

# COUNTY OF PAGE, VIRGINIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED  
JUNE 30, 2020

**COUNTY OF PAGE, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2020**

Prepared by  
Finance Department  
Page County, Virginia

**COUNTY OF PAGE, VIRGINIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2020**

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**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

	<b><u>Page</u></b>
Letter of Transmittal .....	i – i (f)
GFOA Certificate of Achievement .....	ii
Organizational Chart .....	iii
Directory of Principal Officials .....	iv

**FINANCIAL SECTION**

Independent Auditors' Report .....	1-3
Management's Discussion and Analysis .....	4-9

**Basic Financial Statements:**

Government-wide Financial Statements:

Exhibit 1	Statement of Net Position .....	10
Exhibit 2	Statement of Activities .....	11-12

Fund Financial Statements:

Exhibit 3	Balance Sheet — Governmental Funds .....	13
Exhibit 4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	14
Exhibit 5	Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds .....	15
Exhibit 6	Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	16
Exhibit 7	Statement of Fiduciary Net Position — Fiduciary Funds .....	17

Notes to the Financial Statements .....	18-81
---	-------

**Required Supplementary Information:**

Exhibit 8	General Fund — Schedule of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual .....	82
Exhibit 9	Schedule of Changes in Net Pension Liability and Related Ratios Primary Government—Pension Plans .....	83
Exhibit 10	Schedule of Changes in Net Pension Liability and Related Ratios Component Unit School Board (nonprofessional) —Pension Plans .....	84
Exhibit 11	Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan—Pension Plans .....	85

**COUNTY OF PAGE, VIRGINIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

	<b><u>Page</u></b>
<b>Required Supplementary Information: (Continued)</b>	
Exhibit 12      Schedule of Employer Contributions — Pension Plans.....	86
Exhibit 13      Notes to Required Supplementary Information — Pension Plans.....	87
Exhibit 14      Schedule of Changes in Total OPEB Liability and Related Ratios Primary Government .....	88
Exhibit 15      Schedule of Changes in Total OPEB Liability and Related Ratios Component Unit School Board .....	89
Exhibit 16      Notes to Required Supplementary Information — OPEB.....	90
Exhibit 17      Schedule of County's Share of Net OPEB Liability Group Life Insurance (GLI) Program .....	91
Exhibit 18      Schedule of School Board's Share of Net OPEB Liability Group Life Insurance (GLI) Plan .....	92
Exhibit 19      Schedule of Employer Contributions Group Life Insurance (GLI) Plan .....	93
Exhibit 20      Notes to Required Supplementary Information Group Life Insurance (GLI) Plan .....	94
Exhibit 21      Schedule of County School Board's Share of Net OPEB Liability Teacher Employee Health Insurance Credit (HIC) Plan.....	95
Exhibit 22      Schedule of Employer Contributions Teacher Employee Health Insurance Credit (HIC) Plan.....	96
Exhibit 23      Notes to Required Supplementary Information Teacher Employee Health Insurance Credit (HIC) Plan.....	97
<b>Other Supplementary Information:</b>	
Exhibit 24      Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual .....	98
Exhibit 25      Combining Balance Sheet Nonmajor Special Revenue Funds.....	99
Exhibit 26      Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds.....	100
Exhibit 27      Schedule of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual Nonmajor Special Revenue Funds.....	101-103

**COUNTY OF PAGE, VIRGINIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

**Other Supplementary Information: (continued)**

	<b><u>Page</u></b>
Exhibit 28 Combining Statement of Fiduciary Net Position Fiduciary Funds .....	104
Exhibit 29 Combining Statement of Changes in Assets and Liabilities Agency Funds .....	105
Exhibit 30 Combining Balance Sheet Discretely Presented Component Unit School Board .....	106
Exhibit 31 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds Discretely Presented Component Unit — School Board .....	107
Exhibit 32 Schedule of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual Discretely Presented Component Unit — School Board .....	108-109
Exhibit 33 Statement of Net Position Internal Service Fund Discretely Presented Component Unit – School Board .....	110
Exhibit 34 Statement of Revenues, Expenses, and Changes in Net Position Internal Service Fund Discretely Presented Component Unit — School Board .....	111
Exhibit 35 Statement of Cash Flows Internal Service Fund Discretely Presented Component Unit — School Board .....	112

**Supporting Schedules**

Schedule 1 Schedule of Revenues — Budget and Actual — Governmental Funds .....	113-116
Schedule 2 Schedule of Expenditures — Budget and Actual — Governmental Funds .....	117-120

**STATISTICAL SECTION**

	<b><u>Page</u></b>
Table 1 Net Position by Component.....	121-122
Table 2 Changes in Net Position .....	123-126
Table 3 Governmental Activities Tax Revenues by Source .....	127

**COUNTY OF PAGE, VIRGINIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2020**

---

**TABLE OF CONTENTS (CONTINUED)**

<b>STATISTICAL SECTION (CONTINUED)</b>
--

	<b><u>Page</u></b>
Table 4 Fund Balances of Governmental Funds .....	128-129
Table 5 Changes in Fund Balances of Governmental Funds .....	130-131
Table 6 General Governmental Tax Revenues by Source .....	132
Table 7 Assessed Value and Estimated Actual Value of Taxable Property .....	133-134
Table 8 Property Tax Rates .....	135
Table 9 Principal Property Taxpayers .....	136
Table 10 Property Tax Levies and Collections .....	137
Table 11 Ratios of Outstanding Debt by Type .....	138
Table 12 Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita .....	139
Table 13 Direct and Overlapping Governmental Activities Debt .....	140
Table 14 Demographic and Economic Statistics .....	141
Table 15 Principal Employers .....	142
Table 16 Full-time Equivalent County Government Employees by Function .....	143
Table 17 Operating Indicators by Function .....	144
Table 18 Capital Asset Statistics by Function .....	145

<b>COMPLIANCE SECTION</b>
---------------------------

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 <i>Government Auditing Standards</i> .....	146-147
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	148-149
Schedule of Expenditures of Federal Awards .....	150-152
Schedule of Findings and Questioned Costs .....	153

## **INTRODUCTORY SECTION**





## COUNTY OF PAGE

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

### Board of Supervisors:

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

### County Administrator:

Amity Moler

**January 12, 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 Comprehensive Annual Financial Report (CAFR) for the County of Page (County) for the fiscal year ended 2020. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's activities have been included.

The accounting firm of Robinson, Farmer, Cox Associates, Certified Public Accountants, has audited the County's financial statements. The goal of the independent audit is to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and evaluating the overall financial statement presentation. This examination was conducted using guidelines set forth by Government Auditing Standards Board and the Specification for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts. Based upon this audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

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

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



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

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

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

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

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

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

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

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

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 declined to 9.0% by the end of the fiscal year. Since then, unemployment has declined further to less than 6.0%. Due to business closures caused by the pandemic, revenue from transient occupancy and local meals taxes declined compared to a year ago. Despite the pandemic and its economic impact, the financial condition of Page County has remained steady. There was slight growth in property and local sales tax collections in a year where tax rates were not increased. Overall, in Fiscal Year 2020, the County improved its net position while keeping total expenses about the same.

### **Major Initiatives and Goals**

The Mission Statement of Page County is as follows:

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

During Fiscal Year (FY) 2020, the County had to balance its tourism revenue goals with implementing necessary COVID-19 precautions. In addition to the County's precautionary measures, many travelers delayed or cancelled their vacations to help prevent the spread of COVID-19. This caused a 14% decline in revenue from transient occupancy taxes compared to the prior year. Although this decline is significant, property tax revenue grew by \$1,271,760, which greatly exceeded the loss from the tourism decline. As more governments lift travel restrictions and vaccines are deployed, the County expects its tourism industry to recover quickly and continue its robust growth.

Throughout the fiscal year, the County continued to focus on its goal of improving the profitability of its sanitation and waste removal services. To achieve more profitability, the County entered into a contract with Rappahannock County that allowed citizens from Rappahannock to bring their solid waste to Page County's Battle Creek Landfill. The additional revenue from Rappahannock's citizens allowed Page County to reduce its landfill's tipping fee from \$60 to \$30, making it more affordable. Even with the tipping fee cut in half, Page County's sanitation and waste removal services revenue increased from \$1,713,847 in FY 2019 to \$1,943,638 in FY 2020. This allowed the department's profits to increase from \$125,127 in FY 2019 to \$420,460 in FY 2020. FY 2020 was the first in which the department's profits covered its debt service costs, making the department entirely profitable for the first time.

In FY 2020, the County Administrator began overseeing the Emergency Call Center (ECC) department, which was previously under the supervision of the Sheriff. Throughout the year, the ECC department focused on adding additional training software and programs for its personnel. Even with the new training packages and an increase in cell tower rent charges, the department's total expenditures for the fiscal year were less than the budgeted amounts.

During the year, the County began a year-long renovation of its historic courthouse. Additionally, the County reissued a request for proposal (RFP) for a new public safety radio system. A contract has been awarded, and the County now plans to begin its Next Generation 911 project in FY 2021. The new radio system will reduce dead zones and increase communication capabilities for County, fire, rescue, law enforcement, and school system employees.

## **Financial Information**

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

### **Single Audit**

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

As a part of the County's single audit, described earlier, tests are made to determine the adequacy of the system of internal control, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 2020 provided no instances of material weaknesses in the system of internal control and no violations of applicable laws and regulations.

### **Budgeting Controls**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Governmental funds utilize the current financial resources measurement focus and the modified accrual basis of accounting. Revenues and related assets are recorded when measurable and available to finance operations during the year. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Proprietary and Fiduciary Funds use the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

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

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

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

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

### **Relevant Financial Policies**

The County of Page, Virginia has adopted a comprehensive set of financial policies. The County has a policy that requires the adoption of a balance annual operating budget (i.e., estimated revenues equal to appropriations and transfers to other funds). For Fiscal Year 2020, no carryover funds were utilized in order to balance the adopted budget. Several appropriations, as they related to restricted sources of funds and our component unit, re-appropriated carryover funds, but none were required to balance the budget. The County also has a policy in place to maintain a 15% Fund Balance in order to not only meet our debt covenants, but remain agile and adaptive in the current economic climate.

## **Other Information**

### **Independent Audit**

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

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Page, Virginia, for its comprehensive annual financial report for the fiscal year ending June 30, 2019.

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

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

### **Acknowledgments**

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

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

Sincerely,

A handwritten signature in 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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

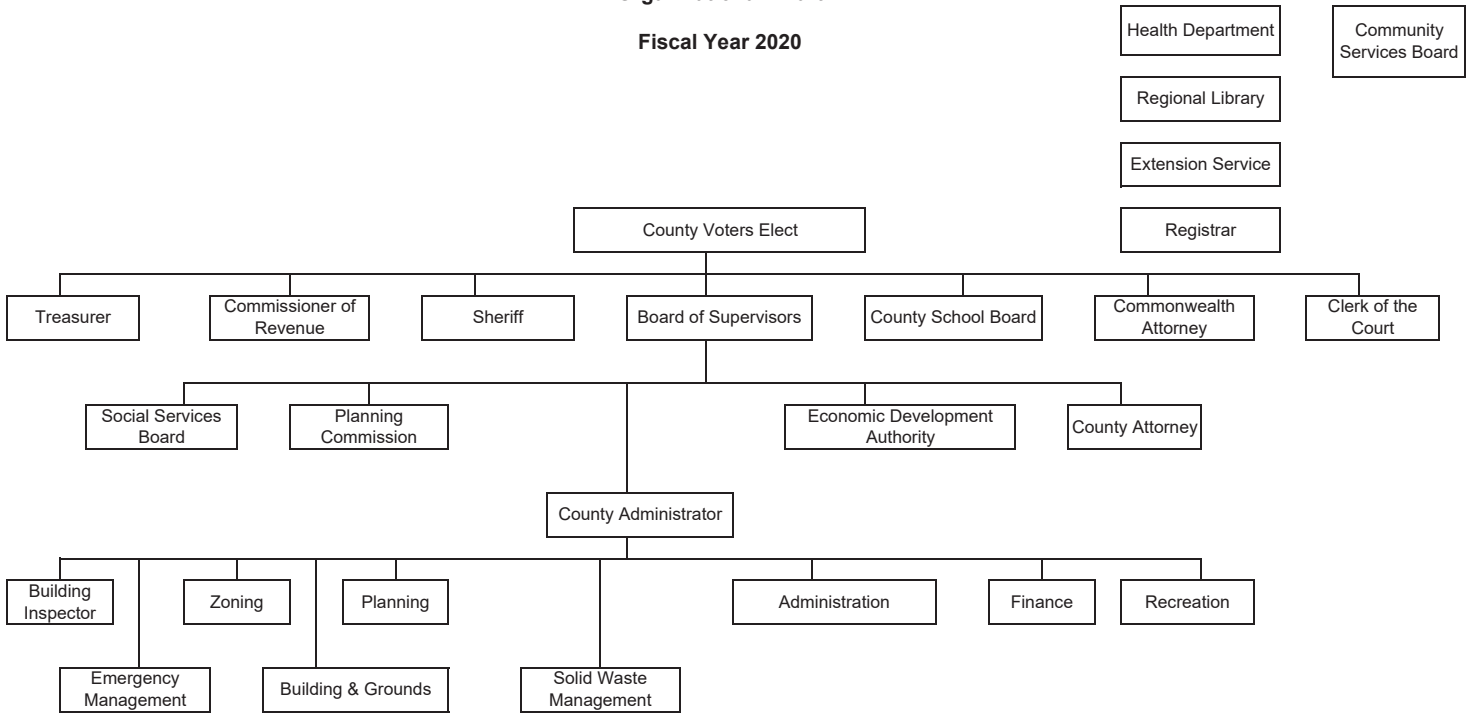
June 30, 2019

*Christopher P. Morrell*

Executive Director/CEO

County of Page, Virginia  
Organizational Chart  
Fiscal Year 2020

State Regional Agencies





## COUNTY OF PAGE, VIRGINIA

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### BOARD OF SUPERVISORS

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Morgan Phenix, Chairman

Mark Stroupe  
Allen Louderback  
Jeff Vaughn

Larry Foltz  
D. Keith Guzy, Jr.

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 & Domestic relations District Court.....	Rachel E. Figura
Clerk of the Circuit Court.....	C. Grayson Markowitz
Commonwealth's Attorney.....	Kenneth L. Agler II
Commissioner of the Revenue.....	Rebecca Smith
Treasurer.....	Penny Gray
Sheriff.....	Chad Cubbage
Superintendent of Schools.....	Wendy Gonzalez
Director of Department of Social Services.....	Patricia C. Koontz

### SCHOOL BOARD

---

Jason Scott Breeden

Jackie Sullivan-Smoot, Vice Chairman  
Rolf Gubler  
Amy Painter

Tommy Lansberry  
Duane Painter  
Linda Breeden-Wallace, Clerk

### BOARD OF SOCIAL SERVICES

---

Ted Booker, Chairman

Irma Housden  
Chris Ponn

Jennifer Foltz

## **FINANCIAL SECTION**



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**Independent Auditors' Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Page, Virginia, as of and for the year ended June 30, 2020, 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, 2020, 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, 82, 83-97 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2020, on our consideration of County of Page, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Page, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Page, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
January 8, 2020

## **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, 2020.

### **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 \$(5,725,052). Of this amount, \$(6,926,519) was unrestricted. The School Board's net position was \$(6,540,259) of which \$(36,504,749) is unrestricted.

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,439,735, an increase of \$2,797,789 in comparison to the prior year. \$14,002,502 is available for spending at the government's discretion (unassigned fund balance).

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

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

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

### **Government-wide Financial Statements**

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

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

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

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

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

## **Fund Financial Statements**

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

### **Governmental Funds**

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

### **Proprietary Funds**

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

Previously, the County of Page had one internal service fund, which was retained for purposes of the school board component unit: Health Insurance Fund. The Health Insurance Fund accounted for insurance premiums paid by the School Board for all departments. In November 2019, the School Board terminated the Health Insurance Fund. Please see Note 17 of this report for additional information.

### **Fiduciary Funds**

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



## Notes to the Financial Statements

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

### Government-wide Financial Analysis

As previously noted, net position may serve as a useful indicator of a government's financial position. The County of Page's assets failed to exceed its liabilities and deferred inflows of resources by \$(5,725,052) 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's Net Position</b>			
		<b>2020</b>	<b>2019</b>
Current and Other Assets	\$	34,928,839	\$ 30,486,229
Capital Assets		42,388,840	44,820,954
Total Assets	\$	<b>77,317,679</b>	<b>\$ 75,307,183</b>
Pension Related Items	\$	1,586,881	\$ 993,443
OPEB Related Items		259,168	93,751
Total Deferred Outflows	\$	<b>1,846,049</b>	<b>\$ 1,087,194</b>
Long Term Liabilities	\$	65,553,546	\$ 67,875,995
Other Liabilities		6,505,427	4,427,018
Total Liabilities	\$	<b>72,058,973</b>	<b>\$ 72,303,013</b>
Deferred Revenue-Property Taxes	\$	11,075,004	\$ 10,760,502
Items Related to Net Pension Liability		540,863	896,228
OPEB Related Items		1,213,940	179,000
Total Deferred Inflows	\$	<b>12,829,807</b>	<b>\$ 11,835,730</b>
Net Investment in Capital Assets	\$	1,201,467	\$ 910,687
Restricted		-	-
Unrestricted		(6,926,519)	(8,655,053)
Total Net Position	\$	<b>(5,725,052)</b>	<b>\$ (7,744,366)</b>

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

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

At the end of the fiscal year, the County was able to report a smaller negative unrestricted net position, lower liabilities, higher deferred outflows, and higher deferred inflows. The decrease in total net position was primarily caused by the increase in cash and deferred outflows.

## **Governmental Activities**

Governmental activities have increased the County's net position by \$2,019,314 due in large part to avoiding expenditure growth. Total expenditures increased by a small 1.6%.

<b>Revenues:</b>		<b>2020</b>		<b>2019</b>
Program Revenues:				
Charges for Services	\$	2,907,859	\$	2,757,695
Operating Grants and Contributions		8,058,104		8,097,100
General Revenues:				
General Property Taxes		22,963,280		22,855,773
Other Local Taxes		3,952,940		4,027,548
Use of Money and Property		160,818		156,640
Miscellaneous		357,445		323,297
Grants and Cont. Not Restricted		2,409,755		2,349,785
Total Revenues	\$	<b>40,810,201</b>	\$	<b>40,567,838</b>
<b>Expenses:</b>				
General Government	\$	3,249,721	\$	2,809,655
Judicial Administration		1,465,569		1,302,775
Public Safety		9,781,353		9,757,334
Public Works		2,918,176		3,219,021
Health and Welfare		4,413,248		3,801,920
Education		11,994,870		11,770,736
Parks, Recreation, and Cultural		301,015		353,747
Community Development		2,541,003		2,918,672
Interest on Long-Term Debt		2,125,932		2,263,372
Bond Issuance Cost		-		-
Total Expenses	\$	<b>38,790,887</b>	\$	<b>38,197,232</b>
Changes in Net Position	\$	2,019,314	\$	2,370,606
Net Position, Beginning		(7,744,366)		(10,114,972)
Net Position, Ending	\$	<b>(5,725,052)</b>	\$	<b>(7,744,366)</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 \$14,439,735, which is an increase of \$2,797,789 over the prior year. Unassigned fund balance increased \$2,705,080 over the period measured. The general fund balance increased \$2,719,368 primarily due to a \$1.2 million increase in property tax and \$200,000 increase in landfill revenues. The capital projects fund was supported by a transfer from the general fund in the amount of \$538,372 and its fund balance increased \$68,056.

The general fund is the chief operating fund of the County. As of June 30, 2020, the total fund balance was \$14,073,603, of which \$14,002,502 was unassigned.

### **General Fund Budgetary Highlights**

Actual revenues received exceeded the original budget by \$1,850,962 mainly due to increased property tax revenues. The difference between the original expenditure budget and actual expenditures totaled \$1,045,224 less than budgeted appropriations. This was mostly caused by education expenditures coming in under budget and a delay of implementing a new public safety radio system.

### **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 and major subsystems, machinery and equipment, and construction in process. Governmental capital assets decreased slightly from the prior year, which was primarily due to a natural curve of depreciation. Additionally, not many high value assets were added in this current fiscal year, as opposed to prior years.

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

<b>Governmental Activities</b>	<b>2020</b>	<b>2019</b>
Land	\$ 1,970,464	\$ 1,970,464
Buildings and Systems	38,876,624	41,632,491
Machinery and Equipment	1,273,902	1,142,999
Construction in Progress	267,850	75,000
<b>Totals</b>	<b>\$ 42,388,840</b>	<b>\$ 44,820,954</b>

Additional information on the County's assets can be found in the notes (Note 7) 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 our 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 \$356,088 of these at the end of the fiscal year. The County continues to see the impact of GASB Statement No. 68, the new 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, 2020**

<b>Governmental Activities</b>	<b>2020</b>	<b>2019</b>
General Obligation Bonds	\$ 36,345,347	\$ 38,556,619
Revenue Bonds	14,077,337	14,832,940
Premiums on Bond Issuance	434,601	471,804
Capital Leases	356,088	278,904
Landfill Closure/Post-Closure	7,726,438	7,241,931
Net Pension Liability	3,107,343	2,120,394
Net OPEB Obligation	2,782,687	3,655,000
Compensated Absences	723,705	718,403
<b>Total Outstanding Debt</b>	<b>\$ 65,553,546</b>	<b>\$ 67,875,995</b>

Additional information on the County's long-term debt can be found in the notes (Note 12) to the financial statements.

## **Economic Factors and Next Year's Budgets**

As of the end of this reporting period, unemployment was at 9.0% for Page County, which is an increase of 5.7% compared to a year ago. This is higher in comparison with the state's unemployment rate of 8.2% for the same period, and it is below the national rate of 11.2%. This increase is likely due to the COVID-19 pandemic, and these factors will be considered when preparing the County's budget and future plans for expenditures.

## **Requests for Information**

This financial report is designed to provide readers with a general overview of the County of Page's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to: Finance Department, 103 South Court Street, Suite F, Luray, Virginia, 22835.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Statement of Net Position  
June 30, 2020

	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	\$ 18,379,456	\$ 919,050	\$ 280,172	\$ 241,884
Receivables (net of allowance for uncollectibles):				
Taxes receivable	14,724,265	-	-	-
Accounts receivable	573,774	58,573	1,471,878	6,701
Notes receivable	-	-	58,924	-
Due from primary government	-	2,484,636	-	-
Due from other governmental units	1,226,141	728,930	-	570,720
Inventories	-	38,378	-	26,120
Prepaid items	25,203	-	1,475	-
Capital assets (net of accumulated depreciation):				
Land	1,970,464	977,491	2,751,000	1,936,386
Buildings and improvements	38,876,624	33,719,917	-	10,980,022
Machinery and equipment	1,273,902	1,067,977	-	119,875
Construction in progress	267,850	-	-	1,513,771
Total assets	\$ 77,317,679	\$ 39,994,952	\$ 4,563,449	\$ 15,395,479
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 1,586,881	\$ 6,073,332	\$ -	\$ -
OPEB related items	259,168	923,622	-	-
Total deferred outflows of resources	\$ 1,846,049	\$ 6,996,954	\$ -	\$ -
<b>LIABILITIES</b>				
Accounts payable	\$ 785,544	\$ 77,597	\$ 749	\$ 550,659
Accrued liabilities	377,600	2,997,057	-	113,790
Customers' deposits	-	-	-	2,420
Accrued interest payable	826,961	41,913	-	-
Due to component unit	2,484,636	-	-	-
Unearned revenue	2,030,686	-	-	-
Long-term liabilities:				
Due within one year	3,571,625	594,161	29,223	-
Due in more than one year	61,981,921	43,930,519	1,499,290	-
Total liabilities	\$ 72,058,973	\$ 47,641,247	\$ 1,529,262	\$ 666,869
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue-property taxes	\$ 11,075,004	\$ -	\$ -	\$ -
Pension related items	540,863	4,082,487	-	-
OPEB related items	1,213,940	1,808,431	-	-
Total deferred inflows of resources	\$ 12,829,807	\$ 5,890,918	\$ -	\$ -
<b>NET POSITION</b>				
Net investment in capital assets	\$ 1,201,467	\$ 29,964,490	\$ 2,751,000	\$ 14,550,054
Unrestricted	(6,926,519)	(36,504,749)	283,187	178,556
Total net position	\$ (5,725,052)	\$ (6,540,259)	\$ 3,034,187	\$ 14,728,610

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



# COUNTY OF PAGE, VIRGINIA

Statement of Activities  
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
Governmental activities:					
General government administration	\$ 3,249,721	\$ 83,194	\$ 310,115	\$ -	
Judicial administration	1,465,569	71,952	741,978	-	
Public safety	9,781,353	755,194	2,593,890	-	
Public works	2,918,176	1,943,638	9,886	-	
Health and welfare	4,413,248	29,373	2,791,062	-	
Education	11,994,870	-	-	-	
Parks, recreation, and cultural	301,015	24,508	4,500	-	
Community development	2,541,003	-	1,606,673	-	
Interest on long-term debt	2,125,932	-	-	-	
Total governmental activities	<u>\$ 38,790,887</u>	<u>\$ 2,907,859</u>	<u>\$ 8,058,104</u>	<u>\$ -</u>	
COMPONENT UNITS:					
School Board	\$ 38,700,101	\$ 1,747,675	\$ 26,219,237	\$ -	
Economic Development Authority	74,469	-	77,129	-	
Luray-Page Airport Authority	757,752	295,191	-	1,257,688	
Total component units	<u>\$ 39,532,322</u>	<u>\$ 2,042,866</u>	<u>\$ 26,296,366</u>	<u>\$ 1,257,688</u>	

General revenues:

- General property taxes
- Local sales tax
- Motor vehicle licenses
- Transient occupancy taxes
- Meals tax
- Business licenses
- Tax on recordation and wills
- Other local taxes
- Unrestricted revenues from use of money and property
- Miscellaneous
- Grants and contributions not restricted to specific programs
- Total general revenues

Change in net position

Net position - beginning

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government	Component Unit	Component Unit	Component Unit	
Governmental		Economic Development	Luray-Page Airport	
Activities	School Board	Authority	Authority	
\$ (2,856,412)	\$ -	\$ -	\$ -	
(651,639)	-	-	-	
(6,432,269)	-	-	-	
(964,652)	-	-	-	
(1,592,813)	-	-	-	
(11,994,870)	-	-	-	
(272,007)	-	-	-	
(934,330)	-	-	-	
(2,125,932)	-	-	-	
<u>\$ (27,824,924)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ (10,733,189)	\$ -	\$ -	
-	-	2,660	-	
-	-	-	795,127	
<u>\$ -</u>	<u>\$ (10,733,189)</u>	<u>\$ 2,660</u>	<u>\$ 795,127</u>	
\$ 22,963,280	\$ -	\$ -	\$ -	
1,864,352	-	-	-	
504,894	-	-	-	
869,855	-	-	-	
262,182	-	-	-	
182,237	-	-	-	
218,689	-	-	-	
50,731	-	-	-	
160,818	65,533	2,995	1,567	
357,445	72,891	1,826	1,805	
2,409,755	11,938,653	-	-	
<u>\$ 29,844,238</u>	<u>\$ 12,077,077</u>	<u>\$ 4,821</u>	<u>\$ 3,372</u>	
\$ 2,019,314	\$ 1,343,888	\$ 7,481	\$ 798,499	
(7,744,366)	(7,884,147)	3,026,706	13,930,111	
<u>\$ (5,725,052)</u>	<u>\$ (6,540,259)</u>	<u>\$ 3,034,187</u>	<u>\$ 14,728,610</u>	

## **FUND FINANCIAL STATEMENTS**

Balance Sheet  
Governmental Funds  
June 30, 2020

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,003,456	\$ 217,865	\$ 158,135	\$ 18,379,456
Receivables (net of allowance for uncollectibles):				
Taxes receivable	14,724,265	-	-	14,724,265
Accounts receivable	573,774	-	-	573,774
Due from other funds	239,247	-	-	239,247
Due from other governmental units	826,290	-	399,851	1,226,141
Prepaid items	25,203	-	-	25,203
Total assets	<u>\$ 34,392,235</u>	<u>\$ 217,865</u>	<u>\$ 557,986</u>	<u>\$ 35,168,086</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 615,717	\$ 8,500	\$ 161,327	\$ 785,544
Accrued liabilities	376,955	-	645	377,600
Due to other funds	-	-	239,247	239,247
Due to component unit	2,484,636	-	-	2,484,636
Unearned revenue	2,030,686	-	-	2,030,686
Total liabilities	<u>\$ 5,507,994</u>	<u>\$ 8,500</u>	<u>\$ 401,219</u>	<u>\$ 5,917,713</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	<u>\$ 14,810,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,810,638</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	\$ 25,203	\$ -	\$ -	\$ 25,203
Committed:				
Parks and recreation	-	-	156,123	156,123
Assigned:				
Page County water quality	6,831	-	-	6,831
Local DARE	2,469	-	-	2,469
Crime victim witness	35,884	-	-	35,884
Department of Justice VJCAA	131	-	-	131
DHCD	583	-	-	583
Emergency services	-	-	644	644
Capital projects	-	209,365	-	209,365
Unassigned	14,002,502	-	-	14,002,502
Total fund balances	<u>\$ 14,073,603</u>	<u>\$ 209,365</u>	<u>\$ 156,767</u>	<u>\$ 14,439,735</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,392,235</u>	<u>\$ 217,865</u>	<u>\$ 557,986</u>	<u>\$ 35,168,086</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, 2020

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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	\$	14,439,735
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$	1,970,464	
Buildings and improvements		38,876,624	
Machinery and equipment		1,273,902	
Construction in progress		<u>267,850</u>	42,388,840

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>3,735,634</u>	3,735,634
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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	\$	1,586,881	
OPEB related items		<u>259,168</u>	1,846,049

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	\$	(826,961)	
General obligation bonds		(36,345,347)	
Bond premium		(434,601)	
Revenue bonds		(14,077,337)	
Capital leases		(356,088)	
Landfill closure and post-closure care costs		(7,726,438)	
Compensated absences		(723,705)	
Net pension liability		(3,107,343)	
Net OPEB liabilities		<u>(2,782,687)</u>	(66,380,507)

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

Pension related items	\$	(540,863)	
OPEB related items		<u>(1,213,940)</u>	<u>(1,754,803)</u>

Net position of governmental activities	\$	<u><u>(5,725,052)</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, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES</b>					
General property taxes	\$ 23,757,685	\$ -	\$ -	\$ -	\$ 23,757,685
Other local taxes	3,952,940	-	-	-	3,952,940
Permits, privilege fees, and regulatory licenses	228,338	-	-	-	228,338
Fines and forfeitures	65,882	-	-	-	65,882
Revenue from the use of money and property	160,818	-	-	-	160,818
Charges for services	2,559,758	-	-	53,881	2,613,639
Miscellaneous	357,445	-	-	-	357,445
Intergovernmental:					
Commonwealth	5,706,380	-	-	1,473,674	7,180,054
Federal	363,744	1,606,673	-	1,317,388	3,287,805
Total revenues	\$ 37,152,990	\$ 1,606,673	\$ -	\$ 2,844,943	\$ 41,604,606
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 2,945,914	\$ -	\$ -	\$ -	\$ 2,945,914
Judicial administration	1,386,515	-	-	-	1,386,515
Public safety	9,648,379	-	-	-	9,648,379
Public works	1,882,318	-	-	-	1,882,318
Health and welfare	697,083	-	-	3,709,150	4,406,233
Education	9,562,196	-	-	-	9,562,196
Parks, recreation, and cultural	354,615	-	-	14,143	368,758
Community development	1,102,090	1,606,673	-	-	2,708,763
Nondepartmental	166,604	-	-	-	166,604
Capital projects	-	-	631,996	-	631,996
Debt service:					
Principal retirement	3,051,371	-	-	-	3,051,371
Interest and other fiscal charges	2,209,450	-	-	-	2,209,450
Total expenditures	\$ 33,006,535	\$ 1,606,673	\$ 631,996	\$ 3,723,293	\$ 38,968,497
Excess (deficiency) of revenues over (under) expenditures	\$ 4,146,455	\$ -	\$ (631,996)	\$ (878,350)	\$ 2,636,109
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ -	\$ 538,372	\$ 888,715	\$ 1,427,087
Transfers out	(1,427,087)	-	-	-	(1,427,087)
Issuance of capital leases	-	-	161,680	-	161,680
Total other financing sources (uses)	\$ (1,427,087)	\$ -	\$ 700,052	\$ 888,715	\$ 161,680
Net change in fund balances	\$ 2,719,368	\$ -	\$ 68,056	\$ 10,365	\$ 2,797,789
Fund balances - beginning	11,354,235	-	141,309	146,402	11,641,946
Fund balances - ending	\$ 14,073,603	\$ -	\$ 209,365	\$ 156,767	\$ 14,439,735

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, 2020

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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	\$	2,797,789
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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	\$	729,657	
Depreciation expense		(729,097)	
Allocation of debt financed school assets based on current year repayments		<u>(2,432,674)</u>	(2,432,114)

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

Property taxes	\$	<u>(794,405)</u>	(794,405)
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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	\$	3,051,371	
Issuance of capital leases		(161,680)	
Change in accrued interest		46,315	
Amortization of bond premium		37,203	
Change in landfill closure and post-closure care costs		<u>(484,507)</u>	2,488,702

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	\$	(5,302)	
Pension expense		(38,146)	
OPEB expense		<u>2,790</u>	<u>(40,658)</u>

Change in net position of governmental activities	\$	<u><u>2,019,314</u></u>
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Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

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	<b>Agency Funds</b>
	<hr/>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>156,800</u>
Total assets	\$ <u><u>156,800</u></u>
<b>LIABILITIES</b>	
Amounts held for social services clients	\$ 2,013
Amounts held for others	121,785
Amounts held for inmates	<u>33,002</u>
Total liabilities	\$ <u><u>156,800</u></u>

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

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020

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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, 2020 (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 \$223,041 to the Association for operating purposes for the year ended June 30, 2020.

**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 \$90,538 to the Northwestern Community Services Board and \$878,619 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 VJCCCA, 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, 2020 (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. Agency funds account for assets held by the County as an agent or custodian for individuals, private organizations, other governmental units or other funds. The Special Welfare, Cash Bonds, Neutering/Spaying, Jail Inmate, and Luray/Page Airport Hangar are the County's agency funds.

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

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

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

###### **1. Cash and cash equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. . 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, 2020 (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 \$319,097 at June 30, 2020 and is comprised solely of property taxes. This allowance represents 2.1% of outstanding property taxes at June 30, 2020.

##### 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)**

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**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.

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

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

**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, 2020 (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.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 3—DEPOSITS AND INVESTMENTS:

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##### **Deposits**

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

##### **Investments**

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper 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.

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## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

#### NOTE 3—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, 2020 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	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government	
Investment Pool	\$ 15,075,948
Total	<u>\$ 15,075,948</u>

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2020 (Continued)****NOTE 3—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)**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than</u>			<u>Greater Than</u>	
		<u>1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>10 Years</u>	
Local Government Investment Pool	\$ 15,075,948	\$ 15,075,948	\$ -	\$ -	\$ -	
Total	\$ 15,075,948	\$ 15,075,948	\$ -	\$ -	\$ -	

**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 4—INTERFUND OBLIGATIONS:**

<u>Fund</u>	<u>Due From Component Unit</u>	<u>Due To Component Unit</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Primary Government:				
General Fund	\$ -	\$ 2,484,636	\$ 239,247	\$ -
Virginia Public Assistance Fund	-	-	-	169,181
Comprehensive Services Act	-	-	-	70,066
Sub-total	\$ -	\$ 2,484,636	\$ 239,247	\$ 239,247
Discretely Presented Component Units:				
School Fund	\$ 2,484,636	\$ -	\$ -	\$ -
Total reporting entity	\$ 2,484,636	\$ 2,484,636	\$ 239,247	\$ 239,247

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, 2020 (Continued)****NOTE 5—INTERFUND TRANSFERS:**

Interfund transfers for the year ended June 30, 2020 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 1,427,087
Virginia Public Assistance Fund	427,889	-
Comprehensive Services Act	460,826	-
County Capital Projects Fund	538,372	-
Total reporting entity	<u>\$ 1,427,087</u>	<u>\$ 1,427,087</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 6—DUE FROM OTHER GOVERNMENTAL UNITS:**

Due from other governments consists of payments due from federal, and state governmental units at June 30, 2020 as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>	<u>Component Unit Luray-Page Airport Authority</u>
Commonwealth of Virginia:			
State sales taxes	\$ -	\$ 292,919	\$ -
Local sales taxes	344,268	-	-
Compensation board	289,064	-	-
Comprehensive Services Act funds	230,670	-	-
Public assistance and welfare	60,884	-	-
Other funds	172,057	-	75,513
Federal Government:			
Public assistance and welfare	108,298	-	-
School funds	-	436,011	-
Other funds	20,900	-	495,207
Total	<u>\$ 1,226,141</u>	<u>\$ 728,930</u>	<u>\$ 570,720</u>

# COUNTY OF PAGE, VIRGINIA

## Notes to the Financial Statements June 30, 2020 (Continued)

### NOTE 7—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2020 was as follows:

#### Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated				
Land	\$ 1,970,464	\$ -	\$ -	\$ 1,970,464
Construction in progress	75,000	192,850	-	267,850
Total capital assets not being depreciated	\$ 2,045,464	\$ 192,850	\$ -	\$ 2,238,314
Capital assets being depreciated				
Buildings	\$ 51,156,715	\$ 30,088	\$ (2,211,272)	\$ 48,975,531
Machinery and equipment	7,871,492	506,719	(104,891)	8,273,320
Total capital assets being depreciated	\$ 59,028,207	\$ 536,807	\$ (2,316,163)	\$ 57,248,851
Accumulated depreciation				
Buildings	\$ (9,524,224)	\$ (353,281)	\$ (221,402)	\$ (10,098,907)
Machinery and equipment	(6,728,493)	(375,816)	104,891	(6,999,418)
Total accumulated depreciation	\$ (16,252,717)	\$ (729,097)	\$ (116,511)	\$ (17,098,325)
Total capital assets being depreciated, net	\$ 42,775,490	\$ (192,290)	\$ (2,432,674)	\$ 40,150,526
Governmental activities capital assets, net	\$ 44,820,954	\$ 560	\$ (2,432,674)	\$ 42,388,840

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

Governmental activities:	
General government administration	\$ 204,340
Judicial administration	11,227
Public safety	171,217
Public works	330,001
Health and welfare	5,150
Community Development	5,929
Parks and recreation	1,233
Total depreciation expense-governmental activities:	\$ 729,097

Capital assets of the governmental activities in the amount of \$2,221,272 were transferred to the Component Unit School Board, additionally, a net transfer of \$221,402 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, 2020 as required by the Code of Virginia.



# COUNTY OF PAGE, VIRGINIA

## Notes to the Financial Statements June 30, 2020 (Continued)

### NOTE 7—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	(239,718)
Total	<u>\$ 314,262</u>

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2020, are as follows:

Year Ended June 30,	Governmental Activities
2021	\$ 121,544
2022	122,517
2023	72,143
2024	34,421
2025	28,684
Total minimum lease payments	\$ 379,309
Less: Amount representing interest	(23,221)
Present value of minimum lease payments	<u>\$ 356,088</u>

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

Activity for the School Board for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 977,491	\$ -	\$ -	\$ 977,491
Construction in progress	140,950	64,443	(205,393)	-
Total capital assets not being depreciated	<u>\$ 1,118,441</u>	<u>\$ 64,443</u>	<u>\$ (205,393)</u>	<u>\$ 977,491</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 47,419,162	\$ 205,793	\$ 2,211,272	\$ 49,836,227
Machinery and equipment	7,537,431	42,252	(17,000)	7,562,683
Total capital assets being depreciated	<u>\$ 54,956,993</u>	<u>\$ 248,045</u>	<u>\$ 2,194,272</u>	<u>\$ 57,398,910</u>
Accumulated depreciation:				
Buildings and improvements	\$ (14,378,945)	\$ (1,958,767)	\$ 221,402	\$ (16,116,310)
Machinery and equipment	(6,167,717)	(343,989)	17,000	(6,494,706)
Total accumulated depreciation	<u>\$ (20,546,662)</u>	<u>\$ (2,302,756)</u>	<u>\$ 238,402</u>	<u>\$ (22,611,016)</u>
Total capital assets being depreciated, net	<u>\$ 34,410,331</u>	<u>\$ (2,054,711)</u>	<u>\$ 2,432,674</u>	<u>\$ 34,787,894</u>
School Board capital assets, net	<u>\$ 35,528,772</u>	<u>\$ (1,990,268)</u>	<u>\$ 2,227,281</u>	<u>\$ 35,765,385</u>

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2020 (Continued)****NOTE 7—CAPITAL ASSETS: (CONTINUED)**Capital Leases: (continued)**Discretely presented component unit-School Board: (Continued)**

Depreciation expense for the Component Unit School Board was \$2,302,756. Capital assets of the governmental activities in the amount of \$2,221,272 were transferred to the Component Unit School Board, additionally, a net transfer of \$221,402 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, 2020 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	(1,504,815)
Total	<u>\$ 6,019,260</u>

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2020, are as follows:

<u>Year Ended June 30,</u>	<u>School Board</u>
2021	\$ 593,444
2022	611,372
2023	629,953
2024	649,091
2025	668,801
Thereafter	3,656,895
Total minimum lease payments	\$ 6,809,556
Less: Amount representing interest	(1,008,661)
Present value of minimum lease payments	<u>\$ 5,800,895</u>

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

Activity for the Authority for the year ended June 30, 2020 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, 2020 (Continued)****NOTE 7—CAPITAL ASSETS: (CONTINUED)****Discretely presented component unit-Luray-Page County Airport Authority:**

Activity for the Authority for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,936,386	\$ -	\$ -	\$ 1,936,386
Construction in progress	218,203	1,295,568	-	1,513,771
Total capital assets not being depreciate	\$ 2,154,589	\$ 1,295,568	\$ -	\$ 3,450,157
Capital assets being depreciated:				
Buildings and improvements	\$ 14,499,535	\$ -	\$ -	\$ 14,499,535
Equipment	381,335	-	-	381,335
Total capital assets being depreciated	\$ 14,880,870	\$ -	\$ -	\$ 14,880,870
Accumulated depreciation:				
Buildings and improvements	\$ (3,172,835)	\$ (346,678)	\$ -	\$ (3,519,513)
Machinery and equipment	(224,214)	(37,246)	-	(261,460)
Total accumulated depreciation	\$ (3,397,049)	\$ (383,924)	\$ -	\$ (3,780,973)
Total capital assets being depreciated, net	\$ 11,483,821	\$ (383,924)	\$ -	\$ 11,099,897
Total capital assets, net	\$ 13,638,410	\$ 911,644	\$ -	\$ 14,550,054

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## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 8—PENSION PLANS:

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

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

##### ***Benefit Structures***

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

- a. Employees hired before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of 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 hired on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013 are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of 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 hired on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of 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, 2020 (Continued)

#### NOTE 8—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, 2018 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	116	97
Inactive members:		
Vested inactive members	32	10
Non-vested inactive members	29	36
Inactive members active elsewhere in VRS	90	20
Total inactive members	151	66
Active members	169	115
Total covered employees	436	278

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 8—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, 2020 was 10.64% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$804,129 and \$773,686 for the years ended June 30, 2020 and June 30, 2019, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2020 was 9.24% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$152,836 and \$165,532 for the years ended June 30, 2020 and June 30, 2019, 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, 2019. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019.

##### **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, 2018, 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, 2019.

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, 2020 (Continued)

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#### NOTE 8—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.

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%

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## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 8—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, 2018, 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, 2019.

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, 2020 (Continued)

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NOTE 8—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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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, 2020 (Continued)****NOTE 8—PENSION PLANS: (CONTINUED)*****Long-Term Expected Rate of Return***

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

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return</b>
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

\* The above allocation provides a one-year return of 7.63%. 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 2.5%. 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.

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2020 (Continued)****NOTE 8—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, 2019, 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, 2019, 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, 2019 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.

	<b>Primary Government</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at June 30, 2018	\$ 30,399,637	\$ 28,279,243	\$ 2,120,394
Changes for the year:			
Service cost	\$ 883,870	\$ -	\$ 883,870
Interest	2,077,466	-	2,077,466
Changes of assumptions	996,855	-	996,855
Differences between expected and actual experience	26,594	-	26,594
Contributions - employer	-	773,686	(773,686)
Contributions - employee	-	360,790	(360,790)
Net investment income	-	1,883,051	(1,883,051)
Benefit payments, including refunds of employee contributions	(1,443,107)	(1,443,107)	-
Administrative expenses	-	(18,500)	18,500
Other changes	-	(1,191)	1,191
Net changes	\$ 2,541,678	\$ 1,554,729	\$ 986,949
Balances at June 30, 2019	\$ 32,941,315	\$ 29,833,972	\$ 3,107,343

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2020 (Continued)

NOTE 8—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, 2018	\$ 8,493,601	\$ 7,762,203	\$ 731,398
Changes for the year:			
Service cost	\$ 183,575	\$ -	\$ 183,575
Interest	576,297	-	576,297
Changes of assumptions	215,493	-	215,493
Differences between expected and actual experience	55,567	-	55,567
Contributions - employer	-	166,098	(166,098)
Contributions - employee	-	89,027	(89,027)
Net investment income	-	507,335	(507,335)
Benefit payments, including refunds of employee contributions	(521,583)	(521,583)	-
Administrative expenses	-	(5,163)	5,163
Other changes	-	(319)	319
Net changes	\$ 509,349	\$ 235,395	\$ 273,954
Balances at June 30, 2019	\$ 9,002,950	\$ 7,997,598	\$ 1,005,352

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COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2020 (Continued)

NOTE 8—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	\$ 7,605,303	\$ 3,107,343	\$ (444,067)
Component Unit School Board (nonprofessional)			
Net Pension Liability	\$ 1,933,070	\$ 1,005,352	\$ 257,367

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

For the year ended June 30, 2020, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$842,275 and \$255,152, respectively. At June 30, 2020, 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	\$ 82,580	\$ 286,921	\$ 33,340	\$ 11,710
Changes of assumptions	700,172	5,282	129,296	-
Net difference between projected and actual earnings on pension plan investments	-	248,660	-	67,151
Employer contributions subsequent to the measurement date	804,129	-	152,836	-
Total	\$ 1,586,881	\$ 540,863	\$ 315,472	\$ 78,861

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 8—PENSION PLANS: (CONTINUED)

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

\$804,129 and \$152,836 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, 2021. 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>
2021	\$	160,112	\$	98,054
2022		(39,825)		(18,602)
2023		104,601		(978)
2024		17,001		5,301
2025		-		-
Thereafter		-		-

##### ***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-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, 2020 (Continued)

#### NOTE 8—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, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. 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 \$2,816,115 and \$3,170,688 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the school division reported a liability of \$29,340,171 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion was .22940% as compared to .22830% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized pension expense of \$2,550,122. 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, 2020, 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	\$ -	\$ 1,878,775
Net difference between projected and actual earnings on pension plan investments	-	644,241
Changes of assumptions	2,905,365	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	36,380	1,480,610
Employer contributions subsequent to the measurement date	2,816,115	-
Total	\$ 5,757,860	\$ 4,003,626

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 8—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)***

\$2,816,115 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, 2021. 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>	
2021	\$ (482,719)
2022	(964,481)
2023	(87,001)
2024	294,110
2025	178,210
Thereafter	-

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

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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 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:**

###### **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, 2020 (Continued)

#### NOTE 8—PENSION PLANS: (CONTINUED)

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

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

The actuarial assumptions used in the June 30, 2018 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%

##### *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, 2019, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee Retirement Plan</b>
Total Pension Liability	\$	49,683,336
Plan Fiduciary Net Position		36,522,769
Employers' Net Pension Liability (Asset)	\$	13,160,567
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		73.51%

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, 2020 (Continued)

NOTE 8—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 (Asset)	\$ 44,169,704	\$ 29,340,171	\$ 17,078,894

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-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	\$ 1,586,881	\$ 540,863	\$ 3,107,343	\$ 842,275
School Board Nonprofessional	\$ 315,472	\$ 78,861	\$ 1,005,352	\$ 255,152
School Board Professional	5,757,860	4,003,626	29,340,171	2,550,122
Total School Board	\$ 6,073,332	\$ 4,082,487	\$ 30,345,523	\$ 2,805,274

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

#### NOTE 9—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)

##### **Benefits Provided**

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

##### **Plan Membership**

At July 1, 2019 (the valuation date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	33	24
Total retirees with coverage	147	508
Total	180	532

##### **Contributions**

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or the School board for the respective plans. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2020 was \$27,000.

The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2020 was \$194,000.

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

The County's and School Board's total OPEB liabilities were measured as of July 1, 2019. The total OPEB liabilities were determined by actuarial valuations as of that date.

##### **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 3.13% and represents the Municipal GO AA 20-year yield curve rate as of July 1, 2019
Investment Rate of Return	N/A

# COUNTY OF PAGE, VIRGINIA

## Notes to the Financial Statements June 30, 2020 (Continued)

### NOTE 9—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)

#### Actuarial Assumptions (continued)

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2019.

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

#### Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 11-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year's valuation is 3.13% 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, 2019	\$ 3,088,000	\$ 3,389,600
Changes for the year:		
Service cost	100,000	224,900
Interest	115,000	127,400
Difference between expected and actual experience	(1,230,000)	(189,300)
Changes in assumptions	118,000	132,600
Benefit payments	(27,000)	(194,000)
Net changes	(924,000)	101,600
Balances at June 30, 2020	\$ 2,164,000	\$ 3,491,200

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

The following amounts present the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (2.13%) or one percentage point higher (4.13%) than the current discount rate:

	<b>1% Decrease (2.13%)</b>	<b>Rate Current Discount Rate (3.13%)</b>	<b>1% Increase (4.13%)</b>
<b>Primary Government</b>			
\$ 2,443,000	\$	2,164,000	\$ 1,926,000
<b>Component Unit School Board</b>			
\$ 3,790,500	\$	3,491,200	\$ 3,215,500

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2020 (Continued)

**NOTE 9—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):  
(CONTINUED)**

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

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.0%) or one percentage point higher (8%) than the current healthcare cost trend rates:

Rates		
Healthcare Cost		
1% Decrease (6% decreasing to 5.0%)	Trend (7.0% decreasing to 5.0%)	1% Increase (8.0% decreasing to 7.0%)
<b>Primary Government</b>		
\$ 1,981,000	\$ 2,164,000	\$ 2,380,000
Rates		
Healthcare Cost		
1% Decrease (6% decreasing to 5.0%)	Trend (7.0% decreasing to 5.0%)	1% Increase (8.0% decreasing to 7.0%)
<b>Component Unit School Board</b>		
\$ 3,087,000	\$ 3,491,200	\$ 3,968,900

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

For the year ended June 30, 2020, the Primary Government recognized OPEB expense in the amount of \$56,000. The School Board recognized OPEB expense in the amount of \$69,800. At June 30, 2020, 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	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,111,000	\$ -	\$ 1,055,400
Changes in assumptions	102,000	62,000	111,900	360,700
Employer contributions subsequent to the measurement date	27,000	-	194,000	-
Total	<u>\$ 129,000</u>	<u>\$ 1,173,000</u>	<u>\$ 305,900</u>	<u>\$ 1,416,100</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2020 (Continued)

NOTE 9—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):  
(CONTINUED)

	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	\$ -	\$ 1,111,000	\$ -	\$ 1,055,400
Changes in assumptions	102,000	62,000	111,900	360,700
Employer contributions subsequent to the measurement date	27,000	-	194,000	-
Total	<u>\$ 129,000</u>	<u>\$ 1,173,000</u>	<u>\$ 305,900</u>	<u>\$ 1,416,100</u>

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

Year Ended June 30,	Primary Government	Component Unit School Board
2021	\$ (166,000)	\$ (293,000)
2022	(166,000)	(293,000)
2023	(166,000)	(293,000)
2024	(166,000)	(293,000)
2025	(166,000)	(128,300)
Thereafter	(241,000)	(3,900)

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 10—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 \$8,463 as of June 30, 2020.



## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 10—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 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% ( $1.31\% \times 60\%$ ) and the employer component was 0.52% ( $1.31\% \times 40\%$ ). 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, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the 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 \$40,490 and \$38,751 for the years ended June 30, 2020 and June 30, 2019, respectively. The Component Unit School Board's contributions to the Group Life Insurance Plan for nonprofessional employees were \$9,114 and \$9,753, for the years ended June 30, 2020 and June 30, 2019 respectively. The Component Unit School Board's contributions to the Group Life Insurance Plan for professional employees were \$96,832 and \$96,796, for the years ended June 30, 2020 and June 30, 2019 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, 2020, the County reported a liability of \$618,687 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 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, 2018, and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the participating employer's proportion was 0.03802% as compared to 0.03731% at June 30, 2018.

At June 30, 2020, the School Board reported liability of \$155,730 for nonprofessional employees and \$1,545,252 for professional employees for its proportionate share of the Net GLI OPEB Liability. At June 30, 2019 and June 30, 2018, the participating employer's proportion for nonprofessional employees was 0.00957% and .00983%, respectively. At June 30, 2019, the participating employer's proportion for School Board professional employees was 0.09048% as compared to 0.09685% at June 30, 2018.

For the year ended June 30, 2020, the County recognized GLI OPEB expense of \$15,653, while the School Board recognized GLI OPEB expense of \$1,607, and \$18,405 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, 2020 (Continued)

NOTE 10—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, 2020, 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	\$ 41,146	\$ 8,025	\$ 10,357	\$ 2,020	\$ 102,768	\$ 20,042
Net difference between projected and actual earnings on GLI OPEB program investments	-	12,708	-	3,199	-	31,741
Change in assumptions	39,060	18,656	9,832	4,696	97,558	46,596
Changes in proportion	9,472	1,551	-	8,121	-	75,573
Employer contributions subsequent to the measurement date	40,490	-	9,114	-	96,832	-
Total	<u>\$ 130,168</u>	<u>\$ 40,940</u>	<u>\$ 29,303</u>	<u>\$ 18,036</u>	<u>\$ 297,158</u>	<u>\$ 173,952</u>

\$40,490, \$9,114, and \$96,832 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Primary Government		Component Unit School Board	
		Nonprofessional	Professional
Year Ended June 30,		Year Ended June 30,	Year Ended June 30,
2021	\$ 3,544	2021	\$ (11,837)
2022	3,545	2022	(11,836)
2023	8,927	2023	1,607
2024	14,085	2024	16,841
2025	14,507	2025	24,309
Thereafter	4,130	Thereafter	7,290

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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##### **Actuarial Assumptions**

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, 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, 2019. 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 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 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, 2018 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:

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2020 (Continued)****NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)*****Actuarial Assumptions (Continued)***

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%

***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, 2018 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 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%

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

#### NOTE 10—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, 2018 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%

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 10—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 June 30, 20189 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	\$	3,390,238
Plan Fiduciary Net Position		1,762,972
Employers' Net GLI OPEB Liability (Asset)	\$	1,627,266
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.00%

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:

# COUNTY OF PAGE, VIRGINIA

## Notes to the Financial Statements June 30, 2020 (Continued)

### NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

#### Long-Term Expected Rate of Return (Continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

\*The above allocation provides a one-year return of 7.63%. 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%. 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.

#### 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, 2019, 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, 2019 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, 2020 (Continued)

#### NOTE 10—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	Current Discount	1% Increase
	(7.75%)	(6.75%)	(5.75%)
Proportionate share of the Group Life Insurance Program Net OPEB Liability:			
County	\$ 812,783	\$ 618,687	\$ 461,280
School Board-nonprofessional employees	\$ 204,586	\$ 155,730	\$ 116,109
School Board-professional employees	\$ 2,030,034	\$ 1,545,252	\$ 1,152,108

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

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

#### NOTE 11—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, 2020 (Continued)

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#### **NOTE 11—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, 2020 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee HIC Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Plan were \$223,459 and \$223,375 for the years ended June 30, 2020 and June 30, 2019, respectively.



COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2020 (Continued)

**NOTE 11—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, 2020, the school division reported a liability of \$2,905,279 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, 2019 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, 2018, and rolled forward to the measurement date of June 30, 2019.. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Plan was .22193% as compared to .22770% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$209,435 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, 2020, 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>
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	\$ -	\$ 16,455
Change in assumptions	67,619	20,188
Difference between expected and actual experience	-	-
Change in proportion	183.00	163,700
Employer contributions subsequent to the measurement date	<u>223,459</u>	<u>-</u>
Total	<u>\$ 291,261</u>	<u>\$ 200,343</u>

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 11—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)*

\$223,459 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, 2021. 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,

2021	\$	(26,920)
2022		(26,923)
2023		(25,650)
2024		(26,076)
2025		(20,586)
Thereafter		(6,386)

#### **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, 2018, 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, 2019.

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 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 OPEB liabilities.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

#### NOTE 11—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, 2018 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%

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2020 (Continued)

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**NOTE 11—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, 2019, 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>
		<hr/>
Total Teacher Employee HIC OPEB Liability	\$	1,438,114
Plan Fiduciary Net Position		129,016
Teacher Employee net HIC OPEB Liability (Asset)	\$	<hr/>
		1,309,098
		<hr/>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		8.97%

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, 2020 (Continued)****NOTE 11—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>Target 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%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

\*The above allocation provides a one-year return of 7.63%. 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%. 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.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

#### NOTE 11—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, 2019, 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, 2019 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	\$ 3,251,501	\$ 2,905,279	\$ 2,611,164

##### **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 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-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, 2020 (Continued)

### NOTE 12—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, 2020:

	Balance July 1, 2019	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2020
<b>Direct Borrowings and Direct Placements:</b>				
Revenue bonds	\$ 14,832,940	\$ -	\$ 755,603	\$ 14,077,337
General obligation bonds	38,556,619	-	2,211,272	36,345,347
Premiums on bond issue	<u>471,804</u>	<u>-</u>	<u>37,203</u>	<u>434,601</u>
Other Long-term Obligations:				
Capital lease	278,904	161,680	84,496	356,088
Landfill closure and post-closure care costs	7,241,931	484,507	-	7,726,438
Net pension liability	2,120,394	4,004,476	3,017,527	3,107,343
Net OPEB liabilities	3,655,000	492,331	1,364,644	2,782,687
Compensated absences	<u>718,403</u>	<u>544,104</u>	<u>538,802</u>	<u>723,705</u>
Total	\$ <u>67,875,995</u>	\$ <u>5,687,098</u>	\$ <u>8,009,547</u>	\$ <u>65,553,546</u>

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

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

Year Ending June 30,	Governmental Activities	
	Capital Lease	
	Principal	Interest
2021	\$ 111,113	\$ 10,430
2022	116,292	6,225
2023	69,803	2,340
2024	33,332	1,090
2025	25,548	3,136
Totals	\$ <u>356,088</u>	\$ <u>23,221</u>

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2020 (Continued)****NOTE 12—LONG-TERM OBLIGATIONS: (CONTINUED)****Primary Government Obligations: (continued)****Direct Borrowings and Direct Placements:**

Year Ending June 30,	Governmental Activities			
	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 695,078	\$ 466,310	\$ 2,294,008	\$ 1,608,928
2022	710,881	448,603	2,303,154	1,503,211
2023	728,308	430,422	2,393,098	1,395,000
2024	745,934	411,779	2,493,308	1,283,571
2025	763,765	392,652	2,594,473	1,166,747
2026	781,806	373,053	2,701,836	1,043,735
2027	518,063	352,939	2,815,470	914,200
2028	1,097,489	323,542	2,175,000	798,650
2029	1,026,000	285,724	2,270,000	699,090
2030	1,063,000	246,053	2,375,000	596,536
2031	1,101,000	204,959	2,485,000	488,088
2032	1,143,000	162,346	2,600,000	373,473
2033	1,188,000	118,080	2,720,000	252,310
2034	1,234,000	72,086	750,000	172,500
2035	1,281,013	24,324	785,000	137,195
2036	-	-	825,000	100,165
2037	-	-	860,000	61,410
2038	-	-	905,000	20,815
Totals	\$ <u>14,077,337</u>	\$ <u>4,312,872</u>	\$ <u>36,345,347</u>	\$ <u>12,615,624</u>

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# COUNTY OF PAGE, VIRGINIA

## Notes to the Financial Statements June 30, 2020 (Continued)

### NOTE 12—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>		
\$1,500,000 Virginia Public School Authority Bond issued November 16, 2000, due in annual installments of \$80,000 to \$85,000 through July 15, 2020. Interest payable semi-annually at varying interest rates of 4.975% to 5.85%.	\$ 80,000	\$ 80,000
\$30,695,000 Virginia Public School Authority Bond issued November 19, 2006, at a premium of \$305,572 due in annual installments of \$655,000 to \$2,005,000 through November 19, 2032. Interest payable semi-annually at 6.1% to 6.4%.	20,195,000	1,170,000
\$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%.	4,830,347	644,008
\$13,790,000 Virginia Public School Authority Bond issued May 2, 2008, at a premium of \$210,714, due in annual installments of \$444,193 to \$925,815 through July 15, 2037. Interest is payable semi-annually at 4.6% to 5.1%.	<u>11,240,000</u>	<u>400,000</u>
Total general obligation bonds	\$ <u>36,345,347</u>	\$ <u>2,294,008</u>
<u>Revenue Bonds:</u>		
\$4,000,000 revenue bonds issued October 15, 2012 due in annual installments of \$108,152 to \$316,063 through October 15, 2027. Interest payable annually at	\$ 2,162,337	\$ 271,078
\$10,431,000 revenue refunding bonds issued March 29, 2018, payments vary throughout the life of the loan. Interest on the bonds is 2.76% through June 2035. These bonds were issued in connection with the Battle Creek landfill.	10,026,000	130,000
\$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>1,889,000</u>	<u>294,000</u>
Total revenue bonds	\$ <u>14,077,337</u>	\$ <u>695,078</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.	\$ 23,178	\$ 10,871
\$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.	178,849	69,298
\$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.	<u>154,061</u>	<u>30,944</u>
Total capital leases	\$ <u>356,088</u>	\$ <u>111,113</u>

**COUNTY OF PAGE, VIRGINIA**

**Notes to the Financial Statements  
June 30, 2020 (Continued)**

**NOTE 12—LONG-TERM OBLIGATIONS: (CONTINUED)**

**Primary Government Obligations: (continued)**

Details of Long-Term Obligations (continued)

Governmental Activities: (continued)

	Amount Outstanding	Due Within One Year
Net pension liability (to be liquidated by general fund)	\$ 3,107,343	\$ -
Net OPEB liabilities (to be liquidated by general fund)	\$ 2,782,687	\$ -
Compensated absences (to be liquidated by general fund)	\$ 723,705	\$ 434,223
Landfill closure and post-closure care costs	\$ 7,726,438	\$ -
Unamortized premium on bond issues	\$ 434,601	\$ 37,203
Total Long-term obligations	<u>\$ 65,553,546</u>	<u>\$ 3,571,625</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, 2020:

	Balance July 1, 2019	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2020
Capital leases	\$ 6,197,598	\$ -	\$ 396,703	\$ 5,800,895
Net pension liability	27,579,398	10,804,281	8,038,156	30,345,523
Compensated absences	236,849	186,061	142,109	280,801
Net OPEB liabilities	7,899,600	1,381,664	1,183,803	8,097,461
Total	<u>\$ 41,913,445</u>	<u>\$ 12,372,006</u>	<u>\$ 9,760,771</u>	<u>\$ 44,524,680</u>

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

Year Ending June 30,	Governmental Activities	
	Capital Leases	
	Principal	Interest
2021	\$ 425,681	\$ 167,763
2022	456,022	155,350
2023	487,782	142,171
2024	521,017	128,074
2025	555,785	113,016
Thereafter	3,354,608	302,287
Totals	<u>\$ 5,800,895</u>	<u>\$ 1,008,661</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements  
June 30, 2020 (Continued)

NOTE 12—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.	\$ 5,800,895	\$ 425,681
Total capital leases	\$ 5,800,895	\$ 425,681
Net pension liability (to be liquidated by component unit school board)	\$ 30,345,523	\$ -
Net OPEB liabilities (to be liquidated by component unit school board)	\$ 8,097,461	\$ -
Compensated absences (to be liquidated by component unit school board)	\$ 280,801	\$ 168,480
Total Long-term obligations	\$ 44,524,680	\$ 594,161

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, 2020:

	Balance July 1, 2019	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2020
<b>Direct Borrowings and Direct Placements</b>				
Revenue Bond	\$ 1,496,661	\$ -	\$ 24,783	\$ 1,471,878
Note payable	-	56,914	278	56,636
Total	\$ 1,496,661	\$ 56,914	\$ 25,061	\$ 1,528,514

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2020 (Continued)****NOTE 12—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
2021	\$ 25,857	\$ 62,055	\$ 3,366	\$ 634
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
Thereafter	1,330,890	805,838	-	-
Total	<u>\$ 1,471,878</u>	<u>\$ 1,104,410</u>	<u>\$ 56,635</u>	<u>\$ 3,031</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	\$ 1,471,878	\$ 25,857
<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	56,635	3,366
Total Long-term obligations, net of current portion	<u>\$ 1,528,513</u>	<u>\$ 29,223</u>

**NOTE 13—CONTINGENT LIABILITIES:**

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget 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, 2020 (Continued)

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#### NOTE 14—RISK MANAGEMENT:

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

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

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

#### NOTE 15—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 \$11,075,004 and \$14,810,638 respectively, is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2020, but paid in advance by the taxpayers totaled \$684,038 at June 30, 2020.
- B. Unbilled Property Taxes – Property taxes for the second half of 2018 that had not been billed as of June 30, 2020 amounted to \$10,390,966.
- C. Unavailable Property Taxes – Uncollected tax billings not available for funding of current expenditures totaled \$3,735,634 at June 30, 2020.

#### NOTE 16—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 \$2,030,686 is comprised of the following:

- A. CARES Act Funding – Funds received from Federal CARES act unspent totaled \$2,030,686 at June 30, 2020.

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### **NOTE 17—HEALTH INSURANCE FUND:**

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The School Board maintained an internal service fund entitled Health Insurance Fund that has been included in the fund financial statements. The purpose of this fund was to disclose the School Board self-insured health insurance transactions for the fiscal year. The School Board was self-insured for health insurance purposes in prior years, but is no longer self-insured and had retained Anthem to administer the program. The School Board used Anthem as the administrator of their self-insured plan. The Health Insurance fund paid Anthem an administrative fee for these services. This fund served the School Board component unit and accounted for the health insurance activities of the aforementioned funds but does not constitute a transfer of risk from the County.

Significant losses, over \$50,000 with a maximum of \$60,000, are covered by commercial insurance. There had been no changes in coverage for the last three years, nor have settlement amounts exceeded coverage during this time period. The School Board terminated the health insurance fund in November 2019.

#### **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 \$1,969,186. The estimated total current cost of the landfill closure and post-closure care of \$1,969,186 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, 2020. Included in the County's post-closure and thirty-year monitoring costs of \$1,969,186 is \$1,454,766 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 \$11,085,075. The estimated total current cost of the landfill closure and post-closure care of \$5,757,252 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, 2020. 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.

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2020 (Continued)****NOTE 18—LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS: (CONTINUED)**

At June 30, 2020, the County demonstrated financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Government Financial Assurance Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

**NOTE 19—LITIGATION:**

At June 30, 2020, 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:

		<b>Primary Government</b>			
		<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Net OPEB Liability/(Asset)</b>	<b>OPEB Expense</b>
VRS OPEB Plans:					
Group Life Insurance Program (Note 10):					
County		\$ 130,168	\$ 40,940	\$ 618,687	\$ 15,653
County Stand-Alone Plan (Note 9)		129,000	1,173,000	2,164,000	56,000
Totals		<u>\$ 259,168</u>	<u>\$ 1,213,940</u>	<u>\$ 2,782,687</u>	<u>\$ 71,653</u>
		<b>Component Unit School Board</b>			
		<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Net OPEB Liability</b>	<b>OPEB Expense</b>
VRS OPEB Plans:					
Group Life Insurance Program (Note 10):					
School Board Nonprofessional		\$ 29,303	\$ 18,036	\$ 155,730	\$ 1,607
School Board Professional		297,158	173,952	1,545,252	18,405
Teacher Health Insurance Credit Program (Note 11)		291,261	200,343	2,905,279	209,435
School Stand-Alone Plan (Note 9)		305,900	1,416,100	3,491,200	69,800
Totals		<u>\$ 923,622</u>	<u>\$ 1,808,431</u>	<u>\$ 8,097,461</u>	<u>\$ 299,247</u>



## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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#### NOTE 21—UPCOMING PRONOUNCEMENTS:

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Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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.

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, 2020.

Statement No. 92, *Omnibus 2020*, 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 2020 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.



## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2020 (Continued)

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

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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 2020 to reporting periods beginning after June 15, 2021.

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

#### NOTE 22—COVID-19 PANDEMIC SUBSEQUENT DISCLOSURE:

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On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the “COVID-19 outbreak”). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant negative impact on the global economy. The COVID-19 pandemic has developed rapidly in 2020 and remains a quickly evolving situation. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact economic activity. County of Shenandoah, Virginia is not able to estimate the effects of the COVID-19 pandemic for fiscal year 2021.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by the federal government to alleviate some of the effects of the sharp economic downturn due to the COVID-19 pandemic. Among the CARES Act key provisions was \$339.8 billion designated for programs for state and local government, which included \$150 billion in direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF), pursuant to the federal CARES Act, to address spending shortages related to the COVID-19 pandemic.

The Commonwealth of Virginia received approximately \$3.1 billion from the CRF, of which \$1.3 billion was allocated for localities with fewer than 500,000 people. Localities with populations greater than 500,000 could apply to receive funds directly. All other CRF funds were distributed to the states to determine the allocations to localities.

On May 12, 2020, the first round of the allocations to local governments was authorized by the Commonwealth. On June 1, 2020, each locality received its share of the first half, or fifty (50) percent, of the locally based allocations. Unspent funds at June 30 from the initial allocation are reported as unearned revenue.

The federal guidance for the CARES Act states that the CRF funds can be used only for the direct costs associated with the response to the COVID-19 pandemic and cannot be used to address revenue shortfalls. CRF funds are considered one-time funds and should not be used for ongoing services or base operations. As a condition of receiving CRF funds, any funds unexpended as of December 30, 2021 will be returned to the federal government.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

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

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 22,312,729	\$ 22,312,729	\$ 23,757,685	\$ 1,444,956
Other local taxes	3,745,000	3,745,000	3,952,940	207,940
Permits, privilege fees, and regulatory licenses	211,317	211,317	228,338	17,021
Fines and forfeitures	84,400	87,083	65,882	(21,201)
Revenue from the use of money and property	64,000	64,000	160,818	96,818
Charges for services	2,408,975	2,495,075	2,559,758	64,683
Miscellaneous	177,238	177,238	357,445	180,207
Intergovernmental:				
Commonwealth	5,979,098	6,022,854	5,706,380	(316,474)
Federal	319,271	648,226	363,744	(284,482)
Total revenues	<u>\$ 35,302,028</u>	<u>\$ 35,763,522</u>	<u>\$ 37,152,990</u>	<u>\$ 1,389,468</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,872,509	\$ 2,974,746	\$ 2,945,914	\$ 28,832
Judicial administration	1,316,475	1,335,882	1,386,515	(50,633)
Public safety	9,521,294	10,048,306	9,648,379	399,927
Public works	1,944,175	1,960,724	1,882,318	78,406
Health and welfare	459,867	459,867	697,083	(237,216)
Education	10,989,524	11,095,091	9,562,196	1,532,895
Parks, recreation, and cultural	349,172	357,177	354,615	2,562
Community development	1,182,016	1,190,654	1,102,090	88,564
Nondepartmental	305,411	179,304	166,604	12,700
Debt service:				
Principal retirement	2,964,655	2,964,655	3,051,371	(86,716)
Interest and other fiscal charges	2,146,661	2,146,661	2,209,450	(62,789)
Total expenditures	<u>\$ 34,051,759</u>	<u>\$ 34,713,067</u>	<u>\$ 33,006,535</u>	<u>\$ 1,706,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,250,269</u>	<u>\$ 1,050,455</u>	<u>\$ 4,146,455</u>	<u>\$ 3,096,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>\$ (1,626,997)</u>	<u>\$ (1,949,382)</u>	<u>\$ (1,427,087)</u>	<u>\$ 522,295</u>
Total other financing sources (uses)	<u>\$ (1,626,997)</u>	<u>\$ (1,949,382)</u>	<u>\$ (1,427,087)</u>	<u>\$ 522,295</u>
Net change in fund balances	\$ (376,728)	\$ (898,927)	\$ 2,719,368	\$ 3,618,295
Fund balances - beginning	376,728	898,927	11,354,235	10,455,308
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,073,603</u>	<u>\$ 14,073,603</u>

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, 2019

	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>						
Service cost	\$ 883,870	\$ 897,007	\$ 886,823	\$ 815,168	\$ 809,771	\$ 734,796
Interest	2,077,466	2,022,029	1,890,382	1,854,324	1,785,565	1,697,830
Changes of assumptions	996,855	-	(43,925)	-	-	-
Differences between expected and actual experience	26,594	(685,423)	531,469	(720,271)	(250,007)	-
Benefit payments, including refunds of employee contributions	(1,443,107)	(1,440,214)	(1,327,947)	(1,540,242)	(1,185,875)	(1,172,685)
<b>Net change in total pension liability</b>	<b>\$ 2,541,678</b>	<b>\$ 793,399</b>	<b>\$ 1,936,802</b>	<b>\$ 408,979</b>	<b>\$ 1,159,454</b>	<b>\$ 1,259,941</b>
<b>Total pension liability - beginning</b>	<b>30,399,637</b>	<b>29,606,238</b>	<b>27,669,436</b>	<b>27,260,457</b>	<b>26,101,003</b>	<b>24,841,062</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 32,941,315</b>	<b>\$ 30,399,637</b>	<b>\$ 29,606,238</b>	<b>\$ 27,669,436</b>	<b>\$ 27,260,457</b>	<b>\$ 26,101,003</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 773,686	\$ 637,455	\$ 620,514	\$ 813,605	\$ 821,522	\$ 818,671
Contributions - employee	360,790	343,249	345,147	344,074	334,964	337,845
Net investment income	1,883,051	1,968,749	2,941,199	416,341	1,063,556	3,165,273
Benefit payments, including refunds of employee contributions	(1,443,107)	(1,440,214)	(1,327,947)	(1,540,242)	(1,185,875)	(1,172,685)
Administrative expense	(18,500)	(17,007)	(16,986)	(15,091)	(14,369)	(16,918)
Other	(1,191)	(1,755)	(2,618)	(178)	(227)	167
<b>Net change in plan fiduciary net position</b>	<b>\$ 1,554,729</b>	<b>\$ 1,490,477</b>	<b>\$ 2,559,309</b>	<b>\$ 18,509</b>	<b>\$ 1,019,571</b>	<b>\$ 3,132,353</b>
<b>Plan fiduciary net position - beginning</b>	<b>28,279,243</b>	<b>26,788,766</b>	<b>24,229,457</b>	<b>24,210,948</b>	<b>23,191,377</b>	<b>20,059,024</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 29,833,972</b>	<b>\$ 28,279,243</b>	<b>\$ 26,788,766</b>	<b>\$ 24,229,457</b>	<b>\$ 24,210,948</b>	<b>\$ 23,191,377</b>
<b>County's net pension liability - ending (a) - (b)</b>	<b>\$ 3,107,343</b>	<b>\$ 2,120,394</b>	<b>\$ 2,817,472</b>	<b>\$ 3,439,979</b>	<b>\$ 3,049,509</b>	<b>\$ 2,909,626</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>90.57%</b>	<b>93.02%</b>	<b>90.48%</b>	<b>87.57%</b>	<b>88.81%</b>	<b>88.85%</b>
<b>Covered payroll</b>	<b>\$ 7,451,412</b>	<b>\$ 7,094,573</b>	<b>\$ 6,869,047</b>	<b>\$ 6,728,828</b>	<b>\$ 6,732,041</b>	<b>\$ 6,303,718</b>
<b>County's net pension liability as a percentage of covered payroll</b>	<b>41.70%</b>	<b>29.89%</b>	<b>41.02%</b>	<b>51.12%</b>	<b>45.30%</b>	<b>46.16%</b>

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

Schedule of Changes in Net Pension Liability and Related Ratios  
Component Unit School Board (nonprofessional) Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2019

	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>						
Service cost	\$ 183,575	\$ 188,065	\$ 197,265	\$ 202,648	\$ 208,803	\$ 205,699
Interest	576,297	564,982	551,419	548,589	524,808	505,091
Changes of assumptions	215,493	-	(75,606)	-	-	-
Differences between expected and actual experience	55,567	(61,540)	73,775	(180,406)	81,432	-
Benefit payments, including refunds of employee contributions	(521,583)	(538,156)	(568,034)	(492,769)	(457,856)	(400,390)
<b>Net change in total pension liability</b>	<b>\$ 509,349</b>	<b>\$ 153,351</b>	<b>\$ 178,819</b>	<b>\$ 78,062</b>	<b>\$ 357,187</b>	<b>\$ 310,400</b>
<b>Total pension liability - beginning</b>	<b>8,493,601</b>	<b>8,340,250</b>	<b>8,161,431</b>	<b>8,083,369</b>	<b>7,726,182</b>	<b>7,415,782</b>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 9,002,950</u></b>	<b><u>\$ 8,493,601</u></b>	<b><u>\$ 8,340,250</u></b>	<b><u>\$ 8,161,431</u></b>	<b><u>\$ 8,083,369</u></b>	<b><u>\$ 7,726,182</u></b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 166,098	\$ 155,745	\$ 155,415	\$ 187,632	\$ 192,884	\$ 224,337
Contributions - employee	89,027	89,391	88,281	91,246	94,313	94,640
Net investment income	507,335	546,907	838,031	118,941	313,725	954,930
Benefit payments, including refunds of employee contributions	(521,583)	(538,156)	(568,034)	(492,769)	(457,856)	(400,390)
Administrative expense	(5,163)	(4,862)	(5,060)	(4,451)	(4,403)	(5,162)
Other	(319)	(482)	(734)	(51)	(65)	50
<b>Net change in plan fiduciary net position</b>	<b>\$ 235,395</b>	<b>\$ 248,543</b>	<b>\$ 507,899</b>	<b>\$ (99,452)</b>	<b>\$ 138,598</b>	<b>\$ 868,405</b>
<b>Plan fiduciary net position - beginning</b>	<b>7,762,203</b>	<b>7,513,660</b>	<b>7,005,761</b>	<b>7,105,213</b>	<b>6,966,615</b>	<b>6,098,210</b>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 7,997,598</u></b>	<b><u>\$ 7,762,203</u></b>	<b><u>\$ 7,513,660</u></b>	<b><u>\$ 7,005,761</u></b>	<b><u>\$ 7,105,213</u></b>	<b><u>\$ 6,966,615</u></b>
<b>School Division's net pension liability - ending (a) - (b)</b>	<b>\$ 1,005,352</b>	<b>\$ 731,398</b>	<b>\$ 826,590</b>	<b>\$ 1,155,670</b>	<b>\$ 978,156</b>	<b>\$ 759,567</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>88.83%</b>	<b>91.39%</b>	<b>90.09%</b>	<b>85.84%</b>	<b>87.90%</b>	<b>90.17%</b>
<b>Covered payroll</b>	<b>\$ 1,897,316</b>	<b>\$ 1,868,841</b>	<b>\$ 1,832,173</b>	<b>\$ 1,869,347</b>	<b>\$ 1,913,078</b>	<b>\$ 1,893,445</b>
<b>School Division's net pension liability as a percentage of covered payroll</b>	<b>52.99%</b>	<b>39.14%</b>	<b>45.12%</b>	<b>61.82%</b>	<b>51.13%</b>	<b>40.12%</b>

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

Schedule of Employer's Share of Net Pension Liability VRS Teacher  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2019

	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability	0.22940%	0.22830%	0.23316%	0.23940%	0.23837%	0.24713%
Employer's Proportionate Share of the Net Pension Liability	\$ 29,340,171	\$ 26,848,000	\$ 28,673,000	\$ 33,549,000	\$ 30,002,000	\$ 29,865,000
Employer's Covered Payroll	\$ 18,775,666	\$ 18,414,963	\$ 18,386,958	\$ 18,108,798	\$ 17,889,407	\$ 18,032,461
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	156%	146%	156%	185%	168%	166%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

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

Schedule of Employer Contributions-Pension Plans  
 Years Ended June 30, 2011 through June 30, 2020

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>					
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%
2011	571,577	571,577	-	5,698,676	10.03%
<b>Component Unit School Board (nonprofessional)</b>					
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%
2011	153,953	153,953	-	1,712,494	8.99%
<b>Component Unit School Board (professional)</b>					
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%
2011	692,637	692,637	-	17,624,345	3.93%

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, 2020

**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, 2018 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, 2019

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

	2020	2019	2018
<b>Total OPEB liability</b>			
Service cost	\$ 224,900	\$ 249,000	\$ 242,900
Interest	127,400	176,700	162,600
Changes in assumptions	132,600	(523,900)	-
Differences between expected and actual experience	(189,300)	(1,300,800)	-
Benefit payments	(194,000)	146,200	(175,800)
<b>Net change in total OPEB liability</b>	\$ 101,600	\$ (1,252,800)	\$ 229,700
<b>Total OPEB liability - beginning</b>	3,389,600	4,642,400	4,412,700
<b>Total OPEB liability - ending</b>	<u>\$ 3,491,200</u>	<u>\$ 3,389,600</u>	<u>\$ 4,642,400</u>
 <b>Covered-employee payroll</b>	 \$ 18,465,200	 \$ 18,465,200	 \$ 18,716,200
 <b>Town's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 24.80%	 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, 2020

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

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.13% as of June 30, 2019
Inflation	2.50% per year as of June 30, 2019
Healthcare Trend Rate	The healthcare trend rate assumption starts at 7% ifor fiscal year 2020 (to reflect actual experience), decreasing 0.25% pe3r year to an ultimate rate of 5.00%.
Salary Increase Rates	2.5% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 Total Dataset Mortality Table, fully generational with base year 2006, projected using two-dimentional mortality improvement scale MP-2019.

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, 2019

<b>Date</b> <b>(1)</b>	<b>Employer's Proportion of the Net GLI OPEB Liability</b> <b>(2)</b>	<b>Employer's Proportionate Share of the Net GLI OPEB Liability</b> <b>(3)</b>	<b>Employer's Covered Payroll</b> <b>(4)</b>	<b>Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)</b>	<b>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)</b>
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, 2019

<b>Date</b> <b>(1)</b>	<b>Employer's Proportion of the Net GLI OPEB Liability</b> <b>(2)</b>	<b>Employer's Proportionate Share of the Net GLI OPEB Liability</b> <b>(3)</b>	<b>Employer's Covered Payroll</b> <b>(4)</b>	<b>Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)</b>	<b>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)</b>
<b>Component Unit School Board (nonprofessional)</b>					
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>					
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, 2011 through June 30, 2020

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>					
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%
2011	15,956	15,956	-	5,698,676	0.28%
<b>Component Unit School Board (nonprofessional)</b>					
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%
2011	4,798	4,798	-	1,713,416	0.28%
<b>Component Unit School Board (professional)</b>					
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%
2011	49,487	49,487	-	17,673,868	0.28%

Notes to Required Supplementary Information  
 Group Life Insurance (GLI) Plan  
 Year Ended June 30, 2020

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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, 2018 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, 2019

<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>
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, 2011 through June 30, 2020

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Date	Contributions in Relation to		Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)			
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%
2011	105,746	105,746	-	17,624,343	0.60%

Notes to Required Supplementary Information  
Teacher Employee Health Insurance Credit (HIC) Plan  
Year Ended June 30, 2020

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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, 2018 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, 2020**

	<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>				
Intergovernmental revenues:				
Commonwealth	-	210,000	-	(210,000)
Total revenues	\$ -	\$ 210,000	\$ -	\$ (210,000)
<b>EXPENDITURES</b>				
Current:				
Capital projects	\$ 376,728	\$ 1,023,554	\$ 631,996	\$ 391,558
Total expenditures	\$ 376,728	\$ 1,023,554	\$ 631,996	\$ 391,558
Excess (deficiency) of revenues over (under) expenditures	\$ (376,728)	\$ (813,554)	\$ (631,996)	\$ 181,558
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 376,728	\$ 813,554	\$ 538,372	\$ (275,182)
Issuance of capital leases	-	-	161,680	161,680
Total other financing sources (uses)	\$ 376,728	\$ 813,554	\$ 700,052	\$ (113,502)
Net change in fund balances	\$ -	\$ -	\$ 68,056	\$ 68,056
Fund balances - beginning	-	-	141,309	141,309
Fund balances - ending	\$ -	\$ -	\$ 209,365	\$ 209,365

## **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, 2020

	Virginia Public Assistance Fund	Comprehensive Services Act Fund	E-911 Fund	Parks and Recreation Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 644	\$ 157,491	\$ 158,135
Due from other governmental units	<u>169,181</u>	<u>230,670</u>	<u>-</u>	<u>-</u>	<u>399,851</u>
Total assets	<u>\$ 169,181</u>	<u>\$ 230,670</u>	<u>\$ 644</u>	<u>\$ 157,491</u>	<u>\$ 557,986</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 159,959	\$ -	\$ 1,368	\$ 161,327
Accrued liabilities	-	645	-	-	645
Due to other funds	<u>169,181</u>	<u>70,066</u>	<u>-</u>	<u>-</u>	<u>239,247</u>
Total liabilities	<u>\$ 169,181</u>	<u>\$ 230,670</u>	<u>\$ -</u>	<u>\$ 1,368</u>	<u>\$ 401,219</u>
<b>FUND BALANCES</b>					
Committed:					
Recreation	\$ -	\$ -	\$ -	\$ 156,123	\$ 156,123
Assigned:					
Emergency services	<u>-</u>	<u>-</u>	<u>644</u>	<u>-</u>	<u>644</u>
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644</u>	<u>\$ 156,123</u>	<u>\$ 156,767</u>
Total liabilities and fund balances	<u>\$ 169,181</u>	<u>\$ 230,670</u>	<u>\$ 644</u>	<u>\$ 157,491</u>	<u>\$ 557,986</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2020**

	<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	\$ 29,373	\$ -	\$ -	\$ 24,508	\$ 53,881
Intergovernmental:					
Commonwealth	674,180	799,494	-	-	1,473,674
Federal	1,307,981	9,407	-	-	1,317,388
Total revenues	\$ 2,011,534	\$ 808,901	\$ -	\$ 24,508	\$ 2,844,943
<b>EXPENDITURES</b>					
Current:					
Health and welfare	\$ 2,439,423	\$ 1,269,727	\$ -	\$ -	\$ 3,709,150
Parks, recreation, and cultural	-	-	-	14,143	14,143
Total expenditures	\$ 2,439,423	\$ 1,269,727	\$ -	\$ 14,143	\$ 3,723,293
Excess (deficiency) of revenues over (under) expenditures	\$ (427,889)	\$ (460,826)	\$ -	\$ 10,365	\$ (878,350)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 427,889	\$ 460,826	\$ -	\$ -	\$ 888,715
Total other financing sources (uses)	\$ 427,889	\$ 460,826	\$ -	\$ -	\$ 888,715
Net change in fund balances	\$ -	\$ -	\$ -	\$ 10,365	\$ 10,365
Fund balances - beginning	-	-	644	145,758	146,402
Fund balances - ending	\$ -	\$ -	\$ 644	\$ 156,123	\$ 156,767



COUNTY OF PAGE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2020

	Virginia Public Assistance Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 29,373	\$ 29,373
Intergovernmental:				
Commonwealth	958,893	958,893	674,180	(284,713)
Federal	1,309,877	1,309,877	1,307,981	(1,896)
Total revenues	<u>\$ 2,268,770</u>	<u>\$ 2,268,770</u>	<u>\$ 2,011,534</u>	<u>\$ (257,236)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	<u>\$ 2,752,700</u>	<u>\$ 2,752,700</u>	<u>\$ 2,439,423</u>	<u>\$ 313,277</u>
Total expenditures	<u>\$ 2,752,700</u>	<u>\$ 2,752,700</u>	<u>\$ 2,439,423</u>	<u>\$ 313,277</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (483,930)</u>	<u>\$ (483,930)</u>	<u>\$ (427,889)</u>	<u>\$ 56,041</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>\$ 483,930</u>	<u>\$ 483,930</u>	<u>\$ 427,889</u>	<u>\$ (56,041)</u>
Total other financing sources (uses)	<u>\$ 483,930</u>	<u>\$ 483,930</u>	<u>\$ 427,889</u>	<u>\$ (56,041)</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	799,494	(986,577)
-	-	9,407	9,407
\$ 1,786,071	\$ 1,786,071	\$ 808,901	\$ (977,170)
\$ 2,552,410	\$ 2,552,410	\$ 1,269,727	\$ 1,282,683
\$ 2,552,410	\$ 2,552,410	\$ 1,269,727	\$ 1,282,683
\$ (766,339)	\$ (766,339)	\$ (460,826)	\$ 305,513
\$ 766,339	\$ 766,339	\$ 460,826	\$ (305,513)
\$ 766,339	\$ 766,339	\$ 460,826	\$ (305,513)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2020**

	Parks and Recreation Fund			Variance with Final Budget Positive Negative
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 25,000	\$ 25,000	\$ 24,508	\$ (492)
Total revenues	\$ 25,000	\$ 25,000	\$ 24,508	\$ (492)
EXPENDITURES				
Current:				
Parks, recreation, and cultural	\$ 25,000	\$ 25,000	\$ 14,143	\$ 10,857
Total expenditures	\$ 25,000	\$ 25,000	\$ 14,143	\$ 10,857
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 10,365	\$ 10,365
Net change in fund balances	\$ -	\$ -	\$ 10,365	\$ 10,365
Fund balances - beginning	-	-	145,758	145,758
Fund balances - ending	\$ -	\$ -	\$ 156,123	\$ 156,123

## **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, 2020

	Agency Funds					
	Special Welfare Fund	Cash Bonds Fund	Neutering/ Spaying Fund	Jail Inmate Fund	Luray/Page Airport Hangar Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,013	\$ 34,062	\$ 9,375	\$ 33,002	\$ 78,348	\$ 156,800
Total assets	<u>\$ 2,013</u>	<u>\$ 34,062</u>	<u>\$ 9,375</u>	<u>\$ 33,002</u>	<u>\$ 78,348</u>	<u>\$ 156,800</u>
<b>LIABILITIES</b>						
Amounts held for social services clients	\$ 2,013	\$ -	\$ -	\$ -	\$ -	\$ 2,013
Amounts held for others	-	34,062	9,375	-	78,348	121,785
Amounts held for inmates	-	-	-	33,002	-	33,002
Total liabilities	<u>\$ 2,013</u>	<u>\$ 34,062</u>	<u>\$ 9,375</u>	<u>\$ 33,002</u>	<u>\$ 78,348</u>	<u>\$ 156,800</u>

**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Year Ended June 30, 2020**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>Special Welfare Fund:</b>				
ASSETS				
Cash and cash equivalents	\$ <u>684</u>	\$ <u>10,086</u>	\$ <u>8,757</u>	\$ <u>2,013</u>
LIABILITIES				
Amounts held for social services clients	\$ <u>684</u>	\$ <u>10,086</u>	\$ <u>8,757</u>	\$ <u>2,013</u>
<b>Neutering/Spaying Fund:</b>				
ASSETS				
Cash and cash equivalents	\$ <u>8,937</u>	\$ <u>798</u>	\$ <u>360</u>	\$ <u>9,375</u>
LIABILITIES				
Amounts held for neutering/spaying	\$ <u>8,937</u>	\$ <u>798</u>	\$ <u>360</u>	\$ <u>9,375</u>
<b>Cash Bonds Fund:</b>				
ASSETS				
Cash and cash equivalents	\$ <u>34,062</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>34,062</u>
LIABILITIES				
Amounts held for bonds fund	\$ <u>34,062</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>34,062</u>
<b>Jail Inmate Fund:</b>				
ASSETS				
Cash and cash equivalents	\$ <u>21,471</u>	\$ <u>186,042</u>	\$ <u>174,511</u>	\$ <u>33,002</u>
LIABILITIES				
Amounts held for inmates	\$ <u>21,471</u>	\$ <u>186,042</u>	\$ <u>174,511</u>	\$ <u>33,002</u>
<b>Luray/Page Airport Hangar Fund:</b>				
ASSETS				
Cash and cash equivalents	\$ <u>78,538</u>	\$ <u>92,900</u>	\$ <u>93,090</u>	\$ <u>78,348</u>
LIABILITIES				
Amounts held for Airport	\$ <u>78,538</u>	\$ <u>92,900</u>	\$ <u>93,090</u>	\$ <u>78,348</u>
<b>Totals - All Agency Funds:</b>				
ASSETS				
Cash and cash equivalents	\$ <u>143,692</u>	\$ <u>289,826</u>	\$ <u>276,718</u>	\$ <u>156,800</u>
Total assets	\$ <u>143,692</u>	\$ <u>289,826</u>	\$ <u>276,718</u>	\$ <u>156,800</u>
LIABILITIES				
Amounts held for social services clients	\$ 684	\$ 10,086	\$ 8,757	\$ 2,013
Amounts held for others	121,537	93,698	93,450	121,785
Amounts held for inmates	<u>21,471</u>	<u>186,042</u>	<u>174,511</u>	<u>33,002</u>
Total liabilities	\$ <u>143,692</u>	\$ <u>289,826</u>	\$ <u>276,718</u>	\$ <u>156,800</u>

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

School Operating Fund – The School Operating fund accounts for and reports the operations of the County's School system. Financing is provided by the State and Federal government as well as by contributions from the General Fund.

School Cafeteria Fund – The Cafeteria Fund accounts for and reports the County's school lunch program. Financing is provided from school lunch sales and State and Federal reimbursements.

**Combining Balance Sheet**  
**Discretely Presented Component Unit - School Board**  
**June 30, 2020**

	<b>School Operating Fund</b>	<b>Total Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 63,363	\$ 853,423	\$ 916,786
Accounts receivable	58,573	-	58,573
Due from primary government	2,484,636	-	2,484,636
Due from other governmental units	424,828	304,102	728,930
Inventories	-	38,378	38,378
	<u>3,031,400</u>	<u>1,195,903</u>	<u>4,227,303</u>
Total assets	\$	\$	\$
<b>LIABILITIES</b>			
Accounts payable	\$ 77,597	\$ -	\$ 77,597
Accrued liabilities	2,890,440	106,617	2,997,057
Total liabilities	\$ 2,968,037	\$ 106,617	\$ 3,074,654
<b>FUND BALANCES</b>			
Nonspendable			
Inventories	\$ -	\$ 38,378	\$ 38,378
Assigned			
School lunch program	-	1,050,908	1,050,908
School operating fund	\$ 63,363	\$ -	\$ 63,363
Total fund balances	\$ 63,363	\$ 1,089,286	\$ 1,152,649
	<u>3,031,400</u>	<u>1,195,903</u>	<u>4,227,303</u>
Total liabilities and fund balances	\$	\$	\$

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

Total fund balances per above \$ 1,152,649

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

Land	\$ 977,491	
Buildings and improvements	33,719,917	
Machinery and equipment	1,067,977	
Construction in progress	-	35,765,385

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

Pension related items	\$ 6,073,332	
OPEB related items	923,622	6,996,954

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and Liabilities of the internal service funds are included in governmental activities in the statement of net position.

Health insurance fund	\$ 2,264	2,264
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Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest	\$ (41,913)	
Capital leases	(5,800,895)	
Compensated absences	(280,801)	
Net pension liability	(30,345,523)	
Net OPEB liabilities	(8,097,461)	(44,566,593)

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

Pension related items	\$ (4,082,487)	
OPEB related items	(1,808,431)	(5,890,918)

Net position of governmental activities \$ (6,540,259)



**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds - Discretely Presented Component Unit - School Board**  
**Year Ended June 30, 2020**

	<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	\$ 65,395	\$ 138	\$ 65,533
Charges for services	1,366,348	381,327	1,747,675
Miscellaneous	63,363	-	63,363
Intergovernmental:			
Local government	9,505,979	-	9,505,979
Commonwealth	22,559,279	34,884	22,594,163
Federal	1,748,527	1,876,547	3,625,074
Total revenues	<u>\$ 35,308,891</u>	<u>\$ 2,292,896</u>	<u>\$ 37,601,787</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 34,669,597	\$ 2,038,288	\$ 36,707,885
Debt service:			
Principal retirement	396,703	-	396,703
Interest and other fiscal charges	179,228	-	179,228
Total expenditures	<u>\$ 35,245,528</u>	<u>\$ 2,038,288</u>	<u>\$ 37,283,816</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 63,363	\$ 254,608	\$ 317,971
Net change in fund balances	\$ 63,363	\$ 254,608	\$ 317,971
Fund balances - beginning	-	834,678	834,678
Fund balances - ending	<u>\$ 63,363</u>	<u>\$ 1,089,286</u>	<u>\$ 1,152,649</u>

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

Total fund balances per above	\$	317,971
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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	\$	107,095	
Depreciation expense		(2,302,756)	
Allocation of debt financed school assets based on current year repayments		<u>2,432,674</u>	237,013

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	\$	396,703	
Change in accrued interest		<u>2,894</u>	399,597

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	\$	(43,952)	
Pension expense		(150,375)	
OPEB expense		<u>574,106</u>	379,779

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>9,528</u>	<u>9,528</u>
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Change in net position of governmental activities	\$	<u><u>1,343,888</u></u>
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**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Discretely Presented Component Unit - School Board**  
**Year Ended June 30, 2020**

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 35,400	\$ 35,400	\$ 65,395	\$ 29,995
Charges for services	1,505,000	1,510,000	1,366,348	(143,652)
Miscellaneous	-	-	63,363	63,363
Intergovernmental:				
Local government	10,927,091	11,032,658	9,505,979	(1,526,679)
Commonwealth	22,314,726	22,376,268	22,559,279	183,011
Federal	1,835,610	2,014,053	1,748,527	(265,526)
Total revenues	<u>\$ 36,617,827</u>	<u>\$ 36,968,379</u>	<u>\$ 35,308,891</u>	<u>\$ (1,659,488)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 36,039,316	\$ 36,389,868	\$ 34,669,597	\$ 1,720,271
Debt service:				
Principal retirement	396,703	396,703	396,703	-
Interest and other fiscal charges	181,808	181,808	179,228	2,580
Total expenditures	<u>\$ 36,617,827</u>	<u>\$ 36,968,379</u>	<u>\$ 35,245,528</u>	<u>\$ 1,722,851</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,363</u>	<u>\$ 63,363</u>
Net change in fund balances	\$ -	\$ -	\$ 63,363	\$ 63,363
Fund balances - beginning	-	-	-	-
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, 2020**

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 138	\$ 138
Charges for services	820,200	820,200	381,327	(438,873)
Miscellaneous	-	-	-	-
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	36,241	36,241	34,884	(1,357)
Federal	1,061,459	1,061,459	1,876,547	815,088
Total revenues	<u>\$ 1,917,900</u>	<u>\$ 1,917,900</u>	<u>\$ 2,292,896</u>	<u>\$ 374,996</u>
EXPENDITURES				
Current:				
Education	\$ 1,917,900	\$ 1,917,900	\$ 2,038,288	\$ (120,388)
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	<u>\$ 1,917,900</u>	<u>\$ 1,917,900</u>	<u>\$ 2,038,288</u>	<u>\$ (120,388)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,608</u>	<u>\$ 254,608</u>
Net change in fund balances	\$ -	\$ -	\$ 254,608	\$ 254,608
Fund balances - beginning	-	-	834,678	834,678
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,089,286</u>	<u>\$ 1,089,286</u>

Statement of Net Position  
Internal Service Fund  
Discretely Presented Component Unit - School Board  
June 30, 2020

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	<b>Health Insurance Fund</b>
	<u>                    </u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ <u>2,264</u>
Total assets	\$ <u>2,264</u>
<b>NET POSITION</b>	
Unrestricted	\$ <u>2,264</u>
Total net position	\$ <u><u>2,264</u></u>

Statement of Revenues, Expenses, and Changes in Net Position  
Internal Service Fund  
Discretely Presented Component Unit - School Board  
Year Ended June 30, 2020

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	<b>Health Insurance Fund</b>
	<u>                    </u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Insurance premiums	\$ <u>1,470,233</u>
Total operating revenues	\$ <u>1,470,233</u>
<b>OPERATING EXPENSES</b>	
Insurance claims and expenses	\$ <u>1,460,705</u>
Total operating expenses	\$ <u>1,460,705</u>
Operating income (loss)	\$ <u>9,528</u>
Change in net position	\$ 9,528
Total net position - beginning	<u>(7,264)</u>
Total net position - ending	\$ <u><u>2,264</u></u>

Statement of Cash Flows  
Internal Service Fund  
Discretely Presented Component Unit - School Board  
Year Ended June 30, 2020

	<b>Health Insurance Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts for insurance premiums	\$ 1,470,233
Payments for premiums	(1,517,912)
Net cash provided by (used for) operating activities	<u>\$ (47,679)</u>
Net increase (decrease) in cash and cash equivalents	\$ (47,679)
Cash and cash equivalents - beginning	49,943
Cash and cash equivalents - ending	<u><u>\$ 2,264</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating income (loss)	\$ <u>9,528</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase (decrease) in accounts payable	\$ <u>(57,207)</u>
Total adjustments	<u>\$ (57,207)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (47,679)</u></u>

## **SUPPORTING SCHEDULES**

**Schedule of Revenues - Budget and Actual**  
**Governmental Funds**  
**Year Ended June 30, 2020**

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 14,191,207	\$ 14,191,207	\$ 15,359,724	\$ 1,168,517
Real and personal public service corporation taxes	700,000	700,000	796,927	96,927
Personal property taxes	6,904,522	6,904,522	6,977,362	72,840
Penalties	269,000	269,000	254,849	(14,151)
Interest	248,000	248,000	368,823	120,823
Total general property taxes	<u>\$ 22,312,729</u>	<u>\$ 22,312,729</u>	<u>\$ 23,757,685</u>	<u>\$ 1,444,956</u>
Other local taxes:				
Local sales and use taxes	\$ 1,600,000	\$ 1,600,000	\$ 1,864,352	\$ 264,352
Business licenses	160,000	160,000	182,237	22,237
Consumption taxes	45,000	45,000	50,731	5,731
Motor vehicle licenses	500,000	500,000	504,894	4,894
Taxes on recordation and wills	160,000	160,000	218,689	58,689
Transient occupancy taxes	1,000,000	1,000,000	869,855	(130,145)
Meals taxes	280,000	280,000	262,182	(17,818)
Total other local taxes	<u>\$ 3,745,000</u>	<u>\$ 3,745,000</u>	<u>\$ 3,952,940</u>	<u>\$ 207,940</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 9,000	\$ 9,000	\$ 5,741	\$ (3,259)
Land use application fees	4,000	4,000	4,188	188
Transfer fees	900	900	976	76
Permits and other licenses	197,417	197,417	217,433	20,016
Total permits, privilege fees, and regulatory licenses	<u>\$ 211,317</u>	<u>\$ 211,317</u>	<u>\$ 228,338</u>	<u>\$ 17,021</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 84,400	\$ 87,083	\$ 65,882	\$ (21,201)
Total fines and forfeitures	<u>\$ 84,400</u>	<u>\$ 87,083</u>	<u>\$ 65,882</u>	<u>\$ (21,201)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 103,918	\$ 103,918
Revenue from use of property	64,000	64,000	56,900	(7,100)
Total revenue from use of money and property	<u>\$ 64,000</u>	<u>\$ 64,000</u>	<u>\$ 160,818</u>	<u>\$ 96,818</u>
Charges for services:				
Sheriff's fees	\$ 2,000	\$ 2,000	\$ 2,609	\$ 609
Ambulance and rescue service	500,000	550,000	457,333	(92,667)
Charges for Animal Protection	9,000	9,000	6,741	(2,259)
Charges for Commonwealth's Attorney	5,000	5,000	6,070	1,070
Work release and other inmate fees	85,850	85,850	71,078	(14,772)
Charges for sanitation and waste removal	1,800,000	1,800,000	1,943,638	143,638
Other charges for services	7,125	43,225	72,289	29,064
Total charges for services	<u>\$ 2,408,975</u>	<u>\$ 2,495,075</u>	<u>\$ 2,559,758</u>	<u>\$ 64,683</u>
Miscellaneous:				
Miscellaneous	\$ 177,238	\$ 177,238	\$ 357,445	\$ 180,207
Total miscellaneous	<u>\$ 177,238</u>	<u>\$ 177,238</u>	<u>\$ 357,445</u>	<u>\$ 180,207</u>
Total revenue from local sources	<u>\$ 29,003,659</u>	<u>\$ 29,092,442</u>	<u>\$ 31,082,866</u>	<u>\$ 1,990,424</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 12,000	\$ 12,000	\$ 24,314	\$ 12,314
State recordation tax	40,000	40,000	33,249	(6,751)
Railroad rolling stock tax	36,000	36,000	35,796	(204)
Communication taxes	486,000	486,000	405,672	(80,328)
Motor vehicle rental tax	4,000	4,000	4,498	498
Personal property tax relief funds	1,640,791	1,640,791	1,640,791	-
Total noncategorical aid	<u>\$ 2,218,791</u>	<u>\$ 2,218,791</u>	<u>\$ 2,144,320</u>	<u>\$ (74,471)</u>



Schedule of Revenues - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2020 (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	\$ 301,375	\$ 301,375	\$ 351,243	\$ 49,868
Sheriff	2,392,459	2,413,695	2,223,690	(190,005)
Commissioner of revenue	146,098	146,098	144,666	(1,432)
Treasurer	113,880	113,880	114,906	1,026
Registrar/electoral board	38,037	38,037	50,061	12,024
Clerk of the Circuit Court	257,655	270,986	312,532	41,546
Total shared expenses	\$ 3,249,504	\$ 3,284,071	\$ 3,197,098	\$ (86,973)
Other categorical aid:				
CJS GTS grant	\$ -	\$ 1,189	\$ 1,520	\$ 331
Virginia Juvenile Community Crime Control Act	30,076	30,076	6,781	(23,295)
Crime prevention education	10,000	15,000	5,000	(10,000)
PSAP grant	109,000	109,000	83,596	(25,404)
Litter control	24,515	24,515	9,886	(14,629)
Fire programs funds	48,000	48,000	54,942	6,942
Victims witness grant	46,756	46,756	21,375	(25,381)
Two-for-life grant	23,500	23,500	-	(23,500)
School resource officer grant	100,000	100,000	81,863	(18,137)
Crime against kids grant	40,000	40,000	42,000	2,000
RSAF grant	30,058	30,058	13,877	(16,181)
Other	48,898	51,898	44,122	(7,776)
Total other categorical aid	\$ 510,803	\$ 519,992	\$ 364,962	\$ (155,030)
Total categorical aid	\$ 3,760,307	\$ 3,804,063	\$ 3,562,060	\$ (242,003)
Total revenue from the Commonwealth	\$ 5,979,098	\$ 6,022,854	\$ 5,706,380	\$ (316,474)
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 150,000	\$ 150,000	\$ 187,209	\$ 37,209
Categorical aid:				
Forfeited assets	\$ 50,000	\$ 50,730	\$ 731	\$ (49,999)
Local law enforcement	6,000	6,000	-	(6,000)
Victim witness assistance	14,771	14,771	46,624	31,853
Triad grant	2,500	2,500	-	(2,500)
SHSP grant	-	50,000	-	(50,000)
Opiod abuse grant	-	200,000	28,898	(171,102)
DMV ground transportation safety grant	18,000	18,000	9,224	(8,776)
Sheriff GTS	50,000	50,000	-	(50,000)
Bullet proof vest grant	13,000	13,000	3,024	(9,976)
Stimulus U.S. Housing and Human services	-	-	23,554	23,554
CARES act	-	78,225	54,672	(23,553)
Emergency management planning grant	-	-	8,040	8,040
Community oriented police	15,000	15,000	1,768	(13,232)
Total categorical aid	\$ 169,271	\$ 498,226	\$ 176,535	\$ (321,691)
Total revenue from the federal government	\$ 319,271	\$ 648,226	\$ 363,744	\$ (284,482)
Total General Fund	\$ 35,302,028	\$ 35,763,522	\$ 37,152,990	\$ 1,389,468
<b>Special Revenue Funds:</b>				
<b>Workforce Investment Act Fund:</b>				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Workforce Investment Act	\$ -	\$ -	\$ 1,606,673	\$ 1,606,673
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	\$ -	\$ -	\$ 29,373	\$ 29,373
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 958,893	\$ 958,893	\$ 674,180	\$ (284,713)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,309,877	\$ 1,309,877	\$ 1,307,981	\$ (1,896)
Total Virginia Public Assistance Fund	\$ 2,268,770	\$ 2,268,770	\$ 2,011,534	\$ (257,236)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2020 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Comprehensive Services Act Fund:</b>				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act program	\$ 1,784,071	\$ 1,784,071	\$ 798,205	\$ (985,866)
Child support public assistance funds	2,000	2,000	1,289	(711)
Total categorical aid	\$ 1,786,071	\$ 1,786,071	\$ 799,494	\$ (986,577)
Total revenue from the Commonwealth	\$ 1,786,071	\$ 1,786,071	\$ 799,494	\$ (986,577)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 9,407	\$ 9,407
Total categorical aid	\$ -	\$ -	\$ 9,407	\$ 9,407
Total revenue from the federal government	\$ -	\$ -	\$ 9,407	\$ 9,407
Total Comprehensive Services Act Fund	\$ 1,786,071	\$ 1,786,071	\$ 808,901	\$ (977,170)
Total Comprehensive Services Act Fund	\$ 1,786,071	\$ 1,786,071	\$ 808,901	\$ (977,170)
<b>Parks and Recreation Fund:</b>				
Revenue from local sources:				
Charges for services:				
Parks and recreation fees	\$ 25,000	\$ 25,000	\$ 24,508	\$ (492)
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Categorical aid:				
NG911	\$ -	\$ 210,000	\$ -	\$ (210,000)
Total Primary Government	\$ 39,381,869	\$ 40,053,363	\$ 41,604,606	\$ 1,551,243
<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	\$ 35,400	\$ 35,400	\$ 65,395	\$ 29,995
Total revenue from use of money and property	\$ 35,400	\$ 35,400	\$ 65,395	\$ 29,995
Charges for services:				
Charges for education	\$ 1,505,000	\$ 1,510,000	\$ 1,366,348	\$ (143,652)
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 63,363	\$ 63,363
Total revenue from local sources	\$ 1,540,400	\$ 1,545,400	\$ 1,495,106	\$ (50,294)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Page, Virginia	\$ 10,927,091	\$ 11,032,658	\$ 9,505,979	\$ (1,526,679)
Total revenues from local governments	\$ 10,927,091	\$ 11,032,658	\$ 9,505,979	\$ (1,526,679)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,864,357	\$ 3,864,357	\$ 3,896,148	\$ 31,791
Basic school aid	10,475,002	10,475,002	10,569,937	94,935
GED funding	16,710	16,710	16,773	63
Regular foster children education	5,149	5,149	11,788	6,639
Remedial summer education	44,125	44,125	50,224	6,099
Gifted and talented	111,014	111,014	112,265	1,251
Remedial education	421,853	421,853	426,605	4,752
Special education	936,957	936,957	947,513	10,556
Compensation supplement	637,107	637,107	638,501	1,394
Textbook payments	223,560	223,560	226,078	2,518
Vocational standards of quality payments	390,769	390,769	395,171	4,402
Social security	634,999	643,729	642,153	(1,576)
Retirement fringe benefits	1,403,215	1,403,215	1,419,024	15,809
Lottery	817,605	817,605	821,799	4,194
Early reading intervention	53,762	53,762	58,437	4,675
Group life instructional	42,185	42,185	42,661	476
Homebound education	7,622	7,622	5,174	(2,448)
Regional program tuition	660,664	660,664	580,760	(79,904)

**Schedule of Revenues - Budget and Actual**  
**Governmental Funds**  
**Year Ended June 30, 2020 (Continued)**

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<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	\$ 443,422	\$ 443,422	\$ 449,748	\$ 6,326
Primary class size	443,884	443,884	471,743	27,859
Technology	258,000	258,000	258,000	-
VPI provisional grant	-	26,133	26,133	-
Standards of learning algebra readiness	52,147	52,147	48,273	(3,874)
At risk four-year olds	265,426	265,426	265,426	-
Vocational education	77,853	77,853	89,783	11,930
English as a second language	13,643	13,643	19,289	5,646
Other state funds	13,696	40,375	69,873	29,498
Total categorical aid	\$ 22,314,726	\$ 22,376,268	\$ 22,559,279	\$ 183,011
Total revenue from the Commonwealth	\$ 22,314,726	\$ 22,376,268	\$ 22,559,279	\$ 183,011
Revenue from the federal government:				
Categorical aid:				
Federal land use	\$ 25,000	\$ 25,000	\$ 22,365	\$ (2,635)
Title I	863,209	863,209	784,389	(78,820)
Title VI-B, special education flow-through	704,461	704,461	533,856	(170,605)
Vocational education	72,409	72,409	28,692	(43,717)
Title VI-B, special education pre-school	16,575	16,575	16,607	32
Title II	128,671	128,671	125,455	(3,216)
Title III	2,785	2,785	-	(2,785)
Title V	-	35,400	65,826	30,426
21st century learning grant	-	143,043	99,758	(43,285)
Title IV	22,500	22,500	71,579	49,079
Total categorical aid	\$ 1,835,610	\$ 2,014,053	\$ 1,748,527	\$ (265,526)
Total revenue from the federal government	\$ 1,835,610	\$ 2,014,053	\$ 1,748,527	\$ (265,526)
Total School Operating Fund	\$ 36,617,827	\$ 36,968,379	\$ 35,308,891	\$ (1,659,488)
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 138	\$ 138
Charges for services:				
Cafeteria sales	\$ 820,200	\$ 820,200	\$ 381,327	\$ (438,873)
Total revenue from local sources	\$ 820,200	\$ 820,200	\$ 381,465	\$ (438,735)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 36,241	\$ 36,241	\$ 34,884	\$ (1,357)
Total revenue from the Commonwealth	\$ 36,241	\$ 36,241	\$ 34,884	\$ (1,357)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 1,061,459	\$ 1,061,459	\$ 1,710,169	\$ 648,710
USDA commodities	-	-	166,378	166,378
Total categorical aid	\$ 1,061,459	\$ 1,061,459	\$ 1,876,547	\$ 815,088
Total revenue from the federal government	\$ 1,061,459	\$ 1,061,459	\$ 1,876,547	\$ 815,088
Total School Cafeteria Fund	\$ 1,917,900	\$ 1,917,900	\$ 2,292,896	\$ 374,996
Total Discretely Presented Component Unit - School Board	\$ 38,535,727	\$ 38,886,279	\$ 37,601,787	\$ (1,284,492)

**Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Year Ended June 30, 2020**

<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	\$ 126,226	\$ 126,226	\$ 258,539	\$ (132,313)
General and financial administration:				
County administrator	\$ 330,262	\$ 330,232	\$ 324,958	\$ 5,274
Finance	322,411	322,411	305,875	16,536
Legal services	165,000	260,000	139,645	120,355
Commissioner of revenue	521,452	522,853	505,902	16,951
Assessment	320,000	320,000	343,485	(23,485)
Geographic information systems	130,692	130,692	121,426	9,266
Treasurer	536,486	538,487	549,423	(10,936)
Data processing	209,000	212,640	178,891	33,749
Purchasing	48,904	49,004	49,015	(11)
Total general and financial administration	\$ 2,584,207	\$ 2,686,319	\$ 2,518,620	\$ 167,699
Board of elections:				
Electoral board and officials	\$ 52,619	\$ 52,744	\$ 54,558	\$ (1,814)
Registrar	109,457	109,457	114,197	(4,740)
Total board of elections	\$ 162,076	\$ 162,201	\$ 168,755	\$ (6,554)
Total general government administration	\$ 2,872,509	\$ 2,974,746	\$ 2,945,914	\$ 28,832
Judicial administration:				
Courts:				
Circuit court	\$ 9,250	\$ 9,184	\$ 12,402	\$ (3,218)
General district court	8,650	8,542	6,603	1,939
Special magistrates	2,300	2,234	2,930	(696)
Juvenile and domestic relations court	16,050	15,930	10,299	5,631
Sheriff	202,470	204,691	212,503	(7,812)
Victim witness program	81,554	81,554	75,879	5,675
Clerk of the circuit court	444,740	459,286	485,838	(26,552)
Total courts	\$ 765,014	\$ 781,421	\$ 806,454	\$ (25,033)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 551,461	\$ 554,461	\$ 580,061	\$ (25,600)
Total judicial administration	\$ 1,316,475	\$ 1,335,882	\$ 1,386,515	\$ (50,633)
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 4,185,325	\$ 4,429,642	\$ 4,161,724	267,918
Virginia Juvenile Community Crime Control Act	30,076	30,076	7,010	23,066
Total law enforcement and traffic control	\$ 4,215,401	\$ 4,459,718	\$ 4,168,734	\$ 290,984
Fire and rescue services:				
Volunteer fire departments and rescue squads	\$ 451,450	\$ 451,450	\$ 390,450	\$ 61,000
Fire and rescue services	1,382,603	1,418,557	1,425,941	(7,384)
Total fire and rescue services	\$ 1,834,053	\$ 1,870,007	\$ 1,816,391	\$ 53,616
Correction and detention:				
Jail	\$ 2,857,396	\$ 3,068,951	\$ 3,082,187	\$ (13,236)
Juvenile detention	205,309	205,183	203,652	1,531
Total correction and detention	\$ 3,062,705	\$ 3,274,134	\$ 3,285,839	\$ (11,705)

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Year ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Other protection:				
Animal control	\$ 397,934	\$ 433,246	\$ 363,906	\$ 69,340
Medical examiner	500	500	340	160
Building inspections	-	-	2,464	(2,464)
Emergency services	10,701	10,701	10,705	(4)
Total other protection	\$ 409,135	\$ 444,447	\$ 377,415	\$ 67,032
Total public safety	\$ 9,521,294	\$ 10,048,306	\$ 9,648,379	\$ 399,927
Public works:				
Sanitation and waste removal:				
Compactor sites	\$ 77,755	\$ 77,725	\$ 77,677	\$ 48
Landfill	1,488,799	1,497,158	1,445,501	51,657
Total sanitation and waste removal	\$ 1,566,554	\$ 1,574,883	\$ 1,523,178	\$ 51,705
Maintenance of general buildings and grounds:				
General properties	\$ 377,621	\$ 385,841	\$ 359,140	\$ 26,701
Total public works	\$ 1,944,175	\$ 1,960,724	\$ 1,882,318	\$ 78,406
Health and welfare:				
Health:				
Supplement of local health department	\$ 276,082	\$ 276,082	\$ 276,082	\$ -
Total health	\$ 276,082	\$ 276,082	\$ 276,082	\$ -
Mental health and mental retardation:				
Community services board	\$ 90,538	\$ 90,538	\$ 90,538	\$ -
Choices	5,000	5,000	5,000	-
Total mental health and mental retardation	\$ 95,538	\$ 95,538	\$ 95,538	\$ -
Welfare:				
Welfare administration	\$ 4,522	\$ 4,522	\$ 3,768	\$ 754
Shenandoah Area Agency on Aging	65,000	65,000	65,000	-
Other	18,725	18,725	14,975	3,750
Tax relief for the elderly	-	-	241,720	(241,720)
Total welfare	\$ 88,247	\$ 88,247	\$ 325,463	\$ (237,216)
Total health and welfare	\$ 459,867	\$ 459,867	\$ 697,083	\$ (237,216)
Education:				
Other instructional costs:				
Contributions to L.F. Community College	\$ 62,433	\$ 62,433	\$ 56,217	\$ 6,216
Contribution to County School Board	10,927,091	11,032,658	9,505,979	1,526,679
Total education	\$ 10,989,524	\$ 11,095,091	\$ 9,562,196	\$ 1,532,895
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	\$ 86,131	\$ 94,136	\$ 91,574	\$ 2,562
Total parks and recreation	\$ 86,131	\$ 94,136	\$ 91,574	\$ 2,562

**Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Year ended June 30, 2020 (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>				
Parks, recreation, and cultural: (Continued)				
Library:				
Regional library	\$ 263,041	\$ 263,041	\$ 263,041	\$ -
Total parks, recreation, and cultural	\$ 349,172	\$ 357,177	\$ 354,615	\$ 2,562
Community development:				
Planning and community development:				
Planning	\$ 343,122	\$ 351,820	\$ 351,968	\$ (148)
Northern Shenandoah Planning Commission	21,823	21,823	21,964	(141)
Zoning	3,909	3,909	2,738	1,171
Economic development	389,368	364,308	300,228	64,080
Airport Commission	48,700	48,700	48,700	-
Chamber of Commerce	275,000	300,000	300,000	-
Total planning and community development	\$ 1,081,922	\$ 1,090,560	\$ 1,025,598	\$ 64,962
Environmental management:				
Other environmental management	\$ 98,594	\$ 98,594	\$ 74,992	\$ 23,602
Total environmental management	\$ 98,594	\$ 98,594	\$ 74,992	\$ 23,602
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	\$ 1,182,016	\$ 1,190,654	\$ 1,102,090	\$ 88,564
Nondepartmental:				
Miscellaneous	\$ 305,411	\$ 179,304	\$ 166,604	\$ 12,700
Debt service:				
Principal retirement	\$ 2,964,655	\$ 2,964,655	\$ 3,051,371	\$ (86,716)
Interest and other fiscal charges	2,146,661	2,146,661	2,209,450	(62,789)
Total debt service	\$ 5,111,316	\$ 5,111,316	\$ 5,260,821	\$ (149,505)
Total General Fund	\$ 34,051,759	\$ 34,713,067	\$ 33,006,535	\$ 1,706,532
<b>Special Revenue Funds:</b>				
<b>Workforce Investment Act Fund:</b>				
Community development:				
Shenandoah Valley Workforce Investment Board	\$ -	\$ -	\$ 1,606,673	\$ (1,606,673)
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 2,752,700	\$ 2,752,700	\$ 2,439,423	\$ 313,277
Total Virginia Public Assistance Fund	\$ 2,752,700	\$ 2,752,700	\$ 2,439,423	\$ 313,277
<b>Comprehensive Services Act Fund:</b>				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 2,552,410	\$ 2,552,410	\$ 1,269,727	\$ 1,282,683
Total Comprehensive Services Act Fund	\$ 2,552,410	\$ 2,552,410	\$ 1,269,727	\$ 1,282,683

**Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Year ended June 30, 2020 (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	\$ 14,143	\$ 10,857
Total Parks and Recreation fund	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 14,143</u>	<u>\$ 10,857</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Capital projects expenditures:				
Courthouse repair	\$ -	\$ 300,000	\$ 62,850	\$ 237,150
Landfill equipment	21,300	55,600	209,608	(154,008)
Landfill remediation	63,500	63,500	-	63,500
HVAC replacement	28,600	28,600	28,300	300
Roof repairs	30,000	30,000	30,088	(88)
Motor vehicles	100,000	149,574	116,465	33,109
Jail study	-	52,952	52,168	784
E-911 system	-	210,000	-	210,000
IT hardware	133,328	133,328	132,517	811
Total capital projects	<u>\$ 376,728</u>	<u>\$ 1,023,554</u>	<u>\$ 631,996</u>	<u>\$ 391,558</u>
Total Capital Projects Fund	<u>\$ 376,728</u>	<u>\$ 1,023,554</u>	<u>\$ 631,996</u>	<u>\$ 391,558</u>
Total Primary Government	<u>\$ 39,758,597</u>	<u>\$ 41,066,731</u>	<u>\$ 38,968,497</u>	<u>\$ 2,098,234</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Instructional	\$ 27,055,730	\$ 27,370,873	\$ 26,337,783	\$ 1,033,090
Administration, attendance and health services	1,968,153	1,968,153	1,853,599	114,554
Pupil transportation	2,134,816	2,134,816	2,021,550	113,266
Operation and maintenance	3,665,441	3,700,850	3,103,629	597,221
Facilities	-	-	50,094	(50,094)
Technology	1,215,176	1,215,176	1,302,942	(87,766)
Total education	<u>\$ 36,039,316</u>	<u>\$ 36,389,868</u>	<u>\$ 34,669,597</u>	<u>\$ 1,720,271</u>
Debt service:				
Principal retirement	\$ 396,703	\$ 396,703	\$ 396,703	-
Interest and other fiscal charges	181,808	181,808	179,228	2,580
Total debt service	<u>\$ 578,511</u>	<u>\$ 578,511</u>	<u>\$ 575,931</u>	<u>\$ 2,580</u>
Total School Operating Fund	<u>\$ 36,617,827</u>	<u>\$ 36,968,379</u>	<u>\$ 35,245,528</u>	<u>\$ 1,722,851</u>
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,917,900	\$ 1,917,900	\$ 2,038,288	\$ (120,388)
Total School Cafeteria Fund	<u>\$ 1,917,900</u>	<u>\$ 1,917,900</u>	<u>\$ 2,038,288</u>	<u>\$ (120,388)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 38,535,727</u>	<u>\$ 38,886,279</u>	<u>\$ 37,283,816</u>	<u>\$ 1,602,463</u>

## **STATISTICAL SECTION**



## STATISTICAL SECTION

### Contents

### Tables

#### Financial Trends

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

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*)

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	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:				
Net investment in capital assets	\$ 1,325,386	\$ 1,614,736	\$ 928,108	\$ 210,465
Restricted	367,629	445,608	518,639	921,716
Unrestricted	<u>(5,624,979)</u>	<u>(4,324,176)</u>	<u>(3,435,256)</u>	<u>(5,403,758)</u>
Total governmental activities net position	\$ <u><u>(3,931,964)</u></u>	\$ <u><u>(2,263,832)</u></u>	\$ <u><u>(1,988,509)</u></u>	\$ <u><u>(4,271,577)</u></u>
Primary government:				
Net investment in capital assets	\$ 1,325,386	\$ 1,614,736	\$ 928,108	\$ 210,465
Restricted	367,629	445,608	518,639	921,716
Unrestricted	<u>(5,624,979)</u>	<u>(4,324,176)</u>	<u>(3,435,256)</u>	<u>(5,403,758)</u>
Total primary government net position	\$ <u><u>(3,931,964)</u></u>	\$ <u><u>(2,263,832)</u></u>	\$ <u><u>(1,988,509)</u></u>	\$ <u><u>(4,271,577)</u></u>

Table 1

Fiscal Year					
2015	2016	2017	2018	2018	2020
\$ (124,706)	\$ 2,255,849	\$ 2,205,669	\$ 935,016	\$ 910,687	\$ 1,201,467
818,673	741,443	2,810,507	-	-	-
<u>(10,999,476)</u>	<u>(12,606,528)</u>	<u>(15,768,259)</u>	<u>(11,049,988)</u>	<u>(8,655,053)</u>	<u>(6,926,519)</u>
\$ <u>(10,305,509)</u>	\$ <u>(9,609,236)</u>	\$ <u>(10,752,083)</u>	\$ <u>(10,114,972)</u>	\$ <u>(7,744,366)</u>	\$ <u>(5,725,052)</u>
\$ (124,706)	\$ 2,255,849	\$ 2,205,669	\$ 935,016	\$ 910,687	\$ 1,201,467
818,673	741,443	2,810,507	-	-	-
<u>(10,999,476)</u>	<u>(12,606,528)</u>	<u>(15,768,259)</u>	<u>(11,049,988)</u>	<u>(8,655,053)</u>	<u>(6,926,519)</u>
\$ <u>(10,305,509)</u>	\$ <u>(9,609,236)</u>	\$ <u>(10,752,083)</u>	\$ <u>(10,114,972)</u>	\$ <u>(7,744,366)</u>	\$ <u>(5,725,052)</u>

**COUNTY OF PAGE, VIRGINIA**

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

	2011	2012	2013	2014
<b>Expenses</b>				
Governmental Activities:				
General government administration	\$ 3,036,414	\$ 2,256,222	\$ 2,833,213	\$ 2,306,937
Judicial administration	1,119,582	1,115,093	1,105,308	1,094,479
Public safety	6,755,169	7,072,258	7,520,179	8,695,178
Public works	3,393,399	1,530,469	2,384,891	4,283,275
Health and welfare	3,804,608	3,582,940	3,101,854	3,195,361
Education	11,261,780	11,437,383	11,606,179	12,664,109
Parks, recreation, and cultural	237,294	271,922	273,795	290,824
Community development	491,427	645,888	537,342	745,558
Interest on long-term debt	3,038,008	3,057,354	2,921,300	2,797,872
Bond issuance costs	-	-	-	-
Total governmental activities expenses	\$ 33,137,681	\$ 30,969,529	\$ 32,284,061	\$ 36,073,593
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services:				
General government administration	\$ 100,326	\$ 124,380	\$ 127,291	\$ 79,321
Judicial administration	80,395	96,469	127,832	110,567
Public safety	680,882	719,369	855,455	770,108
Public works	1,368,126	1,349,343	1,305,472	1,390,288
Health and welfare	35,023	20,589	9,645	14,240
Parks, recreation, and cultural	45,768	38,855	35,589	32,732
Operating grants and contributions	5,951,332	5,546,582	5,081,557	5,685,624
Total governmental activities program revenues	\$ 8,261,852	\$ 7,895,587	\$ 7,542,841	\$ 8,082,880
Net (expense) / revenue				
Governmental Activities	\$ (24,875,829)	\$ (23,073,942)	\$ (24,741,220)	\$ (27,990,713)

Table 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 2,423,301	\$ 2,613,493	\$ 2,350,004	\$ 2,644,872	\$ 2,809,655	\$ 3,249,721
1,161,227	1,113,134	1,140,691	1,287,562	1,302,775	1,465,569
8,550,584	8,555,808	8,669,850	8,882,301	9,757,334	9,781,353
2,647,595	2,524,857	2,822,940	3,236,871	3,219,021	2,918,176
3,524,666	3,542,736	3,931,959	3,779,627	3,801,920	4,413,248
13,107,117	12,215,154	12,289,299	12,970,892	11,770,736	11,994,870
303,976	303,900	317,432	335,016	353,747	301,015
3,315,348	3,667,775	3,612,114	3,264,067	2,918,672	2,541,003
2,698,894	2,579,296	2,504,871	2,394,247	2,263,372	2,125,932
-	-	-	99,260	-	-
\$ 37,732,708	\$ 37,116,153	\$ 37,639,160	\$ 38,894,715	\$ 38,197,232	\$ 38,790,887
\$ 71,509	\$ 195,767	\$ 22,971	\$ 73,165	\$ 104,889	\$ 83,194
111,285	88,133	86,574	83,445	84,902	71,952
786,108	792,137	802,672	773,477	812,649	755,194
1,323,908	1,390,504	1,452,965	1,518,841	1,713,847	1,943,638
6,787	10,567	17,783	13,152	5,987	29,373
24,942	28,352	29,423	33,939	35,421	24,508
8,022,321	8,616,224	8,754,656	8,202,143	8,097,100	8,058,104
\$ 10,346,860	\$ 11,121,684	\$ 11,167,044	\$ 10,698,162	\$ 10,854,795	\$ 10,965,963
\$ (27,385,848)	\$ (25,994,469)	\$ (26,472,116)	\$ (28,196,553)	\$ (27,342,437)	\$ (27,824,924)

**COUNTY OF PAGE, VIRGINIA**

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

	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property taxes	\$ 18,577,570	\$ 19,396,791	\$ 19,586,968	\$ 20,239,090
Local sales and use taxes	1,355,463	1,432,754	1,424,298	1,386,698
Motor vehicle licenses taxes	306,201	319,477	312,916	316,256
Transient Occupancy Taxes	452,261	491,143	605,616	645,627
Meals Tax	235,138	237,664	269,595	217,163
Business Licenses	-	-	-	175,233
Tax on Recordation and Wills	106,896	119,169	151,932	163,513
Other Local Taxes	692,425	732,204	209,797	46,737
Unrestricted revenues from use of money and property	-	-	-	-
Miscellaneous	204,922	144,457	49,754	39,250
Grants and Contributions - Not Restricted	1,828,905	1,809,987	2,345,875	2,414,604
Total governmental activities	\$ 23,821,191	\$ 24,742,074	\$ 25,016,543	\$ 25,707,645
<b>Change in Net Position</b>				
Governmental Activities	\$ (1,054,638)	\$ 1,668,132	\$ 275,323	\$ (2,283,068)

Table 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 19,813,686	\$ 20,735,519	\$ 21,317,725	\$ 22,444,117	\$ 22,855,773	\$ 22,963,280
1,478,959	1,596,463	1,605,724	1,653,477	1,747,457	1,864,352
332,612	316,043	442,855	460,835	504,913	504,894
743,834	822,208	1,150,605	857,276	1,013,668	869,855
272,757	283,245	371,091	273,953	354,730	262,182
147,747	161,851	179,484	184,931	175,424	182,237
136,311	150,271	172,219	184,778	171,588	218,689
48,429	49,105	64,428	37,176	59,768	50,731
-	-	-	-	-	-
56,285	32,357	46,985	94,215	156,640	160,818
86,328	178,058	388,957	311,556	323,297	357,445
<u>2,349,089</u>	<u>2,365,622</u>	<u>2,351,768</u>	<u>2,331,350</u>	<u>2,349,785</u>	<u>2,409,755</u>
\$ <u>25,466,037</u>	\$ <u>26,690,742</u>	\$ <u>28,091,841</u>	\$ <u>28,833,664</u>	\$ <u>29,713,043</u>	\$ <u>29,844,238</u>
\$ <u><u>(1,919,811)</u></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>

Governmental Activities 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
2011	\$ 18,577,570	\$ 1,355,463	\$ 452,261	\$ 306,201	\$ 106,896	\$ 235,138	-	\$ 21,033,529
2012	19,396,791	1,432,754	491,143	319,477	119,169	237,664	-	21,996,998
2013	19,586,968	1,424,298	605,616	312,916	151,932	269,595	-	22,351,325
2014	20,239,090	1,386,698	645,627	316,256	163,513	217,163	175,233	23,143,580
2015	19,813,686	1,478,959	743,834	332,612	136,311	272,757	147,747	22,925,906
2016	20,735,519	1,596,463	822,208	316,043	150,271	283,245	161,851	24,065,600
2017	21,317,725	1,605,724	1,037,203	442,855	172,219	333,921	179,484	25,089,131
2018	22,444,117	1,653,477	857,276	460,835	184,778	273,953	184,931	26,059,367
2019	22,855,773	1,747,457	1,013,668	504,913	171,588	354,730	175,424	26,823,553
2020	22,963,280	1,864,352	869,855	504,894	218,689	262,182	182,237	26,865,489



**COUNTY OF PAGE, VIRGINIA**

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund				
Unreserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	127,400	109,100
Assigned	29,301	33,401	39,390	44,848
Unassigned	<u>3,306,575</u>	<u>5,825,396</u>	<u>6,986,977</u>	<u>7,962,516</u>
Total general fund	\$ <u>3,335,876</u>	\$ <u>5,858,797</u>	\$ <u>7,153,767</u>	\$ <u>8,116,464</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Nonspendable				
Prepaid Items	-	-	-	-
Restricted, reported in:				
Debt Service	367,629	445,608	518,639	921,716
Capital projects funds	-	-	3,564,664	-
Committed, reported in:				
Parks and Recreation	55,468	68,063	80,892	91,582
Assigned, reported in:				
Capital projects funds	5,511,516	3,703,805	2,472,525	2,060,182
Emergency Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>644</u>
Total all other governmental funds	\$ <u>5,934,613</u>	\$ <u>4,217,476</u>	\$ <u>6,636,720</u>	\$ <u>3,074,124</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					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51,557	-	7,860	-	-	25,203
29,268	35,402	33,597	16,509	56,813	45,898
<u>7,298,683</u>	<u>5,671,302</u>	<u>7,986,584</u>	<u>9,429,392</u>	<u>11,297,422</u>	<u>14,002,502</u>
<u>\$ 7,379,508</u>	<u>\$ 5,706,704</u>	<u>\$ 8,028,041</u>	<u>\$ 9,445,901</u>	<u>\$ 11,354,235</u>	<u>\$ 14,073,603</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	13,843	-	-	-	-
818,673	741,443	815,711	-	-	-
-	-	1,994,796	206,729	141,309	-
100,034	95,251	118,949	134,000	145,758	156,123
752,621	209,572	(914,804)	-	-	209,365
<u>644</u>	<u>644</u>	<u>644</u>	<u>644</u>	<u>644</u>	<u>644</u>
<u>\$ 1,671,972</u>	<u>\$ 1,060,753</u>	<u>\$ 2,015,296</u>	<u>\$ 341,373</u>	<u>\$ 287,711</u>	<u>\$ 366,132</u>

**COUNTY OF PAGE, VIRGINIA**

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

	2011	2012	2013	2014
<b>Revenues</b>				
General property taxes	\$ 18,277,353	\$ 19,256,025	\$ 19,510,388	\$ 20,075,105
Other local taxes	3,148,384	3,332,411	2,974,154	2,951,227
Permits, privilege fees and regulatory licenses	181,311	162,688	249,634	147,891
Fines and forfeitures	78,282	91,632	124,325	106,746
Revenue from use of money and property	61,410	58,428	59,792	63,474
Charges for services	2,050,927	2,094,685	2,087,325	2,142,619
Miscellaneous	204,922	144,457	49,754	39,250
Intergovernmental:				
Commonwealth	6,205,701	6,024,312	6,251,815	6,740,066
Federal	1,574,536	1,332,257	1,175,617	1,360,162
Total revenues	\$ 31,782,826	\$ 32,496,895	\$ 32,482,804	\$ 33,626,540
<b>Expenditures</b>				
General government administration	\$ 2,788,787	\$ 2,039,067	\$ 2,102,193	\$ 2,041,202
Judicial administration	1,101,332	1,103,368	1,110,754	1,097,386
Public safety	6,534,815	7,252,991	7,556,394	8,824,594
Public works	2,099,341	2,437,670	2,403,072	2,005,315
Health and welfare	3,779,579	3,599,674	3,101,293	3,155,666
Education	9,035,876	9,116,517	9,049,489	8,970,471
Parks, recreation and cultural	237,294	271,698	272,914	291,338
Community development	514,911	643,068	537,342	741,485
Nondepartmental	189,029	138,650	104,938	182,281
Capital projects	17,171	314,935	1,674,799	3,651,838
Debt service:				
Principal	1,947,591	1,900,636	2,172,308	2,378,284
Interest and other fiscal charges	3,124,948	2,872,837	2,993,394	2,886,579
Bond issuance costs	-	-	-	-
Total expenditures	\$ 31,370,674	\$ 31,691,111	\$ 33,078,890	\$ 36,226,439
Excess (deficiency) of revenues over (under) expenditures	\$ 412,152	\$ 805,784	\$ (596,086)	\$ (2,599,899)
Other financing sources (uses)				
Transfers in	\$ 1,000,408	\$ 2,349,910	\$ 778,424	\$ 619,712
Transfers out	(1,000,408)	(2,349,910)	(778,424)	(619,712)
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	\$ 412,152	\$ 805,784	\$ 3,714,214	\$ (2,599,899)
Debt service as a percentage of noncapital expenditures	16.23%	15.59%	16.77%	15.83%

Table 5

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 19,961,029	\$ 20,528,963	\$ 21,051,318	\$ 22,039,826	\$ 22,485,925	\$ 23,757,685	
3,160,649	3,379,186	3,986,406	3,652,426	4,027,548	3,952,940	
193,298	220,787	223,187	236,575	239,509	228,338	
106,910	82,344	81,788	76,451	80,102	65,882	
56,285	32,357	46,985	94,215	156,640	160,818	
2,024,331	2,202,329	2,107,413	2,182,993	2,438,084	2,613,639	
86,328	188,285	388,957	311,556	323,297	357,445	
6,724,642	6,994,739	6,945,372	6,835,278	7,012,650	7,180,054	
3,646,768	3,987,107	4,161,052	3,698,215	3,434,235	3,287,805	
\$ 35,960,240	\$ 37,616,097	\$ 38,992,478	\$ 39,127,535	\$ 40,197,990	\$ 41,604,606	
\$ 2,428,333	\$ 2,389,476	\$ 2,200,628	\$ 2,351,897	\$ 2,503,588	\$ 2,945,914	
1,151,505	1,161,784	1,211,995	1,330,624	1,340,716	1,386,515	
8,593,685	8,682,830	8,293,850	8,962,610	9,944,202	9,648,379	
2,229,313	2,398,985	2,046,617	1,962,740	1,942,484	1,882,318	
3,502,681	3,537,466	3,924,594	3,769,816	3,848,556	4,406,233	
9,385,334	9,296,816	9,628,769	10,487,460	9,471,974	9,562,196	
300,817	304,211	318,086	335,317	356,430	368,758	
3,284,697	3,684,031	3,631,505	3,265,142	2,929,266	2,708,763	
368,134	240,588	141,416	235,199	391,140	166,604	
1,486,480	2,999,246	1,822,326	1,612,119	299,617	631,996	
2,438,370	2,542,192	2,918,094	2,929,071	2,947,540	3,051,371	
2,779,245	2,662,495	2,605,718	2,383,331	2,367,805	2,209,450	
-	-	-	99,260	-	-	
\$ 37,948,594	\$ 39,900,120	\$ 38,743,598	\$ 39,724,586	\$ 38,343,318	\$ 38,968,497	
\$ (1,988,354)	\$ (2,284,023)	\$ 248,880	\$ (597,051)	\$ 1,854,672	\$ 2,636,109	
\$ 768,523	\$ 3,089,732	\$ 2,121,110	\$ 1,655,849	\$ 893,993	\$ 1,427,087	
(768,523)	(3,089,732)	(2,121,110)	(1,655,849)	(893,993)	(1,427,087)	
-	-	3,027,000	-	-	-	
-	-	-	10,431,000	-	-	
-	-	-	(10,331,740)	-	-	
-	-	-	392,300	-	161,680	
-	-	-	-	-	-	
\$ -	\$ -	\$ 3,027,000	\$ 491,560	\$ -	\$ 161,680	
\$ (1,988,354)	\$ (2,284,023)	\$ 3,275,880	\$ (105,491)	\$ 1,854,672	\$ 2,797,789	
14.06%	14.27%	14.94%	14.03%	14.03%	13.76%	

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
2011	\$ 18,277,353	\$ 1,355,463	\$ 452,261	\$ 306,201	\$ 106,896	\$ 235,138	\$ 123,426	\$ 20,856,738
2012	19,256,025	1,432,754	491,143	319,477	119,169	237,664	141,397	21,997,629
2013	19,510,388	1,424,298	605,616	312,916	151,932	269,595	157,439	22,432,184
2014	20,075,105	1,386,698	645,627	316,256	163,513	217,163	175,233	22,979,595
2015	19,961,029	1,478,959	743,834	332,612	136,311	272,757	147,747	23,073,249
2016	20,528,963	1,596,463	822,208	316,043	150,271	283,245	161,851	23,859,044
2017	21,051,318	1,605,724	1,037,203	442,855	172,219	333,921	179,484	24,822,724
2018	22,039,826	1,653,477	857,276	460,835	184,778	273,953	184,931	25,655,076
2019	22,485,925	1,747,457	1,013,668	504,913	171,588	354,730	175,424	26,453,705
2020	23,757,685	1,864,352	869,855	504,894	218,689	262,182	182,237	27,659,894

**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
2011	\$ 2,134,124,400	\$ 168,781,100	\$ 24,648,928	\$ 75,016,471	\$ 16,025
2012	1,981,271,373	172,938,572	24,212,520	56,601,652	474,580
2013	1,987,973,023	173,845,772	22,857,550	67,700,556	482,994
2014	1,997,411,018	171,783,252	20,757,580	85,325,231	755,802
2015	2,003,154,535	172,342,920	19,939,210	87,334,603	762,895
2016	2,005,957,130	176,888,303	21,311,870	90,437,690	611,143
2017	2,012,899,488	182,157,270	23,275,670	90,092,972	788,193
2018	2,022,492,450	186,119,302	23,901,950	98,665,423	739,106
2019	2,035,479,375	190,683,960	23,889,855	97,540,213	728,330
2020	2,049,859,325	196,035,860	23,751,610	98,851,971	796,380

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>
\$	2,402,586,924	\$ 2,162,349,855	111.11%	\$ 10.42
	2,235,498,697	2,043,977,962	109.37%	10.42
	2,252,859,895	2,014,900,183	111.81%	10.42
	2,276,032,883	2,074,590,177	109.71%	10.42
	2,283,534,163	2,083,516,572	109.60%	10.42
	2,295,206,136	2,094,166,182	109.60%	10.46
	2,309,213,593	2,106,946,709	109.60%	10.46
	2,331,918,231	2,127,662,620	109.60%	10.49
	2,348,321,733	2,142,629,318	109.60%	10.55
	2,369,295,146	2,161,765,644	109.60%	9.86

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	
2011	\$ 0.64	\$ 4.64	\$ 0.64	\$ 2.00	\$ 0.50	\$ 2.00	\$ 10.42
2012	0.64	4.64	0.64	2.00	0.50	2.00	10.42
2013	0.64	4.64	0.64	2.00	0.50	2.00	10.42
2014	0.64	4.64	0.64	2.00	0.50	2.00	10.42
2015	0.64	4.64	0.64	2.00	0.50	2.00	10.42
2016	0.66	4.64	0.66	2.00	0.50	2.00	10.46
2017	0.66	4.64	0.66	2.00	0.50	2.00	10.46
2018	0.70	4.59	0.70	2.00	0.50	2.00	10.49
2019	0.73	4.59	0.73	2.00	0.50	2.00	10.55
2020	0.73	4.40	0.73	2.00	0.50	1.50	9.86

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 2020		Fiscal Year 2011	
		2019 Assessed Valuation	% of Total Assessed Valuation	2010 Assessed Valuation	% of Total Assessed Valuation
KVK Precision Specialties	Manufacturing	\$ 9,871,760	0.42%	\$ 8,454,030	0.33%
VF Jeanswear	Manufacturing	4,570,090	0.19%	4,051,500	0.16%
Emco Enterprises	Manufacturing	3,358,240	0.14%	3,511,440	0.14%
Masonite Corporation	Manufacturing	3,743,600	0.16%	2,705,350	0.10%
DNC Parks & Resorts	Tourism	2,256,890	0.10%	1,273,465	0.05%
Comcast	Communications	1,957,970	0.08%	706,000	0.03%
Wal-Mart	Retail	958,860	0.04%	862,060	0.03%
Shenandoah Machine Shop	Manufacturing	609,070	0.03%	450,180	0.02%
PE Hydro Generation	Energy	466,870	0.02%	875,240	0.03%
Mountain View Resorts	Tourism	986,760	0.04%	414,985	0.02%
Gray Television Group	Communications	81,630	0.00%	415,430	0.02%
Noah Turner Landscaping	Services	595,950	0.03%	148,320	0.01%
		<u>\$ 29,457,690</u>	<u>1.26%</u>	<u>\$ 23,868,000</u>	<u>0.92%</u>

Source: Commissioner of Revenue

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax (1,3) Levy for Fiscal Year		Collected within the Fiscal Year of the Levy (1,3)		Collections in Subsequent Years (2)	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$	19,403,213	\$ 18,204,086	93.82%	\$ 1,110,284	\$ 19,314,370	99.54%
2012		18,716,329	17,595,707	94.01%	1,030,200	18,625,907	99.52%
2013		18,978,746	17,803,281	93.81%	1,077,439	18,880,720	99.48%
2014		19,152,140	18,063,097	94.31%	944,321	19,007,418	99.24%
2015		19,250,147	18,216,468	94.63%	839,295	19,055,763	98.99%
2016		19,852,376	18,739,739	94.40%	882,397	19,622,136	98.84%
2017		20,654,381	19,414,989	94.00%	914,394	20,329,383	98.43%
2018		21,311,251	20,114,593	94.38%	649,345	20,763,938	97.43%
2019		21,824,547	19,887,111	91.12%	827,044	20,714,155	94.91%
2020		22,443,377	21,013,604	93.63%	-	21,013,604	93.63%

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)
2011	\$ 65,621,718	\$ 436,466	\$ 7,899	\$ 66,066,083	8.54%	\$ 2,735
2012	63,791,048	374,399	-	64,165,447	10.55%	2,650
2013	61,859,642	4,167,159	276,638	66,303,439	11.50%	2,754
2014	59,833,166	3,880,485	211,504	63,925,155	7.70%	2,654
2015	46,638,047	14,693,377	155,360	61,486,784	7.25%	2,592
2016	44,733,233	14,119,124	92,235	58,944,592	7.12%	2,499
2017	43,294,677	16,277,776	27,255	59,599,708	6.99%	2,478
2018	41,199,702	15,572,683	352,625	57,125,010	6.73%	2,375
2019	39,028,423	14,832,940	278,904	54,140,267	6.37%	2,252
2020	36,779,948	14,077,337	356,088	51,213,373	5.41%	2,218

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>
2011	\$ 66,058,184	\$ -	\$ 39,818,273	1.66%	\$ 1,648
2012	64,165,447	-	64,165,447	2.87%	2,650
2013	66,026,801	-	66,026,801	2.93%	2,742
2014	63,713,651	-	63,713,651	2.80%	2,646
2015	61,331,424	-	61,331,424	2.69%	2,586
2016	58,852,357	-	58,852,357	2.56%	2,495
2017	59,572,453	-	59,572,453	2.58%	2,477
2018	56,772,385	-	56,772,385	2.43%	2,360
2019	53,861,363	-	53,861,363	2.29%	2,240
2020	50,857,285	-	50,857,285	2.15%	2,202

(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, 2020

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage</b>	<b>Amount Applicable to Primary Government</b>
Town of Luray, Virginia	\$ 844,388	20.03%	\$ 169,102
County of Page, Virginia direct debt			<u>51,213,373</u>
			<u>\$ 51,382,475</u>

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

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

Demographic and Economic Statistics  
Last Ten Fiscal Years

<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>
2011	24,155	\$ 773,370,635	\$ 32,017	43.5	3,697	11.10%
2012	24,215	607,990,220	25,108	43.8	3,669	10.20%
2013	24,079	576,595,734	23,946	44.2	3,624	9.20%
2014	24,083	830,189,176	34,472	44.4	3,541	8.10%
2015	23,719	848,333,754	35,766	44.8	3,506	6.90%
2016	23,586	828,316,734	35,119	44.6	3,459	5.60%
2017	24,053	852,498,453	35,443	44.7	3,438	4.80%
2018	24,053	848,607,880	35,281	44.7	3,438	5.30%
2019	24,042	850,164,188	35,362	44.7	3,438	5.30%
2020	23,092	947,307,966	39,633	45.1	3,354	9.00%

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

Principal Employers  
Current Year and Nine Years Prior

Employer	Fiscal Year 2020		Fiscal Year 2011		County Employment
	Employees	Rank	Employees	Rank	
Page County School Board	500 to 999	1	500 to 999	1	8.80%
County of Page	100 to 249	2	100 to 249	7	5.30%
Valley Health System	100 to 249	3	100 to 249	-	5.30%
Masonite Corp.	250 to 499	4	100 to 249	3	5.30%
Wal-Mart	100 to 249	5	100 to 249	6	5.30%
VF Jeanswear	100 to 249	6	100 to 249	2	2.60%
Emco Enterprises	100 to 249	7	100 to 249	4	
Luray Caverns Coffee Shop	100 to 249	8	100 to 249	-	2.60%
Skyview Springs	100 to 249	9	100 to 249	-	
U.S. National Park Service	100 to 249	10	100 to 249	10	5.30%
Montvue Nursing Home	100 to 249	-	100 to 249	-	5.30%
Page Memorial Hospital	100 to 249	-	100 to 249	5	
VDOT	100 to 249	-	100 to 249	8	
Genie Company	100 to 249	-	100 to 249	9	

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

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

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government administration	29	28	26	27	27	29	28	28	28	32
Judicial administration	12	12	12	12	11	11	11	11	11	12
Public safety:										
Sheriff's department	56	57	58	60	57	57	58	58	58	64
Fire and rescue	5	6	5	10	10	12	11	11	14	16
Building inspections	2	2	2	2	2	2	2	2	2	2
Animal shelter	2	2	2	2	2	2	2	2	2	3
Animal control	0	0	0	2	2	2	2	2	2	2
Emergency communications	11	10	10	10	9	9	11	11	11	15
Public works:										
General maintenance	3	3	3	3	3	3	3	2	3	3
Landfill	13	11	14	14	14	13	12	12	12	12
Health and welfare:										
Children's Services	1	1	1	1	0	1	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	3	4	3	3	3	3	3	3
Economic Development	0	0	0	1	1	1	1	1	1	1
Totals	138	136	137	149	142	146	145	144	148	166

Source: Individual County departments



COUNTY OF PAGE, VIRGINIA

Table 17

Operating Indicators by Function  
Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
Sheriff's department:										
Physical arrests										
Traffic violations/arrests	935	1502	1463	1669	912	784	1394	1428	782	487
Civil papers	14605	13463	14611	14771	14790	14452	14720	15020	15359	15089
Fire and rescue:										
Number of calls answered	5013	4808	5121	5193	5280	5586	6075	4400	4117	2922
Building inspections:										
Permits issued	370	312	332	276	321	408	405	456	385	399
Animal control:										
Number of calls answered	1565	1483	1393	1310	1144	1310	1434	1439	1532	1233
Public works										
Landfill:										
Refuse collected (tons/day)	152.106	146.580	149.301	155.029	146.425	153.323	132.092	159.240	159.770	188.000
Recycling (tons/day)	6.91134	3.93465	3.71293	4.61393	2.92580	3.97869	3.34058	5.87000	5.88000	6.38000
Health and welfare										
Department of Social Services:										
Caseload	7345	7663	7358	7239	6671	6337	6666	6658	6204	6831
Culture and recreation										
Parks and recreation:										
Youth sports participants	985	977	898	849	789	779	689	681	654	504
Community development										
Planning:										
Zoning permits issued	230	211	196	177	194	195	260	294	230	272
Component Unit - School Board										
Education:										
School age population	4497	4436	4324	4352	4223	4096	4096	4109	4110	4055
Number of teachers	310	317	303	303	295	294	285	282	286	270
Local expenditures per pupil	3018	2756	2942	3005	3121	2958	3057	3059	3369	3259

Source: Individual County departments

\* Information unavailable

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

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	8	8	8	8	8	8	8	9	9	2
Public safety										
Sheriff's department:										
Patrol units	69	69	69	69	69	69	71	74	74	69
Building inspections:										
Vehicles	3	3	3	3	3	3	3	3	3	3
Animal control:										
Vehicles	2	2	2	2	2	2	2	2	2	2
Animal Shelter										
Vehicles	1	1	1	1	1	1	1	1	1	1
Administration buildings	1	1	1	1	1	1	1	1	1	1
Public works										
General maintenance:										
Trucks/vehicles	4	4	4	4	4	4	4	4	4	4
Landfill:										
Vehicles	2	2	2	2	2	2	2	2	2	11
Equipment	14	14	14	14	14	15	15	15	15	17
Sites	2	2	2	2	2	2	2	2	2	2
Health and welfare										
Department of Social Services:										
Vehicles	4	4	4	4	4	4	4	4	4	7
Culture and recreation										
Parks and recreation:										
Vehicles	1	1	1	1	1	1	1	1	1	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	9	10	10	10	10
School buses	84	84	84	84	84	84	84	88	88	83

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, 2020, 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 January 8, 2020.

**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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
January 8, 2020



**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, 2020. 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, 2020. Our audit, described below, did not include the operations of the Component Unit Luray-Page Airport Authority because the Authority issued its own audit of compliance with the Uniform Guidance.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of County of Page, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Page, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of County of Page, Virginia's compliance.

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

In our opinion, County of Page, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

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

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

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

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

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
January 8, 2020

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards  
Primary Government and Discretely Presented Component Unit School Board  
Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
<b>PRIMARY GOVERNMENT:</b>				
Department of Agriculture:				
Pass Through Payments:				
Department of Social Services:				
Supplemental Nutrition Assistance Program Cluster:				
State Administrative Matching Grants For the Supplemental Nutrition Assistance Program	10.561	0010110	\$ 273,712	
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Foster Care - Title IV-E	93.658	Not available	\$ 154,556	
Adoption Assistance	93.659	Not available	200,383	
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	Not available	171,712	
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	Not available	308	
Low-Income Home Energy Assistance	93.568	Not available	34,610	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not available	380	
Social Services Block Grant	93.667	Not available	146,345	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not available	2,412	
Adoption Assistance	93.603	Not available		
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Not available	7,515	
Medicaid Cluster:				
Medical Assistance Program	93.778	Not available	287,143	
Simulus U.S. Housing and Human Services	93.000	Not available	23,554	
Adoption and Legal Guardianship Incentive Payments	93.603	Not available	125	
Children's Health Insurance Program	93.767	Not available	4,706	
Child Care Development Fund Cluster:				
Child Care - Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not available	33,481	
Total Department of Health and Human Services			\$ 1,067,230	
Department of Justice:				
Pass Through Payments:				
Department of Criminal Justice Services:				
Bullet Proof Vest Partnership Program	16.607	Not Available	\$ 3,024	
Public Safety Partnerships and Community Policing Grants	16.710	Not Available	1,768	
Crime Victim Assistance	16.575	20-V3035VW18	46,624	
Equitable Sharing Program	16.922	Not Available	731	
Comprehensive Opioid Stimulus and Substance Abuse Program	16.838	Not Available	28,898	
Total Department of Justice			\$ 81,045	
Department of Labor:				
Pass Through Payments:				
Virginia Community College System:				
Workforce Innovation and Opportunity Act Cluster:				
WIOA Adult Program	17.258	LWA 4-18-04/4-19-05	\$ 675,073	\$ 675,073
WIOA Dislocated Worker Formula Grants	17.278	LWA 4-17-02T/4-18-04	265,389	265,389
COVID 19 WIOA Dislocated Worker Formula Grants	17.278	RR COVID 4-19-01	27,369	27,369
Subtotal CFDA 17.278			\$ 292,758	\$ 292,758
WIOA Youth Activities	17.259	LWA 4-17-02T/4-18-04	638,842	638,842
Total Workforce Innovation and Opportunity Act Cluster			\$ 1,606,673	\$ 1,606,673
Total Department of Labor			\$ 1,606,673	\$ 1,606,673
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Management:				
Homeland Security Grant Program	97.067		\$ 8,040	



COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)

Primary Government and Discretely Presented Component Unit School Board

Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	59408/50152	\$ 3,384	
Alcohol Open Container Requirements	20.607	50144/50144	5,840	
Total Department of Transportation			\$ 9,224	
Department of Treasury:				
COVID-19 Coronavirus Relief Fund	21.019	Not Available	\$ 54,672	
Total Expenditures of Federal Awards - Primary Government			\$ 3,100,596	
<b>COMPONENT UNIT SCHOOL BOARD:</b>				
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Education:				
School Breakfast Program	10.553	40254	\$ 174,814	
National School Lunch Program	10.555	40254	568,729	
COVID-19 National School Lunch Program (NSLP)	10.555	40264	47,296	
Department of Agriculture:				
Commodities-School Lunch	10.555	Not Available	166,378	
Subtotal CFDA 10.555			\$ 782,403	
Child and Adult Food Care Program	10.558	86520	386,103	
Summer Food Service Program for Children	10.559	60303	474,414	
COVID-19 Summer Food Service Program for Children (SFSPC)	10.559	60175	58,813	
Total Child Nutrition Cluster			\$ 1,876,547	
Forest Service Schools and Roads Cluster:				
Schools and Roads-Grants to States	10.665	43841	22,365	
Total Department of Agriculture			\$ 1,898,912	
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	Not Available	\$ 784,389	
Twenty-First Century Community Learning Centers	84.287	Not Available	99,758	
Special Education (IDEA) Cluster:				
Special Education - Grants to States	84.027	Not Available	\$ 533,856	
Special Education - Preschool Grants	84.173	Not Available	16,607	
Total Special Education (IDEA) Cluster			\$ 550,463	
Career and Technical Education				
Basic Grants to States	84.048	Not Available	28,692	
Student Support and Academic Enrichment Program	84.424	Not Available	71,579	
Higher Education Institutional Aid	84.031	Not Available	65,826	
Supporting Effective Instruction State Grants	84.367	Not Available	125,455	
Total Department of Education			\$ 1,726,162	
Total Expenditures of Federal Awards - Component Unit School Board			\$ 3,625,074	
Total Expenditures of Federal Awards - Reporting Entity			\$ 6,725,670	\$ 1,606,673

**COUNTY OF PAGE, VIRGINIA****Schedule of Expenditures of Federal Awards (Continued)  
Primary Government and Discretely Presented Component Unit School Board  
Year Ended June 30, 2020**

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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, 2020. 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, 2020, the County had food commodities totaling \$38,378 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	\$ 363,744
Department of the Interior-Payment in Lieu of Taxes	(187,209)

Special Revenue Funds:

Workforce Investment Act Fund	1,606,673
Comprehensive Services Fund	9,407
Virginia Public Assistance Fund	1,307,981
Total primary government	\$ 3,100,596

Discretely presented component unit - School Board:

School operating fund	\$ 1,748,527
School cafeteria fund	1,876,547
Total discretely presented component unit - School Board	\$ 3,625,074

Total federal expenditures per the Schedule of Expenditures of

Federal awards	\$ 6,725,670
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COUNTY OF PAGE, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2020

**Section I-Summary of Auditors' Results**

Financial Statements:

Type of auditors' report issued unmodified

Internal control over financial reporting:

- Material weakness(es) identified?     yes   x   no

- Significant deficiency(ies) identified?     yes   x   no

Noncompliance material to financial statements noted?     yes   x   none reported

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified?     yes   x   no

- Significant deficiency(ies) identified?     yes   x   none reported

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<b>Child Nutrition Cluster</b>	
10.553 .....	School Breakfast Program
10.555 .....	National School Lunch Program
10.555 .....	COVID 19 Act National School Lunch Program (NSLP)
10.555 .....	Food Distribution
10.559 .....	Summer Food Service Program for Children
10.559 .....	COVID 19 Summer Food Service Program for Children (SFSPC)
<b>SNAP Cluster:</b>	
10.561 .....	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

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

Auditee qualified as low-risk auditee?   x   yes     no

**Section II-Financial Statement Findings**

None

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

None

**Section IV-Summary of Prior Findings**

None