County of Page, Virginia

Financial Report

Year Ended June 30, 2011

COUNTY OF PAGE, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2011

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COUNTY OF PAGE, VIRGINIA

BOARD OF SUPERVISORS

Johnny Woodward, Chairman

J.D. Cave
Larry Sours
Robert Griffith
Darrell Short
Jeff Vaughan

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	Penny Gray
Sheriff	John Thomas
Superintendent of Schools	Randall W. Thomas
Director of Department of Social Services	Peter J. Creaturo

SCHOOL BOARD

Larry W. Foltz, Chairman

Randy J. Bailey, Vice Chairman
Melissa S. Deibert
Sharon K. Lucas
C. L. Tomney

Ellen H. Fields, Clerk

FINANCE BOARD

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

BOARD OF SOCIAL SERVICES

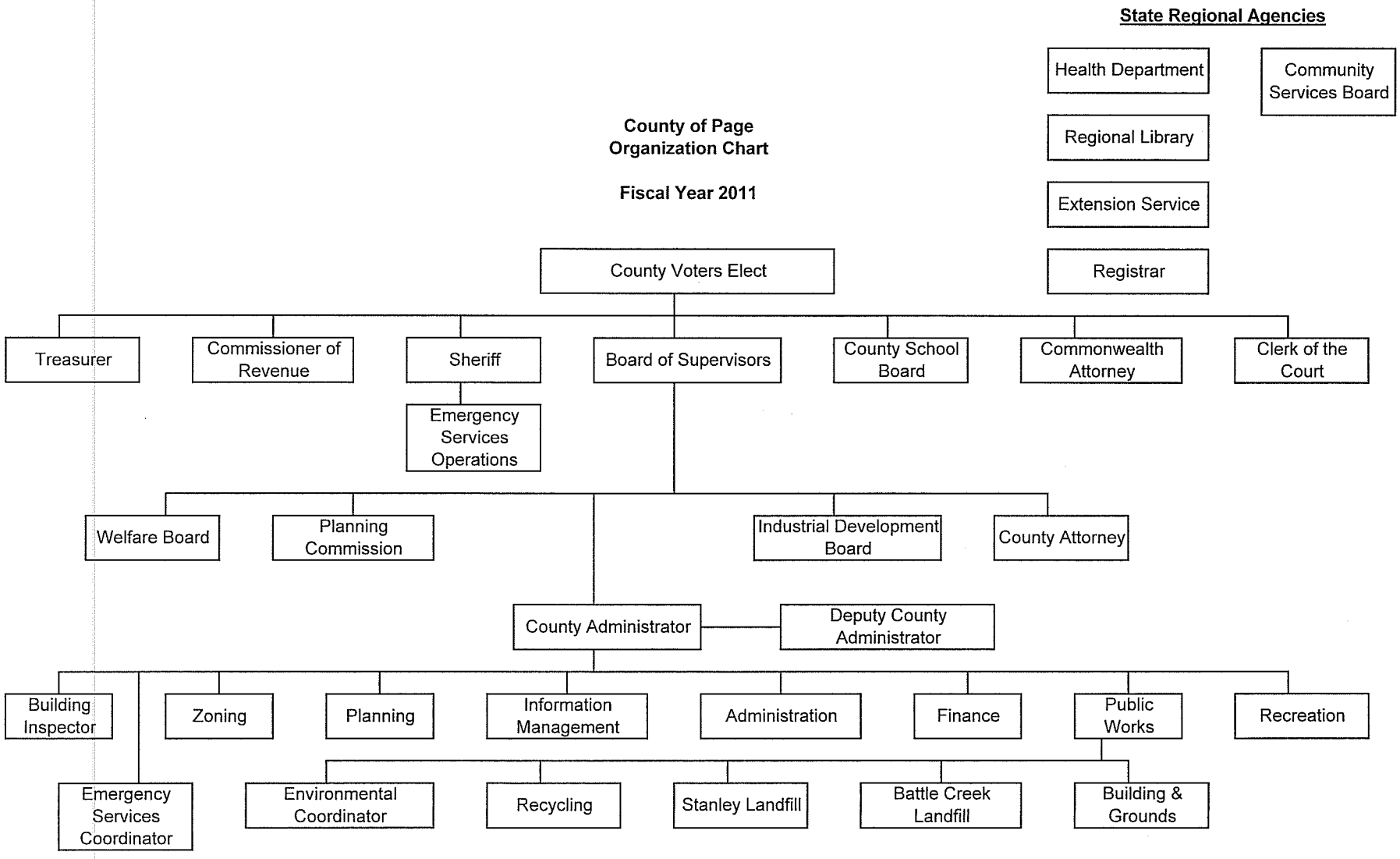
Louise Kyger, Chairman

Gerald M. Cubbage
Penny Good
Fred Fielding
Jeanette Painter

Dawn Ponn

County of Page
Organization Chart

Fiscal Year 2011



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, each major fund, the discretely presented component units, and the aggregate remaining fund information of the County of Page, Virginia, as of and for the year ended June 30, 2011, 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 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Page, Virginia, as of June 30, 2011, 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.

As described in Note 1 to the financial statements, the County of Page, Virginia adopted the provisions of *GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2012 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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of pension and OPEB funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and schedules of funding progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistence with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis and schedules of funding progress because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Page, Virginia's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedure applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Robinson, Farmer, Cox Associates

Verona, Virginia
January 6, 2012

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, 2011.

Financial Highlights

The assets of the County of Page, Virginia were short of its liabilities at the close of the most recent fiscal year by ($3,931,964). Of this amount, ($5,624,979) is unrestricted. The School Board's net assets were $18,324,397 of which $543,626 is unrestricted.

At the end of the fiscal year, unassigned fund balance for the general fund was $3,306,575.

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $9,270,489, an increase of $412,152 in comparison to the prior year. $3,306,575 is available for spending at the government's discretion (unassigned 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 statements 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, three component units; the Page County School Board, the Page County EDA, and the Luray-Page Airport Commission. 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. The only difference from prior year presentation of the fund statements is that only major, or significant, funds will be presented. 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 School Board for all departments. Individual fund data for the internal funds is provided in Exhibits 20-22 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.

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 County of Page's assets failed to exceed its liabilities by ($3,931,964) 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

	Governmental Activities	
	2011	2010
Current and other assets	$ 24,380,824	$ 23,645,593
Capital assets	56,060,162	58,743,224
Total assets	$ 80,440,986	$ 82,388,817
Long-term liabilities	$ 71,393,106	$ 70,274,630
Other liabilities	12,979,844	14,991,513
Total liabilities	$ 84,372,950	$ 85,266,143
Net assets:		
Invested in capital assets, net of related debt	$ 1,325,386	$ 2,392,224
Restricted	367,629	148,536
Unrestricted	(5,624,979)	(5,418,086)
Total net assets	$ (3,931,964)	$ (2,877,326)

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 $367,629 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 two of the three categories of net assets.

Governmental Activities

Governmental activities have decreased the County's net assets by $(1,054,638) due in large part to the increase in local funding given to the school system for debt service on the construction of two new high schools. See the following page for details of the County of Page's change in net assets.

COUNTY OF PAGE'S CHANGES IN NET ASSETS
For the Year Ended June 30, 2011

	Governmental Activities	
	2011	2010
Revenues:		
Program revenues:		
Charges for services	$ 2,310,520	$ 2,443,003
Operating grants & contribtuions	5,951,332	6,183,782
Capital grants & contributions	-	5,237
General revneues:		
General property taxes	18,577,570	17,648,296
Other local taxes	3,148,384	3,139,321
Use of money & property	61,410	69,153
Miscellaneous	204,922	191,687
Grants and cont. not restricted	1,828,905	1,846,918
Total revenues	$ 32,083,043	$ 31,527,397
Expenses:		
General government	$ 3,036,414	$ 2,581,708
Judicial administration	1,119,582	1,088,426
Public safety	6,755,169	7,054,231
Health and welfare	3,804,608	4,450,952
Education	11,261,780	16,248,530
Parks, recreation and cultural	237,294	280,664
Community development	491,427	1,009,552
Public works	3,393,399	1,864,433
Interest on long-term debt	3,038,008	3,130,944
Total expenses	$ 33,137,681	$ 37,709,440
Changes in net assets	$ (1,054,638)	$ (6,182,043)
Net assets, July 1, 2010	(2,877,326)	3,304,717
Net assets, June 30, 2011	$ (3,931,964)	$ (2,877,326)

Financial Analysis of the Government's Funds

As mentioned earlier, 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. Unassigned 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 $9,270,489, an increase of $412,152 over the prior year. $367,629 is restricted to indicate that it is not available for new spending because it has already been committed to bond covenance for the USDA loan for improvements to Battlecreek Landfill. Funds assigned for future special revenue fund expenditures totaled $84,769. $5,1511,516 was also assigned for future capital projects fund expenditures.

The general fund is the chief operating fund of the County. As of June 30, 2011, the unassigned and total fund balance was $3,306,575.

General Fund Budgetary Highlights

Differences between the original expenditure budgeted appropriations and the final amended budgeted appropriations totaled $457,147.

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, and infrastructure or construction in process.

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

	Governmental Activities	
	2011	2010
Land	$ 1,970,464	$ 1,970,464
Buildings and system	52,814,312	55,076,360
Machinery and equipment	1,275,386	1,696,400
Totals	$ 56,060,162	$ 58,743,224

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, 2011

	Governmental Activities	
	2011	2010
General Obligation Bonds	$ 65,621,718	$ 67,465,056
Revenue notes	436,466	498,533
Landfill closure/post closure	3,591,242	2,625,953
Capital leases	7,899	50,085
Premiums on bond issuance	761,000	789,775
Accrued OPEB liability	384,300	242,000
Compensated absences	590,481	579,594
Totals	$ 71,393,106	$ 72,250,996

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 annual unemployment rate has been as high as 11 percent but for the month of December it is 9 percent, which is lower than the rate a year ago. This is high in comparison with the state's average of 6.2 percent and similar to the national average of 8.6 percent. These factors will be considered when preparing the County's budget for the 2012 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, 551 Mechanic St., Luray, Virginia, 22835.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets
June 30, 2011

	Primary Government	Component Unit	Component Unit	Component Unit
	Governmental Activities	School Board	Economic Development Authority	Luray-Page Airport Commission
ASSETS				
Cash and cash equivalents	$ 10,323,258	$ 1,465,693	$ 201,825	$ 162,271
Receivables (net of allowance for uncollectibles):				
Taxes receivable	11,975,329	-	-	4,680
Accounts receivable	527,497	94,206	1,661,242	167,793
Due from primary government	-	2,380,872	-	-
Due from other governmental units	1,187,111	811,045	-	-
Inventories	-	73,565	-	-
Prepaid expenses	-	57,641	-	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	367,629	-	-	-
Capital assets (net of accumulated depreciation):				
Land	1,970,464	885,591	2,751,000	1,363,189
Buildings and improvements	52,814,312	15,984,569	-	5,943,354
Machinery and equipment	1,275,386	910,611	-	86,010
Construction in progress	-	-	-	5,850
Total assets	$ 80,440,986	$ 22,663,793	$ 4,614,067	$ 7,733,147
LIABILITIES				
Accounts payable	$ 337,491	$ 172,154	$ 670	$ 5,850
Accrued liabilities	273,001	3,243,819	-	-
Accrued interest payable	918,458	-	-	-
Due to component unit	2,380,872	-	-	-
Unearned revenue	9,070,022	-	-	-
Long-term liabilities:				
Due within one year	1,788,105	-	17,650	-
Due in more than one year	69,605,001	923,423	1,643,592	-
Total liabilities	$ 84,372,950	$ 4,339,396	$ 1,661,912	$ 5,850
NET ASSETS				
Invested in capital assets, net of related debt	$ 1,325,386	$ 17,780,771	$ 1,089,758	$ 7,398,403
Restricted for:				
Debt service and bond covenants	367,629	-	-	-
Unrestricted (deficit)	(5,624,979)	543,626	1,862,397	328,894
Total net assets	$ (3,931,964)	$ 18,324,397	$ 2,952,155	$ 7,727,297

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, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	$ 3,036,414	$ 100,326	$ 249,636	$ -
Judicial administration	1,119,582	80,395	543,409	-
Public safety	6,755,169	680,882	2,599,347	-
Public works	3,393,399	1,368,126	11,780	-
Health and welfare	3,804,608	35,023	2,392,674	-
Education	11,261,780	-	17,486	-
Parks, recreation, and cultural	237,294	45,768	-	-
Community development	491,427	-	137,000	-
Interest on long-term debt	3,038,008	-	-	-
Total governmental activities	$ 33,137,681	$ 2,310,520	$ 5,951,332	$ -
COMPONENT UNITS:				
School Board	$ 34,990,154	$ 2,163,482	$ 22,965,611	$ -
Economic Development Authority	195,519	16,972	183,322	-
Luray-Page Airport Commission	323,225	61,170	59,090	42,211
Total component units	$ 35,508,898	$ 2,241,624	$ 23,208,023	$ 42,211

General revenues:
General property taxes
Local sales tax
Motor vehicle licenses
Transient occupancy taxes
Meals tax
Tax on recordation and wills
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
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	Component Unit
Governmental Activities	School Board	EDA	Luray-Page Airport Commission
$ (2,686,452)	$ -	$ -	$ -
(495,778)	-	-	-
(3,474,940)	-	-	-
(2,013,493)	-	-	-
(1,376,911)	-	-	-
(11,244,294)	-	-	-
(191,526)	-	-	-
(354,427)	-	-	-
(3,038,008)	-	-	-
$ (24,875,829)	$ -	$ -	$ -
$ -	$ (9,861,061)	$ -	$ -
-	-	4,775	-
-	-	-	(160,754)
$ -	$ (9,861,061)	$ 4,775	$ (160,754)
$ 18,577,570	$ -	$ -	$ -
1,355,463	-	-	-
306,201	-	-	-
452,261	-	-	-
235,138	-	-	-
106,896	-	-	-
692,425	-	-	-
61,410	132	1,304	225
204,922	-	-	-
1,828,905	11,237,126	-	-
$ 23,821,191	$ 11,237,258	$ 1,304	$ 225
$ (1,054,638)	$ 1,376,197	$ 6,079	$ (160,529)
(2,877,326)	16,948,200	2,946,076	7,887,826
$ (3,931,964)	$ 18,324,397	$ 2,952,155	$ 7,727,297

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FUND FINANCIAL STATEMENTS

Balance Sheet
Governmental Funds
June 30, 2011

	General	Capital Projects Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 4,755,122	$ 5,511,516	$ 56,620	$ 10,323,258
Receivables (net of allowance for uncollectibles):				
Taxes receivable	11,975,329	-	-	11,975,329
Accounts receivable	527,497	-	-	527,497
Due from other funds	206,442	-	-	206,442
Due from other governmental units	916,287	-	270,824	1,187,111
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	367,629	-	367,629
Total assets	$ 18,380,677	$ 5,879,145	$ 327,444	$ 24,587,266
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 273,803	$ -	$ 63,688	$ 337,491
Accrued liabilities	271,155	-	1,846	273,001
Due to other funds	-	-	206,442	206,442
Due to component unit	2,380,872	-	-	2,380,872
Deferred revenue	12,118,971	-	-	12,118,971
Total liabilities	$ 15,044,801	$ -	$ 271,976	$ 15,316,777
Fund balances:				
Restricted:				
Debt service	$ -	$ 367,629	$ -	$ 367,629
Committed				-
Parks and recreation	-	-	55,468	55,468
Assigned:				
Page County water quality	20,608	-	-	20,608
Local dare	1,649	-	-	1,649
Crime victim witness	2,011	-	-	2,011
Department of Justice VJCAA	4,246	-	-	4,246
DHCD	787	-	-	787
Capital projects	-	5,511,516	-	5,511,516
Unassigned, reported in:				
General fund	3,306,575	-	-	3,306,575
Total fund balances	$ 3,335,876	$ 5,879,145	$ 55,468	$ 9,270,489
Total liabilities and fund balances	$ 18,380,677	$ 5,879,145	$ 327,444	$ 24,587,266

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, 2011

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	$	9,270,489
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		56,060,162
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		3,048,949
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(72,311,564)
Net assets of governmental activities	$	(3,931,964)

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, 2011

	General	Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
General property taxes	$ 18,277,353	$ -	$ -	$ 18,277,353
Other local taxes	3,148,384	-	-	3,148,384
Permits, privilege fees, and regulatory licenses	181,311	-	-	181,311
Fines and forfeitures	78,282	-	-	78,282
Revenue from the use of money and property	53,334	8,076	-	61,410
Charges for services	1,970,136	-	80,791	2,050,927
Miscellaneous	204,922	-	-	204,922
Intergovernmental revenues:				
Commonwealth	4,915,127	-	1,290,574	6,205,701
Federal	472,436	-	1,102,100	1,574,536
Total revenues	$ 29,301,285	$ 8,076	$ 2,473,465	$ 31,782,826
EXPENDITURES				
Current:				
General government administration	$ 2,788,787	$ -	$ -	$ 2,788,787
Judicial administration	1,101,332	-	-	1,101,332
Public safety	6,534,815	-	-	6,534,815
Public works	2,099,341	-	-	2,099,341
Health and welfare	579,315	-	3,200,264	3,779,579
Education	8,702,731	333,145	-	9,035,876
Parks, recreation, and cultural	202,535	-	34,759	237,294
Community development	514,911	-	-	514,911
Nondepartmental	189,029	-	-	189,029
Capital projects	-	17,171	-	17,171
Debt service:				
Principal retirement	1,947,591	-	-	1,947,591
Interest and other fiscal charges	3,124,948	-	-	3,124,948
Total expenditures	$ 27,785,335	$ 350,316	$ 3,235,023	$ 31,370,674
Excess (deficiency) of revenues over (under) expenditures	$ 1,515,950	$ (342,240)	$ (761,558)	$ 412,152
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 8,748	$ 219,093	$ 772,567	$ 1,000,408
Transfers out	(1,000,408)	-	-	(1,000,408)
Total other financing sources (uses)	$ (991,660)	$ 219,093	$ 772,567	$ -
Net change in fund balances	$ 524,290	$ (123,147)	$ 11,009	$ 412,152
Fund balances - beginning	2,811,586	6,002,292	44,459	8,858,337
Fund balances - ending	$ 3,335,876	$ 5,879,145	$ 55,468	$ 9,270,489

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, 2011

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

Net change in fund balances - total governmental funds	$	412,152
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.		(2,683,062)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		300,217
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.		1,011,077
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.		(95,022)
Change in net assets of governmental activities	$	(1,054,638)

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

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 249,629
Total assets	$ 249,629
LIABILITIES	
Amounts held for social services clients	$ 725
Amounts held for others	218,804
Amounts held for inmates	30,100
Total liabilities	$ 249,629

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

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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 Economic Development Authority of Page County, Virginia 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 Economic Development Authority of Page County, Virginia 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.

The Luray-Page Airport Commission is included as a component unit because the Commission's primary use of funds is to provide for airport for the County of Page and Town of Luray, VA, thereby benefiting the County even though it does not provide services directly to the County. The Luray-Page Airport Commission does prepare separate financial statements. The Commission's fiscal year ends on December 31st, accordingly, the financial information on Exhibits 1 and 2 are for the year ended December 31, 2010. Complete financial statements for the Authority may be obtained at the Commission's administrative offices at 270 Circle View Road, 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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and fund financial statements (continued)

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 form the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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 Economic Development Authority of Page County, Virginia.

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 $138,600 to the Association for operating purposes for the year ended June 30, 2011.

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 $71,100 to the Northwestern Community Services Board.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, Community Development, Crime Victim Witness Program, Local DARE, and Water Quality Funds.

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

Additionally, the government reports the following fund types:

Special revenue funds account for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects..

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.

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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 $329,070 or equal to 8 percent of outstanding property taxes at June 30, 2011.

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.

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:

Assets	Years
Buildings	50
Building improvements	20
Vehicles	5
Office equipment	5
Computer equipment	5

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

7. Fund equity

Beginning with fiscal year 2011, the County implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Fund equity (continued)

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

The County establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commttment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 15% of the actual GAAP basis expenditures and other financing sources and uses.

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	$ (66,819,184)	$ -
Accrued interest payable	(918,458)	-
Capital lease payable	(7,899)	-
Landfill closure and post-closure costs	(3,591,242)	-
Accrued OPEB liability	(384,300)	(628,300)
Compensated absences	(590,481)	(295,123)
Net adjustment to reduce *fund balance-total governmental funds* to arrive at *net assets-governmental activities*	$ (72,311,564)	$ (923,423)

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	$ 112,603	$ 1,368,267
Depreciation expense	(1,383,474)	(1,733,717)
Primary government capital asset allocation	(1,412,191)	1,412,191
Net adjustment to increase (decrease) *net changes in fund balances-total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (2,683,062)	$ 1,046,741

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 "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
Principal repayments:		
General obligation debt	$ 1,843,338	$ -
Capital lease payable	42,186	-
Lease revenue bond	62,067	-
Increase in landfill closure and post-closure costs	(965,289)	-
Amortization of bond premium	28,775	-
Net adjustment to (decrease) increase *net changes in balances-total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 1,011,077	$ -

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	$ (10,887)	$ (138,113)
OPEB liability	(142,300)	(253,901)
Accrued interest	58,165	-
Net adjustment to (decrease) increase *net changes in fund balances-total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (95,022)	$ (392,014)

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

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. According, all deposits are considered fully collateralized.

Investments

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

NOTE 4—DEPOSITS AND INVESTMENTS (CONTINUED)

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.
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.
8. The County's rated debt investments as of June 30, 2011 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	$ 5	$ -	$ -	$ -	$ -
SNAP External Investment Pool	2,980,859	-	-	-	-
Total	$ 2,980,864	$ -	$ -	$ -	$ -

NOTE 4—DEPOSITS AND INVESTMENTS (CONTINUED)

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.

NOTE 5—INTERFUND OBLIGATIONS

Fund	Interfund Receivable Primary Government/ Component Unit	Interfund Payable Primary Government/ Component Unit	Due From Other Funds	Due To Other Funds
Primary Government:				
General Fund	$ -	$ 2,380,872	$ 206,442	$ -
Virginia Public Assistance Fund	-	-	-	174,537
Comprehensive Services Act	-	-	-	31,905
Sub-total	$ -	$ 2,380,872	$ 206,442	$ 206,442
Discretely Presented Component Units:				
School Fund	$ 2,380,872	$ -	$ -	$ -
Total reporting entity	$ 2,380,872	$ 2,380,872	$ 206,442	$ 206,442

NOTE 6—INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011 consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	$ 8,748	$ 1,000,408
Virginia Public Assistance Fund	395,304	-
Comprehensive Services Act	377,263	-
County Capital Projects Fund	219,093	-
Total reporting entity	$ 1,000,408	$ 1,000,408

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

NOTE 7—DUE FROM OTHER GOVERNMENTAL UNITS

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
State sales taxes	$ -	$ 494,221
Local sales taxes	257,687	-
Comprehensive Services Act funds	96,287	-
Public assistance and welfare	72,411	-
Refund of state reduction in aid	226,975	-
Other funds	385,961	49,337
Federal Government:		
Public assistance and welfare	102,126	-
School funds	-	267,487
Other funds	45,664	-
Total	$ 1,187,111	$ 811,045

NOTE 8—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,970,464	$ -	$ -	$ 1,970,464
Total capital assets not being depreciated	$ 1,970,464	$ -	$ -	$ 1,970,464
Capital assets being depreciated:				
Buildings	$ 57,950,699	$ -	$ (1,625,496)	$ 56,325,203
Machinery and equipment	4,664,086	112,603	-	4,776,689
Total capital assets being depreciated	$ 62,614,785	$ 112,603	$ (1,625,496)	$ 61,101,892
Less accumulated depreciation for:				
Buildings	$ (2,874,339)	$ (849,857)	$ 213,305	$ (3,510,891)
Machinery and equipment	(2,967,686)	(533,617)	-	(3,501,303)
Total accumulated depreciation	$ (5,842,025)	$ (1,383,474)	$ 213,305	$ (7,012,194)
Total capital assets being depreciated, net	$ 56,772,760	$ (1,270,871)	$ (1,412,191)	$ 54,089,698
Governmental activities capital assets, net	$ 58,743,224	$ (1,270,871)	$ (1,412,191)	$ 56,060,162

NOTE 8—CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 33,583
Judicial administration	2,260
Public safety	174,549
Public works	370,576
Health and welfare	3,144
Education	796,542
Community Development	2,820
Total depreciation expense-governmental activities	$ 1,383,474

Discretely presented component unit-School Board:

Activity for the School Board for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 885,591	$ -	$ -	$ 885,591
Total capital assets not being depreciated	$ 885,591	$ -	$ -	$ 885,591
Capital assets being depreciated:				
Buildings	$ 19,682,298	$ 1,625,496	$ -	$ 21,307,794
Machinery and equipment	4,290,043	571,725	-	4,861,768
Total capital assets being depreciated	$ 23,972,341	$ 2,197,221	$ -	$ 26,169,562
Less accumulated depreciation for:				
Buildings	$ (4,431,022)	$ (1,475,440)	$ 583,237	$ (5,323,225)
Machinery and equipment	(3,692,880)	(258,277)	-	(3,951,157)
Total accumulated depreciation	$ (8,123,902)	$ (1,733,717)	$ 583,237	$ (9,274,382)
Total capital assets being depreciated, net	$ 15,848,439	$ 463,504	$ 583,237	$ 16,895,180
School Board capital assets, net	$ 16,734,030	$ 463,504	$ 583,237	$ 17,780,771

Depreciation expense for the year ended June 30, 2011 totaled $1,733,717.

Discretely presented component unit-Economic Development Authority of Page County:

Activity for the Authority for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets				
Land	$ 9,351,000	$ -	$ 6,600,000	$ 2,751,000
Capital assets, net	$ 9,351,000	$ -	$ 6,600,000	$ 2,751,000

NOTE 8—CAPITAL ASSETS (CONTINUED)

Discretely presented component unit-Luray-Page County Airport Commission:

Activity for the Commission for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,363,189	$ -	$ -	$ 1,363,189
Construction in progress	216,619	5,850	(216,619)	5,850
Total capital assets not being depreciate	$ 1,579,808	$ 5,850	$ (216,619)	$ 1,369,039
Capital assets being depreciated:				
Buildings and improvements	$ 7,023,966	$ 252,980	$ -	$ 7,276,946
Equipment	160,040	-	-	160,040
Total capital assets being depreciated	$ 7,184,006	$ 252,980	$ -	$ 7,436,986
Less accumulated depreciation for:				
Buildings and improvements	$ (1,150,346)	$ (183,246)	$	$ (1,333,592)
Machinery and equipment	(62,090)	(11,940)	-	(74,030)
Total accumulated depreciation	$ (1,212,436)	$ (195,186)	$ -	$ (1,407,622)
Total capital assets being depreciated, net	$ 5,971,570	$ 57,794	$ -	$ 6,029,364
Total capital assets, net	$ 7,551,378	$ 63,644	$ (216,619)	$ 7,398,403

NOTE 9—DEFINED BENEFIT PENSION PLAN

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)

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

VRS administers two defined benefit plans for local government employees – Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least 10 years of service credit or age 50 with at least five years of service credit.

NOTE 9— DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Plan Description (continued)

- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70 %. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. 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.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. In addition, the County is required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School's non-professional employee contribution rates for the fiscal year ended 2011 were 10.03% and 8.99%, respectively, of annual covered payroll.

NOTE 9— DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Funding Policy (continued)

The School Board's contributions for professional employees were $1,573,854, $1,219,851 and $1,604,824 to the teacher cost-sharing pool for the fiscal years ended June 30, 2011, 2010 and 2009, respectively and these contributions represented 8.93%, 8.81% for July 2009 through March 2010 and zero (0.00%) for April through June 2010, and 10.30% respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year 2011, the County's annual pension cost of $574,279 was equal to the County's required and actual contributions.

For fiscal year 2011, the County School Board's annual pension cost for the Board's non-professional employees was $153,953 which was equal to the board's required and actual contributions.

Three-Year Trend Information

	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Primary Government:				
County	6/30/09	$ 682,580	100%	$ -
	6/30/10	643,765	100%	-
	6/30/11	574,279	100%	-
Discretely Presented Component Unit:				
School Board				
Non-Professional	6/30/09	$ 189,718	100%	$ -
	6/30/10	208,807	100%	-
	6/30/11	153,953	100%	-

The FY 2011 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and projected salary increases include an inflation component of 2.50%. The actuarial value of the County's and the County School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

NOTE 9—DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Funded Status and Funding Progress:

As of June 30, 2010, the most recent actuarial valuation date, the County's plan was 81.03% funded. The actuarial accrued liability for benefits was $22,199,959 and the actuarial value of assets was $17,989,301, resulting in an unfunded actuarial accrued liability (UAAL) of $4,210,658. The covered payroll (annual payroll of active employees covered by the plan) was $5,961,522, and ratio of the UAAL to the covered payroll was 70.63%.

As of June 30, 2010, the most recent actuarial valuation date, the County School Board's non-professional plan was 79.86% funded. The actuarial accrued liability for benefits was $6,908,711, and the actuarial value of assets was $5,517,582, resulting in an unfunded actuarial accrued liability (UAAL) of $1,391,129. The covered payroll (annual payroll of active employees covered by the plan) was $1,905,201, and ratio of the UAAL to the covered payroll was 73.02%.

The schedule of funding progress, presented as Required Supplementary Information following the note to the financial statements presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

NOTE 10—OTHER POST-EMPLOYMENT BENEFITS PROGRAM

Beginning in fiscal year 2009, the County and School Board implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County and School Board retiree health benefit subsidy. Historically, the County and School Board 's subsidy was funded on a pay-as-you go basis, but GASB Statement No. 45 requires that the County and School Board accrue the cost of the retiree health subsidy and other post-employment benefits during the period of the employee's active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County and School Board. This funding methodology mirrors the funding approach used to pension benefits.

County

A. Plan Description

The County of Page provides post-retirement health care insurance benefits for employees who are eligible. To be eligible, employees must meet the age and service criteria for reduced VRS retirement and be a current employee at least 50 years of age and have been employed by the County in a benefits-eligible position for 15 years prior to retirement.

B. Funding Policy

The Page County Government establishes employer medical contribution rates for all medical plan participants as part of the budgetary process each year. The county also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Retirees pay 100% of their premiums, less a subsidy of 4% per year for each year of service with Page County up to a maximum of 30 years. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

NOTE 10—OTHER POST-EMPLOYMENT BENEFITS PROGRAM (CONTINUED)

C. Annual OPEB Cost and Net OPEB Obligation

The annual cost of other post employment benefits (OPEB) under GASB 45 is calculated based on the annual required contribution or ARC. The estimated pay as you go cost for OPEB benefits is $228,300 for fiscal year 2011. The County has elected not to pre-fund OPEB liabilities. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the county's net OPEB obligation:

Annual Required Contribution (ARC)	$ 228,300
Interest on OPEB Obligation	10,900
Adjustment to ARC	(10,800)
Annual OPEB cost	$ 228,400
Estimated Contributions Made During FY11	(86,100)
Increase in Net OPEB Obligation	$ 142,300
Net OPEB Obligation - beginning of year	242,000
Net OPEB Obligation - end of year	$ 384,300

Annual OPEB Cost

For 2011, the County's expected cash payment of $86,100 was $142,300 less than the OPEB cost (expense) of $228,400. The Government's annual OPEB cost, the percentage of annual OPEB0 cost contributed to the plan, and the net OPEB obligation for 2011 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	$ 168,900	30%	$ 117,900
June 30, 2010	218,900	43%	242,000
June 30, 2011	228,400	38%	384,300

D. Funded Status and Funding Progress The funded status of the plan as of June 30, 2008 was as follows:

Actuarial accrued liability (AAL)	$ 1,669,500
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	$ 1,669,500
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	6,615,900
UAAL as a percentage of covered payroll	25.23%

NOTE 10—OTHER POST-EMPLOYMENT BENEFITS PROGRAM (CONTINUED)

D. Funded Status and Funding Progress (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

E. Actuarial Methods and Assumptions

Cost Method

In the June 30, 2008 actuarial valuation, the projected unit credit method, with linear pro-ration to assumed benefit commencement was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2008 was 30 years.

Actuarial Assumptions	Not funded
Discount rate	4.5%
Payroll growth	2.5%

School Board:

A. Plan Description:

The School Board provides post-retirement health care insurance benefits for employees who are eligible. The plan is administered by the School Board. Retired employees, who were employed by Page County Public Schools with at least 26 years of service, who have attained the age of 55, and who retire under the VRS plan are eligible to receive a subsidy from the post-retirement medical plan. The plan has no separate financial report.

B. Funding Policy:

The School Board establishes employer contribution rates for plan participants as part of the budgetary process each year. The School Board also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again, this is determined annually as part of the budgetary process. Retirees pay 100% of premiums for themselves and spouses. Coverage ceases when retirees reach the age of 65.

NOTE 10—OTHER POST-EMPLOYMENT BENEFITS PROGRAM (CONTINUED)

School Board: (continued)

C. Annual OPEB Cost and Net OPEB Obligation

The annual cost of other post-employment benefits (OPEB) under GASB 45 is calculated based on the annual required contribution or ARC. The estimated pay as you go cost for OPEB benefits was $388,000 for fiscal year 2011. The School Board has paid $134,100 towards this obligation during FY 11. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Board's net OPEB obligation:

Annual Required Contribution (ARC)	$	388,600
Interest on OPEB Obligation		15,000
Adjustment to ARC		(15,600)
Annual OPEB cost	$	388,000
Estimated Contributions Made During FY11		(134,100)
Increase in Net OPEB Obligation	$	253,900
Net OPEB Obligation - beginning of year		374,400
Net OPEB Obligation - end of year	$	628,300

Annual OPEB Cost

For 2011, the School Board's expected cash payment of $134,100 was $253,900 less than the OPEB cost (expense) of $388,000. The Government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 are as follows:

Fiscal Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
June 30, 2009	$	304,500	34%	$	200,100
June 30, 2010		318,000	45%		374,400
June 30, 2011		388,000	62%		628,300

D. Funded Status and Funding Progress. The funded status of the plan as of July 1, 2010 was as follows:

Actuarial accrued liability (AAL)	$	3,926,600
Actuarial value of plan assets		-
Unfunded actuarial accrued liability	$	3,926,600
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)		18,606,100
UAAL as a percentage of covered payroll		21.1%

NOTE 10—OTHER POST-EMPLOYMENT BENEFITS PROGRAM (CONTINUED)

D. Funded Status and Funding Progress (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes tot the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern o sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

E. Actuarial Methods and Assumptions

Cost Method

In the July 1, 2010 actuarial valuation, the projected unit credit method, with linear pro-ration to assumed benefit commencement was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll as an open basis. The remaining amortization period at July 1, 2010 was 30 years.

Interest Assumptions

Actuarial Assumptions	Not funded
Discount rate	4.0%
Payroll growth	2.5%

Health Insurance Credit Program

A. Plan description

The School board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service. The credit amount and eligibility differs for state, school division, political subdivision, local officer, local social services department and general registrar retirees.

NOTE 10—OTHER POST-EMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Health Insurance Credit Program (continued)

A. Plan description (continued)

A teacher, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of $4 per year of creditable service. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive a monthly health insurance credit of $4 multiplied by the smaller of (i) twice the amount of their creditable service or (ii) the amount of creditable service they would have completed at age 60 if they had remained in service to that age.

Benefit provisions and eligibility requirements are established Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 9.

B. The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.04% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2011, 2010, and 2009 were $105,746, $144,001, and $196,765, respectively and equaled the required contributions for each year.

NOTE 11—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
2012	$ 62,067	$ 16,724	$ 1,689,365	$ 2,997,156
2013	62,067	14,151	1,931,407	2,914,735
2014	62,067	11,578	2,014,513	2,816,198
2015	62,067	9,005	2,083,737	2,713,864
2016	62,067	6,432	2,174,132	2,607,552
2017	62,067	3,859	2,265,756	2,496,696
2018	64,064	1,286	2,350,939	2,388,629
2019	-	-	2,439,949	2,282,520
2020	-	-	2,530,400	2,171,378
2021	-	-	2,619,194	2,056,032
2022	-	-	2,522,334	1,938,694
2023	-	-	2,621,777	1,820,985
2024	-	-	2,731,897	1,699,645
2025	-	-	2,843,401	1,572,482
2026	-	-	2,961,553	1,438,682
2027	-	-	3,086,082	1,297,891
2028	-	-	2,457,716	1,170,598
2029	-	-	2,564,968	1,042,234
2030	-	-	2,682,751	926,896
2031	-	-	2,806,088	805,111
2032	-	-	2,935,004	676,581
2033	-	-	3,069,522	540,900
2034	-	-	1,114,669	433,719
2035	-	-	1,165,473	382,610
2036	-	-	1,221,962	329,091
2037	-	-	1,274,166	273,133
2038	-	-	1,337,115	206,160
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	$ 436,466	$ 63,035	$ 65,621,718	$ 42,735,966

NOTE 11—LONG-TERM INDEBTEDNESS (CONTINUED)

Primary Government Indebtedness (continued)

Year Ending June 30,	Governmental Activities Capital Lease Payable Principal	Interest
2012	$ 7,899	$ 505
Totals	$ 7,899	$ 505

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, 2011:

	Balance July1, 2010	Issuances	Retirements	Balance June 30, 2011
Claims, judgments and compensated absences payable	$ 579,594	$ 10,887	$ -	$ 590,481
Landfill closure and post-closure care costs	2,625,953	965,289	-	3,591,242
Lease revenue bond	498,533	-	62,067	436,466
Capital lease payable	50,085	-	42,186	7,899
Tax anticipation note	-	3,504,500	3,504,500	-
Net OPEB obligation	242,000	142,300	-	384,300
General obligation bonds	67,465,056	-	1,843,338	65,621,718
Premiums on bond issue	789,775	-	28,775	761,000
Total	$ 72,250,996	$ 4,622,976	$ 5,480,866	$ 71,393,106

(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.

NOTE 11—LONG-TERM INDEBTEDNESS (CONTINUED)

Details of Long-Term Liabilities
Governmental Activities:

	Total Amount Outstanding	Amount Due Within One Year
General Obligation Bonds:		
Virginia Public School Authority (V.P.S.A.) Bonds:		
$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%	$ 20,000	$ 10,000
$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%	80,000	80,000
$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%	820,000	85,000
$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%	28,630,000	760,000
$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%	10,047,112	527,082
$13,790,000 Virginia Public School Authority Bond issued May 2, 2008, at a premium of $210,714, due in annual installments of $444,193 to $925,815 through July 15, 2037. Interest is payable semi-annually at 4.6% to 5.1%	13,790,000	-
Total general obligation bonds	$ 53,387,112	$ 1,462,082
Lease Revenue Bonds:		
$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%.	$ 436,466	$ 62,067
Series 2006 Revenue Bonds		
$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.	$ 12,234,606	$ 227,283

NOTE 11—LONG-TERM INDEBTEDNESS (CONTINUED)

Details of Long-Term Liabilities: (Continued)

Governmental Activities: (Continued)

	Outstanding	One Year
Capital Lease Payable $104,395 capital lease payable for the purchase of 5 2009 ford explorers dated October 20, 2008 payable in annual installments of $36,727 including interest at 5.65% through October 2010.	$ 7,899	$ 7,898
Net OPEB obligation	$ 384,300	$ -
Compensated absences	$ 590,481	$ -
Estimated cost of landfill closure and post closure monitoring care, payable over the next 16 years	$ 3,591,242	$ -
Unamortized premium on bond issues	$ 761,000	$ 28,775
Total Long-term liabilities	$ 71,393,106	$ 1,788,105

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, 2011:

	Balance July 1, 2010	Issuances	Retirements	Balance June 30, 2011
Compensated absences	$ 157,010	$ 138,113	$ -	$ 295,123
Net OPEB obligation	374,400	253,900	-	628,300
Total	$ 531,410	$ 392,013	$ -	$ 923,423

Details of Long-Term Liabilities Component Unit – Economic Development Authority of Page County, Virginia:

The following is a summary of long-term debt for the Authority for the year ended June 30, 2011:

$1,672,600 Revenue Bond issued on October 14, 2009 by USDA (the lender) with monthly payments of $7,326, and an interest rate of 4.25%. balance at June 30. 2011	1,661,242
Less: current portion	(17,650)
Total Long-term obligations	$ 1,643,592

NOTE 11—LONG-TERM INDEBTEDNESS (CONTINUED)

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

Years Ending June 30,	Revenue Bond Principal	Revenue Bond Interest
2012	$ 17,650	$ 70,262
2013	18,415	69,497
2014	19,213	68,699
2015	20,046	67,866
2016	20,915	66,997
2017	21,821	66,091
2018	22,767	65,145
2019	23,754	64,158
2020	24,783	63,129
2021	25,857	62,055
2022	26,978	60,934
2023	28,147	59,765
2024	29,367	58,545
2025	30,639	57,273
2026	31,967	55,945
2027	33,352	54,560
2028	34,798	53,114
2029	36,306	51,606
2030	37,879	50,033
2031	39,521	48,391
2032	41,234	46,678
2033	43,021	44,891
2034	44,885	43,027
2035	46,830	41,082
2036	48,860	39,052
2037	50,977	36,935
2038	53,187	34,725
2039	55,492	32,420
2040	57,896	30,016
2041	60,406	27,506
2042	63,023	24,889
2043	65,755	22,157
2044	68,604	19,308
2045	71,577	16,335
2046	74,679	13,233
2047	77,916	9,996
2048	81,293	6,619
2049	84,816	3,096
2050	26,616	224
Total	$ 1,661,242	$ 1,706,254

NOTE 12—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.

NOTE 13—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.

NOTE 14—UNEARNED/DEFERRED REVENUE

The following is a summary of deferred revenue for the year ended June 30, 2011:

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Primary Government:		
Deferred property tax revenue:		
Deferred revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures	$ 8,485,539	$ 11,534,488
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year	584,483	584,483
Total primary government	$ 9,070,022	$ 12,118,971

NOTE 15—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.

Anthem has 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, 2011 the plan liability was $18,397. The Net Assets ($617,209) of the Plan maintained by the School Board can be found on Exhibit 20.The following represents the change in approximate aggregate liabilities for the fund:

	Beginning of Fiscal Year (Surplus) Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End (Surplus) Liability
2010-2011	$ 476,524	$ 6,194,888	$ 6,653,015	$ 18,397
2009-2010	(320,099)	4,612,469	3,815,846	476,524
2008-2009	90,684	3,784,964	4,195,747	(320,099)
2007-2008	(122,208)	3,450,357	3,237,465	90,684
2006-2007	(208,970)	3,161,037	3,247,799	(122,208)

NOTE 16—SURETY BONDS

Fidelity and Deposit Company of Maryland - Surety:		
Ron Wilson, Clerk of the Circuit Court	$	25,000
Penny Gray, Treasurer		400,000
Charles L. Campbell, Commissioner of the Revenue		3,000
John Thomas, Sheriff		30,000
All Constitutional Officer's Employees - Blanket Bond		50,000
The Travelers Indemnity Company - Surety:		
Randall Thomas, Superintendent of Schools		100,000
Michelle Miller, Director of Finance		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:		
Johnny Woodward, Chairman		1,000
Robert Griffith, Supervisor		1,000
Larry Sours, Supervisor		1,000
J.D. Cave, Supervisor		1,000
Darrell Short, Supervisor		1,000
Jeff Vaughan, Supervisor		1,000
Department of Social Services		1,000

NOTE 17—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 $2,023,173. The estimated total current cost of the landfill closure and post-closure care of $2,023,173 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, 2011. Included in the County's post-closure and thirty year monitoring costs of $2,023,173 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.

NOTE 17—CLOSURE AND POST-CLOSURE CARE COSTS (CONTINUED)

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 $1,568,069 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, 2011. The estimated useful life of the Battle Creek landfill is 35 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.

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REQUIRED SUPPLEMENTARY INFORMATION

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	$ 17,112,163	$ 17,112,163	$ 18,277,353	$ 1,165,190
Other local taxes	3,168,214	3,168,214	3,148,384	(19,830)
Permits, privilege fees, and regulatory licenses	190,644	190,644	181,311	(9,333)
Fines and forfeitures	122,050	122,050	78,282	(43,768)
Revenue from the use of money and property	85,000	85,000	53,334	(31,666)
Charges for services	1,668,929	1,673,664	1,970,136	296,472
Miscellaneous	59,488	67,319	204,922	137,603
Intergovernmental revenues:				
Commonwealth	4,800,057	4,911,824	4,915,127	3,303
Federal	315,174	476,999	472,436	(4,563)
Total revenues	$ 27,521,719	$ 27,807,877	$ 29,301,285	$ 1,493,408
EXPENDITURES				
Current:				
General government administration	$ 2,848,481	$ 2,848,481	$ 2,788,787	$ 59,694
Judicial administration	1,088,217	1,087,293	1,101,332	(14,039)
Public safety	6,167,561	6,519,766	6,534,815	(15,049)
Public works	2,253,638	2,265,165	2,099,341	165,824
Health and welfare	390,362	390,362	579,315	(188,953)
Education	9,040,200	9,040,200	8,702,731	337,469
Parks, recreation, and cultural	211,080	211,080	202,535	8,545
Community development	503,455	512,255	514,911	(2,656)
Nondepartmental	305,000	300,935	189,029	111,906
Debt service:				
Principal retirement	1,947,591	1,947,591	1,947,591	-
Interest and other fiscal charges	3,119,354	3,119,354	3,124,948	(5,594)
Total expenditures	$ 27,874,939	$ 28,242,482	$ 27,785,335	$ 457,147
Excess (deficiency) of revenues over (under) expenditures	$ (550,755)	$ (434,605)	$ 1,515,950	$ 1,950,555
OTHER FINANCING SOURCES (USES)				
Transfers in	$ -	$ -	$ 8,748	$ 8,748
Transfers out	(1,180,302)	(1,180,302)	(1,000,408)	$ 179,894
Total other financing sources and uses	$ (1,180,302)	$ (1,180,302)	$ (991,660)	$ 188,642
Net change in fund balances	$ (1,731,057)	$ (1,614,907)	$ 524,290	$ 2,139,197
Fund balances - beginning	1,731,057	1,614,907	2,811,586	1,196,679
Fund balances - ending	$ -	$ -	$ 3,335,876	$ 3,335,876

COUNTY OF PAGE, VIRGINIA
Schedule of Pension Funding Progress
As of June 30, 2011

Exhibit 9

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)
06/30/10	$ 17,989,301	$ 22,199,959	$ 4,210,658	81.03%	$ 5,961,522	70.63%
06/30/09	17,760,836	20,164,231	2,403,395	88.08%	6,268,178	38.34%
06/30/08	17,263,600	19,254,442	1,990,842	89.66%	6,285,156	31.68%
06/30/07	15,517,007	18,054,154	2,537,147	85.95%	5,918,176	42.87%
06/30/06	13,688,634	14,816,000	1,127,366	92.39%	5,460,474	20.65%

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)
06/30/10	$ 5,517,582	$ 6,908,711	$ 1,391,129	79.86%	$ 1,905,201	73.02%
06/30/09	5,386,907	6,428,117	1,041,210	83.80%	1,815,514	57.35%
06/30/08	5,205,712	6,179,003	973,291	84.25%	1,741,996	55.87%
06/30/07	4,693,491	5,744,972	1,051,481	81.70%	1,670,109	62.96%
06/30/06	4,160,983	4,952,267	791,284	84.02%	1,539,032	51.41%

Other Post-Employment Benefit Program
Schedule of Funding Progress
As of June 30, 2011

PRIMARY GOVERNMENT:

County Other Post-Employment Benefit Program

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)
06/30/08	$ -	$ 986,500	$ 986,500	0.00%	$ 6,297,100	15.67%
6/30/2008 (as updated for FY2010)	-	1,543,200	1,543,200	0.00%	6,454,500	23.91%
6/30/2008 (as updated for FY2011)	-	1,669,500	1,669,500	0.00%	6,615,900	25.23%

DISCRETELY PRESENTED COMPONENT UNIT:

School Board Other Post-Employment Benefit Program

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)
6/30/2008	$ -	$ 2,832,700	$ 2,832,700	0.00%	19,661,300	14.41%
6/30/2008 (as updated for FY2010	-	3,036,000	3,036,000	0.00%	20,152,800	15.06%
7/1/2010	-	3,926,600	3,926,600	0.00%	18,606,100	21.10%

Note:
Fiscal Year 2009 is the first year of implementation of GASB 45 for the Primary Government and Discretely Presented Component Unit School Board.

OTHER SUPPLEMENTARY INFORMATION

Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	$ -	$ -	$ 8,076	$ 8,076
Total revenues	$ -	$ -	$ 8,076	$ 8,076
EXPENDITURES				
Current:				
Education	$ 498,145	$ 498,145	$ 333,145	$ 165,000
Capital projects	982,960	982,960	17,171	965,789
Total expenditures	$ 1,481,105	$ 1,481,105	$ 350,316	$ 1,130,789
Excess (deficiency) of revenues over (under) expenditures	$ (1,481,105)	$ (1,481,105)	$ (342,240)	$ 1,138,865
OTHER FINANCING SOURCES (USES)				
Transfers in	$ -	$ -	$ 219,093	$ 219,093
Total other financing sources and uses	$ -	$ -	$ 219,093	$ 219,093
Net change in fund balances	$ (1,481,105)	$ (1,481,105)	$ (123,147)	$ 1,357,958
Fund balances - beginning	-	1,481,105	6,002,292	4,521,187
Fund balances - ending	$ (1,481,105)	$ -	$ 5,879,145	$ 5,879,145

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Virginia Public Assistance Fund	Comprehensive Services Act Fund	Parks and Recreation Fund	Total
ASSETS				
Cash and cash equivalents	$ -	$ -	$ 56,620	$ 56,620
Due from other governmental units	174,537	96,287	-	270,824
Total assets	$ 174,537	$ 96,287	$ 56,620	$ 327,444
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 62,536	$ 1,152	$ 63,688
Accrued liabilities	-	1,846	-	1,846
Due to other funds	174,537	31,905	-	206,442
Total liabilities	$ 174,537	$ 96,287	$ 1,152	$ 271,976
Fund balances:				
Committed:				
For subsequent expenditure	$ -	$ -	$ 55,468	$ 55,468
Total fund balances	$ -	$ -	$ 55,468	$ 55,468
Total liabilities and fund balances	$ 174,537	$ 96,287	$ 56,620	$ 327,444

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Virginia Public Assistance Fund	Comprehensive Services Act Fund	Parks and Recreation Fund	Total
REVENUES				
Charges for services	$ 22,822	$ 12,201	$ 45,768	$ 80,791
Intergovernmental revenues:				
Commonwealth	648,385	642,189	-	1,290,574
Federal	1,102,100	-	-	1,102,100
Total revenues	$ 1,773,307	$ 654,390	$ 45,768	$ 2,473,465
EXPENDITURES				
Current:				
Health and welfare	$ 2,168,611	$ 1,031,653	$ -	$ 3,200,264
Parks, recreation, and cultural	-	-	34,759	34,759
Total expenditures	$ 2,168,611	$ 1,031,653	$ 34,759	$ 3,235,023
Excess (deficiency) of revenues over (under) expenditures	$ (395,304)	$ (377,263)	$ 11,009	$ (761,558)
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 395,304	$ 377,263	$ -	$ 772,567
Total other financing sources and uses	$ 395,304	$ 377,263	$ -	$ 772,567
Net change in fund balances	$ -	$ -	$ 11,009	$ 11,009
Fund balances - beginning	-	-	44,459	44,459
Fund balances - ending	$ -	$ -	$ 55,468	$ 55,468

County of Page, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	VPA Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 25,994	$ 25,994	$ 22,822	$ (3,172)
Intergovernmental revenues:				
Commonwealth	738,500	738,500	648,385	(90,115)
Federal	1,255,273	1,255,273	1,102,100	(153,173)
Total revenues	$ 2,019,767	$ 2,019,767	$ 1,773,307	$ (246,460)
EXPENDITURES				
Current:				
Health and welfare	$ 2,463,392	$ 2,463,392	$ 2,168,611	$ 294,781
Total expenditures	$ 2,463,392	$ 2,463,392	$ 2,168,611	$ 294,781
Excess (deficiency) of revenues over (under) expenditures	$ (443,625)	$ (443,625)	$ (395,304)	$ 48,321
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 443,625	$ 443,625	$ 395,304	$ (48,321)
Total other financing sources and uses	$ 443,625	$ 443,625	$ 395,304	$ (48,321)
Net change in fund balances	$ -	$ -	$ -	$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

Comprehensive Services Fund			
Budgeted Amounts			Variance with Final Budget Positive
Original	Final	Actual	(Negative)
$ 2,000	$ 2,000	$ 12,201	$ 10,201
1,748,700	1,748,700	642,189	(1,106,511)
-	-	-	-
$ 1,750,700	$ 1,750,700	$ 654,390	$ (1,096,310)
$ 2,416,741	$ 2,416,741	$ 1,031,653	$ 1,385,088
$ 2,416,741	$ 2,416,741	$ 1,031,653	$ 1,385,088
$ (666,041)	$ (666,041)	$ (377,263)	$ 288,778
$ 666,041	$ 666,041	$ 377,263	$ (288,778)
$ 666,041	$ 666,041	$ 377,263	$ (288,778)
$ -	$ -	$ -	$ -
-	-	-	-
$ -	$ -	$ -	$ -

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Parks and Recreation Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 30,000	$ 35,000	$ 45,768	$ 10,768
Total revenues	$ 30,000	$ 35,000	$ 45,768	$ 10,768
EXPENDITURES				
Current:				
Parks, recreation, and cultural	$ 30,000	$ 35,000	$ 34,759	$ 241
Total expenditures	$ 30,000	$ 35,000	$ 34,759	$ 241
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ 11,009	$ 11,009
Net change in fund balances	$ -	$ -	$ 11,009	$ 11,009
Fund balances - beginning	-	-	44,459	44,459
Fund balances - ending	$ -	$ -	$ 55,468	$ 55,468

Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Agency Funds					
	Special Welfare	Cash Bonds Fund	Neutering/ Spaying Fund	Jail Inmate	Luray/Page Airport Hangar	Total
ASSETS						
Cash and cash equivalents	$ 725	$ 35,562	$ 15,449	$ 30,100	$ 167,793	$ 249,629
Total assets	$ 725	$ 35,562	$ 15,449	$ 30,100	$ 167,793	$ 249,629
LIABILITIES						
Amounts held for social services clients	$ 725	$ -	$ -	$ -	$ -	$ 725
Amounts held for others	-	35,562	15,449	-	167,793	218,804
Amounts held for inmates	-	-	-	30,100	-	30,100
Total liabilities	$ 725	$ 35,562	$ 15,449	$ 30,100	$ 167,793	$ 249,629

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2011

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	$ 1,291	$ 515	$ 1,081	$ 725
LIABILITIES				
Amounts held for social services clients	$ 1,291	$ 515	$ 1,081	$ 725
Neutering/Spaying Fund:				
ASSETS				
Cash and cash equivalents	$ 15,144	$ 1,785	$ 1,480	$ 15,449
LIABILITIES				
Amounts held for neutering/spaying	$ 15,144	$ 1,785	$ 1,480	$ 15,449
Cash Bonds Fund:				
ASSETS				
Cash and cash equivalents	$ 35,562	$ -	$ -	$ 35,562
LIABILITIES				
Amounts held for bonds fund	$ 35,562	$ -	$ -	$ 35,562
Jail Inmate Accounts Fund:				
ASSETS				
Cash in custody of others	$ 27,047	$ 139,012	$ 135,959	$ 30,100
LIABILITIES				
Amounts held for inmates	$ 27,047	$ 139,012	$ 135,959	$ 30,100
Luray/Page Airport Hangar Fund:				
ASSETS				
Cash and cash equivalents	$ 174,425	$ 120,260	$ 126,892	$ 167,793
LIABILITIES				
Amounts held for Airport	$ 174,425	$ 120,260	$ 126,892	$ 167,793
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	$ 226,422	$ 122,560	$ 129,453	$ 219,529
Cash in custody of others	27,047	139,012	135,959	30,100
Total assets	$ 93,718	$ 261,572	$ 265,412	$ 249,629
LIABILITIES				
Amounts held for social services clients	$ 1,291	$ 515	$ 1,081	$ 725
Amounts held for neutering/spaying	15,144	1,785	1,480	15,449
Amounts held for bonds fund	35,562	-	-	35,562
Amounts held for inmates	27,047	139,012	135,959	30,100
Amounts held for Airport	174,425	120,260	126,892	167,793
Total liabilities	$ 253,469	$ 261,572	$ 265,412	$ 249,629

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2011

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ -	$ 848,484	$ 848,484
Receivables (net of allowance for uncollectibles):			
Accounts receivable	94,206	-	94,206
Due from primary government	2,380,872	-	2,380,872
Due from other governmental units	772,621	38,424	811,045
Inventories	-	73,565	73,565
Prepaid items	57,641	-	57,641
Total assets	$ 3,305,340	$ 960,473	$ 4,265,813
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 172,154	$ -	$ 172,154
Accrued liabilities	3,133,186	110,633	3,243,819
Total liabilities	$ 3,305,340	$ 110,633	$ 3,415,973
Fund balances:			
Nonspendable:			
Inventories	$ -	$ 73,565	$ 73,565
Prepaid items	57,641	-	57,641
Assigned:			
School lunch program	-	776,275	776,275
Unassigned, reported in:			
School operating fund	(57,641)	-	(57,641)
Total fund balances	$ -	$ 849,840	$ 849,840
Total liabilities and fund balances	$ 3,305,340	$ 960,473	$ 4,265,813

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Total fund balances per above	$ 849,840
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	17,780,771
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.	617,209
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(923,423)
Net assets of governmental activities	$ 18,324,397

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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2011

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	$ -	$ 132	$ 132
Charges for services	1,440,184	723,298	2,163,482
Intergovernmental revenues:			
Local government	9,028,393	-	9,028,393
Commonwealth	18,055,912	31,739	18,087,651
Federal	3,804,233	1,073,727	4,877,960
Total revenues	$ 32,328,722	$ 1,828,896	$ 34,157,618
EXPENDITURES			
Current:			
Education	$ 32,328,722	$ 1,603,709	$ 33,932,431
Total expenditures	$ 32,328,722	$ 1,603,709	$ 33,932,431
Excess (deficiency) of revenues over (under) expenditures	$ -	$ 225,187	$ 225,187
Net change in fund balances	$ -	$ 225,187	$ 225,187
Fund balances - beginning	-	624,653	624,653
Fund balances - ending	$ -	$ 849,840	$ 849,840

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	$ 225,187
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.	1,046,741
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.	(392,014)
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.	496,283
Change in net assets of governmental activities	$ 1,376,197

County of Page, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2011

	School Operating Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Revenue from the use of money and property	$ -	$ -	$ -	$ -
Charges for services	1,458,844	1,458,844	1,440,184	(18,660)
Intergovernmental revenues:				
Local government	9,032,357	9,032,357	9,028,393	(3,964)
Commonwealth	18,219,829	18,219,829	18,055,912	(163,917)
Federal	2,268,717	3,275,803	3,804,233	528,430
Total revenues	$ 30,979,747	$ 31,986,833	$ 32,328,722	$ 341,889
EXPENDITURES				
Current:				
Education	$ 31,217,892	$ 32,369,953	$ 32,328,722	$ 41,231
Total expenditures	$ 31,217,892	$ 32,369,953	$ 32,328,722	$ 41,231
Excess (deficiency) of revenues over (under) expenditures	$ (238,145)	$ (383,120)	$ -	$ 383,120
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 238,145	$ 383,120	$ -	$ (383,120)
Total other financing sources and uses	$ 238,145	$ 383,120	$ -	$ (383,120)
Net change in fund balances	$ -	$ -	$ -	$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

School Cafeteria Fund			
Budgeted Amounts			Variance with Final Budget Positive
Original	Final	Actual	(Negative)
$ -	$ -	$ 132	$ 132
803,181	803,181	723,298	(79,883)
-	-	-	-
32,139	32,139	31,739	(400)
850,000	850,000	1,073,727	223,727
$ 1,685,320	$ 1,685,320	$ 1,828,896	$ 143,576
$ 1,685,320	$ 1,685,320	$ 1,603,709	$ 81,611
$ 1,685,320	$ 1,685,320	$ 1,603,709	$ 81,611
$ -	$ -	$ 225,187	$ 225,187
$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -
$ -	$ -	$ 225,187	$ 225,187
-	-	624,653	624,653
$ -	$ -	$ 849,840	$ 849,840

Statement of Net Assets
Proprietary Funds
Discretely Presented Component Unit - School Board
June 30, 2011

	Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	$ 617,209
Total assets	$ 617,209
NET ASSETS	
Unrestricted	$ 617,209
Total net assets	$ 617,209

Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2011

	Internal Service Funds
OPERATING REVENUES	
Charges for services:	
Insurance premiums	$ 7,659,474
Total operating revenues	$ 7,659,474
OPERATING EXPENSES	
Insurance claims and expenses	$ 7,165,367
Total operating expenses	$ 7,165,367
Operating income (loss)	$ 494,107
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	$ 2,176
Total nonoperating revenues (expenses)	$ 2,176
Change in net assets	$ 496,283
Total net assets - beginning	120,926
Total net assets - ending	$ 617,209

Statement of Cash Flows
Proprietary Funds
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2011

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	$ 7,659,474
Payments for premiums	(7,165,367)
Net cash provided (used) by operating activities	$ 494,107
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends received	$ 2,176
Net cash provided (used) by investing activities	$ 2,176
Net increase (decrease) in cash and cash equivalents	$ 496,283
Cash and cash equivalents - beginning	120,926
Cash and cash equivalents - ending	$ 617,209

SUPPORTING SCHEDULES AND TABLES

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

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	$ 10,777,711	$ 10,777,711	$ 11,579,836	$ 802,125
Real and personal public service corporation taxes	346,000	346,000	364,575	18,575
Personal property taxes	5,644,378	5,644,378	5,858,051	213,673
Penalties	195,030	195,030	256,533	61,503
Interest	149,044	149,044	218,358	69,314
Total general property taxes	$ 17,112,163	$ 17,112,163	$ 18,277,353	$ 1,165,190
Other local taxes:				
Local sales and use taxes	$ 1,359,200	$ 1,359,200	$ 1,355,463	$ (3,737)
Business licenses	164,170	164,170	123,426	(40,744)
Communication taxes	502,000	502,000	509,876	7,876
Consumption taxes	48,961	48,961	59,123	10,162
Motor vehicle licenses	309,858	309,858	306,201	(3,657)
Taxes on recordation and wills	135,600	135,600	106,896	(28,704)
Transient occupancy taxes	415,425	415,425	452,261	36,836
Meals taxes	233,000	233,000	235,138	2,138
Total other local taxes	$ 3,168,214	$ 3,168,214	$ 3,148,384	$ (19,830)
Permits, privilege fees, and regulatory licenses:				
Animal licenses	$ 12,335	$ 12,335	$ 9,617	$ (2,718)
Land use application fees	3,320	3,320	2,755	(565)
Transfer fees	764	764	666	(98)
Permits and other licenses	174,225	174,225	168,273	(5,952)
Total permits, privilege fees, and regulatory licenses	$ 190,644	$ 190,644	$ 181,311	$ (9,333)
Fines and forfeitures:				
Court fines and forfeitures	$ 122,050	$ 122,050	$ 78,282	$ (43,768)
Revenue from use of money and property:				
Revenue from use of money	$ 40,000	$ 40,000	$ 6,135	$ (33,865)
Revenue from use of property	45,000	45,000	47,199	2,199
Total revenue from use of money and property	$ 85,000	$ 85,000	$ 53,334	$ (31,666)
Charges for services:				
Sheriff's fees	$ 1,938	$ 1,938	$ 1,268	$ (670)
Ambulance and rescue service	90,000	90,000	483,683	393,683
Charges for Animal Protection	12,000	12,000	11,306	(694)
Charges for Commonwealth's Attorney	1,400	1,400	2,113	713
Work release and other inmate fees	48,280	48,280	16,352	(31,928)
Charges for sanitation and waste removal	1,446,000	1,446,000	1,368,126	(77,874)
Other charges for services	69,311	74,046	87,288	13,242
Total charges for services	$ 1,668,929	$ 1,673,664	$ 1,970,136	$ 296,472
Miscellaneous revenue:				
Miscellaneous	$ 59,488	$ 67,319	$ 204,922	$ 137,603
Total miscellaneous revenue	$ 59,488	$ 67,319	$ 204,922	$ 137,603
Total revenue from local sources	$ 22,406,488	$ 22,419,054	$ 23,913,722	$ 1,494,668
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	$ -	$ -	$ 9,957	$ 9,957
State recordation tax	29,400	29,400	37,296	7,896
Railroad rolling stock tax	35,066	35,066	35,376	310
Motor vehicle rental tax	2,332	2,332	1,697	(635)
Personal property tax relief funds	1,640,791	1,640,791	1,640,791	-
Total noncategorical aid	$ 1,707,589	$ 1,707,589	$ 1,725,117	$ 17,528

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	$ 252,149	$ 252,149	$ 259,085	$ 6,936
Sheriff	1,991,320	1,991,320	2,031,658	40,338
Commissioner of revenue	125,316	125,316	128,446	3,130
Treasurer	143,853	143,853	103,877	(39,976)
Registrar/electoral board	44,000	44,000	(6,426)	(50,426)
Clerk of the Circuit Court	228,380	228,380	247,647	19,267
Total shared expenses	$ 2,785,018	$ 2,785,018	$ 2,764,287	$ (20,731)
Other categorical aid:				
CJS GTS grant	$ -	$ 376	$ 3,411	$ 3,035
Virginia Juvenile Community Crime Control Act	31,626	31,626	17,042	(14,584)
PSAP grant	80,000	80,000	214,759	134,759
Litter control	12,324	23,851	11,527	(12,324)
Fire programs funds	40,000	40,000	44,271	4,271
Victims witness grant	55,863	55,863	36,677	(19,186)
Two-for-life grant	30,000	30,000	25,004	(4,996)
School resource officer grant	47,272	47,272	17,486	(29,786)
Crime against kids grant	-	96,864	31,807	(65,057)
Other	10,365	13,365	23,739	10,374
Total other categorical aid	$ 307,450	$ 419,217	$ 425,723	$ 6,506
Total categorical aid	$ 3,092,468	$ 3,204,235	$ 3,190,010	$ (14,225)
Total revenue from the Commonwealth	$ 4,800,057	$ 4,911,824	$ 4,915,127	$ 3,303
Revenue from the federal government:				
Payments in lieu of taxes	$ 136,452	$ 136,452	$ 103,788	$ (32,664)
Categorical aid:				
Forfeited assets	$ -	$ -	$ 4,572	$ 4,572
Byrne grant	80,097	82,658	78,174	(4,484)
DMV ground transportation safety grant	23,781	23,781	17,938	(5,843)
Bullet proof vest grant	-	-	1,629	1,629
Homeland Security	6,000	36,634	73,497	36,863
V-Stop grant	62,600	62,600	23,977	(38,623)
USDA equipment grant	-	29,370	29,370	-
Great grant	-	35,000	2,238	(32,762)
Crime records expansion grant	-	64,260	-	(64,260)
Drug taskforce grant	6,244	6,244	-	(6,244)
Appalachian regional development grant	-	-	137,000	137,000
DEQ royalties	-	-	253	253
Total categorical aid	$ 178,722	$ 340,547	$ 368,648	$ 28,101
Total revenue from the federal government	$ 315,174	$ 476,999	$ 472,436	$ (4,563)
Total General Fund	$ 27,521,719	$ 27,807,877	$ 29,301,285	$ 1,493,408
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	$ 25,994	$ 25,994	$ 22,822	$ (3,172)
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	$ 738,500	$ 738,500	$ 648,385	$ (90,115)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	$ 1,255,273	$ 1,255,273	$ 1,102,100	$ (153,173)
Total Virginia Public Assistance Fund	$ 2,019,767	$ 2,019,767	$ 1,773,307	$ (246,460)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Comprehensive Services Act Fund:				
Revenue from local sources:				
Charges for services:				
Comprehensive services	$ 2,000	$ 2,000	$ 12,201	$ 10,201
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act program	$ 1,748,700	$ 1,748,700	$ 641,315	$ (1,107,385)
Child support public assistance funds	-	-	874	874
Total categorical aid	$ 1,748,700	$ 1,748,700	$ 642,189	$ (1,106,511)
Total revenue from the Commonwealth	$ 1,748,700	$ 1,748,700	$ 642,189	$ (1,106,511)
Total Comprehensive Services Act Fund	$ 1,750,700	$ 1,750,700	$ 654,390	$ (1,096,310)
Parks and Recreation Fund				
Revenue from local sources:				
Parks and recreation fees	$ 30,000	$ 35,000	$ 45,768	$ 10,768
County Capital Projects Fund				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	$ -	$ -	$ 8,076	$ 8,076
Total County Capital Projects Fund	$ -	$ -	$ 8,076	$ 8,076
Total Primary Government	$ 31,322,186	$ 31,613,344	$ 31,782,826	$ 169,482
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Charges for services:				
Charges for education	$ 1,458,844	$ 1,458,844	$ 1,440,184	$ (18,660)
Total revenue from local sources	$ 1,458,844	$ 1,458,844	$ 1,440,184	$ (18,660)
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Page, Virginia	$ 9,032,357	$ 9,032,357	$ 9,028,393	$ (3,964)
Total revenues from local governments	$ 9,032,357	$ 9,032,357	$ 9,028,393	$ (3,964)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	$ 2,780,011	$ 2,780,011	$ 2,893,655	$ 113,644
Basic school aid	10,425,579	10,425,579	10,058,359	(367,220)
GED funding	15,717	15,717	20,023	4,306
Remedial summer education	120,239	120,239	91,819	(28,420)
Gifted and talented	105,712	105,712	107,055	1,343
Remedial education	284,247	284,247	287,859	3,612
Special education	1,017,180	1,017,180	1,030,107	12,927
Textbook payments	123,424	123,424	124,993	1,569
Vocational standards of quality payments	300,691	300,691	304,512	3,821
Social security	594,334	594,334	602,293	7,959
Retirement fringe benefits	352,372	352,372	365,198	12,826
Vocational occupational technical education	42,487	42,487	39,976	(2,511)
Early reading intervention	58,013	58,013	53,869	(4,144)
Group life instructional	21,142	21,142	21,425	283
Adult literacy	2,880	2,880	-	(2,880)
Homebound education	7,535	7,535	17,112	9,577
Regional program tuition	580,005	580,005	620,762	40,757
At risk payments	343,678	343,678	286,997	(56,681)
Primary class size	396,222	396,222	399,044	2,822
Technology	284,000	284,000	258,000	(26,000)
Standards of Learning algebra readiness	38,222	38,222	38,222	-
At risk four-year olds	283,477	283,477	343,678	60,201
English as a second language	21,349	21,349	16,196	(5,153)
Other state funds	21,313	21,313	74,758	53,445
Total categorical aid	$ 18,219,829	$ 18,219,829	$ 18,055,912	$ (163,917)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011 (Continued)

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 federal government:				
Categorical aid:				
Federal land use	$ 55,000	$ 55,000	$ 47,848	$ (7,152)
Adult literacy	65,000	65,000	54,955	(10,045)
Title I	675,227	675,227	840,650	165,423
Title VI-B, special education flow-through	967,143	1,146,876	965,564	(181,312)
Vocational education	64,789	64,789	73,680	8,891
Title VI-B, special education pre-school	45,120	45,120	28,128	(16,992)
Drug free schools	7,289	7,289	6,688	(601)
Title II Part A	138,149	138,149	211,802	73,653
Fiscal stabilization funds	-	-	444,279	444,279
Education technology	-	-	8,149	8,149
Education job fund	-	827,353	827,353	
Learn and serve grant	21,000	21,000	35,698	14,698
Alcohol abuse	230,000	230,000	259,439	29,439
Total categorical aid	$ 2,268,717	$ 3,275,803	$ 3,804,233	$ 528,430
Total revenue from the federal government	$ 2,268,717	$ 3,275,803	$ 3,804,233	$ 528,430
Total School Operating Fund	$ 30,979,747	$ 31,986,833	$ 32,328,722	$ 341,889
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	$ -	$ -	$ 132	$ 132
Charges for services:				
Cafeteria sales	$ 803,181	$ 803,181	$ 723,298	$ (79,883)
Total revenue from local sources	$ 803,181	$ 803,181	$ 723,430	$ (79,751)
Categorical aid:				
School food program grant	$ 32,139	$ 32,139	$ 31,739	$ (400)
Total revenue from the Commonwealth	$ 32,139	$ 32,139	$ 31,739	$ (400)
Revenue from the federal government:				
Categorical aid:				
School food program grant	$ 850,000	$ 850,000	$ 1,073,727	$ 223,727
Total School Cafeteria Fund	$ 1,685,320	$ 1,685,320	$ 1,828,896	$ 143,576
Total Discretely Presented Component Unit - School Board	$ 32,665,067	$ 33,672,153	$ 34,157,618	$ 485,465

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

Fund, Function, Actvity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	$ 134,553	$ 134,553	$ 91,556	$ 42,997
General and financial administration:				
County administrator	$ 542,772	$ 542,772	$ 449,572	$ 93,200
Accounting	208,623	208,623	195,062	13,561
Legal services	119,600	119,600	99,782	19,818
Commissioner of revenue	462,158	462,158	434,537	27,621
Reassessment	300,000	300,000	452,029	(152,029)
Geographic information systems	134,033	134,033	98,091	35,942
Treasurer	414,290	414,290	399,426	14,864
Data processing	394,246	394,246	450,969	(56,723)
Total general and financial administration	$ 2,575,722	$ 2,575,722	$ 2,579,468	$ (3,746)
Board of elections:				
Electoral board and officials	$ 49,980	$ 49,980	$ 29,902	$ 20,078
Registrar	88,226	88,226	87,861	365
Total board of elections	$ 138,206	$ 138,206	$ 117,763	$ 20,443
Total general government administration	$ 2,848,481	$ 2,848,481	$ 2,788,787	$ 59,694
Judicial administration:				
Courts:				
Circuit court	$ 9,750	$ 9,750	$ 28,052	$ (18,302)
General district court	12,490	12,490	11,212	1,278
Special magistrates	4,700	4,700	2,513	2,187
Juvenile and domestic relations court	12,420	12,420	11,126	1,294
Sheriff	199,796	199,796	194,297	5,499
Victim witness program	57,163	55,863	55,271	592
Clerk of the circuit court	377,585	377,585	378,861	(1,276)
Total courts	$ 673,904	$ 672,604	$ 681,332	$ (8,728)
Commonwealth's attorney:				
Commonwealth's attorney	$ 414,313	$ 414,689	$ 420,000	$ (5,311)
Total judicial administration	$ 1,088,217	$ 1,087,293	$ 1,101,332	$ (14,039)
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 2,909,708	$ 3,200,108	$ 2,903,498	$ 296,610
Virginia Juvenile Community Crime Control Act	42,031	31,626	25,942	5,684
Total law enforcement and traffic control	$ 2,951,739	$ 3,231,734	$ 2,929,440	$ 302,294
Fire and rescue services:				
Volunteer fire departments and rescue squads	$ 360,000	$ 360,000	$ 592,808	$ (232,808)
Fire and rescue services	405,547	438,887	527,288	(88,401)
Total fire and rescue services	$ 765,547	$ 798,887	$ 1,120,096	$ (321,209)
Correction and detention:				
Jail	$ 1,543,231	$ 1,549,731	$ 1,549,543	$ 188
Juvenile detention	261,459	261,459	259,787	1,672
Total correction and detention	$ 1,804,690	$ 1,811,190	$ 1,809,330	$ 1,860

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year ended June 30, 2011 (Continued)

Fund, Function, Actvity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	$ 206,529	$ 206,529	$ 193,193	$ 13,336
Zoning	111,891	114,891	120,034	(5,143)
Total inspections	$ 318,420	$ 321,420	$ 313,227	$ 8,193
Other protection:				
Animal control	$ 316,242	$ 345,612	$ 349,748	$ (4,136)
Medical examiner	500	500	100	400
Emergency medical services	-	-	2,451	(2,451)
Concern hotline	2,000	2,000	2,000	-
Emergency services	8,423	8,423	8,423	-
Total other protection	$ 327,165	$ 356,535	$ 362,722	$ (6,187)
Total public safety	$ 6,167,561	$ 6,519,766	$ 6,534,815	$ (15,049)
Public works:				
Sanitation and waste removal:				
Compactor sites	$ 92,513	$ 92,513	$ 88,153	$ 4,360
Landfill	1,777,745	1,789,272	1,632,099	157,173
Total sanitation and waste removal	$ 1,870,258	$ 1,881,785	$ 1,720,252	$ 161,533
Maintenance of general buildings and grounds:				
General properties	$ 383,380	$ 383,380	$ 379,089	$ 4,291
Total public works	$ 2,253,638	$ 2,265,165	$ 2,099,341	$ 165,824
Health and welfare:				
Health:				
Supplement of local health department	$ 247,145	$ 247,145	$ 226,694	$ 20,451
Total health	$ 247,145	$ 247,145	$ 226,694	$ 20,451
Mental health and mental retardation:				
Community services board	$ 71,100	$ 71,100	$ 71,100	$ -
Choices	5,000	5,000	5,000	-
Total mental health and mental retardation	$ 76,100	$ 76,100	$ 76,100	$ -
Welfare:				
Welfare administration	$ 19,867	$ 19,867	$ 16,615	$ 3,252
Shenandoah Area Agency on Aging	45,000	45,000	45,000	-
Shen-Paco industries	2,250	2,250	2,250	-
Tax relief for the elderly	-	-	212,656	(212,656)
Total welfare	$ 67,117	$ 67,117	$ 276,521	$ (209,404)
Total health and welfare	$ 390,362	$ 390,362	$ 579,315	$ (188,953)

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year ended June 30, 2011 (Continued)

Fund, Function, Actvity 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	$ 7,843	$ 7,843	$ 7,483	$ 360
Contribution to County School Board	9,032,357	9,032,357	8,695,248	337,109
Total education	$ 9,040,200	$ 9,040,200	$ 8,702,731	$ 337,469
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	$ 66,480	$ 66,480	$ 57,935	$ 8,545
Town recreation programs	6,000	6,000	6,000	-
Total parks and recreation	$ 72,480	$ 72,480	$ 63,935	$ 8,545
Library:				
Regional library	$ 138,600	$ 138,600	$ 138,600	$ -
Total parks, recreation, and cultural	$ 211,080	$ 211,080	$ 202,535	$ 8,545
Community development:				
Planning and community development:				
Planning	$ 31,580	$ 31,580	$ 8,799	$ 22,781
Northern Shenandoah Planning Commission	19,675	19,675	11,230	8,445
Zoning	4,000	4,000	861	3,139
Economic development	162,000	167,000	207,687	(40,687)
Airport Commission	10,000	10,000	6,515	3,485
Chamber of Commerce	195,000	195,000	209,786	(14,786)
Total planning and community development	$ 422,255	$ 427,255	$ 444,878	$ (17,623)
Environmental management:				
Other environmental management	$ -	$ 3,800	$ 2,080	$ 1,720
Total environmental management	$ -	$ 3,800	$ 2,080	$ 1,720
Cooperative extension program:				
Administration	$ 81,200	$ 81,200	$ 67,953	$ 13,247
Total cooperative extension program	$ 81,200	$ 81,200	$ 67,953	$ 13,247
Total community development	$ 503,455	$ 512,255	$ 514,911	$ (2,656)
Nondepartmental:				
Miscellaneous	$ 305,000	$ 300,935	$ 189,029	$ 111,906
Debt service:				
Principal retirement	$ 1,947,591	$ 1,947,591	$ 1,947,591	$ -
Interest and other fiscal charges	3,119,354	3,119,354	3,124,948	(5,594)
Total debt service	$ 5,066,945	$ 5,066,945	$ 5,072,539	$ (5,594)
Total General Fund	$ 27,874,939	$ 28,242,482	$ 27,785,335	$ 457,147

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year ended June 30, 2011 (Continued)

Fund, Function, Actvity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	$ 2,463,392	$ 2,463,392	$ 2,168,611	$ 294,781
Total Virginia Public Assistance Fund	$ 2,463,392	$ 2,463,392	$ 2,168,611	$ 294,781
Comprehensive Services Act Fund:				
Health and welfare:				
Welfare and social services:				
Comprehensive services	$ 2,416,741	$ 2,416,741	$ 1,031,653	$ 1,385,088
Total Comprehensive Services Act Fund	$ 2,416,741	$ 2,416,741	$ 1,031,653	$ 1,385,088
Parks and Recreation Fund:				
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	$ 30,000	$ 35,000	$ 34,759	$ 241
Total Parks and Recreation fund	$ 30,000	$ 35,000	$ 34,759	$ 241
Capital Projects Fund:				
County Capital Improvements Fund:				
Education:				
Other instructional costs:				
Contribution to County School Board	$ 498,145	$ 498,145	$ 333,145	$ 165,000
Total education	$ 498,145	$ 498,145	$ 333,145	$ 165,000
Capital projects expenditures:				
School construction	$ 982,960	$ 982,960	$ 17,171	$ 965,789
Total capital projects	$ 982,960	$ 982,960	$ 17,171	$ 965,789
Total Capital Projects Fund	$ 1,481,105	$ 1,481,105	$ 350,316	$ 1,130,789
Total Primary Government	$ 34,266,177	$ 34,638,720	$ 31,370,674	$ 3,268,046

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year ended June 30, 2011 (Continued)

Fund, Function, Actvity 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	$ 23,503,616	$ 24,227,774	$ 24,076,467	$ 151,307
Administration, attendance and health services	1,513,627	1,556,406	1,511,500	44,906
Pupil transportation	1,875,080	2,060,249	2,083,136	(22,887)
Operation and maintenance	3,388,530	3,424,656	3,556,744	(132,088)
Facilities	-	144,975	129,674	15,301
Technology	937,039	955,893	971,201	(15,308)
Total education	$ 31,217,892	$ 32,369,953	$ 32,328,722	$ 41,231
Total School Fund	$ 31,217,892	$ 32,369,953	$ 32,328,722	$ 41,231
Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	$ 1,685,320	$ 1,685,320	$ 1,603,709	$ 81,611
Total Cafeteria Fund	$ 1,685,320	$ 1,685,320	$ 1,603,709	$ 81,611
Total Discretely Presented Component Unit - School Board	$ 32,903,212	$ 34,055,273	$ 33,932,431	$ 122,842

STATISTICAL INFORMATION

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education
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
2008	2,594,416	1,127,851	6,465,844	2,632,231	5,124,721	43,792,754
2009	2,958,084	1,084,091	6,721,986	3,485,849	4,864,647	47,448,393
2010	2,581,708	1,088,426	7,054,231	1,864,433	4,450,952	54,783,120
2011	3,036,414	1,119,582	6,755,169	3,393,399	3,804,608	46,251,934

Includes the primary government and component unit school board.

(1) Information has only been available for 9 years.

Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
$ 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
361,870	1,167,563	2,741,544	66,008,794
372,810	2,394,702	3,000,078	72,330,640
280,664	1,009,738	3,130,944	76,244,216
237,294	491,427	3,038,008	68,127,835

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
2008	3,357,231	33,534,523	151,763	17,042,154	3,323,138
2009	4,350,698	31,739,721	148,953	17,161,221	3,294,671
2010	4,807,491	29,524,205	275,594	17,648,296	3,139,321
2011	4,474,002	28,916,943	-	18,577,570	3,148,384

Includes the primary government and component unit school board.

(1) Information has only been available for 9 years.

GENERAL REVENUES					
Permits, Privilege Fees, Regulatory Licenses	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Extraordinary item	Total
$ 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
-	2,214,945	192,889	10,976,833	-	70,793,476
-	610,312	291,172	13,314,721	-	70,911,469
-	69,257	191,687	18,088,385	-	73,744,236
-	61,542	204,922	13,066,031	-	68,449,394

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)
2011	$ 2,788,787	$ 1,101,332	$ 6,534,815	$ 2,099,341	$ 3,779,579	$ 33,957,085
2010	2,320,872	1,064,870	6,809,527	2,325,513	4,424,999	36,483,139
2009	2,749,489	1,074,252	6,628,711	3,121,167	4,863,039	35,985,627
2008	2,261,845	1,117,154	6,448,574	2,225,291	5,121,971	34,049,948
2007	2,351,468	1,029,276	6,447,115	1,974,751	4,980,512	32,937,411
2006	2,154,250	918,482	5,561,815	2,175,521	4,793,577	30,265,796
2005	2,045,242	552,205	5,101,149	2,618,203	4,301,745	27,068,031
2004	1,748,387	534,265	4,064,554	1,444,263	3,397,920	26,294,403
2003	1,661,630	506,893	3,984,258	1,041,738	3,528,163	23,855,414
2002	2,036,139	492,982	3,502,258	2,324,754	3,177,785	23,035,269

(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.

Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	Total
$ 237,294	$ 514,911	$ 189,029	$ 5,072,539	$ 56,274,712
282,782	1,004,646	218,375	5,101,331	60,036,054
370,641	2,391,289	175,749	5,018,670	62,378,634
359,460	1,168,975	121,073	4,143,954	57,018,245
354,933	833,154	159,074	1,446,480	52,514,174
302,498	1,031,354	193,941	11,115,864	58,513,098
261,496	657,747	177,861	876,320	43,659,999
238,320	1,042,445	-	904,860	39,669,417
281,615	685,457	69,938	936,668	36,551,774
206,773	400,689	93,068	1,652,243	36,921,960

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
2011	$ 18,277,353	$ 3,148,384	$ 181,311	$ 78,282	$ 61,542	$ 4,214,409
2010	17,076,620	3,139,321	200,275	89,120	69,257	4,518,096
2009	16,636,631	3,294,671	240,406	112,288	172,526	3,998,004
2008	16,761,743	3,323,138	312,018	86,630	455,588	2,958,583
2007	14,484,551	3,349,730	409,010	54,251	571,946	2,837,064
2006	12,987,869	3,326,249	263,136	20,355	245,063	2,624,771
2005	11,281,113	2,949,991	246,273	17,087	214,488	1,682,675
2004	11,484,813	2,740,223	159,776	10,629	57,614	1,849,229
2003	10,968,864	2,580,809	152,574	20,352	89,060	1,669,335
2002	10,156,868	2,579,003	153,460	1,279	166,458	2,908,085

(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.

Miscellaneous	Inter-governmental (2)	Total
$ 204,922	$ 30,745,848	$ 56,912,051
191,687	31,646,717	56,931,093
291,172	33,828,946	58,574,644
192,889	32,871,171	56,961,760
113,272	32,194,834	54,014,658
266,986	29,871,104	49,605,533
493,262	27,560,147	44,445,036
126,951	25,111,708	41,540,943
16,599	24,253,079	39,750,672
157,089	23,141,731	39,263,973

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
2011	$ 19,403,213	$ 16,802,434	87%	$ 1,000,026	$ 17,802,460	92%	$ 2,809,901	14%
2010	18,389,681	17,476,832	95%	792,416	18,269,248	99%	2,578,334	14%
2009	18,041,342	16,605,832	92%	1,306,984	17,912,816	99%	2,290,478	13%
2008	17,742,263	16,109,021	91%	1,892,258	18,001,279	99%	2,308,858	13%
2007	15,621,561	14,668,962	94%	1,180,871	15,849,833	98%	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	98%	1,286,692	10%
2004	12,540,769	11,334,556	90%	1,488,329	12,822,885	98%	1,766,421	14%
2003	11,821,035	10,777,131	91%	1,435,572	12,212,703	98%	1,431,942	12%
2002	11,131,184	10,152,721	91%	1,251,836	11,404,557	98%	1,271,732	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	
2011	$ 2,134,124,400	$ 168,781,100	$ 24,648,928	$ 75,016,471	$ 16,025	$ 2,402,586,924
2010	2,280,983,900	181,124,448	24,955,483	72,698,741	16,025	2,559,778,597
2009	2,264,983,200	174,593,871	24,618,443	67,861,578	23,725	2,532,080,817
2008	2,242,856,500	188,690,673	22,227,076	59,930,248	29,710	2,513,734,207
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

(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
2011	$ 0.48/0.64	$ 4.64	$ 2.00	$ 0.30
2010	0.48	4.64	2.00	0.30
2009	0.48	4.64/3.90	2.00	0.30
2008	0.48	3.90	2.00	0.30
2007	0.67/0.48	3.00/3.90	2.00	0.60/.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

(1) Per $100 of assessed value.

(2) The rates shown are for the second half/first half of 2002/2003;2006/2007, 2010/2011. 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
2011	$ 24,042	$ 2,402,586,924	$ 66,382,718	2.76%	$ 2,761.11
2010	24,164	2,559,778,597	68,254,645	2.67%	2,824.64
2009	24,164	2,532,080,817	69,800,007	2.76%	2,888.59
2008	23,177	2,513,734,207	70,872,719	2.82%	3,057.89
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

(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 (2)	Total General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures
2011	$ 1,947,591	$ 3,124,948	$ 5,072,539	$ 56,274,712	$ 9.01%
2010	1,901,841	3,199,490	5,101,331	60,036,054	8.50%
2009	1,597,801	2,486,408	4,084,209	62,378,634	6.55%
2008	888,384	2,473,509	3,361,893	57,018,245	5.90%
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%

(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 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, 2011, which collectively comprise the County of Page, Virginia's basic financial statements and have issued our report thereon dated January 6, 2012. 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 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements of the County of Page, Virginia will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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*.

We noted certain matters that we reported to management of the County of Page, Virginia in a separate letter dated January 6, 2012.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, 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
January 6, 2012

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

THE BOARD OF SUPERVISORS
COUNTY OF PAGE, VIRGINIA

Compliance

We have audited County of Page, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each the County of Page, Virginia's major federal programs for the year ended June 30, 2011. 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, County of Page, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of 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 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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Page, Virginia's internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 management, Board of Supervisors, other within the entity, 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
January 6, 2012

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit School Board
Year Ended June 30, 2011

Federal Grantor/ State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
PRIMARY GOVERNMENT:			
Department of Agriculture:			
Community Facilities Loans and Grants	10.766	n/a	$ 29,370
Pass Through Payments:			
Department of Social Services:			
State Administrative Matching Grants For the Supplemental Nutrition Assistance Program	10.561	0010110	$ 237,485
ARRA-State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010110	11,753
			$ 249,238
Total Department of Agriculture			$ 278,608
Department of Natural Resources and Conservation:			
Pass Through Payments:			
Department of Environmental Quality:			
DEQ rent royalties	66.000	n/a	$ 253
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Foster Care - Title IV-E	93.658	1100111	$ 88,338
ARRA-Foster Care - Title IV-E	93.658	1100111	2,556
Total Foster Care			$ 90,894
Adoption Assistance	93.659	1120111	$ 65,462
ARRA-Adoption Assistance	93.659	1120111	4,677
Total Adoption Assistance			$ 70,139
Temporary Assistance for Needy Families	93.558	0400111	$ 215,368
Refugee & Entrant Assistance - State Administered Programs	93.566	0500111	440
Low-Income Home Energy Assistance	93.568	0600411	13,221
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900110	781
Social Services Block Grant	93.667	1000111	131,850
Chafee Foster Care Independence Program	93.674	9150110	4,776
Promoting Safe and Stable Families	93.556	0950110	15,310
Medical Assistance Program (Title XIX)	93.778	1200111	134,696
Children's Health Insurance Program	93.767	0540111	6,836
CHAFEE Education and Training Vouchers Program	93.599	9160110	3,521
Child Care and Development Fund Cluster			
Child Care and Development Block Grant	93.575	0770110	93,372
ARRA-Child Care and Development Block Grant	93.713	0770110	10,068
Child Care - Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760111	61,590
Total Department of Health and Human Services			$ 852,862
Department of the Interior:			
Direct Payments:			
Bureau of Land Management:			
Payment in Lieu of Taxes	15.226	n/a	$ 103,788
Department of Housing and Community Development			
Pass Through Payments:			
Appalachian Regional Commission:			
Appalachian Regional Development	23.001	n/a	$ 137,000

Schedule of Expenditures of Federal Awards (Continued)
Primary Government and Discretely Presented Component Unit School Board
Year Ended June 30, 2011

Federal Grantor/ State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Services:			
Bullet proof vest partnership program	16.607	n/a	$ 1,629
Edward Bryne Memorial justice assistance grant	16.738	39001-41000 39001-51000 39001-61000	75,199
ARRA-Edward Bryne Memorial justice assistance grant	16.803	2009-SU-B9-0033	2,975
Asset seizure proceeds	16.000	n/a	4,572
ARRA-Violence against women formula grants	16.588	n/a	23,977
Gang resistance education and training	16.737	n/a	2,238
Total Department of Justice			$ 110,590
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Services:			
State homeland security program	97.073	n/a	$ 73,497
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
State and community highway safety program	20.600	60507-50212 60507-50292 60507-59101 60507-50102	$ 17,938
Total Expenditures of Federal Awards - Primary Government			$ 1,574,536
COMPONENT UNIT SCHOOL BOARD:			
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster			
Department of Education:			
School breakfast program	10.553	17901-40591	$ 211,701
Department of Education:			
National school lunch program	10.555	17901-40623	$ 749,589
Department of Agriculture:			
Food distribution-school lunch	10.555	17901-40623	112,437
Total School Lunch Program			$ 862,026
Schools and Roads Grants to States	10.665	n/a	47,848
Total Department of Agriculture			$ 1,121,575
Department of Education:			
Pass Through Payments:			
Department of Education:			
Adult Education Basic Grants to States	84.002	17901-42801 17901-61380	$ 54,955
Title I, Part A Cluster			
Title I grants to local education agencies	84.010	17901-42901	716,484
ARRA-Title I grants to local education agencies	84.389	17901-42913	124,166
Education Technology Cluster			
Education technology state grants	84.318	17901-61600	8,149
Education technology state grants-recovery act	84.386	17901-60897	9,106

Schedule of Expenditures of Federal Awards (Continued)
Primary Government and Discretely Presented Component Unit School Board
Year Ended June 30, 2011

Federal Grantor/ State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Education (Continued):			
Special Education (IDEA) Cluster			
Special education - grants to states	84.027	17901-43071	644,319
Special education-preschool grant	84.173	17901-62521	20,699
ARRA-Special education - grants to states	84.391	17901-61245	321,244
ARRA-Special education-preschool grant	84.392	17901-61247	7,429
Career and Technical Education:			
Basic grants to states	84.048	17901-61095	73,680
Grants to reduce alcohol abuse	84.184a	Q184A080185	259,439
Safe and Drug free schools and communities - National Programs	84.184	Q184L090484	6,688
Improving Teacher Quality State Grants	84.637a	n/a	202,696
ARRA-Education Jobs Fund	84.410	n/a	827,353
ARRA-State fiscal stabilization fund-education state grants	84.394	n/a	444,279
Total Department of Education			$ 3,720,686
Corporation for National and Community Services:			
Pass Through Payments:			
Department of Education:			
Learn and Serve America-School and Community Based Programs	94.004	n/a	$ 35,699
Total Expenditures of Federal Awards - Component Unit School Board			$ 4,877,960
Total Expenditures of Federal Awards - Reporting Entity			$ 6,452,496

NOTE 1-BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Page, Virginia under programs of the federal government for the year ended June 30, 2011. 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.* Because the Schedule presents only a selected portion of the operations of the County of Page, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Page, Virginia.

NOTE 2-SUMMARY OF SIGFNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

NOTE 3-FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2011, the County had food commodities totaling $73,565 in inventory.

NOTE 4-RELATIONSHIP TO FINANCIAL STATEMENTS

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund	$ 472,436
Special Revenue Fund:	
Virginia Public Assistance Fund	1,102,100
Total primary government	$ 1,574,536
Discretely presented component unit - School Board:	
School operating fund	$ 3,804,233
School cafeteria fund	1,073,727
Total discretely presented component unit - School Board	$ 4,877,960
Total federal expenditures per the Schedule of Expenditures of Federal awards	$ 6,452,496

COUNTY OF PAGE, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section I-Summary of Auditors' Results

Financial Statements:	
Type of auditors' report issued	unqualified
Internal control over financial reporting:	
- Material weakness(es) identified?	___ yes _x_ no
- Significant deficiency(ies) identified?	___ yes _x_ no
Noncompliance material to financial statements noted?	___ yes _x_ no
Federal Awards:	
Internal control over major programs:	
- Material weakness(es) identified?	___ yes _x_ no
- Significant deficiency(ies) identified?	___ yes _x_ none reported
Type of auditors' report issued on compliance for major programs:	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:

CFDA Numbers	*Name of Federal Program or Cluster*
84.394	ARRA-State Fiscal Stabilization Fund-Education State Grants
84.410	ARRA-Education Jobs Fund
Title I Part A Cluster:	
84.010	Title I Grants to Local Education Agencies
84.389	ARRA-Title I Grants to Local Education Agencies
Special Education Cluster (IDEA):	
84.027	Special Education-Grants to States
84.173	Special Education-Preschool Grants
84.391	ARRA-Special Education-Grants to States
84.392	ARRA-Special Education-Preschool Grants

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

Section IV-Summary Schedule of Prior Findings

There were no prior year findings.