

# COUNTY OF PAGE, VIRGINIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED  
JUNE 30, 2021

**COUNTY OF PAGE, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2021**

Prepared by  
Finance Department  
Page County, Virginia

**COUNTY OF PAGE, VIRGINIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2021**

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## **INTRODUCTORY SECTION**





# COUNTY OF PAGE

Finance Department

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Ph. 540-743-4998 · Web [pagecounty.virginia.gov](http://pagecounty.virginia.gov)

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**December 31, 2021**

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the County of Page (County) for the fiscal year ended 2021. Responsibility for both the accuracy of the data and 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 the 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, 2021, 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), located in Virginia's Shenandoah Valley, was created in 1831 from sections of Shenandoah and Rockingham Counties. It was named for John Page, who was the thirteenth Governor of Virginia from 1802 to 1805. The County covers a total area of 314 square miles (810 square kilometers), of which 3 square miles is water, which is mostly known as the South Fork Shenandoah River.

The Town of Luray is the County seat and the County's largest town. It was founded in 1812 by William Staige Marye, whose family was from Luray, France. The County also includes the Towns of Shenandoah and Stanley, both of which have a small-town charm and a quaint downtown district.

Originally, the Shenandoah Valley had been used by Native Americans who hunted and camped along the river banks. According to most historians, settling of the area began as early as 1726. The earliest settlers were German and Swiss, who traveled through the gaps of the Blue Ridge Mountains into what is now known as Massanutten. Mennonite families and Germans from Pennsylvania arrived using paths used by Native Americans. Numerous Scotch-Irish also traveled to the area, populating the small towns. For many years, agriculture and manufacturing were staples of the County's economy. During the 1900s, the population grew to over 23,000 people.

Today, Page County has become a destination spot for tourists who enjoy its picturesque scenery, mountain views, and outdoor activities. People travel to the area for its nationally recognized Luray Cavers and Shenandoah National Park, which is Virginia's only National Park. Currently, the County has a population of 23,709.

The County has an elected Board of Supervisors (Board), which establishes policies for the administration of the County. The Board consists of a chair and five members, who represent the five magisterial districts. The Chair of the Board is elected in a county-wide election. The Board appoints a County Administrator to serve as the administrative manager, carry out the policies established by the Board, and oversee 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 emergency medical services (EMS) duties within the County, local volunteer fire and rescue companies provide protection for citizens. The County provides support through cash contributions for operations and capital expenditures.

According to the United States Census Bureau, the County has 9,286 households. The average household size was 2.54 people. The population has collectively become older during the past ten years. In 2012, the median age was about 43.8 years, and it has risen to 45.4 years in 2021. 25.1% of the population is under 18 years old, and 21.9% is 65 and older.

In March 2020, the World Health Organization (WHO) declared the coronavirus (COVID-19) outbreak a pandemic. Although the County's unemployment rate spiked up to 14.1% in April 2020, it has declined to 4.9% by the end of the FY 2021. The County has remained resilient amid the economic turmoil caused by the pandemic. In FY 2021, the General Fund's fund balance increased by over \$4.6 million.

The fund balance increase was mostly caused by a \$2.3 million increase in tax revenue and the School Board's savings of \$1.7 million. Most of the tax revenue increase resulted from higher real estate tax values for properties with new construction. Local sales tax revenue also increased due to consumers

and tourists resuming their pre-pandemic shopping behaviors. The School Board's savings was due to closings related to the pandemic.

### **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 delivery county services and programs in a fiscally prudent and responsible manner.*

The financial highlight of Fiscal Year (FY) 2021 is the amount of funds the County was able to contribute to the Towns and local organizations to help them respond to the coronavirus pandemic. It was, and still is, very important to the County that it helps the local community during this time of hardship. With help from the federal government's Coronavirus Relief Fund and other pandemic-related grants, the County was able to contribute over \$1.5 million to the three local Towns. Additionally, the County paid over \$3.4 million to begin constructing towers to provide Internet service and to provide hotspot Internet access to underserved areas. The County also directly helped local businesses by providing over \$350,000 for rent assistance and pandemic-related expenses. An additional \$200,000 was spent on an initiative to provide masks and food. Overall, effectively responding to the pandemic has been very important to the County, and this will continue in future years as more grant funds become available.

During the year, the County began its Next Generation 911 project with L3Harris. This project involves creating a new radio system that will reduce dead zones and increase communication capabilities for County, fire, rescue, law enforcement, and school system employees. To fund this, the County entered into a \$6.95 million lease purchase agreement with Sterling National Bank. A majority of this project will be completed during FY 2022 and 2023.

As in past years, the County focused on improving the profitability of its sanitation and waste removal services. Even with residents' tipping fee cut in half for most of the year, Battle Creek Landfill's (BCLF) revenue increased by over \$400,000, or 22%, from FY 2020 to FY 2021. This was made possible by having solid waste contracts with Rappahannock and Warren Counties. BCLF's revenue in FY 2021 was enough to fully fund the County's Solid Waste Department, compactor sites, landfill-related capital project expenditures, and landfill-related borrowing costs. In FY 2022, the County will be focused on its new solid waste contracts so that it can fund the construction of BCLF's Cell 11 without the need for taxpayers' money.

In FY 2021, the County also focused on the community's struggle with drug addiction and the rising cost of the Page County Jail. In March 2021, the County hired a coordinator for its grant-funded Adult Drug Treatment Court (ADTC). By providing treatment and supervision, this program aims to reduce recidivism, substance abuse, and drug-related criminal activity. Ultimately, this program will help reduce drug-related court workloads and decrease the number of incarcerated individuals. In FY 2021, the Page County Jail's cost increased by over 24% compared to FY 2020. Some of this increase is due to rising inmate housing costs, which stems from the limited housing space in the Jail. With programs like the ADTC, the County is hoping to reign in these rising inmate costs.

### **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'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 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 the portion related to federal financial assistance programs. The single audit also determines whether the government has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 2021 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 general 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, 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, Parks and Recreation, Juvenile Community Crime Control, Victim Witness Protection, Water Quality, and Airport Hangar funds of the primary government and the component unit, the Page County 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 throughout 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 budget 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 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 appropriations and transfers to other funds). For Fiscal Year 2021, no carryover funds were utilized to balance the adopted budget. Several supplemental appropriations involved re-appropriating 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 meet our debt covenants and 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, CPAs, was selected by the County. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirement 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**

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 annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the fourth consecutive year that the government has achieved this prestigious award. 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.

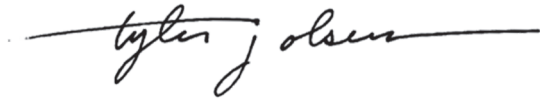
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

#### **Acknowledgements**

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 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 black ink, reading "tyler j olsen", followed by a long horizontal line extending to the right.

Tyler J. Olsen  
Budget Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

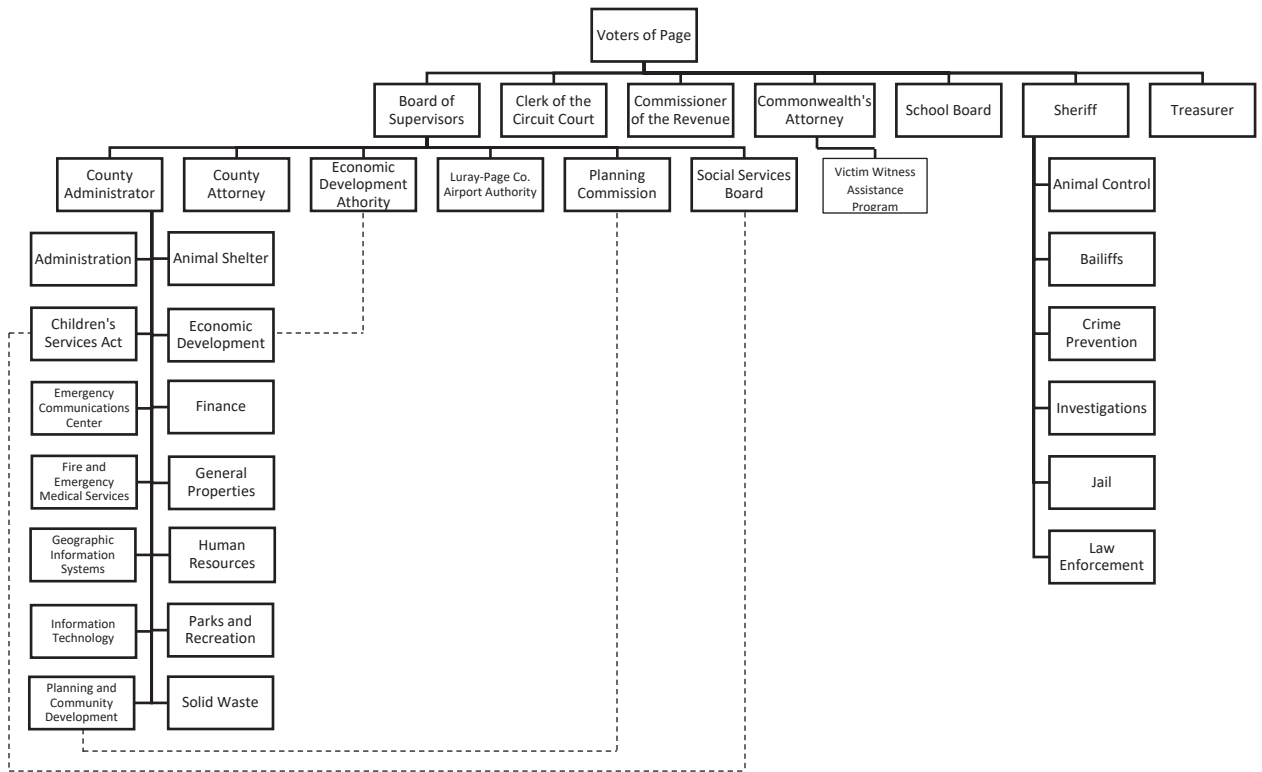
**County of Page  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

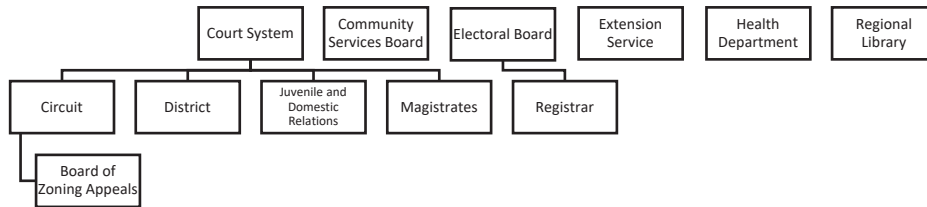
June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



Local Branches of State Agencies



— Direct report  
 ----- Liaison/Coordination



## COUNTY OF PAGE, VIRGINIA

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### BOARD OF SUPERVISORS

---

D. Keith Guzy, Jr.  
Allen Louderback  
Mark Stroupe

Morgan Phenix, Chairman

Larry Foltz  
Jeff Vaughan

Amity Moler, County Administrator

### OFFICIALS

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Judge of the Circuit Court.....Clark Andrew Ritchie  
Judge of the General District Court.....W. Dale Houff  
Judge of the Juvenile and Domestic Relations District Court.....Rachel E. Figura  
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 Cubbage  
Superintendent of Schools.....Antonia Fox  
Director of Department of Social Services.....Patricia C. Koontz

### SCHOOL BOARD

---

Tommy Lansberry  
Rolf Gubler

Jason Scott Breeden, Chairman  
Jackie Sullivan-Smoot, Vice Chair

Linda Breeden-Wallace, Clerk

Amy Painter  
Duane Painter

### BOARD OF SOCIAL SERVICES

---

Irma Housden  
Chris Ponn  
Darris Ritenour

Del Price  
Jennifer Foltz

## **FINANCIAL SECTION**



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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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, 2021, 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, 2021, 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.

## ***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, 83, 84-101 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*, 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 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### ***Change in Accounting Principle***

As described in Note 3 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84 *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### ***Restatement of Beginning Balances***

As described in Note 3 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2021, 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, Fanner, Cox Associates*

Staunton, Virginia  
December 31, 2021

## **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, 2021.

### **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 \$1,309,809. Of this amount, \$(9,494,150) was unrestricted. The School Board's net position was \$(3,404,109) of which \$(35,240,556) is unrestricted.

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$25,148,319, an increase of \$10,708,584 in comparison to the prior year. \$18,667,651 is available for spending at the government's discretion (unassigned fund balance).

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

Management's 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 comprise the primary government and three component units, which include the Page County School Board, the Page County Economic Development Authority, and the Luray-Page County Airport Authority. 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. Additionally, a primary government is financially accountable if 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 provide significant funding for operations of the component unit.

### **Fund Financial Statements**

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

#### **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 and 6 in this report.

#### **Proprietary Funds**

There are two types of proprietary funds. The first type, enterprise funds, are established to account for the delivery of goods and services to the general public. The second type, internal service funds, accounts 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.

Previously, the County of Page had one internal service fund, the Health Insurance Fund which was retained for purposes of the School Board component unit. The Health Insurance Fund accounted for insurance premiums paid by the School Board for all departments. In fiscal year 2021, the School Board terminated the Health Insurance Fund. As stated in Note 4, all deposits of this fund were allocated to the School Board on the government-wide financial statements.

#### **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. Unlike the past year, the County of Page's assets exceeded its liabilities and deferred inflows of resources by \$1,309,809 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.

<b>County of Page, Virginia Primary Government's Net Position</b>				
		<b>2021</b>		<b>2020</b>
Current and Other Assets	\$	46,719,527	\$	34,928,839
Capital Assets		43,486,800		42,388,840
Total Assets	\$	<b>90,206,327</b>	\$	<b>77,317,679</b>
Pension Related Items	\$	2,405,009	\$	1,586,881
OPEB Related Items		409,511		259,168
Total Deferred Outflows	\$	<b>2,814,520</b>	\$	<b>1,846,049</b>
Long-Term Liabilities	\$	71,522,227	\$	65,553,546
Other Liabilities		6,546,314		6,505,427
Total Liabilities	\$	<b>78,068,541</b>	\$	<b>72,058,973</b>
Deferred Revenue-Property Taxes	\$	12,343,449	\$	11,075,004
Items Related to Net Pension Liability		87,670		540,863
OPEB Related Items		1,211,378		1,213,940
Total Deferred Inflows	\$	<b>13,642,497</b>	\$	<b>12,829,807</b>
Net Investment in Capital Assets	\$	4,764,062	\$	1,201,467
Restricted		6,039,897		-
Unrestricted		(9,494,150)		(6,926,519)
Total Net Position	\$	<b>1,309,809</b>	\$	<b>(5,725,052)</b>

Since capital assets are used to provide services to citizens, 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, they cannot be liquidated to repay these liabilities.

Restricted net position represents resources that are subject to external restrictions on how they may be used. The restricted net position at the end of FY 2021 is comprised of unspent bond proceeds dedicated for capital projects.

At the end of the fiscal year, the County had a larger negative unrestricted net position, higher net investment in capital assets, and a higher amount of long-term liabilities. This is due to the Next Generation 911 radio project and its related long-term liability.



## **Governmental Activities**

Governmental activities have increased the County's net position by \$7,034,861. Although expenditures have increased in the past year by over 12.5%, many of them were funded with the CARES Act's Coronavirus Relief Fund (CRF). The CRF money and the additional tax revenue allowed revenues to increase by 24%. The additional tax revenue is due to the reassessment, which increased the taxable value of properties with new construction. Additionally, local sales tax revenue increased as the economy recovery continued.

<b>Revenues:</b>		<b>2021</b>		<b>2020</b>
Program Revenues:				
Charges for Services	\$	3,186,441	\$	2,907,859
Operating Grants and Contributions		14,427,600		8,058,104
Capital Grants and Contributions		563,357		-
General Revenues:				
General Property Taxes		24,633,848		22,963,280
Other Local Taxes		5,211,716		3,952,940
Use of Money and Property		59,325		160,818
Miscellaneous		380,218		357,445
Grants and Cont. Not Restricted		2,243,192		2,409,755
Total Revenues	\$	<b>50,705,697</b>	\$	<b>40,810,201</b>
<b>Expenses:</b>				
General Government	\$	5,237,076	\$	3,249,721
Judicial Administration		1,512,238		1,465,569
Public Safety		11,032,972		9,781,353
Public Works		2,891,086		2,918,176
Health and Welfare		4,405,873		4,413,248
Education		11,129,654		11,994,870
Parks, Recreation, and Cultural		378,063		301,015
Community Development		4,958,491		2,541,003
Interest on Long-Term Debt		2,125,383		2,125,932
Total Expenses	\$	<b>43,670,836</b>	\$	<b>38,790,887</b>
Changes in Net Position	\$	7,034,861	\$	2,019,314
Net Position, Beginning		(5,725,052)		(7,744,366)
Net Position, Ending	\$	<b>1,309,809</b>	\$	<b>(5,725,052)</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 a combined ending fund balance of \$25,148,319, which is an increase of \$10,708,584 over the prior year. The unassigned fund balance increased \$4,665,149 over the period measured.

The general fund is the chief operating fund of the County. As of June 30, 2021, the total fund balance was \$18,731,481, of which \$18,667,651 was unassigned.

### **General Fund Budgetary Highlights**

Actual revenues received exceeded the original budget by \$10,138,875 mainly due to the CARES Act Coronavirus Relief Fund (CRF) and increased tax revenues. The CRF money was not included in the original budget. Additionally, the increase in tax revenues is due to a reassessment in FY 2021, which increased the taxable value of real estate properties by 6.2% due to new construction. Tax revenues also increased due to a rise in local sales tax due to business returning to more normal operating practices as effect of COVID 19 decreased.

Actual expenditures exceeded the original expenditure budget by \$3,932,276. The cause of this was due to the original budget's exclusion of expenditures paid with CRF money.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

The County's investments in capital assets have been made in four different categories, which include land, buildings, machinery and equipment, and construction in process. In FY 2021, governmental capital assets increased due to purchasing land for Battle Creek Landfill and the Next Generation 911 radio project. The radio project is still under construction, and it is expected to be completed in FY 2023.

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

<b>Governmental Activities</b>	<b>2021</b>	<b>2020</b>
Land	\$ 2,630,064	\$ 1,970,464
Buildings	36,518,749	38,876,624
Machinery and Equipment	1,709,901	1,273,902
Construction in Progress	2,628,086	267,850
<b>Totals</b>	<b>\$ 43,486,800</b>	<b>\$ 42,388,840</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 are classified as long-term debt. Two of these liabilities are General Obligation Bonds and Revenue Bonds, which have financed large scale projects for the County. Included in Revenue Bonds are the Lease Revenue Bonds, a bond secured by payment of lease payments by the party securing the bond. Premiums related to the issuance of the County's existing bonds continue to decrease as the County has not had any new bond premiums added in relation to debt issuance. 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 \$6,993,957 of these at the end of the fiscal year. This amount substantially increased in FY 2021 due to the new lease purchase agreement for the Next Generation 911 radio project. The County continues to see the impact of GASB Statement No. 68, the pension reporting standards, as part of our long-term debt. Additionally, GASB 75 has increased the display of OPEB Obligations as a share of outstanding debt. Lastly, the County has the balance of compensated absences, which is eligible for a financial payment as employees 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, 2021**

<b>Governmental Activities</b>	<b>2021</b>	<b>2020</b>
General Obligation Bonds	\$ 34,051,339	\$ 36,345,347
Revenue Bonds	13,371,259	14,077,337
Premiums on Bond Issuance	397,398	434,601
Capital Leases	6,993,957	356,088
Landfill Closure/Post-Closure	8,271,260	7,726,438
Net Pension Liability	4,818,276	3,107,343
Net OPEB Obligation	2,865,321	2,782,687
Compensated Absences	753,417	723,705
<b>Total Outstanding Debt</b>	<b>\$ 71,522,227</b>	<b>\$ 65,553,546</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 Budget**

As of the end of this reporting period, unemployment was at 4.9% for Page County, which is a substantial decrease from the 9.0% rate in at the end of FY 2020. The County's unemployment rate is higher in comparison with the state's rate of 4.1% for the same period, and it is below the national rate of 5.7%. The rate decrease reverses the spike in unemployment that occurred a year ago after the onset of the coronavirus pandemic. In FY 2022, the County will receive the first part of the American Rescue Plan Act's relief funds, and the second half will be received in FY 2023. These funds and the improving economy 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, 2021

	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	\$ 22,680,140	\$ 1,992,429	\$ 283,912	\$ 295,591
Receivables (net of allowance for uncollectibles):				
Taxes receivable	15,430,675	-	-	-
Accounts receivable	809,365	49,500	1,446,021	5,106
Notes receivable	-	-	53,850	-
Due from primary government	-	1,658,610	-	-
Due from other governmental units	1,592,799	1,264,157	-	-
Inventories	-	34,466	-	44,949
Prepaid items	11,333	255,240	-	-
Restricted assets:				
Cash and cash equivalents	6,195,215	-	-	-
Capital assets (net of accumulated depreciation):				
Land	2,630,064	977,491	2,751,000	1,936,386
Buildings and improvements	36,518,749	34,318,154	-	12,185,823
Machinery and equipment	1,709,901	1,825,719	-	99,764
Construction in progress	2,628,086	90,297	-	144
Total assets	<u>\$ 90,206,327</u>	<u>\$ 42,466,063</u>	<u>\$ 4,534,783</u>	<u>\$ 14,567,763</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 2,405,009	\$ 7,909,968	\$ -	\$ -
OPEB related items	409,511	1,029,390	-	-
Total deferred outflows of resources	<u>\$ 2,814,520</u>	<u>\$ 8,939,358</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 927,743	\$ 233,393	\$ -	\$ 324
Accrued liabilities	481,312	2,976,758	-	-
Customers' deposits	-	-	-	3,630
Accrued interest payable	841,670	38,837	-	-
Due to component unit	1,658,610	-	-	-
Unearned revenue	2,636,979	-	-	-
Long-term liabilities:				
Due within one year	4,020,901	698,824	30,383	-
Due in more than one year	67,501,326	44,528,311	1,468,906	-
Total liabilities	<u>\$ 78,068,541</u>	<u>\$ 48,476,123</u>	<u>\$ 1,499,289</u>	<u>\$ 3,954</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue-property taxes	\$ 12,343,449	\$ -	\$ -	\$ -
Pension related items	87,670	4,001,378	-	-
OPEB related items	1,211,378	2,332,029	-	-
Total deferred inflows of resources	<u>\$ 13,642,497</u>	<u>\$ 6,333,407</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 4,764,062	\$ 31,836,447	\$ 2,751,000	\$ 14,222,117
Restricted:				
Capital projects	6,039,897	-	-	-
Unrestricted	(9,494,150)	(35,240,556)	284,494	341,692
Total net position	<u>\$ 1,309,809</u>	<u>\$ (3,404,109)</u>	<u>\$ 3,035,494</u>	<u>\$ 14,563,809</u>

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

COUNTY OF PAGE, VIRGINIA

Statement of Activities  
Year Ended June 30, 2021

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	\$ 5,237,076	\$ 8,715	\$ 356,061	\$ -
Judicial administration	1,512,238	74,022	733,895	-
Public safety	11,032,972	694,868	3,740,230	-
Public works	2,891,086	2,387,101	428,278	-
Health and welfare	4,405,873	4,271	2,786,053	-
Education	11,129,654	-	-	-
Parks, recreation, and cultural	378,063	17,464	-	-
Community development	4,958,491	-	6,383,083	563,357
Interest on long-term debt	2,125,383	-	-	-
Total governmental activities	<u>\$ 43,670,836</u>	<u>\$ 3,186,441</u>	<u>\$ 14,427,600</u>	<u>\$ 563,357</u>
<b>COMPONENT UNITS:</b>				
School Board	\$ 39,560,861	\$ 577,485	\$ 30,023,437	\$ -
Economic Development Authority	93,354	-	91,565	-
Luray-Page Airport Authority	789,885	189,980	123,340	307,183
Total component units	<u>\$ 40,444,100</u>	<u>\$ 767,465</u>	<u>\$ 30,238,342</u>	<u>\$ 307,183</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, as restated				
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	
\$ (4,872,300)	\$ -	\$ -	\$ -	
(704,321)	-	-	-	
(6,597,874)	-	-	-	
(75,707)	-	-	-	
(1,615,549)	-	-	-	
(11,129,654)	-	-	-	
(360,599)	-	-	-	
1,987,949	-	-	-	
(2,125,383)	-	-	-	
<u>\$ (25,493,438)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ (8,959,939)	\$ -	\$ -	
-	-	(1,789)	-	
-	-	-	(169,382)	
<u>\$ -</u>	<u>\$ (8,959,939)</u>	<u>\$ (1,789)</u>	<u>\$ (169,382)</u>	
\$ 24,633,848	\$ -	\$ -	\$ -	
2,316,979	-	-	-	
489,809	-	-	-	
1,576,150	-	-	-	
276,152	-	-	-	
175,700	-	-	-	
324,144	-	-	-	
52,782	-	-	-	
59,325	73,493	3,096	2,581	
380,218	504,618	-	2,000	
2,243,192	11,068,852	-	-	
<u>\$ 32,528,299</u>	<u>\$ 11,646,963</u>	<u>\$ 3,096</u>	<u>\$ 4,581</u>	
\$ 7,034,861	\$ 2,687,024	\$ 1,307	\$ (164,801)	
(5,725,052)	(6,091,133)	3,034,187	14,728,610	
<u>\$ 1,309,809</u>	<u>\$ (3,404,109)</u>	<u>\$ 3,035,494</u>	<u>\$ 14,563,809</u>	



## **FUND FINANCIAL STATEMENTS**

Balance Sheet  
Governmental Funds  
June 30, 2021

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 22,302,715	\$ 217,865	\$ 159,560	\$ 22,680,140
Receivables (net of allowance for uncollectibles):				
Taxes receivable	15,430,675	-	-	15,430,675
Accounts receivable	786,542	-	22,823	809,365
Due from other funds	172,566	-	2,245	174,811
Due from other governmental units	1,329,788	-	263,011	1,592,799
Prepaid items	11,333	-	-	11,333
Restricted assets:				
Cash and cash equivalents	-	6,195,215	-	6,195,215
Total assets	<u>\$ 40,033,619</u>	<u>\$ 6,413,080</u>	<u>\$ 447,639</u>	<u>\$ 46,894,338</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 657,496	\$ 155,318	\$ 114,929	\$ 927,743
Accrued liabilities	480,244	-	1,068	481,312
Due to other funds	2,245	-	172,566	174,811
Due to component unit	1,658,610	-	-	1,658,610
Unearned revenue	2,636,979	-	-	2,636,979
Total liabilities	<u>\$ 5,435,574</u>	<u>\$ 155,318</u>	<u>\$ 288,563</u>	<u>\$ 5,879,455</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	<u>\$ 15,866,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,866,564</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	\$ 11,333	\$ -	\$ -	\$ 11,333
Restricted:				
Capital projects	-	6,039,897	-	6,039,897
Committed:				
Parks and recreation	-	-	158,432	158,432
Assigned:				
Page County water quality	3,831	-	-	3,831
Local DARE	2,469	-	-	2,469
Crime victim witness	46,066	-	-	46,066
Department of Justice VJCAA	131	-	-	131
Emergency services	-	-	644	644
Capital projects	-	217,865	-	217,865
Unassigned	18,667,651	-	-	18,667,651
Total fund balances	<u>\$ 18,731,481</u>	<u>\$ 6,257,762</u>	<u>\$ 159,076</u>	<u>\$ 25,148,319</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,033,619</u>	<u>\$ 6,413,080</u>	<u>\$ 447,639</u>	<u>\$ 46,894,338</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, 2021

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	25,148,319
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$	2,630,064	
Buildings and improvements		36,518,749	
Machinery and equipment		1,709,901	
Construction in progress		<u>2,628,086</u>	43,486,800

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>3,523,115</u>	3,523,115
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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	\$	2,405,009	
OPEB related items		<u>409,511</u>	2,814,520

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	\$	(841,670)	
General obligation bonds		(34,051,339)	
Bond premium		(397,398)	
Revenue bonds		(13,371,259)	
Capital leases		(6,993,957)	
Landfill closure and post-closure care costs		(8,271,260)	
Compensated absences		(753,417)	
Net pension liability		(4,818,276)	
Net OPEB liabilities		<u>(2,865,321)</u>	(72,363,897)

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

Pension related items	\$	(87,670)	
OPEB related items		<u>(1,211,378)</u>	<u>(1,299,048)</u>

Net position of governmental activities	\$	<u><u>1,309,809</u></u>
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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, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES</b>					
General property taxes	\$ 24,846,367	\$ -	\$ -	\$ -	\$ 24,846,367
Other local taxes	5,211,716	-	-	-	5,211,716
Permits, privilege fees, and regulatory licenses	276,433	-	-	-	276,433
Fines and forfeitures	70,107	-	-	-	70,107
Revenue from the use of money and property	56,502	-	2,823	-	59,325
Charges for services	2,818,166	-	-	21,735	2,839,901
Miscellaneous	380,218	-	-	-	380,218
Intergovernmental:					
Commonwealth	5,668,828	-	-	1,441,681	7,110,509
Federal	7,009,232	1,770,036	-	1,344,372	10,123,640
Total revenues	\$ 46,337,569	\$ 1,770,036	\$ 2,823	\$ 2,807,788	\$ 50,918,216
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 4,584,654	\$ -	\$ -	\$ -	\$ 4,584,654
Judicial administration	1,436,654	-	-	-	1,436,654
Public safety	11,084,724	-	-	-	11,084,724
Public works	2,234,847	-	-	-	2,234,847
Health and welfare	749,466	-	-	3,600,564	4,350,030
Education	7,868,852	-	856,009	-	8,724,861
Parks, recreation, and cultural	358,915	-	-	15,155	374,070
Community development	4,800,921	1,770,036	-	-	6,570,957
Nondepartmental	279,229	-	-	-	279,229
Capital projects	-	-	2,059,512	-	2,059,512
Debt service:					
Principal retirement	3,312,217	-	-	-	3,312,217
Interest and other fiscal charges	2,147,877	-	-	-	2,147,877
Total expenditures	\$ 38,858,356	\$ 1,770,036	\$ 2,915,521	\$ 3,615,719	\$ 47,159,632
Excess (deficiency) of revenues over (under) expenditures	\$ 7,479,213	\$ -	\$ (2,912,698)	\$ (807,931)	\$ 3,758,584
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ -	\$ 2,011,095	\$ 810,240	\$ 2,821,335
Transfers out	(2,821,335)	-	-	-	(2,821,335)
Issuance of capital leases	-	-	6,950,000	-	6,950,000
Total other financing sources (uses)	\$ (2,821,335)	\$ -	\$ 8,961,095	\$ 810,240	\$ 6,950,000
Net change in fund balances	\$ 4,657,878	\$ -	\$ 6,048,397	\$ 2,309	\$ 10,708,584
Fund balances - beginning	14,073,603	-	209,365	156,767	14,439,735
Fund balances - ending	\$ 18,731,481	\$ -	\$ 6,257,762	\$ 159,076	\$ 25,148,319

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, 2021

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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	\$	10,708,584
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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	\$	4,334,646	
Depreciation expense		(831,893)	
Allocation of debt financed school assets based on current year repayments		<u>(2,404,793)</u>	1,097,960

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

Property taxes	\$	<u>(212,519)</u>	(212,519)
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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	\$	3,312,217	
Issuance of capital leases		(6,950,000)	
Change in accrued interest		(14,709)	
Amortization of bond premium		37,203	
Change in landfill closure and post-closure care costs		<u>(544,822)</u>	(4,160,111)

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	\$	(29,712)	
Pension expense		(439,612)	
OPEB expense		<u>70,271</u>	<u>(399,053)</u>

Change in net position of governmental activities	\$	<u><u>7,034,861</u></u>
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**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

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	<u><b>Custodial Funds</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>148,261</u>
Total assets	\$ <u>148,261</u>
<b>LIABILITIES</b>	
Accounts payable	\$ <u>323</u>
Total liabilities	\$ <u>323</u>
<b>NET POSITION</b>	
Restricted:	
Individuals, organizations, and governments	\$ 113,876
Bond funds	<u>34,062</u>
Total liabilities	\$ <u><u>147,938</u></u>

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2021**

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		<b>Custodial Funds</b>
		<hr/>
<b>Additions</b>		
Revenue from use of property	\$	93,340
Miscellaneous		16,970
Inmate collections		<hr/> 131,519
Total additions	\$	<hr/> 241,829
<b>Deductions</b>		
Inmate payments	\$	120,291
Beneficiary payments to individuals		17,510
Payments for animal care		40
Payments of hangar rent to local governments		<hr/> 92,247
Total deductions	\$	<hr/> 230,088
Net increase (decrease) in fiduciary net position	\$	11,741
Net position, beginning as restated		<hr/> 136,197
Net position ending	\$	<hr/> <hr/> 147,938

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021

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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, 2021 (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 \$227,502 to the Association for operating purposes for the year ended June 30, 2021.

**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 \$95,065 to the Northwestern Community Services Board and \$341,250 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 when they have been earned and they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt 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.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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#### 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. Custodial 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 custodial 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. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

###### **2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year 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."

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (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)**

##### **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.

##### **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 \$395,573 at June 30, 2021 and is comprised solely of property taxes. This allowance represents 2.5% of outstanding property taxes at June 30, 2021.

##### **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 that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance – amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance – amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned

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

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

---

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

**8. Fund equity (continued)**

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.

**9. Net position**

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

**11. Reclassifications**

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



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

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**G. Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

**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.

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.

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

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**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 and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

***Group Life Insurance***

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, and Teacher OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***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.



## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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#### NOTE 2—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.

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## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

#### NOTE 3— ADOPTION OF ACCOUNTING PRINCIPLE:

The County implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* during the fiscal year ended June 30, 2021. This Statement is designed to improve guidance regarding the identification of fiduciary activities for accounting and reporting purposes and how those activities should be reported. Beginning balances were restated as follows:

	Discretely Presented Component Unit School Board		Fiduciary Funds Custodial Funds
	<u>Fund Balance</u>	<u>Net Position</u>	<u>Net Position</u>
Balance at July 1, 2020 as originally reported	\$ 1,152,649	\$ (6,540,259)	\$ -
Implementation of GASB Statement No. 84, Fiduciary Activities	<u>449,126</u>	<u>449,126</u>	<u>136,197</u>
Balance at July 1, 2020 as restated	<u>\$ 1,601,775</u>	<u>\$ (6,091,133)</u>	<u>\$ 136,197</u>

#### NOTE 4—DEPOSITS AND INVESTMENTS:

##### Deposits

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

##### Investments

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard and Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

##### Custodial Credit Risk (Investments)

The County of Page sets forth the following authorized investments to mitigate custodial credit risk. Whereas, authorized investments for public funds are limited to those set forth in Chapter 18, Section 2.2-4501 of the Code of Virginia. Investment vehicles for the County of Page shall be further restricted in consideration of the size of the portfolio and the absence of professional investment personnel.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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

##### 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, 2021 were rated by Moody and/or an equivalent national rating organization and the ratings are presented below using the Moody rating scale.

##### **County's Rated Debt Investments' Values**

<b><u>Rated Debt Investments</u></b>	<b><u>Fair Quality Ratings</u></b>
	<b><u>AAAm</u></b>
Local Government	
Investment Pool	\$ 19,393,070
Total	\$ 19,393,070

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2021 (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:

**Investment Maturities (in years)**

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than 1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>	<b>Greater Than 10 Years</b>
Local Government					
Investment Pool	\$ 19,393,070	\$ 19,393,070	\$ -	\$ -	\$ -
Total	\$ 19,393,070	\$ 19,393,070	\$ -	\$ -	\$ -

**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:**

<b>Fund</b>	<b>Due From Component Unit</b>	<b>Due To Component Unit</b>	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
Primary Government:				
General Fund	\$ -	\$ 1,658,610	\$ 172,566	\$ 2,245
Virginia Public Assistance Fund	-	-	-	172,566
Comprehensive Services Act	-	-	2,245	-
Sub-total	\$ -	\$ 1,658,610	\$ 174,811	\$ 174,811
Discretely Presented Component Units:				
School Fund	\$ 1,658,610	\$ -	\$ -	\$ -
Total reporting entity	\$ 1,658,610	\$ 1,658,610	\$ 174,811	\$ 174,811

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, 2021 (Continued)**

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**NOTE 6—INTERFUND TRANSFERS:**

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Interfund transfers for the year ended June 30, 2021 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 2,821,335
Virginia Public Assistance Fund	410,452	-
Comprehensive Services Act	399,788	-
County Capital Projects Fund	2,011,095	-
Total reporting entity	<u>\$ 2,821,335</u>	<u>\$ 2,821,335</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:**

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Due from other governments consists of payments due from federal, and state governmental units at June 30, 2021 as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
State sales taxes	\$ -	\$ 550,968
Local sales taxes	443,386	-
Compensation board	34,390	-
Comprehensive Services Act funds	90,445	-
Public assistance and welfare	62,926	-
Other funds	731,550	258,000
Federal Government:		
Public assistance and welfare	109,640	-
School funds	-	455,189
Other funds	120,462	-
Total	<u>\$ 1,592,799</u>	<u>\$ 1,264,157</u>

# COUNTY OF PAGE, VIRGINIA

## Notes to the Financial Statements June 30, 2021 (Continued)

### NOTE 8—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2021 was as follows:

#### Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated				
Land	\$ 1,970,464	\$ 659,600	\$ -	\$ 2,630,064
Construction in progress	267,850	2,653,136	(292,900)	2,628,086
Total capital assets not being depreciated	\$ 2,238,314	\$ 3,312,736	\$ (292,900)	\$ 5,258,150
Capital assets being depreciated				
Buildings	\$ 48,975,531	\$ 425,260	\$ (2,294,008)	\$ 47,106,783
Machinery and equipment	8,273,320	889,550	(446,626)	8,716,244
Total capital assets being depreciated	\$ 57,248,851	\$ 1,314,810	\$ (2,740,634)	\$ 55,823,027
Accumulated depreciation				
Buildings	\$ (10,098,907)	\$ (378,342)	\$ (110,785)	\$ (10,588,034)
Machinery and equipment	(6,999,418)	(453,551)	446,626	(7,006,343)
Total accumulated depreciation	\$ (17,098,325)	\$ (831,893)	\$ 335,841	\$ (17,594,377)
Total capital assets being depreciated, net	\$ 40,150,526	\$ 482,917	\$ (2,404,793)	\$ 38,228,650
Governmental activities capital assets, net	\$ 42,388,840	\$ 3,795,653	\$ (2,697,693)	\$ 43,486,800

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

Governmental activities:	
General government administration	\$ 193,691
Judicial administration	13,462
Public safety	224,220
Public works	373,354
Health and welfare	7,372
Community Development	18,554
Parks and recreation	1,240
Total depreciation expense-governmental activities:	\$ 831,893

Capital assets of the governmental activities in the amount of \$2,294,008 were transferred to the Component Unit School Board, additionally, a net transfer of \$110,785 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, 2021 as required by the Code of Virginia.

# COUNTY OF PAGE, VIRGINIA

## Notes to the Financial Statements June 30, 2021 (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:

Asset:	Governmental Activities
Equipment	\$ 553,980
Less: Accumulated depreciation	(342,495)
Total	<u>\$ 211,485</u>

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2021, are as follows:

Year Ended June 30,	Governmental Activities
2022	\$ 126,239
2023	78,454
2024	34,421
2025	28,684
Total minimum lease payments	\$ 267,798
Less: Amount representing interest	(16,932)
Present value of minimum lease payments	<u>\$ 250,866</u>

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

Activity for the School Board for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 977,491	\$ -	\$ -	\$ 977,491
Construction in progress	-	90,297	-	90,297
Total capital assets not being depreciated	<u>\$ 977,491</u>	<u>\$ 90,297</u>	<u>\$ -</u>	<u>\$ 1,067,788</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 49,835,827	\$ 158,679	\$ 2,294,008	\$ 52,288,514
Machinery and equipment	7,563,083	1,012,290	(1,007,714)	7,567,659
Total capital assets being depreciated	<u>\$ 57,398,910</u>	<u>\$ 1,170,969</u>	<u>\$ 1,286,294</u>	<u>\$ 59,856,173</u>
Accumulated depreciation:				
Buildings and improvements	\$ (16,116,310)	\$ (1,964,835)	\$ 110,785	\$ (17,970,360)
Machinery and equipment	(6,494,706)	(254,948)	1,007,714	(5,741,940)
Total accumulated depreciation	<u>\$ (22,611,016)</u>	<u>\$ (2,219,783)</u>	<u>\$ 1,118,499</u>	<u>\$ (23,712,300)</u>
Total capital assets being depreciated, net	<u>\$ 34,787,894</u>	<u>\$ (1,048,814)</u>	<u>\$ 2,404,793</u>	<u>\$ 36,143,873</u>
School Board capital assets, net	<u>\$ 35,765,385</u>	<u>\$ (958,517)</u>	<u>\$ 2,404,793</u>	<u>\$ 37,211,661</u>

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2021 (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 \$2,219,783. Capital assets of the governmental activities in the amount of \$2,294,008 were transferred to the Component Unit School Board, additionally, a net transfer of 110,785 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, 2021 as required by the Code of Virginia.

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	(2,257,223)
Total	<u>\$ 5,266,852</u>

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2021, are as follows:

<u>Year Ended June 30,</u>	<u>School Board</u>
2022	\$ 611,372
2023	629,953
2024	649,091
2025	668,801
2026	689,104
Thereafter	2,968,108
Total minimum lease payments	\$ 6,216,429
Less: Amount representing interest	(841,215)
Present value of minimum lease payments	<u>\$ 5,375,214</u>

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

Activity for the Authority for the year ended June 30, 2021 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, 2021 (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, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,936,386	\$ -	\$ -	\$ 1,936,386
Construction in progress	1,513,771	76,281	(1,589,908)	144
Total capital assets not being depreciated	\$ 3,450,157	\$ 76,281	\$ (1,589,908)	\$ 1,936,530
Capital assets being depreciated:				
Buildings and improvements	\$ 14,499,535	\$ 1,586,063	\$ -	\$ 16,085,598
Equipment	381,335	3,845	-	385,180
Total capital assets being depreciated	\$ 14,880,870	\$ 1,589,908	\$ -	\$ 16,470,778
Accumulated depreciation:				
Buildings and improvements	\$ (3,519,513)	\$ (380,262)	\$ -	\$ (3,899,775)
Machinery and equipment	(261,460)	(23,956)	-	(285,416)
Total accumulated depreciation	\$ (3,780,973)	\$ (404,218)	\$ -	\$ (4,185,191)
Total capital assets				
being depreciated, net	\$ 11,099,897	\$ 1,185,690	\$ -	\$ 12,285,587
Total capital assets, net	\$ 14,550,054	\$ 1,261,971	\$ (1,589,908)	\$ 14,222,117

**NOTE 9—PENSION PLANS:*****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.

**NOTE 9—PENSION PLANS: (CONTINUED)**

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***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 with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equal 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (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 service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.7% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

##### ***Employees Covered by Benefit Terms***

As of the June 30, 2019 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	121	100
Inactive members:		
Vested inactive members	34	11
Non-vested inactive members	33	45
Inactive members active elsewhere in VRS	97	19
Total inactive members	164	75
Active members	174	107
Total covered employees	459	282

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (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, 2021 was 10.71% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$839,674 and \$804,129 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 9.46% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$153,683 and \$152,836 for the years ended June 30, 2021 and June 30, 2020, 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, 2020. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020.

##### **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, 2019, 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, 2020.

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

\* 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 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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#### NOTE 9—PENSION PLANS: (CONTINUED)

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

expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality 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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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%
Discount Rate	Decreased rate from 7.0% to 6.75%

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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#### NOTE 9—PENSION PLANS: (CONTINUED)

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##### ***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, 2019, 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, 2020.

Inflation	2.5%
Salary increases, including inflation	3.5% – 4.75%
Investment rate of return	6.75%, 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 6.75%. However, since the difference was minimal, and a more conservative 6.75% 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 6.75% to simplify preparation of pension liabilities.

##### Mortality rates:

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.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2021 (Continued)

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NOTE 9—PENSION PLANS: (CONTINUED)

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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%
Discount Rate	Decreased rate from 7.0% to 6.75%

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**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2021 (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>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.14%</u>

\* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.



COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2021 (Continued)

NOTE 9—PENSION PLANS: (CONTINUED)

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2020, the rate contributed by the school board for the VRS teacher retirement plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 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.

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 32,941,315	\$ 29,833,972	\$ 3,107,343
Changes for the year:			
Service cost	\$ 942,192	\$ -	\$ 942,192
Interest	2,172,149	-	2,172,149
Changes of assumptions	-	-	-
Differences between expected and actual experience	358,808	-	358,808
Contributions - employer	-	803,178	(803,178)
Contributions - employee	-	398,746	(398,746)
Net investment income	-	570,762	(570,762)
Benefit payments, including refunds of employee contributions	(1,522,658)	(1,522,658)	-
Administrative expenses	-	(19,268)	19,268
Other changes	-	8,798	(8,798)
Net changes	\$ 1,950,491	\$ 239,558	\$ 1,710,933
Balances at June 30, 2020	\$ 34,891,806	\$ 30,073,530	\$ 4,818,276

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2021 (Continued)

NOTE 9—PENSION PLANS: (CONTINUED)

*Changes in Net Pension Liability*

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 9,002,950	\$ 7,997,598	\$ 1,005,352
Changes for the year:			
Service cost	\$ 177,378	\$ -	\$ 177,378
Interest	586,577	-	586,577
Changes of assumptions	-	-	-
Differences between expected and actual experience	(104,156)	-	(104,156)
Contributions - employer	-	152,846	(152,846)
Contributions - employee	-	92,560	(92,560)
Net investment income	-	151,464	(151,464)
Benefit payments, including refunds of employee contributions	(625,826)	(625,826)	-
Administrative expenses	-	(5,342)	5,342
Other changes	-	(175)	175
Net changes	\$ 33,973	\$ (234,473)	\$ 268,446
Balances at June 30, 2020	\$ 9,036,923	\$ 7,763,125	\$ 1,273,798

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COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2021 (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 6.75%, 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Net Pension Liability	\$ 9,501,462	\$ 4,818,276	\$ 970,415
Component Unit School Board (nonprofessional)			
Net Pension Liability	\$ 2,181,917	\$ 1,273,798	\$ 501,674

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

For the year ended June 30, 2021, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$1,278,334 and \$278,134, respectively. At June 30, 2021, 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	\$ 261,171	\$ 87,670	\$ 11,113	\$ 59,067
Changes of assumptions	403,489	-	43,099	-
Net difference between projected and actual earnings on pension plan investments	900,675	-	231,788	-
Employer contributions subsequent to the measurement date	839,674	-	153,683	-
Total	\$ 2,405,009	\$ 87,670	\$ 439,683	\$ 59,067

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

#### NOTE 9—PENSION PLANS: (CONTINUED)

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

\$839,674 and \$153,683 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, 2022. 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>
2022	\$ 354,945	\$ 11,379
2023	499,373	60,114
2024	336,976	80,371
2025	286,371	75,069
2026	-	-
Thereafter	-	-

##### *Pension Plan Data*

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-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, 2021 (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, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$3,008,385 and \$2,816,115 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$30,841,381 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2019. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was .21190% as compared to .22940% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$2,733,687. 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, 2021, 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	\$ -	\$ 1,807,780
Net difference between projected and actual earnings on pension plan investments	2,345,829	-
Changes of assumptions	2,105,311	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,760	2,134,531
Employer contributions subsequent to the measurement date	3,008,385	-
Total	\$ 7,470,285	\$ 3,942,311

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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#### NOTE 9—PENSION PLANS: (CONTINUED)

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

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

\$3,008,385 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, 2022. 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>	
2022	\$ (632,346)
2023	204,358
2024	573,773
2025	470,248
2026	(96,444)
Thereafter	-

##### ***Actuarial Assumptions***

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2019, 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, 2020.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the fair 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 6.75%. However, since the difference was minimal, and a more conservative 6.75% 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 6.75% 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, 2021 (Continued)

#### NOTE 9—PENSION PLANS: (CONTINUED)

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

##### *Actuarial Assumptions (continued)*

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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
Discount Rate	Decreased rate from 7.00% to 6.75%

##### *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, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

Total Pension Liability	\$	51,001,855
Plan Fiduciary Net Position		36,449,229
Employers' Net Pension Liability (Asset)	\$	<u>14,552,626</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		71.47%

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, 2021 (Continued)

NOTE 9—PENSION PLANS: (CONTINUED)

Component Unit School Board (professional) (continued)

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

The following presents the school division's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 45,251,232	\$ 30,841,381	\$ 18,922,612

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

***Aggregate Pension Information***

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
Primary Government	\$ 2,405,009	\$ 87,670	\$ 4,818,276	\$ 1,278,334
School Board Nonprofessional	\$ 439,683	\$ 59,067	\$ 1,273,798	\$ 278,134
School Board Professional	7,470,285	3,942,311	30,841,381	2,733,687
Total School Board	\$ 7,909,968	\$ 4,001,378	\$ 32,115,179	\$ 3,011,821



## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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#### 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 9, 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.

##### ***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, 2020 (the valuation dates), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	33	37
Total retirees with coverage	147	418
Total	180	455

##### ***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, 2021 was \$31,000.

The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2021 was \$168,300.

##### ***Total OPEB Liability***

The County's and School Board's total OPEB liabilities were measured as of July 1, 2020. The total OPEB liabilities were determined by actuarial valuations as of that date.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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

##### **Actuarial Assumptions**

The total OPEB liability in the July 1, 2019 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 2.45% and represents the Municipal GO AA 20-year yield curve rate as of July 1, 2020
Investment Rate of Return	N/A

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-2020.

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 2.45% 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, 2020	\$ 2,164,000	\$ 3,491,200
Changes for the year:		
Service cost	87,000	233,700
Interest	70,000	114,000
Difference between expected and actual experience	173,000	(915,200)
Changes in assumptions	(229,000)	153,600
Benefit payments	(31,000)	(168,300)
Net changes	70,000	(582,200)
Balances at June 30, 2021	\$ 2,234,000	\$ 2,909,000

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2021 (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 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 (1.45%) or one percentage point higher (3.45%) than the current discount rate:

	Rate		
	1% Decrease (3.45%)	Current Discount Rate (2.45%)	1% Increase (1.45%)
<b>Primary Government</b>			
\$	2,529,000	\$ 2,234,000	\$ 1,983,000
<b>Component Unit School Board</b>			
\$	3,145,900	\$ 2,909,000	\$ 2,689,600

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 or one percentage point higher than the current healthcare cost trend rates:

	Rates		
	1% Decrease (7.75% decreasing to 6.0%)	Healthcare Cost Trend (6.75% decreasing to 5.0%)	1% Increase (5.75% decreasing to 4.0%)
<b>Primary Government</b>			
\$	2,037,000	\$ 2,234,000	\$ 2,470,000
<b>Component Unit School Board</b>			
\$	2,612,100	\$ 2,909,000	\$ 3,258,000

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

For the year ended June 30, 2021, the Primary Government recognized OPEB expense in the amount of (\$7,000). The School Board recognized OPEB expense in the amount of (\$74,100). At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,137,000	\$ -	\$ 1,575,900
Changes in assumptions	236,000	52,000	217,500	279,100
Employer contributions subsequent to the measurement date	31,000	-	168,300	-
Total	\$ 267,000	\$ 1,189,000	\$ 385,800	\$ 1,855,000

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2021 (Continued)

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

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\$31,000 and \$168,300 reported as deferred outflows of resources related to the Pay as You Go OPEB Plan resulting from the County's and Component Unit School Board's contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the fiscal year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pay as You Go OPEB Plan will be recognized in the OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	<u>Primary Government</u>	<u>Component Unit School Board</u>
2022	\$ (174,000)	\$ (428,300)
2023	(174,000)	(428,300)
2024	(174,000)	(428,300)
2025	(174,000)	(263,600)
2026	(173,000)	(89,000)
Thereafter	(84,000)	-

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

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

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***Plan Description***

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI 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 Plan OPEB. The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

***Eligible Employees***

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the 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 Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the Plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, 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 service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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

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

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. County contributions to the Group Life Insurance Plan from the entity were \$43,786 and \$40,490 for the years ended June 30, 2021 and June 30, 2020, respectively. The Component Unit School Board's contributions to the Group Life Insurance Plan for nonprofessional employees were \$9,334 and \$9,114 for the years ended June 30, 2021 and June 30, 2020 respectively. The Component Unit School Board's contributions to the Group Life Insurance Plan for professional employees were \$101,512 and \$96,832, for the years ended June 30, 2021 and June 30, 2020 respectively.

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

At June 30, 2021, the County reported a liability of \$631,321 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. 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 Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.037830% as compared to 0.03802% at June 30, 2019.

At June 30, 2021, the School Board reported liability of \$142,185 for nonprofessional employees and \$1,509,963 for professional employees for its proportionate share of the Net GLI OPEB Liability. At June 30, 2020 and June 30, 2019, the participating employer's proportion for nonprofessional employees was 0.00852% and .00957%, respectively. At June 30, 2020, the participating employer's proportion for School Board professional employees was 0.09110% as compared to 0.09048% at June 30, 2019.

For the year ended June 30, 2021, the County recognized GLI OPEB expense of \$25,598, while the School Board recognized GLI OPEB expense of \$1,010, and \$30,855 for nonprofessional and professional employees, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2021 (Continued)

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

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

At June 30, 2021, 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	\$ 40,493	\$ 5,670	\$ 9,120	\$ 1,278	\$ 96,850	\$ 13,562
Net difference between projected and actual earnings on GLI OPEB program investments	18,964	-	4,271	-	45,358	-
Change in assumptions	31,573	13,182	7,111	2,969	75,516	31,529
Changes in proportion	7,695	3,526	-	19,519	-	115,362
Employer contributions subsequent to the measurement date	43,786	-	9,334	-	101,512	-
Total	<u>\$ 142,511</u>	<u>\$ 22,378</u>	<u>\$ 29,836</u>	<u>\$ 23,766</u>	<u>\$ 319,236</u>	<u>\$ 160,453</u>

\$43,786, \$9,334, and \$101,512 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, 2022. 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		Component Unit School Board Professional	
Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
2022	\$ 11,032	2022	\$ (2,271)	2022	\$ (3,983)
2023	16,388	2023	(1,065)	2023	8,826
2024	21,521	2024	776	2024	23,482
2025	21,942	2025	1,433	2025	30,924
2026	5,209	2026	(1,630)	2026	(325)
Thereafter	255	Thereafter	(507)	Thereafter	(1,653)



## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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

##### **Actuarial Assumptions**

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020. The assumptions include several employer groups as noted below. Mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

Inflation	2.5%
Salary increases, including inflation:	
Teachers	3.5%-5.95%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation*

\*Administrative expenses as a percent of the fair 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 6.75%. However, since the difference was minimal, and a more conservative 6.75% 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 6.75% 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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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
Discount Rate	Decreased rate from 7.00% to 6.75%



## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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

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##### ***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.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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%
Discount Rate	Decreased rate from 7.00% to 6.75%

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## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

#### NOTE 11—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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%
Discount Rate	Decreased rate from 7.00% to 6.75%

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## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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

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##### ***NET GLI OPEB Liability***

The net OPEB liability (NOL) for the Group Life Insurance Plan represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the Group Life Insurance Plan is as follows (amounts expressed in thousands):

		<b>Group Life Insurance OPEB Program</b>
Total GLI OPEB Liability	\$	3,523,937
Plan Fiduciary Net Position		1,855,102
Employers' Net GLI OPEB Liability (Asset)	\$	1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.64%

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

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

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

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Notes to the Financial Statements  
June 30, 2021 (Continued)

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

*Long-Term Expected Rate of Return (continued)*

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

\*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019 the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

**Discount Rate**

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy 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, 2020, 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, 2020 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, 2021 (Continued)

#### NOTE 11—GROUP LIFE INSURANCE (GLI) PLAN (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 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (7.75%)	Current Discount (6.75%)	1% Increase (5.75%)
Proportionate share of the Group Life Insurance Program Net OPEB Liability:			
County	\$ 829,920	\$ 631,321	\$ 470,040
School Board-nonprofessional employees	\$ 186,913	\$ 142,185	\$ 105,861
School Board-professional employees	\$ 1,984,963	\$ 1,509,963	\$ 1,124,219

##### ***Group Life Insurance Plan Fiduciary Net Position***

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-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) PLAN (OPEB PLAN):

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

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC 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, 2021 (Continued)

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

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

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

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

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

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire 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 Plan (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

##### ***HIC Plan Notes***

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

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

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% 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, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Plan were \$227,461 and \$223,459 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2021 (Continued)

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

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

At June 30, 2021, the school division reported a liability of \$2,770,924 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Plan Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit Plan OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee Health Insurance Credit Plan OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Plan OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Plan was .21241% as compared to .22193% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$182,331 between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2021, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 37,004
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	12,280	-
Change in assumptions	54,777	15,140
Change in proportion	-	240,666
Employer contributions subsequent to the measurement date	<u>227,461</u>	<u>-</u>
Total	<u>\$ 294,518</u>	<u>\$ 292,810</u>

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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

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

\$227,461 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

**Year Ended June 30,**

2022	\$	(44,590)
2023		(43,373)
2024		(43,781)
2025		(38,346)
2026		(27,104)
Thereafter		(28,559)

#### ***Actuarial Assumptions***

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Plan was based on an actuarial valuation as of June 30, 2019, 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, 2020.

Inflation	2.5%
Salary increases, including inflation:	
Teacher employees	3.5%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation*

\*Administrative expenses as a percent of the fair 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 6.75%. However, since the difference was minimal, and a more conservative 6.75% 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 6.75% to simplify preparation of OPEB liabilities.



## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

#### NOTE 12—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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
Discount Rate	Decreased rate from 7.0% to 6.75%

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Notes to the Financial Statements  
June 30, 2021 (Continued)

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

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

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Plan 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, 2020, NOL amounts for the VRS Teacher Employee Health Insurance Credit Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,448,676
Plan Fiduciary Net Position		144,160
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,304,516</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		9.95%

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.

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**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2021 (Continued)****NOTE 12—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (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:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
PIP - Private Investment Partners	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

\*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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

##### **Discount Rate**

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2020, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

The following presents the school division's proportionate share of the VRS Teacher Employee Health Insurance Credit Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	3,101,760	\$ 2,770,924	\$ 2,489,737

##### **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 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2021 (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, 2021:

	Balance July 1, 2020	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2021
<b>Direct Borrowings and Direct Placements:</b>				
Revenue bonds	\$ 14,077,337	\$ -	\$ 706,078	\$ 13,371,259
General obligation bonds	36,345,347	-	2,294,008	34,051,339
Premiums on bond issue	434,601	-	37,203	397,398
<b>Other Long-term Obligations:</b>				
Capital lease	356,088	6,950,000	312,131	6,993,957
Landfill closure and post-closure care costs	7,726,438	544,822	-	8,271,260
Net pension liability	3,107,343	3,492,417	1,781,484	4,818,276
Net OPEB liabilities	2,782,687	495,263	412,629	2,865,321
Compensated absences	723,705	572,491	542,778	753,417
<b>Total</b>	<b>\$ 65,553,546</b>	<b>\$ 12,054,993</b>	<b>\$ 6,086,311</b>	<b>\$ 71,522,227</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.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2021 (Continued)

NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government Obligations: (continued)

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

Year Ending June 30,	Governmental Activities	
	Capital Lease	
	Principal	Interest
2022	\$ 517,613	\$ 155,932
2023	476,856	142,893
2024	449,595	132,432
2025	454,124	122,178
2026	435,387	112,219
2027	445,238	102,368
2028	455,312	92,294
2029	465,614	81,992
2030	476,150	71,457
2031	486,923	60,683
2032	497,941	49,666
2033	509,207	38,399
2034	520,729	26,877
2035	532,511	15,095
2036	270,757	3,046
Totals	\$ 6,993,957	\$ 1,207,531

Direct Borrowings and Direct Placements:

Year Ending June 30,	Governmental Activities			
	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
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	1,270,013	24,324	785,000	137,195
2036	-	-	825,000	100,165
2037	-	-	860,000	61,410
2038	-	-	905,000	20,815
Totals	\$ 13,371,259	\$ 3,846,562	\$ 34,051,339	\$ 11,006,696

# COUNTY OF PAGE, VIRGINIA

## Notes to the Financial Statements June 30, 2021 (Continued)

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

#### Primary Government Obligations: (continued)

<u>Details of Long-Term Obligations</u>	<u>Total Amount Outstanding</u>	<u>Amount Due Within One Year</u>
Governmental Activities		
<b>Direct Borrowings and Direct Placements:</b>		
General Obligation Bonds:		
<u>Virginia Public School Authority (V.P.S.A.) Bonds:</u>		
\$30,695,000 Virginia Public School Authority Bond issued November 19, 2006, at a premium of \$305,572 due in annual installments of \$655,000 to \$2,005,000 through November 19, 2032. Interest payable semi-annually at 6.1% to 6.4%.	\$ 19,025,000	\$ 1,225,000
\$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%.	4,186,339	658,154
\$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>10,840,000</u>	<u>420,000</u>
Total general obligation bonds	<u>\$ 34,051,339</u>	<u>\$ 2,303,154</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	\$ 1,891,259	\$ 276,881
\$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.	9,896,000	135,000
\$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>1,584,000</u>	<u>299,000</u>
Total revenue bonds	<u>\$ 13,371,259</u>	<u>\$ 710,881</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.	\$ 12,307	\$ 12,307
\$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.	115,437	78,152
\$161,680 capital lease payable for the purchase of a Mack roll off truck dated April 2, 2020 payable in monthly installments of \$2,868 including interest at 2.45% through April 2025.	123,122	29,041
\$6,950,000 capital lease payable for the purchase of radio equipment dated August 27, 2020 payable in monthly installments of \$6,290 including interest at 4.2% through November 2022.	<u>6,743,091</u>	<u>398,113</u>
Total capital leases	<u>\$ 6,993,957</u>	<u>\$ 517,613</u>

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2021 (Continued)**

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

**Primary Government Obligations: (continued)**

Details of Long-Term Obligations (continued)

Governmental Activities: (continued)

	Total Amount Outstanding	Amount Due Within One Year
Net pension liability (to be liquidated by general fund)	\$ 4,818,276	\$ -
Net OPEB liabilities (to be liquidated by general fund)	\$ 2,865,321	\$ -
Compensated absences (to be liquidated by general fund)	\$ 753,417	\$ 452,050
Landfill closure and post-closure care costs	\$ 8,271,260	\$ -
Unamortized premium on bond issues	\$ 397,398	\$ 37,203
Total Long-term obligations	<u>\$ 71,522,227</u>	<u>\$ 4,020,901</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, 2021:

	Balance July 1, 2020	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2021
Capital leases	\$ 5,800,895	\$ -	\$ 425,681	\$ 5,375,214
Net pension liability	30,345,523	11,968,685	10,199,029	32,115,179
Compensated absences	280,801	292,350	168,480	404,670
Net OPEB liabilities	8,097,461	1,413,110	2,178,499	7,332,072
Total	<u>\$ 44,524,680</u>	<u>\$ 13,674,145</u>	<u>\$ 12,971,689</u>	<u>\$ 45,227,135</u>

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

Year Ending June 30,	Governmental Activities	
	Capital Leases	
	Principal	Interest
2022	\$ 456,022	\$ 155,350
2023	487,782	142,171
2024	521,017	128,074
2025	555,785	113,016
2026	592,150	96,954
Thereafter	2,762,458	205,333
Totals	<u>\$ 5,375,214</u>	<u>\$ 840,898</u>



COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2021 (Continued)

NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)

Component Unit Obligations: (continued)

Details of Component Unit-School Board Long-Term Obligations

	Amount Outstanding	Due Within One Year
<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.	\$ 5,375,214	\$ 456,022
Total capital leases	\$ 5,375,214	\$ 456,022
Net pension liability (to be liquidated by component unit school board)	\$ 32,115,179	\$ -
Net OPEB liabilities (to be liquidated by component unit school board)	\$ 7,332,072	\$ -
Compensated absences (to be liquidated by component unit school board)	\$ 404,670	\$ 242,802
Total Long-term obligations	\$ 45,227,135	\$ 698,824

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, 2021:

	Balance July 1, 2020		Increases/ Issuances		Decreases/ Retirements		Balance June 30, 2021
Direct Borrowings and Direct Placements							
Revenue Bond	\$ 1,471,878	\$	-	\$	25,858	\$	1,446,020
Note payable	56,636		-		3,367		53,269
Total	\$ 1,528,514	\$	-	\$	29,225	\$	1,499,289

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2021 (Continued)****NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)****Component Unit Obligations: (continued)**

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

**Direct Borrowings and Direct Placements:**

Year Ending June 30,	Revenue Bond		Note Payable	
	Principal	Interest	Principal	Interest
2022	\$ 26,978	\$ 60,934	\$ 3,405	\$ 595
2023	28,147	59,765	3,445	555
2024	29,367	58,545	3,485	515
2025	30,639	57,273	42,934	732
2026	31,967	55,945	-	-
Thereafter	1,298,922	749,893	-	-
Total	<u>\$ 1,446,020</u>	<u>\$ 1,042,355</u>	<u>\$ 53,269</u>	<u>\$ 2,397</u>

**Details of Component Unit-Economic Development Authority of Page County, Virginia  
Long-Term Obligations**

	Total Amount Outstanding	Amount Due Within One Year
<b>Direct Borrowings and Direct Placements</b>		
<u>Series 2009 Revenue Bond</u>		
\$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	\$ 1,446,020	\$ 26,978
<u>Note Payable</u>		
\$60,000 loan with Pioneer bank issued on May 20, 2020 at 0% interest imputed at 1.15%, with monthly payments of \$333 through April 20, 2025, with a balloon payment of \$40,334 on May 20, 2025	53,269	3,405
Total Long-term obligations, net of current portion	<u>\$ 1,499,289</u>	<u>\$ 30,383</u>

**NOTE 14—CONTINGENT LIABILITIES:**

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget 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.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

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#### NOTE 15—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 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 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 \$12,343,449 and \$15,866,564 respectively, is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2021, but paid in advance by the taxpayers totaled \$801,000 at June 30, 2021.
- B. Unbilled Property Taxes – Property taxes for the second half of 2021 that had not been billed as of June 30, 2021 amounted to \$11,542,449.
- C. Unavailable Property Taxes – Uncollected tax billings not available for funding of current expenditures totaled \$3,523,115 at June 30, 2021.

#### NOTE 17—UNEARNED REVENUE:

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Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenue totaling \$2,636,979 is comprised of the following:

ARPA Funding—Funds received from American Rescue Plan Act unspent at June 30, 2021 totaled \$2,636,979.

**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 \$1,911,084. The estimated total current cost of the landfill closure and post-closure care of \$1,911,084 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, 2021. Included in the County's post-closure and thirty-year monitoring costs of \$1,911,084 is \$1,472,223 for corrective action costs for exceeding groundwater protection standards. However, the actual cost of closure and post-closure may be different due to inflation, changes in technology, or change in landfill laws and regulations.

During June of 2005, the County acquired Battle Creek landfill. The post-closure and thirty-year monitoring costs are estimated at \$11,218,096. The estimated total current cost of the landfill closure and post-closure care of \$6,360,176 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, 2021. 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, 2021, the County demonstrated financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Government Financial Assurance Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

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## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2021 (Continued)

#### NOTE 19—LITIGATION:

At June 30, 2021, there were no matters of litigation involving the County for which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

#### NOTE 20—AGGREGATE OPEB INFORMATION:

The following table summarizes the County and School Board OPEB deferred outflows, inflows, liabilities, and expense for all plans:

		Primary Government			
		Deferred Outflows	Deferred Inflows	Net OPEB Liability/(Asset)	OPEB Expense
VRS OPEB Plans:					
Group Life Insurance Program (Note 10):					
County	\$	142,511	\$ 22,378	\$ 631,321	\$ 25,598
County Stand-Alone Plan (Note 9)		267,000	1,189,000	2,234,000	(7,000)
Totals	\$	<u>409,511</u>	<u>\$ 1,211,378</u>	<u>\$ 2,865,321</u>	<u>\$ 18,598</u>
		Component Unit School Board			
		Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:					
Group Life Insurance Program (Note 10):					
School Board Nonprofessional	\$	29,836	\$ 23,766	\$ 142,185	\$ 1,010
School Board Professional		319,236	160,453	1,509,963	30,855
Teacher Health Insurance Credit Program (Note 11)		294,518	292,810	2,770,924	182,331
School Stand-Alone Plan (Note 9)		385,800	1,855,000	2,909,000	(74,100)
Totals	\$	<u>1,029,390</u>	<u>\$ 2,332,029</u>	<u>\$ 7,332,072</u>	<u>\$ 140,096</u>

#### NOTE 21—UPCOMING PRONOUNCEMENTS:

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 June 15, 2021.

**NOTE 21—UPCOMING PRONOUNCEMENTS: (CONTINUED)**

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Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92, *Omnibus 2021*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2021 to periods beginning after June 15, 2021.

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

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2021 to reporting periods beginning after June 15, 2021.

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

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2021 (Continued)**

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**NOTE 22—SUBSEQUENT EVENTS:**

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**ARPA Funding**

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

On June 30, 2021, the County received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$2,636,979 from the initial allocation are reported as unearned revenue as of June 30.

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## **REQUIRED SUPPLEMENTARY INFORMATION**



## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 22,567,767	\$ 22,567,767	\$ 24,846,367	\$ 2,278,600
Other local taxes	3,773,500	3,773,500	5,211,716	1,438,216
Permits, privilege fees, and regulatory licenses	217,510	217,510	276,433	58,923
Fines and forfeitures	78,100	78,100	70,107	(7,993)
Revenue from the use of money and property	64,000	64,000	56,502	(7,498)
Charges for services	2,847,875	2,892,305	2,818,166	(74,139)
Miscellaneous	184,738	194,738	380,218	185,480
Intergovernmental:				
Commonwealth	5,920,933	6,074,931	5,668,828	(406,103)
Federal	544,271	7,819,844	7,009,232	(810,612)
Total revenues	<u>\$ 36,198,694</u>	<u>\$ 43,682,695</u>	<u>\$ 46,337,569</u>	<u>\$ 2,654,874</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,723,610	\$ 4,965,405	\$ 4,584,654	\$ 380,751
Judicial administration	1,361,012	1,378,714	1,436,654	(57,940)
Public safety	10,397,616	12,079,299	11,084,724	994,575
Public works	1,956,268	2,264,289	2,234,847	29,442
Health and welfare	483,745	483,745	749,466	(265,721)
Education	10,393,183	10,485,339	7,868,852	2,616,487
Parks, recreation, and cultural	370,605	370,605	358,915	11,690
Community development	1,233,872	5,314,207	4,800,921	513,286
Nondepartmental	352,605	315,293	279,229	36,064
Debt service:				
Principal retirement	2,134,076	2,134,076	3,312,217	(1,178,141)
Interest and other fiscal charges	3,519,488	3,519,488	2,147,877	1,371,611
Total expenditures	<u>\$ 34,926,080</u>	<u>\$ 43,310,460</u>	<u>\$ 38,858,356</u>	<u>\$ 4,452,104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,272,614</u>	<u>\$ 372,235</u>	<u>\$ 7,479,213</u>	<u>\$ 7,106,978</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>\$ (1,649,342)</u>	<u>\$ (3,513,557)</u>	<u>\$ (2,821,335)</u>	<u>\$ 692,222</u>
Total other financing sources (uses)	<u>\$ (1,649,342)</u>	<u>\$ (3,513,557)</u>	<u>\$ (2,821,335)</u>	<u>\$ 692,222</u>
Net change in fund balances	\$ (376,728)	\$ (3,141,322)	\$ 4,657,878	\$ 7,799,200
Fund balances - beginning	376,728	3,141,322	14,073,603	10,932,281
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,731,481</u>	<u>\$ 18,731,481</u>

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# COUNTY OF PAGE, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios  
Primary Government Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017
<b>Total pension liability</b>				
Service cost	\$ 942,192	\$ 883,870	\$ 897,007	\$ 886,823
Interest	2,172,149	2,077,466	2,022,029	1,890,382
Changes of assumptions	-	996,855	-	(43,925)
Differences between expected and actual experience	358,808	26,594	(685,423)	531,469
Benefit payments, including refunds of employee contributions	(1,522,658)	(1,443,107)	(1,440,214)	(1,327,947)
<b>Net change in total pension liability</b>	\$ 1,950,491	\$ 2,541,678	\$ 793,399	\$ 1,936,802
<b>Total pension liability - beginning</b>	32,941,315	30,399,637	29,606,238	27,669,436
<b>Total pension liability - ending (a)</b>	<u>\$ 34,891,806</u>	<u>\$ 32,941,315</u>	<u>\$ 30,399,637</u>	<u>\$ 29,606,238</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 803,178	\$ 773,686	\$ 637,455	\$ 620,514
Contributions - employee	398,746	360,790	343,249	345,147
Net investment income	570,762	1,883,051	1,968,749	2,941,199
Benefit payments, including refunds of employee contributions	(1,522,658)	(1,443,107)	(1,440,214)	(1,327,947)
Administrative expense	(19,268)	(18,500)	(17,007)	(16,986)
Other	8,798	(1,191)	(1,755)	(2,618)
<b>Net change in plan fiduciary net position</b>	\$ 239,558	\$ 1,554,729	\$ 1,490,477	\$ 2,559,309
<b>Plan fiduciary net position - beginning</b>	29,833,972	28,279,243	26,788,766	24,229,457
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 30,073,530</u>	<u>\$ 29,833,972</u>	<u>\$ 28,279,243</u>	<u>\$ 26,788,766</u>
<b>County's net pension liability - ending (a) - (b)</b>	\$ 4,818,276	\$ 3,107,343	\$ 2,120,394	\$ 2,817,472
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	86.19%	90.57%	93.02%	90.48%
<b>Covered payroll</b>	\$ 7,786,619	\$ 7,451,412	\$ 7,094,573	\$ 6,869,047
<b>County's net pension liability as a percentage of covered payroll</b>	61.88%	41.70%	29.89%	41.02%

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

**Exhibit 10**

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 815,168	\$ 809,771	\$ 734,796
1,854,324	1,785,565	1,697,830
-	-	-
(720,271)	(250,007)	-
<u>(1,540,242)</u>	<u>(1,185,875)</u>	<u>(1,172,685)</u>
\$ 408,979	\$ 1,159,454	\$ 1,259,941
27,260,457	26,101,003	24,841,062
<u>\$ 27,669,436</u>	<u>\$ 27,260,457</u>	<u>\$ 26,101,003</u>
\$ 813,605	\$ 821,522	\$ 818,671
344,074	334,964	337,845
416,341	1,063,556	3,165,273
(1,540,242)	(1,185,875)	(1,172,685)
(15,091)	(14,369)	(16,918)
<u>(178)</u>	<u>(227)</u>	<u>167</u>
\$ 18,509	\$ 1,019,571	\$ 3,132,353
24,210,948	23,191,377	20,059,024
<u>\$ 24,229,457</u>	<u>\$ 24,210,948</u>	<u>\$ 23,191,377</u>
\$ 3,439,979	\$ 3,049,509	\$ 2,909,626
87.57%	88.81%	88.85%
\$ 6,728,828	\$ 6,732,041	\$ 6,303,718
51.12%	45.30%	46.16%

COUNTY OF PAGE, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios  
 Component Unit School Board (nonprofessional) Pension Plans  
 For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017
<b>Total pension liability</b>				
Service cost	\$ 177,378	\$ 183,575	\$ 188,065	\$ 197,265
Interest	586,577	576,297	564,982	551,419
Changes of assumptions	-	215,493	-	(75,606)
Differences between expected and actual experience	(104,156)	55,567	(61,540)	73,775
Benefit payments, including refunds of employee contributions	(625,826)	(521,583)	(538,156)	(568,034)
<b>Net change in total pension liability</b>	\$ 33,973	\$ 509,349	\$ 153,351	\$ 178,819
<b>Total pension liability - beginning</b>	9,002,950	8,493,601	8,340,250	8,161,431
<b>Total pension liability - ending (a)</b>	<u>\$ 9,036,923</u>	<u>\$ 9,002,950</u>	<u>\$ 8,493,601</u>	<u>\$ 8,340,250</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 152,846	\$ 166,098	\$ 155,745	\$ 155,415
Contributions - employee	92,560	89,027	89,391	88,281
Net investment income	151,464	507,335	546,907	838,031
Benefit payments, including refunds of employee contributions	(625,826)	(521,583)	(538,156)	(568,034)
Administrative expense	(5,342)	(5,163)	(4,862)	(5,060)
Other	(175)	(319)	(482)	(734)
<b>Net change in plan fiduciary net position</b>	\$ (234,473)	\$ 235,395	\$ 248,543	\$ 507,899
<b>Plan fiduciary net position - beginning</b>	7,997,598	7,762,203	7,513,660	7,005,761
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 7,763,125</u>	<u>\$ 7,997,598</u>	<u>\$ 7,762,203</u>	<u>\$ 7,513,660</u>
<b>School Division's net pension liability - ending (a) - (b)</b>	\$ 1,273,798	\$ 1,005,352	\$ 731,398	\$ 826,590
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	85.90%	88.83%	91.39%	90.09%
<b>Covered payroll</b>	\$ 1,752,722	\$ 1,897,316	\$ 1,868,841	\$ 1,832,173
<b>School Division's net pension liability as a percentage of covered payroll</b>	72.68%	52.99%	39.14%	45.12%

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.

Exhibit 11

2016	2015	2014
\$ 202,648	\$ 208,803	\$ 205,699
548,589	524,808	505,091
-	-	-
(180,406)	81,432	-
(492,769)	(457,856)	(400,390)
\$ 78,062	\$ 357,187	\$ 310,400
8,083,369	7,726,182	7,415,782
\$ 8,161,431	\$ 8,083,369	\$ 7,726,182
\$ 187,632	\$ 192,884	\$ 224,337
91,246	94,313	94,640
118,941	313,725	954,930
(492,769)	(457,856)	(400,390)
(4,451)	(4,403)	(5,162)
(51)	(65)	50
\$ (99,452)	\$ 138,598	\$ 868,405
7,105,213	6,966,615	6,098,210
\$ 7,005,761	\$ 7,105,213	\$ 6,966,615
\$ 1,155,670	\$ 978,156	\$ 759,567
85.84%	87.90%	90.17%
\$ 1,869,347	\$ 1,913,078	\$ 1,893,445
61.82%	51.13%	40.12%

**COUNTY OF PAGE, VIRGINIA**

Schedule of Employer's Share of Net Pension Liability VRS Teacher  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's Proportion of the Net Pension Liability	0.21190%	0.22940%	0.22830%	0.23316%
Employer's Proportionate Share of the Net Pension Liability	\$ 30,841,381	\$ 29,340,171	\$ 26,848,000	\$ 28,673,000
Employer's Covered Payroll	\$ 18,621,591	\$ 18,775,666	\$ 18,414,963	\$ 18,386,958
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	166%	156%	146%	156%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	73.51%	74.81%	72.92%

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.

\* The amounts presented have a measurement date of the previous fiscal year end.

**Exhibit 12**

2016			2015		
		0.23940%			0.23837%
					0.24713%
\$	33,549,000		\$	30,002,000	\$
					29,865,000
\$	18,108,798		\$	17,889,407	\$
					18,032,461
		185%			168%
					166%
		68.28%			70.68%
					70.88%



Schedule of Employer Contributions-Pension Plans  
 Years Ended June 30, 2012 through June 30, 2021

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>					
2021	\$ 839,674	\$ 839,674	\$ -	\$ 8,108,601	10.36%
2020	804,129	804,129	-	7,786,619	10.33%
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%
<b>Component Unit School Board (nonprofessional)</b>					
2021	\$ 153,683	\$ 153,683	\$ -	\$ 1,728,595	8.89%
2020	152,836	152,836	-	1,752,722	8.72%
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%
<b>Component Unit School Board (professional)</b>					
2021	\$ 3,008,385	\$ 3,008,385	\$ -	\$ 18,798,434	16.00%
2020	2,816,115	2,816,115	-	18,621,591	15.12%
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%

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, 2021

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

**Changes of assumptions** – Changes of assumptions – The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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%
Discount Rate	Decreased rate from 7.0% to 6.75%

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%
Discount Rate	Decreased rate from 7.0% to 6.75%

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
Discount Rate	Decreased rate from 7.0% to 6.75%

Schedule of Changes in Total OPEB Liability and Related Ratios  
Primary Government  
For the Measurement Dates of June 30, 2017 through June 30, 2020

	2020	2019	2018	2017
<b>Total OPEB liability</b>				
Service cost	\$ 87,000	\$ 100,000	\$ 113,000	\$ 110,000
Interest	70,000	115,000	112,000	106,000
Changes in assumptions	173,000	118,000	(82,000)	-
Differences between expected and actual experience	(229,000)	(1,230,000)	(61,000)	-
Benefit payments	(31,000)	(27,000)	(27,000)	(76,000)
<b>Net change in total OPEB liability</b>	\$ 70,000	\$ (924,000)	\$ 55,000	\$ 140,000
<b>Total OPEB liability - beginning</b>	<u>2,164,000</u>	<u>3,088,000</u>	<u>3,033,000</u>	<u>2,893,000</u>
<b>Total OPEB liability - ending</b>	<u>\$ 2,234,000</u>	<u>\$ 2,164,000</u>	<u>\$ 3,088,000</u>	<u>\$ 3,033,000</u>
<b>Covered-employee payroll</b>	\$ 6,837,000	\$ 6,837,000	\$ 6,795,000	\$ 6,795,000
<b>County's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	32.68%	31.65%	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, 2017 through June 30, 2020

	2020	2019	2018	2017
<b>Total OPEB liability</b>				
Service cost	\$ 233,700	\$ 224,900	\$ 249,000	\$ 242,900
Interest	114,000	127,400	176,700	162,600
Changes in assumptions	153,600	132,600	(523,900)	-
Differences between expected and actual experience	(915,200)	(189,300)	(1,300,800)	-
Benefit payments	(168,300)	(194,000)	146,200	(175,800)
<b>Net change in total OPEB liability</b>	<b>\$ (582,200)</b>	<b>\$ 101,600</b>	<b>\$ (1,252,800)</b>	<b>\$ 229,700</b>
<b>Total OPEB liability - beginning</b>	<b>3,491,200</b>	<b>3,389,600</b>	<b>4,642,400</b>	<b>4,412,700</b>
<b>Total OPEB liability - ending</b>	<b>\$ 2,909,000</b>	<b>\$ 3,491,200</b>	<b>\$ 3,389,600</b>	<b>\$ 4,642,400</b>
 <b>Covered-employee payroll</b>	 \$ 16,362,100	 \$ 18,465,200	 \$ 18,465,200	 \$ 18,716,200
 <b>Town's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 17.78%	 18.91%	 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  
 Year Ended June 30, 2021

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Valuation Date: 7/1/2019  
 Measurement Date: 7/1/2020

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	2.45%
Inflation	2.50%
Healthcare Trend Rate	5.81% for fiscal year 2020 (to reflect actual experience), then 6.75% for fiscal year end 2021, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.5% annually
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 Total Dataset Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

Schedule of County's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2020

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)
2020	0.03783% \$	631,321	\$ 7,786,619	8.11%	52.64%
2019	0.03802%	618,687	7,451,412	8.30%	52.00%
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 (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2020

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>					
2020	0.00852% \$	142,185 \$	1,752,722	8.11%	52.64%
2019	0.00957%	155,730	1,897,316	8.21%	52.00%
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>					
2020	0.09110% \$	1,509,963 \$	18,621,591	8.11%	52.64%
2019	0.09048%	1,545,252	18,775,666	8.23%	52.00%
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 (GLI) Plan

Years Ended June 30, 2012 through June 30, 2021

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>					
2021	\$ 43,786	\$ 43,786	\$ -	\$ 8,108,601	0.54%
2020	40,490	40,490	-	7,786,619	0.52%
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%
<b>Component Unit School Board (nonprofessional)</b>					
2021	\$ 9,334	\$ 9,334	\$ -	\$ 1,728,595	0.54%
2020	9,114	9,114	-	1,752,722	0.52%
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%
<b>Component Unit School Board (professional)</b>					
2021	\$ 101,512	\$ 101,512	\$ -	\$ 18,798,434	0.54%
2020	96,832	96,832	-	18,621,591	0.52%
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%



Notes to Required Supplementary Information  
 Group Life Insurance (GLI) Plan  
 Year Ended June 30, 2021

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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 actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Teachers**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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
Discount Rate	Decreased rate from 7.00% to 6.75%

**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%
Discount Rate	Decreased rate from 7.00% to 6.75%

**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%
Discount Rate	Decreased rate from 7.00% to 6.75%

Schedule of County School Board's Share of Net OPEB Liability  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2020

<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>
2020	0.21410% \$	2,770,924 \$	18,621,591	14.88%	9.95%
2019	0.22193%	2,905,279	18,614,604	15.61%	8.97%
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 (HIC) Plan  
Years Ended June 30, 2012 through June 30, 2021

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Date	Contributions in Relation to					Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)		
2021	\$ 227,461	\$ 227,461	\$ -	\$ 18,798,434		1.21%
2020	223,459	223,459	-	18,621,591		1.20%
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%

Notes to Required Supplementary Information  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 Year Ended June 30, 2021

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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 actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	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
Discount Rate	Decreased rate from 7.00% to 6.75%

## **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, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 2,823	\$ 2,823
Intergovernmental revenues:				
Commonwealth	213,463	213,463	-	(213,463)
Total revenues	<u>\$ 213,463</u>	<u>\$ 213,463</u>	<u>\$ 2,823</u>	<u>\$ (210,640)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ -	\$ -	\$ 856,009	\$ (856,009)
Capital projects	590,191	9,391,801	2,059,512	7,332,289
Total expenditures	<u>\$ 590,191</u>	<u>\$ 9,391,801</u>	<u>\$ 2,915,521</u>	<u>\$ 6,476,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (376,728)</u>	<u>\$ (9,178,338)</u>	<u>\$ (2,912,698)</u>	<u>\$ 6,265,640</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 376,728	\$ 2,228,338	\$ 2,011,095	\$ (217,243)
Issuance of capital leases	<u>-</u>	<u>6,950,000</u>	<u>6,950,000</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ 376,728</u>	<u>\$ 9,178,338</u>	<u>\$ 8,961,095</u>	<u>\$ (217,243)</u>
Net change in fund balances	\$ -	\$ -	\$ 6,048,397	\$ 6,048,397
Fund balances - beginning	-	-	209,365	209,365
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,257,762</u></u>	<u><u>\$ 6,257,762</u></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, 2021

	Virginia Public Assistance Fund	Comprehensive Services Act Fund	E-911 Fund	Parks and Recreation Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 644	\$ 158,916	\$ 159,560
Accounts receivable	-	22,823	-	-	22,823
Due from other funds	-	2,245	-	-	2,245
Due from other governmental units	172,566	90,445	-	-	263,011
Total assets	\$ 172,566	\$ 115,513	\$ 644	\$ 158,916	\$ 447,639
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 114,445	\$ -	\$ 484	\$ 114,929
Accrued liabilities	-	1,068	-	-	1,068
Due to other funds	172,566	-	-	-	172,566
Total liabilities	\$ 172,566	\$ 115,513	\$ -	\$ 484	\$ 288,563
<b>FUND BALANCES</b>					
Committed:					
Recreation	\$ -	\$ -	\$ -	\$ 158,432	\$ 158,432
Assigned:					
Emergency services	-	-	644	-	644
Total fund balances	\$ -	\$ -	\$ 644	\$ 158,432	\$ 159,076
Total liabilities and fund balances	\$ 172,566	\$ 115,513	\$ 644	\$ 158,916	\$ 447,639

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2021**

	<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	\$ 4,271	\$ -	\$ -	\$ 17,464	\$ 21,735
Intergovernmental:					
Commonwealth	701,738	739,943	-	-	1,441,681
Federal	<u>1,337,365</u>	<u>7,007</u>	<u>-</u>	<u>-</u>	<u>1,344,372</u>
Total revenues	<u>\$ 2,043,374</u>	<u>\$ 746,950</u>	<u>\$ -</u>	<u>\$ 17,464</u>	<u>\$ 2,807,788</u>
<b>EXPENDITURES</b>					
Current:					
Health and welfare	\$ 2,453,826	\$ 1,146,738	\$ -	\$ -	\$ 3,600,564
Parks, recreation, and cultural	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,155</u>	<u>15,155</u>
Total expenditures	<u>\$ 2,453,826</u>	<u>\$ 1,146,738</u>	<u>\$ -</u>	<u>\$ 15,155</u>	<u>\$ 3,615,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (410,452)</u>	<u>\$ (399,788)</u>	<u>\$ -</u>	<u>\$ 2,309</u>	<u>\$ (807,931)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 410,452	\$ 399,788	\$ -	\$ -	\$ 810,240
Total other financing sources (uses)	<u>\$ 410,452</u>	<u>\$ 399,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 810,240</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ 2,309	\$ 2,309
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>644</u>	<u>156,123</u>	<u>156,767</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644</u>	<u>\$ 158,432</u>	<u>\$ 159,076</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, 2021

	Virginia Public Assistance Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 4,271	\$ 4,271
Intergovernmental:				
Commonwealth	1,104,838	1,104,838	701,738	(403,100)
Federal	1,504,607	1,504,607	1,337,365	(167,242)
Total revenues	<u>\$ 2,609,445</u>	<u>\$ 2,609,445</u>	<u>\$ 2,043,374</u>	<u>\$ (566,071)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 3,118,300	\$ 3,130,905	\$ 2,453,826	\$ 677,079
Total expenditures	<u>\$ 3,118,300</u>	<u>\$ 3,130,905</u>	<u>\$ 2,453,826</u>	<u>\$ 677,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (508,855)</u>	<u>\$ (521,460)</u>	<u>\$ (410,452)</u>	<u>\$ 111,008</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 508,855	\$ 521,460	\$ 410,452	\$ (111,008)
Total other financing sources (uses)	<u>\$ 508,855</u>	<u>\$ 521,460</u>	<u>\$ 410,452</u>	<u>\$ (111,008)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Comprehensive Services Act Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
1,786,071	1,786,071	739,943	(1,046,128)
-	-	7,007	7,007
\$ 1,786,071	\$ 1,786,071	\$ 746,950	\$ (1,039,121)
\$ 2,552,410	\$ 2,552,410	\$ 1,146,738	\$ 1,405,672
\$ 2,552,410	\$ 2,552,410	\$ 1,146,738	\$ 1,405,672
\$ (766,339)	\$ (766,339)	\$ (399,788)	\$ 366,551
\$ 766,339	\$ 766,339	\$ 399,788	\$ (366,551)
\$ 766,339	\$ 766,339	\$ 399,788	\$ (366,551)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2021**

	Parks and Recreation Fund			Variance with Final Budget Positive Negative
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 25,000	\$ 25,000	\$ 17,464	\$ (7,536)
Total revenues	\$ 25,000	\$ 25,000	\$ 17,464	\$ (7,536)
EXPENDITURES				
Current:				
Parks, recreation, and cultural	\$ 25,000	\$ 25,000	\$ 15,155	\$ 9,845
Total expenditures	\$ 25,000	\$ 25,000	\$ 15,155	\$ 9,845
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 2,309	\$ 2,309
Net change in fund balances	\$ -	\$ -	\$ 2,309	\$ 2,309
Fund balances - beginning	-	-	156,123	156,123
Fund balances - ending	\$ -	\$ -	\$ 158,432	\$ 158,432

## **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, 2021

	Custodial 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	\$ 730	\$ 34,062	\$ 10,038	\$ 24,095	\$ 79,336	\$ 148,261
Total assets	\$ 730	\$ 34,062	\$ 10,038	\$ 24,095	\$ 79,336	\$ 148,261
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 323	\$ 323
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ 323	\$ 323
<b>NET POSITION</b>						
Restricted:						
Individuals, organizations, and governments	\$ 730	\$ -	\$ 10,038	\$ 24,095	\$ 79,013	\$ 113,876
Bond funds	-	34,062	-	-	-	34,062
Total net position	\$ 730	\$ 34,062	\$ 10,038	\$ 24,095	\$ 79,013	\$ 147,938

Combining Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 Year Ended June 30, 2021

	Custodial Funds					Total
	Special Welfare Fund	Cash Bonds Fund	Neutering/ Spaying Fund	Jail Inmate Fund	Luray/Page Airport Hangar Fund	
<b>Additions</b>						
Revenue from use of property	\$ -	\$ -	\$ -	\$ -	\$ 93,340	\$ 93,340
Miscellaneous	16,227	-	743	-	-	16,970
Inmate collections	-	-	-	131,519	-	131,519
Total additions	\$ 16,227	\$ -	\$ 743	\$ 131,519	\$ 93,340	\$ 241,829
<b>Deductions</b>						
Inmate payments	\$ -	\$ -	\$ -	\$ 120,291	\$ -	\$ 120,291
Beneficiary payments to individuals	17,510	-	-	-	-	17,510
Payments for animal care	-	-	40	-	-	40
Payments of hangar rent to local governments	-	-	-	-	92,247	92,247
Total deductions	\$ 17,510	\$ -	\$ 40	\$ 120,291	\$ 92,247	\$ 230,088
Net increase (decrease) in fiduciary net position	\$ (1,283)	\$ -	\$ 703	\$ 11,228	\$ 1,093	\$ 11,741
Net position beginning, as restated	2,013	34,062	9,335	12,867	77,920	136,197
Net position ending	\$ 730	\$ 34,062	\$ 10,038	\$ 24,095	\$ 79,013	\$ 147,938



## **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.

Student Activities Fund – The student activities fund is an special revenue fund that accounts for the activities associated with each County school's student activity funds.

## Balance Sheet

## Discretely Presented Component Unit - School Board

June 30, 2021

	School Operating Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 63,363	\$ 1,929,066	\$ 1,992,429
Accounts receivable	46,512	2,988	49,500
Due from primary government	1,658,610	-	1,658,610
Due from other governmental units	1,179,638	84,519	1,264,157
Inventories	-	34,466	34,466
Prepaid items	255,240	-	255,240
Total assets	<u>\$ 3,203,363</u>	<u>\$ 2,051,039</u>	<u>\$ 5,254,402</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 230,529	\$ 2,864	\$ 233,393
Accrued liabilities	2,909,471	67,287	2,976,758
Total liabilities	<u>\$ 3,140,000</u>	<u>\$ 70,151</u>	<u>\$ 3,210,151</u>
<b>FUND BALANCES</b>			
Nonspendable			
Inventories	\$ -	\$ 34,466	\$ 34,466
Prepaid items	255,240	-	255,240
Assigned			
School lunch program	-	1,522,024	1,522,024
School operating fund	63,363	-	63,363
Student activities		424,398	424,398
Unassigned	(255,240)	-	(255,240)
Total fund balances	<u>\$ 63,363</u>	<u>\$ 1,980,888</u>	<u>\$ 2,044,251</u>
Total liabilities and fund balances	<u>\$ 3,203,363</u>	<u>\$ 2,051,039</u>	<u>\$ 5,254,402</u>

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

Total fund balances per above	\$ 2,044,251
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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	34,318,154	
Machinery and equipment	1,825,719	
Construction in progress	90,297	37,211,661

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

Pension related items	\$ 7,909,968	
OPEB related items	1,029,390	8,939,358

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	\$ (38,837)	
Capital leases	(5,375,214)	
Compensated absences	(404,670)	
Net pension liability	(32,115,179)	
Net OPEB liabilities	(7,332,072)	(45,265,972)

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

Pension related items	\$ (4,001,378)	
OPEB related items	(2,332,029)	(6,333,407)

Net position of governmental activities	\$ (3,404,109)
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**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds - Discretely Presented Component Unit - School Board**  
**Year Ended June 30, 2021**

	<b>School Operating Fund</b>	<b>Total Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 73,403	\$ 90	\$ 73,493
Charges for services	558,166	19,319	577,485
Miscellaneous	594	504,024	504,618
Intergovernmental:			
Local government	8,664,059	-	8,664,059
Commonwealth	24,115,049	23,802	24,138,851
Federal	3,521,869	2,362,717	5,884,586
Total revenues	<u>\$ 36,933,140</u>	<u>\$ 2,909,952</u>	<u>\$ 39,843,092</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 36,339,696	\$ 2,467,476	\$ 38,807,172
Debt service:			
Principal retirement	425,681	-	425,681
Interest and other fiscal charges	167,763	-	167,763
Total expenditures	<u>\$ 36,933,140</u>	<u>\$ 2,467,476</u>	<u>\$ 39,400,616</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 442,476	\$ 442,476
Net change in fund balances	\$ -	\$ 442,476	\$ 442,476
Fund balances - beginning, as restated	63,363	1,538,412	1,601,775
Fund balances - ending	<u>\$ 63,363</u>	<u>\$ 1,980,888</u>	<u>\$ 2,044,251</u>

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

Net change in fund balances above \$ 442,476

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	\$ 1,261,266	
Depreciation expense	(2,219,783)	
Allocation of debt financed school assets based on current year repayments	<u>2,404,793</u>	<u>1,446,276</u>

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	\$ 425,681	
Change in accrued interest	<u>3,076</u>	<u>428,757</u>

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

Change in compensated absences	\$ (123,869)	
Pension expense	148,089	
OPEB expense	<u>347,559</u>	<u>371,779</u>

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>\$ (2,264)</u>	<u>(2,264)</u>
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Change in net position of governmental activities \$ 2,687,024

**Combining Balance Sheet**  
**Nonmajor Governmental Funds Discretely Presented Component Unit - School Board**  
**June 30, 2021**

	<b>School Cafeteria Fund</b>	<b>Student Activities Fund</b>	<b>Total Nonmajor Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,504,932	\$ 424,134	\$ 1,929,066
Accounts receivable	-	2,988	2,988
Due from other governmental units	84,519	-	84,519
Inventories	34,466	-	34,466
Total assets	<u>\$ 1,623,917</u>	<u>\$ 427,122</u>	<u>\$ 2,051,039</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 140	\$ 2,724	\$ 2,864
Accrued liabilities	67,287	-	67,287
Total liabilities	<u>\$ 67,427</u>	<u>\$ 2,724</u>	<u>\$ 70,151</u>
<b>FUND BALANCES</b>			
Nonspendable			
Inventories	\$ 34,466	\$ -	\$ 34,466
Assigned			
School lunch program	1,522,024	-	1,522,024
Student activities	-	424,398	424,398
Total fund balances	<u>\$ 1,556,490</u>	<u>\$ 424,398</u>	<u>\$ 1,980,888</u>
Total liabilities and fund balances	<u>\$ 1,623,917</u>	<u>\$ 427,122</u>	<u>\$ 2,051,039</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Discretely Presented Component Unit - School Board**  
**Year Ended June 30, 2021**

	<b>School Cafeteria Fund</b>	<b>Student Activities Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 90	\$ -	\$ 90
Charges for services	19,319	-	19,319
Miscellaneous	-	504,024	504,024
Intergovernmental:			
Commonwealth	23,802	-	23,802
Federal	2,362,717	-	2,362,717
Total revenues	<u>\$ 2,405,928</u>	<u>\$ 504,024</u>	<u>\$ 2,909,952</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 1,938,724	\$ 528,752	\$ 2,467,476
Total expenditures	<u>\$ 1,938,724</u>	<u>\$ 528,752</u>	<u>\$ 2,467,476</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 467,204</u>	<u>\$ (24,728)</u>	<u>\$ 442,476</u>
Net change in fund balances	\$ 467,204	\$ (24,728)	\$ 442,476
Fund balances - beginning, as restated	1,089,286	449,126	1,538,412
Fund balances - ending	<u>\$ 1,556,490</u>	<u>\$ 424,398</u>	<u>\$ 1,980,888</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Discretely Presented Component Unit - School Board**  
**Year Ended June 30, 2021**

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 45,000	\$ 45,000	\$ 73,403	\$ 28,403
Charges for services	559,000	559,000	558,166	(834)
Miscellaneous	-	11,000	594	(10,406)
Intergovernmental:				
Local government	10,359,580	10,440,736	8,664,059	(1,776,677)
Commonwealth	23,751,369	23,910,778	24,115,049	204,271
Federal	1,811,410	3,097,545	3,521,869	424,324
Total revenues	<u>\$ 36,526,359</u>	<u>\$ 38,064,059</u>	<u>\$ 36,933,140</u>	<u>\$ (1,130,919)</u>
EXPENDITURES				
Current:				
Education	\$ 36,526,359	\$ 38,064,059	\$ 36,339,696	\$ 1,724,363
Debt service:				
Principal retirement	-	-	425,681	(425,681)
Interest and other fiscal charges	-	-	167,763	(167,763)
Total expenditures	<u>\$ 36,526,359</u>	<u>\$ 38,064,059</u>	<u>\$ 36,933,140</u>	<u>\$ 1,130,919</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	63,363	63,363
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,363</u>	<u>\$ 63,363</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, 2021**

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 90	\$ 90
Charges for services	544,200	544,200	19,319	(524,881)
Miscellaneous	-	-	-	-
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	35,751	35,751	23,802	(11,949)
Federal	1,342,969	1,342,969	2,362,717	1,019,748
Total revenues	<u>\$ 1,922,920</u>	<u>\$ 1,922,920</u>	<u>\$ 2,405,928</u>	<u>\$ 483,008</u>
EXPENDITURES				
Current:				
Education	\$ 1,922,920	\$ 1,922,920	\$ 1,938,724	\$ (15,804)
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	<u>\$ 1,922,920</u>	<u>\$ 1,922,920</u>	<u>\$ 1,938,724</u>	<u>\$ (15,804)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 467,204</u>	<u>\$ 467,204</u>
Net change in fund balances	\$ -	\$ -	\$ 467,204	\$ 467,204
Fund balances - beginning	-	-	1,089,286	1,089,286
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,556,490</u>	<u>\$ 1,556,490</u>

## **SUPPORTING SCHEDULES**



Schedule of Revenues - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2021

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	\$ 14,838,667	\$ 14,838,667	\$ 16,071,710	\$ 1,233,043
Real and personal public service corporation taxes	700,000	700,000	790,078	90,078
Personal property taxes	6,498,100	6,498,100	7,295,946	797,846
Penalties	272,000	272,000	312,670	40,670
Interest	259,000	259,000	375,963	116,963
Total general property taxes	\$ 22,567,767	\$ 22,567,767	\$ 24,846,367	\$ 2,278,600
Other local taxes:				
Local sales and use taxes	\$ 1,600,500	\$ 1,600,500	\$ 2,316,979	\$ 716,479
Business licenses	168,000	168,000	175,700	7,700
Consumption taxes	45,000	45,000	52,782	7,782
Motor vehicle licenses	500,000	500,000	489,809	(10,191)
Taxes on recordation and wills	160,000	160,000	324,144	164,144
Transient occupancy taxes	1,000,000	1,000,000	1,576,150	576,150
Meals taxes	300,000	300,000	276,152	(23,848)
Total other local taxes	\$ 3,773,500	\$ 3,773,500	\$ 5,211,716	\$ 1,438,216
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 8,000	\$ 8,000	\$ 5,346	\$ (2,654)
Land use application fees	4,000	4,000	6,291	2,291
Transfer fees	900	900	1,251	351
Permits and other licenses	204,610	204,610	263,545	58,935
Total permits, privilege fees, and regulatory licenses	\$ 217,510	\$ 217,510	\$ 276,433	\$ 58,923
Fines and forfeitures:				
Court fines and forfeitures	\$ 78,100	\$ 78,100	\$ 70,107	\$ (7,993)
Total fines and forfeitures	\$ 78,100	\$ 78,100	\$ 70,107	\$ (7,993)
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 13,301	\$ 13,301
Revenue from use of property	64,000	64,000	43,201	(20,799)
Total revenue from use of money and property	\$ 64,000	\$ 64,000	\$ 56,502	\$ (7,498)
Charges for services:				
Sheriff's fees	\$ 2,400	\$ 2,400	\$ 2,669	\$ 269
Ambulance and rescue service	500,000	500,000	352,784	(147,216)
Charges for Animal Protection	9,000	9,000	6,124	(2,876)
Charges for Commonwealth's Attorney	3,000	3,000	3,915	915
Work release and other inmate fees	85,850	85,850	56,858	(28,992)
Charges for sanitation and waste removal	2,245,500	2,289,930	2,387,101	97,171
Other charges for services	2,125	2,125	8,715	6,590
Total charges for services	\$ 2,847,875	\$ 2,892,305	\$ 2,818,166	\$ (74,139)
Miscellaneous:				
Miscellaneous	\$ 184,738	\$ 194,738	\$ 380,218	\$ 185,480
Total miscellaneous	\$ 184,738	\$ 194,738	\$ 380,218	\$ 185,480
Total revenue from local sources	\$ 29,733,490	\$ 29,787,920	\$ 33,659,509	\$ 3,871,589
<b>Intergovernmental:</b>				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 13,000	\$ 13,000	\$ 13,801	\$ 801
State recordation tax	40,000	40,000	-	(40,000)
Railroad rolling stock tax	36,000	36,000	34,996	(1,004)
Communication taxes	470,000	470,000	360,437	(109,563)
Motor vehicle rental tax	4,855	4,855	3,308	(1,547)
Personal property tax relief funds	1,640,791	1,640,791	1,640,791	-
Total noncategorical aid	\$ 2,204,646	\$ 2,204,646	\$ 2,053,333	\$ (151,313)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2021 (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	\$ 305,328	\$ 305,328	\$ 361,386	\$ 56,058
Sheriff	2,418,330	2,422,875	2,269,119	(153,756)
Commissioner of revenue	145,803	145,803	147,894	2,091
Treasurer	115,209	115,209	118,745	3,536
Registrar/electoral board	38,481	38,481	42,599	4,118
Clerk of the Circuit Court	260,661	270,262	310,335	40,073
Total shared expenses	\$ 3,283,812	\$ 3,297,958	\$ 3,250,078	\$ (47,880)
Other categorical aid:				
CJS GTS grant	\$ 2,000	\$ 3,000	\$ 3,972	\$ 972
Virginia Juvenile Community Crime Control Act	30,076	30,076	6,781	(23,295)
Crime prevention education	10,000	10,000	5,000	(5,000)
PSAP grant	95,000	95,000	82,268	(12,732)
Litter control	12,250	23,464	11,214	(12,250)
Fire programs funds	48,000	57,489	57,489	-
Victims witness grant	46,756	46,756	15,543	(31,213)
Two-for-life grant	46,000	46,000	26,367	(19,633)
School resource officer grant	50,000	50,000	36,784	(13,216)
Internet crimes against children	40,000	40,000	20,000	(20,000)
RSAF grant	30,058	30,058	-	(30,058)
Other	22,335	140,484	99,999	(40,485)
Total other categorical aid	\$ 432,475	\$ 572,327	\$ 365,417	\$ (206,910)
Total categorical aid	\$ 3,716,287	\$ 3,870,285	\$ 3,615,495	\$ (254,790)
Total revenue from the Commonwealth	\$ 5,920,933	\$ 6,074,931	\$ 5,668,828	\$ (406,103)
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 150,000	\$ 150,000	\$ 189,859	\$ 39,859
CARES act	-	6,329,025	5,945,457	(383,568)
Total noncategorical aid	\$ 150,000	\$ 6,479,025	\$ 6,135,316	\$ (343,709)
Categorical aid:				
Forfeited assets	\$ -	\$ -	\$ -	\$ -
Local law enforcement	6,000	6,000	-	(6,000)
Victim witness assistance	14,771	14,771	46,631	31,860
Triad grant	2,500	2,500	-	(2,500)
SHSP grant	50,000	50,000	-	(50,000)
Opioid abuse grant	200,000	200,000	45,018	(154,982)
DMV ground transportation safety grant	18,000	18,000	12,902	(5,098)
Sheriff GTS	50,000	50,000	20,400	(29,600)
Bullet proof vest grant	13,000	13,000	9,587	(3,413)
Housing and community development	-	770,275	563,357	(206,918)
CARES act election HAVA grant	-	-	37,551	37,551
Drug court	-	20,000	23,001	3,001
Emergency management planning grant	25,000	25,000	6,275	(18,725)
Community oriented police	15,000	171,273	109,194	(62,079)
Total categorical aid	\$ 394,271	\$ 1,340,819	\$ 873,916	\$ (466,903)
Total revenue from the federal government	\$ 544,271	\$ 7,819,844	\$ 7,009,232	\$ (810,612)
Total General Fund	\$ 36,198,694	\$ 43,682,695	\$ 46,337,569	\$ 2,654,874
<b>Special Revenue Funds:</b>				
<b>Workforce Investment Act Fund:</b>				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Workforce Investment Act	\$ -	\$ -	\$ 1,770,036	\$ 1,770,036
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	\$ -	\$ -	\$ 4,271	\$ 4,271
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,104,838	\$ 1,104,838	\$ 701,738	\$ (403,100)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,504,607	\$ 1,504,607	\$ 1,337,365	\$ (167,242)
Total Virginia Public Assistance Fund	\$ 2,609,445	\$ 2,609,445	\$ 2,043,374	\$ (566,071)

**Schedule of Revenues - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2021 (Continued)**

<b>Fund, Major and Minor Revenue Source</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<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	\$ 738,742	\$ (1,045,329)
Child support public assistance funds	2,000	2,000	1,201	(799)
Total categorical aid	<u>\$ 1,786,071</u>	<u>\$ 1,786,071</u>	<u>\$ 739,943</u>	<u>\$ (1,046,128)</u>
Total revenue from the Commonwealth	<u>\$ 1,786,071</u>	<u>\$ 1,786,071</u>	<u>\$ 739,943</u>	<u>\$ (1,046,128)</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 7,007	\$ 7,007
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,007</u>	<u>\$ 7,007</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,007</u>	<u>\$ 7,007</u>
Total Comprehensive Services Act Fund	<u>\$ 1,786,071</u>	<u>\$ 1,786,071</u>	<u>\$ 746,950</u>	<u>\$ (1,039,121)</u>
Total Comprehensive Services Act Fund	<u>\$ 1,786,071</u>	<u>\$ 1,786,071</u>	<u>\$ 746,950</u>	<u>\$ (1,039,121)</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>\$ 17,464</u>	<u>\$ (7,536)</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 2,823	\$ 2,823
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,823</u>	<u>\$ 2,823</u>
Categorical aid:				
NG911	<u>\$ 213,463</u>	<u>\$ 213,463</u>	<u>\$ -</u>	<u>\$ (213,463)</u>
Total County Capital Improvements Fund	<u>\$ 213,463</u>	<u>\$ 213,463</u>	<u>\$ 2,823</u>	<u>\$ (210,640)</u>
Total Primary Government	<u>\$ 40,832,673</u>	<u>\$ 48,316,674</u>	<u>\$ 50,918,216</u>	<u>\$ 2,601,542</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 45,000	\$ 45,000	\$ 73,403	\$ 28,403
Total revenue from use of money and property	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 73,403</u>	<u>\$ 28,403</u>
Charges for services:				
Charges for education	<u>\$ 559,000</u>	<u>\$ 559,000</u>	<u>\$ 558,166</u>	<u>\$ (834)</u>
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 594	\$ 594
Total revenue from local sources	<u>\$ 604,000</u>	<u>\$ 604,000</u>	<u>\$ 632,163</u>	<u>\$ 28,163</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Page, Virginia	\$ 10,359,580	\$ 10,440,736	\$ 8,664,059	\$ (1,776,677)
Total revenues from local governments	<u>\$ 10,359,580</u>	<u>\$ 10,440,736</u>	<u>\$ 8,664,059</u>	<u>\$ (1,776,677)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,996,019	\$ 4,155,428	\$ 4,484,707	\$ 329,279
Basic school aid	11,579,560	11,579,560	10,987,482	(592,078)
GED funding	16,772	16,772	16,773	1
Regular foster children education	23,060	23,060	10,660	(12,400)
Remedial summer education	60,055	60,055	32,530	(27,525)
Gifted and talented	113,751	113,751	108,890	(4,861)
Remedial education	465,942	465,942	446,030	(19,912)
Special education	890,322	890,322	852,273	(38,049)
Textbook payments	235,093	235,093	225,046	(10,047)
Vocational standards of quality payments	481,255	481,255	460,688	(20,567)
Social security	667,195	667,195	638,681	(28,514)
Retirement fringe benefits	1,557,517	1,557,517	1,490,954	(66,563)
Lottery	812,136	812,136	873,252	61,116
Early reading intervention	60,453	60,453	60,453	-
Group life instructional	48,126	48,126	46,069	(2,057)
Homebound education	5,105	5,105	4,447	(658)
Regional program tuition	693,697	693,697	580,614	(113,083)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2021 (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	\$ 808,408	\$ 808,408	\$ 773,861	\$ (34,547)
Primary class size	461,444	461,444	442,577	(18,867)
Technology	258,000	258,000	258,000	-
Small school division enrollment loss	-	-	877,168	877,168
Standards of learning algebra readiness	58,734	58,734	56,125	(2,609)
At risk four-year olds	344,880	344,880	197,364	(147,516)
Vocational education	78,466	78,466	116,371	37,905
English as a second language	22,453	22,453	25,381	2,928
Other state funds	12,926	12,926	48,653	35,727
Total categorical aid	\$ 23,751,369	\$ 23,910,778	\$ 24,115,049	\$ 204,271
Total revenue from the Commonwealth	\$ 23,751,369	\$ 23,910,778	\$ 24,115,049	\$ 204,271
Revenue from the federal government:				
Noncategorical aid:				
Coronavirus relief funds	\$ -	\$ 560,158	\$ 560,158	\$ -
Categorical aid:				
Federal land use	\$ 23,000	\$ 23,000	\$ 21,225	\$ (1,775)
CARES Act ESSER	-	165,819	842,608	676,789
Title I	790,209	790,209	969,232	179,023
Title VI-B, special education flow-through	704,461	704,461	589,361	(115,100)
Vocational education	72,409	72,409	116,642	44,233
Title VI-B, special education pre-school	16,575	16,575	14,412	(2,163)
Supporting effective instruction state grant	117,471	117,471	115,519	(1,952)
Title III	2,500	2,500	-	(2,500)
School improvement	24,785	24,785	31,725	6,940
Title IV Part B 21st century learning grant	-	-	73,003	73,003
Federal impact aid	-	560,158	-	(560,158)
Temporary assistance to needy families	-	-	60,813	60,813
Title V-Rural and low income school	-	-	67,460	67,460
Student support and academic enrichment	60,000	60,000	59,711	(289)
Total categorical aid	\$ 1,811,410	\$ 2,537,387	\$ 2,961,711	\$ 424,324
Total revenue from the federal government	\$ 1,811,410	\$ 3,097,545	\$ 3,521,869	\$ 424,324
Total School Operating Fund	\$ 36,526,359	\$ 38,053,059	\$ 36,933,140	\$ (1,119,919)
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 90	\$ 90
Charges for services:				
Cafeteria sales	\$ 544,200	\$ 544,200	\$ 19,319	\$ (524,881)
Total revenue from local sources	\$ 544,200	\$ 544,200	\$ 19,409	\$ (524,791)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 35,751	\$ 35,751	\$ 23,802	\$ (11,949)
Total revenue from the Commonwealth	\$ 35,751	\$ 35,751	\$ 23,802	\$ (11,949)
Revenue from the federal government:				
Noncategorical aid:				
Coronavirus relief funds	\$ -	\$ -	\$ 220,886	\$ 220,886
Categorical aid:				
School food program grant	\$ 1,342,969	\$ 1,342,969	\$ 1,980,232	\$ 637,263
CARES Act ESSER	-	-	8,470	8,470
USDA commodities	-	-	153,129	153,129
Total categorical aid	\$ 1,342,969	\$ 1,342,969	\$ 2,141,831	\$ 798,862
Total revenue from the federal government	\$ 1,342,969	\$ 1,342,969	\$ 2,362,717	\$ 1,019,748
Total School Cafeteria Fund	\$ 1,922,920	\$ 1,922,920	\$ 2,405,928	\$ 483,008
<b>Student Activities Fund</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 504,024	\$ 504,024
Total miscellaneous revenue	\$ -	\$ -	\$ 504,024	\$ 504,024
Total Student Activities Fund	\$ -	\$ -	\$ 504,024	\$ 504,024
Total Discretely Presented Component Unit - School Board	\$ 38,449,279	\$ 39,975,979	\$ 39,843,092	\$ (132,887)

**Schedule of Expenditures - Budget and Actual**  
**Governmental Funds**  
**Year Ended June 30, 2021**

<b>Fund, Function, Activity and Elements</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 189,826	\$ 189,826	\$ 205,245	\$ (15,419)
General and financial administration:				
County administrator	\$ 335,328	\$ 339,330	\$ 337,176	\$ 2,154
Finance	328,761	295,113	249,687	45,426
Legal services	138,500	138,500	91,179	47,321
Commissioner of revenue	529,423	529,423	521,831	7,592
Assessment	80,000	230,000	197,774	32,226
Geographic information systems	130,897	130,897	123,043	7,854
Treasurer	545,217	545,217	577,330	(32,113)
Data processing	224,000	2,290,076	2,012,369	277,707
Purchasing	48,980	49,554	49,512	42
Total general and financial administration	\$ 2,361,106	\$ 4,548,110	\$ 4,159,901	\$ 388,209
Board of elections:				
Electoral board and officials	\$ 59,264	\$ 59,264	\$ 62,846	\$ (3,582)
Registrar	113,414	168,205	156,662	11,543
Total board of elections	\$ 172,678	\$ 227,469	\$ 219,508	\$ 7,961
Total general government administration	\$ 2,723,610	\$ 4,965,405	\$ 4,584,654	\$ 380,751
Judicial administration:				
Courts:				
Circuit court	\$ 9,250	\$ 9,250	\$ 11,562	\$ (2,312)
General district court	8,650	8,650	5,332	3,318
Special magistrates	3,650	3,650	4,350	(700)
Juvenile and domestic relations court	16,050	16,050	9,101	6,949
Sheriff	208,474	208,474	213,739	(5,265)
Victim witness program	81,554	81,554	78,272	3,282
Clerk of the circuit court	454,451	472,153	505,667	(33,514)
Total courts	\$ 782,079	\$ 799,781	\$ 828,023	\$ (28,242)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 578,933	\$ 578,933	\$ 608,631	\$ (29,698)
Total judicial administration	\$ 1,361,012	\$ 1,378,714	\$ 1,436,654	\$ (57,940)
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,307,859	\$ 3,805,375	\$ 3,630,634	\$ 174,741
Virginia Juvenile Community Crime Control Act	30,076	30,076	6,721	23,355
Total law enforcement and traffic control	\$ 3,337,935	\$ 3,835,451	\$ 3,637,355	\$ 198,096
Fire and rescue services:				
Volunteer fire departments and rescue squads	\$ 504,500	513,989	\$ 389,274	\$ 124,715
Fire and rescue services	2,477,473	3,036,785	2,634,938	401,847
Total fire and rescue services	\$ 2,981,973	\$ 3,550,774	\$ 3,024,212	\$ 526,562
Correction and detention:				
Jail	\$ 3,445,960	\$ 4,040,326	\$ 3,831,418	\$ 208,908
Juvenile detention	220,761	220,761	215,515	5,246
Total correction and detention	\$ 3,666,721	\$ 4,261,087	\$ 4,046,933	\$ 214,154

**Schedule of Expenditures - Budget and Actual**  
**Governmental Funds**  
**Year ended June 30, 2021 (Continued)**

<b>Fund, Function, Activity and Elements</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Other protection:				
Animal control	\$ 399,251	\$ 420,251	\$ 364,608	\$ 55,643
Medical examiner	500	500	380	120
Building inspections		-		-
Emergency services	11,236	11,236	11,236	-
Total other protection	<u>\$ 410,987</u>	<u>\$ 431,987</u>	<u>\$ 376,224</u>	<u>\$ 55,763</u>
Total public safety	<u>\$ 10,397,616</u>	<u>\$ 12,079,299</u>	<u>\$ 11,084,724</u>	<u>\$ 994,575</u>
Public works:				
Sanitation and waste removal:				
Compactor sites	\$ 80,158	\$ 161,585	\$ 160,927	\$ 658
Landfill	1,481,890	1,701,939	1,720,269	(18,330)
Total sanitation and waste removal	<u>\$ 1,562,048</u>	<u>\$ 1,863,524</u>	<u>\$ 1,881,196</u>	<u>\$ (17,672)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 394,220	\$ 400,765	\$ 353,651	\$ 47,114
Total public works	<u>\$ 1,956,268</u>	<u>\$ 2,264,289</u>	<u>\$ 2,234,847</u>	<u>\$ 29,442</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 293,670	\$ 293,670	\$ 293,670	\$ -
Total health	<u>\$ 293,670</u>	<u>\$ 293,670</u>	<u>\$ 293,670</u>	<u>\$ -</u>
Mental health and mental retardation:				
Community services board	\$ 95,065	\$ 95,065	\$ 95,065	\$ -
Choices	5,000	5,000	5,000	-
Total mental health and mental retardation	<u>\$ 100,065</u>	<u>\$ 100,065</u>	<u>\$ 100,065</u>	<u>\$ -</u>
Welfare:				
Welfare administration	\$ 4,522	\$ 4,522	\$ 700	\$ 3,822
Shenandoah Area Agency on Aging	65,000	65,000	65,000	-
Other	20,488	20,488	20,488	-
Tax relief for the elderly	-	-	269,543	(269,543)
Total welfare	<u>\$ 90,010</u>	<u>\$ 90,010</u>	<u>\$ 355,731</u>	<u>\$ (265,721)</u>
Total health and welfare	<u>\$ 483,745</u>	<u>\$ 483,745</u>	<u>\$ 749,466</u>	<u>\$ (265,721)</u>
Education:				
Other instructional costs:				
Contributions to L.F. Community College	\$ 60,802	\$ 60,802	\$ 60,802	\$ -
Contribution to County School Board	10,332,381	10,424,537	7,808,050	2,616,487
Total education	<u>\$ 10,393,183</u>	<u>\$ 10,485,339</u>	<u>\$ 7,868,852</u>	<u>\$ 2,616,487</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	\$ 103,103	\$ 103,103	\$ 91,413	\$ 11,690
Total parks and recreation	<u>\$ 103,103</u>	<u>\$ 103,103</u>	<u>\$ 91,413</u>	<u>\$ 11,690</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Year ended June 30, 2021 (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	\$ 267,502	\$ 267,502	\$ 267,502	\$ -
Total parks, recreation, and cultural	\$ 370,605	\$ 370,605	\$ 358,915	\$ 11,690
Community development:				
Planning and community development:				
Planning	\$ 377,449	\$ 379,281	\$ 365,436	\$ 13,845
Northern Shenandoah Planning Commission	36,094	36,094	30,055	6,039
Zoning	3,909	3,909	1,391	2,518
Economic development	382,315	4,480,818	4,052,513	428,305
Airport Commission	56,100	56,100	56,100	-
Chamber of Commerce	275,000	255,000	255,000	-
Total planning and community development	\$ 1,130,867	\$ 5,211,202	\$ 4,760,495	\$ 450,707
Environmental management:				
Other environmental management	\$ 101,505	\$ 101,505	\$ 38,926	\$ 62,579
Total environmental management	\$ 101,505	\$ 101,505	\$ 38,926	\$ 62,579
Cooperative extension program:				
4-H center	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Total cooperative extension program	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Total community development	\$ 1,233,872	\$ 5,314,207	\$ 4,800,921	\$ 513,286
Nondepartmental:				
Miscellaneous	\$ 352,605	\$ 315,293	\$ 279,229	\$ 36,064
Debt service:				
Principal retirement	\$ 2,134,076	\$ 2,134,076	\$ 3,312,217	\$ (1,178,141)
Interest and other fiscal charges	3,519,488	3,519,488	2,147,877	1,371,611
Total debt service	\$ 5,653,564	\$ 5,653,564	\$ 5,460,094	\$ 193,470
Total General Fund	\$ 34,926,080	\$ 43,310,460	\$ 38,858,356	\$ 4,452,104
<b>Special Revenue Funds:</b>				
<b>Workforce Investment Act Fund:</b>				
Community development:				
Shenandoah Valley Workforce Investment Board	\$ -	\$ -	\$ 1,770,036	\$ (1,770,036)
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 3,118,300	\$ 3,130,905	\$ 2,453,826	\$ 677,079
Total Virginia Public Assistance Fund	\$ 3,118,300	\$ 3,130,905	\$ 2,453,826	\$ 677,079
<b>Comprehensive Services Act Fund:</b>				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 2,552,410	\$ 2,552,410	\$ 1,146,738	\$ 1,405,672
Total Comprehensive Services Act Fund	\$ 2,552,410	\$ 2,552,410	\$ 1,146,738	\$ 1,405,672

**Schedule of Expenditures - Budget and Actual**  
**Governmental Funds**  
**Year ended June 30, 2021 (Continued)**

<b>Fund, Function, Activity and Elements</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<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	\$ 15,155	\$ 9,845
Total Parks and Recreation fund	\$ 25,000	\$ 25,000	\$ 15,155	\$ 9,845
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Education:				
Other instructional costs:				
Contribution to County School Board	\$ -	\$ -	\$ 856,009	\$ (856,009)
Total education	\$ -	\$ -	\$ 856,009	\$ (856,009)
Capital projects expenditures:				
Courthouse repair	\$ -	\$ 265,285	\$ 230,050	\$ 35,235
Landfill equipment	22,000	66,430	64,702	1,728
Security upgrades	75,000	75,000	-	75,000
HVAC replacement	40,000	40,000	15,000	25,000
Land acquisition	-	660,000	653,000	7,000
Motor vehicles	60,000	85,886	76,794	9,092
Parking lot	50,000	50,000	48,000	2,000
E-911 system	213,463	213,463	122,625	90,838
Radio system	-	6,950,000	784,107	6,165,893
IT hardware	75,300	75,300	29,255	46,045
Other	54,428	910,437	35,979	874,458
Total capital projects	\$ 590,191	\$ 9,391,801	\$ 2,059,512	\$ 7,332,289
Total Capital Projects Fund	\$ 590,191	\$ 9,391,801	\$ 2,915,521	\$ 6,476,280
Total Primary Government	\$ 41,211,981	\$ 58,410,576	\$ 47,159,632	\$ 11,250,944
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Instructional	\$ 26,767,654	\$ 27,162,183	\$ 27,010,789	\$ 151,394
Administration, attendance and health services	2,008,645	2,359,888	1,937,422	422,466
Pupil transportation	2,004,375	2,191,267	2,187,816	3,451
Operation and maintenance	4,240,917	4,651,620	3,513,013	1,138,607
Facilities	-	92,156	-	92,156
Technology	1,504,768	1,606,945	1,690,656	(83,711)
Total education	\$ 36,526,359	\$ 38,064,059	\$ 36,339,696	\$ 1,724,363
Debt service:				
Principal retirement	\$ -	\$ -	\$ 425,681	\$ (425,681)
Interest and other fiscal charges	-	-	167,763	(167,763)
Total debt service	\$ -	\$ -	\$ 593,444	\$ (593,444)
Total School Operating Fund	\$ 36,526,359	\$ 38,064,059	\$ 36,933,140	\$ 1,130,919
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,922,920	\$ 1,922,920	\$ 1,938,724	\$ (15,804)
Total School Cafeteria Fund	\$ 1,922,920	\$ 1,922,920	\$ 1,938,724	\$ (15,804)
<b>Student Activities Fund</b>				
Education:				
Instruction	\$ -	\$ -	\$ 528,752	\$ (528,752)
Total Student Activities Fund	\$ -	\$ -	\$ 528,752	\$ (528,752)
Total Discretely Presented Component Unit - School Board	\$ 38,449,279	\$ 39,986,979	\$ 39,400,616	\$ 586,363



## **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.

1-5

#### 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.

**COUNTY OF PAGE, VIRGINIA**

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:				
Net investment in capital assets	\$ 1,614,736	\$ 928,108	\$ 210,465	\$ (124,706)
Restricted	445,608	518,639	921,716	818,673
Unrestricted	<u>(4,324,176)</u>	<u>(3,435,256)</u>	<u>(5,403,758)</u>	<u>(10,999,476)</u>
Total governmental activities net position	\$ <u>(2,263,832)</u>	\$ <u>(1,988,509)</u>	\$ <u>(4,271,577)</u>	\$ <u>(10,305,509)</u>
Primary government:				
Net investment in capital assets	\$ 1,614,736	\$ 928,108	\$ 210,465	\$ (124,706)
Restricted	445,608	518,639	921,716	818,673
Unrestricted	<u>(4,324,176)</u>	<u>(3,435,256)</u>	<u>(5,403,758)</u>	<u>(10,999,476)</u>
Total primary government net position	\$ <u>(2,263,832)</u>	\$ <u>(1,988,509)</u>	\$ <u>(4,271,577)</u>	\$ <u>(10,305,509)</u>

Table 1

Fiscal Year					
2016	2017	2018	2018	2020	2021
\$ 2,255,849	\$ 2,205,669	\$ 935,016	\$ 910,687	\$ 1,201,467	\$ 4,764,062
741,443	2,810,507	-	-	-	6,039,897
<u>(12,606,528)</u>	<u>(15,768,259)</u>	<u>(11,049,988)</u>	<u>(8,655,053)</u>	<u>(6,926,519)</u>	<u>(9,494,150)</u>
\$ <u>(9,609,236)</u>	\$ <u>(10,752,083)</u>	\$ <u>(10,114,972)</u>	\$ <u>(7,744,366)</u>	\$ <u>(5,725,052)</u>	\$ <u>1,309,809</u>
\$ 2,255,849	\$ 2,205,669	\$ 935,016	\$ 910,687	\$ 1,201,467	\$ 4,764,062
741,443	2,810,507	-	-	-	6,039,897
<u>(12,606,528)</u>	<u>(15,768,259)</u>	<u>(11,049,988)</u>	<u>(8,655,053)</u>	<u>(6,926,519)</u>	<u>(9,494,150)</u>
\$ <u>(9,609,236)</u>	\$ <u>(10,752,083)</u>	\$ <u>(10,114,972)</u>	\$ <u>(7,744,366)</u>	\$ <u>(5,725,052)</u>	\$ <u>1,309,809</u>

**COUNTY OF PAGE, VIRGINIA**

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

	2012	2013	2014	2015
<b>Expenses</b>				
Governmental Activities:				
General government administration	\$ 2,256,222	\$ 2,833,213	\$ 2,306,937	\$ 2,423,301
Judicial administration	1,115,093	1,105,308	1,094,479	1,161,227
Public safety	7,072,258	7,520,179	8,695,178	8,550,584
Public works	1,530,469	2,384,891	4,283,275	2,647,595
Health and welfare	3,582,940	3,101,854	3,195,361	3,524,666
Education	11,437,383	11,606,179	12,664,109	13,107,117
Parks, recreation, and cultural	271,922	273,795	290,824	303,976
Community development	645,888	537,342	745,558	3,315,348
Interest on long-term debt	3,057,354	2,921,300	2,797,872	2,698,894
Bond issuance costs	-	-	-	-
Total governmental activities expenses	\$ 30,969,529	\$ 32,284,061	\$ 36,073,593	\$ 37,732,708
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services:				
General government administration	\$ 124,380	\$ 127,291	\$ 79,321	\$ 71,509
Judicial administration	96,469	127,832	110,567	111,285
Public safety	719,369	855,455	770,108	786,108
Public works	1,349,343	1,305,472	1,390,288	1,323,908
Health and welfare	20,589	9,645	14,240	6,787
Parks, recreation, and cultural	38,855	35,589	32,732	24,942
Operating grants and contributions	5,546,582	5,081,557	5,685,624	8,022,321
Total governmental activities program revenues	\$ 7,895,587	\$ 7,542,841	\$ 8,082,880	\$ 10,346,860
Net (expense) / revenue				
Governmental Activities	\$ (23,073,942)	\$ (24,741,220)	\$ (27,990,713)	\$ (27,385,848)

Table 2

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 2,613,493	\$ 2,350,004	\$ 2,644,872	\$ 2,809,655	\$ 3,249,721	\$ 5,237,076	
1,113,134	1,140,691	1,287,562	1,302,775	1,465,569	1,512,238	
8,555,808	8,669,850	8,882,301	9,757,334	9,781,353	11,032,972	
2,524,857	2,822,940	3,236,871	3,219,021	2,918,176	2,891,086	
3,542,736	3,931,959	3,779,627	3,801,920	4,413,248	4,405,873	
12,215,154	12,289,299	12,970,892	11,770,736	11,994,870	11,129,654	
303,900	317,432	335,016	353,747	301,015	378,063	
3,667,775	3,612,114	3,264,067	2,918,672	2,541,003	4,958,491	
2,579,296	2,504,871	2,394,247	2,263,372	2,125,932	2,125,383	
-	-	99,260	-	-	-	
\$ 37,116,153	\$ 37,639,160	\$ 38,894,715	\$ 38,197,232	\$ 38,790,887	\$ 43,670,836	
\$ 195,767	\$ 22,971	\$ 73,165	\$ 104,889	\$ 83,194	\$ 8,715	
88,133	86,574	83,445	84,902	71,952	74,022	
792,137	802,672	773,477	812,649	755,194	694,868	
1,390,504	1,452,965	1,518,841	1,713,847	1,943,638	2,387,101	
10,567	17,783	13,152	5,987	29,373	4,271	
28,352	29,423	33,939	35,421	24,508	17,464	
8,616,224	8,754,656	8,202,143	8,097,100	8,058,104	14,990,957	
\$ 11,121,684	\$ 11,167,044	\$ 10,698,162	\$ 10,854,795	\$ 10,965,963	\$ 18,177,398	
\$ (25,994,469)	\$ (26,472,116)	\$ (28,196,553)	\$ (27,342,437)	\$ (27,824,924)	\$ (25,493,438)	

**COUNTY OF PAGE, VIRGINIA**

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property taxes	\$ 19,396,791	\$ 19,586,968	\$ 20,239,090	\$ 19,813,686
Local sales and use taxes	1,432,754	1,424,298	1,386,698	1,478,959
Motor vehicle licenses taxes	319,477	312,916	316,256	332,612
Transient Occupancy Taxes	491,143	605,616	645,627	743,834
Meals Tax	237,664	269,595	217,163	272,757
Business Licenses	-	-	175,233	147,747
Tax on Recordation and Wills	119,169	151,932	163,513	136,311
Other Local Taxes	732,204	209,797	46,737	48,429
Unrestricted revenues from use of money and property	58,428	59,792	63,474	56,285
Miscellaneous	144,457	49,754	39,250	86,328
Grants and Contributions - Not Restricted	<u>1,809,987</u>	<u>2,345,875</u>	<u>2,414,604</u>	<u>2,349,089</u>
Total governmental activities	\$ <u>24,742,074</u>	\$ <u>25,016,543</u>	\$ <u>25,707,645</u>	\$ <u>25,466,037</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ <u><u>1,668,132</u></u>	\$ <u><u>275,323</u></u>	\$ <u><u>(2,283,068)</u></u>	\$ <u><u>(1,919,811)</u></u>

Table 2

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 20,735,519	\$ 21,317,725	\$ 22,444,117	\$ 22,855,773	\$ 22,963,280	\$ 24,633,848	
1,596,463	1,605,724	1,653,477	1,747,457	1,864,352	2,316,979	
316,043	442,855	460,835	504,913	504,894	489,809	
822,208	1,150,605	857,276	1,013,668	869,855	1,576,150	
283,245	371,091	273,953	354,730	262,182	276,152	
161,851	179,484	184,931	175,424	182,237	175,700	
150,271	172,219	184,778	171,588	218,689	324,144	
49,105	64,428	37,176	59,768	50,731	52,782	
32,357	46,985	94,215	156,640	160,818	59,325	
178,058	388,957	311,556	323,297	357,445	380,218	
<u>2,365,622</u>	<u>2,351,768</u>	<u>2,331,350</u>	<u>2,349,785</u>	<u>2,409,755</u>	<u>2,243,192</u>	
\$ <u>26,690,742</u>	\$ <u>28,091,841</u>	\$ <u>28,833,664</u>	\$ <u>29,713,043</u>	\$ <u>29,844,238</u>	\$ <u>32,528,299</u>	
\$ <u><u>696,273</u></u>	\$ <u><u>1,619,725</u></u>	\$ <u><u>637,111</u></u>	\$ <u><u>2,370,606</u></u>	\$ <u><u>2,019,314</u></u>	\$ <u><u>7,034,861</u></u>	



## COUNTY OF PAGE, VIRGINIA

### Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

*(accrual basis of accounting)*

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<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>
2012	19,396,791	1,432,754	491,143	319,477
2013	19,586,968	1,424,298	605,616	312,916
2014	20,239,090	1,386,698	645,627	316,256
2015	19,813,686	1,478,959	743,834	332,612
2016	20,735,519	1,596,463	822,208	316,043
2017	21,317,725	1,605,724	1,037,203	442,855
2018	22,444,117	1,653,477	857,276	460,835
2019	22,855,773	1,747,457	1,013,668	504,913
2020	22,963,280	1,864,352	869,855	504,894
2021	24,633,848	2,316,979	1,576,150	489,809

**Table 3**

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<b>Record- ation and Wills Tax</b>	<b>Meals Tax</b>	<b>Business License Tax</b>	<b>Total</b>
119,169	237,664	-	21,996,998
151,932	269,595	-	22,351,325
163,513	217,163	175,233	23,143,580
136,311	272,757	147,747	22,925,906
150,271	283,245	161,851	24,065,600
172,219	333,921	179,484	25,089,131
184,778	273,953	184,931	26,059,367
171,588	354,730	175,424	26,823,553
218,689	262,182	182,237	26,865,489
324,144	276,152	175,700	29,792,782

**COUNTY OF PAGE, VIRGINIA**

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund				
Unreserved	\$ -	\$ -	\$ -	-
Nonspendable	-	127,400	109,100	51,557
Assigned	33,401	39,390	44,848	29,268
Unassigned	<u>5,825,396</u>	<u>6,986,977</u>	<u>7,962,516</u>	<u>7,298,683</u>
Total general fund	\$ <u>5,858,797</u>	\$ <u>7,153,767</u>	\$ <u>8,116,464</u>	\$ <u>7,379,508</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Nonspendable				
Prepaid Items	-	-	-	-
Restricted, reported in:				
Debt Service	445,608	518,639	921,716	818,673
Capital projects funds	-	3,564,664	-	-
Committed, reported in:				
Parks and Recreation	68,063	80,892	91,582	100,034
Assigned, reported in:				
Capital projects funds	3,703,805	2,472,525	2,060,182	752,621
Emergency Services	<u>-</u>	<u>-</u>	<u>644</u>	<u>644</u>
Total all other governmental funds	\$ <u>4,217,476</u>	\$ <u>6,636,720</u>	\$ <u>3,074,124</u>	\$ <u>1,671,972</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					
2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	7,860	-	-	25,203	11,333
35,402	33,597	16,509	56,813	45,898	52,497
<u>5,671,302</u>	<u>7,986,584</u>	<u>9,429,392</u>	<u>11,297,422</u>	<u>14,002,502</u>	<u>18,667,651</u>
\$ <u>5,706,704</u>	\$ <u>8,028,041</u>	\$ <u>9,445,901</u>	\$ <u>11,354,235</u>	\$ <u>14,073,603</u>	\$ <u>18,731,481</u>
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-
-	-	-	-	-	-
13,843	-	-	-	-	-
741,443	815,711	-	-	-	-
-	1,994,796	206,729	141,309	-	6,039,897
95,251	118,949	134,000	145,758	156,123	158,432
209,572	(914,804)	-	-	209,365	217,865
<u>644</u>	<u>644</u>	<u>644</u>	<u>644</u>	<u>644</u>	<u>644</u>
\$ <u>1,060,753</u>	\$ <u>2,015,296</u>	\$ <u>341,373</u>	\$ <u>287,711</u>	\$ <u>366,132</u>	\$ <u>6,416,838</u>

COUNTY OF PAGE, VIRGINIA

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

	2012	2013	2014	2015
<b>Revenues</b>				
General property taxes	\$ 19,256,025	\$ 19,510,388	\$ 20,075,105	\$ 19,961,029
Other local taxes	3,332,411	2,974,154	2,951,227	3,160,649
Permits, privilege fees and regulatory licenses	162,688	249,634	147,891	193,298
Fines and forfeitures	91,632	124,325	106,746	106,910
Revenue from use of money and property	58,428	59,792	63,474	56,285
Charges for services	2,094,685	2,087,325	2,142,619	2,024,331
Miscellaneous	144,457	49,754	39,250	86,328
Intergovernmental:				
Commonwealth	6,024,312	6,251,815	6,740,066	6,724,642
Federal	1,332,257	1,175,617	1,360,162	3,646,768
Total revenues	\$ 32,496,895	\$ 32,482,804	\$ 33,626,540	\$ 35,960,240
<b>Expenditures</b>				
General government administration	\$ 2,039,067	\$ 2,102,193	\$ 2,041,202	\$ 2,428,333
Judicial administration	1,103,368	1,110,754	1,097,386	1,151,505
Public safety	7,252,991	7,556,394	8,824,594	8,593,685
Public works	2,437,670	2,403,072	2,005,315	2,229,313
Health and welfare	3,599,674	3,101,293	3,155,666	3,502,681
Education	9,116,517	9,049,489	8,970,471	9,385,334
Parks, recreation and cultural	271,698	272,914	291,338	300,817
Community development	643,068	537,342	741,485	3,284,697
Nondepartmental	138,650	104,938	182,281	368,134
Capital projects	314,935	1,674,799	3,651,838	1,486,480
Debt service:				
Principal	1,900,636	2,172,308	2,378,284	2,438,370
Interest and other fiscal charges	2,872,837	2,993,394	2,886,579	2,779,245
Bond issuance costs	-	-	-	-
Total expenditures	\$ 31,691,111	\$ 33,078,890	\$ 36,226,439	\$ 37,948,594
Excess (deficiency) of revenues over (under) expenditures	\$ 805,784	\$ (596,086)	\$ (2,599,899)	\$ (1,988,354)
Other financing sources (uses)				
Transfers in	\$ 2,349,910	\$ 778,424	\$ 619,712	\$ 768,523
Transfers out	(2,349,910)	(778,424)	(619,712)	(768,523)
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Capital leases	-	310,300	-	-
Issuance of lease revenue bonds	-	4,000,000	-	-
Total other financing sources (uses)	\$ -	\$ 4,310,300	\$ -	\$ -
Net change in fund balances	\$ 805,784	\$ 3,714,214	\$ (2,599,899)	\$ (1,988,354)
Debt service as a percentage of noncapital expenditures	15.59%	16.77%	15.83%	14.06%

Table 5

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 20,528,963	\$ 21,051,318	\$ 22,039,826	\$ 22,485,925	\$ 23,757,685	\$ 24,846,367
3,379,186	3,986,406	3,652,426	4,027,548	3,952,940	5,211,716
220,787	223,187	236,575	239,509	228,338	276,433
82,344	81,788	76,451	80,102	65,882	70,107
32,357	46,985	94,215	156,640	160,818	59,325
2,202,329	2,107,413	2,182,993	2,438,084	2,613,639	2,839,901
188,285	388,957	311,556	323,297	357,445	380,218
6,994,739	6,945,372	6,835,278	7,012,650	7,180,054	7,110,509
3,987,107	4,161,052	3,698,215	3,434,235	3,287,805	10,123,640
\$ 37,616,097	\$ 38,992,478	\$ 39,127,535	\$ 40,197,990	\$ 41,604,606	\$ 50,918,216
\$ 2,389,476	\$ 2,200,628	\$ 2,351,897	\$ 2,503,588	\$ 2,945,914	\$ 4,584,654
1,161,784	1,211,995	1,330,624	1,340,716	1,386,515	1,436,654
8,682,830	8,293,850	8,962,610	9,944,202	9,648,379	11,084,724
2,398,985	2,046,617	1,962,740	1,942,484	1,882,318	2,234,847
3,537,466	3,924,594	3,769,816	3,848,556	4,406,233	4,350,030
9,296,816	9,628,769	10,487,460	9,471,974	9,562,196	8,724,861
304,211	318,086	335,317	356,430	368,758	374,070
3,684,031	3,631,505	3,265,142	2,929,266	2,708,763	6,570,957
240,588	141,416	235,199	391,140	166,604	279,229
2,999,246	1,822,326	1,612,119	299,617	631,996	2,059,512
2,542,192	2,918,094	2,929,071	2,947,540	3,051,371	3,312,217
2,662,495	2,605,718	2,383,331	2,367,805	2,209,450	2,147,877
-	-	99,260	-	-	-
\$ 39,900,120	\$ 38,743,598	\$ 39,724,586	\$ 38,343,318	\$ 38,968,497	\$ 47,159,632
\$ (2,284,023)	\$ 248,880	\$ (597,051)	\$ 1,854,672	\$ 2,636,109	\$ 3,758,584
\$ 3,089,732	\$ 2,121,110	\$ 1,655,849	\$ 893,993	\$ 1,427,087	\$ 2,821,335
(3,089,732)	(2,121,110)	(1,655,849)	(893,993)	(1,427,087)	(2,821,335)
-	3,027,000	-	-	-	-
-	-	10,431,000	-	-	-
-	-	(10,331,740)	-	-	-
-	-	392,300	-	161,680	6,950,000
-	-	-	-	-	-
\$ -	\$ 3,027,000	\$ 491,560	\$ -	\$ 161,680	\$ 6,950,000
\$ (2,284,023)	\$ 3,275,880	\$ (105,491)	\$ 1,854,672	\$ 2,797,789	\$ 10,708,584
14.27%	14.94%	14.03%	14.03%	13.76%	12.75%

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

Fiscal Year	Property Tax	Local sales and use Tax	Transient Occupancy Tax	Motor Vehicle License Tax	Record-ation and Wills Tax	Meals Tax	Business License Tax	Total
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
2020	23,757,685	1,864,352	869,855	504,894	218,689	262,182	182,237	27,659,894
2021	24,846,367	2,316,979	1,576,150	489,809	324,144	276,152	175,700	30,005,301

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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
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
2020	2,049,859,325	196,035,860	23,751,610	98,851,971	796,380
2021	2,177,915,475	208,994,600	23,519,570	102,147,263	802,792

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>
\$	2,235,498,697	\$ 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%	10.55
	2,369,295,146	2,161,765,644	109.60%	9.36
	2,513,379,700	2,293,229,653	109.60%	9.36

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	
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	0.73	2.00	0.50	2.00	10.55
2020	0.73	4.40	0.73	1.50	0.50	1.50	9.36
2021	0.73	4.40	0.73	1.50	0.50	1.50	9.36

Source: County Commissioner of Revenue

(1) Per \$100 of assessed value

Principal Property Taxpayers  
Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2021		Fiscal Year 2012	
		2021 Assessed Valuation	% of Total Assessed Valuation	2012 Assessed Valuation	% of Total Assessed Valuation
KVK Precision Specialties	Manufacturing	\$ 10,660,430	0.35%	\$ 8,654,540	0.33%
Kontoor US LLC (VF Jeanswear)	Manufacturing	4,565,000	0.15%	4,234,440	0.16%
Masonite Corporation	Manufacturing	3,968,280	0.13%	2,794,710	0.11%
EMCO Enterprises LLC	Manufacturing	3,203,370	0.11%	3,621,200	0.14%
Comcast of CA MD PA VA WV LLC	Communications	2,225,450	0.07%	895,080	0.03%
DNC Parks & Resorts at Shenandoah	Tourism	2,032,870	0.07%	1,202,400	0.05%
Mountain View Resorts	Tourism	1,203,580	0.04%	312,200	0.01%
Walmart	Retail	913,950	0.03%	708,640	0.03%
Shenandoah Machine Shop	Manufacturing	609,070	0.02%	450,180	0.02%
Noah Turner Landscaping	Services	536,540	0.02%	133,500	0.01%
Fittry Cheryl Lynn (A-Team Construction)	Services	490,910	0.02%	411,250	0.02%
PE Hydro Generation	Energy	468,350	0.02%	368,310	0.01%
Gray Media Group (Gray Television)	Communications	81,630	0.00%	416,120	0.02%
		<u>\$ 30,959,430</u>	<u>1.02%</u>	<u>\$ 24,202,570</u>	<u>0.91%</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
2012	\$	18,716,329	\$ 17,595,707	94.01%	\$ 1,046,010	\$ 18,641,717	99.60%
2013		18,978,746	17,803,281	93.81%	1,099,776	18,903,057	99.60%
2014		19,152,140	18,063,097	94.31%	979,795	19,042,892	99.43%
2015		19,250,147	18,216,468	94.63%	896,932	19,113,400	99.29%
2016		19,852,376	18,739,739	94.40%	961,849	19,701,588	99.24%
2017		20,654,381	19,414,989	94.00%	1,036,487	20,451,476	99.02%
2018		21,311,251	20,114,593	94.38%	897,665	21,012,258	98.60%
2019		21,824,547	19,887,111	91.12%	1,477,479	21,364,590	97.89%
2020		22,443,377	21,013,604	93.63%	606,540	21,620,144	96.33%
2021		23,690,707	22,354,630	94.36%	-	22,354,630	94.36%

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					
	General Obligation Bonds	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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	7.11%	2,518
2018	41,199,702	15,572,683	352,625	57,125,010	6.79%	2,397
2019	39,028,423	14,832,940	278,904	54,140,267	6.02%	2,269
2020	36,779,948	14,077,337	356,088	51,213,373	5.47%	2,135
2021	34,448,737	13,371,259	6,993,957	54,813,953	5.46%	2,312

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>
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%	2,517
2018	56,772,385	-	56,772,385	2.43%	2,382
2019	53,861,363	-	53,861,363	2.29%	2,258
2020	50,857,285	-	50,857,285	2.15%	2,121
2021	47,819,996	-	47,819,996	1.90%	2,017

(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, 2021

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage</b>	<b>Amount Applicable to Primary Government</b>
Town of Luray, Virginia	\$ 741,768	20.03%	\$ 148,551
County of Page, Virginia direct debt			54,813,953
			\$ 54,962,504

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

<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>Unemploy- ment Rate</b>
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	23,665	838,746,763	35,443	44.7	3,438	4.80%
2018	23,833	840,846,115	35,281	44.7	3,438	5.30%
2019	23,857	899,695,184	37,712	44.7	3,332	5.30%
2020	23,983	936,368,269	39,043	45.1	3,354	9.00%
2021	23,709	1,003,056,663	42,307	45.4	3,213	4.90%

Prior year estimates are updated as information becomes available.

Principal Employers  
Current Year and Nine Years Prior

Employer	Fiscal Year 2021		Fiscal Year 2012	
	Employees	Rank	Employees	Rank
Page County School Board	500 to 999	1	500 to 999	1
Emco Enterprises	100 to 249	2	100 to 249	7
Valley Health System	100 to 249	3	100 to 249	6
Masonite Corp.	100 to 249	4	100 to 249	8
County of Page	100 to 249	5	100 to 249	7
Wal-Mart	100 to 249	6	100 to 249	5
Food Lion	100 to 249	7	50 to 99	-
Luray Caverns	50 to 99	8	50 to 99	10
U.S. National Park Service	50 to 99	9	50 to 99	9
Skyview Springs	50 to 99	10	50 to 99	-
VF Jeanswear	50 to 99	11	100 to 249	2
VDOT	20 to 49	-	50 to 99	8
DNC P&R at Shenandoah	20 to 49	-	100 to 249	4

Source: Virginia Employment Commission, Virginia Labor Market Information

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government administration	28	26	27	27	29	28	28	28	32	30
Judicial administration	12	12	12	11	11	11	11	11	12	13
Public safety:										
Sheriff's department	57	58	60	57	57	58	58	58	64	63
Fire and rescue	6	5	10	10	12	11	11	14	16	16
Building inspections	2	2	2	2	2	2	2	2	2	2
Animal shelter	2	2	2	2	2	2	2	2	3	3
Animal control	0	0	2	2	2	2	2	2	2	2
Emergency communications	10	10	10	9	9	11	11	11	15	12
Public works:										
General maintenance	3	3	3	3	3	3	2	3	3	3
Landfill	11	14	14	14	13	12	12	12	12	13
Health and welfare:										
Children's Services	1	1	1	0	1	0	0	0	0	0
Culture and recreation:										
Parks and recreation	1	1	1	1	1	1	1	1	1	1
Community development:										
Planning & Community Development	3	3	4	3	3	3	3	3	3	3
Economic Development	0	0	1	1	1	1	1	1	1	2
Totals	138	136	137	149	142	146	145	148	166	163

Source: Individual County departments

COUNTY OF PAGE, VIRGINIA

Table 17

Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety										
Sheriff's department:										
Physical arrests										
Traffic violations/arrests	1502	1463	1669	912	784	1394	1428	782	487	1604
Civil papers	13463	14611	14771	14790	14452	14720	15020	15359	15089	13146
Fire and rescue:										
Number of calls answered	4808	5121	5193	5280	5586	6075	4400	4117	4564	4713
Building inspections:										
Permits issued	312	332	276	321	408	405	456	385	399	493
Animal control:										
Number of calls answered	1483	1393	1310	1144	1310	1434	1439	1532	1233	*
Public works										
Landfill:										
Refuse collected (tons/day)	146.580	149.301	155.029	146.425	153.323	132.092	159.240	145.223	158.648	177.879
Recycling (tons/day)	3.935	3.713	4.614	2.926	3.979	3.341	5.870	4.934	5.387	9.145
Health and welfare										
Department of Social Services:										
Caseload	7663	7358	7239	6671	6337	6666	6658	6204	6831	7405
Culture and recreation										
Parks and recreation:										
Youth sports participants	977	898	849	789	779	689	681	654	504	*
Community development										
Planning:										
Zoning permits issued	211	196	177	194	195	260	294	230	272	304
Component Unit - School Board										
Education:										
School enrollment	3669	3624	3541	35106	3459	3438	3438	3332	3354	3213
Number of teachers	317	303	303	295	294	285	282	286	270	272
Local expenditures per pupil	2756	2942	3005	3121	2958	3057	3059	3369	3259	3864

Source: Individual County departments

\* Information unavailable

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	8	8	8	8	8	8	9	9	9	9
Public safety										
Sheriff's department:										
Patrol units	69	69	69	69	69	71	74	74	69	72
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										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	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	11	12
Equipment	14	14	14	14	15	15	15	15	17	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	7	7
Culture and recreation										
Parks and recreation:										
Vehicles	1	1	1	1	1	1	1	1	0	0
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	10	10	10	10	10
School buses	84	84	84	84	84	84	88	88	83	62

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, 2021, 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 31, 2021.

**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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

## 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 31, 2021





ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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

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**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, 2021. 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 \$1,062,205 in federal awards which is not included in the schedule of federal awards during the year ended June 30, 2021. 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.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion of each major federal program is not modified with respect to this matter.

The County of Page, Virginia's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Page, Virginia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **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, 2021.

## **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. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

The County of Page, Virginia's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Page, Virginia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
December 31, 2021

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards  
Primary Government and Discretely Presented Component Unit School Board  
Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Pass-through 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	Not available	\$ 305,997	\$ -
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Foster Care - Title IV-E	93.658	Not available	\$ 159,995	\$ -
Adoption Assistance	93.659	Not available	247,137	-
Temporary Assistance for Needy Families	93.558	Not available	174,221	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	Not available	386	-
Low-Income Home Energy Assistance	93.568	Not available	28,337	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not available	105	-
Social Services Block Grant	93.667	Not available	148,256	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not available	1,785	-
Adoption and Legal Guardianship Incentive Payments	93.603	Not available		-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Not available	10,408	-
Medicaid Cluster:				
Medical Assistance Program	93.778	Not available	228,051	-
Children's Health Insurance Program	93.767	Not available	2,862	-
Child Care Development Fund Cluster:				
Child Care - Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not available	36,832	-
Total Department of Health and Human Services			\$ 1,038,375	\$ -
Department of Housing and Urban Development:				
Pass Through Payments:				
Department of Housing and Community Development:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	HCD50790	\$ 563,357	\$ -
Department of Justice:				
Pass Through Payments:				
Department of Criminal Justice Services:				
Bullet Proof Vest Partnership Program	16.607	Not Available	\$ 9,587	\$ -
Public Safety Partnerships and Community Policing Grants	16.710	Not Available	109,194	-
Crime Victim Assistance	16.575	21-W3035VW19	46,631	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	20-A5121CE20	21,115	-
Comprehensive Opioid Stimulus and Substance Abuse Program	16.838	Not Available	45,018	-
Drug Court Discretionary Grant Program	16.585	Not Available	23,001	-
ATF Overtime Grant	16.000	Not Available	20,400	-
Subtotal			\$ 274,946	\$ -
Total Department of Justice			\$ 274,946	\$ -
Department of Labor:				
Pass Through Payments:				
Virginia Community College System:				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult Program	17.258	LWDA 4-20-03	\$ 68,547	\$ -
WIOA Adult Program	17.258	LWDA 4-19-05	607,276	-
WIOA Adult Program	17.258	SECURE-4-20-01	1,411	-
Subtotal WIOA Adult Program			\$ 677,234	\$ -
WIOA Dislocated Worker Formula Grants	17.278	LWDA 4-20-03	\$ 24,709	\$ -
WIOA Dislocated Worker Formula Grants	17.278	LWDA 4-19-05	218,163	-
COVID19 WIOA Dislocated Worker Formula Grants	17.278	RR COVID 4-19-01	7,786	-
WIOA Planning Grant	17.278	LWDA 4 PLAN 4-18-01	10,000	-
Subtotal WIOA Dislocated Worker Formula Grants			\$ 260,658	\$ -
WIOA Youth Activities	17.259	LWDA 4-20-04	\$ 10,464	\$ -
WIOA Youth Activities	17.259	LWDA EEI 4-18-01	389,308	-
WIOA Youth Activities	17.259	LWDA 4-19-05	432,372	-
Subtotal WIOA Youth Activities			\$ 832,144	\$ -
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			\$ 1,770,036	\$ -
Total Department of Labor			\$ 1,770,036	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Management:				
Homeland Security Grant Program	97.067	202008026693	\$ 1,826	\$ -
Emergency Management Performance Grant	97.042	202009026011	4,449	-
Total Department of Homeland Security			\$ 6,275	\$ -

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
Primary Government and Discretely Presented Component Unit School Board  
Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Pass-through to Subrecipients
Department of Transportation: Pass Through Payments: Department of Motor Vehicles: Alcohol Open Container Requirements	20.607	154AL-2020-50145-20145	\$ 12,902	\$ -
Election Assistance Commission: Pass Through Payments: Department of Elections: COVID-19 HAVA Election Security Grants	90.404	Not Available	37,551	-
Department of Treasury: COVID-19 Coronavirus Relief Fund	21.019	Not Available	\$ 5,924,342	\$ 1,539,094
Total Expenditures of Federal Awards - Primary Government			\$ 9,933,781	\$ 1,539,094
<b>COMPONENT UNIT SCHOOL BOARD:</b>				
Department of Agriculture: Pass Through Payments: Child Nutrition Cluster: Department of Agriculture: Commodities-School Lunch Summer Food Service Program for Children Total Child Nutrition Cluster	10.555 10.559	Not Available APE603030000	153,129 1,980,232 2,133,361	- - -
Child and Adult Food Care Program	10.558	APE700270000	220,886	-
Forest Service Schools and Roads Cluster: Schools and Roads-Grants to States	10.665	APE438410000	21,225	-
Total Department of Agriculture			\$ 2,375,472	\$ -
Department of Education: Pass Through Payments: Department of Education: Title I Grants to Local Educational Agencies School improvement Grants Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act: Governor's Emergency Education Relief Fund Elementary and Secondary School Emergency Relief Fund Subtotal Education Stabilization Fund	84.010 84.377 84.425D 84.425C	APE429010000 APE43040000 APE60177000 APE60177000	\$ 969,232 31,725 135,922 715,155 851,077	\$ - - - - -
Education Technology Cluster Education technology state grants Title V-Rural Education Twenty-First Century Community Learning Centers	84.318 84.358 84.287	Not Available Not Available APE43481000 APE60565000	67,460 73,003	- -
Special Education (IDEA) Cluster: Special Education - Grants to States Special Education - Preschool Grants Total Special Education (IDEA) Cluster	84.027 84.173	APE430710000 APE625210000	\$ 589,361 14,412 603,773	\$ - - -
Career and Technical Education Basic Grants to States Student Support and Academic Enrichment Program Supporting Effective Instruction State Grants	84.048 84.424 84.367	APE606310000 APE602810000 APE600220000	116,642 59,711 115,519	- - -
Total Department of Education			\$ 2,888,142	\$ -
Department of Health and Human Services: Pass Through Payments: Department of Education: Temporary Assistance for Needy Families	93.558	Not available	60,813	-
Department of Treasury: Pass Through Payments: Department of Accounts: COVID-19 Coronavirus Relief Fund	21.019	Unavailable	\$ 560,159	\$ -
Total Expenditures of Federal Awards - Component Unit School Board			\$ 5,884,586	\$ -
Total Expenditures of Federal Awards - Reporting Entity			\$ 15,818,367	\$ 1,539,094

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
Primary Government and Discretely Presented Component Unit School Board  
Year Ended June 30, 2021

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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, 2021. 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, 2021, the County had food commodities totaling \$34,466 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	\$ 7,009,232
Department of the Interior-Payment in Lieu of Taxes	(189,859)
Special Revenue Funds:	
Workforce Investment Act Fund	1,770,036
Comprehensive Services Fund	7,007
Virginia Public Assistance Fund	1,337,365
Total primary government	<u>\$ 9,933,781</u>
Discretely presented component unit - School Board:	
School operating fund	\$ 3,521,869
School cafeteria fund	2,362,717
Total discretely presented component unit - School Board	<u>\$ 5,884,586</u>
Total federal expenditures per the Schedule of Expenditures of Federal awards	<u>\$ 15,818,367</u>

COUNTY OF PAGE, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021

**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?   x   yes     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)?   x   yes     no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425C	..... Governor's Emergency Education Relief Fund
84.425D	..... Elementary and Secondary School Emergency Relief Fund
21.019	..... COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   x   yes     no

**COUNTY OF PAGE, VIRGINIA**

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2021

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**Section II-Financial Statement Findings**

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None

**Section III-Federal Award Findings and Questioned Costs**

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**2021-001 Compliance Finding**

Criteria: Per the Office of Management and Budget Compliance Supplement, Coronavirus Relief Fund expenditures reported on the recipient's quarterly Financial Progress Report submission should be supported by the data in the prime recipient's accounting system.

Condition: During our audit, we observed that \$314,403 in expenditures reported on the quarterly Financial Progress report had not been expended.

Cause: Project was reported as approved expenditures; however, vendors and contractors working on project did not perform required tasks and did not complete the project in a timely manner.

Effect: \$314,403 was reported for broadband construction on Quarterly Financial Progress report but was not expended.

Questioned Costs: \$314,403 was reported for broadband construction but was not expended.

Recommendation: All CRF expenditures per the general ledger should be reconciled to the Quarterly Financial Performance Reports to insure accuracy of reporting.

Management's Response: Management will reconcile CRF expenditures per the general ledger to the Quarterly Financial Performance Reports to insure accuracy of reporting. Additionally, the \$314,403 of unexpended funds will be returned to the Virginia Department of Accounts.

**Section IV-Status of Prior Year Audit Findings and Questioned Costs**

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None