

COUNTY OF PAGE, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009



COUNTY OF PAGE, VIRGINIA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2009

**COUNTY OF PAGE, VIRGINIA
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2009**

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COUNTY OF PAGE, VIRGINIA

BOARD OF SUPERVISORS

Tommy R. LaFrance, Chairman
Carol L. Fisher-Strickler, Vice-Chairman

J.D. Cave
Larry Sours

Charles M. Hoke
Gerald M. Cabbage

Mark Belton, County Administrator

OFFICIALS

Judge of the Circuit Court James V. Lane
Judge of the General District Court..... W. Dale Houff
Judge of the Juvenile & Domestic Relations District Court..... William W. Sharp
Clerk of the Circuit Court..... Ron Wilson
Commonwealth's Attorney John T. Hennessy
Commissioner of the Revenue Charles L. Campbell
Treasurer C. R. Suddith, Jr.
Sheriff 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

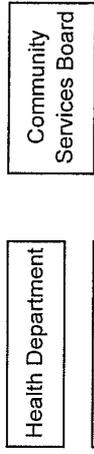
Louise Kyger, Chairman

Gerald M. Cabbage
Penny Good

Fred Fielding
Jeanette Painter

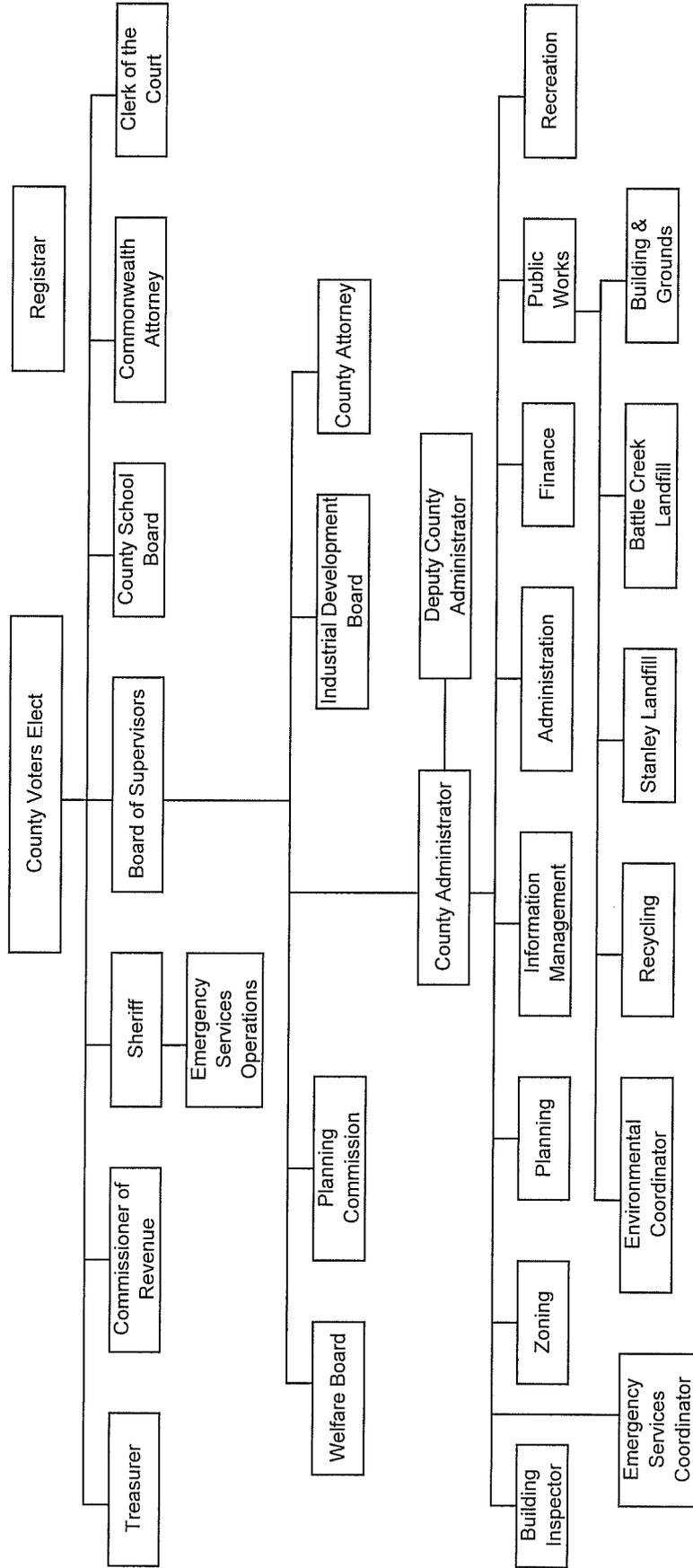
Dawn Ponn

State Regional Agencies



**County of Page
Organization Chart**

Fiscal Year 2009



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the 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, 2009, 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2010 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 important for assessing the results of our audit.

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

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

Robinson, Farmer, Cox Associates

Verona, Virginia
January 15, 2010

Management's Discussion and Analysis

The following is a narrative overview and analysis of the financial activities of the County of Page, Virginia for the fiscal year ended June 30, 2009.

Financial Highlights

The assets of the County of Page, Virginia exceeded its liabilities at the close of the most recent fiscal year by \$3,403,391. Of this amount, \$(236,931) is unrestricted. The School Board's net assets were \$13,265,951 of which \$673,230 is unrestricted.

At the end of the fiscal year, unreserved fund balance for the general fund was \$5,365,417.

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,198,470 a decrease of \$26,968,928 in comparison to the prior year. \$5,616,090 is available for spending at the government's discretion (unreserved fund balance).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These statements are comprised of three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Local governmental accounting and financial reporting originally focused on funds that were designed to enhance and demonstrate fiscal accountability, now to be accompanied by government-wide financial statements, the objective of operational accountability will also be met. These objectives will provide financial 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, two component units; the Page County School Board and the Page County EDA. 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. The activity of the Health Insurance has been allocated to the Component Unit School Board on Exhibits 19-21.

Fiduciary Funds

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

Notes to the Financial Statements

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

Government-wide Financial Analysis

As previously noted, net assets may serve as a useful indicator of a government's financial position. The County of Page's assets exceeded its liabilities by \$3,403,391 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	
	2009	2008
Current and other assets	\$ 24,948,362	\$ 51,330,522
Capital assets	61,540,700	39,705,242
Total assets	<u>\$ 86,489,062</u>	<u>\$ 91,035,764</u>
Long-term liabilities	\$ 70,790,039	\$ 74,473,746
Other liabilities	12,295,632	9,584,491
Total liabilities	<u>\$ 83,085,671</u>	<u>\$ 84,058,237</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 3,491,786	\$ 3,762,389
Restricted	148,536	148,536
Unrestricted	(236,931)	3,066,602
Total net assets	<u>\$ 3,403,391</u>	<u>\$ 6,977,527</u>

The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets represent resources that are subject to external restrictions on how they may be used. All \$148,536 of these net assets are reserved for debt service and bond covenants.

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

Governmental Activities

Governmental activities have decreased the County's net assets by \$(3,574,136) due in large part to the down payment on Project Clover and increased contribution to the public school system as well as a large decrease in the receipt of grant funding. Key elements of this decrease are as follows:

COUNTY OF PAGE'S CHANGES IN NET ASSETS
For the Year Ended June 30, 2009

	Governmental Activities	
	2009	2008
Revenues:		
Program revenues:		
Charges for services	\$ 2,270,050	\$ 1,315,729
Operating grants & contributions	7,122,842	9,810,934
General revenues:		
General property taxes	17,161,221	17,042,154
Other local taxes	3,294,671	3,323,138
Use of money & property	609,855	2,214,449
Miscellaneous	291,172	192,889
Grants and cont. not restricted	1,940,272	1,840,840
Total revenues	\$ 32,690,083	\$ 35,740,133
Expenses:		
General government	\$ 2,958,084	\$ 2,594,416
Judicial administration	1,084,091	1,127,851
Public safety	6,721,986	6,465,844
Health and welfare	4,864,647	5,124,721
Education	11,381,972	9,152,036
Parks, recreation and cultural	372,810	361,870
Community development	2,394,702	1,167,563
Public works	3,485,849	2,632,231
Interest on long-term debt	3,000,078	2,741,544
Total expenses	\$ 36,264,219	\$ 31,368,076
Changes in net assets	\$ (3,574,136)	\$ 4,372,057
Net assets, July 1, 2008	6,977,527	2,605,470
Net assets, June 30, 2009	\$ 3,403,391	\$ 6,977,527

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. Unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the year end, the County's governmental funds reported combined ending fund balances of \$14,198,470, a decrease of \$26,968,928 over the prior year. \$148,536 is reserved to indicate that it is not available for new spending because it has already been committed to bond conveyance for the USDA loan for improvements to Battlecreek Landfill.

The general fund is the chief operating fund of the County. As of June 30, 2009, the unreserved fund balance was \$5,365,417.

General Fund Budgetary Highlights

Differences between the original expenditure budgeted appropriations and the final amended budgeted appropriations totaled \$2,358,384. The appropriation of reserve funds to make a down payment on land for Project Clover and to help fund hangar construction at the Luray-Page Airport accounted for the large increase in the original budgeted expenditures.

Capital Asset and Debt Administration

Capital Assets

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

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

	Governmental Activities	
	2009	2008
Land	\$ 1,970,464	\$ 2,149,464
Buildings and system	863,000	3,193,349
Machinery and equip	1,140,904	1,260,641
Construction in progress	57,566,332	33,101,788
Totals	\$ 61,540,700	\$ 39,705,242

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, 2009**

	Governmental Activities	
	2009	2008
General Obligation Bonds	\$ 68,981,457	\$ 70,025,394
Revenue notes	560,600	620,667
Landfill closure/post closure	2,599,586	2,537,004
Capital leases	67,668	-
Premiums on bond issuance	818,550	847,325
Compensated absences	350,495	347,958
Note payable	-	95,398
Totals	\$ 73,378,356	\$ 74,473,746

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

Economic Factors and Next Year's Budgets

The December unemployment rate for the County is 9.8 percent, which is greater than the rate a year ago. This is high in comparison with the state's average of 6.6 percent and similar to the national average of 10.2 percent. These factors will be considered when preparing the County's budget for the 2010 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets
June 30, 2009

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Component Unit</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>School Board</u>	<u>Economic Development Authority</u>	<u>Luray-Page Airport Commission</u>
ASSETS				
Cash and cash equivalents	\$ 19,212,010	\$ 1,105,327	\$ 33,682	\$ 146,193
Receivables (net of allowance for uncollectibles):				
Taxes receivable	2,551,779	-	-	-
Accounts receivable	465,431	32,397	93,463	224,429
Bond proceeds receivable	725,210	-	-	-
Due from primary government	-	2,412,359	-	-
Due from other governmental units	1,056,943	718,430	-	-
Due from Page Luray Airport Commission	788,453	-	-	-
Inventories	-	42,683	-	-
Prepaid expenses	-	116,519	-	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	148,536	-	-	-
Capital assets (net of accumulated depreciation):				
Land	1,970,464	885,591	9,351,000	1,226,082
Buildings and improvements	863,000	9,330,427	-	3,929,055
Machinery and equipment	1,140,904	777,483	-	109,890
Construction in progress	57,566,332	1,599,220	-	1,816,079
Total assets	<u>\$ 86,489,062</u>	<u>\$ 17,020,436</u>	<u>\$ 9,478,145</u>	<u>\$ 7,451,728</u>
LIABILITIES				
Accounts payable	\$ 2,834,793	\$ 112,050	\$ -	\$ 229,491
Accrued liabilities	245,698	3,283,534	-	-
Retainage payable	-	-	-	70,070
Net OPEB liability	117,900	200,100	-	-
Customers' deposits	2,641,544	-	-	-
Accrued interest payable	1,016,579	-	-	-
Due to component unit	2,412,359	-	-	-
Unearned revenue	438,442	-	-	-
Long-term liabilities:				
Due within one year	2,588,317	-	53,808	-
Due in more than one year	70,790,039	158,801	6,446,192	-
Total liabilities	<u>\$ 83,085,671</u>	<u>\$ 3,754,485</u>	<u>\$ 6,500,000</u>	<u>\$ 299,561</u>
NET ASSETS				
Invested in capital assets, net of related debt	\$ 3,491,786	\$ 12,592,721	\$ 2,851,000	\$ 7,081,106
Restricted for:				
Debt service and bond covenants	148,536	-	-	-
Unrestricted (deficit)	<u>(236,931)</u>	<u>673,230</u>	<u>127,145</u>	<u>71,061</u>
Total net assets	<u>\$ 3,403,391</u>	<u>\$ 13,265,951</u>	<u>\$ 2,978,145</u>	<u>\$ 7,152,167</u>

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, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 2,958,084	\$ 31,722	\$ 348,436	\$ -
Judicial administration	1,084,091	113,713	632,303	-
Public safety	6,721,986	272,475	3,058,159	-
Public works	3,485,849	1,531,306	-	-
Health and welfare	4,864,647	45,582	3,083,944	-
Education	11,381,972	-	-	-
Parks, recreation, and cultural	372,810	48,929	-	-
Community development	2,394,702	226,323	-	-
Interest on long-term debt	3,000,078	-	-	-
Total governmental activities	<u>\$ 36,264,219</u>	<u>\$ 2,270,050</u>	<u>\$ 7,122,842</u>	<u>\$ -</u>
Total primary government	<u>\$ 36,264,219</u>	<u>\$ 2,270,050</u>	<u>\$ 7,122,842</u>	<u>\$ -</u>
COMPONENT UNITS:				
School Board	\$ 36,066,421	\$ 2,080,648	\$ 24,616,879	\$ 148,953
Economic Development Authority	104,176	32,633	45,000	2,851,000
Luray-Page Airport Commission	139,434	-	-	2,098,538
Total component units	<u>\$ 36,170,597</u>	<u>\$ 2,113,281</u>	<u>\$ 24,661,879</u>	<u>\$ 2,999,953</u>

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.

Exhibit 2

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		Component Unit	Component Unit	Component Unit
Governmental				Luray-Page
Activities	Total	School Board	EDA	Airport Commission
\$ (2,577,926)	\$ (2,577,926)	\$ -	\$ -	-
(338,075)	(338,075)	-	-	-
(3,391,352)	(3,391,352)	-	-	-
(1,954,543)	(1,954,543)	-	-	-
(1,735,121)	(1,735,121)	-	-	-
(11,381,972)	(11,381,972)	-	-	-
(323,881)	(323,881)	-	-	-
(2,168,379)	(2,168,379)	-	-	-
(3,000,078)	(3,000,078)	-	-	-
<u>\$ (26,871,327)</u>	<u>\$ (26,871,327)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (26,871,327)</u>	<u>\$ (26,871,327)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	(9,219,941)	\$ -	-
-	-	-	2,824,457	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,219,941)</u>	<u>\$ 2,824,457</u>	<u>\$ 1,959,104</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,219,941)</u>	<u>\$ 2,824,457</u>	<u>\$ 1,959,104</u>
\$ 17,161,221	\$ 17,161,221	\$ -	\$ -	-
1,378,934	1,378,934	-	-	-
294,586	294,586	-	-	-
422,650	422,650	-	-	-
256,840	256,840	-	-	-
167,674	167,674	-	-	-
773,987	773,987	-	-	-
609,855	609,855	457	5,265	355
291,172	291,172	-	2,403	-
1,940,272	1,940,272	11,374,449	-	-
<u>\$ 23,297,191</u>	<u>\$ 23,297,191</u>	<u>\$ 11,374,906</u>	<u>\$ 7,668</u>	<u>\$ 355</u>
\$ (3,574,136)	\$ (3,574,136)	\$ 2,154,965	\$ 2,832,125	\$ 1,959,459
6,977,527	6,977,527	11,110,986	146,020	5,192,708
<u>\$ 3,403,391</u>	<u>\$ 3,403,391</u>	<u>\$ 13,265,951</u>	<u>\$ 2,978,145</u>	<u>\$ 7,152,167</u>

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FUND FINANCIAL STATEMENTS

Balance Sheet
 Governmental Funds
 June 30, 2009

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 6,171,606	\$ 12,946,812	\$ 93,592	\$ 19,212,010
Receivables (net of allowance for uncollectibles):				
Taxes receivable	2,551,779	-	-	2,551,779
Accounts receivable	346,787	-	118,644	465,431
Bond proceeds receivable	725,210	-	-	725,210
Due from other funds	251,124	-	-	251,124
Due from other governmental units	725,434	-	331,509	1,056,943
Due from Page Luray Airport Commission	788,453	-	-	788,453
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	148,536	-	148,536
Total assets	<u>\$ 11,560,393</u>	<u>\$ 13,095,348</u>	<u>\$ 543,745</u>	<u>\$ 25,199,486</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 815,731	\$ 1,871,424	\$ 147,638	\$ 2,834,793
Accrued liabilities	232,318	-	13,380	245,698
Retainage payable	-	2,641,544	-	2,641,544
Due to other funds	-	-	251,124	251,124
Due to component unit	2,412,359	-	-	2,412,359
Deferred revenue	<u>2,615,498</u>	<u>-</u>	<u>-</u>	<u>2,615,498</u>
Total liabilities	<u>\$ 6,075,906</u>	<u>\$ 4,512,968</u>	<u>\$ 412,142</u>	<u>\$ 11,001,016</u>
Fund balances:				
Reserved for:				
Debt service	\$ -	\$ 148,536	\$ -	\$ 148,536
Unreserved, reported in:				
General fund	5,365,417	-	-	5,365,417
Designated	119,070	-	131,603	250,673
Capital projects funds	<u>-</u>	<u>8,433,844</u>	<u>-</u>	<u>8,433,844</u>
Total fund balances	<u>\$ 5,484,487</u>	<u>\$ 8,582,380</u>	<u>\$ 131,603</u>	<u>\$ 14,198,470</u>
Total liabilities and fund balances	<u>\$ 11,560,393</u>	<u>\$ 13,095,348</u>	<u>\$ 543,745</u>	<u>\$ 25,199,486</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Assets
 June 30, 2009

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 14,198,470
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	61,540,700
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,177,056
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(74,512,835)</u>
Net assets of governmental activities	<u>\$ 3,403,391</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2009

	General	Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
General property taxes	\$ 16,636,631	\$ -	\$ -	\$ 16,636,631
Other local taxes	3,294,671	-	-	3,294,671
Permits, privilege fees, and regulatory licenses	240,406	-	-	240,406
Fines and forfeitures	112,288	-	-	112,288
Revenue from the use of money and property	172,069	437,786	-	609,855
Charges for services	1,822,845	-	94,511	1,917,356
Miscellaneous	291,033	-	139	291,172
Intergovernmental revenues:				
Commonwealth	4,973,193	-	2,077,886	7,051,079
Federal	913,274	-	1,098,761	2,012,035
Total revenues	<u>\$ 28,456,410</u>	<u>\$ 437,786</u>	<u>\$ 3,271,297</u>	<u>\$ 32,165,493</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,749,489	\$ -	\$ -	\$ 2,749,489
Judicial administration	1,074,252	-	-	1,074,252
Public safety	6,022,953	-	605,758	6,628,711
Public works	3,121,167	-	-	3,121,167
Health and welfare	689,609	-	4,173,430	4,863,039
Education	9,105,934	-	-	9,105,934
Parks, recreation, and cultural	312,958	-	57,683	370,641
Community development	2,391,289	-	-	2,391,289
Nondepartmental	175,749	-	-	175,749
Capital projects	-	24,465,085	-	24,465,085
Debt service:				
Principal retirement	1,961,338	-	-	1,961,338
Interest and other fiscal charges	3,057,332	-	-	3,057,332
Total expenditures	<u>\$ 30,662,070</u>	<u>\$ 24,465,085</u>	<u>\$ 4,836,871</u>	<u>\$ 59,964,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,205,660)</u>	<u>\$ (24,027,299)</u>	<u>\$ (1,565,574)</u>	<u>\$ (27,798,533)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 1,602,769	\$ 1,602,769
Transfers out	(1,602,769)	-	-	(1,602,769)
Issuance of general obligation bonds	725,210	-	-	725,210
Proceeds of capital leases	104,395	-	-	104,395
Total other financing sources (uses)	<u>\$ (773,164)</u>	<u>\$ -</u>	<u>\$ 1,602,769</u>	<u>\$ 829,605</u>
Net change in fund balances	\$ (2,978,824)	\$ (24,027,299)	\$ 37,195	\$ (26,968,928)
Fund balances - beginning	8,463,311	32,609,679	94,408	41,167,398
Fund balances - ending	<u>\$ 5,484,487</u>	<u>\$ 8,582,380</u>	<u>\$ 131,603</u>	<u>\$ 14,198,470</u>

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2009

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

Net change in fund balances - total governmental funds \$ (26,968,928)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. 21,835,458

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 524,590

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. 1,097,927

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. (63,183)

Change in net assets of governmental activities \$ (3,574,136)

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

Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>93,718</u>
Total assets	\$ <u><u>93,718</u></u>
LIABILITIES	
Amounts held for social services clients	\$ 1,291
Amounts held for others	57,593
Amounts held for inmates	<u>34,834</u>
Total liabilities	\$ <u><u>93,718</u></u>

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009

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, 2008. 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 from 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 \$171,360 to the Association for operating purposes for the year ended June 30, 2009.

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 \$88,694 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 VJCCA, Gypsy Moth, Community Development, Virginia State Library Archives, Crime Victim Witness Program, Local DARE, and Water Quality Funds.

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

The government reports the following major proprietary funds:

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

Additionally, the government reports the following fund types:

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service funds are charges to funds for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

F. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

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

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.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

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 \$285,010 or equal to 12 percent of outstanding property taxes at June 30, 2009.

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:

<u>Assets</u>	<u>Years</u>
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

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

8. Reclassifications

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

G. Investments

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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	\$ (70,360,607)	\$ -
Accrued interest payable	(1,016,579)	-
Capital lease payable	(67,668)	-
Landfill closure and post-closure costs	(2,599,586)	-
Accrued OPEB liability	(117,900)	(200,100)
Compensated absences	(350,495)	(158,801)
Net adjustment to reduce <i>fund balance—total governmental funds</i> to arrive at <i>net assets—governmental activities</i>	<u>\$ (74,512,835)</u>	<u>\$ (358,901)</u>

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	\$ 24,611,689	\$ 527,913
Depreciation expense	(1,364,961)	429,017
Primary government capital asset allocation	(1,411,270)	1,411,270
Net adjustment to increase (decrease) <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 21,835,458</u>	<u>\$ 2,368,200</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

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

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

Another element of that reconciliation states that “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:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Debt issued or incurred:		
Issuance of bonds	\$ (725,210)	\$ -
Capital lease proceeds	(104,395)	-
Principal repayments:		
General obligation debt	1,797,922	-
Capital lease payable	36,727	-
Notes payable	95,398	-
Lease revenue bond	60,067	-
Decrease in landfill closure and post-closure costs	<u>(62,582)</u>	<u>-</u>
Net adjustment to (decrease) increase <i>net changes in balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 1,097,927</u>	<u>\$ -</u>

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:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Compensated absences	\$ (2,537)	\$ (33,716)
OPEB liability	(117,900)	(200,100)
Accrued interest	<u>57,254</u>	<u>-</u>
Net adjustment to (decrease) increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (63,183)</u>	<u>\$ (233,816)</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2009 (Continued)

NOTE 3—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements.

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the activity level within each department. The appropriation for each department or activity can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government activities and the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. The School Fund and School Cafeteria Fund are integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30 for all County units.
8. All budget data presented in the accompanying financial statements is the revised budget as of June 30.

NOTE 4—DEPOSITS AND INVESTMENTS

Deposits

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

Investments

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

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, 2009 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	\$ 2,422,907	\$ -	\$ -	\$ -	\$ -
SNAP External Investment Pool	10,632,638	-	-	-	-
Total	\$ 13,055,545	\$ -	\$ -	\$ -	\$ -

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

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	\$ -	\$ 2,412,359	\$ 251,124	\$ -
Virginia Public Assistance Fund	-	-	-	131,906
Comprehensive Services Act	-	-	-	119,218
Sub-total	<u>\$ -</u>	<u>\$ 2,412,359</u>	<u>\$ 251,124</u>	<u>\$ 251,124</u>
Discretely Presented Component Units:				
School Fund	\$ 2,412,359	\$ -	\$ -	\$ -
Total reporting entity	<u>\$ 2,412,359</u>	<u>\$ 2,412,359</u>	<u>\$ 251,124</u>	<u>\$ 251,124</u>

NOTE 6—INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2009 consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ -	\$ 1,602,769
Virginia Public Assistance Fund	402,406	-
Comprehensive Services Act	641,498	-
E-911 Fund	558,865	-
County Capital Projects Fund	-	-
Total reporting entity	<u>\$ 1,602,769</u>	<u>\$ 1,602,769</u>

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 7—DUE FROM OTHER GOVERNMENTAL UNITS

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
State sales taxes	\$ -	\$ 458,106
Local sales taxes	247,884	-
Comprehensive Services Act funds	199,603	-
Public assistance and welfare	51,070	-
Other funds	474,766	78,587
Federal Government:		
Public assistance and welfare	80,836	-
School funds	-	181,737
Other funds	2,784	-
Total	<u>\$ 1,056,943</u>	<u>\$ 718,430</u>

NOTE 8—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,149,464	\$ -	\$ (179,000)	\$ 1,970,464
Construction in progress	33,101,788	24,464,544	-	57,566,332
Total capital assets not being depreciated	<u>\$ 35,251,252</u>	<u>\$ 24,464,544</u>	<u>\$ (179,000)</u>	<u>\$ 59,536,796</u>
Capital assets being depreciated:				
Buildings	\$ 4,604,707	\$ -	\$ (1,569,026)	\$ 3,035,681
Machinery and equipment	3,247,783	326,145	-	3,573,928
Total capital assets being depreciated	<u>\$ 7,852,490</u>	<u>\$ 326,145</u>	<u>\$ (1,569,026)</u>	<u>\$ 6,609,609</u>
Less accumulated depreciation for:				
Buildings	\$ (1,411,359)	\$ (919,078)	\$ 157,756	\$ (2,172,681)
Machinery and equipment	(1,987,141)	(445,883)	-	(2,433,024)
Total accumulated depreciation	<u>\$ (3,398,500)</u>	<u>\$ (1,364,961)</u>	<u>\$ 157,756</u>	<u>\$ (4,605,705)</u>
Total capital assets being depreciated, net	<u>\$ 4,453,990</u>	<u>\$ (1,038,816)</u>	<u>\$ (1,411,270)</u>	<u>\$ 2,003,904</u>
Governmental activities capital assets, net	<u>\$ 39,705,242</u>	<u>\$ 23,425,728</u>	<u>\$ (1,590,270)</u>	<u>\$ 61,540,700</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 8—CAPITAL ASSETS: (CONTINUED):

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

Governmental activities:		
General government	\$	37,673
Judicial administration		2,260
Public safety		174,037
Public works		280,260
Health and welfare		3,144
Education		864,767
Community Development		2,820
Total depreciation expense-governmental activities	\$	<u>1,364,961</u>

Discretely presented component unit-School Board:

Activity for the School Board for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 885,591	\$ -	\$ -	\$ 885,591
Construction in progress	1,599,220	-	-	1,599,220
Total capital assets not being depreciated	<u>\$ 2,484,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,484,811</u>
Capital assets being depreciated:				
Buildings	\$ 11,266,847	\$ 1,703,133	\$ -	\$ 12,969,980
Machinery and equipment	3,852,413	393,806	-	4,246,219
Total capital assets being depreciated	\$ 15,119,260	\$ 2,096,939	\$ -	\$ 17,216,199
Less accumulated depreciation for:				
Buildings	\$ (4,115,747)	\$ 633,950	\$ (157,756)	\$ (3,639,553)
Machinery and equipment	(3,263,803)	(204,933)	-	(3,468,736)
Total accumulated depreciation	<u>\$ (7,379,550)</u>	<u>\$ 429,017</u>	<u>\$ (157,756)</u>	<u>\$ (7,108,289)</u>
Total capital assets being depreciated, net	<u>\$ 7,739,710</u>	<u>\$ 2,525,956</u>	<u>\$ (157,756)</u>	<u>\$ 10,107,910</u>
School Board capital assets, net	<u>\$ 10,224,521</u>	<u>\$ 2,525,956</u>	<u>\$ (157,756)</u>	<u>\$ 12,592,721</u>

Depreciation expense for the year ended June 30, 2009 totaled \$429,017.

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

Activity for the Authority for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets				
Land	\$ -	\$ 9,351,000	\$ -	\$ 9,351,000
Capital assets, net	<u>\$ -</u>	<u>\$ 9,351,000</u>	<u>\$ -</u>	<u>\$ 9,351,000</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 8—CAPITAL ASSETS: (CONTINUED):

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

Activity for the Commission for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 863,075	\$ 363,007	\$ -	\$ 1,226,082
Construction in progress	124,798	1,691,281	-	1,816,079
Total capital assets not being depreciated	\$ 987,873	\$ 2,054,288	\$ -	\$ 3,042,161
Capital assets being depreciated:				
Buildings and improvements	\$ 4,930,075	\$ 8,662	\$ -	\$ 4,938,737
Equipment	160,040	-	-	160,040
Less accumulated depreciation	\$ (920,934)	\$ (138,898)	\$ -	\$ (1,059,832)
Capital assets being depreciated, net	\$ 4,169,181	\$ (130,236)	\$ -	\$ 4,038,945
Total capital assets, net	\$ 5,157,054	\$ 1,924,052	\$ -	\$ 7,081,106

NOTE 9—DEFINED PENSION BENEFIT OBLIGATION

A. Plan Description

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

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.70% of their average final compensation (AFC) for each year of credited service (1.85% for sheriffs and if the employer elects, for other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5.00% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from our web site at <http://www.varetire.org/PDF/Publications/2008annurept.pdf> or obtained by writing to the System's Chief Financial Officer at P. O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 9—DEFINED PENSION BENEFIT OBLIGATION: (CONTINUED)

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 annual salary to the VRS. This 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 2009 were 10.61% and 10.69%, respectively, of annual covered payroll.

The School Board's contributions for professional employees were \$1,604,824, \$1,839,620, and \$1,573,360, to the teacher cost-sharing pool for the fiscal years ended June 30, 2009, 2008 and 2007, respectively and these contributions represented 8.81%, 10.30%, and 9.50% respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year 2009, the County's annual pension cost of \$682,580 was equal to the County's required and actual contributions.

For fiscal year 2009, the County School Board's annual pension cost for the board's non-professional employees was \$189,718 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	6/30/07	\$	463,546	100%	\$ -
	6/30/08		518,645	100%	-
	6/30/09		682,580	100%	-
Discretely Presented Component Unit:					
School Board					
Non-Professional	6/30/07	\$	154,111	100%	\$ -
	6/30/08		161,927	100%	-
	6/30/09		189,718	100%	-

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at June 30, 2007 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, 2007 was 20 years.

NOTE 9—DEFINED PENSION BENEFIT OBLIGATION: (CONTINUED)

D. Funded Status and Funding Progress:

As of June 30, 2008, the most recent actuarial valuation date, the County's plan was 89.66% funded. The actuarial accrued liability for benefits was \$19,254,442, and the actuarial value of assets was \$17,263,600, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,990,842. The covered payroll (annual payroll of active employees covered by the plan) was \$6,285,156, and ratio of the UAAL to the covered payroll was 31.68%.

As of June 30, 2008, the most recent actuarial valuation date, the County School Board's non-professional plan was 84.25% funded. The actuarial accrued liability for benefits was \$6,179,003, and the actuarial value of assets was \$5,205,712, resulting in an unfunded actuarial accrued liability (UAAL) of \$973,291. The covered payroll (annual payroll of active employees covered by the plan) was \$1,741,996, and ratio of the UAAL to the covered payroll was 55.87%.

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.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

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 called the annual required contribution or ARC. The estimated pay as you go cost for OPEB benefits is \$168,900 for fiscal year 2009. The County has elected not to pre-fund OPEB liabilities. The County is required to contribute the annual required contribution of the employer (ARC), 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.

Annual OPEB Cost. For 2009, the County's expected cash payment of \$51,000 is less than the OPEB cost (expense) of \$168,900 and was \$117,900 short of the ARC. The Government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2009	\$ 168,900	30%	\$ 117,900

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

Actuarial accrued liability (AAL)	\$ 986,500
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	\$ 986,500
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	n/a
UAAL as a percentage of covered payroll	n/a

Actuarial Methods and Assumptions.

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.

Cost Method

The projected unit credit method, with linear pro-ration to assumed benefit commencement. The unfunded liability is amortized over 30 years a level percentage of pay.

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

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

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.

C. Annual OPEB Cost and Net OPEB Obligation:

The annual cost of other post-employment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The estimated pay as you go cost for OPEB benefits is \$304,500 for fiscal year 2009. The School Board has paid \$104,400 towards this obligation during FY 09. The School Board is required to contribute the annual required contribution of the employer (ARC) 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.

Annual OPEB Cost

For 2009, the School Board's expected cash payment of \$104,400 was \$200,100 short of the OPEB cost. The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2009	\$ 304,500	34%	\$ 200,100

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

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

School Board (Continued):

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008 is as follows:

Actuarial accrued liability (AAL)	\$ 2,832,700
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	\$ 2,832,700
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	n/a
UAAL as a percentage of covered payroll	n/a

Actuarial Methods and Assumptions

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.

Cost Method

The projected unit credit method, with linear pro-rata to assumed benefit commencement. The unfunded liability is amortized over 30 years a level percentage of pay.

Interest Assumptions

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

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
2010	\$ 62,067	\$ 21,870	\$ 1,798,281	\$ 3,156,419
2011	62,067	19,297	1,843,338	3,059,829
2012	62,067	16,724	1,689,365	2,968,381
2013	62,067	14,151	1,931,407	2,877,532
2014	62,067	11,578	2,014,513	2,778,995
2015	62,067	9,005	2,083,737	2,676,661
2016	62,067	6,432	2,174,132	2,570,349
2017	62,067	3,859	2,265,756	2,459,493
2018	64,064	1,286	2,350,939	2,351,426
2019	-	-	2,439,949	2,245,316
2020	-	-	2,530,400	2,134,174
2021	-	-	2,619,194	2,018,829
2022	-	-	2,522,334	1,901,491
2023	-	-	2,621,777	1,783,781
2024	-	-	2,731,897	1,662,442
2025	-	-	2,843,401	1,535,279
2026	-	-	2,961,553	1,401,478
2027	-	-	3,086,082	1,260,687
2028	-	-	2,457,716	1,133,394
2029	-	-	2,564,968	1,021,582
2030	-	-	2,682,751	906,245
2031	-	-	2,806,088	784,459
2032	-	-	2,935,004	655,929
2033	-	-	3,069,522	520,248
2034	-	-	1,114,669	425,291
2035	-	-	1,165,473	374,182
2036	-	-	1,221,962	320,663
2037	-	-	1,274,166	264,704
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	\$ <u>560,600</u>	\$ <u>104,202</u>	\$ <u>69,263,337</u>	\$ <u>48,191,213</u>

Note: As of June 30, 2009 only \$12,713,120 of Series 2006 bonds have been drawn down. The bond amortization schedule presented will be the schedule when all funds are drawn down. As a result, the amortization schedule differs by \$281,880 at June 30, 2009.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 11—LONG-TERM INDEBTEDNESS (CONTINUED)

Primary Government Indebtedness (continued)

Year Ending June 30,	Governmental Activities	
	Capital Lease Payable	
	Principal	Interest
2010	\$ 32,904	\$ 3,823
2011	34,764	1,964
Totals	\$ <u>67,668</u>	\$ <u>5,787</u>

Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the Primary Government for the year ended June 30, 2009:

	Balance July 1, 2008	Issuances	Retirements	Balance June 30, 2009
Claims, judgments and compensated absences payable	\$ 347,958	\$ 2,537	\$ -	\$ 350,495
Landfill closure and post-closure care costs	2,537,004	62,582	-	2,599,586
Lease revenue bond	620,667	-	60,067	560,600
Capital lease payable	-	104,395	36,727	67,668
Note payable	95,398	-	95,398	-
General obligation bonds	70,025,394	725,210	1,769,147	68,981,457
Premiums on bond issue	847,325	-	28,775	818,550
Total	\$ <u>74,473,746</u>	\$ <u>894,724</u>	\$ <u>1,990,114</u>	\$ <u>73,378,356</u>

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 11—LONG-TERM INDEBTEDNESS (CONTINUED)

Details of Long-Term Liabilities

Governmental Activities:

	<u>Total Amount Outstanding</u>	<u>Amount Due Within One Year</u>
General Obligation Bonds:		
<u>Virginia Public School Authority (V.P.S.A.) Bonds:</u>		
\$2,735,000 Virginia Public School Authority Bond issued August 30, 1990, due in annual installments of 80,000 to \$180,000 through July, 2011. Interest payable annually at varying rates of 6.4% to 7.1%	\$ 355,000	\$ 175,000
\$1,000,000 Virginia Public School Authority Bond Series 1993 due in annual installments of \$5,000 to \$95,000 through 2014. Interest payable annually at varying interest rates of 4.475% to 5.0%	65,000	25,000
\$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%	295,000	115,000
\$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%	990,000	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%	30,040,000	685,000
\$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%	11,067,096	504,488
\$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%	<u>13,790,000</u>	<u>-</u>
Total general obligation bonds	\$ <u>56,602,096</u>	\$ <u>1,589,488</u>
<u>Lease Revenue Bonds:</u>		
\$931,000 lease revenue bonds issued January 15, 2003 due in annual installments of \$62,067 through January 15, 2018. Interest payable annually at 4.11%.	\$ <u>560,600</u>	\$ <u>62,067</u>
<u>Series 2006 Revenue Bonds</u>		
\$13,000,000 bonds issued June 16, 2006, payments vary throughout the life of the loan. Interest on the bonds is 2.76% through June 2046. These bonds were issued in connection with the Battle Creek landfill.	\$ <u>12,379,361</u>	\$ <u>208,793</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 11—LONG-TERM INDEBTEDNESS (CONTINUED)

Details of Long-Term Liabilities: (Continued)

Governmental Activities: (Continued)

	<u>Total Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<u>Capital Lease Payable</u>		
\$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.	\$ 67,668	\$ 32,904
Compensated absences	\$ 350,495	\$ -
Estimated cost of landfill closure and post closure monitoring care, payable over the next 16 years	\$ 2,599,586	\$ -
Unamortized premium on bond issues	\$ 818,550	\$ 28,775
Total Long-term liabilities	<u>\$ 73,378,356</u>	<u>\$ 1,922,027</u>

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

The following is a summary of long-term debt transactions of the Component Unit School Board for the year ended June 30, 2009:

	Balance July 1, 2008	Issuances	Retirements	Balance June 30, 2009
Compensated absences	\$ 125,085	\$ 33,716	\$ -	\$ 158,801

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

The following is a summary of long-term debt transactions for the Authority for the year ended June 30, 2009:

\$6,500,000 Note issued on January 1, 2009 by Rebecca Graves Hudson (the lender) with annual payments, and an interest rate of 5%, balance at June 30, 2009	\$ 6,500,000
Less: current portion	(53,808)
Total Long-term obligations	<u>\$ 6,446,192</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 11—LONG-TERM INDEBTEDNESS (CONTINUED)

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

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 53,808	\$ 325,000	\$ 378,808
2011	56,498	322,310	378,808
2012	59,323	319,485	378,808
2013	62,290	316,518	378,808
2014	6,268,081	313,404	6,581,485
Total	<u>\$ 6,500,000</u>	<u>\$ 1,596,717</u>	<u>\$ 8,096,717</u>

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.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 14—UNEARNED REVENUE

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenue totaling \$438,442 is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2009, but paid in advance by the taxpayers totaled \$438,442 at June 30, 2009.

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.

NOTE 15—HEALTH INSURANCE FUND: (CONTINUED)

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.

The fund established a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. At June 30, 2009 the fund liability was \$320,099. 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
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)
2005-2006	(175,273)	2,239,025	2,205,328	(208,970)
2004-2005	(77,144)	2,552,146	2,454,017	(175,273)

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 16—SURETY BONDS

Fidelity and Deposit Company of Maryland - Surety:		
Ron Wilson, Clerk of the Circuit Court	\$	25,000
C. R. Suddith, Jr., Treasurer		400,000
Charles L. Campbell, Commissioner of the Revenue		3,000
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
Barbara Stombock, Clerk of the School Board		100,000
All School Board Employees - Blanket Bond		100,000
Fidelity and Deposit Company of Maryland - Surety:		
All County Employees - Blanket Bond		10,000
Fidelity and Deposit Company of Maryland - Surety:		
Tommy R. LaFrance, Chairman		1,000
Charles C. Ballard, Supervisor		1,000
Gerald M. Cabbage, Vice-Chairman		1,000
Carol L. Fisher-Strickler, Supervisor		1,000
Charles M. Hoke, Supervisor		1,000
John T. Rust, Supervisor		1,000
Department of Social Services		1,000

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

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 \$2,766,848. The estimated total current cost of the landfill closure and post-closure care of \$2,095,951 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, 2009. Included in the County's post-closure and thirty year monitoring costs of \$2,095,951 is \$1,280,000 for corrective action costs for exceeding groundwater protection standards. However, the actual cost of closure and post-closure may be different due to inflation, changes in technology, or change in landfill laws and regulations.

During June of 2005, the County acquired Battle Creek landfill. The post-closure and thirty year monitoring costs are estimated at \$4,427,070. The estimated total current cost of the landfill closure and post-closure care of \$442,707 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, 2009. The estimated useful life of the Battle Creek landfill is 36 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.

NOTE 18—GENERAL FUND UNRESERVED DESIGNATED FUND BALANCE

General Fund unreserved designated fund balance consists of the following at June 30, 2009:

Page County Water Quality	\$	20,560
Local Dare		3,421
Crime Victim Witness		9,722
Dept. of Justice VJCAA		4,022
DHCD		572
Virginia State Library Archives		80,773
Total unreserved designated fund balance	\$	<u>119,070</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2009 (Continued)

NOTE 19—CONSTRUCTION CONTRACTS OUSTANDING

The Primary Government had the following material construction contracts outstanding at June 30, 2009:

<u>Project</u>	<u>Original Contract Amount</u>	<u>Amount Spent to Date</u>	<u>Amount of Contract Remaining at Year End</u>
High Schools	\$ <u>62,000,000</u>	\$ <u>59,044,428</u>	\$ <u>2,955,572</u>

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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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 17,702,455	\$ 17,702,455	\$ 16,636,631	\$ (1,065,824)
Other local taxes	3,412,731	3,412,731	3,294,671	(118,060)
Permits, privilege fees, and regulatory licenses	464,130	464,130	240,406	(223,724)
Fines and forfeitures	53,937	65,852	112,288	46,436
Revenue from the use of money and property	335,000	335,000	172,069	(162,931)
Charges for services	2,262,769	2,328,499	1,822,845	(505,654)
Miscellaneous	69,435	81,503	291,033	209,530
Intergovernmental revenues:				
Commonwealth	5,260,329	5,785,414	4,973,193	(812,221)
Federal	322,009	322,009	913,274	591,265
Total revenues	<u>\$ 29,882,795</u>	<u>\$ 30,497,593</u>	<u>\$ 28,456,410</u>	<u>\$ (2,041,183)</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,981,801	\$ 2,981,801	\$ 2,749,489	\$ 232,312
Judicial administration	1,123,093	1,124,060	1,074,252	49,808
Public safety	6,128,976	6,304,941	6,022,953	281,988
Public works	3,633,153	3,633,153	3,121,167	511,986
Health and welfare	480,595	480,595	689,609	(209,014)
Education	12,800,649	12,800,649	9,105,934	3,694,715
Parks, recreation, and cultural	333,736	338,736	312,958	25,778
Community development	1,050,885	3,310,089	2,391,289	918,800
Nondepartmental	165,500	165,500	175,749	(10,249)
Debt service:				
Principal retirement	357,585	357,585	1,961,338	(1,603,753)
Interest and other fiscal charges	652,326	569,574	3,057,332	(2,487,758)
Total expenditures	<u>\$ 29,708,299</u>	<u>\$ 32,066,683</u>	<u>\$ 30,662,070</u>	<u>\$ 1,404,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (550,755)</u>	<u>\$ (1,569,090)</u>	<u>\$ (2,205,660)</u>	<u>\$ (636,570)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ 550,755	\$ 1,569,090	\$ (1,602,769)	\$ (3,171,859)
Proceeds of general obligation bonds	-	-	725,210	725,210
Proceeds of capital leases	-	-	104,395	104,395
Total other financing sources and uses	<u>\$ 550,755</u>	<u>\$ 1,569,090</u>	<u>\$ (773,164)</u>	<u>\$ (2,342,254)</u>
Net change in fund balances	\$ -	\$ -	\$ (2,978,824)	\$ (2,978,824)
Fund balances - beginning	-	-	8,463,311	8,463,311
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,484,487</u>	<u>\$ 5,484,487</u>

PRIMARY GOVERNMENT:

County Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
06/30/08	\$ 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%
06/30/05	12,985,262	14,916,154	1,930,892	87.06%	4,550,723	42.43%
06/30/04	12,721,115	12,951,165	230,050	98.22%	4,091,439	5.62%

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)
06/30/08	\$ 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%
06/30/05	3,922,698	4,890,283	967,585	80.21%	1,379,572	70.14%
06/30/04	3,818,996	4,442,221	623,225	85.97%	1,234,037	50.50%

OTHER SUPPLEMENTARY INFORMATION

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 437,786	\$ 437,786
Total revenues	\$ -	\$ -	\$ 437,786	\$ 437,786
EXPENDITURES				
Capital projects	\$ 24,125,498	\$ 28,028,088	\$ 24,465,085	\$ 3,563,003
Total expenditures	\$ 24,125,498	\$ 28,028,088	\$ 24,465,085	\$ 3,563,003
Excess (deficiency) of revenues over (under) expenditures	\$ (24,125,498)	\$ (28,028,088)	\$ (24,027,299)	\$ 4,000,789
Net change in fund balances	\$ (24,125,498)	\$ (28,028,088)	\$ (24,027,299)	\$ 4,000,789
Fund balances - beginning	24,125,498	28,028,088	32,609,679	4,581,591
Fund balances - ending	\$ -	\$ -	\$ 8,582,380	\$ 8,582,380

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2009

	Virginia Public Assistance Fund	Comprehensive Services Act Fund	E-911 Fund	Parks and Recreation Fund	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 58,275	\$ (572)	\$ 35,889	\$ 93,592
Receivables (net of allowance for uncollectibles):					
Accounts receivable	-	-	118,644	-	118,644
Due from other governmental units	<u>131,906</u>	<u>199,603</u>	<u>-</u>	<u>-</u>	<u>331,509</u>
Total assets	<u>\$ 131,906</u>	<u>\$ 257,878</u>	<u>\$ 118,072</u>	<u>\$ 35,889</u>	<u>\$ 543,745</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 137,245	\$ 7,433	\$ 2,960	\$ 147,638
Accrued liabilities	-	1,415	11,965	-	13,380
Due to other funds	<u>131,906</u>	<u>119,218</u>	<u>-</u>	<u>-</u>	<u>251,124</u>
Total liabilities	<u>\$ 131,906</u>	<u>\$ 257,878</u>	<u>\$ 19,398</u>	<u>\$ 2,960</u>	<u>\$ 412,142</u>
Fund balances:					
Unreserved:					
Designated for subsequent expenditure	\$ -	\$ -	\$ 98,674	\$ 32,929	\$ 131,603
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,674</u>	<u>\$ 32,929</u>	<u>\$ 131,603</u>
Total liabilities and fund balances	<u>\$ 131,906</u>	<u>\$ 257,878</u>	<u>\$ 118,072</u>	<u>\$ 35,889</u>	<u>\$ 543,745</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009**

	Virginia Public Assistance Fund	Comprehensive Services Act Fund	E-911 Fund	Parks and Recreation Fund	Total
REVENUES					
Charges for services	\$ 3,834	\$ 41,748	\$ -	\$ 48,929	\$ 94,511
Miscellaneous	-	-	139	-	139
Intergovernmental revenues:					
Commonwealth	641,177	1,344,006	92,703	-	2,077,886
Federal	1,098,761	-	-	-	1,098,761
	<u>1,743,772</u>	<u>1,385,754</u>	<u>92,842</u>	<u>48,929</u>	<u>3,271,297</u>
Total revenues	\$ 1,743,772	\$ 1,385,754	\$ 92,842	\$ 48,929	\$ 3,271,297
EXPENDITURES					
Current:					
Public safety	\$ -	\$ -	\$ 605,758	\$ -	\$ 605,758
Health and welfare	2,146,178	2,027,252	-	-	4,173,430
Parks, recreation, and cultural	-	-	-	57,683	57,683
	<u>2,146,178</u>	<u>2,027,252</u>	<u>605,758</u>	<u>57,683</u>	<u>4,836,871</u>
Total expenditures	\$ 2,146,178	\$ 2,027,252	\$ 605,758	\$ 57,683	\$ 4,836,871
Excess (deficiency) of revenues over (under) expenditures	\$ (402,406)	\$ (641,498)	\$ (512,916)	\$ (8,754)	\$ (1,565,574)
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 402,406	\$ 641,498	\$ 558,865	\$ -	\$ 1,602,769
Total other financing sources and uses	\$ 402,406	\$ 641,498	\$ 558,865	\$ -	\$ 1,602,769
Net change in fund balances	\$ -	\$ -	\$ 45,949	\$ (8,754)	\$ 37,195
Fund balances - beginning	-	-	52,725	41,683	94,408
Fund balances - ending	<u>-</u>	<u>-</u>	<u>98,674</u>	<u>32,929</u>	<u>131,603</u>

County of Page, Virginia

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2009

	VPA Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 3,834	\$ 3,834
Intergovernmental revenues:				
Commonwealth	-	-	641,177	641,177
Federal	2,016,146	2,016,146	1,098,761	(917,385)
Total revenues	<u>\$ 2,016,146</u>	<u>\$ 2,016,146</u>	<u>\$ 1,743,772</u>	<u>\$ (272,374)</u>
EXPENDITURES				
Current:				
Health and welfare	\$ 2,453,021	\$ 2,453,021	\$ 2,146,178	\$ 306,843
Total expenditures	<u>\$ 2,453,021</u>	<u>\$ 2,453,021</u>	<u>\$ 2,146,178</u>	<u>\$ 306,843</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (436,875)</u>	<u>\$ (436,875)</u>	<u>\$ (402,406)</u>	<u>\$ 34,469</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 353,622	\$ 353,622	\$ 402,406	\$ 48,784
Total other financing sources and uses	<u>\$ 353,622</u>	<u>\$ 353,622</u>	<u>\$ 402,406</u>	<u>\$ 48,784</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Comprehensive Services Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 41,748	\$ 41,748
1,748,700	1,748,700	1,344,006	(404,694)
-	-	-	-
<u>\$ 1,748,700</u>	<u>\$ 1,748,700</u>	<u>\$ 1,385,754</u>	<u>\$ (362,946)</u>
\$ 2,492,920	\$ 2,492,920	\$ 2,027,252	\$ 465,668
<u>\$ 2,492,920</u>	<u>\$ 2,492,920</u>	<u>\$ 2,027,252</u>	<u>\$ 465,668</u>
\$ (744,220)	\$ (744,220)	\$ (641,498)	\$ 102,722
\$ 989,431	\$ 989,431	\$ 641,498	\$ (347,933)
<u>\$ 989,431</u>	<u>\$ 989,431</u>	<u>\$ 641,498</u>	<u>\$ (347,933)</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Page, Virginia

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2009

	E-911 Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	139	139
Intergovernmental revenues:				
Commonwealth	80,000	80,000	92,703	12,703
Total revenues	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 92,842</u>	<u>\$ 12,842</u>
EXPENDITURES				
Current:				
Public safety	\$ 630,876	\$ 630,876	\$ 605,758	\$ 25,118
Parks, recreation, and cultural	-	-	-	-
Total expenditures	<u>\$ 630,876</u>	<u>\$ 630,876</u>	<u>\$ 605,758</u>	<u>\$ 25,118</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (550,876)</u>	<u>\$ (550,876)</u>	<u>\$ (512,916)</u>	<u>\$ 37,960</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 205,243	\$ 558,865	\$ 353,622
Total other financing sources and uses	<u>\$ -</u>	<u>\$ 205,243</u>	<u>\$ 558,865</u>	<u>\$ 353,622</u>
Net change in fund balances	\$ (550,876)	\$ (345,633)	\$ 45,949	\$ 391,582
Fund balances - beginning	550,876	345,633	52,725	(292,908)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,674</u>	<u>\$ 98,674</u>

Exhibit 13

Parks and Recreation Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 65,000	\$ 65,000	\$ 48,929	\$ (16,071)
-	-	-	-
<u>65,000</u>	<u>65,000</u>	<u>48,929</u>	<u>(16,071)</u>
\$ -	\$ -	\$ -	\$ -
<u>65,000</u>	<u>65,000</u>	<u>57,683</u>	<u>7,317</u>
<u>65,000</u>	<u>65,000</u>	<u>57,683</u>	<u>7,317</u>
<u>-</u>	<u>-</u>	<u>(8,754)</u>	<u>(8,754)</u>
\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ (8,754)	\$ (8,754)
<u>-</u>	<u>-</u>	<u>41,683</u>	<u>41,683</u>
<u>-</u>	<u>-</u>	<u>32,929</u>	<u>32,929</u>

Combining Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2009

	<u>Agency Funds</u>				<u>Total</u>
	<u>Special Welfare</u>	<u>Cash Bonds Fund</u>	<u>Neutering/ Spaying Fund</u>	<u>Jail Inmate</u>	
ASSETS					
Cash and cash equivalents	\$ 1,291	\$ 43,088	\$ 14,505	\$ 34,834	\$ 93,718
Total assets	<u>\$ 1,291</u>	<u>\$ 43,088</u>	<u>\$ 14,505</u>	<u>\$ 34,834</u>	<u>\$ 93,718</u>
LIABILITIES					
Amounts held for social services clients	\$ 1,291	\$ -	\$ -	\$ -	\$ 1,291
Amounts held for others	-	43,088	14,505	-	57,593
Amounts held for inmates	-	-	-	34,834	34,834
Total liabilities	<u>\$ 1,291</u>	<u>\$ 43,088</u>	<u>\$ 14,505</u>	<u>\$ 34,834</u>	<u>\$ 93,718</u>

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2009**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	\$ 3,223	\$ 7,459	\$ 9,391	\$ 1,291
LIABILITIES				
Amounts held for social services clients	\$ 3,223	\$ 7,459	\$ 9,391	\$ 1,291
Neutering/Spaying Fund:				
ASSETS				
Cash and cash equivalents	\$ 13,095	\$ 4,190	\$ 2,780	\$ 14,505
LIABILITIES				
Amounts held for neutering/spaying	\$ 13,095	\$ 4,190	\$ 2,780	\$ 14,505
Cash Bonds Fund:				
ASSETS				
Cash and cash equivalents	\$ 49,939	\$ -	\$ 6,851	\$ 43,088
LIABILITIES				
Amounts held for bonds fund	\$ 49,939	\$ -	\$ 6,851	\$ 43,088
Jail Inmate Accounts Fund:				
ASSETS				
Cash in custody of others	\$ 36,691	\$ 302,049	\$ 303,906	\$ 34,834
LIABILITIES				
Amounts held for inmates	\$ 36,691	\$ 302,049	\$ 303,906	\$ 34,834
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	\$ 66,257	\$ 11,649	\$ 19,022	\$ 58,884
Cash in custody of others	36,691	302,049	303,906	34,834
Total assets	\$ 102,948	\$ 313,698	\$ 322,928	\$ 93,718
LIABILITIES				
Amounts held for social services clients	\$ 3,223	\$ 7,459	\$ 9,391	\$ 1,291
Amounts held for neutering/spaying	13,095	4,190	2,780	14,505
Amounts held for bonds fund	49,939	-	6,851	43,088
Amounts held for inmates	36,691	302,049	303,906	34,834
Total liabilities	\$ 102,948	\$ 313,698	\$ 322,928	\$ 93,718

**Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2009**

	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 522,397	\$ 522,397
Receivables (net of allowance for uncollectibles):			
Accounts receivable	32,397	-	32,397
Due from primary government	2,441,730	-	2,441,730
Due from other governmental units	718,430	-	718,430
Inventories	-	42,683	42,683
Prepaid items	116,519	-	116,519
Total assets	<u>\$ 3,309,076</u>	<u>\$ 565,080</u>	<u>\$ 3,874,156</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 110,073	\$ 1,977	\$ 112,050
Accrued liabilities	3,199,003	84,531	3,283,534
Due to other funds	-	29,371	29,371
Total liabilities	<u>\$ 3,309,076</u>	<u>\$ 115,879</u>	<u>\$ 3,424,955</u>

Fund balances:

Unreserved:

Designated for subsequent expenditure	\$ -	\$ 449,201	\$ 449,201
Total fund balances	<u>\$ -</u>	<u>\$ 449,201</u>	<u>\$ 449,201</u>
Total liabilities and fund balances	<u>\$ 3,309,076</u>	<u>\$ 565,080</u>	<u>\$ 3,874,156</u>

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

Total fund balances per above \$ 449,201

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 12,592,721

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. 582,930

Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. (358,901)

Net assets of governmental activities \$ 13,265,951

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2009**

	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Revenue from the use of money and property	\$ -	\$ 457	\$ 457
Charges for services	1,417,897	662,751	2,080,648
Intergovernmental revenues:			
Local government	9,098,412	-	9,098,412
Commonwealth	21,714,157	25,888	21,740,045
Federal	2,116,670	909,117	3,025,787
Total revenues	<u>\$ 34,347,136</u>	<u>\$ 1,598,213</u>	<u>\$ 35,945,349</u>
EXPENDITURES			
Current:			
Education	\$ 34,347,136	\$ 1,630,969	\$ 35,978,105
Total expenditures	<u>\$ 34,347,136</u>	<u>\$ 1,630,969</u>	<u>\$ 35,978,105</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (32,756)	\$ (32,756)
Net change in fund balances	\$ -	\$ (32,756)	\$ (32,756)
Fund balances - beginning	-	481,957	481,957
Fund balances - ending	<u>\$ -</u>	<u>\$ 449,201</u>	<u>\$ 449,201</u>

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

Net change in fund balances - total governmental funds - per above	\$ (32,756)
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.	2,368,200
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.	(233,816)
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.	<u>53,337</u>
Change in net assets of governmental activities	<u>\$ 2,154,965</u>

County of Page, Virginia

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2009

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	1,295,566	1,295,566	1,417,897	122,331
Intergovernmental revenues:				
Local government	12,793,127	12,793,127	9,098,412	(3,694,715)
Commonwealth	21,986,943	21,986,943	21,714,157	(272,786)
Federal	1,737,667	1,987,690	2,116,670	128,980
Total revenues	<u>\$ 37,813,303</u>	<u>\$ 38,063,326</u>	<u>\$ 34,347,136</u>	<u>\$ (3,716,190)</u>
EXPENDITURES				
Current:				
Education	\$ 34,543,204	\$ 34,543,204	\$ 34,347,136	\$ 196,068
Total expenditures	<u>\$ 34,543,204</u>	<u>\$ 34,543,204</u>	<u>\$ 34,347,136</u>	<u>\$ 196,068</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,270,099</u>	<u>\$ 3,520,122</u>	<u>\$ -</u>	<u>\$ (3,520,122)</u>
Net change in fund balances	\$ 3,270,099	\$ 3,520,122	\$ -	\$ (3,520,122)
Fund balances - beginning	(3,270,099)	(3,520,122)	-	3,520,122
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 18

School Cafeteria Fund

Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 457	\$ 457
843,491	843,491	662,751	(180,740)
-	-	-	-
21,284	21,284	25,888	4,604
715,000	715,000	909,117	194,117
<u>\$ 1,579,775</u>	<u>\$ 1,579,775</u>	<u>\$ 1,598,213</u>	<u>\$ 18,438</u>
<u>\$ 1,579,775</u>	<u>\$ 1,579,775</u>	<u>\$ 1,630,969</u>	<u>\$ (51,194)</u>
<u>\$ 1,579,775</u>	<u>\$ 1,579,775</u>	<u>\$ 1,630,969</u>	<u>\$ (51,194)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,756)</u>	<u>\$ (32,756)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,756)</u>	<u>\$ (32,756)</u>
<u>-</u>	<u>-</u>	<u>481,957</u>	<u>481,957</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449,201</u>	<u>\$ 449,201</u>

Statement of Net Assets
 Proprietary Funds
 Discretely Presented Component Unit - School Board
 June 30, 2009

	<u>Internal Service Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 582,930
Total assets	<u>\$ 582,930</u>
NET ASSETS	
Unrestricted	\$ 582,930
Total net assets	<u><u>\$ 582,930</u></u>

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Funds
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2009

	Internal Service Funds
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ <u>3,784,964</u>
Total operating revenues	\$ <u>3,784,964</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ <u>3,739,964</u>
Total operating expenses	\$ <u>3,739,964</u>
Operating income (loss)	\$ <u>45,000</u>
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	\$ <u>8,337</u>
Total nonoperating revenues (expenses)	\$ <u>8,337</u>
Change in net assets	\$ 53,337
Total net assets - beginning	<u>529,593</u>
Total net assets - ending	<u><u>\$ 582,930</u></u>

Statement of Cash Flows
 Proprietary Funds
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2009

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 3,784,964
Payments for premiums	<u>(3,739,964)</u>
Net cash provided (used) by operating activities	<u>\$ 45,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends received	\$ 8,337
Net cash provided (used) by investing activities	<u>\$ 8,337</u>
Net increase (decrease) in cash and cash equivalents	\$ 53,337
Cash and cash equivalents - beginning	<u>529,593</u>
Cash and cash equivalents - ending	<u><u>\$ 582,930</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ <u>45,000</u>
Net cash provided (used) by operating activities	<u><u>\$ 45,000</u></u>

SUPPORTING SCHEDULES AND TABLES

**Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2009**

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	\$ 11,540,736	\$ 11,540,736	\$ 10,638,732	\$ (902,004)
Real and personal public service corporation taxes	297,500	297,500	326,661	29,161
Personal property taxes	5,527,418	5,527,418	5,306,631	(220,787)
Penalties	202,150	202,150	203,429	1,279
Interest	134,651	134,651	161,178	26,527
Total general property taxes	<u>\$ 17,702,455</u>	<u>\$ 17,702,455</u>	<u>\$ 16,636,631</u>	<u>\$ (1,065,824)</u>
Other local taxes:				
Local sales and use taxes	\$ 1,409,155	\$ 1,409,155	\$ 1,378,934	\$ (30,221)
Business licenses	185,784	185,784	166,724	(19,060)
Communication taxes	553,000	553,000	557,020	4,020
Consumption taxes	52,270	52,270	50,243	(2,027)
Motor vehicle licenses	309,185	309,185	294,586	(14,599)
Taxes on recordation and wills	202,542	202,542	167,674	(34,868)
Transient occupancy taxes	418,000	418,000	422,650	4,650
Meals taxes	282,795	282,795	256,840	(25,955)
Total other local taxes	<u>\$ 3,412,731</u>	<u>\$ 3,412,731</u>	<u>\$ 3,294,671</u>	<u>\$ (118,060)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,079	\$ 7,079	\$ 14,083	\$ 7,004
Land use application fees	4,948	4,948	5,689	741
Transfer fees	891	891	763	(128)
Permits and other licenses	451,212	451,212	219,871	(231,341)
Total permits, privilege fees, and regulatory licenses	<u>\$ 464,130</u>	<u>\$ 464,130</u>	<u>\$ 240,406</u>	<u>\$ (223,724)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 53,937	\$ 65,852	\$ 112,288	\$ 46,436
Revenue from use of money and property:				
Revenue from use of money	\$ 300,000	\$ 300,000	\$ 96,288	\$ (203,712)
Revenue from use of property	35,000	35,000	75,781	40,781
Total revenue from use of money and property	<u>\$ 335,000</u>	<u>\$ 335,000</u>	<u>\$ 172,069</u>	<u>\$ (162,931)</u>
Charges for services:				
Sheriff's fees	\$ 6,840	\$ 6,840	\$ 900	\$ (5,940)
Ambulance and rescue service	-	48,005	145,346	97,341
Charges for Animal Protection	8,250	8,250	11,063	2,813
Charges for Commonwealth's Attorney	1,852	1,852	1,425	(427)
Work release and other inmate fees	183,500	183,500	101,083	(82,417)
Charges for sanitation and waste removal	2,040,000	2,040,000	1,531,306	(508,694)
Other charges for services	22,327	40,052	31,722	(8,330)
Total charges for services	<u>\$ 2,262,769</u>	<u>\$ 2,328,499</u>	<u>\$ 1,822,845</u>	<u>\$ (505,654)</u>
Miscellaneous revenue:				
Miscellaneous	\$ 69,435	\$ 81,503	\$ 80,284	\$ (1,219)
Repayment of contribution to Page Luray Airport Commission	-	-	210,749	210,749
Total miscellaneous revenue	<u>\$ 69,435</u>	<u>\$ 81,503</u>	<u>\$ 291,033</u>	<u>\$ 209,530</u>
Total revenue from local sources	<u>\$ 24,300,457</u>	<u>\$ 24,390,170</u>	<u>\$ 22,569,943</u>	<u>\$ (1,820,227)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	\$ 8,585	\$ 8,585	\$ -	\$ (8,585)
Wine taxes	9,000	9,000	-	(9,000)
Mobile home titling tax	-	-	17,162	17,162
State recordation tax	48,850	48,850	55,170	6,320
Railroad rolling stock tax	28,585	28,585	35,238	6,653
Motor vehicle rental tax	2,688	2,688	4,935	2,247
Personal property tax relief funds	1,640,791	1,640,791	1,640,791	-
Total noncategorical aid	<u>\$ 1,738,499</u>	<u>\$ 1,738,499</u>	<u>\$ 1,753,296</u>	<u>\$ 14,797</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 291,090	\$ 291,090	\$ 284,147	\$ (6,943)
Sheriff	2,381,799	2,381,799	1,593,490	(788,309)
Commissioner of revenue	154,378	154,378	157,102	2,724
Treasurer	139,238	139,238	141,387	2,149
Registrar/electoral board	52,000	52,000	48,736	(3,264)
Clerk of the Circuit Court	234,025	234,025	249,959	15,934
Total shared expenses	<u>\$ 3,252,530</u>	<u>\$ 3,252,530</u>	<u>\$ 2,474,821</u>	<u>\$ (777,709)</u>
Other categorical aid:				
CJS GTS grant	\$ -	\$ 2,952	\$ 25,329	\$ 22,377
Victim witness assistance	-	42,031	40,980	(1,051)
Other	269,300	749,402	678,767	(70,635)
Total other categorical aid	<u>\$ 269,300</u>	<u>\$ 794,385</u>	<u>\$ 745,076</u>	<u>\$ (49,309)</u>
Total categorical aid	<u>\$ 3,521,830</u>	<u>\$ 4,046,915</u>	<u>\$ 3,219,897</u>	<u>\$ (827,018)</u>
Total revenue from the Commonwealth	<u>\$ 5,260,329</u>	<u>\$ 5,785,414</u>	<u>\$ 4,973,193</u>	<u>\$ (812,221)</u>
Revenue from the federal government:				
Payments in lieu of taxes				
	\$ 85,263	\$ 85,263	\$ 186,976	\$ 101,713
Categorical aid:				
Triad grant	\$ -	\$ -	\$ 1,108	\$ 1,108
Byrne grant	47,451	47,451	44,056	(3,395)
Local law enforcement grant	1,156	1,156	3,769	2,613
DMV ground transportation safety grant	22,989	22,989	18,378	(4,611)
Community oriented police grants	49,361	49,361	2,696	(46,665)
Bullet proof vest grant	7,286	7,286	2,906	(4,380)
Terrorism prevention	2,600	2,600	41,793	39,193
ATF drug task force	-	-	8,680	8,680
Victim witness assistance	48,903	48,903	57,217	8,314
ARRA Sheriff salaries	-	-	544,484	544,484
BJA sheriff grant	50,000	50,000	-	(50,000)
DEQ royalties	-	-	1,211	1,211
ABC communication coalition grant	7,000	7,000	-	(7,000)
Total categorical aid	<u>\$ 236,746</u>	<u>\$ 236,746</u>	<u>\$ 726,298</u>	<u>\$ 489,552</u>
Total revenue from the federal government	<u>\$ 322,009</u>	<u>\$ 322,009</u>	<u>\$ 913,274</u>	<u>\$ 591,265</u>
Total General Fund	<u>\$ 29,882,795</u>	<u>\$ 30,497,593</u>	<u>\$ 28,456,410</u>	<u>\$ (2,041,183)</u>

**Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2009 (Continued)**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	\$ -	\$ -	\$ 3,834	\$ 3,834
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 641,177	\$ 641,177
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 2,016,146	\$ 2,016,146	\$ 1,098,761	\$ (917,385)
Total Virginia Public Assistance Fund	<u>\$ 2,016,146</u>	<u>\$ 2,016,146</u>	<u>\$ 1,743,772</u>	<u>\$ (272,374)</u>
Comprehensive Services Act Fund:				
Revenue from local sources:				
Charges for services:				
Comprehensive services	\$ -	\$ -	\$ 41,748	\$ 41,748
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act program	\$ 1,748,700	\$ 1,748,700	\$ 1,336,242	\$ (412,458)
Child support public assistance funds	-	-	7,764	7,764
Total categorical aid	<u>\$ 1,748,700</u>	<u>\$ 1,748,700</u>	<u>\$ 1,344,006</u>	<u>\$ (404,694)</u>
Total revenue from the Commonwealth	<u>\$ 1,748,700</u>	<u>\$ 1,748,700</u>	<u>\$ 1,344,006</u>	<u>\$ (404,694)</u>
Total Comprehensive Services Act Fund	<u>\$ 1,748,700</u>	<u>\$ 1,748,700</u>	<u>\$ 1,385,754</u>	<u>\$ (362,946)</u>
E-911 Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 139	\$ 139
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ 139</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ 139</u>
Categorical aid:				
Sheriff	\$ -	\$ -	\$ 69,000	\$ 69,000
Emergency services grant	-	-	15,000	15,000
PSAP grant	80,000	80,000	8,703	(71,297)
Total categorical aid	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 92,703</u>	<u>\$ 12,703</u>
Total revenue from the Commonwealth	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 92,703</u>	<u>\$ 12,703</u>
Total E-911 Fund	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 92,842</u>	<u>\$ 12,842</u>
Parks and Recreation Fund				
Revenue from local sources:				
Parks and recreation fees	\$ 65,000	\$ 65,000	\$ 48,929	\$ (16,071)

**Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2009 (Continued)**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund:				
County Capital Improvements Fund:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 437,786	\$ 437,786
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,786</u>	<u>\$ 437,786</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,786</u>	<u>\$ 437,786</u>
Total County Capital Improvements Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,786</u>	<u>\$ 437,786</u>
Total Primary Government	<u>\$ 33,792,641</u>	<u>\$ 34,407,439</u>	<u>\$ 32,165,493</u>	<u>\$ (2,241,946)</u>
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Charges for services:				
Charges for education	\$ 1,295,566	\$ 1,295,566	\$ 1,417,897	\$ 122,331
Total revenue from local sources	<u>\$ 1,295,566</u>	<u>\$ 1,295,566</u>	<u>\$ 1,417,897</u>	<u>\$ 122,331</u>
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Page, Virginia	\$ 12,793,127	\$ 12,793,127	\$ 9,098,412	\$ (3,694,715)
Total revenues from local governments	<u>\$ 12,793,127</u>	<u>\$ 12,793,127</u>	<u>\$ 9,098,412</u>	<u>\$ (3,694,715)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,215,762	\$ 3,215,762	\$ 2,878,531	\$ (337,231)
Basic school aid	12,298,244	12,298,244	12,383,115	84,871
GED funding	15,717	15,717	15,717	-
Remedial summer education	51,266	51,266	84,714	33,448
Gifted and talented	51,266	51,266	106,043	54,777
Remedial education	272,249	272,249	270,998	(1,251)
Enrollment loss payments	1,348	1,348	70,791	69,443
Special education	1,306,795	1,306,795	1,300,792	(6,003)
Textbook payments	280,582	280,582	279,293	(1,289)
Vocational standards of quality payments	426,129	426,129	425,369	(760)
Social security	636,826	636,826	633,408	(3,418)
Retirement fringe benefits	821,481	821,481	816,977	(4,504)
Vocational occupational technical education	38,103	38,103	41,289	3,186
Early reading intervention	66,143	66,143	70,277	4,134
Group life instructional	28,409	28,409	29,152	743
Adult literacy	2,880	2,880	-	(2,880)
Homebound education	14,501	14,501	12,665	(1,836)
Lottery	564,052	564,052	468,073	(95,979)
Tobacco Settlement	8,283	8,283	4,670	(3,613)
Regional program tuition	501,532	501,532	424,103	(77,429)
At risk payments	268,390	268,390	267,209	(1,181)
School construction	148,762	148,762	148,953	191
Primary class size	321,680	321,680	320,698	(982)
Technology	258,000	258,000	258,000	-
Standards of Learning algebra readiness	38,003	38,003	35,936	(2,067)
At risk four-year olds	315,292	315,292	315,292	-
English as a second language	28,802	28,802	24,856	(3,946)
Other state funds	6,446	6,446	27,236	20,790
Total categorical aid	<u>\$ 21,986,943</u>	<u>\$ 21,986,943</u>	<u>\$ 21,714,157</u>	<u>\$ (272,786)</u>

**Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2009 (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	\$ 16,000	\$ 16,000	\$ 60,635	\$ 44,635
Adult literacy	65,000	65,000	42,131	(22,869)
Title I	635,020	635,020	715,734	80,714
Title VI-B, special education flow-through	651,970	651,970	679,929	27,959
Vocational education	64,789	64,789	75,568	10,779
Title VI-B, special education pre-school	16,515	16,515	16,727	212
Drug free schools	13,243	13,243	7,359	(5,884)
Title II Part A	182,422	182,422	161,124	(21,298)
Title V	-	-	2,805	2,805
Learn and serve grant	5,000	5,000	21,630	16,630
21st century grant	60,708	60,708	47,337	(13,371)
REMS grant	27,000	27,000	73,841	46,841
Alcohol abuse	-	250,023	211,850	(38,173)
Total categorical aid	<u>\$ 1,737,667</u>	<u>\$ 1,987,690</u>	<u>\$ 2,116,670</u>	<u>\$ 128,980</u>
Total revenue from the federal government	<u>\$ 1,737,667</u>	<u>\$ 1,987,690</u>	<u>\$ 2,116,670</u>	<u>\$ 128,980</u>
Total School Operating Fund	<u>\$ 37,813,303</u>	<u>\$ 38,063,326</u>	<u>\$ 34,347,136</u>	<u>\$ (3,716,190)</u>
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 457	\$ 457
Charges for services:				
Cafeteria sales	<u>\$ 843,491</u>	<u>\$ 843,491</u>	<u>\$ 662,751</u>	<u>\$ (180,740)</u>
Total revenue from local sources	<u>\$ 843,491</u>	<u>\$ 843,491</u>	<u>\$ 663,208</u>	<u>\$ (180,283)</u>
Categorical aid:				
School food program grant	<u>\$ 21,284</u>	<u>\$ 21,284</u>	<u>\$ 25,888</u>	<u>\$ 4,604</u>
Total revenue from the Commonwealth	<u>\$ 21,284</u>	<u>\$ 21,284</u>	<u>\$ 25,888</u>	<u>\$ 4,604</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	<u>\$ 715,000</u>	<u>\$ 715,000</u>	<u>\$ 909,117</u>	<u>\$ 194,117</u>
Total School Cafeteria Fund	<u>\$ 1,579,775</u>	<u>\$ 1,579,775</u>	<u>\$ 1,598,213</u>	<u>\$ 18,438</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 39,393,078</u>	<u>\$ 39,643,101</u>	<u>\$ 35,945,349</u>	<u>\$ (3,697,752)</u>

**Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2009**

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 184,948	\$ 184,948	\$ 156,167	\$ 28,781
General and financial administration:				
County administrator	\$ 508,431	\$ 508,431	\$ 481,350	\$ 27,081
Accounting	218,287	218,287	198,100	20,187
Legal services	151,850	151,850	151,849	1
Commissioner of revenue	641,243	641,243	608,286	32,957
Geographic information systems	308,132	308,132	202,682	105,450
Treasurer	454,252	454,252	445,158	9,094
Data processing	366,834	366,834	366,834	-
Total general and financial administration	\$ 2,649,029	\$ 2,649,029	\$ 2,454,259	\$ 194,770
Board of elections:				
Electoral board and officials	\$ 50,646	\$ 50,646	\$ 45,276	\$ 5,370
Registrar	97,178	97,178	93,787	3,391
Total board of elections	\$ 147,824	\$ 147,824	\$ 139,063	\$ 8,761
Total general government administration	\$ 2,981,801	\$ 2,981,801	\$ 2,749,489	\$ 232,312
Judicial administration:				
Courts:				
Circuit court	\$ 10,529	\$ 10,529	\$ 4,016	\$ 6,513
General district court	12,490	12,490	9,407	3,083
Special magistrates	4,700	4,700	4,077	623
Juvenile and domestic relations court	13,740	13,740	12,361	1,379
Sheriff	202,906	202,906	192,415	10,491
Victim witness program	57,163	57,163	52,470	4,693
Clerk of the circuit court	391,040	391,040	382,008	9,032
Total courts	\$ 692,568	\$ 692,568	\$ 656,754	\$ 35,814
Commonwealth's attorney:				
Commonwealth's attorney	\$ 430,525	\$ 431,492	\$ 417,498	\$ 13,994
Total judicial administration	\$ 1,123,093	\$ 1,124,060	\$ 1,074,252	\$ 49,808
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,625,559	\$ 2,659,014	\$ 2,500,048	\$ 158,966
Virginia Juvenile Community Crime Control Act	-	42,031	37,456	4,575
Total law enforcement and traffic control	\$ 2,625,559	\$ 2,701,045	\$ 2,537,504	\$ 163,541
Fire and rescue services:				
Volunteer fire department	\$ 349,500	\$ 397,505	\$ 381,046	\$ 16,459
Volunteer rescue squads	418,718	425,586	417,859	7,727
Total fire and rescue services	\$ 768,218	\$ 823,091	\$ 798,905	\$ 24,186
Correction and detention:				
Jail	\$ 1,534,481	\$ 1,546,087	\$ 1,546,086	\$ 1
Juvenile detention	145,775	145,775	145,775	-
Total correction and detention	\$ 1,680,256	\$ 1,691,862	\$ 1,691,861	\$ 1

**Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year ended June 30, 2009 (Continued)**

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 388,687	\$ 388,687	\$ 323,844	\$ 64,843
Zoning	137,509	137,509	143,648	(6,139)
Total inspections	<u>\$ 526,196</u>	<u>\$ 526,196</u>	<u>\$ 467,492</u>	<u>\$ 58,704</u>
Other protection:				
Animal control	\$ 402,132	\$ 402,132	\$ 393,999	\$ 8,133
Medical examiner	750	750	180	570
Emergency medical services	115,642	149,642	122,789	26,853
Concern hotline	1,800	1,800	1,800	-
Emergency services	8,423	8,423	8,423	-
Total other protection	<u>\$ 528,747</u>	<u>\$ 562,747</u>	<u>\$ 527,191</u>	<u>\$ 35,556</u>
Total public safety	<u>\$ 6,128,976</u>	<u>\$ 6,304,941</u>	<u>\$ 6,022,953</u>	<u>\$ 281,988</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 5,000	\$ 5,000	\$ 3,558	\$ 1,442
Sanitation and waste removal:				
Compactor sites	\$ 152,378	\$ 152,378	\$ 143,299	\$ 9,079
Landfill	2,918,347	2,918,347	2,511,414	406,933
Total sanitation and waste removal	<u>\$ 3,070,725</u>	<u>\$ 3,070,725</u>	<u>\$ 2,654,713</u>	<u>\$ 416,012</u>
Maintenance of general buildings and grounds:				
General properties	\$ 557,428	\$ 557,428	\$ 462,896	\$ 94,532
Total public works	<u>\$ 3,633,153</u>	<u>\$ 3,633,153</u>	<u>\$ 3,121,167</u>	<u>\$ 511,986</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 272,850	\$ 272,850	\$ 256,916	\$ 15,934
Health advisory council	1,232	1,232	1,232	-
Total health	<u>\$ 274,082</u>	<u>\$ 274,082</u>	<u>\$ 258,148</u>	<u>\$ 15,934</u>
Mental health and mental retardation:				
Community services board	\$ 88,694	\$ 88,694	\$ 88,694	-
Choices	5,000	5,000	5,000	-
Total mental health and mental retardation	<u>\$ 93,694</u>	<u>\$ 93,694</u>	<u>\$ 93,694</u>	<u>-</u>
Welfare:				
Welfare administration	\$ 22,867	\$ 22,867	\$ 19,045	\$ 3,822
Shenandoah Area Agency on Aging	52,425	52,425	52,425	-
Shen-Paco industries	2,250	2,250	2,250	-
Access independence	35,277	35,277	35,277	-
Tax relief for the elderly	-	-	228,770	(228,770)
Total welfare	<u>\$ 112,819</u>	<u>\$ 112,819</u>	<u>\$ 337,767</u>	<u>\$ (224,948)</u>
Total health and welfare	<u>\$ 480,595</u>	<u>\$ 480,595</u>	<u>\$ 689,609</u>	<u>\$ (209,014)</u>

**Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year ended June 30, 2009 (Continued)**

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contributions to L.F. Community College	\$ 7,522	\$ 7,522	\$ 7,522	\$ -
Contribution to County School Board	12,793,127	12,793,127	9,098,412	3,694,715
Total education	<u>\$ 12,800,649</u>	<u>\$ 12,800,649</u>	<u>\$ 9,105,934</u>	<u>\$ 3,694,715</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	\$ 139,376	\$ 139,376	\$ 122,598	\$ 16,778
Town recreation programs	18,000	18,000	9,000	9,000
Total parks and recreation	<u>\$ 157,376</u>	<u>\$ 157,376</u>	<u>\$ 131,598</u>	<u>\$ 25,778</u>
Cultural enrichment:				
Bluemont series	\$ 5,000	\$ 10,000	\$ 10,000	\$ -
Library:				
Regional library	\$ 171,360	\$ 171,360	\$ 171,360	\$ -
Total parks, recreation, and cultural	<u>\$ 333,736</u>	<u>\$ 338,736</u>	<u>\$ 312,958</u>	<u>\$ 25,778</u>
Community development:				
Planning and community development:				
Planning	\$ 127,391	\$ 152,391	\$ 125,543	\$ 26,848
Northern Shenandoah Planning Commission	19,050	19,050	12,756	6,294
Zoning	5,259	5,259	1,263	3,996
Economic development	474,730	1,895,960	1,864,897	31,063
Airport Commission	32,100	832,100	3,364	828,736
Chamber of Commerce	190,000	190,000	190,000	-
Total planning and community development	<u>\$ 848,530</u>	<u>\$ 3,094,760</u>	<u>\$ 2,197,823</u>	<u>\$ 896,937</u>
Environmental management:				
Soil and water conservation district	\$ 5,500	\$ 5,500	\$ 5,500	\$ -
Other environmental management	105,467	118,441	101,319	17,122
Total environmental management	<u>\$ 110,967</u>	<u>\$ 123,941</u>	<u>\$ 106,819</u>	<u>\$ 17,122</u>
Cooperative extension program:				
Administration	\$ 87,888	\$ 87,888	\$ 83,147	\$ 4,741
4-H center	3,500	3,500	3,500	-
Total cooperative extension program	<u>\$ 91,388</u>	<u>\$ 91,388</u>	<u>\$ 86,647</u>	<u>\$ 4,741</u>
Total community development	<u>\$ 1,050,885</u>	<u>\$ 3,310,089</u>	<u>\$ 2,391,289</u>	<u>\$ 918,800</u>
Nondepartmental:				
Miscellaneous	\$ 165,500	\$ 165,500	\$ 175,749	\$ (10,249)
Debt service:				
Principal retirement	\$ 357,585	\$ 357,585	\$ 1,961,338	\$ (1,603,753)
Interest and other fiscal charges	652,326	569,574	3,057,332	(2,487,758)
Total debt service	<u>\$ 1,009,911</u>	<u>\$ 927,159</u>	<u>\$ 5,018,670</u>	<u>\$ (4,091,511)</u>
Total General Fund	<u>\$ 29,708,299</u>	<u>\$ 32,066,683</u>	<u>\$ 30,662,070</u>	<u>\$ 1,404,613</u>

**Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year ended June 30, 2009 (Continued)**

Fund, Function, Activity 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	\$ 2,453,021	\$ 2,453,021	\$ 2,146,178	\$ 306,843
Total Virginia Public Assistance Fund	<u>\$ 2,453,021</u>	<u>\$ 2,453,021</u>	<u>\$ 2,146,178</u>	<u>\$ 306,843</u>
Comprehensive Services Act Fund:				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 2,492,920	\$ 2,492,920	\$ 2,027,252	\$ 465,668
Total Comprehensive Services Act Fund	<u>\$ 2,492,920</u>	<u>\$ 2,492,920</u>	<u>\$ 2,027,252</u>	<u>\$ 465,668</u>
E-911 Fund				
Public safety				
Law enforcement and traffic control:				
Emergency services	\$ 630,876	\$ 630,876	\$ 605,758	\$ 25,118
Total E-911 Fund	<u>\$ 630,876</u>	<u>\$ 630,876</u>	<u>\$ 605,758</u>	<u>\$ 25,118</u>
Parks and Recreation Fund:				
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 65,000	\$ 65,000	\$ 57,683	\$ 7,317
Total Parks and Recreation fund	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 57,683</u>	<u>\$ 7,317</u>
Capital Projects Fund:				
County Capital Improvements Fund:				
Capital projects expenditures:				
Office building	\$ -	\$ -	\$ 540	\$ (540)
School construction	24,125,498	28,028,088	24,464,545	3,563,543
Total capital projects	<u>\$ 24,125,498</u>	<u>\$ 28,028,088</u>	<u>\$ 24,465,085</u>	<u>\$ 3,563,003</u>
Total Capital Projects Fund	<u>\$ 24,125,498</u>	<u>\$ 28,028,088</u>	<u>\$ 24,465,085</u>	<u>\$ 3,563,003</u>
Total Primary Government	<u>\$ 59,475,614</u>	<u>\$ 65,736,588</u>	<u>\$ 59,964,026</u>	<u>\$ 5,772,562</u>

**Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year ended June 30, 2009 (Continued)**

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
Special revenue funds:				
School Operating Fund:				
Education:				
Instructional	\$ 26,114,391	\$ 26,114,391	\$ 26,183,293	\$ (68,902)
Administration, attendance and health services	1,609,746	1,609,746	1,626,633	(16,887)
Pupil transportation	2,086,490	2,086,490	2,099,696	(13,206)
Operation and maintenance	2,248,189	2,248,189	2,559,518	(311,329)
Facilities	615,926	615,926	809,442	(193,516)
Technology	1,131,962	1,131,962	1,069,792	62,170
School food services	736,500	736,500	(1,238)	737,738
Total education	<u>\$ 34,543,204</u>	<u>\$ 34,543,204</u>	<u>\$ 34,347,136</u>	<u>\$ 196,068</u>
Total School Fund	<u>\$ 34,543,204</u>	<u>\$ 34,543,204</u>	<u>\$ 34,347,136</u>	<u>\$ 196,068</u>
Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	<u>\$ 1,579,775</u>	<u>\$ 1,579,775</u>	<u>\$ 1,630,969</u>	<u>\$ (51,194)</u>
Total Cafeteria Fund	<u>\$ 1,579,775</u>	<u>\$ 1,579,775</u>	<u>\$ 1,630,969</u>	<u>\$ (51,194)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 36,122,979</u>	<u>\$ 36,122,979</u>	<u>\$ 35,978,105</u>	<u>\$ 144,874</u>

STATISTICAL INFORMATION

County of Page, Virginia

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

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

Includes the primary government and component unit school board.

(1) Information has only been available for 7 years.

Table 1

<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Interest on Long- Term Debt</u>	<u>Total</u>
\$ 282,110	\$ 804,207	\$ 277,226	\$ 36,231,889
239,088	1,237,918	279,279	44,550,622
260,385	895,947	292,062	51,889,919
304,228	1,042,107	518,790	58,936,175
355,263	843,537	2,057,773	61,706,557
361,870	1,167,563	2,741,544	66,008,794
372,810	2,394,702	3,000,078	72,330,640

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

Includes the primary government and component unit school board.

(1) Information has only been available for 7 years.

Table 2

GENERAL REVENUES					
<u>Permits, Privilege Fees, Regulatory Licenses</u>	<u>Unrestricted Investment Earnings</u>	<u>Miscellaneous</u>	<u>Grants and Contributions Not Restricted to Specific Programs</u>	<u>Extraordinary item</u>	<u>Total</u>
\$ 152,574	\$ 106,935	\$ 16,599	\$ 12,654,359	\$ -	\$ 39,596,189
-	82,081	126,951	18,060,211	-	48,200,912
-	242,075	481,585	19,707,978	(7,967,220)	42,961,969
-	245,063	266,186	10,494,961	-	59,381,445
-	2,054,857	113,272	9,862,420	-	62,690,299
-	2,214,945	192,889	10,976,833	-	70,793,476
-	610,312	291,172	13,314,721	-	70,911,469

County of Page, Virginia

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

<u>Fiscal Year</u>	<u>General Government Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>	<u>Education (2)</u>
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
2001	1,461,650	414,758	3,478,031	3,898,838	3,223,180	22,605,880
2000	1,275,422	420,928	3,020,904	3,745,871	3,157,580	21,679,101

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

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

Table 3

<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Non- departmental</u>	<u>Debt Service</u>	<u>Total</u>
\$ 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
183,920	927,888	91,641	1,301,482	37,587,268
187,780	460,068	95,321	1,246,511	35,289,486

County of Page, Virginia

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous
2009	\$ 16,636,631	\$ 3,294,671	\$ 240,406	\$ 112,288	\$ 172,526	\$ 3,998,004	\$ 291,172
2008	16,761,743	3,323,138	312,018	86,630	455,588	2,958,583	192,889
2007	14,484,551	3,349,730	409,010	54,251	571,946	2,837,064	113,272
2006	12,987,869	3,326,249	263,136	20,355	245,063	2,624,771	266,986
2005	11,281,113	2,949,991	246,273	17,087	214,488	1,682,675	493,262
2004	11,484,813	2,740,223	159,776	10,629	57,614	1,849,229	126,951
2003	10,968,864	2,580,809	152,574	20,352	89,060	1,669,335	16,599
2002	10,156,868	2,579,003	153,460	1,279	166,458	2,908,085	157,089
2001	10,368,204	2,489,381	114,583	3,203	283,617	3,070,896	232,287
2000	8,329,085	1,986,668	106,868	1,732	98,154	2,951,325	71,686

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

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

Table 4

<u>Inter-</u> <u>governmental (2)</u>	<u>Total</u>
\$ 33,828,946	\$ 58,574,644
32,871,171	56,961,760
32,194,834	54,014,658
29,871,104	49,605,533
27,560,147	44,445,036
25,111,708	41,540,943
24,253,079	39,750,672
23,141,731	39,263,973
23,412,534	39,974,705
21,243,575	34,789,093

**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
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%
2001	10,788,769	9,795,678	91%	1,364,752	11,160,430	99%	1,332,400	12%
2000	8,409,401	7,596,024	90%	928,625	8,524,649	98%	1,126,898	13%

(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	
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
2001	857,631,900	134,560,206	32,691,850	59,136,499	104,355	1,084,124,810
2000	843,206,716	123,839,996	31,166,050	58,748,690	95,379	1,057,056,831

(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

<u>Fiscal Years</u>	<u>Real Estate/ Mobile Homes (2)</u>	<u>Personal Property</u>	<u>Machinery and Tools/ Motor Carrier</u>	<u>Farm Machinery</u>
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	0.60/0.30
2006	0.67	3.00	2.00	0.60
2005	0.67	3.00	2.00	0.60
2004	0.67	3.00	2.00	0.60
2003	0.74/0.67	3.00	2.00	0.60
2002	0.74	3.00	2.00	0.60
2001	0.74	3.00	2.00	0.60
2000	0.54/0.74	2.25	1.25	0.30

(1) Per \$100 of assessed value.

(2) The rates shown are for the second half/first half of 1999/2000; 2002/2003;2006/2007, 2008/2009. 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
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
2001	23,177	1,084,124,810	5,871,259	0.54%	253.32
2000	23,000	1,057,056,831	5,142,854	0.49%	223.60

(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
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%
2001	854,907	453,452	1,308,359	37,587,268	3.48%
2000	843,766	370,716	1,214,482	35,289,486	3.44%

(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, 2009, which collectively comprise the County of Virginia's basic financial statements and have issued our report thereon dated January 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Page, Virginia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Page, Virginia's financial statements that is more than inconsequential will not be prevented or detected by the County of Page, Virginia's internal control.

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

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

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the County of Page, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County of Page, Virginia in a separate letter dated January 15, 2010.

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 15, 2010

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

Compliance

We have audited the compliance of the County of Page, Virginia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The County of Page, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Page, Virginia's management. Our responsibility is to express an opinion on the County of Page, Virginia's compliance based on our audit.

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

In our opinion, the County of Page, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of 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 15, 2010

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards
 Primary Government and Discretely Presented Component Unit School Board
 Year Ended June 30, 2009

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalog Number	Expenditures
<u>PRIMARY GOVERNMENT:</u>		
Department of Agriculture: Community Facilities Loan Pass Through Payments:	10.766	\$ 725,209
Department of Social Services: State Adm. Matching Grants For the Supplemental Nutrition Assistance Program	10.561	<u>245,248</u>
Total Department of Agriculture		\$ <u>970,457</u>
Department of Natural Resources and Conservation: Pass Through Payments:		
Department of Environmental Quality: DEQ rent royalties	66.000	\$ <u>1,211</u>
Total Department of Natural Resources and Conservation		\$ <u>1,211</u>
Department of Health and Human Services: Pass Through Payments:		
Department of Social Services:		
Temporary Assistance for Needy Families	93.558	\$ 203,296
Refugee & Entrant Assistance - State Adm	93.566	374
Low-Income Home Energy Assistance	93.568	9,086
Foster Care - Title IV-E	93.658	121,116
Foster Care - Title IV-E ARRA	93.658	5,588
Adoption Assistance	93.659	45,201
Adoption Assistance ARRA	93.659	4,206
Child Welfare Services	93.645	1,026
Social Services Block Grant	93.667	93,693
Chafee Foster Care Independence Program	93.674	6,937
Promoting Safe and Stable Families	93.556	16,918
Medical Assistance program (Title XIX)	93.778	149,547
Child Care and Development Block Grant ARRA	93.575	106,641
Children's Health Insurance Program	93.767	17,138
CHAFEE Education and Training Vouchers Program	93.599	6,942
Child Care and Development Block Grant ARRA	93.713	1,073
Child Care and Development Fund - Mandatory and Matching Funds	93.596	<u>64,731</u>
Total Department of Health and Human Services		\$ <u>853,513</u>
Department of the Interior: Direct Payments:		
Bureau of Land Management: Payment in Lieu of Taxes	15.226	\$ <u>186,976</u>

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
 Primary Government and Discretely Presented Component Unit School Board
 Year Ended June 30, 2009

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalog Number	Expenditures
U.S. Department of Justice:		
Pass Through Payments:		
Department of Criminal Justice Services:		
Bullet proof vest grant	16.607	\$ 2,906
Local law enforcement block grant	16.592	3,769
Terrorism prevention	16.000	41,793
Edward Bryne Memorial grant	16.579	1,108
Enforcing Underage Drinking Loan	16.727	8,680
Crime victim assistance grant	16.575	57,217
Edward Bryne Memorial Discretionary grant	16.580	44,056
Community oriented police grant	16.000	<u>2,696</u>
Total Department of Criminal Justice Services		\$ <u>162,225</u>
Department of Education:		
Pass Through Payments:		
Virginia Compensation Board:		
State fiscal stabilization fund	84.397	<u>544,484</u>
Department of Transportation:		
Pass Through Payments:		
Department of Motor Vehicles:		
State and community highway safety program	20.600	\$ <u>18,378</u>
Total Primary Government		\$ <u><u>2,737,244</u></u>
<u>COMPONENT UNIT SCHOOL BOARD:</u>		
Department of Agriculture:		
Pass Through Payments:		
Department of Education:		
School breakfast program	10.553	\$ 166,960
National school lunch program	10.555	635,585
Department of Agriculture:		
Food distribution-school lunch	10.555	106,572
Scenic Payments for States and Counties Containing Federal Lands	10.665	<u>60,635</u>
Total pass through payments		\$ <u>969,752</u>
Total Department of Agriculture		\$ <u>969,752</u>

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
 Primary Government and Discretely Presented Component Unit School Board
 Year Ended June 30, 2009

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalog Number	Expenditures
Department of Education: Pass Through Payments: Department of Education:		
Adult Basic Education	84.002	\$ 42,131
Title I	84.010	715,734
Education technology	84.318	8,683
Title VI-B:		
Special Education - state grants	84.027	679,929
Preschool grant	84.173	16,727
Vocational Education:		
Basic grants to states	84.048	75,568
Improving Teacher Quality	84.367	152,441
Innovative Programs	84.298	2,805
Safe drug free schools and communities - State Grants	84.186	7,359
Safe and Drug free schools and communities - National	84.184	73,841
Education Technology	84.318	47,337
Safe and Drug free schools and communities - National	84.184A	<u>211,850</u>
Total Department of Education		<u>\$ 2,034,405</u>
Corporation for National and Community Services: Pass Through Payments: Department of Education:		
Learn and serve-School and Community Based Programs	94.004	<u>\$ 21,630</u>
Total Corporation for National and Community Services		<u>\$ 21,630</u>
Total Component Unit School Board		<u>\$ 3,025,787</u>

NOTE A-BASIS OF PRESENTATION

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

NOTE B-FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2009, the County had food commodities totaling \$40,327 in inventory.

COUNTY OF PAGE, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes x no

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

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes x no

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

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.766	Community Facilities Loans
93.667	Social Services Block Grant
84.010	Title I Educationally Deprived Children
84.397	SFSF-Government Services Recovery Act

Nutrition Cluster:

10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Food Distribution

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

Auditee qualified as low-risk auditee? x yes no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

Section IV-Summary Schedule of Prior Findings

There were no prior year findings.