aid	-	-	4,950	4,950
Learn and serve grant	-	-	14,285	14,285
Literacy challenge	-	-	34,486	34,486
Other federal funds	45,000	45,000	404	(44,596)
Total categorical aid	<u>\$ 1,810,141</u>	<u>\$ 1,810,141</u>	<u>\$ 1,873,995</u>	<u>\$ 63,854</u>
Total revenue from the federal government	<u>\$ 1,810,141</u>	<u>\$ 1,810,141</u>	<u>\$ 1,873,995</u>	<u>\$ 63,854</u>
Total School Operating Fund	<u>\$ 31,483,373</u>	<u>\$ 31,617,742</u>	<u>\$ 31,479,391</u>	<u>\$ (138,351)</u>
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 509	\$ 509
Charges for services:				
Cafeteria sales	\$ 808,558	\$ 808,558	\$ 750,419	\$ (58,139)
Total revenue from local sources	<u>\$ 808,558</u>	<u>\$ 808,558</u>	<u>\$ 750,928</u>	<u>\$ (57,630)</u>
Categorical aid:				
School food program grant	\$ 24,179	\$ 24,179	\$ 23,474	\$ (705)
Total revenue from the Commonwealth	<u>\$ 24,179</u>	<u>\$ 24,179</u>	<u>\$ 23,474</u>	<u>\$ (705)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 642,000	\$ 642,000	\$ 644,163	\$ 2,163
Total School Cafeteria Fund	<u>\$ 1,474,737</u>	<u>\$ 1,474,737</u>	<u>\$ 1,418,565</u>	<u>\$ (56,172)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 32,958,110</u>	<u>\$ 33,092,479</u>	<u>\$ 32,897,956</u>	<u>\$ (194,523)</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2007

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	\$ 223,719	\$ 223,719	\$ 142,578	\$ 81,141
General and financial administration:				
County administrator	\$ 250,388	\$ 250,388	\$ 245,327	\$ 5,061
Accounting	172,603	172,603	171,671	932
Legal services	202,350	202,350	146,235	56,115
Commissioner of revenue	613,611	613,611	600,208	13,403
Reassessment	169,885	169,885	169,885	-
Geographic information systems	334,602	334,602	204,295	130,307
Treasurer	396,758	396,758	396,757	1
Data processing	177,090	177,090	170,098	6,992
Total general and financial administration	<u>\$ 2,317,287</u>	<u>\$ 2,317,287</u>	<u>\$ 2,104,476</u>	<u>\$ 212,811</u>
Board of elections:				
Electoral board and officials	\$ 45,913	\$ 45,913	\$ 22,118	\$ 23,795
Registrar	85,432	85,432	82,296	3,136
Total board of elections	<u>\$ 131,345</u>	<u>\$ 131,345</u>	<u>\$ 104,414</u>	<u>\$ 26,931</u>
Total general government administration	<u>\$ 2,672,351</u>	<u>\$ 2,672,351</u>	<u>\$ 2,351,468</u>	<u>\$ 320,883</u>
Judicial administration:				
Courts:				
Circuit court	\$ 10,529	\$ 10,529	\$ 7,359	\$ 3,170
General district court	11,770	11,770	8,377	3,393
Special magistrates	4,700	4,700	2,932	1,768
Juvenile and domestic relations court	12,880	12,880	11,216	1,664
Sheriff	200,189	200,189	199,416	773
Victim witness program	53,376	53,376	53,088	288
Clerk of the circuit court	368,584	399,262	397,818	1,444
Total courts	<u>\$ 662,028</u>	<u>\$ 692,706</u>	<u>\$ 680,206</u>	<u>\$ 12,500</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 347,672	\$ 349,071	\$ 349,070	\$ 1
Total judicial administration	<u>\$ 1,009,700</u>	<u>\$ 1,041,777</u>	<u>\$ 1,029,276</u>	<u>\$ 12,501</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,450,920	\$ 2,784,834	\$ 2,548,524	\$ 236,310
Virginia Juvenile Community Crime Control Act	42,031	42,031	45,284	(3,253)
Total law enforcement and traffic control	<u>\$ 2,492,951</u>	<u>\$ 2,826,865</u>	<u>\$ 2,593,808</u>	<u>\$ 233,057</u>
Fire and rescue services:				
Volunteer fire department	\$ 313,000	\$ 313,000	\$ 312,999	\$ 1
Volunteer rescue squads	308,310	308,310	305,541	2,769
Fire extinction	1,898	1,898	1,898	-
Total fire and rescue services	<u>\$ 623,208</u>	<u>\$ 623,208</u>	<u>\$ 620,438</u>	<u>\$ 2,770</u>
Correction and detention:				
Jail	\$ 1,549,295	\$ 1,602,982	\$ 1,380,762	\$ 222,220
Juvenile detention	162,921	162,921	161,429	1,492
Total correction and detention	<u>\$ 1,712,216</u>	<u>\$ 1,765,903</u>	<u>\$ 1,542,191</u>	<u>\$ 223,712</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2007

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 373,976	\$ 373,976	\$ 327,277	\$ 46,699
Zoning	165,882	165,882	158,216	7,666
Total inspections	<u>\$ 539,858</u>	<u>\$ 539,858</u>	<u>\$ 485,493</u>	<u>\$ 54,365</u>
Other protection:				
Animal control	\$ 431,096	\$ 414,639	\$ 360,230	\$ 54,409
Medical examiner	750	750	240	510
Emergency medical services	155,828	292,627	210,613	82,014
Concern hotline	1,800	1,800	1,800	-
Emergency services	8,830	8,830	8,130	700
Total other protection	<u>\$ 598,304</u>	<u>\$ 718,646</u>	<u>\$ 581,013</u>	<u>\$ 137,633</u>
Total public safety	<u>\$ 5,966,537</u>	<u>\$ 6,474,480</u>	<u>\$ 5,822,943</u>	<u>\$ 651,537</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 5,000	\$ 5,000	\$ 3,883	\$ 1,117
Sanitation and waste removal:				
Compactor sites	\$ 145,574	\$ 145,574	\$ 139,410	\$ 6,164
Landfill	1,796,710	1,796,710	1,478,354	318,356
Total sanitation and waste removal	<u>\$ 1,942,284</u>	<u>\$ 1,942,284</u>	<u>\$ 1,617,764</u>	<u>\$ 324,520</u>
Maintenance of general buildings and grounds:				
General properties	\$ 441,454	\$ 441,454	\$ 353,104	\$ 88,350
Total public works	<u>\$ 2,388,738</u>	<u>\$ 2,388,738</u>	<u>\$ 1,974,751</u>	<u>\$ 413,987</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 243,172	\$ 243,172	\$ 243,172	\$ -
Health advisory council	1,420	1,420	-	1,420
Total health	<u>\$ 244,592</u>	<u>\$ 244,592</u>	<u>\$ 243,172</u>	<u>\$ 1,420</u>
Mental health and mental retardation:				
Community services board	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Choices	5,000	5,000	5,000	-
Total mental health and mental retardation	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ -</u>
Welfare:				
Welfare administration	\$ 19,867	\$ 19,867	\$ 19,117	\$ 750
Shenandoah Area Agency on Aging	23,000	23,000	23,000	-
Shen-Paco industries	2,250	2,250	2,250	-
Access independence	34,452	34,452	34,452	-
Tax relief for the elderly	-	-	186,964	(186,964)
Total welfare	<u>\$ 79,569</u>	<u>\$ 79,569</u>	<u>\$ 265,783</u>	<u>\$ (186,214)</u>
Total health and welfare	<u>\$ 389,161</u>	<u>\$ 389,161</u>	<u>\$ 573,955</u>	<u>\$ (184,794)</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2007

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 L.F. Community College	\$ 9,027	\$ 9,027	\$ 9,027	\$ -
Contribution to County School Board	<u>7,346,129</u>	<u>7,346,129</u>	<u>7,638,686</u>	<u>(292,557)</u>
Total education	<u>\$ 7,355,156</u>	<u>\$ 7,355,156</u>	<u>\$ 7,647,713</u>	<u>\$ (292,557)</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	\$ 117,752	\$ 117,752	\$ 117,526	\$ 226
Town recreation programs	<u>16,000</u>	<u>16,000</u>	<u>14,500</u>	<u>1,500</u>
Total parks and recreation	<u>\$ 133,752</u>	<u>\$ 133,752</u>	<u>\$ 132,026</u>	<u>\$ 1,726</u>
Cultural enrichment:				
Bluemont series	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>
Library:				
Regional library	<u>\$ 158,000</u>	<u>\$ 158,000</u>	<u>\$ 158,000</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 296,752</u>	<u>\$ 296,752</u>	<u>\$ 295,026</u>	<u>\$ 1,726</u>
Community development:				
Planning and community development:				
Planning	\$ 176,821	\$ 151,821	\$ 97,289	\$ 54,532
Northern Shenandoah Planning Commission	<u>15,516</u>	<u>15,516</u>	<u>12,966</u>	<u>2,550</u>
Zoning	<u>4,259</u>	<u>4,259</u>	<u>386</u>	<u>3,873</u>
Economic development	<u>433,893</u>	<u>439,137</u>	<u>376,820</u>	<u>62,317</u>
Airport Commission	<u>11,300</u>	<u>11,300</u>	<u>11,300</u>	<u>-</u>
Chamber of Commerce	<u>190,000</u>	<u>190,000</u>	<u>167,639</u>	<u>22,361</u>
Total planning and community development	<u>\$ 831,789</u>	<u>\$ 812,033</u>	<u>\$ 666,400</u>	<u>\$ 145,633</u>
Environmental management:				
Soil and water conservation district	\$ 5,500	\$ 5,500	\$ 5,500	\$ -
Other environmental management	<u>111,494</u>	<u>111,494</u>	<u>91,649</u>	<u>19,845</u>
Total environmental management	<u>\$ 116,994</u>	<u>\$ 116,994</u>	<u>\$ 97,149</u>	<u>\$ 19,845</u>
Cooperative extension program:				
Administration	\$ 77,760	\$ 77,760	\$ 69,605	\$ 8,155
4-H center	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Total cooperative extension program	<u>\$ 81,260</u>	<u>\$ 81,260</u>	<u>\$ 69,605</u>	<u>\$ 11,655</u>
Total community development	<u>\$ 1,030,043</u>	<u>\$ 1,010,287</u>	<u>\$ 833,154</u>	<u>\$ 177,133</u>
Nondepartmental:				
Miscellaneous	<u>\$ 200,615</u>	<u>\$ 200,615</u>	<u>\$ 159,074</u>	<u>\$ 41,541</u>
Debt service:				
Principal retirement	\$ 649,837	\$ 649,837	\$ 649,837	\$ -
Interest and other fiscal charges	<u>810,332</u>	<u>810,332</u>	<u>796,643</u>	<u>13,689</u>
Total debt service	<u>\$ 1,460,169</u>	<u>\$ 1,460,169</u>	<u>\$ 1,446,480</u>	<u>\$ 13,689</u>
Total General Fund	<u>\$ 22,769,222</u>	<u>\$ 23,289,486</u>	<u>\$ 22,133,840</u>	<u>\$ 1,155,646</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2007

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final - Positive (Negative)
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 2,246,413	\$ 2,246,413	\$ 2,035,614	\$ 210,799
Total Virginia Public Assistance Fund	<u>\$ 2,246,413</u>	<u>\$ 2,246,413</u>	<u>\$ 2,035,614</u>	<u>\$ 210,799</u>
Comprehensive Services Act Fund:				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 2,428,874	\$ 2,428,874	\$ 2,370,943	\$ 57,931
Total Comprehensive Services Act Fund	<u>\$ 2,428,874</u>	<u>\$ 2,428,874</u>	<u>\$ 2,370,943</u>	<u>\$ 57,931</u>
E-911 Fund				
Public safety				
Law enforcement and traffic control:				
Emergency services	\$ 692,913	\$ 829,415	\$ 624,172	\$ 205,243
Total E-911 Fund	<u>\$ 692,913</u>	<u>\$ 829,415</u>	<u>\$ 624,172</u>	<u>\$ 205,243</u>
Parks and Recreation Fund:				
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 53,805	\$ 59,805	\$ 59,907	\$ (102)
Total Parks and Recreation fund	<u>\$ 53,805</u>	<u>\$ 59,805</u>	<u>\$ 59,907</u>	<u>\$ (102)</u>
Capital Projects Fund:				
County Capital Improvements Fund:				
Capital projects expenditures:				
Stanley wells	\$ -	\$ -	\$ 5,748	\$ (5,748)
Office building	-	-	168,509	(168,509)
Battlecreek landfill	-	-	175,243	(175,243)
Courthouse repair	75,000	75,000	-	75,000
School construction	12,000,000	12,000,000	1,242,927	10,757,073
Parking lot	106,000	106,000	-	106,000
Total capital projects	<u>\$ 12,181,000</u>	<u>\$ 12,181,000</u>	<u>\$ 1,592,427</u>	<u>\$ 10,588,573</u>
Total Capital Projects Fund	<u>\$ 12,181,000</u>	<u>\$ 12,181,000</u>	<u>\$ 1,592,427</u>	<u>\$ 10,588,573</u>
Total Primary Government	<u>\$ 40,372,227</u>	<u>\$ 41,034,993</u>	<u>\$ 28,816,903</u>	<u>\$ 11,955,018</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2007

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
Special revenue funds:				
School Operating Fund:				
Education:				
Instructional	\$ 23,803,264	\$ 23,937,633	\$ 24,062,140	\$ (124,507)
Administration, attendance and health services	1,403,446	1,403,446	1,394,586	8,860
Pupil transportation	1,732,811	1,732,811	1,730,733	2,078
Operation and maintenance	2,145,163	2,145,163	2,273,326	(128,163)
Facilities	1,442,996	1,442,996	922,999	519,997
Technology	955,693	955,693	1,096,982	(141,289)
Total education	<u>\$ 31,483,373</u>	<u>\$ 31,617,742</u>	<u>\$ 31,480,766</u>	<u>\$ 136,976</u>
Total School Fund	<u>\$ 31,483,373</u>	<u>\$ 31,617,742</u>	<u>\$ 31,480,766</u>	<u>\$ 136,976</u>
Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	<u>\$ 1,474,737</u>	<u>\$ 1,474,737</u>	<u>\$ 1,447,618</u>	<u>\$ 27,119</u>
Total Cafeteria Fund	<u>\$ 1,474,737</u>	<u>\$ 1,474,737</u>	<u>\$ 1,447,618</u>	<u>\$ 27,119</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 32,958,110</u>	<u>\$ 33,092,479</u>	<u>\$ 32,928,384</u>	<u>\$ 164,095</u>

County of Page, Virginia

Government-Wide Expenses by Function
Last Ten Fiscal Years (1)

<u>Fiscal Year</u>	<u>General Government Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>	<u>Education</u>
2003	\$ 1,802,088	\$ 511,950	\$ 3,773,049	\$ 872,084	\$ 3,578,116	\$ 24,331,059
2004	1,775,099	536,525	4,119,161	1,402,309	3,410,508	31,550,735
2005	2,242,701	567,197	5,130,121	3,645,202	5,023,348	33,832,956
2006	2,391,188	912,629	5,562,040	4,237,339	4,797,023	39,170,831
2007	2,721,418	1,031,210	6,326,121	2,284,169	5,010,637	41,076,429

Includes the primary government and component unit school board.

(1) Information has only been available for 5 years.

Table 1

	<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Interest on Long- Term Debt</u>	<u>Total</u>
\$	282,110	\$ 804,207	\$ 277,226	\$ 36,231,889
	239,088	1,237,918	279,279	44,550,622
	260,385	895,947	292,062	51,889,919
	304,228	1,042,107	518,790	58,936,175
	355,263	843,537	2,057,773	61,706,557

County of Page, Virginia

Government-Wide Revenues

Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes
2003	\$ 1,689,687	\$ 11,445,428	\$ 153,292	\$ 10,796,506	\$ 2,580,809
2004	2,019,634	12,344,452	953,309	11,874,051	2,740,223
2005	2,051,081	14,382,906	175,370	10,938,203	2,949,991
2006	3,234,225	27,467,464	440,382	13,906,915	3,326,249
2007	3,337,956	30,146,101	152,368	14,274,262	2,749,063

Includes the primary government and component unit school board.

(1) Information has only been available for 5 years.

Table 2

GENERAL REVENUES						
<u>Permits, Privilege Fees, Regulatory Licenses</u>	<u>Unrestricted Investment Earnings</u>	<u>Miscellaneous</u>	<u>Grants and Contributions Not Restricted to Specific Programs</u>	<u>Extraordinary item</u>	<u>Total</u>	
\$ 152,574	\$ 106,935	\$ 16,599	\$ 12,654,359	\$ -	39,596,189	
-	82,081	126,951	18,060,211	-	48,200,912	
-	242,075	481,585	19,707,978	(7,967,220)	42,961,969	
-	245,063	266,186	10,494,961	-	59,381,445	
-	2,054,857	113,272	9,862,420	-	62,690,299	

County of Page, Virginia

General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural
2007	\$ 2,351,468	\$ 1,029,276	\$ 6,447,115	\$ 1,974,751	\$ 4,980,512	\$ 32,937,411	\$ 354,933
2006	2,154,250	918,482	5,561,815	2,175,521	4,793,577	30,265,796	302,498
2005	2,045,242	552,205	5,101,149	2,618,203	4,301,745	27,068,031	261,496
2004	1,748,387	534,265	4,064,554	1,444,263	3,397,920	26,294,403	238,320
2003	1,661,630	506,893	3,984,258	1,041,738	3,528,163	23,855,414	281,615
2002	2,036,139	492,982	3,502,258	2,324,754	3,177,785	23,035,269	206,773
2001	1,461,650	414,758	3,478,031	3,898,838	3,223,180	22,605,880	183,920
2000	1,275,422	420,928	3,020,904	3,745,871	3,157,580	21,679,101	187,780
1999	1,539,178	308,430	2,715,023	2,432,352	3,700,613	21,221,521	157,228
1998	1,473,208	300,451	2,374,953	851,682	3,285,807	19,710,184	140,627

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

Table 3

<u>Community Development</u>	<u>Non- departmental</u>	<u>Debt Service</u>	<u>Total</u>
\$ 833,154	\$ 159,074	\$ 1,446,480	\$ 52,514,174
1,031,354	193,941	11,115,864	58,513,098
657,747	177,861	876,320	43,659,999
1,042,445	-	904,860	39,669,417
685,457	69,938	936,668	36,551,774
400,689	93,068	1,652,243	36,921,960
927,888	91,641	1,301,482	37,587,268
460,068	95,321	1,246,511	35,289,486
292,486	-	966,704	33,333,535
266,074	-	1,007,798	29,410,784

County of Page, Virginia

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous
2007	\$ 14,484,551	\$ 3,349,730	\$ 409,010	\$ 54,251	\$ 571,946	\$ 2,837,064	\$ 113,272
2006	12,987,869	3,326,249	263,136	20,355	245,063	2,624,771	266,986
2005	11,281,113	2,949,991	246,273	17,087	214,488	1,682,675	493,262
2004	11,484,813	2,740,223	159,776	10,629	57,614	1,849,229	126,951
2003	10,968,864	2,580,809	152,574	20,352	89,060	1,669,335	16,599
2002	10,156,868	2,579,003	153,460	1,279	166,458	2,908,085	157,089
2001	10,368,204	2,489,381	114,583	3,203	283,617	3,070,896	232,287
2000	8,329,085	1,986,668	106,868	1,732	98,154	2,951,325	71,686
1999	7,823,584	1,449,817	382,242	681	228,777	2,056,797	137,041
1998	9,116,554	1,365,857	368,253	448	201,830	1,498,422	40,705

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Units.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

Table 4

<u>Inter-</u> <u>governmental (2)</u>	<u>Total</u>
\$ 32,194,834	\$ 54,014,658
29,871,104	49,605,533
27,560,147	44,445,036
25,111,708	41,540,943
24,253,079	39,750,672
23,141,731	39,263,973
23,412,534	39,974,705
21,243,575	34,789,093
20,170,794	32,249,733
18,585,888	31,177,957

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy (1,3)	Current Tax Collections (1) (4)	(5) Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2,4)	Percent of Delinquent Taxes to Tax Levy
2007 \$	15,621,561 \$	14,668,962	94% \$	1,180,871 \$	15,849,833	101% \$	2,197,649	14%
2006	15,810,214	12,863,380	81%	1,454,934	14,318,314	91%	1,573,679	10%
2005	12,283,947	11,309,130	92%	1,194,917	12,504,047	102%	1,286,692	10%
2004	12,540,769	11,334,556	90%	1,488,329	12,822,885	102%	1,766,421	14%
2003	11,821,035	10,777,131	91%	1,435,572	12,212,703	103%	1,431,942	12%
2002	11,131,184	10,152,721	91%	1,251,836	11,404,557	102%	1,271,732	11%
2001	10,788,769	9,795,678	91%	1,364,752	11,160,430	103%	1,332,400	12%
2000	8,409,401	7,596,024	90%	928,625	8,524,649	101%	1,126,898	13%
1999	7,713,792	6,952,772	90%	498,122	7,450,894	97%	1,072,731	14%
1998	9,610,644	8,724,885	91%	294,332	9,019,217	94%	1,080,841	11%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years and first half of current tax year.

(3) 1999 was the first year for personal property tax relief by the Commonwealth of Virginia.

(4) During 2003-2004, a large County taxpayer filed for bankruptcy. The amount due in these years was \$259,174 and \$129,220 respectively which increased the amount of outstanding taxes at year end.

(5) The first half of 2006 PPTRA levy will not be able to be collected by the County until December, resulting in a lower collection %.

Assessed Value of Taxable Property (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate (3)	Personal Property & Mobile Homes	Machinery and Tools	Public Service		Total
				Real Estate	Personal Property	
2007	\$ 1,711,515,700	\$ 191,693,126	\$ 22,404,153	\$ 40,687,398	\$ 26,289	\$ 1,966,326,666
2006 (4)	1,180,515,800	276,822,073	35,212,565	50,947,774	40,143	1,543,538,355
2005	1,152,721,350	148,838,075	26,230,035	51,768,150	61,131	1,379,618,741
2004	1,129,510,700	151,925,285	40,227,075	55,715,193	48,915	1,377,427,168
2003	998,697,750	144,003,465	41,513,060	48,312,800	73,511	1,232,600,586
2002	870,283,100	137,775,946	39,588,085	57,184,003	41,019	1,104,872,153
2001	857,631,900	134,560,206	32,691,850	59,136,499	104,355	1,084,124,810
2000	843,206,716	123,839,996	31,166,050	58,748,690	95,379	1,057,056,831
1999	971,722,532	110,071,802	39,898,840	58,602,018	143,341	1,180,438,533
1998	932,641,300	105,681,490	34,167,185	59,433,952	180,359	1,132,104,286

(1) Assessment at 100% of value.

(2) County began semi-annual billing in 1998 for real estate. Accordingly, the levies and collections for the year 1998 include those for calendar year 1997 and the first half of 1998.

(3) Prior to 2000, assessments for real estate values include nontaxable property.

(4) 2006 was the first year the County implemented semi-annual billing for personal property.

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Years	Real Estate/ Mobile Homes (2)	Personal Property	Machinery and Tools/ Motor Carrier	Farm Machinery
2007	\$ 0.67/0.48	\$ 3.00/3.90	\$ 2.00	\$ 0.60/0.30
2006	0.67	3.00	2.00	0.60
2005	0.67	3.00	2.00	0.60
2004	0.67	3.00	2.00	0.60
2003	0.74/0.67	3.00	2.00	0.60
2002	0.74	3.00	2.00	0.60
2001	0.74	3.00	2.00	0.60
2000	0.54/0.74	2.25	1.25	0.30
1999	0.54	2.25	1.25	0.30
1998	0.54	2.25	1.25	0.30

(1) Per \$100 of assessed value.

(2) The rates shown are for the second half/first half of 1999/2000; 2002/2003; 2006/2007. All other years the rates remained consistent throughout the fiscal year.

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2007	23,177	\$ 1,966,326,666	\$ 57,653,918	2.93%	\$ 2,487.55
2006	23,177	1,543,538,355	14,429,005	0.93%	622.56
2005	23,177	1,379,618,741	14,236,867	1.03%	614.27
2004	23,177	1,377,427,168	4,758,933	0.35%	205.33
2003	23,177	1,232,600,586	5,865,000	0.48%	253.05
2002	23,177	1,104,872,153	4,840,000	0.44%	208.83
2001	23,177	1,084,124,810	5,871,259	0.54%	253.32
2000	23,000	1,057,056,831	5,142,854	0.49%	223.60
1999	23,000	1,180,438,533	4,965,000	0.42%	215.87
1998	23,000	1,132,104,286	5,610,000	0.50%	243.91

(1) Bureau of the Census.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans.
Excludes revenue bonds, capital leases, compensated absences.

Ratio of Annual Debt Service Expenditures for General Bonded
Debt to Total General Governmental Expenditures (1)
Last Ten Fiscal Years

Fiscal Year	Principal (4)	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2007	\$ 649,837	\$ 796,643	\$ 1,446,480	\$ 52,514,174	2.75%
2006	599,369	516,495	1,115,864	58,513,098	1.91%
2005	606,826	269,494	876,320	43,659,999	2.01%
2004	615,018	289,842	904,860	39,669,417	2.28%
2003	663,283	273,385	936,668	36,823,254	2.54%
2002	1,153,108	499,135	1,652,243	36,921,960	4.47%
2001	854,907	453,452	1,308,359	37,587,268	3.48%
2000	843,766	370,716	1,214,482	35,289,486	3.44%
1999	645,000	321,704	966,704	33,333,535	2.90%
1998	650,000	357,798	1,007,798	29,410,784	3.43%

(1) Includes General Obligation Bonds, State Literary Fund Loans, and Capital Leases.

(2) Excludes bond issuance and other costs.

(3) Includes General and Special Revenue Funds of the Primary Government and Discretely Presented Component Unit - School Board.

(4) Does not include \$10,000,000 loan paid off with 2006 bond issue.

COMPLIANCE

**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 PAGE, VIRGINIA**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Page, Virginia as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 6, 2008. 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.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered the County of Page, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Page, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Page, Virginia's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Page, Virginia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Page, Virginia's financial statement that is more than inconsequential will not be prevented or detected by the County of Page, Virginia's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Page, Virginia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the County of Page, Virginia's financial statements are free of 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 determination of financial statement amounts. 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.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the County of Page, Virginia in a separate letter dated February 6, 2008.

This report is intended solely for the information and use of the Board of Supervisors, management and federal awarding agencies and pass-through entities and it is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Farmer, Cox Associates

Verona, Virginia
February 6, 2008

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO THE HONORABLE GOVERNING BODY COUNTY OF PAGE, VIRGINIA

Compliance

We have audited the compliance of the County of Page, Virginia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The County of Page, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Page, Virginia's management. Our responsibility is to express an opinion on the County of Page, Virginia's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Page, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Page, Virginia's compliance with those requirements.

In our opinion, the County of Page, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the County of Page, Virginia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Page, Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Page, Virginia's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Supervisors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Farmer, Cox Associates

Verona, Virginia
February 6, 2008

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards
 Primary Government and Discretely Presented Component Unit School Board
 Year Ended June 30, 2007

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalog Number	Expenditures
<u>PRIMARY GOVERNMENT:</u>		
Department of Agriculture: Pass Through Payments: Virginia Department of Agriculture and Consumer Services: State Adm Matching Grants - Food Stamps	10.561	\$ <u>191,360</u>
Total Department of Agriculture		\$ <u><u>191,360</u></u>
Department of Natural Resources and Conservation: Pass Through Payments: Department of Environmental Quality: DEQ rent royalties	66.000	\$ <u>16</u>
Total Department of Natural Resources and Conservation		\$ <u><u>16</u></u>
Department of Health and Human Services: Pass Through Payments: Department of Social Seives: Temporary Assistance to Needy Families Refugee & Entrant Assistance - State Adm Low-Income Home Energy Assistance Foster Care - Title IV-E Adoption Assistance Child Welfare Services Social Services Block Grant Independent Living Family Preservation and Support Medical Assistance program (Title XIX) Payments to States for Child Care Assistance Admin FAMIS Child Care and Development Fund Total Department of Health and Human Services	93.558 93.566 93.568 93.658 93.659 93.645 93.667 93.674 93.556 93.778 93.575 93.767 93.596	\$ 181,017 176 19,116 153,782 39,445 8,819 151,395 1,107 23,904 153,850 125,112 338 <u>89,128</u>
		\$ <u><u>947,189</u></u>
Department of the Interior: Direct Payments: Bureau of Land Management: Payment in Lieu of Taxes	12.112	\$ <u><u>84,901</u></u>

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
 Primary Government and Discretely Presented Component Unit School Board
 Year Ended June 30, 2007

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalog Number	Expenditures
U.S. Department of Justice:		
Pass Through Payments:		
Department of Criminal Justice Services:		
Bullet proof vest grant	16.607 \$	1,635
Local law enforcement block grant	16.592	47,364
Terrorism prevention	16.000	53,564
Criminal justice triad grant	16.592	2,413
Victim witness assistance grant	16.575	48,903
Asset seizure proceeds	16.000	4,873
Byrne grant	16.580	129,898
Community oriented police grant	16.000	35,980
Total Department of Criminal Justice Services		<u>\$ 324,630</u>
U.S. Department of Homeland Security		
Pass Through Payments:		
Department of Emergency Services		
Homeland security	97.067 \$	100,263
Citizens corp	97.000	2,508
Total Department of Emergency Services		<u>\$ 102,771</u>
Department of Transportation:		
Pass Through Payments:		
Department of Motor Vehicles:		
State and community highway safety program	20.600 \$	14,628
Total Primary Government		<u>\$ 1,665,495</u>
<u>COMPONENT UNIT SCHOOL BOARD:</u>		
Department of Agriculture:		
Pass Through Payments:		
Department of Education:		
School breakfast program	10.553 \$	123,883
National school lunch program	10.555	520,280
Department of Agriculture:		
Food distribution-school lunch	10.555	90,976
Forest Reserve Funds	10.665	16,115
Total Department of Agriculture		<u>\$ 751,254</u>

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
 Primary Government and Discretely Presented Component Unit School Board
 Year Ended June 30, 2007

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalog Number	Expenditures
Department of Education:		
Pass Through Payments:		
Department of Education:		
Adult Basic Education	84.002	\$ 43,116
Title I	84.010	833,233
School improvement	84.000	30,027
AP grant	84.330	156
Education technology	84.318	9,968
Emergency impact aid	84.938	4,950
Title VI-B:		
Handicapped - state grants	84.027	582,665
Preschool Incentive grant	84.173	10,652
Vocational Education:		
Basic grants to states	84.048	67,843
Title II Part A	84.367	177,696
Title V	84.298	15,025
Drug free schools and communities	84.186	18,778
Literacy challenge grant	84.287	34,486
Total Department of Education		<u>\$ 1,828,595</u>
Corporation for National and Community Services:		
Pass Through Payments:		
Department of Education:		
Learn and serve-National Community Services Act	94.004	\$ 14,285
Total Department of Labor		<u>\$ 14,285</u>
Department of Labor:		
Pass Through Payments:		
Department of Education:		
School-To-Work Transition Program	17.261	\$ 15,000
Total Department of Labor		<u>\$ 15,000</u>
Total Component Unit School Board		<u>\$ 2,609,134</u>

NOTE A-BASIS OF PRESENTATION

The accompanying schedule of federal expenditures includes the federal grant activity of the County of Page, Virginia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B-FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2007, the County had food commodities totaling \$42,683 in inventory.

COUNTY OF PAGE, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes x no

- Significant deficiencies identified that are not considered to be material weaknesses? yes x none reported

Non compliance material to financial statements noted?

Federal Awards

Internal control over major programs: unqualified

- Material weaknesses identified? yes x no

- Significant deficiencies identified that are not considered to be material weaknesses? yes x no

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes x no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I
Nutrition Cluster:	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Food Distribution

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? x yes no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None