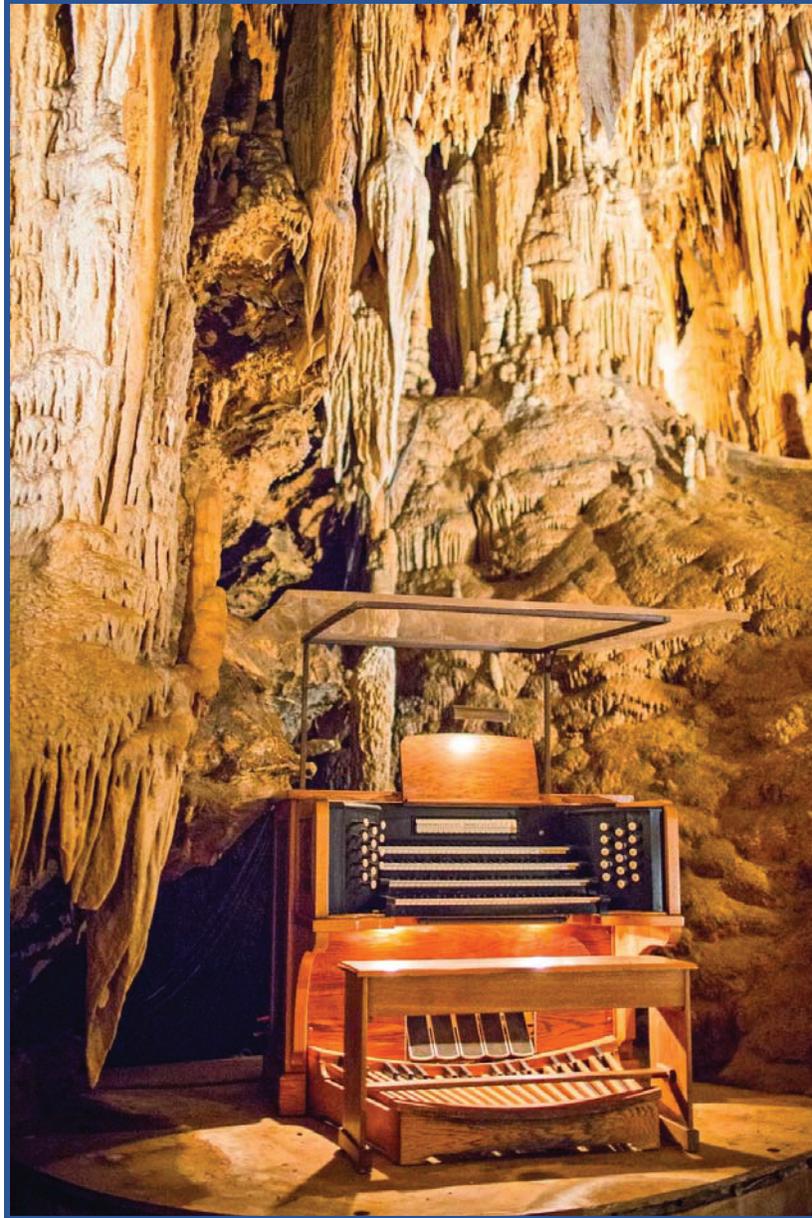


# COUNTY OF PAGE, VIRGINIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2019

**COUNTY OF PAGE, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Prepared by  
Dennis Click, Director of Finance  
Page County, Virginia

**COUNTY OF PAGE, VIRGINIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2019**

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## **INTRODUCTORY SECTION**



## COUNTY OF PAGE

103 South Court Street, Suite F  
Luray, Virginia 22835  
(540) 743-4142  
Fax: (540) 743-4533

### Board of Supervisors:

Morgan Phenix – Chairman – At-Large  
D. Keith Guzy, Jr. – District 1  
David Wiatrowski – District 2  
Mark Stroupe – District 3  
Larry Foltz – District 4  
Jeff Vaughan – District 5

### County Administrator:

Amity Moler

**December 11<sup>th</sup>, 2019**

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the County of Page (County) for the fiscal year ended 2019. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's activities have been included.

The accounting firm of Robinson, Farmer, Cox Associates, Certified Public Accountants, has audited the County's financial statements. The goal of the independent audit is to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and evaluating the overall financial statement presentation. This examination was conducted using guidelines set forth by Government Auditing Standards Board and the Specification for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts. Based upon this audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The financial reporting entity (the County) includes all funds of the primary government (i.e., the County of Page, as legally defined), as well as all of its component units. The County provides a full range of services including police and rescue services, sanitation services, recreational activities, cultural events, and welfare services.

Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows, from those of the primary government. The discretely presented component unit included in this report is the Page County School Board.

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

### **The Reporting Entity and Economic Outlook**

The County of Page (County) was created in 1831 from sections of Shenandoah and Rockingham counties and was named for John Page, Governor of Virginia from 1802 to 1805. It covers a total area of 314 square miles (810 square kilometers), of which 311 square miles is land and 3.2 square miles is water. It is nestled between Shenandoah, Warren, Rappahannock, Madison, Greene, and Rockingham counties.

Between the beautiful Blue Ridge and Massanutten Mountains, in Virginia's fabled Shenandoah Valley, the families of Page County developed a heritage of independence, self-reliance, and community which is still evident in our labor force today. A high-quality educational system; inexpensive cost of living and doing business; friendly, quiet community; and our scenic and unspoiled environment are just a few of the qualities that make Page County an ideal place to visit, live or do business. Located 15 minutes from I-81 and 30 minutes from I-66, Page County is also convenient to major interstates.

The County has seen continuous growth since 1840, with a population per the 2010 census of 24,042. The County is empowered to levy a property tax on both real estate and personal property located within its boundaries. Three incorporated town's lay within the borders of Page County, the towns of Luray, Shenandoah, and Stanley.

The County has a County Administrator form of government with an elected Board of Supervisors, which establishes policies for the administration of the County. The Board of Supervisors consists of six members representing the five magisterial districts in the County and one member elected at-large. The Chairman of the Board of Supervisors is elected in a county wide election. The Board of Supervisors appoints a County Administrator to serve as the administrative manager of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, and oversees the daily administration of the County.

The Commonwealth of Virginia provides the construction and maintenance of highways, streets, and infrastructure located within the County. In addition to employee performed EMS duties within the county, local volunteer fire and rescue companies provide fire and rescue protection for the citizens, and the County provides support through cash contributions for operations and capital expenditures.

There were 9,305 households out of which 29.60% had children under the age of 18 living with them, 55.80% were married couples living together, 10.50% had a female householder with no husband present, and 28.70% were non-families. 24.40% of all households were made up of individuals and 11.10% had someone living alone who was 65 years of age or older. The average household size was 2.46 and the average family size was 2.91. In the county, the population was spread out with 23.00% under the age of 18, 7.70% from 18 to 24, 28.30% from 25 to 44, 25.30% from 45 to 64, and 15.70% who were 65 years of age or older. The median age was 39 years.

The economic conditions of Page County have remained steady, with slight growth in property tax collections in a year where tax rates were not increased. Transient Occupancy taxes also continue to beat estimates and we have welcomed many new rental properties and service industry locations into the burgeoning tourism industry of Page County. In fact, TLC named Luray #2 on their list of Most Beautiful Wedding Locales in the United States. Many of our most sought-after destinations remain small and independently owned, keeping most of the economic benefits within the community.

### **Major Initiatives and Goals**

The Mission Statement of Page County is as follows:

*To provide our citizens and businesses with a superior quality of life by delivering county services and programs in a fiscally prudent and responsible manner.*

During Fiscal Year 2019, the County saw significant savings in engineering rates at both Battle Creek Landfill and the now closed Stanley Landfill. This has continued to push landfill operations further into the black, and offset even more of the existing debt service obligations. The landfill remains a net gain as the minimal costs incurred far outweigh the expense of tipping fees if the waste were to be hauled elsewhere.

Additionally, an automobile decal fee was levied to assist in funding local landfill operations. The amount estimated for collection associated with this levy is set at \$659,000. The upgrades to the landfill will make our facility competitive into the far-reaching future, where costs for solid waste storage continue to increase.

Our Fire and EMS Division was formed in 2003, and is presently staffed with 36 full-time and part-time employees. Currently, the County operates 3 volunteer rescue stations (one located in each independent town in the County), the Luray, Shenandoah, and Stanley Volunteer Rescue Squads. Additionally, the Department provides emergency medical services and fire response training for the 6 volunteer fire departments and rescue stations in the County. In Fiscal Year 2019, we were able to achieve \$517,103 of revenue while responding to more calls and making minor upgrades to our fleet. Additionally, a change in shift type has increased the number of responders available at any given time to improve response times around the County.

The Page County Animal Shelter was designated a No-Kill Shelter, recognizing our high rates of placement. This marks the first time in County history that the shelter has achieved such a designation.

In a time where recycling programs are being rolled back across the Commonwealth, Page County has been able to expand its program. Recently, the Virginia Association of Counties presented an achievement award recognizing the efforts to continue expanding recycling operations. This was one of only 26 awards presented this year. In addition to taking in additional tonnage, profits made by the recycling program increased 55% year over year.

An RFP was issued regarding a new public safety radio system, with potential companies currently being reviewed. Soon, the County of Page looks to award a P25 compliant radio system contract in order to bring public safety to the forefront. Operation of a new radio system will reduce dead zones and increase communication capabilities for county, fire, rescue, law enforcement, and school system employees.

## **Financial Information**

The management of the County of Page is responsible for establishing and maintaining internal controls to ensure the protection of the County assets. In developing and evaluating the County of Page's accounting system, consideration is given to the adequacy of internal accounting controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

### **Single Audit**

As a recipient of federal and state financial assistance, the County also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management.

As a part of the County's single audit, described earlier, tests are made to determine the adequacy of the system of internal control, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 2019 provided no instances of material weaknesses in the system of internal control and no violations of applicable laws and regulations.

### **Budgeting Controls**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Governmental funds utilize the current financial resources measurement focus and the modified accrual basis of accounting. Revenues and related assets are recorded when measurable and available to finance operations during the year. 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County. 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. Proprietary and Fiduciary Funds use the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

The appropriations resolution places legal restrictions on expenditures at the activity level within each department. Formal budgets are legally adopted for the governmental funds, which include the General, Virginia Public Assistance, Children's Services Act, Capital Projects Funds, Parks and Recreation, Juvenile Community Crime Control, Victim Witness Protection, Water Quality, and Airport Hangar funds of the primary government and component unit – School Board. Budgetary integration is employed as a management control device during the year, and budgets are monitored and reported to the Board of Supervisors on a monthly basis.

Demonstrating compliance with the adopted budget is an important component of the County's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets, and have a keen interest in following the actual financial progress over the course of the year. The County, like many other localities, revises their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports including the original budget, final budget and actual results.

The County Administrator is authorized to transfer budgeted amounts within general government activities; however, the component unit School Board is authorized to transfer budgeted amounts within the school system's categories.

Appropriations lapse on June 30 for all County departments. Supplemental appropriations are made as necessary throughout the year. Encumbrances and reserved fund balances outstanding at June 30 are re-appropriated in the succeeding year on a case-by-case basis.

### **Relevant Financial Policies**

The County of Page, Virginia has adopted a comprehensive set of financial policies. The County has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to appropriations and transfers to other funds). For Fiscal Year 2018, no carryover funds were utilized in order to balance the adopted budget. Several appropriations, as they related to restricted sources of funds and our component unit, re-appropriated carryover funds, but none were required to balance the budget. The County also has a policy in place to maintain a 15% Fund Balance in order to not only meet our debt covenants, but remain agile and adaptive in the current economic climate.

## **Other Information**

### **Independent Audit**

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

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Page, Virginia, for its comprehensive annual financial report for the fiscal year ending June 30, 2018.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

**Acknowledgments**

The preparation of this annual financial report could not have been accomplished without the dedicated effort of Amity Moler, County Administrator, Penny Gray, Treasurer, the School Board and the members of their staff. We would like to express our appreciation to all members of those departments who assisted and contributed to the preparation of this report.

Moreover, without the leadership and support of the Board of Supervisors, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in cursive script that reads "Dennis Lee Click". The signature is written in black ink and is positioned below the word "Sincerely,".

Dennis Lee Click  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Page  
Virginia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

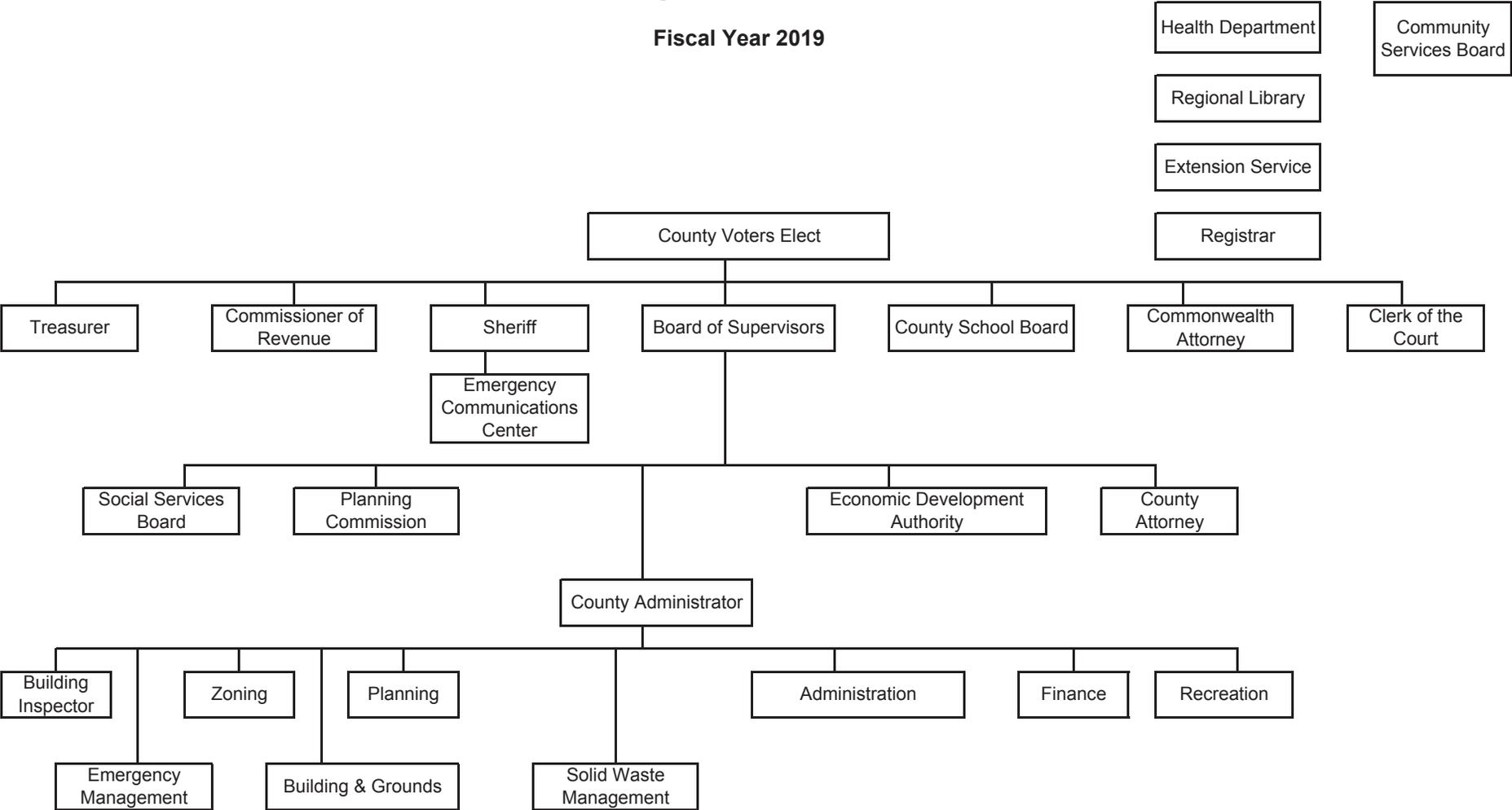
Executive Director/CEO

County of Page, Virginia

Organizational Chart

Fiscal Year 2019

State Regional Agencies



**COUNTY OF PAGE, VIRGINIA**

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**BOARD OF SUPERVISORS**

---

Morgan Phenix, Chairman

Mark Stroupe  
David Wiatrowski  
Jeff Vaughan

Larry Foltz  
D. Keith Guzy, Jr.

Amity Moler, 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.....C. Grayson Markowitz  
Commonwealth’s Attorney ..... Kenneth L. Alger II  
Commissioner of the Revenue..... Rebecca Smith  
Treasurer ..... Penny Gray  
Sheriff..... Chad Cabbage  
Superintendent of Schools..... Wendy Gonzalez  
Director of Department of Social Services ..... Patricia C. Koontz

**SCHOOL BOARD**

---

Randy Bailey, Chairman

Sharon Lucas, Vice Chairman  
Rolf Gubler  
Jackie Sullivan-Smoot

Tommy Lansberry  
Shawn Printz  
Linda Breeden-Wallace, Clerk

**FINANCE BOARD**

---

Members, Page County Board of Supervisors  
Penny Gray, Treasurer  
Dennis Click, Director of Finance

**BOARD OF SOCIAL SERVICES**

---

Louise Kyger, Chairman

Ted Booker  
Donnie Roudabush

Fred Fielding  
Darrell Short

Jan Sletten

## **FINANCIAL SECTION**



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**Independent Auditors' Report**

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

**Report on the Financial Statements**

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 County of Page, Virginia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **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 County of Page, Virginia, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As described in Note 2 to the financial statements, in 2019, the County adopted new accounting guidance, GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules relating to pension and OPEB funding on pages 4-9, 77, 78-93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Page, Virginia's basic financial statements. The introductory section, other supplementary information, and statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019, on our consideration of 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Page, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Page, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
December 11, 2019

## Management's Discussion and Analysis

The following is a narrative overview and analysis of the financial activities of County of Page, Virginia for the fiscal year ended June 30, 2019.

### **Financial Highlights**

The assets and deferred outflows of resources of County of Page, Virginia were short of its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$(7,744,366). Of this amount, \$(8,655,053) is unrestricted. The School Board's net position was \$(7,884,147) of which \$(37,214,921) is unrestricted.

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,641,946, an increase of \$1,854,672 in comparison to the prior year. \$11,297,422 is available for spending at the government's discretion (unassigned fund balance).

### **Overview of the Financial Statements**

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

Local governmental accounting and financial reporting originally focused on funds that were designed to enhance and demonstrate fiscal accountability, as these statements are now accompanied by government-wide financial statements, the objective of operational accountability will also be met. These objectives will provide financial statements users with both justification 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 position and 2) the statement of activities.

The statement of net position presents all of the County's permanent accounts, or assets, liabilities deferred inflows/outflows of resources and net position. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other non-financial factors 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 position changed during the fiscal year. The statement is focused on the gross and net cost of various governmental functions that are supported by general tax and other revenue. The statement of activities presents expenses before revenues, emphasizing that in government revenues are generated for the express purpose of providing services and not as an end unto itself.

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

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

## **Fund Financial Statements**

The fund financial statements will be more familiar to past financial statement users. The only difference from prior year presentation of the fund statements is that only major, or significant, funds will be presented. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions, or services, reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, a reconciliation of the two methods is provided in Exhibits 4 & 6 in this report.

### **Proprietary Funds**

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

The County of Page has one internal service fund, which is retained for purposes of the school board component unit: Health Insurance Fund. The Health Insurance Fund accounts for insurance premiums paid by the School Board for all departments. At June 30<sup>th</sup> the plan surplus was \$48,937 with an overall net position of \$(7,254). A thorough explanation and historical claim and settlement data is available in Note 17 of this report.

### **Fiduciary Funds**

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

## Notes to the Financial Statements

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

### Government-wide Financial Analysis

As previously noted, net position may serve as a useful indicator of a government's financial position. The County of Page's assets failed to exceed its liabilities and deferred inflows of resources by \$(7,576,366) at the close of the fiscal year.

The County's net position is divided into three categories: (1) net investment in capital assets; (2) restricted; and (3) unrestricted.

#### **County of Page, Virginia's Net Position**

	<b>2019</b>	<b>2018</b>
Current and Other Assets	\$ 30,486,229	\$ 28,151,689
Capital Assets	44,820,954	47,629,026
Total Assets	<b>\$ 75,307,183</b>	<b>\$ 75,780,715</b>
Pension Related Items	\$ 993,443	\$ 1,013,071
OPEB Related Items	93,751	36,892
Total Deferred Outflows	<b>\$ 1,087,194</b>	<b>\$ 1,049,963</b>
Long Term Liabilities	\$ 67,875,995	\$ 70,914,254
Other Liabilities	4,427,018	4,844,172
Total Liabilities	<b>\$ 72,303,013</b>	<b>\$ 75,758,426</b>
Deferred Revenue-Property Taxes	\$ 10,760,502	\$ 10,300,558
Items Related to Net Pension Liability	896,228	821,666
OPEB Related Items	179,000	65,000
Total Deferred Inflows	<b>\$ 11,835,730</b>	<b>\$ 11,187,224</b>
Net Investment in Capital Assets	\$ 910,687	\$ 935,016
Restricted	-	-
Unrestricted	(8,655,053)	(11,049,988)
Total Net Position	<b>\$ (7,744,366)</b>	<b>\$ (10,114,972)</b>

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 are needed for governmental operations and cannot be liquidated to repay these liabilities.

Restricted net position represents resources that are subject to external restrictions on how they may be used. There is no restricted net position to report.

At the end of the fiscal year, the County is able to report a smaller negative unrestricted net position, lower liabilities, higher deferred outflows, and higher deferred inflows. Total net position is primarily pushed down by decreased value of capital assets held by the County.

## Governmental Activities

Governmental activities have increased the County's net position by \$2,538,606 due in large part to avoiding expenditure growth (expenditures decreased 2.19%) and increasing revenues by 3.1% (primarily through general property taxes, other local taxes, and charges for services).

<b>Revenues:</b>	<b>2019</b>	<b>2018</b>
Program Revenues:		
Charges for Services	\$ 2,757,695	\$ 2,496,019
Operating Grants and Contributions	8,097,100	8,202,143
General Revenues:		
General Property Taxes	22,855,773	22,444,117
Other Local Taxes	4,027,548	3,652,426
Use of Money and Property	156,640	94,215
Miscellaneous	323,297	296,919
Grants and Cont. Not Restricted	2,349,785	2,331,350
Total Revenues	<b>\$ 40,567,838</b>	<b>\$ 28,819,027</b>
<b>Expenses:</b>		
General Government	\$ 2,809,655	\$ 2,630,235
Judicial Administration	1,302,775	1,287,562
Public Safety	9,757,334	8,882,301
Health and Welfare	3,801,920	3,236,871
Education	11,770,736	3,779,627
Parks, Recreation, and Cultural	353,747	12,970,892
Community Development	2,918,672	335,016
Public Works	3,219,021	3,264,067
Interest on Long-Term Debt	2,263,372	2,394,247
Bond Issuance Cost	-	99,260
Total Expenses	<b>\$ 38,197,232</b>	<b>\$ 38,880,078</b>
Changes in Net Position	\$ 2,370,606	\$ 637,111
Net Position, Beginning	<u>(10,114,972)</u>	<u>(10,752,083)</u>
Net Position, Ending	<b><u>(7,744,366)</u></b>	<b><u>(10,114,972)</u></b>

## Financial Analysis of the Government's Funds

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

## Governmental Funds

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

At the year end, the County's governmental funds reported combined ending fund balances of \$11,641,946 an increase of \$1,854,672 over the prior year. Unassigned fund balance increased \$1,661,301 over the period measured.

The general fund is the chief operating fund of the County. As of June 30, 2019, the total fund balance was \$11,354,235, of which \$11,297,422 was unassigned.

## General Fund Budgetary Highlights

Actual revenues received exceeded the original budget by \$1,609,391 mainly due to increased property tax revenues. Differences between the original expenditure budgeted appropriations and the final actual expenditures totaled \$240,482 more than budgeted appropriations due mainly to increase in operating costs of the sheriff's department and the settlement of a lawsuit accrued at year end.

## Capital Asset and Debt Administration

### Capital Assets

County Investments in capital assets have been made in four different categories, which include land, buildings and major subsystems, machinery and equipment, and construction in process. Governmental capital assets decreased slightly from the prior year, primarily due to a natural curve of depreciation setting in without many high value assets added in this current fiscal year, as opposed to prior years.

**County of Page, Virginia**  
**Capital Assets for Governmental Activities**  
**(Net of Depreciation)**

<u>Governmental Activities</u>	<u>2019</u>	<u>2018</u>
Land	\$ 1,970,464	\$ 1,970,464
Buildings and Systems	41,632,491	44,228,955
Machinery and Equipment	1,142,999	1,325,066
Construction in Progress	75,000	104,541
<b>Totals</b>	<b>\$ 44,820,954</b>	<b>\$ 47,629,026</b>

Additional information on the County's assets can be found in the notes (Note 8) to the financial statements.

## Long-term debt

The county carried several liabilities that fall into the realm of long-term debt. Among these general categories are General Obligation Bonds and Revenue Bonds, which have financed large scale projects for the county. Included in Revenue Bonds are our Lease Revenue Bonds, a bond secured by payment of lease payments by the party securing the bond. Substantial amounts of debt are related to landfill closure and post closure activities, a liability that is required to be tracked and updated by the county. Capital leases are a useful tool for managing cash flow through (often smaller) debt instruments, and the county held \$278,904 of these at year end. Premiums related to the issuance of our existing bonds continue to decrease as we have not had any new bond premiums added in relation to debt issuance. We continue to see the impact of GASB Statement No. 68, and the new pension reporting standards, as part of our long-term debt. GASB 75 has now been implemented and increased the display of OPEB Obligations as a share of outstanding debt. Lastly, we have the balance of leave which is eligible for a financial payment as employee's leave employment with the county. At fiscal year end the County had the following outstanding debt:

### **County of Page, Virginia's Outstanding Debt For the Year Ended June 30, 2019**

<u>Governmental Activities</u>	<u>2019</u>	<u>2018</u>
General Obligation Bonds	\$ 38,556,619	\$ 40,690,695
Revenue Bonds	14,832,940	15,572,683
Landfill Closure/Post-Closure	7,241,931	6,698,818
Capital Leases	278,904	352,625
Premiums on Bond Issuance	471,804	509,007
Net Pension Liability	2,120,394	2,817,472
Net OPEB Obligation	3,655,000	3,594,000
Compensated Absences	718,403	678,954
<b>Total Outstanding Debt</b>	<b>\$ 67,875,995</b>	<b>\$ 70,914,254</b>

Additional information on the County's long-term debt can be found in the notes (Note 13) to the financial statements.

## Economic Factors and Next Year's Budgets

As of the end of this reporting period, unemployment sat at 3.3% for Page County, a drop of 0.5% for the same time frame as last year. This is higher in comparison with the state's average of 2.9% for the same period, and just below the national average of 3.8%. These factors will be considered when preparing the County's budget and future plans for expenditures.

## 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, 103 South Court Street, Suite F, Luray, Virginia, 22835.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Statement of Net Position  
June 30, 2019

	Primary Government	Component Unit	Component Unit	Component Unit
	Governmental Activities	School Board	Economic Development Authority	Luray-Page Airport Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,580,560	\$ 956,099	\$ 271,506	\$ 253,678
Receivables (net of allowance for uncollectibles):				
Taxes receivable	15,121,763	-	-	-
Accounts receivable	663,748	75,062	1,496,661	5,746
Notes receivable	-	-	2,725	-
Due from primary government	-	2,137,633	-	-
Due from other governmental units	1,120,158	569,221	-	31,058
Inventories	-	30,560	-	42,081
Prepaid items	-	292,156	1,475	-
Capital assets (net of accumulated depreciation):				
Land	1,970,464	977,491	2,751,000	1,936,386
Buildings and improvements	41,632,491	33,039,817	-	11,326,700
Machinery and equipment	1,142,999	1,370,114	-	157,121
Construction in progress	75,000	140,950	-	218,203
Total assets	<u>\$ 75,307,183</u>	<u>\$ 39,589,103</u>	<u>\$ 4,523,367</u>	<u>\$ 13,970,973</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 993,443	\$ 3,772,145	\$ -	\$ -
OPEB related items	93,751	408,924	-	-
Total deferred outflows of resources	<u>\$ 1,087,194</u>	<u>\$ 4,181,069</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,015,406	\$ 155,899	\$ -	\$ 38,702
Accrued liabilities	400,703	3,077,418	-	-
Customers' deposits	-	-	-	2,160
Accrued interest payable	873,276	44,807	-	-
Due to component unit	2,137,633	-	-	-
Long-term liabilities:				
Due within one year	3,512,011	538,812	24,783	-
Due in more than one year	64,363,984	41,374,633	1,471,878	-
Total liabilities	<u>\$ 72,303,013</u>	<u>\$ 45,191,569</u>	<u>\$ 1,496,661</u>	<u>\$ 40,862</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue-property taxes	\$ 10,760,502	\$ -	\$ -	\$ -
Pension related items	896,228	4,397,050	-	-
OPEB related items	179,000	2,065,700	-	-
Total deferred inflows of resources	<u>\$ 11,835,730</u>	<u>\$ 6,462,750</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 910,687	\$ 29,330,774	\$ 2,751,000	\$ 13,638,410
Unrestricted	(8,655,053)	(37,214,921)	275,706	291,701
Total net position	<u>\$ (7,744,366)</u>	<u>\$ (7,884,147)</u>	<u>\$ 3,026,706</u>	<u>\$ 13,930,111</u>

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

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COUNTY OF PAGE, VIRGINIA

Statement of Activities  
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 2,809,655	\$ 104,889	\$ 292,765	\$ -
Judicial administration	1,302,775	84,902	699,788	-
Public safety	9,757,334	812,649	2,727,351	-
Public works	3,219,021	1,713,847	12,289	-
Health and welfare	3,801,920	5,987	2,479,645	-
Education	11,770,736	-	-	-
Parks, recreation, and cultural	353,747	35,421	-	-
Community development	2,918,672	-	1,885,262	-
Interest on long-term debt	2,263,372	-	-	-
Total governmental activities	<u>\$ 38,197,232</u>	<u>\$ 2,757,695</u>	<u>\$ 8,097,100</u>	<u>\$ -</u>
<b>COMPONENT UNITS:</b>				
School Board	\$ 37,257,410	\$ 2,693,021	\$ 24,930,980	\$ -
Economic Development Authority	80,607	-	80,058	-
Luray-Page Airport Authority	773,409	315,059	-	379,049
Total component units	<u>\$ 38,111,426</u>	<u>\$ 3,008,080</u>	<u>\$ 25,011,038</u>	<u>\$ 379,049</u>
General revenues:				
General property taxes				
Local sales tax				
Motor vehicle licenses				
Transient occupancy taxes				
Meals tax				
Business licenses				
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 position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government	Component Unit	Component Unit	Component Unit	
Governmental		Economic Development	Luray-Page Airport	
Activities	School Board	Authority	Authority	
\$ (2,412,001)	\$ -	\$ -	\$ -	-
(518,085)	-	-	-	-
(6,217,334)	-	-	-	-
(1,492,885)	-	-	-	-
(1,316,288)	-	-	-	-
(11,770,736)	-	-	-	-
(318,326)	-	-	-	-
(1,033,410)	-	-	-	-
(2,263,372)	-	-	-	-
<u>\$ (27,342,437)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
\$ -	\$ (9,633,409)	\$ -	\$ -	-
-	-	(549)	-	-
-	-	-	(79,301)	-
<u>\$ -</u>	<u>\$ (9,633,409)</u>	<u>\$ (549)</u>	<u>\$ (79,301)</u>	<u>-</u>
\$ 22,855,773	\$ -	\$ -	\$ -	-
1,747,457	-	-	-	-
504,913	-	-	-	-
1,013,668	-	-	-	-
354,730	-	-	-	-
175,424	-	-	-	-
171,588	-	-	-	-
59,768	-	-	-	-
156,640	42,083	2,939	312	-
323,297	-	840	3,936	-
2,349,785	11,758,677	-	-	-
<u>\$ 29,713,043</u>	<u>\$ 11,800,760</u>	<u>\$ 3,779</u>	<u>\$ 4,248</u>	<u>-</u>
\$ 2,370,606	\$ 2,167,351	\$ 3,230	\$ (75,053)	-
(10,114,972)	(10,051,498)	3,023,476	14,005,164	-
<u>\$ (7,744,366)</u>	<u>\$ (7,884,147)</u>	<u>\$ 3,026,706</u>	<u>\$ 13,930,111</u>	<u>-</u>

## **FUND FINANCIAL STATEMENTS**

Balance Sheet  
 Governmental Funds  
 June 30, 2019

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,211,742	\$ 221,586	\$ 147,232	\$ 13,580,560
Receivables (net of allowance for uncollectibles):				
Taxes receivable	15,121,763	-	-	15,121,763
Accounts receivable	663,748	-	-	663,748
Due from other funds	196,888	-	-	196,888
Due from other governmental units	819,754	-	300,404	1,120,158
	<u>30,013,895</u>	<u>221,586</u>	<u>447,636</u>	<u>30,683,117</u>
Total assets	\$	\$	\$	\$
<b>LIABILITIES</b>				
Accounts payable	\$ 831,317	\$ 80,277	\$ 103,812	\$ 1,015,406
Accrued liabilities	400,169	-	534	400,703
Due to other funds	-	-	196,888	196,888
Due to component unit	2,137,633	-	-	2,137,633
	<u>3,369,119</u>	<u>80,277</u>	<u>301,234</u>	<u>3,750,630</u>
Total liabilities	\$	\$	\$	\$
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	\$ 15,290,541	-	-	\$ 15,290,541
	<u>15,290,541</u>	<u>-</u>	<u>-</u>	<u>15,290,541</u>
<b>FUND BALANCES</b>				
Committed:				
Parks and recreation	\$ -	\$ -	\$ 145,758	\$ 145,758
Assigned:				
Page County water quality	9,331	-	-	9,331
Local DARE	2,469	-	-	2,469
Crime victim witness	43,764	-	-	43,764
Department of Justice VJCAA	360	-	-	360
DHCD	889	-	-	889
Emergency services	-	-	644	644
Capital projects	-	141,309	-	141,309
Unassigned	11,297,422	-	-	11,297,422
	<u>11,354,235</u>	<u>141,309</u>	<u>146,402</u>	<u>11,641,946</u>
Total fund balances	\$	\$	\$	\$
Total liabilities, deferred inflows of resources and fund balances	<u>30,013,895</u>	<u>221,586</u>	<u>447,636</u>	<u>30,683,117</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 Position  
 June 30, 2019

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 11,641,946

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

Land	\$	1,970,464	
Buildings and improvements		41,632,491	
Machinery and equipment		1,142,999	
Construction in progress		<u>75,000</u>	44,820,954

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

Unavailable revenue - property taxes	\$	<u>4,530,039</u>	4,530,039
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Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$	993,443	
OPEB related items		<u>93,751</u>	1,087,194

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest	\$	(873,276)	
General obligation bonds		(38,556,619)	
Bond premium		(471,804)	
Revenue bonds		(14,832,940)	
Capital leases		(278,904)	
Landfill closure and post-closure care costs		(7,241,931)	
Compensated absences		(718,403)	
Net pension liability		(2,120,394)	
Net OPEB liabilities		<u>(3,655,000)</u>	(68,749,271)

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

Pension related items	\$	(896,228)	
OPEB related items		<u>(179,000)</u>	<u>(1,075,228)</u>

Net position of governmental activities \$ (7,744,366)

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

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES</b>					
General property taxes	\$ 22,485,925	\$ -	\$ -	\$ -	\$ 22,485,925
Other local taxes	4,027,548	-	-	-	4,027,548
Permits, privilege fees, and regulatory licenses	239,509	-	-	-	239,509
Fines and forfeitures	80,102	-	-	-	80,102
Revenue from the use of money and property	156,640	-	-	-	156,640
Charges for services	2,396,676	-	-	41,408	2,438,084
Miscellaneous	323,297	-	-	-	323,297
Intergovernmental:					
Commonwealth	5,796,310	-	-	1,216,340	7,012,650
Federal	285,668	1,885,262	-	1,263,305	3,434,235
Total revenues	<u>\$ 35,791,675</u>	<u>\$ 1,885,262</u>	<u>\$ -</u>	<u>\$ 2,521,053</u>	<u>\$ 40,197,990</u>
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 2,503,588	\$ -	\$ -	\$ -	\$ 2,503,588
Judicial administration	1,340,716	-	-	-	1,340,716
Public safety	9,944,202	-	-	-	9,944,202
Public works	1,942,484	-	-	-	1,942,484
Health and welfare	703,128	-	-	3,145,428	3,848,556
Education	9,471,974	-	-	-	9,471,974
Parks, recreation, and cultural	332,767	-	-	23,663	356,430
Community development	1,044,004	1,885,262	-	-	2,929,266
Nondepartmental	391,140	-	-	-	391,140
Capital projects	-	-	299,617	-	299,617
Debt service:					
Principal retirement	2,947,540	-	-	-	2,947,540
Interest and other fiscal charges	2,367,805	-	-	-	2,367,805
Total expenditures	<u>\$ 32,989,348</u>	<u>\$ 1,885,262</u>	<u>\$ 299,617</u>	<u>\$ 3,169,091</u>	<u>\$ 38,343,318</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,802,327</u>	<u>\$ -</u>	<u>\$ (299,617)</u>	<u>\$ (648,038)</u>	<u>\$ 1,854,672</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ -	\$ 234,197	\$ 659,796	\$ 893,993
Transfers out	(893,993)	-	-	-	(893,993)
Total other financing sources (uses)	<u>\$ (893,993)</u>	<u>\$ -</u>	<u>\$ 234,197</u>	<u>\$ 659,796</u>	<u>\$ -</u>
Net change in fund balances	\$ 1,908,334	\$ -	\$ (65,420)	\$ 11,758	\$ 1,854,672
Fund balances - beginning	9,445,901	-	206,729	134,644	9,787,274
Fund balances - ending	<u>\$ 11,354,235</u>	<u>\$ -</u>	<u>\$ 141,309</u>	<u>\$ 146,402</u>	<u>\$ 11,641,946</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  
Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds	\$	1,854,672	
<p>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.</p>			
Capital outlays	\$	466,485	
Depreciation expense		(975,795)	
Allocation of debt financed school assets based on current year repayments		<u>(2,298,762)</u>	(2,808,072)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>			
Property taxes	\$	<u>369,848</u>	369,848
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>			
Principal repayments	\$	2,947,540	
Change in accrued interest		67,230	
Amortization of bond premium		37,203	
Change in landfill closure and post-closure care costs		<u>(543,113)</u>	2,508,860
<p>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.</p>			
Change in compensated absences	\$	(39,449)	
Pension expense		602,889	
OPEB expense		<u>(118,142)</u>	<u>445,298</u>
Change in net position of governmental activities	\$		<u><u>2,370,606</u></u>

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2019

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>143,692</u>
Total assets	\$ <u><u>143,692</u></u>
<b>LIABILITIES</b>	
Amounts held for social services clients	\$ 684
Amounts held for others	121,537
Amounts held for inmates	<u>21,471</u>
Total liabilities	\$ <u><u>143,692</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, 2019

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#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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##### A. Financial 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 and does not issue separate financial statements.

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 County is financially accountable for the Authority in that the County appoints the Authority's Board of Directors and has a financial indebtedness burden related to the Authority. 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 440E Kenrick Lane, Front Royal, Virginia 22835.

The Luray-Page Airport Authority is included as a component unit because the Authority's primary use of funds is to provide for airport for the County of Page and County of Luray, VA, thereby benefiting the County even though it does not provide services directly to the County. The County is financially accountable for the Authority in that the County appoints the Authority's Board of Directors and has a financial indebtedness burden related to the Authority. The Luray-Page Airport Authority does prepare separate financial statements. Complete financial statements for the Authority may be obtained at the Authority's administrative offices at 270 Circle View Road, Luray, Virginia 22630.

##### B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

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

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**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*.

Statement of Net Position – The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense, the cost of “using up” capital assets, in the Statement of Activities. The net position of a government will be broken down into three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities – The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government’s functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

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.

**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 \$210,026 to the Association for operating purposes for the year ended June 30, 2019.

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

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**D. Jointly Governed Organizations (continued)**

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 \$86,227 to the Northwestern Community Services Board and \$892,621 to the Shenandoah Valley Regional Program.

**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 and reports all financial resources of the general government, except those required to be accounted for in another fund. The General Fund includes the activities of Department of Justice VJCCA, Community Development, Crime Victim Witness Program, Local DARE, and Water Quality Funds.

The *special revenue fund* accounts for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Workplace Investment Act fund is considered a major fund.

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

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

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

Additionally, the government reports the following nonmajor fund types:

*Special revenue funds* account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special revenue funds included Virginia Public Assistance, Comprehensive Services Act, E-911 and Parks and Recreation funds.

Fiduciary Funds account for assets held by governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. 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, Neutering/Spaying, Jail Inmate, and Luray/Page Airport Hangar are the County's agency funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

**F. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance**

**1. Cash and cash equivalents**

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.

**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 "due to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**3. Property taxes**

Property is assessed at its value on January 1. Property taxes attached as an enforceable lien on property as of January 1. Taxes are due and collectible semi-annually on June 5<sup>th</sup> and December 5<sup>th</sup>. The County bills and collects its own property taxes.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

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

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

**4. Allowance for uncollectible accounts**

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$297,760 at June 30, 2019 and is comprised solely of property taxes. This allowance represents 1.9% of outstanding property taxes at June 30, 2019.

**5. Inventories and prepaid items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**6. Capital assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's life are not capitalized.

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, is 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)**

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

**7. Long-term obligations**

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- 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

**8. Fund equity**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority (the Board of Supervisors); to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

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

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

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

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

**9. Net position**

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

**10. Net position flow assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g. restricted bond and grant proceeds) and unrestricted resources, in order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**11. 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**

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

**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.

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is comprised of certain items related to the measurement of the net pension liability and net OPEB liabilities. The other item is comprised of contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability, and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

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

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**I. Deferred Outflows/Inflows of Resources (continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

**J. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's Retirement Plan and the additions to/deductions from the County's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**K. Other Postemployment Benefits (OPEB)**

***Group Life Insurance***

The Virginia Retirement System (VRS) Group Life Insurance (GLI) Program provides coverage to employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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**K. Other Postemployment Benefits (OPEB) (Continued)**

***Teacher Employee Health Insurance Credit Program***

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Program was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher HIC Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher HIC OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher HIC OPEB, and the related HIC OPEB expense, information about the fiduciary net position of the VRS Teacher Employee HIC Program; and the additions to/deductions from the VRS Teacher Employee HIC Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Medical, Dental, and Prescription Insurance – Pay as You Go Program***

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined based on an actuarial valuation. Benefit payments are recognized when due and payable in accordance with the benefit terms.

**NOTE 2– ADOPTION OF ACCOUNTING PRINCIPLES:**

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The County implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* during the fiscal year ended June 30, 2019. This Statement clarifies which liabilities governments should include when disclosing information related to debt. It also requires that additional essential information related to debt be disclosed in the notes to financial statements. No restatement was required as a result of this implementation.

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**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

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**NOTE 3—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

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**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. The legal level of control is at the activity level.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. The School Fund and School Cafeteria Fund are integrated only at the level of legal adoption.
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 budgetary data presented in the accompanying financial statements is the revised budget as of June 30.

**NOTE 4—DEPOSITS AND INVESTMENTS:**

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**Deposits**

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

**Investments**

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper 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, 2019 (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, 2019 were rated by Moody and/or an equivalent national rating organization and the ratings are presented below using the Moody rating scale.

**Investment Maturities (in years)**

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than</b>			<b>Greater Than</b>
		<b>1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>	<b>10 Years</b>
Local Government Investment Pool	\$ 13,268,152	\$ 13,268,152	\$ -	\$ -	\$ -
Total	\$ 13,268,152	\$ 13,268,152	\$ -	\$ -	\$ -

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 4—DEPOSITS AND INVESTMENTS: (CONTINUED)**

**Interest Rate Risk**

All County investments must be in securities maturing within five years. Maturities of the County's investments are as follows:

<u>County's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ 13,268,152
Total	\$ 13,268,152

**External Investment Pools**

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 is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

**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:**

<u>Fund</u>	<u>Due From Component Unit</u>	<u>Due To Component Unit</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Primary Government:				
General Fund	\$ -	\$ 2,137,633	\$ 196,888	\$ -
Virginia Public Assistance Fund	-	-	-	178,502
Comprehensive Services Act	-	-	-	18,386
Sub-total	\$ -	\$ 2,137,633	\$ 196,888	\$ 196,888
Discretely Presented Component Units:				
School Fund	\$ 2,137,633	\$ -	\$ -	\$ -
Total reporting entity	\$ 2,137,633	\$ 2,137,633	\$ 196,888	\$ 196,888

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

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 6—INTERFUND TRANSFERS:**

Interfund transfers for the year ended June 30, 2019 consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ -	\$ 893,993
Virginia Public Assistance Fund	413,076	-
Comprehensive Services Act	246,720	-
County Capital Projects Fund	234,197	-
Total reporting entity	<u>\$ 893,993</u>	<u>\$ 893,993</u>

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

**NOTE 7—DUE FROM OTHER GOVERNMENTAL UNITS:**

Due from other governments consists of payments due from federal, and state governmental units at June 30, 2019 as follows:

	Primary Government	Component Unit School Board	Component Unit Luray-Page Airport Authority
Commonwealth of Virginia:			
State sales taxes	\$ -	\$ 306,670	\$ -
Local sales taxes	327,383	-	-
Compensation board	285,110	-	-
Comprehensive Services Act funds	121,902	-	-
Public assistance and welfare	65,667	-	-
Other funds	203,887	-	19,790
Federal Government:			
Public assistance and welfare	112,834	-	-
School funds	-	262,551	-
Other funds	3,375	-	11,268
Total	<u>\$ 1,120,158</u>	<u>\$ 569,221</u>	<u>\$ 31,058</u>

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 8—CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2019 was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Governmental activities:</b>				
Capital assets not being depreciated				
Land	\$ 1,970,464	\$ -	\$ -	\$ 1,970,464
Construction in progress	<u>104,541</u>	<u>224,108</u>	<u>(253,649)</u>	<u>75,000</u>
Total capital assets not being depreciated	<u>\$ 2,075,005</u>	<u>\$ 224,108</u>	<u>\$ (253,649)</u>	<u>\$ 2,045,464</u>
Capital assets being depreciated				
Buildings	\$ 53,235,632	\$ 55,159	\$ (2,134,076)	\$ 51,156,715
Machinery and equipment	<u>7,450,625</u>	<u>440,867</u>	<u>(20,000)</u>	<u>7,871,492</u>
Total capital assets being depreciated	<u>\$ 60,686,257</u>	<u>\$ 496,026</u>	<u>\$ (2,154,076)</u>	<u>\$ 59,028,207</u>
Accumulated depreciation				
Buildings	\$ (9,006,677)	\$ (963,544)	\$ 445,997	\$ (9,524,224)
Machinery and equipment	<u>(6,125,559)</u>	<u>(622,934)</u>	<u>20,000</u>	<u>(6,728,493)</u>
Total accumulated depreciation	<u>\$ (15,132,236)</u>	<u>\$ (1,586,478)</u>	<u>\$ 465,997</u>	<u>\$ (16,252,717)</u>
Total capital assets being depreciated, net	<u>\$ 45,554,021</u>	<u>\$ (1,090,452)</u>	<u>\$ (1,688,079)</u>	<u>\$ 42,775,490</u>
Governmental activities capital assets, net	<u><u>\$ 47,629,026</u></u>	<u><u>\$ (866,344)</u></u>	<u><u>\$ (1,941,728)</u></u>	<u><u>\$ 44,820,954</u></u>

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

Governmental activities:	
General government administration	\$ 18,508
Judicial administration	13,051
Public safety	249,778
Public works	687,608
Health and welfare	6,850
Education	610,683
Total depreciation expense-governmental activities:	<u><u>\$ 1,586,478</u></u>

Capital assets of the governmental activities in the amount of \$2,134,076 were transferred to the Component Unit School Board, additionally, a net transfer of \$165,086 (\$610,683-\$445,997) was transferred in accumulated depreciation from the Component Unit School Board to the governmental activities, due to debt repayments made by the Primary Government for the year ended June 30, 2019 as required by the Code of Virginia.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 8—CAPITAL ASSETS: (CONTINUED)**

Capital Leases:

The government has entered into a lease agreement as lessee for financing equipment for the landfill. This lease agreements qualifies as a capital leases for accounting purposes and therefore, has been recorded at the present values of future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

		<u>Governmental</u>	
		<u>Activities</u>	
Asset:			
Equipment	\$	392,300	
Less: Accumulated depreciation		(156,920)	
Total	\$	<u>235,380</u>	

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2019, are as follows:

		<u>Governmental</u>	
		<u>Activities</u>	
Year Ended June 30,			
<u>2020</u>	\$	87,123	
2021		87,123	
2022		88,093	
2023		37,724	
Total minimum lease payments	\$	<u>300,063</u>	
Less: Amount representing interest		(21,159)	
Present value of minimum lease payments	\$	<u>278,904</u>	

**Discretely presented component unit-School Board:**

Activity for the School Board for the year ended June 30, 2019 was as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
	<u>Balance</u>			<u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 977,491	\$ -	\$ -	\$ 977,491
Construction in progress	-	472,091	(331,141)	140,950
Total capital assets not being depreciated	<u>\$ 977,491</u>	<u>\$ 472,091</u>	<u>\$ (331,141)</u>	<u>\$ 1,118,441</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 45,217,363	\$ 2,201,799	\$ -	\$ 47,419,162
Machinery and equipment	7,065,284	472,547	-	7,537,831
Total capital assets being depreciated	<u>\$ 52,282,647</u>	<u>\$ 2,674,346</u>	<u>\$ -</u>	<u>\$ 54,956,993</u>
Accumulated depreciation:				
Buildings and improvements	\$ (12,597,062)	\$ (1,946,969)	\$ 165,086	\$ (14,378,945)
Machinery and equipment	(5,768,558)	(399,159)	-	(6,167,717)
Total accumulated depreciation	<u>\$ (18,365,620)</u>	<u>\$ (2,346,128)</u>	<u>\$ 165,086</u>	<u>\$ (20,546,662)</u>
Total capital assets being depreciated, net	<u>\$ 33,917,027</u>	<u>\$ 328,218</u>	<u>\$ 165,086</u>	<u>\$ 34,410,331</u>
School Board capital assets, net	<u>\$ 34,894,518</u>	<u>\$ 800,309</u>	<u>\$ (166,055)</u>	<u>\$ 35,528,772</u>

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 8—CAPITAL ASSETS: (CONTINUED)**

Capital Leases: (continued)

**Discretely presented component unit-School Board: (Continued)**

Depreciation expense for the Component Unit School Board was \$2,346,128 and a net transfer of \$165,086 (\$445,997-\$610,683) was transferred in accumulated depreciation from the primary government due to debt repayments for the year ended June 30, 2019.

The Component Unit School Board has entered into a lease agreement to finance energy efficiency building improvements. This lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset:	<u>School Board</u>
Building improvements	\$ 7,524,075
Less: Accumulated depreciation	<u>(1,504,815)</u>
Total	<u>\$ 6,019,260</u>

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2019, are as follows:

<u>Year Ended June 30,</u>	<u>School Board</u>
2020	\$ 575,820
2021	593,333
2022	611,372
2023	629,952
Thereafter	<u>4,974,898</u>
Total minimum lease payments	\$ 7,385,375
Less: Amount representing interest	<u>(1,187,777)</u>
Present value of minimum lease payments	<u>\$ 6,197,598</u>

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

Activity for the Authority for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets				
Land	\$ 2,751,000	\$ -	\$ -	\$ 2,751,000
Capital assets, net	<u>\$ 2,751,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,751,000</u>

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 8—CAPITAL ASSETS: (CONTINUED)**

**Discretely presented component unit-Luray-Page County Airport Authority:**

Activity for the Authority for the year ended June 30, 2019 was as follows:

	Beginning Balance, as adjusted	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,936,386	\$ -	\$ -	\$ 1,936,386
Construction in progress	4,571,663	248,245	(4,601,705)	218,203
Total capital assets not being depreciate	<u>\$ 6,508,049</u>	<u>\$ 248,245</u>	<u>\$ (4,601,705)</u>	<u>\$ 2,154,589</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 9,897,830	\$ 4,601,705	\$ -	\$ 14,499,535
Equipment	381,335	-	-	381,335
Total capital assets being depreciated	<u>\$ 10,279,165</u>	<u>\$ 4,601,705</u>	<u>\$ -</u>	<u>\$ 14,880,870</u>
Accumulated depreciation:				
Buildings and improvements	\$ (2,822,658)	\$ (350,177)	\$ -	\$ (3,172,835)
Machinery and equipment	(198,178)	(26,036)	-	(224,214)
Total accumulated depreciation	<u>\$ (3,020,836)</u>	<u>\$ (376,213)</u>	<u>\$ -</u>	<u>\$ (3,397,049)</u>
Total capital assets being depreciated, net	<u>\$ 7,258,329</u>	<u>\$ 4,225,492</u>	<u>\$ -</u>	<u>\$ 11,483,821</u>
Total capital assets, net	<u>\$ 13,766,378</u>	<u>\$ 4,473,737</u>	<u>\$ (4,601,705)</u>	<u>\$ 13,638,410</u>

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## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2019 (Continued)

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#### NOTE 9—PENSION PLANS:

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##### *Plan Description*

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

##### *Benefit Structures*

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has different eligibility criteria as detailed below.

- a. Employees hired before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of creditable service or age 50 with at least 30 years of creditable service. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of creditable service or age 50 with at least 10 years of creditable service. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of creditable service or age 50 with at least 25 years of creditable service. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of creditable service.
- b. Employees hired on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013 are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of creditable service or when the sum of their age and service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of creditable service. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of creditable service or age 50 with at least 25 years of creditable service. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of creditable service.
- c. Non-hazardous duty employees hired on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of creditable service, or when the sum of their age and service equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of creditable service. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 9—PENSION PLANS: (CONTINUED)**

***Average Final Compensation and Service Retirement Multiplier***

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee’s average final compensation multiplied by the employee’s total creditable service. Under Plan 1, average final compensation is the average of the employee’s 36 consecutive months of highest compensation and the multiplier is 1.7% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

***Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits***

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of creditable service are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

***Employees Covered by Benefit Terms***

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b>Primary Government</b>	<b>Component Unit School Board Nonprofessional</b>
Inactive members or their beneficiaries currently receiving benefits	110	89
Inactive members:		
Vested inactive members	33	11
Non-vested inactive members	28	38
Inactive members active elsewhere in VRS	82	21
Total inactive members	143	70
Active members	165	110
Total covered employees	418	269

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

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NOTE 9—PENSION PLANS: (CONTINUED)

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**Contributions**

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement

The County’s contractually required employer contribution rate for the year ended June 30, 2019 was 10.64% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$773,686 and \$637,458 for the years ended June 30, 2019 and June 30, 2018, respectively.

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2019 was 9.24% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$165,532 and \$155,941 for the years ended June 30, 2019 and June 30, 2018, respectively.

**Net Pension Liability**

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The County’s and Component Unit School Board’s (nonprofessional) net pension liabilities were measured as of June 30, 2018. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2017, and rolled forward to the measurement date of June 30, 2018.

**Actuarial Assumptions – General Employees**

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 9—PENSION PLANS: (CONTINUED)**

***Actuarial Assumptions – General Employees (continued)***

Mortality rates:

Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

All Others (Non 10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 9—PENSION PLANS: (CONTINUED)**

**Actuarial Assumptions – General Employees (continued)**

Mortality rates: (continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

**Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits**

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County’s Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.5%
Salary increases, including inflation	3.5% – 4.75%
Investment rate of return	7.0%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates:

Largest 10 – Hazardous Duty: 70% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employees Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 9—PENSION PLANS: (CONTINUED)**

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

Mortality rates: (continued)

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

All Others (Non 10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 9—PENSION PLANS: (CONTINUED)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return</b>
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

\* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.5%.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2018, the alternate rate was the employer contribution rate used in FY 2012 or 90% of the actuarially determined employer contribution rate from the June 30, 2015 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2018, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2018 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 9—PENSION PLANS: (CONTINUED)

*Changes in Net Pension Liability*

	<b>Primary Government</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at June 30, 2017	\$ 29,606,238	\$ 26,788,766	\$ 2,817,472
Changes for the year:			
Service cost	\$ 897,007	\$ -	\$ 897,007
Interest	2,022,029	-	2,022,029
Changes of assumptions	-	-	-
Differences between expected and actual experience	(685,423)	-	(685,423)
Contributions - employer	-	637,455	(637,455)
Contributions - employee	-	343,249	(343,249)
Net investment income	-	1,968,749	(1,968,749)
Benefit payments, including refunds of employee contributions	(1,440,214)	(1,440,214)	-
Administrative expenses	-	(17,007)	17,007
Other changes	-	(1,755)	1,755
Net changes	\$ 793,399	\$ 1,490,477	\$ (697,078)
Balances at June 30, 2018	\$ 30,399,637	\$ 28,279,243	\$ 2,120,394
	<b>Component School Board (nonprofessional)</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at June 30, 2017	\$ 8,340,250	\$ 7,513,660	\$ 826,590
Changes for the year:			
Service cost	\$ 188,065	\$ -	\$ 188,065
Interest	564,982	-	564,982
Changes of assumptions	-	-	-
Differences between expected and actual experience	(61,540)	-	(61,540)
Contributions - employer	-	155,745	(155,745)
Contributions - employee	-	89,391	(89,391)
Net investment income	-	546,907	(546,907)
Benefit payments, including refunds of employee contributions	(538,156)	(538,156)	-
Administrative expenses	-	(4,862)	4,862
Other changes	-	(482)	482
Net changes	\$ 153,351	\$ 248,543	\$ (95,192)
Balances at June 30, 2018	\$ 8,493,601	\$ 7,762,203	\$ 731,398

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 9—PENSION PLANS: (CONTINUED)

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the County and Component Unit School Board (nonprofessional) using the discount rate of 7.00%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
County			
Net Pension Liability	\$ 6,250,781	\$ 2,120,394	\$ (1,280,728)
Component Unit School Board (nonprofessional)			
Net Pension Liability	\$ 1,648,796	\$ 731,398	\$ (46,630)

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

For the year ended June 30, 2019, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$170,795 and (\$4,720), respectively. At June 30, 2019, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 219,757	\$ 652,206	\$ 19,925	\$ 41,879
Changes of assumptions	-	18,163	-	20,420
Net difference between projected and actual earnings on pension plan investments	-	225,859	-	58,751
Employer contributions subsequent to the measurement date	773,686	-	165,532	-
Total	\$ 993,443	\$ 896,228	\$ 185,457	\$ 121,050

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 9—PENSION PLANS: (CONTINUED)

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

\$773,686 and \$165,532 reported as deferred outflows of resources related to pensions resulting from the County’s and Component Unit School Board’s (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>
2020	\$ (131,505)	\$ (1,063)
2021	(161,487)	(15,670)
2022	(361,424)	(78,114)
2023	(22,055)	(6,278)
2024	-	-
Thereafter	-	-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**Component Unit School Board (professional)**

***Plan Description***

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information regarding the plan description can be found in the first section of this note.

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 9—PENSION PLANS: (CONTINUED)

**Component Unit School Board (professional) (continued)**

***Contributions (continued)***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division’s contractually required employer contribution rate for the year ended June 30, 2019 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$3,170,688 and \$3,022,348 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

At June 30, 2019, the school division reported a liability of \$26,848,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division’s proportion of the Net Pension Liability was based on the school division’s actuarially determined employer contributions to the pension plan for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the school division’s proportion was .22830% as compared to .23316% at June 30, 2017.

For the year ended June 30, 2019, the school division recognized pension expense of \$1,265,000. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2019, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 2,296,000
Net difference between projected and actual earnings on pension plan investments	-	569,000
Changes of assumptions	320,000	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	96,000	1,411,000
Employer contributions subsequent to the measurement date	3,170,688	-
Total	\$ 3,586,688	\$ 4,276,000

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 9—PENSION PLANS: (CONTINUED)

Component Unit School Board (professional) (continued)

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

\$3,170,688 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2020	\$ (752,000)
2021	(951,000)
2021	(1,446,000)
2022	(551,000)
2023	(160,000)
Thereafter	-

***Actuarial Assumptions***

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.95%
Investment rate of return	7.0%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates:

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 75 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 9—PENSION PLANS: (CONTINUED)**

**Component Unit School Board (professional) (continued)**

***Actuarial Assumptions (continued)***

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2018, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee Retirement Plan</b>
Total Pension Liability	\$	46,679,555
Plan Fiduciary Net Position		34,919,563
Employers' Net Pension Liability (Asset)	\$	<u>11,759,992</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		74.81%

The total pension liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System’s notes to the financial statements and required supplementary information.

The long-term expected rate of return and discount rate information previously described also apply to this plan.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

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NOTE 9—PENSION PLANS: (CONTINUED)

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**Component Unit School Board (professional) (continued)**

***Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the school division's proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the school division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<b>Rate</b>		
	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(6.00%)</b>	<b>(7.00%)</b>	<b>(8.00%)</b>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 41,011,000	\$ 26,848,000	\$ 15,125,000

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**NOTE 10—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):**

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***Plan Description***

In addition to the pension benefits described in Note 10, the County administers a single-employer defined benefit healthcare plan, the County of Page OPEB Plan. The plan provides post-employment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plans. The plan does not issue a publicly available financial report.

The School Board also administers a single-employer defined benefit healthcare plan, the Page County School Board OPEB Plan. Similar to the Page County OPEB Plan, this plan provides post-employment health care benefits to all eligible permanent employees who meet the requirements under the School Board's pension plans. The School Board plan does not issue a publicly available financial report.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 10—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)

**Benefits Provided**

Post-employment benefits are provided to eligible retirees include Medical, Dental, and Prescription insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits if they have at least 5 years of service with the County. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits if they have at least 10 years of services with the School Board.

**Plan Membership**

At July 1, 2018 (the measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	29	24
Total retirees with coverage	158	508
Total	187	532

**Contributions**

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or the School board for the respective plans. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2019 was \$27,000.

The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2019 was (\$146,200).

**Total OPEB Liability**

The County’s and School Board’s total OPEB liabilities were measured as of July 1, 2018. The total OPEB liabilities were determined by actuarial valuations as of that date.

**Actuarial Assumptions**

The total OPEB liability in the July 1, 2018 actuarial valuations for the County and for the School Board were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Salary Increases	2.5% per year for general salary inflations
Discount Rate	The discount rate has been set to equal 3.62% and represents the Municipal GO AA 20-year yield curve rate as of July 1, 2018
Investment Rate of Return	N/A

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

**NOTE 10—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)**

**Actuarial Assumptions (continued)**

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2018.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

**Discount Rate**

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 11-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year's valuation is 3.62% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

**Changes in Total OPEB Liability**

	<b>Primary Government Total OPEB Liability</b>	<b>Component Unit School Board Total OPEB Liability</b>
Balances at July 1 2018	\$ 3,033,000	\$ 4,642,400
Changes for the year:		
Service cost	113,000	249,000
Interest	112,000	176,700
Difference between expected and actual experience	(61,000)	(1,300,800)
Changes in assumptions	(82,000)	(523,900)
Benefit payments	(27,000)	146,200
Net changes	55,000	(1,252,800)
Balances at June 30, 2019	\$ 3,088,000	\$ 3,389,600

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following amounts present the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (2.62%) or one percentage point higher (4.62%) than the current discount rate:

	<b>1% Decrease (2.62%)</b>	<b>Rate</b>	<b>Current Discount Rate (3.62%)</b>	<b>1% Increase (4.62%)</b>	
<b>Primary Government</b>					
\$	3,478,000	\$	3,088,000	\$	2,754,000
<b>Component Unit School Board</b>					
\$	3,685,800	\$	3,389,600	\$	3,117,800

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

**NOTE 10—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)**

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.19%) or one percentage point higher (8.19%) than the current healthcare cost trend rates:

	<b>Rates</b>		
	<b>1% Decrease (6.5% decreasing to 4.00%)</b>	<b>Healthcare Cost Trend (7.19% decreasing to 5.00%)</b>	<b>1% Increase (8.5% decreasing to 6.00%)</b>
<b>Primary Government</b>			
\$	2,805,000	\$ 3,088,000	\$ 3,426,000
<b>Component Unit School Board</b>			
\$	3,026,200	\$ 3,389,600	\$ 3,816,000

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

For the year ended June 30, 2019, the Primary Government recognized OPEB expense in the amount of \$207,000. The School Board recognized OPEB expense in the amount of \$146,600. At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b>Primary Government</b>		<b>Component Unit School Board</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 53,000	\$ -	\$ 1,098,200
Changes in assumptions	-	72,000	-	442,300
Employer contributions subsequent to the measurement date	27,000	-	-	146,200
<b>Total</b>	<b>\$ 27,000</b>	<b>\$ 125,000</b>	<b>\$ -</b>	<b>\$ 1,686,700</b>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

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NOTE 10—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)

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*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
(continued)*

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Primary Government</u>	<u>Component Unit School Board</u>
2020	\$ (18,000)	\$ (284,200)
2021	(18,000)	(284,200)
2022	(18,000)	(284,200)
2023	(18,000)	(284,200)
2024	(18,000)	(284,200)
2025	(18,000)	(119,500)
2026	(17,000)	-
Thereafter	-	-

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found on the required supplementary information following the notes to the financial statements.

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## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2019 (Continued)

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#### NOTE 11—GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN):

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##### ***Plan Description***

All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

##### ***Eligible Employees***

The GLI Program was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

##### ***Benefit Amounts***

The GLI Program is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of creditable service, the minimum benefit payable was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$8,279 effective July 1, 2018.

##### ***Contributions***

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2019 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the

**NOTE 11—GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)**

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***Contributions (continued)***

costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. County contributions to the Group Life Insurance Program from the entity were \$38,751 and \$36,892 for the years ended June 30, 2019 and June 30, 2018, respectively. The Component Unit School Board's contributions to the Group Life Insurance Program for nonprofessional employees were \$9,753 and \$9,718, for the years ended June 30, 2019 and June 30, 2018 respectively. The Component Unit School Board's contributions to the Group Life Insurance Program for professional employees were \$96,796 and \$95,758, for the years ended June 30, 2019 and June 30, 2018 respectively.

***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB***

At June 30, 2019, the County reported a liability of \$567,000 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2018 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the participating employer's proportion was 0.03731% as compared to 0.03724% at June 30, 2017.

At June 30, 2019, the School Board reported liability of \$149,000 for nonprofessional employees and \$1,470,000 for professional employees for its proportionate share of the Net GLI OPEB Liability. At June 30, 2018 and June 30, 2017, the participating employer's proportion for nonprofessional employees was 0.00983% and .00993%, respectively. At June 30, 2018, the participating employer's proportion for School Board professional employees was 0.09685% as compared to 0.09960% at June 30, 2017.

For the year ended June 30, 2019, the County recognized GLI OPEB expense of \$4,000, while the School Board recognized GLI OPEB expense of (\$2,000), and (\$2,000) for nonprofessional and professional employees, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 11—GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

**GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB (continued)**

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government		Component Unit School Board Nonprofessional Employees		Component Unit School Board Professional Employees	
	Deferred	Deferred	Deferred	Deferred	Deferred	Deferred
	Outflows of Resources	Inflows of Resources	Outflows of Resources	Inflows of Resources	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 28,000	\$ 10,000	\$ 7,000	\$ 3,000	\$ 72,000	\$ 27,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	18,000	-	5,000	-	48,000
Change in assumptions	-	24,000	-	6,000	-	61,000
Changes in proportion	-	2,000	-	6,000	-	63,000
Employer contributions subsequent to the measurement date	38,751	-	9,753	-	96,796	-
Total	\$ 66,751	\$ 54,000	\$ 16,753	\$ 20,000	\$ 168,796	\$ 199,000

\$38,751, \$9,753, and \$96,796 for the County, Component Unit School Board-Nonprofessional and Component Unit School Board-Professional respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Primary Government	Component Unit School Board	
	Nonprofessional	Professional
Year Ended June 30,	Year Ended June 30,	Year Ended June 30,
2020	\$ (9,000)	2020 \$ (34,000)
2021	(9,000)	2021 (34,000)
2022	(8,000)	2022 (34,000)
2023	(3,000)	2023 (20,000)
2024	2,000	2024 (6,000)
Thereafter	1,000	Thereafter 1,000

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 11—GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)**

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.5%
Salary increases, including inflation:	
General state employees	3.5% – 5.35%
Teachers	3.5%-5.95%
SPORS employees	3.5%-4.75%
VaLORS employees	3.5%-4.75%
JRS employees	4.5%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	7.0%, net of investment expenses, including inflation*

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of OPEB liabilities.

***Mortality Rates – Teachers***

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

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**NOTE 11—GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)**

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***Actuarial Assumptions (Continued)***

***Mortality Rates – Largest Ten Locality Employers – General Employees***

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

***Mortality Rates – Non-Largest Ten Locality Employers – General Employees***

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 11—GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)**

**Actuarial Assumptions (Continued)**

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

**Mortality Rates – Largest Ten Locality Employers – Hazardous Duty Employees**

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 11—GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)**

**Actuarial Assumptions (Continued)**

**Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees**

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2018, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

		<b>Group Life Insurance OPEB Program</b>
		<hr/>
Total GLI OPEB Liability	\$	3,113,508
Plan Fiduciary Net Position		1,594,773
Employers' Net GLI OPEB Liability (Asset)	\$	<hr/> <hr/> 1,518,735
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		51.22%

The total GLI OPEB liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 11—GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on the System’s investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System’s investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return</b>
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
<b>Total</b>	<b>100.00%</b>		<b>4.80%</b>
		Inflation	2.50%
	*Expected arithmetic nominal return		<b>7.30%</b>

\*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

***Discount Rate***

The discount rate used to measure the total GLI OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 11—GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)**

***Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate***

The follow presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 7.00%, as well as what the employer’s proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Proportionate share of the Group Life Insurance Program Net OPEB Liability:			
County	\$ 741,000	\$ 567,000	\$ 425,000
School Board-nonprofessional employees	\$ 195,000	\$ 149,000	\$ 112,000
School Board-professional employees	\$ 1,922,000	\$ 1,470,000	\$ 1,104,000

***Group Life Insurance Program Fiduciary Net Position***

Detailed information about the GLI Program’s Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**NOTE 12—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN):**

***Plan Description***

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Program was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Program. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

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**NOTE 12—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN):  
(CONTINUED)**

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The specific information for the Teacher HIC Program OPEB, including eligibility, coverage, and benefits is described below:

***Eligible Employees***

The Teacher Employee Retiree HIC Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

***Benefit Amounts***

The Teacher Employee HIC Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

***HIC Program Notes***

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2019 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee HIC Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Program were \$223,375 and \$226,504 for the years ended June 30, 2019 and June 30, 2018, respectively.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

**NOTE 12—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN):  
(CONTINUED)**

***Teacher Employee Health Insurance Credit Program OPEB Liabilities, Teacher Employee Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee Health Insurance Credit Program OPEB***

At June 30, 2019, the school division reported a liability of \$2,891,000 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was measured as of June 30, 2018 and the total VRS Teacher Employee Health Insurance Credit Program OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was determined by an actuarial valuation as of that date. The school division’s proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the school division’s actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the school division’s proportion of the VRS Teacher Employee Health Insurance Credit Program was .22770% as compared to .23279% at June 30, 2017.

For the year ended June 30, 2019, the school division recognized VRS Teacher Employee Health Insurance Credit Program OPEB expense of \$216,000. between measurement dates a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

***Teacher Employee Health Insurance Credit Program OPEB Liabilities, Teacher Employee Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee Health Insurance Credit Program OPEB:  
(Continued)***

At June 30, 2019, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Program OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	\$ -	\$ 14,000
Change in assumptions	-	2,000
Change in proportion	-	144,000
Employer contributions subsequent to the measurement date	<u>223,375</u>	<u>-</u>
Total	<u>\$ 223,375</u>	<u>\$ 160,000</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 12—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN):  
(CONTINUED)

*Teacher Employee Health Insurance Credit Program OPEB Liabilities, Teacher Employee Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee Health Insurance Credit Program OPEB: (Continued)*

\$223,375 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>		
2019	\$	(28,000)
2020		(28,000)
2021		(28,000)
2022		(26,000)
2023		(27,000)
Thereafter		(23,000)

**Actuarial Assumptions**

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Program was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.5%
Salary increases, including inflation:	
Teacher employees	3.5%-5.95%
Investment rate of return	7.0%, net of investment expenses, including inflation*

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of OPEB liabilities.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 12—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN):  
(CONTINUED)**

***Mortality Rates – Teachers***

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

***Net Teacher Employee HIC OPEB Liability***

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2018, NOL amounts for the VRS Teacher Employee Health Insurance Credit Program is as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,381,313
Plan Fiduciary Net Position		111,639
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,269,674</u>

Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	8.08%
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The total Teacher Employee HIC OPEB liability is calculated by the System’s actuary, and the plan’s fiduciary net position is reported in the System’s financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

**NOTE 12—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN):  
(CONTINUED)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on the VRS System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	<u>100.00%</u>		<u>4.80%</u>
		Inflation	<u>2.50%</u>
	*Expected arithmetic nominal return		<u>7.30%</u>

\*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

***Discount Rate***

The discount rate used to measure the total Teacher Employee HIC OPEB was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2018, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

**NOTE 12—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN):  
(CONTINUED)**

***Sensitivity of the School Division's Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate***

The following presents the school division's proportionate share of the VRS Teacher Employee Health Insurance Credit Program net HIC OPEB liability using the discount rate of 7.00%, as well as what the school division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 3,229,000	\$ 2,891,000	\$ 2,604,000

***Teacher Employee HIC OPEB Fiduciary Net Position***

Detailed information about the VRS Teacher Employee HIC Program's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

**NOTE 13—LONG-TERM OBLIGATIONS:**

**Primary Government Obligations**

Changes in Long-Term Liabilities

The following is a summary of long-term obligations transactions of the Primary Government for the year ended June 30, 2019:

	Balance July 1, 2018,	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2019
<b>Direct Borrowings and Placements:</b>				
Revenue bonds	\$ 15,572,683	\$ -	\$ 739,743	\$ 14,832,940
General obligation bonds	40,690,695	-	2,134,076	38,556,619
Premiums on bond issue	509,007	-	37,203	471,804
<b>Other Long-term Obligations:</b>				
Capital lease	352,625	-	73,721	278,904
Landfill closure and post-closure care costs	6,698,818	543,113	-	7,241,931
Net pension liability	2,817,472	2,937,798	3,634,876	2,120,394
Net OPEB liabilities	3,594,000	322,000	261,000	3,655,000
Compensated absences	678,954	548,664	509,216	718,403
<b>Total</b>	<b>\$ 70,914,254</b>	<b>\$ 4,351,575</b>	<b>\$ 7,389,835</b>	<b>\$ 67,875,995</b>

(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.

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

Year Ending June 30,	Governmental Activities	
	Capital Lease	
	Principal	Interest
2020	\$ 76,878	\$ 10,245
2021	80,169	6,954
2022	84,569	3,524
2023	37,288	436
<b>Totals</b>	<b>\$ 278,904</b>	<b>\$ 21,159</b>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government Obligations: (continued)

Direct Borrowings and Placements:

Year Ending June 30,	Governmental Activities			
	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 755,616	\$ 485,048	\$ 2,211,272	\$ 1,710,443
2021	701,759	466,310	2,294,008	1,608,928
2022	710,881	448,603	2,303,154	1,503,211
2023	728,308	430,422	2,393,098	1,395,000
2024	745,934	411,779	2,493,308	1,283,571
2025	763,765	392,652	2,594,473	1,166,747
2026	781,806	373,053	2,701,836	1,043,735
2027	518,063	352,939	2,815,470	914,200
2028	1,097,489	323,542	2,175,000	798,650
2029	1,026,000	285,724	2,270,000	699,090
2030	1,063,000	246,053	2,375,000	596,536
2031	1,101,000	204,959	2,485,000	488,088
2032	1,143,000	162,346	2,600,000	373,473
2033	1,188,000	118,080	2,720,000	252,310
2034	1,234,000	72,086	750,000	172,500
2035	1,274,319	24,324	785,000	137,195
2036	-	-	825,000	100,165
2037	-	-	860,000	61,410
2038	-	-	905,000	20,815
Totals	\$ 14,832,940	\$ 4,797,920	\$ 38,556,619	\$ 14,326,067

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COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)

**Primary Government Obligations: (continued)**

<u>Details of Long-Term Obligations</u>	Total Amount Outstanding	Amount Due Within One Year
Governmental Activities		
<b>Direct Borrowings and Placements:</b>		
General Obligation Bonds:		
<u>Virginia Public School Authority (V.P.S.A.) Bonds:</u>		
\$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%.	\$ 160,000	\$ 80,000
\$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%.	21,315,000	1,120,000
\$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%.	5,461,619	631,272
\$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>11,620,000</u>	<u>380,000</u>
Total general obligation bonds	\$ <u>38,556,619</u>	\$ <u>2,211,272</u>
<u>Revenue Bonds:</u>		
\$4,000,000 revenue bonds issued October 15, 2012 due in annual installments of \$108,152 to \$316,063 through October 15, 2027. Interest payable annually at 2.65%.	\$ 2,424,940	\$ 262,616
\$10,431,000 revenue refunding bonds issued March 29, 2018, payments vary throughout the life of the loan. Interest on the bonds is 2.76% through June 2035. These bonds were issued in connection with the Battle Creek landfill.	10,230,000	204,000
\$3,027,000 revenue bonds issued August 31, 2016, payments vary throughout the life of the loan. Interest on the bonds is 1.82% through August 1, 2026. These bonds were issued in connection with the Phase II of Battle Creek landfill.	<u>2,178,000</u>	<u>289,000</u>
Total revenue bonds	\$ <u>14,832,940</u>	\$ <u>755,616</u>
Other long-term obligations:		
<u>Capital Leases:</u>		
\$52,400 capital lease payable for the purchase of a Caterpillar mini excavator dated July 11, 2017 payable in monthly installments of \$970 including interest at 4.2% through May 2022.	\$ 33,602	\$ 10,425
\$339,000 capital lease payable for the purchase of a Caterpillar track loader dated December 28, 2017 payable in monthly installments of \$6,290 including interest at 4.2% through November 2022.	<u>245,302</u>	<u>66,453</u>
Total capital leases	\$ <u>278,904</u>	\$ <u>76,878</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

**NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)**

**Primary Government Obligations: (continued)**

Details of Long-Term Obligations (continued)

Governmental Activities: (continued)

	<u>Total Amount Outstanding</u>	<u>Amount Due Within One Year</u>
Net pension liability (to be liquidated by general fund)	\$ 2,120,394	\$ -
Net OPEB liabilities (to be liquidated by general fund)	\$ 3,655,000	\$ -
Compensated absences (to be liquidated by general fund)	\$ 718,403	\$ 431,042
Landfill closure and post-closure care costs	\$ 7,241,931	\$ -
Unamortized premium on bond issues	\$ 471,804	\$ 37,203
Total Long-term obligations	<u>\$ 67,875,995</u>	<u>\$ 3,512,011</u>

**Component Unit Obligations:**

Change in Component Unit-School Board Long-Term Obligations

The following is a summary of long-term obligations transactions of the Component Unit School Board for the year ended June 30, 2019:

	Balance July 1, 2018,	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2019
Capital leases	\$ 6,638,953	\$ -	\$ 441,355	\$ 6,197,598
Net pension liability	29,499,590	6,760,391	8,680,583	27,579,398
Compensated absences	269,488	129,054	161,693	236,849
Net OPEB liabilities	9,243,400	1,191,900	2,535,700	7,899,600
Total	<u>\$ 45,651,431</u>	<u>\$ 8,081,345</u>	<u>\$ 11,819,331</u>	<u>\$ 41,913,445</u>

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

Year Ending June 30,	<u>Governmental Activities</u>	
	<u>Capital Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 396,703	\$ 179,228
2021	425,681	167,763
2022	456,022	155,350
2023	487,782	142,171
2024	521,017	128,074
Thereafter	3,910,393	415,080
Totals	<u>\$ 6,197,598</u>	<u>\$ 1,187,666</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)

Component Unit Obligations: (continued)

Details of Component Unit-School Board Long-Term Obligations

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
<u>Capital Leases</u>		
\$7,524,075 capital lease payable for the purchase of energy conservation improvements dated March 9, 2015 payable in semi-annual installments of \$364,885 including interest at 3.05% through September 1, 2030.	\$ 6,197,598	\$ 396,703
Total capital leases	<u>\$ 6,197,598</u>	<u>\$ 396,703</u>
Net pension liability (to be liquidated by component unit school board)	\$ 27,579,398	\$ -
Net OPEB liabilities (to be liquidated by component unit school board)	\$ 7,899,600	\$ -
Compensated absences (to be liquidated by component unit school board)	\$ 236,849	\$ 142,109
Total Long-term obligations	<u>\$ 41,913,445</u>	<u>\$ 538,812</u>

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

The following is a summary of long-term obligations for the Authority for the year ended June 30, 2019:

Series 2009 Revenue Bond

\$1,672,600 Revenue Bond issued on October 14, 2009 by USDA (the lender) with monthly payments of \$7,326, and an interest rate of 4.25%, balance at June 30, 2015	\$ 1,496,661
Less: current portion	<u>(24,783)</u>
Total Long-term obligations, net of current portion	<u>\$ 1,471,878</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2019 (Continued)

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NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)

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Component Unit Obligations: (continued)

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

Year Ending June 30,	Revenue Bond	
	Principal	Interest
2020	\$ 24,783	\$ 63,129
2021	25,857	62,055
2022	26,978	60,934
2023	28,147	59,765
2024	29,367	58,545
2025	30,639	57,273
2026	31,967	55,945
2027	33,352	54,560
2028	34,798	53,114
2029	36,306	51,606
2030	37,879	50,033
2031	39,521	48,391
2032	41,234	46,678
2033	43,021	44,891
2034	44,885	43,027
2035	46,830	41,082
2036	48,860	39,052
2037	50,977	36,935
2038	53,187	34,725
2039	55,492	32,420
2040	57,896	30,016
2041	60,406	27,506
2042	63,023	24,889
2043	65,755	22,157
2044	68,604	19,308
2045	71,577	16,335
2046	74,679	13,233
2047	77,916	9,996
2048	81,293	6,619
2049	84,816	3,096
2050	26,616	224
Total	\$ <u>1,496,661</u>	\$ <u>1,167,539</u>

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2019 (Continued)

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#### **NOTE 14—RISK MANAGEMENT:**

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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.

The County continues to carry commercial insurance for all other risks of losses. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

#### **NOTE 15—CONTINGENT LIABILITIES:**

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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 Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. The Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

#### **NOTE 16—DEFERRED AND UNAVAILABLE REVENUE-PROPERTY TAXES:**

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Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred and unavailable revenue in the government-wide and fund financial statements totaling \$10,760,502 and \$15,290,541 respectively, is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2019, but paid in advance by the taxpayers totaled \$629,380 at June 30, 2019.
- B. Unbilled Property Taxes – Property taxes for the second half of 2018 that had not been billed as of June 30, 2019 amounted to \$10,131,122.
- C. Unavailable Property Taxes – Uncollected tax billings not available for funding of current expenditures totaled \$4,530,039 at June 30, 2019.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

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**NOTE 17—HEALTH INSURANCE FUND:**

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The School Board 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 School Board self-insured health insurance transactions for the fiscal year. The School Board was self-insured for health insurance purposes in prior years, but is no longer self-insured and has retained Anthem to administer the program. The School Board uses Anthem as the administrator of their self-insured plan. The Health Insurance fund pays Anthem an administrative fee for these services. This fund serves the School Board component unit and accounts for the health insurance activities of the aforementioned funds but does not constitute a transfer of risk from the County.

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

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

Anthem has established a surplus (liability) for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. At June 30, 2019 the plan surplus was \$48,937. The net position, (\$7,254) of the Plan maintained by the School Board can be found on Exhibit 33. 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)
2018-2019	\$ 148,176	\$ 4,200,467	\$ 4,299,706	\$ 48,937
2017-2018	29,629	4,322,394	4,203,847	148,176
2016-2017	68,462	2,858,126	2,896,959	29,629
2015-2016	264,680	3,839,258	4,035,476	68,462
2014-2015	448,235	3,615,957	3,799,512	264,680

**NOTE 18—LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS:**

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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 \$2,027,314. The estimated total current cost of the landfill closure and post-closure care of \$2,027,314 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, 2019. Included in the County's post-closure and thirty-year monitoring costs of \$2,027,314 is \$1,472,660 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.

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2019 (Continued)**

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**NOTE 18—LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS: (CONTINUED)**

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During June of 2005, the County acquired Battle Creek landfill. The post-closure and thirty-year monitoring costs are estimated at \$10,973,475. The estimated total current cost of the landfill closure and post-closure care of \$5,214,617 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, 2019. The estimated useful life of the Battle Creek landfill is 33 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.

At June 30, 2019, 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 19—LITIGATION:**

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On November 29, 2019 the County settled a lawsuit in the amount of \$235,000. The County will pay \$195,000 of the settlement and this amount has been accrued as an other liability at June 30, 2019.

**NOTE 20—UPCOMING PRONOUNCEMENTS:**

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Statement No. 84, Fiduciary Activities, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 87, Leases, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America

**General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General property taxes	\$ 21,781,348	\$ 21,781,348	\$ 22,485,925	\$ 704,577
Other local taxes	3,601,000	3,601,000	4,027,548	426,548
Permits, privilege fees, and regulatory licenses	285,817	285,817	239,509	(46,308)
Fines and forfeitures	84,400	84,940	80,102	(4,838)
Revenue from the use of money and property	40,000	40,000	156,640	116,640
Charges for services	2,150,975	2,178,925	2,396,676	217,751
Miscellaneous	178,238	180,738	323,297	142,559
Intergovernmental:				
Commonwealth	5,811,397	5,914,130	5,796,310	(117,820)
Federal	249,109	249,109	285,668	36,559
Total revenues	<u>\$ 34,182,284</u>	<u>\$ 34,316,007</u>	<u>\$ 35,791,675</u>	<u>\$ 1,475,668</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 2,707,346	\$ 2,707,346	\$ 2,503,588	\$ 203,758
Judicial administration	1,346,454	1,346,454	1,340,716	5,738
Public safety	9,295,485	9,446,195	9,944,202	(498,007)
Public works	1,954,001	1,966,290	1,942,484	23,806
Health and welfare	465,502	465,502	703,128	(237,626)
Education	10,035,962	10,035,962	9,471,974	563,988
Parks, recreation, and cultural	322,847	322,847	332,767	(9,920)
Community development	1,003,120	1,126,715	1,044,004	82,711
Nondepartmental	298,048	296,548	391,140	(94,592)
Debt service:				
Principal retirement	2,947,540	2,947,540	2,947,540	-
Interest and other fiscal charges	2,372,561	2,372,561	2,367,805	4,756
Total expenditures	<u>\$ 32,748,866</u>	<u>\$ 33,033,960</u>	<u>\$ 32,989,348</u>	<u>\$ 44,612</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,433,418</u>	<u>\$ 1,282,047</u>	<u>\$ 2,802,327</u>	<u>\$ 1,520,280</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>\$ (1,433,418)</u>	<u>\$ (1,426,921)</u>	<u>\$ (893,993)</u>	<u>\$ 532,928</u>
Total other financing sources (uses)	<u>\$ (1,433,418)</u>	<u>\$ (1,426,921)</u>	<u>\$ (893,993)</u>	<u>\$ 532,928</u>
Net change in fund balances	\$ -	\$ (144,874)	\$ 1,908,334	\$ 2,053,208
Fund balances - beginning	-	144,874	9,445,901	9,301,027
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,354,235</u>	<u>\$ 11,354,235</u>

Schedule of Changes in Net Pension Liability and Related Ratios  
 Primary Government  
 For the Measurement Dates of June 30, 2014 through June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>					
Service cost	\$ 897,007	\$ 886,823	\$ 815,168	\$ 809,771	\$ 734,796
Interest	2,022,029	1,890,382	1,854,324	1,785,565	1,697,830
Changes of assumptions	-	(43,925)	-	-	-
Differences between expected and actual experience	(685,423)	531,469	(720,271)	(250,007)	-
Benefit payments, including refunds of employee contributions	(1,440,214)	(1,327,947)	(1,540,242)	(1,185,875)	(1,172,685)
<b>Net change in total pension liability</b>	\$ 793,399	\$ 1,936,802	\$ 408,979	\$ 1,159,454	\$ 1,259,941
<b>Total pension liability - beginning</b>	<u>29,606,238</u>	<u>27,669,436</u>	<u>27,260,457</u>	<u>26,101,003</u>	<u>24,841,062</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 30,399,637</u>	<u>\$ 29,606,238</u>	<u>\$ 27,669,436</u>	<u>\$ 27,260,457</u>	<u>\$ 26,101,003</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 637,455	\$ 620,514	\$ 813,605	\$ 821,522	\$ 818,671
Contributions - employee	343,249	345,147	344,074	334,964	337,845
Net investment income	1,968,749	2,941,199	416,341	1,063,556	3,165,273
Benefit payments, including refunds of employee contributions	(1,440,214)	(1,327,947)	(1,540,242)	(1,185,875)	(1,172,685)
Administrative expense	(17,007)	(16,986)	(15,091)	(14,369)	(16,918)
Other	(1,755)	(2,618)	(178)	(227)	167
<b>Net change in plan fiduciary net position</b>	\$ 1,490,477	\$ 2,559,309	\$ 18,509	\$ 1,019,571	\$ 3,132,353
<b>Plan fiduciary net position - beginning</b>	<u>26,788,766</u>	<u>24,229,457</u>	<u>24,210,948</u>	<u>23,191,377</u>	<u>20,059,024</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 28,279,243</u>	<u>\$ 26,788,766</u>	<u>\$ 24,229,457</u>	<u>\$ 24,210,948</u>	<u>\$ 23,191,377</u>
<b>County's net pension liability - ending (a) - (b)</b>	\$ 2,120,394	\$ 2,817,472	\$ 3,439,979	\$ 3,049,509	\$ 2,909,626
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	93.02%	90.48%	87.57%	88.81%	88.85%
<b>Covered payroll</b>	\$ 7,094,573	\$ 6,869,047	\$ 6,728,828	\$ 6,732,041	\$ 6,303,718
<b>County's net pension liability as a percentage of covered payroll</b>	29.89%	41.02%	51.12%	45.30%	46.16%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability and Related Ratios  
 Component Unit School Board (nonprofessional)  
 For the Measurement Dates of June 30, 2014 through June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>					
Service cost	\$ 188,065	\$ 197,265	\$ 202,648	\$ 208,803	\$ 205,699
Interest	564,982	551,419	548,589	524,808	505,091
Changes of assumptions	-	(75,606)	-	-	-
Differences between expected and actual experience	(61,540)	73,775	(180,406)	81,432	-
Benefit payments, including refunds of employee contributions	(538,156)	(568,034)	(492,769)	(457,856)	(400,390)
<b>Net change in total pension liability</b>	<u>\$ 153,351</u>	<u>\$ 178,819</u>	<u>\$ 78,062</u>	<u>\$ 357,187</u>	<u>\$ 310,400</u>
<b>Total pension liability - beginning</b>	<u>8,340,250</u>	<u>8,161,431</u>	<u>8,083,369</u>	<u>7,726,182</u>	<u>7,415,782</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 8,493,601</u>	<u>\$ 8,340,250</u>	<u>\$ 8,161,431</u>	<u>\$ 8,083,369</u>	<u>\$ 7,726,182</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 155,745	\$ 155,415	\$ 187,632	\$ 192,884	\$ 224,337
Contributions - employee	89,391	88,281	91,246	94,313	94,640
Net investment income	546,907	838,031	118,941	313,725	954,930
Benefit payments, including refunds of employee contributions	(538,156)	(568,034)	(492,769)	(457,856)	(400,390)
Administrative expense	(4,862)	(5,060)	(4,451)	(4,403)	(5,162)
Other	(482)	(734)	(51)	(65)	50
<b>Net change in plan fiduciary net position</b>	<u>\$ 248,543</u>	<u>\$ 507,899</u>	<u>\$ (99,452)</u>	<u>\$ 138,598</u>	<u>\$ 868,405</u>
<b>Plan fiduciary net position - beginning</b>	<u>7,513,660</u>	<u>7,005,761</u>	<u>7,105,213</u>	<u>6,966,615</u>	<u>6,098,210</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 7,762,203</u>	<u>\$ 7,513,660</u>	<u>\$ 7,005,761</u>	<u>\$ 7,105,213</u>	<u>\$ 6,966,615</u>
<b>School Division's net pension liability - ending (a) - (b)</b>	\$ 731,398	\$ 826,590	\$ 1,155,670	\$ 978,156	\$ 759,567
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	91.39%	90.09%	85.84%	87.90%	90.17%
<b>Covered payroll</b>	\$ 1,868,841	\$ 1,832,173	\$ 1,869,347	\$ 1,913,078	\$ 1,893,445
<b>School Division's net pension liability as a percentage of covered payroll</b>	39.14%	45.12%	61.82%	51.13%	40.12%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan  
 For the Measurement Dates of June 30, 2014 through June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's Proportion of the Net Pension Liability	0.22830%	0.23316%	0.23940%	0.23837%	0.24713%
Employer's Proportionate Share of the Net Pension Liability	\$ 26,848,000	\$ 28,673,000	\$ 33,549,000	\$ 30,002,000	\$ 29,865,000
Employer's Covered Payroll	\$ 18,414,963	\$ 18,386,958	\$ 18,108,798	\$ 17,889,407	\$ 18,032,461
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	146%	156%	185%	168%	166%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.81%	72.92%	68.28%	70.68%	70.88%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions-Pension Plans  
 Years Ended June 30, 2010 through June 30, 2019

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2019	\$ 773,686	\$ 773,686	\$ -	\$ 7,451,412	10.38%
2018	637,458	637,458	-	7,094,573	8.99%
2017	625,053	625,053	-	6,869,047	9.10%
2016	821,590	821,590	-	6,728,828	12.21%
2015	821,982	821,982	-	6,732,041	12.21%
2014	811,289	811,289	-	6,303,718	12.87%
2013	761,822	761,822	-	5,919,363	12.87%
2012	553,501	553,501	-	5,518,459	10.03%
2011	571,577	571,577	-	5,698,676	10.03%
2010	643,765	643,765	-	6,067,527	10.61%
<b>Component Unit School Board (nonprofessional)</b>					
2019	\$ 165,532	\$ 165,532	\$ -	\$ 1,897,316	8.72%
2018	155,941	155,941	-	1,868,841	8.34%
2017	157,424	157,424	-	1,832,173	8.59%
2016	190,113	190,113	-	1,869,347	10.17%
2015	194,560	194,560	-	1,913,078	10.17%
2014	224,373	224,373	-	1,893,445	11.85%
2013	219,882	219,882	-	1,855,543	11.85%
2012	157,261	157,261	-	1,749,284	8.99%
2011	153,953	153,953	-	1,712,494	8.99%
2010	209,921	209,921	-	1,963,711	10.69%
<b>Component Unit School Board (professional)</b>					
2019	\$ 3,170,688	\$ 3,170,688	\$ -	\$ 18,775,666	16.89%
2018	3,022,348	3,022,348	-	18,414,963	16.41%
2017	2,710,027	2,710,027	-	18,386,958	14.74%
2016	2,546,097	2,546,097	-	18,108,798	14.06%
2015	2,593,964	2,593,964	-	17,889,407	14.50%
2014	2,102,585	2,102,585	-	18,032,461	11.66%
2013	2,052,803	2,052,803	-	17,605,515	11.66%
2012	910,242	910,242	-	14,379,815	6.33%
2011	692,637	692,637	-	17,624,345	3.93%
2010	1,219,851	1,219,851	-	13,846,209	8.81%

Current year contributions are from County records and prior year contributions are from the VRS actuarial valuation performed each year.

Notes to Required Supplementary Information-Pension Plans  
 Year Ended June 30, 2019

**Changes of benefit terms** –There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

Largest 10 – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

Schedule of Changes in Total OPEB Liability and Related Ratios  
 Primary Government  
 For the Measurement Dates of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>		
Service cost	\$ 113,000	\$ 110,000
Interest	112,000	106,000
Changes in assumptions	(82,000)	-
Differences between expected and actual experience	(61,000)	-
Benefit payments	<u>(27,000)</u>	<u>(76,000)</u>
<b>Net change in total OPEB liability</b>	\$ 55,000	\$ 140,000
<b>Total OPEB liability - beginning</b>	<u>3,033,000</u>	<u>2,893,000</u>
<b>Total OPEB liability - ending</b>	<u>\$ 3,088,000</u>	<u>\$ 3,033,000</u>
<b>Covered-employee payroll</b>	\$ 6,795,000	\$ 6,795,000
<b>County's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	45.45%	44.64%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Schedule of Changes in Total OPEB Liability and Related Ratios  
 Component Unit School Board  
 For the Measurement Dates of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>		
Service cost	\$ 249,000	\$ 242,900
Interest	176,700	162,600
Changes in assumptions	(523,900)	-
Differences between expected and actual experience	(1,300,800)	-
Benefit payments	146,200	(175,800)
<b>Net change in total OPEB liability</b>	\$ (1,252,800)	\$ 229,700
<b>Total OPEB liability - beginning</b>	<u>4,642,400</u>	<u>4,412,700</u>
<b>Total OPEB liability - ending</b>	<u>\$ 3,389,600</u>	<u>\$ 4,642,400</u>
<b>Covered-employee payroll</b>	\$ 18,465,200	\$ 18,716,200
<b>Town's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	18.36%	24.80%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Notes to Required Supplementary Information - OPEB  
 For the Year Ended June 30, 2019

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Valuation Date: 7/1/2018  
 Measurement Date: 7/1/2018

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.62% as of June 30, 2018
Inflation	2.50% per year as of June 30, 2018; 2.50% per year as of June 30, 2019
Healthcare Trend Rate	The healthcare trend rate assumption starts at 7.19% for fiscal year 2018 then 7.25% for fiscal year 2019, gradually decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.5% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 Total Dataset Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2018.

Schedule of County's Share of Net OPEB Liability  
 Group Life Insurance Program  
 For the Measurement Dates of June 30, 2018 and 2017

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2018	0.03731% \$	567,000	\$ 7,094,573	7.99%	51.22%
2017	0.03724%	561,000	6,869,047	8.17%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of School Board's Share of Net OPEB Liability  
 Group Life Insurance Program  
 For the Measurement Dates of June 30, 2018 and 2017

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
<b>Component Unit School Board (nonprofessional)</b>					
2018	0.00983%	\$ 149,000	\$ 1,868,841	7.97%	51.22%
2017	0.00993%	149,000	1,832,173	8.13%	48.86%
<b>Component Unit School Board (professional)</b>					
2018	0.09685%	\$ 1,470,000	\$ 18,414,963	7.98%	51.22%
2017	0.09960%	1,499,000	18,372,187	8.16%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Group Life Insurance Program  
 Years Ended June 30, 2010 through June 30, 2019

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
<b>Primary Government</b>					
2019	\$ 38,751	\$ 38,751	\$ -	\$ 7,451,412	0.52%
2018	36,892	36,892	-	7,094,573	0.52%
2017	35,719	35,719	-	6,869,047	0.52%
2016	32,298	32,298	-	6,728,828	0.48%
2015	32,314	32,314	-	6,732,041	0.48%
2014	30,258	30,258	-	6,303,718	0.48%
2013	28,413	28,413	-	5,919,363	0.48%
2012	15,452	15,452	-	5,518,459	0.28%
2011	15,956	15,956	-	5,698,676	0.28%
2010	12,324	12,324	-	4,564,576	0.27%
<b>Component Unit School Board (nonprofessional)</b>					
2019	\$ 9,753	\$ 9,753	\$ -	\$ 1,897,316	0.52%
2018	9,718	9,718	-	1,868,841	0.52%
2017	9,527	9,527	-	1,832,173	0.52%
2016	8,973	8,973	-	1,869,347	0.48%
2015	9,183	9,183	-	1,913,078	0.48%
2014	9,112	9,112	-	1,898,254	0.48%
2013	8,918	8,918	-	1,857,851	0.48%
2012	4,901	4,901	-	1,750,192	0.28%
2011	4,798	4,798	-	1,713,416	0.28%
2010	3,946	3,946	-	1,461,388	0.27%
<b>Component Unit School Board (professional)</b>					
2019	\$ 96,796	\$ 96,796	\$ -	\$ 18,775,666	0.52%
2018	95,758	95,758	-	18,414,963	0.52%
2017	95,535	95,535	-	18,372,187	0.52%
2016	87,615	87,615	-	18,253,167	0.48%
2015	85,111	85,111	-	17,731,540	0.48%
2014	86,798	86,798	-	18,082,912	0.48%
2013	84,346	84,346	-	17,572,071	0.48%
2012	49,147	49,147	-	17,552,657	0.28%
2011	49,487	49,487	-	17,673,868	0.28%
2010	37,473	37,473	-	13,878,997	0.27%

Notes to Required Supplementary Information  
Group Life Insurance Program  
For the Year Ended June 30, 2019

**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

**Teachers**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

**Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Notes to Required Supplementary Information  
Group Life Insurance Program  
For the Year Ended June 30, 2019 (Continued)

**Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

Schedule of County School Board's Share of Net OPEB Liability  
 Teacher Employee Health Insurance Credit Program (HIC)  
 For the Measurement Dates of June 30, 2018 and 2017

<b>Date (1)</b>	<b>Employer's Proportion of the Net HIC OPEB Liability (2)</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)</b>	<b>Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)</b>
2018	0.22770% \$	2,891,000 \$	18,414,963	15.70%	8.08%
2017	0.23279%	2,953,000	18,372,187	16.07%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Teacher Employee Health Insurance Credit Program (HIC)  
 For the Years Ended June 30, 2010 through June 30, 2019

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<b>Date</b>	<b>Contractually Required Contribution (1)</b>	<b>Contributions in Relation to Contractually Required Contribution (2)</b>	<b>Contribution Deficiency (Excess) (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Contributions as a % of Covered Payroll (5)</b>
2019	\$ 223,375	\$ 223,375	\$ -	\$ 18,614,604	1.20%
2018	226,504	226,504	-	18,414,963	1.23%
2017	203,931	203,931	-	18,372,187	1.11%
2016	193,484	193,484	-	18,253,167	1.06%
2015	187,863	187,863	-	17,722,912	1.06%
2014	200,604	200,604	-	18,072,398	1.11%
2013	192,062	192,062	-	17,302,847	1.11%
2012	105,054	105,054	-	17,508,992	0.60%
2011	105,746	105,746	-	17,624,343	0.60%
2010	144,001	144,001	-	13,846,207	1.04%

Notes to Required Supplementary Information  
 Teacher Employee Health Insurance Credit Program (HIC)  
 For the Year Ended June 30, 2019

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**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

## **OTHER SUPPLEMENTARY INFORMATION**

### **MAJOR CAPITAL PROJECT FUNDS**

Capital Projects Fund – The Capital Projects Fund was created to account for all capital projects constructed with funds from the County.

**Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Current:				
Capital projects	\$ 203,630	\$ 273,754	\$ 299,617	\$ (25,863)
Total expenditures	<u>\$ 203,630</u>	<u>\$ 273,754</u>	<u>\$ 299,617</u>	<u>\$ (25,863)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (203,630)</u>	<u>\$ (273,754)</u>	<u>\$ (299,617)</u>	<u>\$ (25,863)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 203,630	\$ 273,754	\$ 234,197	\$ (39,557)
Total other financing sources (uses)	<u>\$ 203,630</u>	<u>\$ 273,754</u>	<u>\$ 234,197</u>	<u>\$ (39,557)</u>
Net change in fund balances	\$ -	\$ -	\$ (65,420)	\$ (65,420)
Fund balances - beginning	-	-	206,729	206,729
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,309</u>	<u>\$ 141,309</u>

## **Nonmajor Governmental Funds**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for and report specific revenues that are legally restricted to expenditures for particular purposes.

Virginia public assistance fund – This fund is used to account for activities related to the operation of the County's Social Services Department. Funds generated by the Department are committed and used to support operations of the Department.

Comprehensive services act fund – This fund is used to account for activities related to the operation of the County's Virginia Comprehensive Services Act department. Funds generated by the Department are committed and used to support operations of the Department.

E-911 fund – This fund was created to account for revenues and expenditures associated with operations related to the County's E-911 services. Funds generated by the Department are committed and used to support operations of the Department. There is no legally adopted budget for this fund.

Park and recreation fund – This fund is issued to account for activities related to the operation of the County's Parks and Recreation Department. Funds generated by the Department are committed and used to support operations of the Department.

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2019**

	<u>Virginia Public Assistance Fund</u>	<u>Comprehensive Services Act Fund</u>	<u>E-911 Fund</u>	<u>Parks and Recreation Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 644	\$ 146,588	\$ 147,232
Due from other governmental units	<u>178,502</u>	<u>121,902</u>	<u>-</u>	<u>-</u>	<u>300,404</u>
Total assets	<u>\$ 178,502</u>	<u>\$ 121,902</u>	<u>\$ 644</u>	<u>\$ 146,588</u>	<u>\$ 447,636</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 102,982	\$ -	\$ 830	\$ 103,812
Accrued liabilities	-	534	-	-	534
Due to other funds	<u>178,502</u>	<u>18,386</u>	<u>-</u>	<u>-</u>	<u>196,888</u>
Total liabilities	<u>\$ 178,502</u>	<u>\$ 121,902</u>	<u>\$ -</u>	<u>\$ 830</u>	<u>\$ 301,234</u>
<b>FUND BALANCES</b>					
Committed:					
Recreation	\$ -	\$ -	\$ -	\$ 145,758	\$ 145,758
Assigned:					
Emergency services	<u>-</u>	<u>-</u>	<u>644</u>	<u>-</u>	<u>644</u>
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644</u>	<u>\$ 145,758</u>	<u>\$ 146,402</u>
Total liabilities and fund balances	<u>\$ 178,502</u>	<u>\$ 121,902</u>	<u>\$ 644</u>	<u>\$ 146,588</u>	<u>\$ 447,636</u>

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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2019**

	<b>Virginia Public Assistance Fund</b>	<b>Comprehensive Services Act Fund</b>	<b>E-911 Fund</b>	<b>Parks and Recreation Fund</b>	<b>Total</b>
<b>REVENUES</b>					
Charges for services	\$ 5,987	\$ -	\$ -	\$ 35,421	\$ 41,408
Intergovernmental:					
Commonwealth	664,339	552,001	-	-	1,216,340
Federal	1,263,305	-	-	-	1,263,305
Total revenues	<u>\$ 1,933,631</u>	<u>\$ 552,001</u>	<u>\$ -</u>	<u>\$ 35,421</u>	<u>\$ 2,521,053</u>
<b>EXPENDITURES</b>					
Current:					
Health and welfare	\$ 2,346,707	\$ 798,721	\$ -	\$ -	\$ 3,145,428
Parks, recreation, and cultural	-	-	-	23,663	23,663
Total expenditures	<u>\$ 2,346,707</u>	<u>\$ 798,721</u>	<u>\$ -</u>	<u>\$ 23,663</u>	<u>\$ 3,169,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (413,076)</u>	<u>\$ (246,720)</u>	<u>\$ -</u>	<u>\$ 11,758</u>	<u>\$ (648,038)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 413,076	\$ 246,720	\$ -	\$ -	\$ 659,796
Total other financing sources (uses)	<u>\$ 413,076</u>	<u>\$ 246,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,796</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ 11,758	\$ 11,758
Fund balances - beginning	-	-	644	134,000	134,644
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644</u>	<u>\$ 145,758</u>	<u>\$ 146,402</u>

COUNTY OF PAGE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended June 30, 2019

	Virginia Public Assistance Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 5,987	\$ 5,987
Intergovernmental:				
Commonwealth	916,491	916,491	664,339	(252,152)
Federal	1,288,481	1,288,481	1,263,305	(25,176)
Total revenues	<u>\$ 2,204,972</u>	<u>\$ 2,204,972</u>	<u>\$ 1,933,631</u>	<u>\$ (271,341)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 2,669,300	\$ 2,669,300	\$ 2,346,707	\$ 322,593
Total expenditures	<u>\$ 2,669,300</u>	<u>\$ 2,669,300</u>	<u>\$ 2,346,707</u>	<u>\$ 322,593</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (464,328)</u>	<u>\$ (464,328)</u>	<u>\$ (413,076)</u>	<u>\$ 51,252</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 464,328	\$ 464,328	\$ 413,076	\$ (51,252)
Total other financing sources (uses)	<u>\$ 464,328</u>	<u>\$ 464,328</u>	<u>\$ 413,076</u>	<u>\$ (51,252)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<b>Comprehensive Services Act Fund</b>			
<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Original</b>	<b>Final</b>		
\$ -	\$ -	\$ -	\$ -
1,786,071	1,786,071	552,001	(1,234,070)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>1,786,071</u>	\$ <u>1,786,071</u>	\$ <u>552,001</u>	\$ <u>(1,234,070)</u>
\$ 2,551,531	\$ 2,551,531	\$ 798,721	\$ 1,752,810
<u>2,551,531</u>	<u>2,551,531</u>	<u>798,721</u>	<u>1,752,810</u>
\$ (765,460)	\$ (765,460)	\$ (246,720)	\$ 518,740
\$ 765,460	\$ 765,460	\$ 246,720	\$ (518,740)
<u>765,460</u>	<u>765,460</u>	<u>246,720</u>	<u>(518,740)</u>
\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2019

	<u>Parks and Recreation Fund</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 25,000	\$ 25,000	\$ 35,421	\$ 10,421
Total revenues	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 35,421</u>	<u>\$ 10,421</u>
<b>EXPENDITURES</b>				
Current:				
Parks, recreation, and cultural	\$ 25,000	\$ 25,000	\$ 23,663	\$ 1,337
Total expenditures	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 23,663</u>	<u>\$ 1,337</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 11,758	\$ 11,758
Net change in fund balances	\$ -	\$ -	\$ 11,758	\$ 11,758
Fund balances - beginning	-	-	134,000	134,000
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,758</u>	<u>\$ 145,758</u>

## **FIDUCIARY FUNDS**

Special welfare fund – The special welfare fund accounts for funds held in an agency capacity for social service recipients.

Cash bonds fund – The cash bond fund accounts for funds held in an agency capacity for cash bonds held for development purposes.

Neutering/spaying fund – The neutering/spaying fund accounts for funds held in an agency capacity for County neutering and spaying services related to the animal shelter.

Jail inmate fund – The jail inmate fund accounts for funds held in an agency capacity for inmates incarcerated at the County jail.

Luray/Page Airport hangar fund – The Luray/Page Airport hangar fund accounts for funds held in an agency capacity for rental revenues collected by the County for the Luray/Page Airport.

Combining Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2019

	Agency Funds					
	Special Welfare Fund	Cash Bonds Fund	Neutering/ Spaying Fund	Jail Inmate Fund	Luray/Page Airport Hangar Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 684	\$ 34,062	\$ 8,937	\$ 21,471	\$ 78,538	\$ 143,692
Total assets	<u>\$ 684</u>	<u>\$ 34,062</u>	<u>\$ 8,937</u>	<u>\$ 21,471</u>	<u>\$ 78,538</u>	<u>\$ 143,692</u>
<b>LIABILITIES</b>						
Amounts held for social services clients	\$ 684	\$ -	\$ -	\$ -	\$ -	\$ 684
Amounts held for others	-	34,062	8,937	-	78,538	121,537
Amounts held for inmates	-	-	-	21,471	-	21,471
Total liabilities	<u>\$ 684</u>	<u>\$ 34,062</u>	<u>\$ 8,937</u>	<u>\$ 21,471</u>	<u>\$ 78,538</u>	<u>\$ 143,692</u>

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
Year Ended June 30, 2019**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>Special Welfare Fund:</b>				
ASSETS				
Cash and cash equivalents	\$ 8,823	\$ 5,477	\$ 13,616	\$ 684
LIABILITIES				
Amounts held for social services clients	\$ 8,823	\$ 5,477	\$ 13,616	\$ 684
<b>Neutering/Spaying Fund:</b>				
ASSETS				
Cash and cash equivalents	\$ 18,993	\$ 1,673	\$ 11,729	\$ 8,937
LIABILITIES				
Amounts held for neutering/spaying	\$ 18,993	\$ 1,673	\$ 11,729	\$ 8,937
<b>Cash Bonds Fund:</b>				
ASSETS				
Cash and cash equivalents	\$ 34,062	\$ -	\$ -	\$ 34,062
LIABILITIES				
Amounts held for bonds fund	\$ 34,062	\$ -	\$ -	\$ 34,062
<b>Jail Inmate Fund:</b>				
ASSETS				
Cash and cash equivalents	\$ 24,444	\$ 215,607	\$ 218,580	\$ 21,471
LIABILITIES				
Amounts held for inmates	\$ 24,444	\$ 215,607	\$ 218,580	\$ 21,471
<b>Luray/Page Airport Hangar Fund:</b>				
ASSETS				
Cash and cash equivalents	\$ 82,124	\$ 90,040	\$ 93,626	\$ 78,538
LIABILITIES				
Amounts held for Airport	\$ 82,124	\$ 90,040	\$ 93,626	\$ 78,538
<b>Totals - All Agency Funds:</b>				
ASSETS				
Cash and cash equivalents	\$ 168,446	\$ 312,797	\$ 337,551	\$ 143,692
Total assets	\$ 168,446	\$ 312,797	\$ 337,551	\$ 143,692
LIABILITIES				
Amounts held for social services clients	\$ 8,823	\$ 5,477	\$ 13,616	\$ 684
Amounts held for others	135,179	91,713	105,355	121,537
Amounts held for inmates	24,444	215,607	218,580	21,471
Total liabilities	\$ 168,446	\$ 312,797	\$ 337,551	\$ 143,692

## **DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD**

### **MAJOR GOVERNMENTAL FUNDS**

School Operating Fund – The school operating fund accounts for the operations of the County’s school system. Financing is provided by the state and federal governments as well as contributions from the general fund.

### **NONMAJOR GOVERNMENTAL FUNDS**

School Cafeteria Fund – The school cafeteria fund is a special revenue fund that accounts for the County’s school lunch program. Financing is provided from lunch sales and state and federal reimbursements.

### **INTERNAL SERVICE FUND**

Health Insurance Fund – The health insurance fund is an internal service fund that accounts for the school board’s agency administered health insurance transactions. Financing is provided by employee and school board contributions.

**Combining Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2019**

	<u>School Operating Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 906,156	\$ 906,156
Accounts receivable	75,062	-	75,062
Due from primary government	2,137,633	-	2,137,633
Due from other governmental units	569,221	-	569,221
Inventories	-	30,560	30,560
Prepaid items	292,156	-	292,156
	<u>\$ 3,074,072</u>	<u>\$ 936,716</u>	<u>\$ 4,010,788</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 95,693	\$ 2,999	\$ 98,692
Accrued liabilities	2,978,379	99,039	3,077,418
Total liabilities	<u>\$ 3,074,072</u>	<u>\$ 102,038</u>	<u>\$ 3,176,110</u>
<b>FUND BALANCES</b>			
Nonspendable			
Inventories	\$ -	\$ 30,560	\$ 30,560
Assigned			
School lunch program	-	804,118	804,118
Total fund balances	<u>\$ -</u>	<u>\$ 834,678</u>	<u>\$ 834,678</u>
Total liabilities and fund balances	<u>\$ 3,074,072</u>	<u>\$ 936,716</u>	<u>\$ 4,010,788</u>

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

Total fund balances per above	\$ 834,678
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$ 977,491	
Buildings and improvements	33,039,817	
Machinery and equipment	1,370,114	
Construction in progress	<u>140,950</u>	35,528,372

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$ 3,772,145	
OPEB related items	<u>408,924</u>	4,181,069

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 position.

Health insurance fund	\$ <u>(7,264)</u>	(7,264)
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Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest	\$ (44,807)	
Capital leases	(6,197,598)	
Compensated absences	(236,849)	
Net pension liability	(27,579,398)	
Net OPEB liabilities	<u>(7,899,600)</u>	(41,958,252)

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

Pension related items	\$ (4,397,050)	
OPEB related items	<u>(2,065,700)</u>	(6,462,750)

Net position of governmental activities	<u>\$ (7,884,147)</u>
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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds - Discretely Presented Component Unit - School Board  
Year Ended June 30, 2019**

	<u>School Operating Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 41,806	\$ 277	\$ 42,083
Charges for services	2,163,904	529,117	2,693,021
Intergovernmental:			
Local government	9,459,915	-	9,459,915
Commonwealth	21,715,843	36,953	21,752,796
Federal	1,975,380	1,202,804	3,178,184
Total revenues	<u>\$ 35,356,848</u>	<u>\$ 1,769,151</u>	<u>\$ 37,125,999</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 34,976,130	\$ 1,941,832	\$ 36,917,962
Debt service:			
Principal retirement	441,355	-	441,355
Interest and other fiscal charges	194,381	-	194,381
Total expenditures	<u>\$ 35,611,866</u>	<u>\$ 1,941,832</u>	<u>\$ 37,553,698</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (255,018)</u>	<u>\$ (172,681)</u>	<u>\$ (427,699)</u>
Net change in fund balances	\$ (255,018)	\$ (172,681)	\$ (427,699)
Fund balances - beginning	255,018	1,007,359	1,262,377
Fund balances - ending	<u>\$ -</u>	<u>\$ 834,678</u>	<u>\$ 834,678</u>

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

Total fund balances per above	\$ (427,699)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 681,220	
Depreciation expense	(2,346,128)	
Allocation of debt financed school assets based on current year repayments	<u>2,298,762</u>	633,854

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments	\$ 441,355	
Change in accrued interest	<u>(2,172)</u>	439,183

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

Change in compensated absences	\$ 32,639	
Pension expense	2,003,396	
OPEB expense	<u>(315,956)</u>	1,720,079

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.

Health insurance net revenue (expense)	<u>\$ (198,066)</u>	<u>(198,066)</u>
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Change in net position of governmental activities	<u>\$ 2,167,351</u>
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Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Discretely Presented Component Unit - School Board  
Year Ended June 30, 2019

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 42,000	\$ 42,000	\$ 41,806	\$ (194)
Charges for services	1,568,772	1,703,754	2,163,904	460,150
Intergovernmental:				
Local government	10,023,903	10,023,903	9,459,915	(563,988)
Commonwealth	21,611,649	21,665,386	21,715,843	50,457
Federal	1,850,470	2,101,352	1,975,380	(125,972)
Total revenues	<u>\$ 35,096,794</u>	<u>\$ 35,536,395</u>	<u>\$ 35,356,848</u>	<u>\$ (179,547)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 34,718,056	\$ 35,157,657	\$ 34,976,130	\$ 181,527
Debt service:				
Principal retirement	441,355	441,355	441,355	-
Interest and other fiscal charges	192,401	192,401	194,381	(1,980)
Total expenditures	<u>\$ 35,351,812</u>	<u>\$ 35,791,413</u>	<u>\$ 35,611,866</u>	<u>\$ 179,547</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (255,018)</u>	<u>\$ (255,018)</u>	<u>\$ (255,018)</u>	<u>\$ -</u>
Net change in fund balances	\$ (255,018)	\$ (255,018)	\$ (255,018)	\$ -
Fund balances - beginning	255,018	255,018	255,018	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Fund-Discretely Presented Component Unit - School Board  
Year Ended June 30, 2019

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 277	\$ 277
Charges for services	765,000	765,000	529,117	(235,883)
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	36,241	36,241	36,953	712
Federal	1,015,185	1,070,312	1,202,804	132,492
Total revenues	<u>\$ 1,816,426</u>	<u>\$ 1,871,553</u>	<u>\$ 1,769,151</u>	<u>\$ (102,402)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 1,816,426	\$ 1,871,553	\$ 1,941,832	\$ (70,279)
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	<u>\$ 1,816,426</u>	<u>\$ 1,871,553</u>	<u>\$ 1,941,832</u>	<u>\$ (70,279)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (172,681)</u>	<u>\$ (172,681)</u>
Net change in fund balances	\$ -	\$ -	\$ (172,681)	\$ (172,681)
Fund balances - beginning	-	-	1,007,359	1,007,359
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 834,678</u>	<u>\$ 834,678</u>

Statement of Net Position  
 Internal Service Fund  
 Discretely Presented Component Unit - School Board  
 June 30, 2019

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	<u>Health Insurance Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 49,943
Total assets	<u>\$ 49,943</u>
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 57,207
Total liabilities	<u>\$ 57,207</u>
 <b>NET POSITION</b>	
Unrestricted	\$ (7,264)
Total net position	<u><u>\$ (7,264)</u></u>

Statement of Revenues, Expenses, and Changes in Net Position  
 Internal Service Fund  
 Discretely Presented Component Unit - School Board  
 Year Ended June 30, 2019

	<u>Health Insurance Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Insurance premiums	\$ <u>4,200,467</u>
Total operating revenues	\$ <u>4,200,467</u>
<b>OPERATING EXPENSES</b>	
Insurance claims and expenses	\$ <u>4,399,161</u>
Total operating expenses	\$ <u>4,399,161</u>
Operating income (loss)	\$ <u>(198,694)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	\$ <u>628</u>
Total nonoperating revenues (expenses)	\$ <u>628</u>
Change in net position	\$ (198,066)
Total net position - beginning	<u>190,802</u>
Total net position - ending	<u><u>\$ (7,264)</u></u>

Statement of Cash Flows  
 Internal Service Fund  
 Discretely Presented Component Unit - School Board  
 Year Ended June 30, 2019

	<u>Health Insurance Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts for insurance premiums	\$ 4,200,467
Payments for premiums	(4,526,530)
Net cash provided by (used for) operating activities	<u>\$ (326,063)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	\$ 628
Net cash provided by (used for) investing activities	<u>\$ 628</u>
Net increase (decrease) in cash and cash equivalents	\$ (325,435)
Cash and cash equivalents - beginning	375,378
Cash and cash equivalents - ending	<u><u>\$ 49,943</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating income (loss)	\$ (198,694)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase (decrease) in accounts payable	\$ (127,369)
Total adjustments	<u>\$ (127,369)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (326,063)</u></u>

## **SUPPORTING SCHEDULES**

Schedule of Revenues - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2019

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 13,994,927	\$ 13,994,927	\$ 14,375,838	\$ 380,911
Real and personal public service corporation taxes	700,000	700,000	664,218	(35,782)
Personal property taxes	6,626,421	6,626,421	6,887,395	260,974
Penalties	240,000	240,000	261,525	21,525
Interest	220,000	220,000	296,949	76,949
Total general property taxes	<u>\$ 21,781,348</u>	<u>\$ 21,781,348</u>	<u>\$ 22,485,925</u>	<u>\$ 704,577</u>
Other local taxes:				
Local sales and use taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,747,457	\$ 247,457
Business licenses	150,000	150,000	175,424	25,424
Consumption taxes	45,000	45,000	59,768	14,768
Motor vehicle licenses	676,000	676,000	504,913	(171,087)
Taxes on recordation and wills	150,000	150,000	171,588	21,588
Transient occupancy taxes	800,000	800,000	1,013,668	213,668
Meals taxes	280,000	280,000	354,730	74,730
Total other local taxes	<u>\$ 3,601,000</u>	<u>\$ 3,601,000</u>	<u>\$ 4,027,548</u>	<u>\$ 426,548</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 9,500	\$ 9,500	\$ 7,029	\$ (2,471)
Land use application fees	68,000	68,000	71,555	3,555
Transfer fees	900	900	914	14
Permits and other licenses	207,417	207,417	160,011	(47,406)
Total permits, privilege fees, and regulatory licenses	<u>\$ 285,817</u>	<u>\$ 285,817</u>	<u>\$ 239,509</u>	<u>\$ (46,308)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 84,400	\$ 84,940	\$ 80,102	\$ (4,838)
Total fines and forfeitures	<u>\$ 84,400</u>	<u>\$ 84,940</u>	<u>\$ 80,102</u>	<u>\$ (4,838)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 115,335	\$ 115,335
Revenue from use of property	40,000	40,000	41,305	1,305
Total revenue from use of money and property	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 156,640</u>	<u>\$ 116,640</u>
Charges for services:				
Sheriff's fees	\$ 2,000	\$ 2,000	\$ 2,573	\$ 573
Ambulance and rescue service	550,000	550,000	517,103	(32,897)
Charges for Animal Protection	9,000	9,000	8,770	(230)
Charges for Commonwealth's Attorney	3,000	3,000	4,800	1,800
Work release and other inmate fees	78,850	78,850	124,192	45,342
Charges for sanitation and waste removal	1,500,000	1,520,550	1,713,847	193,297
Other charges for services	8,125	15,525	25,391	9,866
Total charges for services	<u>\$ 2,150,975</u>	<u>\$ 2,178,925</u>	<u>\$ 2,396,676</u>	<u>\$ 217,751</u>
Miscellaneous:				
Miscellaneous	\$ 178,238	\$ 180,738	\$ 323,297	\$ 142,559
Total miscellaneous	<u>\$ 178,238</u>	<u>\$ 180,738</u>	<u>\$ 323,297</u>	<u>\$ 142,559</u>
Total revenue from local sources	<u>\$ 28,121,778</u>	<u>\$ 28,152,768</u>	<u>\$ 29,709,697</u>	<u>\$ 1,556,929</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 12,000	\$ 12,000	\$ 25,431	\$ 13,431
State recordation tax	40,000	40,000	43,888	3,888
Railroad rolling stock tax	36,000	36,000	36,011	11
Communication taxes	486,000	486,000	415,138	(70,862)
Motor vehicle rental tax	4,000	4,000	5,286	1,286
Personal property tax relief funds	1,640,791	1,640,791	1,640,791	-
Total noncategorical aid	<u>\$ 2,218,791</u>	<u>\$ 2,218,791</u>	<u>\$ 2,166,545</u>	<u>\$ (52,246)</u>

**Schedule of Revenues - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2019 (Continued)**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 291,573	\$ 291,573	\$ 295,431	\$ 3,858
Sheriff	2,320,335	2,328,639	2,211,266	(117,373)
Commissioner of revenue	141,346	141,346	140,302	(1,044)
Treasurer	110,176	110,176	111,235	1,059
Registrar/electoral board	36,800	36,800	37,500	700
Clerk of the Circuit Court	249,274	249,274	304,723	55,449
Total shared expenses	<u>\$ 3,149,504</u>	<u>\$ 3,157,808</u>	<u>\$ 3,100,457</u>	<u>\$ (57,351)</u>
Other categorical aid:				
CJS GTS grant	\$ -	\$ 3,134	\$ 8,855	\$ 5,721
Virginia Juvenile Community Crime Control Act	30,076	30,076	21,564	(8,512)
Crime prevention education	10,000	10,000	-	(10,000)
PSAP grant	79,000	79,000	71,150	(7,850)
Litter control	24,515	36,804	12,289	(24,515)
Fire programs funds	48,000	48,000	52,214	4,214
Victims witness grant	44,313	44,313	20,511	(23,802)
Two-for-life grant	23,500	25,105	51,040	25,935
School resource officer grant	80,000	80,000	85,636	5,636
Crime against kids grant	40,000	40,000	40,650	650
MDT grant	-	-	99,842	99,842
RSAF grant	-	27,401	-	-
Other	63,698	113,698	38,156	(75,542)
Total other categorical aid	<u>\$ 443,102</u>	<u>\$ 537,531</u>	<u>\$ 529,308</u>	<u>\$ (8,223)</u>
Total categorical aid	<u>\$ 3,592,606</u>	<u>\$ 3,695,339</u>	<u>\$ 3,629,765</u>	<u>\$ (65,574)</u>
Total revenue from the Commonwealth	<u>\$ 5,811,397</u>	<u>\$ 5,914,130</u>	<u>\$ 5,796,310</u>	<u>\$ (117,820)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	<u>\$ 128,000</u>	<u>\$ 128,000</u>	<u>\$ 183,240</u>	<u>\$ 55,240</u>
Categorical aid:				
Forfeited assets	\$ 50,000	\$ 50,000	-	(50,000)
Local law enforcement	6,000	6,000	-	(6,000)
Victim witness assistance	14,771	14,771	79,032	64,261
Triad grant	2,500	2,500	-	(2,500)
Sheriff overtime	-	-	10,500	10,500
Byrne grant	-	-	427	427
DMV ground transportation safety grant	18,438	18,438	2,899	(15,539)
Bullet proof vest grant	18,000	18,000	9,570	(8,430)
Citizens corp	11,400	11,400	-	(11,400)
Total categorical aid	<u>\$ 121,109</u>	<u>\$ 121,109</u>	<u>\$ 102,428</u>	<u>\$ (18,681)</u>
Total revenue from the federal government	<u>\$ 249,109</u>	<u>\$ 249,109</u>	<u>\$ 285,668</u>	<u>\$ 36,559</u>
Total General Fund	<u>\$ 34,182,284</u>	<u>\$ 34,316,007</u>	<u>\$ 35,791,675</u>	<u>\$ 1,475,668</u>
<b>Special Revenue Funds:</b>				
<b>Workforce Investment Act Fund:</b>				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Workforce Investment Act	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,885,262</u>	<u>\$ 1,885,262</u>
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,987</u>	<u>\$ 5,987</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	<u>\$ 916,491</u>	<u>\$ 916,491</u>	<u>\$ 664,339</u>	<u>\$ (252,152)</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	<u>\$ 1,288,481</u>	<u>\$ 1,288,481</u>	<u>\$ 1,263,305</u>	<u>\$ (25,176)</u>
Total Virginia Public Assistance Fund	<u>\$ 2,204,972</u>	<u>\$ 2,204,972</u>	<u>\$ 1,933,631</u>	<u>\$ (271,341)</u>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2019 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Comprehensive Services Act Fund:</b>				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act program	\$ 1,784,071	\$ 1,784,071	\$ 551,335	\$ (1,232,736)
Child support public assistance funds	2,000	2,000	666	(1,334)
Total categorical aid	<u>\$ 1,786,071</u>	<u>\$ 1,786,071</u>	<u>\$ 552,001</u>	<u>\$ (1,234,070)</u>
Total revenue from the Commonwealth	<u>\$ 1,786,071</u>	<u>\$ 1,786,071</u>	<u>\$ 552,001</u>	<u>\$ (1,234,070)</u>
Total Comprehensive Services Act Fund	<u><u>\$ 1,786,071</u></u>	<u><u>\$ 1,786,071</u></u>	<u><u>\$ 552,001</u></u>	<u><u>\$ (1,234,070)</u></u>
<b>Parks and Recreation Fund:</b>				
Revenue from local sources:				
Charges for services:				
Parks and recreation fees	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 35,421</u>	<u>\$ 10,421</u>
Total Primary Government	<u><u>\$ 38,198,327</u></u>	<u><u>\$ 38,332,050</u></u>	<u><u>\$ 40,197,990</u></u>	<u><u>\$ 1,865,940</u></u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from use of money and property:				
Revenue from the use of property	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ 41,806</u>	<u>\$ (194)</u>
Total revenue from use of money and property	<u><u>\$ 42,000</u></u>	<u><u>\$ 42,000</u></u>	<u><u>\$ 41,806</u></u>	<u><u>\$ (194)</u></u>
Charges for services:				
Charges for education	<u>\$ 1,568,772</u>	<u>\$ 1,703,754</u>	<u>\$ 2,163,904</u>	<u>\$ 460,150</u>
Total revenue from local sources	<u><u>\$ 1,610,772</u></u>	<u><u>\$ 1,745,754</u></u>	<u><u>\$ 2,205,710</u></u>	<u><u>\$ 459,956</u></u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Page, Virginia	<u>\$ 10,023,903</u>	<u>\$ 10,023,903</u>	<u>\$ 9,459,915</u>	<u>\$ (563,988)</u>
Total revenues from local governments	<u><u>\$ 10,023,903</u></u>	<u><u>\$ 10,023,903</u></u>	<u><u>\$ 9,459,915</u></u>	<u><u>\$ (563,988)</u></u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,685,915	\$ 3,685,915	\$ 3,733,721	\$ 47,806
Basic school aid	10,729,828	10,729,828	10,660,468	(69,360)
GED funding	15,717	15,717	16,710	993
Regular foster children education	35,455	35,455	5,674	(29,781)
Remedial summer education	43,408	43,408	43,408	-
Gifted and talented	112,412	112,412	111,993	(419)
Remedial education	429,416	429,416	427,814	(1,602)
Special education	948,761	948,761	945,223	(3,538)
Textbook payments	226,376	226,376	225,532	(844)
Vocational standards of quality payments	395,692	395,692	394,216	(1,476)
Social security	640,751	640,751	638,361	(2,390)
Retirement fringe benefits	1,416,397	1,416,397	1,411,115	(5,282)
Lottery	529,146	529,146	815,647	286,501
Early reading intervention	81,812	81,812	53,762	(28,050)
Group life instructional	42,717	42,717	42,557	(160)
Homebound education	4,980	4,980	7,584	2,604
Regional program tuition	755,160	755,160	572,432	(182,728)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2019 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (continued)				
Categorical aid: (continued)				
At risk payments	\$ 369,015	\$ 369,015	\$ 406,783	\$ 37,768
Primary class size	465,956	465,956	447,409	(18,547)
Technology	258,000	258,000	258,000	-
Standards of learning algebra readiness	52,147	52,147	52,147	-
At risk four-year olds	269,850	269,850	269,850	-
Vocational education	69,021	69,021	87,738	18,717
English as a second language	19,289	19,289	12,702	(6,587)
Other state funds	14,428	68,165	74,997	6,832
Total categorical aid	<u>\$ 21,611,649</u>	<u>\$ 21,665,386</u>	<u>\$ 21,715,843</u>	<u>\$ 50,457</u>
Total revenue from the Commonwealth	<u>\$ 21,611,649</u>	<u>\$ 21,665,386</u>	<u>\$ 21,715,843</u>	<u>\$ 50,457</u>
Revenue from the federal government:				
Categorical aid:				
Federal land use	\$ 25,000	\$ 25,000	\$ 23,410	\$ (1,590)
Title I	825,352	861,647	885,537	23,890
Title VI-B, special education flow-through	701,790	701,790	637,614	(64,176)
Vocational education	70,880	70,880	70,880	-
Title VI-B, special education pre-school	16,142	16,142	18,784	2,642
Title II	128,671	134,970	119,089	(15,881)
Title III	2,785	2,785	-	(2,785)
Title V	57,350	65,511	80,271	14,760
21st century learning grant	-	161,736	126,319	(35,417)
Title IV	22,500	60,891	13,476	(47,415)
Total categorical aid	<u>\$ 1,850,470</u>	<u>\$ 2,101,352</u>	<u>\$ 1,975,380</u>	<u>\$ (125,972)</u>
Total revenue from the federal government	<u>\$ 1,850,470</u>	<u>\$ 2,101,352</u>	<u>\$ 1,975,380</u>	<u>\$ (125,972)</u>
Total School Operating Fund	<u>\$ 35,096,794</u>	<u>\$ 35,536,395</u>	<u>\$ 35,356,848</u>	<u>\$ (179,547)</u>
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 277	\$ 277
Charges for services:				
Cafeteria sales	\$ 765,000	\$ 765,000	\$ 529,117	\$ (235,883)
Total revenue from local sources	<u>\$ 765,000</u>	<u>\$ 765,000</u>	<u>\$ 529,394</u>	<u>\$ (235,606)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 36,241	\$ 36,241	\$ 36,953	\$ 712
Total revenue from the Commonwealth	<u>\$ 36,241</u>	<u>\$ 36,241</u>	<u>\$ 36,953</u>	<u>\$ 712</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 1,015,185	\$ 1,070,312	\$ 1,067,335	\$ (2,977)
USDA commodities	-	-	135,469	135,469
Total categorical aid	<u>\$ 1,015,185</u>	<u>\$ 1,070,312</u>	<u>\$ 1,202,804</u>	<u>\$ 132,492</u>
Total revenue from the federal government	<u>\$ 1,015,185</u>	<u>\$ 1,070,312</u>	<u>\$ 1,202,804</u>	<u>\$ 132,492</u>
Total School Cafeteria Fund	<u>\$ 1,816,426</u>	<u>\$ 1,871,553</u>	<u>\$ 1,769,151</u>	<u>\$ (102,402)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 36,913,220</u>	<u>\$ 37,407,948</u>	<u>\$ 37,125,999</u>	<u>\$ (281,949)</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2019

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 130,579	\$ 130,579	\$ 121,174	\$ 9,405
General and financial administration:				
County administrator	\$ 328,346	\$ 328,346	\$ 317,503	\$ 10,843
Finance	310,329	310,329	308,080	2,249
Legal services	119,500	119,500	233,193	(113,693)
Commissioner of revenue	506,378	506,378	501,412	4,966
Assessment	240,000	240,000	-	240,000
Geographic information systems	132,229	132,229	115,628	16,601
Treasurer	523,227	523,227	525,531	(2,304)
Data processing	209,000	209,000	192,080	16,920
Purchasing	48,904	48,904	48,720	184
Total general and financial administration	<u>\$ 2,417,913</u>	<u>\$ 2,417,913</u>	<u>\$ 2,242,147</u>	<u>\$ 175,766</u>
Board of elections:				
Electoral board and officials	\$ 50,453	\$ 50,453	\$ 31,559	\$ 18,894
Registrar	108,401	108,401	108,708	(307)
Total board of elections	<u>\$ 158,854</u>	<u>\$ 158,854</u>	<u>\$ 140,267</u>	<u>\$ 18,587</u>
Total general government administration	<u>\$ 2,707,346</u>	<u>\$ 2,707,346</u>	<u>\$ 2,503,588</u>	<u>\$ 203,758</u>
Judicial administration:				
Courts:				
Circuit court	\$ 9,250	\$ 9,250	\$ 9,246	\$ 4
General district court	8,650	8,650	7,685	965
Special magistrates	2,300	2,300	2,438	(138)
Juvenile and domestic relations court	16,050	16,050	13,884	2,166
Sheriff	202,294	202,294	227,678	(25,384)
Victim witness program	79,111	79,111	77,654	1,457
Clerk of the circuit court	452,154	452,154	456,522	(4,368)
Total courts	<u>\$ 769,809</u>	<u>\$ 769,809</u>	<u>\$ 795,107</u>	<u>\$ (25,298)</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 576,645	\$ 576,645	\$ 545,609	\$ 31,036
Total judicial administration	<u>\$ 1,346,454</u>	<u>\$ 1,346,454</u>	<u>\$ 1,340,716</u>	<u>\$ 5,738</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 4,216,743	\$ 4,326,543	\$ 4,131,356	\$ 195,187
Virginia Juvenile Community Crime Control Act	30,076	30,076	21,564	8,512
Total law enforcement and traffic control	<u>\$ 4,246,819</u>	<u>\$ 4,356,619</u>	<u>\$ 4,152,920</u>	<u>\$ 203,699</u>
Fire and rescue services:				
Volunteer fire departments and rescue squads	\$ 496,625	423,883	\$ 454,306	\$ (30,423)
Fire and rescue services	1,085,135	1,190,483	1,318,464	(127,981)
Total fire and rescue services	<u>\$ 1,581,760</u>	<u>\$ 1,614,366</u>	<u>\$ 1,772,770</u>	<u>\$ (158,404)</u>
Correction and detention:				
Jail	\$ 2,869,047	\$ 2,877,351	\$ 3,473,466	\$ (596,115)
Juvenile detention	202,873	202,873	203,013	(140)
Total correction and detention	<u>\$ 3,071,920</u>	<u>\$ 3,080,224</u>	<u>\$ 3,676,479</u>	<u>\$ (596,255)</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Year ended June 30, 2019 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Other protection:				
Animal control	\$ 382,785	\$ 382,785	\$ 331,831	\$ 50,954
Medical examiner	500	500	420	80
Building inspections	-	-	756	(756)
Concern hotline	1,000	1,000	1,000	-
Emergency services	10,701	10,701	8,026	2,675
Total other protection	<u>\$ 394,986</u>	<u>\$ 394,986</u>	<u>\$ 342,033</u>	<u>\$ 52,953</u>
Total public safety	<u>\$ 9,295,485</u>	<u>\$ 9,446,195</u>	<u>\$ 9,944,202</u>	<u>\$ (498,007)</u>
Public works:				
Sanitation and waste removal:				
Compactor sites	\$ 78,405	\$ 78,405	\$ 81,424	\$ (3,019)
Landfill	1,498,960	1,511,249	1,507,296	3,953
Total sanitation and waste removal	<u>\$ 1,577,365</u>	<u>\$ 1,589,654</u>	<u>\$ 1,588,720</u>	<u>\$ 934</u>
Maintenance of general buildings and grounds:				
General properties	\$ 376,636	\$ 376,636	\$ 353,764	\$ 22,872
Total public works	<u>\$ 1,954,001</u>	<u>\$ 1,966,290</u>	<u>\$ 1,942,484</u>	<u>\$ 23,806</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 276,028	\$ 276,028	\$ 276,028	\$ -
Total health	<u>\$ 276,028</u>	<u>\$ 276,028</u>	<u>\$ 276,028</u>	<u>\$ -</u>
Mental health and mental retardation:				
Community services board	\$ 86,227	\$ 86,227	\$ 86,227	\$ -
Choices	5,000	5,000	5,000	-
Total mental health and mental retardation	<u>\$ 91,227</u>	<u>\$ 91,227</u>	<u>\$ 91,227</u>	<u>\$ -</u>
Welfare:				
Welfare administration	\$ 4,522	\$ 4,522	\$ 3,768	\$ 754
Shenandoah Area Agency on Aging	65,000	65,000	65,000	-
Other	28,725	28,725	33,725	(5,000)
Tax relief for the elderly	-	-	233,380	(233,380)
Total welfare	<u>\$ 98,247</u>	<u>\$ 98,247</u>	<u>\$ 335,873</u>	<u>\$ (237,626)</u>
Total health and welfare	<u>\$ 465,502</u>	<u>\$ 465,502</u>	<u>\$ 703,128</u>	<u>\$ (237,626)</u>
Education:				
Other instructional costs:				
Contributions to L.F. Community College	\$ 12,059	\$ 12,059	\$ 12,059	\$ -
Contribution to County School Board	10,023,903	10,023,903	9,459,915	563,988
Total education	<u>\$ 10,035,962</u>	<u>\$ 10,035,962</u>	<u>\$ 9,471,974</u>	<u>\$ 563,988</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	\$ 85,836	\$ 85,836	\$ 82,741	\$ 3,095
Total parks and recreation	<u>\$ 85,836</u>	<u>\$ 85,836</u>	<u>\$ 82,741</u>	<u>\$ 3,095</u>

**Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Year ended June 30, 2019 (Continued)**

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Parks, recreation, and cultural: (Continued)				
Library:				
Regional library	\$ 237,011	\$ 237,011	\$ 250,026	\$ (13,015)
Total parks, recreation, and cultural	<u>\$ 322,847</u>	<u>\$ 322,847</u>	<u>\$ 332,767</u>	<u>\$ (9,920)</u>
Community development:				
Planning and community development:				
Planning	\$ 326,609	\$ 326,609	\$ 328,915	\$ (2,306)
Northern Shenandoah Planning Commission	20,878	20,878	19,143	1,735
Zoning	3,909	3,909	1,184	2,725
Economic development	235,968	358,063	317,118	40,945
Airport Commission	42,000	42,000	42,000	-
Chamber of Commerce	275,000	275,000	255,000	20,000
Total planning and community development	<u>\$ 904,364</u>	<u>\$ 1,026,459</u>	<u>\$ 963,360</u>	<u>\$ 63,099</u>
Environmental management:				
Other environmental management	\$ 97,256	\$ 98,756	\$ 80,644	\$ 18,112
Total environmental management	<u>\$ 97,256</u>	<u>\$ 98,756</u>	<u>\$ 80,644</u>	<u>\$ 18,112</u>
Cooperative extension program:				
4-H center	\$ 1,500	\$ 1,500	\$ -	\$ 1,500
Total cooperative extension program	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 1,500</u>
Total community development	<u>\$ 1,003,120</u>	<u>\$ 1,126,715</u>	<u>\$ 1,044,004</u>	<u>\$ 82,711</u>
Nondepartmental:				
Miscellaneous	\$ 298,048	\$ 296,548	\$ 391,140	\$ (94,592)
Debt service:				
Principal retirement	\$ 2,947,540	\$ 2,947,540	\$ 2,947,540	\$ -
Interest and other fiscal charges	2,372,561	2,372,561	2,367,805	4,756
Total debt service	<u>\$ 5,320,101</u>	<u>\$ 5,320,101</u>	<u>\$ 5,315,345</u>	<u>\$ 4,756</u>
Total General Fund	<u>\$ 32,748,866</u>	<u>\$ 33,033,960</u>	<u>\$ 32,989,348</u>	<u>\$ 44,612</u>
<b>Special Revenue Funds:</b>				
<b>Workforce Investment Act Fund:</b>				
Community development:				
Shenandoah Valley Workforce Investment Board	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,885,262</u>	<u>\$ (1,885,262)</u>
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 2,669,300	\$ 2,669,300	\$ 2,346,707	\$ 322,593
Total Virginia Public Assistance Fund	<u>\$ 2,669,300</u>	<u>\$ 2,669,300</u>	<u>\$ 2,346,707</u>	<u>\$ 322,593</u>
<b>Comprehensive Services Act Fund:</b>				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 2,551,531	\$ 2,551,531	\$ 798,721	\$ 1,752,810
Total Comprehensive Services Act Fund	<u>\$ 2,551,531</u>	<u>\$ 2,551,531</u>	<u>\$ 798,721</u>	<u>\$ 1,752,810</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Year ended June 30, 2019 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Parks and Recreation Fund:</b>				
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 25,000	\$ 25,000	\$ 23,663	\$ 1,337
Total Parks and Recreation fund	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 23,663</u>	<u>\$ 1,337</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Capital projects expenditures:				
Blower replacement	\$ 75,000	\$ 75,000	\$ 62,300	\$ 12,700
Landfill equipment	65,000	75,550	85,870	(10,320)
EDP hardware	20,000	20,000	18,325	1,675
Geographical information system	-	7,190	-	7,190
Mapping system	-	22,590	22,590	-
Motor vehicles	-	49,574	69,729	(20,155)
Other	43,630	23,850	40,803	(16,953)
Total capital projects	<u>\$ 203,630</u>	<u>\$ 273,754</u>	<u>\$ 299,617</u>	<u>\$ (25,863)</u>
Total Capital Projects Fund	<u>\$ 203,630</u>	<u>\$ 273,754</u>	<u>\$ 299,617</u>	<u>\$ (25,863)</u>
Total Primary Government	<u>\$ 38,198,327</u>	<u>\$ 38,553,545</u>	<u>\$ 38,343,318</u>	<u>\$ 210,227</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Instructional	\$ 26,330,845	\$ 26,683,646	\$ 25,929,776	\$ 753,870
Administration, attendance and health services	1,898,771	1,898,771	1,882,779	15,992
Pupil transportation	2,034,426	2,034,426	2,175,599	(141,173)
Operation and maintenance	3,060,146	3,151,964	3,447,082	(295,118)
Facilities	255,018	175,000	383,371	(208,371)
Technology	1,138,850	1,213,850	1,157,523	56,327
Total education	<u>\$ 34,718,056</u>	<u>\$ 35,157,657</u>	<u>\$ 34,976,130</u>	<u>\$ 181,527</u>
Debt service:				
Principal retirement	\$ 441,355	\$ 441,355	\$ 441,355	\$ -
Interest and other fiscal charges	192,401	192,401	194,381	(1,980)
Total debt service	<u>\$ 633,756</u>	<u>\$ 633,756</u>	<u>\$ 635,736</u>	<u>\$ (1,980)</u>
Total School Operating Fund	<u>\$ 35,351,812</u>	<u>\$ 35,791,413</u>	<u>\$ 35,611,866</u>	<u>\$ 179,547</u>
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,816,426	\$ 1,871,553	\$ 1,941,832	\$ (70,279)
Total School Cafeteria Fund	<u>\$ 1,816,426</u>	<u>\$ 1,871,553</u>	<u>\$ 1,941,832</u>	<u>\$ (70,279)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 37,168,238</u>	<u>\$ 37,662,966</u>	<u>\$ 37,553,698</u>	<u>\$ 109,268</u>

## **STATISTICAL SECTION**

## STATISTICAL SECTION

### Contents

### Tables

#### Financial Trends

These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

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#### Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

6-10

#### Debt Capacity

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

11-13

#### Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

14-15

#### Operating Information

These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relate to the services the County provides and the activities it performs.

16-18

#### Sources:

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

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**COUNTY OF PAGE, VIRGINIA**

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

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	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities:				
Net investment in capital assets	\$ 2,392,224	\$ 1,325,386	\$ 1,614,736	\$ 928,108
Restricted	148,536	367,629	445,608	518,639
Unrestricted	<u>(5,418,086)</u>	<u>(5,624,979)</u>	<u>(4,324,176)</u>	<u>(3,435,256)</u>
Total governmental activities net position	\$ <u>(2,877,326)</u>	\$ <u>(3,931,964)</u>	\$ <u>(2,263,832)</u>	\$ <u>(1,988,509)</u>
Primary government:				
Net investment in capital assets	\$ 2,392,224	\$ 1,325,386	\$ 1,614,736	\$ 928,108
Restricted	148,536	367,629	445,608	518,639
Unrestricted	<u>(5,418,086)</u>	<u>(5,624,979)</u>	<u>(4,324,176)</u>	<u>(3,435,256)</u>
Total primary government net position	\$ <u>(2,877,326)</u>	\$ <u>(3,931,964)</u>	\$ <u>(2,263,832)</u>	\$ <u>(1,988,509)</u>

Table 1

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 210,465	\$ (124,706)	\$ 2,255,849	\$ 2,205,669	\$ 935,016	\$ 910,687	
921,716	818,673	741,443	2,810,507	-	-	
<u>(5,403,758)</u>	<u>(10,999,476)</u>	<u>(12,606,528)</u>	<u>(15,768,259)</u>	<u>(11,049,988)</u>	<u>(8,655,053)</u>	
\$ <u>(4,271,577)</u>	\$ <u>(10,305,509)</u>	\$ <u>(9,609,236)</u>	\$ <u>(10,752,083)</u>	\$ <u>(10,114,972)</u>	\$ <u>(7,744,366)</u>	
\$ 210,465	\$ (124,706)	\$ 2,255,849	\$ 2,205,669	\$ 935,016	\$ 910,687	
921,716	818,673	741,443	2,810,507	-	-	
<u>(5,403,758)</u>	<u>(10,999,476)</u>	<u>(12,606,528)</u>	<u>(15,768,259)</u>	<u>(11,049,988)</u>	<u>(8,655,053)</u>	
\$ <u>(4,271,577)</u>	\$ <u>(10,305,509)</u>	\$ <u>(9,609,236)</u>	\$ <u>(10,752,083)</u>	\$ <u>(10,114,972)</u>	\$ <u>(7,744,366)</u>	

**COUNTY OF PAGE, VIRGINIA**

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Expenses</b>				
Governmental Activities:				
General government administration	\$ 2,581,708	\$ 3,036,414	\$ 2,256,222	\$ 2,833,213
Judicial administration	1,088,426	1,119,582	1,115,093	1,105,308
Public safety	7,054,231	6,755,169	7,072,258	7,520,179
Public works	1,864,433	3,393,399	1,530,469	2,384,891
Health and welfare	4,450,952	3,804,608	3,582,940	3,101,854
Education	16,248,530	11,261,780	11,437,383	11,606,179
Parks, recreation, and cultural	280,664	237,294	271,922	273,795
Community development	1,009,552	491,427	645,888	537,342
Interest on long-term debt	3,130,944	3,038,008	3,057,354	2,921,300
Bond issuance costs	-	-	-	-
Total governmental activities expenses	\$ <u>37,709,440</u>	\$ <u>33,137,681</u>	\$ <u>30,969,529</u>	\$ <u>32,284,061</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services:				
General government administration	\$ 83,534	\$ 100,326	\$ 124,380	\$ 127,291
Judicial administration	90,365	80,395	96,469	127,832
Public safety	770,813	680,882	719,369	855,455
Public works	1,438,246	1,368,126	1,349,343	1,305,472
Health and welfare	16,578	35,023	20,589	9,645
Parks, recreation, and cultural	43,467	45,768	38,855	35,589
Operating grants and contributions	<u>6,183,782</u>	<u>5,951,332</u>	<u>5,546,582</u>	<u>5,081,557</u>
Total governmental activities program revenues	\$ <u>8,626,785</u>	\$ <u>8,261,852</u>	\$ <u>7,895,587</u>	\$ <u>7,542,841</u>
Net (expense) / revenue				
Governmental Activities	\$ <u><u>(29,082,655)</u></u>	\$ <u><u>(24,875,829)</u></u>	\$ <u><u>(23,073,942)</u></u>	\$ <u><u>(24,741,220)</u></u>

Table 2

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	2,306,937	\$	2,423,301	\$	2,613,493	\$	2,350,004	\$	2,644,872	\$	2,809,655
	1,094,479		1,161,227		1,113,134		1,140,691		1,287,562		1,302,775
	8,695,178		8,550,584		8,555,808		8,669,850		8,882,301		9,757,334
	4,283,275		2,647,595		2,524,857		2,822,940		3,236,871		3,219,021
	3,195,361		3,524,666		3,542,736		3,931,959		3,779,627		3,801,920
	12,664,109		13,107,117		12,215,154		12,289,299		12,970,892		11,770,736
	290,824		303,976		303,900		317,432		335,016		353,747
	745,558		3,315,348		3,667,775		3,612,114		3,264,067		2,918,672
	2,797,872		2,698,894		2,579,296		2,504,871		2,394,247		2,263,372
	-		-		-		-		99,260		-
\$	<u>36,073,593</u>	\$	<u>37,732,708</u>	\$	<u>37,116,153</u>	\$	<u>37,639,160</u>	\$	<u>38,894,715</u>	\$	<u>38,197,232</u>
\$	79,321	\$	71,509	\$	195,767	\$	22,971	\$	73,165	\$	104,889
	110,567		111,285		88,133		86,574		83,445		84,902
	770,108		786,108		792,137		802,672		773,477		812,649
	1,390,288		1,323,908		1,390,504		1,452,965		1,518,841		1,713,847
	14,240		6,787		10,567		17,783		13,152		5,987
	32,732		24,942		28,352		29,423		33,939		35,421
	<u>5,685,624</u>		<u>8,022,321</u>		<u>8,616,224</u>		<u>8,754,656</u>		<u>8,202,143</u>		<u>8,097,100</u>
\$	<u>8,082,880</u>	\$	<u>10,346,860</u>	\$	<u>11,121,684</u>	\$	<u>11,167,044</u>	\$	<u>10,698,162</u>	\$	<u>10,854,795</u>
\$	<u>(27,990,713)</u>	\$	<u>(27,385,848)</u>	\$	<u>(25,994,469)</u>	\$	<u>(26,472,116)</u>	\$	<u>(28,196,553)</u>	\$	<u>(27,342,437)</u>

**COUNTY OF PAGE, VIRGINIA**

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property taxes	\$ 17,648,296	\$ 18,577,570	\$ 19,396,791	\$ 19,586,968
Local sales and use taxes	1,315,313	1,355,463	1,432,754	1,424,298
Motor vehicle licenses taxes	310,968	306,201	319,477	312,916
Transient Occupancy Taxes	417,304	452,261	491,143	605,616
Meals Tax	245,978	235,138	237,664	269,595
Business Licenses	-	-	-	-
Tax on Recordation and Wills	136,542	106,896	119,169	151,932
Other Local Taxes	713,216	692,425	732,204	209,797
Unrestricted revenues from use of money and property	69,153	61,410	58,428	59,792
Miscellaneous	191,687	204,922	144,457	49,754
Grants and Contributions - Not Restricted	1,846,918	1,828,905	1,809,987	2,345,875
Total governmental activities	\$ <u>22,895,375</u>	\$ <u>23,821,191</u>	\$ <u>24,742,074</u>	\$ <u>25,016,543</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ <u><u>(6,187,280)</u></u>	\$ <u><u>(1,054,638)</u></u>	\$ <u><u>1,668,132</u></u>	\$ <u><u>275,323</u></u>

Table 2

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	20,239,090	\$	19,813,686	\$	20,735,519	\$	21,317,725	\$	22,444,117	\$	22,855,773
	1,386,698		1,478,959		1,596,463		1,605,724		1,653,477		1,747,457
	316,256		332,612		316,043		442,855		460,835		504,913
	645,627		743,834		822,208		1,150,605		857,276		1,013,668
	217,163		272,757		283,245		371,091		273,953		354,730
	175,233		147,747		161,851		179,484		184,931		175,424
	163,513		136,311		150,271		172,219		184,778		171,588
	46,737		48,429		49,105		64,428		37,176		59,768
	-		-		-		-		-		-
	63,474		56,285		32,357		46,985		94,215		156,640
	39,250		86,328		178,058		388,957		311,556		323,297
	<u>2,414,604</u>		<u>2,349,089</u>		<u>2,365,622</u>		<u>2,351,768</u>		<u>2,331,350</u>		<u>2,349,785</u>
\$	<u>25,707,645</u>	\$	<u>25,466,037</u>	\$	<u>26,690,742</u>	\$	<u>28,091,841</u>	\$	<u>28,833,664</u>	\$	<u>29,713,043</u>
\$	<u>(2,283,068)</u>	\$	<u>(1,919,811)</u>	\$	<u>696,273</u>	\$	<u>1,619,725</u>	\$	<u>637,111</u>	\$	<u>2,370,606</u>

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local sales and use Tax</b>	<b>Transient Occupancy Tax</b>	<b>Motor Vehicle License Tax</b>	<b>Record-ation and Wills Tax</b>	<b>Meals Tax</b>	<b>Business License Tax</b>	<b>Total</b>
2010	\$ 17,648,296	\$ 1,315,313	\$ 417,304	\$ 310,968	\$ 136,542	\$ 245,978	-	\$ 20,074,401
2011	18,577,570	1,355,463	452,261	306,201	106,896	235,138	-	21,033,529
2012	19,396,791	1,432,754	491,143	319,477	119,169	237,664	-	21,996,998
2013	19,586,968	1,424,298	605,616	312,916	151,932	269,595	-	22,351,325
2014	20,239,090	1,386,698	645,627	316,256	163,513	217,163	175,233	23,143,580
2015	19,813,686	1,478,959	743,834	332,612	136,311	272,757	147,747	22,925,906
2016	20,735,519	1,596,463	822,208	316,043	150,271	283,245	161,851	24,065,600
2017	21,317,725	1,605,724	1,037,203	442,855	172,219	333,921	179,484	25,089,131
2018	22,444,117	1,653,477	857,276	460,835	184,778	273,953	184,931	26,059,367
2019	22,855,773	1,747,457	1,013,668	504,913	171,588	354,730	175,424	26,823,553

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**COUNTY OF PAGE, VIRGINIA**

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund				
Unreserved	\$ 2,811,586	\$ -	\$ -	-
Nonspendable	-	-	-	127,400
Assigned	-	29,301	33,401	39,390
Unassigned	-	3,306,575	5,825,396	6,986,977
	<u>-</u>	<u>3,306,575</u>	<u>5,825,396</u>	<u>6,986,977</u>
 Total general fund	 \$ <u>2,811,586</u>	 \$ <u>3,335,876</u>	 \$ <u>5,858,797</u>	 \$ <u>7,153,767</u>
All other governmental funds				
Reserved	\$ 148,536	\$ -	\$ -	-
Unreserved, reported in:				
Special revenue funds	44,459	-	-	-
Capital projects funds	5,853,756	-	-	-
Nonspendable				
Prepaid Items	-	-	-	-
Restricted, reported in:				
Debt Service	-	367,629	445,608	518,639
Capital projects funds	-	-	-	3,564,664
Committed, reported in:				
Parks and Recreation	-	55,468	68,063	80,892
Assigned, reported in:				
Capital projects funds	-	5,511,516	3,703,805	2,472,525
Emergency Services	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total all other governmental funds	 \$ <u>6,046,751</u>	 \$ <u>5,934,613</u>	 \$ <u>4,217,476</u>	 \$ <u>6,636,720</u>

Note: The County implemented GASB Statement 54 beginning with fiscal year 2011-see Note 1 in the Notes to Basic Financial Statements section of the report.

Table 4

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
109,100	51,557	-	7,860	-	-	-
44,848	29,268	35,402	33,597	16,509	56,813	-
<u>7,962,516</u>	<u>7,298,683</u>	<u>5,671,302</u>	<u>7,986,584</u>	<u>9,429,392</u>	<u>11,297,422</u>	-
<u>\$ 8,116,464</u>	<u>\$ 7,379,508</u>	<u>\$ 5,706,704</u>	<u>\$ 8,028,041</u>	<u>\$ 9,445,901</u>	<u>\$ 11,354,235</u>	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-
-	-	13,843	-	-	-	-
921,716	818,673	741,443	815,711	-	-	-
-	-	-	1,994,796	206,729	141,309	-
91,582	100,034	95,251	118,949	134,000	145,758	-
2,060,182	752,621	209,572	(914,804)	-	-	-
<u>644</u>	<u>644</u>	<u>644</u>	<u>644</u>	<u>644</u>	<u>644</u>	-
<u>\$ 3,074,124</u>	<u>\$ 1,671,972</u>	<u>\$ 1,060,753</u>	<u>\$ 2,015,296</u>	<u>\$ 341,373</u>	<u>\$ 287,711</u>	-

**COUNTY OF PAGE, VIRGINIA**

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>				
General property taxes	\$ 17,076,620	\$ 18,277,353	\$ 19,256,025	\$ 19,510,388
Other local taxes	3,139,321	3,148,384	3,332,411	2,974,154
Permits, privilege fees and regulatory licenses	200,275	181,311	162,688	249,634
Fines and forfeitures	89,120	78,282	91,632	124,325
Revenue from use of money and property	69,153	61,410	58,428	59,792
Charges for services	2,153,608	2,050,927	2,094,685	2,087,325
Miscellaneous	191,687	204,922	144,457	49,754
Intergovernmental:				
Commonwealth	6,549,653	6,205,701	6,024,312	6,251,815
Federal	1,486,284	1,574,536	1,332,257	1,175,617
Total revenues	<u>\$ 30,955,721</u>	<u>\$ 31,782,826</u>	<u>\$ 32,496,895</u>	<u>\$ 32,482,804</u>
<b>Expenditures</b>				
General government administration	\$ 2,320,872	\$ 2,788,787	\$ 2,039,067	\$ 2,102,193
Judicial administration	1,064,870	1,101,332	1,103,368	1,110,754
Public safety	6,809,527	6,534,815	7,252,991	7,556,394
Public works	2,325,513	2,099,341	2,437,670	2,403,072
Health and welfare	4,424,999	3,779,579	3,599,674	3,101,293
Education	10,683,229	9,035,876	9,116,517	9,049,489
Parks, recreation and cultural	282,782	237,294	271,698	272,914
Community development	1,004,646	514,911	643,068	537,342
Nondepartmental	218,375	189,029	138,650	104,938
Capital projects	2,266,640	17,171	314,935	1,674,799
Debt service:				
Principal	1,901,656	1,947,591	1,900,636	2,172,308
Interest and other fiscal charges	3,199,675	3,124,948	2,872,837	2,993,394
Bond issuance costs	-	-	-	-
Total expenditures	<u>\$ 36,502,784</u>	<u>\$ 31,370,674</u>	<u>\$ 31,691,111</u>	<u>\$ 33,078,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (5,547,063)</u>	<u>\$ 412,152</u>	<u>\$ 805,784</u>	<u>\$ (596,086)</u>
<b>Other financing sources (uses)</b>				
Transfers in	\$ 1,241,375	\$ 1,000,408	\$ 2,349,910	\$ 778,424
Transfers out	(1,241,375)	(1,000,408)	(2,349,910)	(778,424)
Bonds issued	281,879	-	-	-
Refunding bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Capital leases	23,725	-	-	310,300
Issuance of lease revenue bonds	-	-	-	4,000,000
Total other financing sources (uses)	<u>\$ 305,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,310,300</u>
Net change in fund balances	<u>\$ (5,241,459)</u>	<u>\$ 412,152</u>	<u>\$ 805,784</u>	<u>\$ 3,714,214</u>
Debt service as a percentage of noncapital expenditures	14.41%	16.23%	15.59%	16.77%

**Table 5**

		<b>Fiscal Year</b>									
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>				
\$	20,075,105	\$	19,961,029	\$	20,528,963	\$	21,051,318	\$	22,039,826	\$	22,485,925
	2,951,227		3,160,649		3,379,186		3,986,406		3,652,426		4,027,548
	147,891		193,298		220,787		223,187		236,575		239,509
	106,746		106,910		82,344		81,788		76,451		80,102
	63,474		56,285		32,357		46,985		94,215		156,640
	2,142,619		2,024,331		2,202,329		2,107,413		2,182,993		2,438,084
	39,250		86,328		188,285		388,957		311,556		323,297
	6,740,066		6,724,642		6,994,739		6,945,372		6,835,278		7,012,650
	1,360,162		3,646,768		3,987,107		4,161,052		3,698,215		3,434,235
\$	<u>33,626,540</u>	\$	<u>35,960,240</u>	\$	<u>37,616,097</u>	\$	<u>38,992,478</u>	\$	<u>39,127,535</u>	\$	<u>40,197,990</u>
\$	2,041,202	\$	2,428,333	\$	2,389,476	\$	2,200,628	\$	2,351,897	\$	2,503,588
	1,097,386		1,151,505		1,161,784		1,211,995		1,330,624		1,340,716
	8,824,594		8,593,685		8,682,830		8,293,850		8,962,610		9,944,202
	2,005,315		2,229,313		2,398,985		2,046,617		1,962,740		1,942,484
	3,155,666		3,502,681		3,537,466		3,924,594		3,769,816		3,848,556
	8,970,471		9,385,334		9,296,816		9,628,769		10,487,460		9,471,974
	291,338		300,817		304,211		318,086		335,317		356,430
	741,485		3,284,697		3,684,031		3,631,505		3,265,142		2,929,266
	182,281		368,134		240,588		141,416		235,199		391,140
	3,651,838		1,486,480		2,999,246		1,822,326		1,612,119		299,617
	2,378,284		2,438,370		2,542,192		2,918,094		2,929,071		2,947,540
	2,886,579		2,779,245		2,662,495		2,605,718		2,383,331		2,367,805
	-		-		-		-		99,260		-
\$	<u>36,226,439</u>	\$	<u>37,948,594</u>	\$	<u>39,900,120</u>	\$	<u>38,743,598</u>	\$	<u>39,724,586</u>	\$	<u>38,343,318</u>
\$	<u>(2,599,899)</u>	\$	<u>(1,988,354)</u>	\$	<u>(2,284,023)</u>	\$	<u>248,880</u>	\$	<u>(597,051)</u>	\$	<u>1,854,672</u>
\$	619,712	\$	768,523	\$	3,089,732	\$	2,121,110	\$	1,655,849	\$	893,993
	(619,712)		(768,523)		(3,089,732)		(2,121,110)		(1,655,849)		(893,993)
	-		-		-		3,027,000		-		-
	-		-		-		-		10,431,000		-
	-		-		-		-		(10,331,740)		-
	-		-		-		-		392,300		-
	-		-		-		-		-		-
\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>3,027,000</u>	\$	<u>491,560</u>	\$	<u>-</u>
\$	<u>(2,599,899)</u>	\$	<u>(1,988,354)</u>	\$	<u>(2,284,023)</u>	\$	<u>3,275,880</u>	\$	<u>(105,491)</u>	\$	<u>1,854,672</u>
	15.83%		14.06%		14.27%		14.94%		14.03%		14.03%

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local sales and use Tax</b>	<b>Transient Occupancy Tax</b>	<b>Motor Vehicle License Tax</b>	<b>Record-ation and Wills Tax</b>	<b>Meals Tax</b>	<b>Business License Tax</b>	<b>Total</b>
2010	\$ 17,076,620	\$ 1,315,313	\$ 417,304	\$ 310,968	\$ 136,542	\$ 245,978	\$ 152,166	\$ 19,654,891
2011	18,277,353	1,355,463	452,261	306,201	106,896	235,138	123,426	20,856,738
2012	19,256,025	1,432,754	491,143	319,477	119,169	237,664	141,397	21,997,629
2013	19,510,388	1,424,298	605,616	312,916	151,932	269,595	157,439	22,432,184
2014	20,075,105	1,386,698	645,627	316,256	163,513	217,163	175,233	22,979,595
2015	19,961,029	1,478,959	743,834	332,612	136,311	272,757	147,747	23,073,249
2016	20,528,963	1,596,463	822,208	316,043	150,271	283,245	161,851	23,859,044
2017	21,051,318	1,605,724	1,037,203	442,855	172,219	333,921	179,484	24,822,724
2018	22,039,826	1,653,477	857,276	460,835	184,778	273,953	184,931	25,655,076
2019	22,485,925	1,747,457	1,013,668	504,913	171,588	354,730	175,424	26,453,705

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**COUNTY OF PAGE, VIRGINIA**

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

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Fiscal Year	Real Estate (1)	Personal Property & Mobile Homes	Machinery and Tools	Public Service	
				Real Estate	Personal Property
2010	\$ 2,280,983,900	\$ 181,124,448	\$ 24,955,483	\$ 72,698,741	\$ 16,025
2011	2,134,124,400	168,781,100	24,648,928	75,016,471	16,025
2012	1,981,271,373	172,938,572	24,212,520	56,601,652	474,580
2013	1,987,973,023	173,845,772	22,857,550	67,700,556	482,994
2014	1,997,411,018	171,783,252	20,757,580	85,325,231	755,802
2015	2,003,154,535	172,342,920	19,939,210	87,334,603	762,895
2016	2,005,957,130	176,888,303	21,311,870	90,437,690	611,143
2017	2,012,899,488	182,157,270	23,275,670	90,092,972	788,193
2018	2,022,492,450	186,119,302	23,901,950	98,665,423	739,106
2019	2,035,479,375	190,683,960	23,889,855	97,540,213	728,330

Source: Commissioner of Revenue

- (1) Real estate assessed at 100% of fair market value.
- (2) Assessed values are established by the State Corporation Commission.
- (3) Source: Virginia Department of Taxation.

Table 7

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	<b>Total Taxable Assessed Value</b>	<b>Estimated Actual Taxable Value</b>	<b>State Sales Assessment Ratio (3)</b>	<b>Total Direct Rate</b>
\$	2,559,778,597	\$ 2,560,802,918	99.96%	\$ 10.10
	2,402,586,924	2,162,349,855	111.11%	10.42
	2,235,498,697	2,043,977,962	109.37%	10.42
	2,252,859,895	2,014,900,183	111.81%	10.42
	2,276,032,883	2,074,590,177	109.71%	10.42
	2,283,534,163	2,083,516,572	109.60%	10.42
	2,295,206,136	2,094,166,182	109.60%	10.46
	2,309,213,593	2,106,946,709	109.60%	10.46
	2,331,918,231	2,127,662,620	109.60%	10.49
	2,348,321,733	2,142,629,318	109.60%	10.52

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

Fiscal Year	Direct Rates						Total Direct Rate
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Aircraft	Motor Carrier	
2010	\$ 0.48	\$ 4.64	\$ 0.48	\$ 2.00	\$ 0.50	\$ 2.00	\$ 10.10
2011	0.64	4.64	0.64	2.00	0.50	2.00	10.42
2012	0.64	4.64	0.64	2.00	0.50	2.00	10.42
2013	0.64	4.64	0.64	2.00	0.50	2.00	10.42
2014	0.64	4.64	0.64	2.00	0.50	2.00	10.42
2015	0.64	4.64	0.64	2.00	0.50	2.00	10.42
2016	0.66	4.64	0.66	2.00	0.50	2.00	10.46
2017	0.66	4.64	0.66	2.00	0.50	2.00	10.46
2018	0.70	4.59	0.70	2.00	0.50	2.00	10.49
2019	0.73	4.59	0.70	2.00	0.50	2.00	10.52

Source: County Commissioner of Revenue

(1) Per \$100 of assessed value

Principal Property Taxpayers  
Current Year and the Period Nine Years Prior

<u>Taxpayer</u>	<u>Type Business</u>	<u>Fiscal Year 2019</u>		<u>Fiscal Year 2010</u>	
		<u>2019 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>2010 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
KVK Precision Specialties	Manufacturing	\$ 9,856,520	0.42%	\$ 8,591,300	0.33%
VF Jeanswear	Manufacturing	5,023,700	0.21%	3,921,085	0.15%
Emco Enterprises	Manufacturing	3,354,920	0.14%	3,880,290	0.15%
Masonite Corporation	Manufacturing	3,380,140	0.14%	3,039,400	0.12%
DNC Parks & Resorts	Tourism	2,019,390	0.09%	1,431,170	0.06%
Comcast	Communications	1,255,760	0.05%	507,535	0.02%
Wal-Mart	Retail	680,480	0.03%	1,032,840	0.04%
Shenandoah Machine Shop	Manufacturing	609,070	0.03%	450,180	0.02%
PE Hydro Generation	Energy	539,820	0.02%	446,610	0.02%
Mountain View Resorts	Tourism	786,220	0.03%	156,685	0.01%
Gray Television Group	Communications	426,000	0.02%	249,070	0.01%
Noah Turner Landscaping	Services	329,530	0.01%	185,060	0.01%
		<u>\$ 28,261,550</u>	<u>1.20%</u>	<u>\$ 23,891,225</u>	<u>0.92%</u>

Source: Commissioner of Revenue

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax (1,3) Levy for Fiscal Year	Collected within the Fiscal Year of the Levy (1,3)		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 18,389,681	\$ 17,476,832	95.04%	\$ 815,572	\$ 18,292,404	99.47%
2011	19,403,213	18,204,086	93.82%	1,097,982	19,302,068	99.48%
2012	18,716,329	17,595,707	94.01%	1,005,743	18,601,450	99.39%
2013	18,978,746	17,803,281	93.81%	1,036,721	18,840,002	99.27%
2014	19,152,140	18,063,097	94.31%	914,338	18,977,435	99.09%
2015	19,250,147	18,216,468	94.63%	811,795	19,028,263	98.85%
2016	19,852,376	18,739,739	94.40%	819,796	19,559,535	98.52%
2017	20,654,381	19,414,989	94.00%	808,815	20,223,804	97.92%
2018	21,311,251	20,114,593	94.38%	400,141	20,514,734	96.26%
2019	21,824,547	19,887,111	91.12%	-	19,887,111	91.12%

Source: Commissioner of Revenue, County Treasurer's office

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Does not include PPTRA reimbursements from the Commonwealth of Virginia.

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Capital Leases	Total Primary Government			
2010	\$ 67,465,056	\$ 498,533	\$ 50,085	\$ 68,013,674	9.22%	\$ 2,827	
2011	65,621,718	436,466	7,899	66,066,083	8.54%	2,735	
2012	63,791,048	374,399	-	64,165,447	10.55%	2,650	
2013	61,859,642	4,167,159	276,638	66,303,439	11.50%	2,754	
2014	59,833,166	3,880,485	211,504	63,925,155	7.70%	2,654	
2015	46,638,047	14,693,377	155,360	61,486,784	7.25%	2,592	
2016	44,733,233	14,119,124	92,235	58,944,592	7.12%	2,499	
2017	43,294,677	16,277,776	27,255	59,599,708	6.99%	2,478	
2018	41,199,702	15,572,683	352,625	57,125,010	6.73%	2,375	
2019	39,028,423	14,832,940	278,904	54,140,267	6.37%	2,252	

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics - Table 14

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

<b>Fiscal Year</b>	<b>Gross Bonded Debt</b>	<b>Less: Amounts Reserved for Debt Service</b>	<b>Net Bonded Debt (3)</b>	<b>Ratio of Net General Obligation Debt to Assessed Value (2)</b>	<b>Net Bonded Debt per Capita (1)</b>
2010	\$ 67,963,589	\$ -	\$ 67,963,589	2.66%	\$ 2,825
2011	66,058,184	-	39,818,273	1.66%	1,648
2012	64,165,447	-	64,165,447	2.87%	2,650
2013	66,026,801	-	66,026,801	2.93%	2,742
2014	63,713,651	-	63,713,651	2.80%	2,646
2015	61,331,424	-	61,331,424	2.69%	2,586
2016	58,852,357	-	58,852,357	2.56%	2,495
2017	59,572,453	-	59,572,453	2.58%	2,477
2018	56,772,385	-	56,772,385	2.43%	2,360
2019	53,861,363	-	53,861,363	2.29%	2,240

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 14

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 7 capital leases, and compensated absences.

Direct and Overlapping Governmental Activities Debt  
June 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage</u>	<u>Amount Applicable to Primary Government</u>
Town of Luray, Virginia	\$ 1,416,451	20.03%	\$ 283,667
County of Page, Virginia direct debt			<u>57,125,010</u>
			<u>\$ 57,408,677</u>

Sources: Outstanding debt and applicable percentages provided by the Town of Luray, Virginia.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the County of Page, Virginia. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Demographic and Economic Statistics  
Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2010	24,058	\$ 737,642,338	\$ 30,661	43.0	3,638	11.60%
2011	24,155	773,370,635	32,017	43.5	3,697	11.10%
2012	24,215	607,990,220	25,108	43.8	3,669	10.20%
2013	24,079	576,595,734	23,946	44.2	3,624	9.20%
2014	24,083	830,189,176	34,472	44.4	3,541	8.10%
2015	23,719	848,333,754	35,766	44.8	3,506	6.90%
2016	23,586	828,316,734	35,119	44.6	3,459	5.60%
2017	24,053	852,498,453	35,443	44.7	3,438	4.80%
2018	24,053	848,607,880	35,281	44.7	3,438	5.30%
2019	24,042	850,164,188	35,362	44.7	3,438	5.30%

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

Principal Employers  
 Current Year and Nine Years Prior

Employer	Fiscal Year 2019		Fiscal Year 2010		County Employment
	Employees	Rank	Employees	Rank	
Page County School Board	500 to 999	1	500 to 999	1	8.80%
County of Page	100 to 249	2	100 to 249	7	5.30%
Valley Health System	100 to 249	3	100 to 249	-	5.30%
Masonite Corp.	250 to 499	4	100 to 249	3	5.30%
Wal-Mart	100 to 249	5	100 to 249	6	5.30%
VF Jeanswear	100 to 249	6	100 to 249	2	2.60%
Emco Enterprises	100 to 249	7	100 to 249	4	
Luray Caverns Coffee Shop	100 to 249	8	100 to 249	-	2.60%
Skyview Springs	100 to 249	9	100 to 249	-	
U.S. National Park Service	100 to 249	10	100 to 249	10	5.30%
Montvue Nursing Home	100 to 249	-	100 to 249	-	5.30%
Page Memorial Hospital	100 to 249	-	100 to 249	5	
VDOT	100 to 249	-	100 to 249	8	
Genie Company	100 to 249	-	100 to 249	9	

Source: Virginia LMI (Labor Market Information) - Based on LMI Tools: Industry for 2nd quarter of each (June 30 end date)

The percentage of County employment that each employer comprises is not currently available but will be presented when available.

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government administration	31	29	28	26	27	27	29	28	28	28
Judicial administration	12	12	12	12	12	11	11	11	11	11
Public safety:										
Sheriff's department	57	56	57	58	60	57	57	58	58	58
Fire and rescue	6	5	6	5	10	10	12	11	11	14
Building inspections	2	2	2	2	2	2	2	2	2	2
Animal shelter	2	2	2	2	2	2	2	2	2	2
Animal control	0	0	0	0	2	2	2	2	2	2
Emergency communications	10	11	10	10	10	9	9	11	11	11
Public works:										
General maintenance	3	3	3	3	3	3	3	3	2	3
Landfill	14	13	11	14	14	14	13	12	12	12
Health and welfare:										
Children's Services	1	1	1	1	1	0	1	0	0	0
Culture and recreation:										
Parks and recreation	1	1	1	1	1	1	1	1	1	1
Community development:										
Planning & Community Development	6	3	3	3	4	3	3	3	3	3
Economic Development	1	0	0	0	1	1	1	1	1	1
Totals	<u>146</u>	<u>138</u>	<u>136</u>	<u>137</u>	<u>149</u>	<u>142</u>	<u>146</u>	<u>145</u>	<u>144</u>	<u>148</u>

Source: Individual County departments

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**County of Page, Virginia**

Operating Indicators by Function  
Last Ten Fiscal Years

<b>Function</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Public safety				
Sheriffs department:				
Physical arrests				
Traffic violations/arrests	1230	935	1502	1463
Civil papers	14656	14605	13463	14611
Fire and rescue:				
Number of calls answered	4842	5013	4808	5121
Building inspections:				
Permits issued	446	370	312	332
Animal control:				
Number of calls answered	1543	1565	1483	1393
Public works				
Landfill:				
Refuse collected (tons/day)	162.066	152.106	146.58	149.301
Recycling (tons/day)	4.76073	6.91134	3.93465	3.71293
Health and welfare				
Department of Social Services:				
Caseload	7049	7345	7663	7358
Culture and recreation				
Parks and recreation:				
Youth sports participants	1012	985	977	898
Community development				
Planning:				
Zoning permits issued	252	230	211	196
Component Unit - School Board				
Education:				
School age population	4429	4497	4436	4324
Number of teachers	300	310	317	303
Local expenditures per pupil	3670	3018	2756	2942

Source: Individual County departments

\* Information unavailable

\*\*Fire and Rescue Call Monitoring System Transition Occurred This Fiscal Year

**Table 17**

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<b>Fiscal Year</b>					
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
1669	912	784	1394	1428	782
14771	14790	14452	14720	15020	15359
5193	5280	5586	6075	4400	4117
276	321	408	405	456	385
1310	1144	1310	1434	1439	1532
155.029	146.425	153.323	132.092	159.24	159.77
4.61393	2.9258	3.97869	3.34058	5.87	5.88
7239	6671	6337	6666	6658	6204
849	789	779	689	681	654
177	194	195	260	294	230
4352	4223	4096	4096	4109	4110
303	295	294	285	282	286
3005	3121	2958	3057	3059	3369

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	8	8	8	8	8	8	8	8	9	9
Public safety										
Sheriffs department:										
Patrol units	69	69	69	69	69	69	69	71	74	74
Building inspections:										
Vehicles	3	3	3	3	3	3	3	3	3	3
Animal control:										
Vehicles	2	2	2	2	2	2	2	2	2	2
Animal Shelter										
Vehicles	1	1	1	1	1	1	1	1	1	1
Administration buildings	1	1	1	1	1	1	1	1	1	1
Public works										
General maintenance:										
Trucks/vehicles	4	4	4	4	4	4	4	4	4	4
Landfill:										
Vehicles	2	2	2	2	2	2	2	2	2	2
Equipment	14	14	14	14	14	14	15	15	15	15
Sites	2	2	2	2	2	2	2	2	2	2
Health and welfare										
Department of Social Services:										
Vehicles	4	4	4	4	4	4	4	4	4	4
Culture and recreation										
Parks and recreation:										
Vehicles	1	1	1	1	1	1	1	1	1	1
Community development										
Planning:										
Vehicles	2	2	2	2	2	2	2	2	2	2
Component Unit - School Board										
Education:										
Schools	9	9	9	9	9	9	9	10	10	10
School buses	84	84	84	84	84	84	84	84	88	88

Source: Individual County departments

## **COMPLIANCE SECTION**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of County of Page, Virginia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise County of Page, Virginia's basic financial statements, and have issued our report thereon dated December 11, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Page, Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Page, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Page, Virginia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Page, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
December 11, 2019



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

---

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

**Report on Compliance for Each Major Federal Program**

We have audited County of Page, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Page, Virginia's major federal programs for the year ended June 30, 2019. County of Page, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

County of Page Virginia's basic financial statements include the operations of the Component Unit Luray-Page Airport Authority, which received \$260,729 in federal awards which is not included in the schedule of federal awards during the year ended June 30, 2019. Our audit, described below, did not include the operations of the Component Unit Luray-Page Airport Authority because the Authority issued its own audit of compliance with the Uniform Guidance.

***Management's Responsibility***

Management is responsible for compliance federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of County of Page, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of County of Page, Virginia's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, County of Page, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## **Report on Internal Control over Compliance**

Management of County of Page, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Page, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Page, Virginia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Robinson, Farrow, Cox Associates*

Staunton, Virginia  
December 11, 2019

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards  
 Primary Government and Discretely Presented Component Unit School Board  
 Year Ended June 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
<b>PRIMARY GOVERNMENT:</b>				
Department of Agriculture:				
Pass Through Payments:				
Department of Social Services:				
Supplemental Nutrition Assistance Program Cluster:				
State Administrative Matching Grants For the Supplemental Nutrition Assistance Program	10.561	0010110	\$ 250,832	
Total Department of Agriculture			\$ 250,832	
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Foster Care - Title IV-E	93.658	1100111	\$ 193,514	
Adoption Assistance	93.659	1120111	127,526	
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	0400111	181,912	
Refugee and Entrant Assistance - State Administered Programs	93.566	0500111	91	
Low-Income Home Energy Assistance	93.568	0600411	30,791	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900110	217	
Social Services Block Grant	93.667	1000111	141,761	
Chafee Foster Care Independence Program	93.674	9150110	2,498	
Promoting Safe and Stable Families	93.556	0950110	10,961	
Medical Assistance Program	93.778	1200111	283,341	
Children's Health Insurance Program	93.767	0540111	6,248	
Child Care/Development Fund Cluster:				
Child Care - Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760111	33,613	
Total Department of Health and Human Services			\$ 1,012,473	
Department of Justice:				
Pass Through Payments:				
Department of Criminal Justice Services:				
Bullet Proof Vest Partnership Program	16.607	Not Available	\$ 9,570	
Local Law Enforcement Block Grant	16.738	Not Available	427	
Crime Victim Assistance	16.575	99001	79,032	
ATF Overtime Grant	16.000	Not Available	10,500	
Total Department of Justice			\$ 99,529	
Department of Labor:				
Pass Through Payments:				
Virginia Community College System:				
Workforce Innovation and Opportunity Act Cluster:				
WIOA Adult Program	17.258	LWA 4-17-02T/4-18-04	\$ 825,445	\$ 669,318
WIOA Dislocated Worker Formula Grants	17.278	LWA 4-17-02T/4-18-04	302,331	145,860
WIOA Youth Activities	17.259	LWA 4-17-02T/4-18-04	757,486	567,980
Total Workforce Innovation and Opportunity Act Cluster			\$ 1,885,262	\$ 1,383,158
Total Department of Labor			\$ 1,885,262	\$ 1,383,158

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
 Primary Government and Discretely Presented Component Unit School Board  
 Year Ended June 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	58169	\$ 413	
National Priority Safety Programs	20.616	58182	160	
Total Highway Safety Cluster			\$ 573	
Alcohol Open Container Requirements	20.607	57149	2,326	
Total Department of Transportation			\$ 2,899	
Total Expenditures of Federal Awards - Primary Government			\$ 3,250,995	
<b><u>COMPONENT UNIT SCHOOL BOARD:</u></b>				
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Education:				
School Breakfast Program	10.553	40253/40254	\$ 235,517	
National School Lunch Program	10.555	40253/40254	776,436	
Department of Agriculture:				
Commodities-School Lunch	10.555	Not Available	135,469	
Subtotal CFDA 10.555			\$ 911,905	
Summer Food Service Program for Children	10.559	60303	30,097	
Total Child Nutrition Cluster			\$ 1,177,519	
Schools and Roads Cluster:				
Schools and Roads-Grants to States	10.665	Not Available	23,410	
State Administrative Expenses for Child Nutrition	10.560	86507	255	
Child Nutrition Discretionary Grants Limited Availability	10.579	86804	25,030	
Total Department of Agriculture			\$ 1,226,214	
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	Not Available	\$ 885,537	
Twenty-First Century Community Learning Centers	84.287	Not Available	126,319	
Special Education (IDEA) Cluster:				
Special Education - Grants to States	84.027	Not Available	637,614	
Special Education - Preschool Grants	84.173	Not Available	18,784	
Career and Technical Education				
Basic Grants to States	84.048	Not Available	70,880	
Student Support and Academic Enrichment Program	84.424	Not Available	13,476	
Higher Education Institutional Aid	84.031	Not Available	80,271	
Supporting Effective Instruction State Grants	84.367	Not Available	119,089	
Total Department of Education			\$ 1,951,970	
Total Expenditures of Federal Awards - Component Unit School Board			\$ 3,178,184	
Total Expenditures of Federal Awards - Reporting Entity			\$ 6,429,179	\$ 1,383,158

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
Primary Government and Discretely Presented Component Unit School Board  
Year Ended June 30, 2019

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Notes to Schedule of Expenditures of Federal Awards

**NOTE 1-BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Page, Virginia under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Page, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Page, Virginia.

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) County of Page, Virginia has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

**NOTE 3-FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2019, the County had food commodities totaling \$30,560 in inventory.

**NOTE 4- MATCHING COSTS**

Matching costs, the nonfederal share of certain program costs are not included in the Schedule.

**NOTE 5- LOANS**

County of Page had no federal loans required to be presented in the Schedule.

**NOTE 6-RELATIONSHIP TO FINANCIAL STATEMENTS**

Intergovernmental federal revenues per the basic financial statements:

Primary government:	
General Fund	\$ 285,668
Department of the Interior-Payment in Lieu of Taxes	(183,240)
Special Revenue Funds:	
Workforce Investment Act Fund	1,885,262
Virginia Public Assistance Fund	1,263,305
Total primary government	<u>\$ 3,250,995</u>
Discretely presented component unit - School Board:	
School operating fund	\$ 1,975,380
School cafeteria fund	1,202,804
Total discretely presented component unit - School Board	<u>\$ 3,178,184</u>
Total federal expenditures per the Schedule of Expenditures of Federal awards	<u>\$ 6,429,179</u>

COUNTY OF PAGE, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section I-Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes [x] no

- Significant deficiency(ies) identified? \_\_\_ yes [x] no

Noncompliance material to financial statements noted? \_\_\_ yes [x] none reported

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? \_\_\_ yes [x] no

- Significant deficiency(ies) identified? \_\_\_ yes [x] none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? \_\_\_ yes [x] no

Identification of major programs:

Table with 2 columns: CFDA Numbers, Name of Federal Program or Cluster. Row 1: 84.010, Title I Grants to Local Educational Agencies

SNAP Cluster:

Table with 2 columns: CFDA Numbers, Name of Federal Program or Cluster. Row 1: 10.561, State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Workforce Investment Cluster:

Table with 2 columns: CFDA Numbers, Name of Federal Program or Cluster. Rows: 17.258, WIA Adult Program; 17.278, WIA Dislocated Worker Program; 17.259, WIA Youth Activities

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? [x] yes \_\_\_ no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

Section IV-Summary of Prior Findings

None