

COUNTY OF PAGE, VIRGINIA



FINANCIAL REPORT

YEAR ENDED JUNE 30, 2015

COUNTY OF PAGE, VIRGINIA
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2015

**COUNTY OF PAGE, VIRGINIA
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015**

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COUNTY OF PAGE, VIRGINIA

BOARD OF SUPERVISORS

Johnny Woodward, Chairman

J.D. Cave
David Wiatrowski
Dorothy F. Pendley

Darrell Short
D. Keith Guzy, Jr.

Amity Moler, County Administrator

OFFICIALS

Judge of the Circuit Court	James V. Lane
Judge of the General District Court.....	W. Dale Houff
Judge of the Juvenile & Domestic Relations District Court.....	William W. Sharp
Clerk of the Circuit Court.....	Ron Wilson
Commonwealth's Attorney	Kenneth L. Alger II
Commissioner of the Revenue.....	Charles L. Campbell
Treasurer	Penny Gray
Sheriff.....	John Thomas
Superintendent of Schools.....	Donna Whitley-Smith
Director of Department of Social Services	Patricia C. Koontz

SCHOOL BOARD

Morgan S. Phenix, Chairman

Larry W. Foltz
Melissa S. Deibert
Jackie Sullivan-Smoot, Vice Chairman

Randy J. Bailey
Sharon K. Lucas
Ellen H. Fields, Clerk

FINANCE BOARD

Members, Page County Board of Supervisors
Penny Gray

BOARD OF SOCIAL SERVICES

Louise Kyger, Chairman

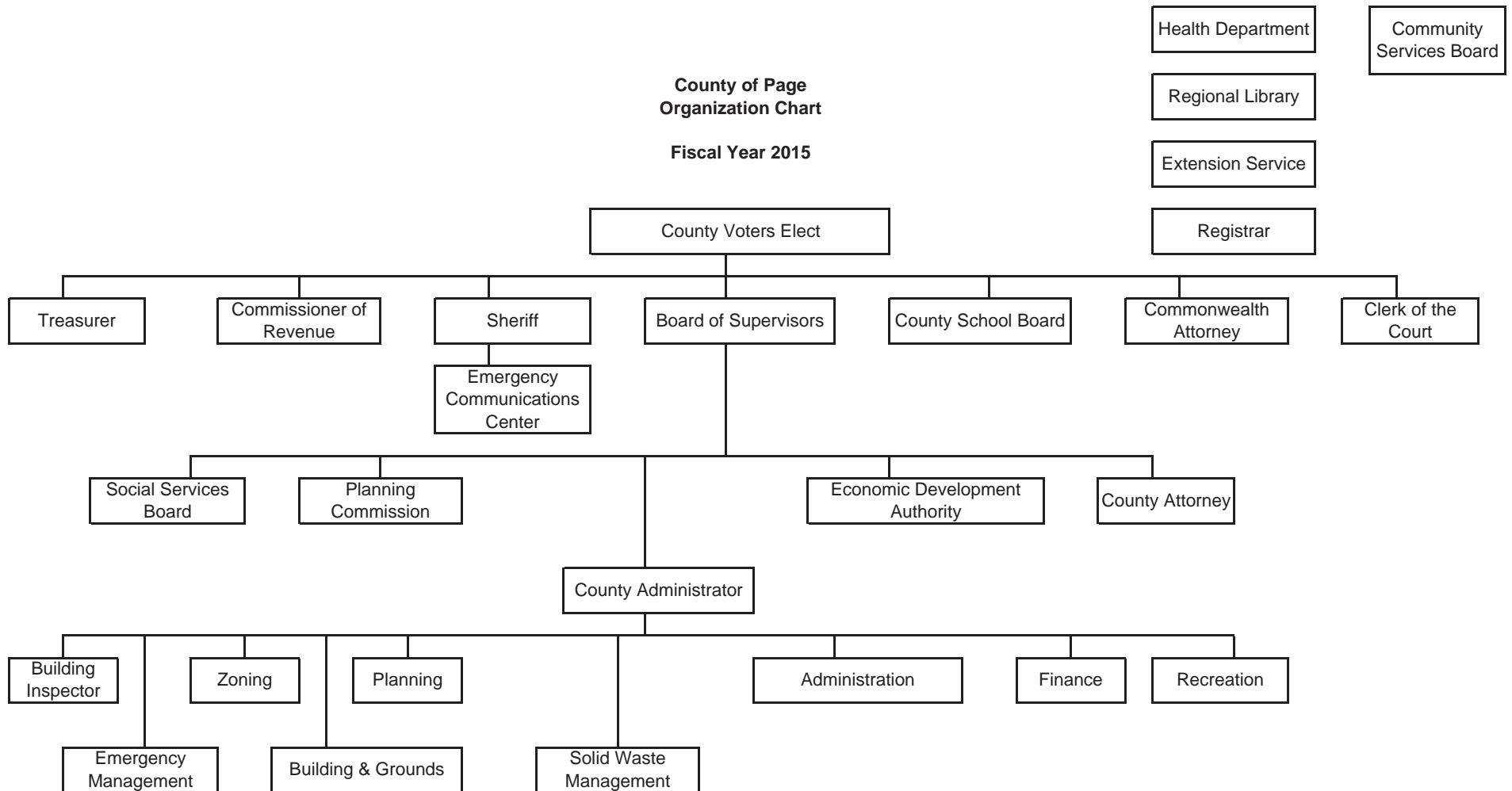
Ted Booker
Donnie Roudabush

Fred Fielding
Darrell Short

Jan Sletten

**County of Page
Organization Chart
Fiscal Year 2015**

State Regional Agencies



ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

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, 2015, 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2015, the County adopted new accounting guidance, GASB Statement Nos. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules relating to pension and OPEB funding on pages 4-9, 77 and 78-81 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.

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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

Other Information (continued)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Page, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Staunton, Virginia
December 18, 2015

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, 2015.

Financial Highlights

The assets of County of Page, Virginia were short of its liabilities at the close of the most recent fiscal year by \$(10,305,509). Of this amount, \$(10,999,476) is unrestricted. The School Board's net position was \$(8,283,440) of which \$(32,391,538) is unrestricted.

At the end of the fiscal year, unassigned fund balance for the general fund was \$7,298,683.

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$9,051,480, a decrease of \$1,988,354 in comparison to the prior year. \$7,298,683 is available for spending at the government's discretion (unassigned fund balance).

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

The County of Page has one internal service fund: Health Insurance Fund. The Health Insurance Fund accounts for insurance premiums paid by the School Board for all departments. Individual fund data for the internal funds is provided in Exhibits 24-26 in this report.

Fiduciary Funds

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

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 \$(10,305,509) at fiscal year end.

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

COUNTY OF PAGE'S NET POSITION			
		Governmental Activities	
		2015	2014
Current and other assets	\$	25,372,247	\$ 26,549,138
Capital assets		50,726,188	53,095,117
Total assets	\$	<u>76,098,435</u>	<u>\$ 79,644,255</u>
Deferred outflows of resources	\$	<u>816,947</u>	<u>\$ -</u>
Long-term liabilities	\$	71,771,200	\$ 70,942,387
Other liabilities		4,769,497	3,835,450
Total liabilities	\$	<u>76,540,697</u>	<u>\$ 74,777,837</u>
Deferred inflows of resources	\$	<u>10,680,194</u>	<u>\$ 9,137,995</u>
Net position			
Net investment in capital assets	\$	(124,706)	\$ 210,465
Restricted		818,673	921,716
Unrestricted		(10,999,476)	(5,403,758)
Total net position	\$	<u>(10,305,509)</u>	<u>\$ (4,271,577)</u>

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

Restricted net position represents resources that are subject to external restrictions on how they may be used. All \$818,673 of the restricted net position is restricted for debt service and bond covenants.

Governmental Activities

Governmental activities have decreased the County's net position by \$(1,919,811) due in large part to increased expenditures in education, community development, and health and welfare.

COUNTY OF PAGE'S CHANGES IN NET POSITION

For the Year Ended June 30, 2015

	Governmental Activities	
	2015	2014
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 2,324,539	\$ 2,397,256
Operating grants and contributions	8,022,321	5,685,624
General revenues:		
General property taxes	19,813,686	20,239,090
Other local taxes	3,160,649	2,951,227
Use of money and property	56,285	63,474
Miscellaneous	86,328	39,250
Grants and cont. not restricted	2,349,089	2,414,604
Total revenues	<u>\$ 35,812,897</u>	<u>\$ 33,790,525</u>
<u>Expenses:</u>		
General government	\$ 2,423,301	\$ 2,306,937
Judicial administration	1,161,227	1,094,479
Public safety	8,550,584	8,695,178
Health and welfare	3,524,666	3,195,361
Education	13,107,117	12,664,109
Parks, recreation, and cultural	303,976	290,824
Community development	3,315,348	745,558
Public works	2,647,595	4,283,275
Interest on long-term debt	2,698,894	2,797,872
Total expenses	<u>\$ 37,732,708</u>	<u>\$ 36,073,593</u>
Changes in net position	<u>\$ (1,919,811)</u>	<u>\$ (2,283,068)</u>
Net position, beginning as restated	<u>(8,385,698)</u>	<u>(1,988,509)</u>
Net position, ending	<u><u>\$ (10,305,509)</u></u>	<u><u>\$ (4,271,577)</u></u>

Financial Analysis of the Government's Funds

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

Governmental Funds

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

At the year end, the County's governmental funds reported combined ending fund balances of \$9,051,480 a decrease of \$1,988,354 over the prior year. \$818,673 is restricted to indicate that it is not available for new spending because it has already been committed to bond covenants for the USDA loan for improvements to Battlecreek Landfill.

The general fund is the chief operating fund of the County. As of June 30, 2015, the total fund balance was \$7,379,508, of which \$7,298,683 was unassigned.

General Fund Budgetary Highlights

Differences between the original expenditure budgeted appropriations and the final amended budgeted appropriations totaled \$860,084.

Capital Asset and Debt Administration

Capital Assets

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

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

	Governmental Activities	
	2015	2014
Land	\$ 1,970,464	\$ 1,970,464
Buildings and system	46,322,341	48,789,900
Machinery and equipment	1,832,263	1,947,195
Construction in progress	601,120	387,558
Totals	<u>\$ 50,726,188</u>	<u>\$ 53,095,117</u>

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

Long-term debt: At fiscal year end the County had the following outstanding debt:

COUNTY OF PAGE'S OUTSTANDING DEBT For Year Ended June 30, 2015

	Governmental Activities	
	2015	2014
General Obligation Bonds	\$ 57,743,055	\$ 59,833,166
Revenue notes	3,588,369	3,880,485
Landfill closure/post closure	5,418,628	5,148,955
Capital leases	155,360	211,504
Premiums on bond issuance	620,616	657,819
Net pension liability	2,909,626	-
Net OPEB obligation	702,900	595,800
Compensated absences	632,646	614,658
Totals	<u>\$ 71,771,200</u>	<u>\$ 70,942,387</u>

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

Economic Factors and Next Year's Budgets

The annual unemployment rate has been as high as 10 percent but for the month of September it is 5.4 percent, which is lower than the rate a year ago. This is higher in comparison with the state's average of 4.7 percent and the national average of 5.3 percent. These factors will be considered when preparing the County's budget for the 2016 fiscal year.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2015

	Primary Government	Component Unit	Component Unit	Component Unit
	Governmental Activities	School Board	Economic Development Authority	Luray-Page Airport Authority
ASSETS				
Cash and cash equivalents	\$ 10,534,136	\$ 1,871,785	\$ 249,749	\$ 202,246
Receivables (net of allowance for uncollectibles):				
Taxes receivable	12,325,208	-	-	-
Accounts receivable	522,263	50,677	1,585,917	2,963
Notes receivable	-	-	11,480	-
Due from primary government	-	2,221,922	-	-
Due from other governmental units	1,120,410	901,142	-	88,710
Inventories	-	62,173	-	34,880
Prepaid items	51,557	79,881	1,355	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	818,673	-	-	-
Capital assets (net of accumulated depreciation):				
Land	1,970,464	885,591	2,751,000	1,936,386
Buildings and improvements	46,322,341	21,281,964	-	7,746,847
Machinery and equipment	1,832,263	1,140,991	-	147,904
Construction in progress	601,120	1,009,078	-	393,863
Total assets	<u>\$ 76,098,435</u>	<u>\$ 29,505,204</u>	<u>\$ 4,599,501</u>	<u>\$ 10,553,799</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions subsequent to measurement date	\$ 816,947	\$ 2,812,909	\$ -	\$ -
Changes in proportion & differences between employer contributions and proportionate share of contributions	-	278,000	-	-
Total deferred outflows of resources	<u>\$ 816,947</u>	<u>\$ 3,090,909</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 1,097,899	\$ 142,268	\$ 650	\$ 89,718
Accrued liabilities	433,873	3,146,291	-	-
Retainage payable	13,776	-	-	-
Accrued interest payable	1,002,027	-	-	-
Due to component unit	2,221,922	-	-	-
Long-term liabilities:				
Due within one year	2,952,334	234,574	20,915	-
Due in more than one year	68,818,866	32,499,554	1,565,002	-
Total liabilities	<u>\$ 76,540,697</u>	<u>\$ 36,022,687</u>	<u>\$ 1,586,567</u>	<u>\$ 89,718</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue-property taxes	\$ 9,270,360	\$ -	\$ -	\$ -
Items related to measurement of net pension liability	1,409,834	4,856,866	-	-
Total deferred inflows of resources	<u>\$ 10,680,194</u>	<u>\$ 4,856,866</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ (124,706)	\$ 24,108,098	\$ 2,751,000	\$ 10,225,000
Restricted:				
Debt service and bond covenants	818,673	-	-	-
Unrestricted	(10,999,476)	(32,391,538)	261,934	239,081
Total net position	<u>\$ (10,305,509)</u>	<u>\$ (8,283,440)</u>	<u>\$ 3,012,934</u>	<u>\$ 10,464,081</u>

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

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County of Page, Virginia

Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 2,423,301	\$ 71,509	\$ 300,788	\$ -
Judicial administration	1,161,227	111,285	575,576	-
Public safety	8,550,584	786,108	2,759,059	-
Public works	2,647,595	1,323,908	12,421	-
Health and welfare	3,524,666	6,787	2,152,526	-
Education	13,107,117	-	-	-
Parks, recreation, and cultural	303,976	24,942	-	-
Community development	3,315,348	-	2,221,951	-
Interest on long-term debt	2,698,894	-	-	-
Total governmental activities	<u>\$ 37,732,708</u>	<u>\$ 2,324,539</u>	<u>\$ 8,022,321</u>	<u>\$ -</u>
COMPONENT UNITS:				
School Board	\$ 36,129,206	\$ 2,072,942	\$ 23,622,055	\$ -
Economic Development Authority	151,137	-	170,860	-
Luray-Page Airport Authority	553,768	291,555	-	466,469
Total component units	<u>\$ 36,834,111</u>	<u>\$ 2,364,497</u>	<u>\$ 23,792,915</u>	<u>\$ 466,469</u>

General revenues:

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

Change in net position

Net position - beginning, as restated

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government	Component Unit	Component Unit	Component Unit	
Governmental			Luray-Page	
Activities	School Board	EDA	Airport Authority	
\$ (2,051,004)	\$ -	\$ -	\$ -	
(474,366)	-	-	-	
(5,005,417)	-	-	-	
(1,311,266)	-	-	-	
(1,365,353)	-	-	-	
(13,107,117)	-	-	-	
(279,034)	-	-	-	
(1,093,397)	-	-	-	
(2,698,894)	-	-	-	
<u>\$ (27,385,848)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ (10,434,209)	\$ -	\$ -	
-	-	19,723	-	
-	-	-	204,256	
<u>\$ -</u>	<u>\$ (10,434,209)</u>	<u>\$ 19,723</u>	<u>\$ 204,256</u>	
\$ 19,813,686	\$ -	\$ -	\$ -	
1,478,959	-	-	-	
332,612	-	-	-	
743,834	-	-	-	
272,757	-	-	-	
147,747	-	-	-	
136,311	-	-	-	
48,429	-	-	-	
56,285	20,074	1,733	6,356	
86,328	146,881	-	2,063	
2,349,089	12,810,455	-	-	
<u>\$ 25,466,037</u>	<u>\$ 12,977,410</u>	<u>\$ 1,733</u>	<u>\$ 8,419</u>	
\$ (1,919,811)	\$ 2,543,201	\$ 21,456	\$ 212,675	
(8,385,698)	(10,826,641)	2,991,478	10,251,406	
<u>\$ (10,305,509)</u>	<u>\$ (8,283,440)</u>	<u>\$ 3,012,934</u>	<u>\$ 10,464,081</u>	

FUND FINANCIAL STATEMENTS

Balance Sheet
Governmental Funds
June 30, 2015

	General	Capital Projects Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 9,327,795	\$ 1,102,221	\$ 104,120	\$ 10,534,136
Receivables (net of allowance for uncollectibles):				
Taxes receivable	12,325,208	-	-	12,325,208
Accounts receivable	522,263	-	-	522,263
Due from other funds	192,403	-	-	192,403
Due from other governmental units	787,115	-	333,295	1,120,410
Prepaid items	51,557	-	-	51,557
Restricted assets:				
Cash and cash equivalents	-	818,673	-	818,673
Total assets	<u>\$ 23,206,341</u>	<u>\$ 1,920,894</u>	<u>\$ 437,415</u>	<u>\$ 25,564,650</u>
LIABILITIES				
Accounts payable	\$ 620,530	\$ 335,824	\$ 141,545	\$ 1,097,899
Accrued liabilities	431,084	-	2,789	433,873
Retainage payable	-	13,776	-	13,776
Due to other funds	-	-	192,403	192,403
Due to component unit	2,221,922	-	-	2,221,922
Total liabilities	<u>\$ 3,273,536</u>	<u>\$ 349,600</u>	<u>\$ 336,737</u>	<u>\$ 3,959,873</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	<u>\$ 12,553,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,553,297</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	\$ 51,557	\$ -	\$ -	\$ 51,557
Restricted:				
Debt service	-	818,673	-	818,673
Committed:				
Parks and recreation	-	-	100,034	100,034
Assigned:				
Page County water quality	12,411	-	-	12,411
Local dare	2,219	-	-	2,219
Crime victim witness	12,368	-	-	12,368
Department of Justice VJCAA	1,268	-	-	1,268
DHCD	1,002	-	-	1,002
Emergency services	-	-	644	644
Capital projects	-	752,621	-	752,621
Unassigned	<u>7,298,683</u>	<u>-</u>	<u>-</u>	<u>7,298,683</u>
Total fund balances	<u>\$ 7,379,508</u>	<u>\$ 1,571,294</u>	<u>\$ 100,678</u>	<u>\$ 9,051,480</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,206,341</u>	<u>\$ 1,920,894</u>	<u>\$ 437,415</u>	<u>\$ 25,564,650</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, 2015

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 9,051,480
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	50,726,188
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	1,873,103
Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year and, therefore, are not reported in the funds.	816,947
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(72,773,227)</u>
Net position of governmental activities	\$ <u><u>(10,305,509)</u></u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General	Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total
REVENUES					
General property taxes	\$ 19,961,029	\$ -	\$ -	\$ -	\$ 19,961,029
Other local taxes	3,160,649	-	-	-	3,160,649
Permits, privilege fees, and regulatory licenses	193,298	-	-	-	193,298
Fines and forfeitures	106,910	-	-	-	106,910
Revenue from the use of money and property	54,677	-	1,608	-	56,285
Charges for services	1,992,602	-	-	31,729	2,024,331
Miscellaneous	86,328	-	-	-	86,328
Intergovernmental:					
Commonwealth	5,565,488	-	-	1,159,154	6,724,642
Federal	431,445	2,221,951	-	993,372	3,646,768
Total revenues	\$ 31,552,426	\$ 2,221,951	\$ 1,608	\$ 2,184,255	\$ 35,960,240
EXPENDITURES					
Current:					
General government administration	\$ 2,428,333	\$ -	\$ -	\$ -	\$ 2,428,333
Judicial administration	1,151,505	-	-	-	1,151,505
Public safety	8,593,685	-	-	-	8,593,685
Public works	2,229,313	-	-	-	2,229,313
Health and welfare	649,113	-	-	2,853,568	3,502,681
Education	9,385,334	-	-	-	9,385,334
Parks, recreation, and cultural	284,327	-	-	16,490	300,817
Community development	1,062,746	2,221,951	-	-	3,284,697
Nondepartmental	368,134	-	-	-	368,134
Capital projects	-	-	1,486,480	-	1,486,480
Debt service:					
Principal retirement	2,438,370	-	-	-	2,438,370
Interest and other fiscal charges	2,779,245	-	-	-	2,779,245
Total expenditures	\$ 31,370,105	\$ 2,221,951	\$ 1,486,480	\$ 2,870,058	\$ 37,948,594
Excess (deficiency) of revenues over (under) expenditures	\$ 182,321	\$ -	\$ (1,484,872)	\$ (685,803)	\$ (1,988,354)
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ -	\$ 74,268	\$ 694,255	\$ 768,523
Transfers out	(768,523)	-	-	-	(768,523)
Total other financing sources (uses)	\$ (768,523)	\$ -	\$ 74,268	\$ 694,255	\$ -
Net change in fund balances	\$ (586,202)	\$ -	\$ (1,410,604)	\$ 8,452	\$ (1,988,354)
Fund balances - beginning, as restated	7,965,710	-	2,981,898	92,226	11,039,834
Fund balances - ending	\$ 7,379,508	\$ -	\$ 1,571,294	\$ 100,678	\$ 9,051,480

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, 2015

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

Net change in fund balances - total governmental funds	\$ (1,988,354)
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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.	(2,368,929)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,557,177)
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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.	2,205,901
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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.	<u>1,788,748</u>
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Change in net position of governmental activities	<u>\$ (1,919,811)</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency Funds
	<hr/>
ASSETS	
Cash and cash equivalents	\$ <u>193,382</u>
Total assets	\$ <u><u>193,382</u></u>
LIABILITIES	
Amounts held for social services clients	\$ 4,247
Amounts held for others	149,269
Amounts held for inmates	<u>39,866</u>
Total liabilities	\$ <u><u>193,382</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, 2015

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

The Economic Development Authority of Page County, Virginia is included as a component unit because the Authority's primary use of funds is to provide for economic development of the County, thereby benefiting the County even though it does not provide services directly to the County. The Economic Development Authority of Page County, Virginia does prepare separate financial statements. Complete financial statements for the Authority may be obtained at the Authority's administrative office at 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 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, 2015 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. The Board of Supervisors appoints the board members of the Economic Development Authority of Page County, Virginia.

D. Jointly Governed Organizations

A jointly governed organization is a multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

Rockingham Library Association — The County of Page, the County of Rockingham, and the City of Harrisonburg participate in the Rockingham County Library Association which provides library services to its participants. The Rockingham Library Association is governed by a Board of Trustees consisting of 19 members, who are elected at the annual meeting each year of the Rockingham Library Association. Each locality's contribution is set by contractual agreement with the Rockingham Library Association. The County of Page contributed \$209,257 to the Association for operating purposes for the year ended June 30, 2015.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$74,655 to the Northwestern Community Services Board.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, other local taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

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

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the government reports the following 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 inter-fund activity has been eliminated from the government-wide financial statements.

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

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

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

1. Cash and cash equivalents

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

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance was \$424,449 or equal to 3.3 percent of outstanding property taxes at June 30, 2015.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and payables (continued)

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

3. Inventories and prepaid items

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

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

4. Capital assets

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment and infrastructure of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Vehicles	5
Office equipment	5
Computer equipment	5

5. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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.

7. Net position

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

8. Net position flow assumption

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

9. Fund equity

The County reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Fund equity (continued)

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

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

The County establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance 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.

G. Investments

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

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

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 one type of item that qualifies for reporting in this category. It is comprised of contributions to the pension plan made during the current year and subsequent to the measurement date, which will be recognized as a reduction of net pension liability next fiscal year. For more detailed information on this item, reference the pension note.

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 Primary Government has two types of 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 are reported as deferred inflows of resources. These include differences between expected and actual experience, change in assumptions, the net differences between projected and actual earnings on pension plan investments, and changes in proportion and differences between employer contributions and proportionate share of contributions. For more detailed information on these items, reference the pension note.

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 Primary Government's Retirement Plan and the additions to/deductions from the Primary Government'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.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Adoption of Accounting Principles/Restatement of Beginning Net Position

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*:

The County implemented the financial reporting provisions of the above Statements for the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and required supplementary information requirements about pensions are also addressed. The requirements of these statements will improve financial reporting by improving accounting and financial reporting by state and local governments for pensions. The implementation of these Statements and the correction of prior year capital asset additions and prepaid expense resulted in the following restatement of net position:

	Governmental Activities	Component Unit School Board
Net Position as reported at June 30, 2014	\$ (4,271,577)	\$ 21,392,909
Implementation of GASB 68	(3,963,367)	(32,689,235)
Capitalization of previously expensed assets	-	469,685
Restatement of school fund prepaid expense	<u>(150,754)</u>	<u>-</u>
Net Position as restated at June 30, 2014	<u>\$ (8,385,698)</u>	<u>\$ (10,826,641)</u>

Correction of prior year prepaid expense resulted in the following restatement of fund balance:

	Governmental Activities General Fund
Fund Balance as reported at June 30, 2014	\$ 8,116,464
Restatement of school fund prepaid expense	<u>(150,754)</u>
Fund Balance as restated at June 30, 2014	<u>\$ 7,965,710</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

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

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance—total governmental funds* and *net position—governmental activities* as reported in the government-wide statements of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of these differences are as follows:

	Primary Government	Component Unit School Board
Bonds payable, including unamortized premiums	\$ (61,952,040)	\$ -
Accrued interest payable	(1,002,027)	-
Capital leases	(155,360)	(209,476)
Landfill closure and post-closure costs	(5,418,628)	-
Net pension liability	(2,909,626)	(30,624,567)
Net OPEB obligation	(702,900)	(1,622,900)
Compensated absences	(632,646)	(277,185)
Net adjustment to reduce <i>fund balance—total governmental funds</i> to arrive at <i>net position—governmental activities</i>	\$ <u>(72,773,227)</u>	\$ <u>(32,734,128)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of these differences are as follows:

	Primary Government	Component Unit School Board
Capital outlay	\$ 840,212	\$ 1,537,714
Depreciation expense	(686,134)	(1,831,156)
Primary government capital asset allocation	(2,523,007)	2,523,007
Net adjustment to increase (decrease) <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>(2,368,929)</u>	\$ <u>2,229,565</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

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

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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.” The details of these differences are as follows:

	Primary Government	Component Unit School Board
Principal repayments:		
General obligation debt	\$ 1,825,606	\$ -
Capital lease	56,144	66,747
Lease revenue bond	556,621	-
Increase in landfill closure and post-closure costs	(269,673)	-
Amortization of bond premium	37,203	-
Net adjustment to (decrease) increase <i>net changes in</i> <i>balances-total governmental funds</i> to arrive at <i>changes in</i> <i>net position of governmental activities</i>	<u>\$ 2,205,901</u>	<u>\$ 66,747</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of these differences are as follows:

	Primary Government	Component Unit School Board
Accrued interest payable	\$ 43,148	\$ -
Net pension liability	1,872,412	4,399,005
Deferred outflows related to pension payments subsequent to the measurement date	(1,724)	756,622
Compensated absences	(17,988)	(40,812)
Net OPEB obligation	<u>(107,100)</u>	<u>(247,500)</u>
Net adjustment to (decrease) increase <i>net changes in</i> <i>fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,788,748</u>	<u>\$ 4,867,315</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 3—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

NOTE 4—DEPOSITS AND INVESTMENTS

Deposits

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

Investments

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 4—DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Investments)

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

Credit Risk of Debt Securities

The County of Page may invest any and all funds belonging to it or in its control in the following:

1. U.S. Treasury Bills, Notes, Bonds and other direct obligations of the United States Government.
2. Obligations of Agencies of the Federal Government, including but not limited to the Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation and Student Loan Marketing Association.
3. Obligations of the Commonwealth of Virginia and of its local governments and public bodies, provided such obligations have a debt rating of at least "AA" or equivalent by Moody's and/or Standard & Poor's.
4. Repurchase Agreements executed through Federal Reserve Member Banks or Primary Dealers in U.S. Government securities, and collateralized by Treasury or Agency obligations the market value of which is at least 102% of the purchase price of the repo.
5. Certificates of deposit or other deposits of national banks located within the Commonwealth and state-chartered banks under Commonwealth supervision provided such deposits are insured or collateralized as provided by the Virginia Security for Public Deposits Act.
6. U.S. dollar denominated Bankers' Acceptances issued by a domestic bank or a foreign bank with an agency domiciled in the U.S., and rated by Thomson Bankwatch at least B/C (issuing bank) and I (country of origin). Not more than 40% of the total funds available for investment may be invested in banker's acceptances.
7. U.S. dollar denominated Commercial Paper issued by an entity incorporated in the U.S. and rated at least A-1 by Standard & Poor's Corp. and P-1 by Moody's Investors Service. Not more than 35% of the total funds available for investment may be invested in commercial paper, and not more than 5% in the obligations of any one issuer.
8. The County's rated debt investments as of June 30, 2015 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	\$ 5
SNAP	686,132
Total	<u>\$ 686,137</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 4—DEPOSITS AND INVESTMENTS (CONTINUED)

External Investment Pools

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The fair value of the positions in the Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD:

Note: All deposits of the health insurance fund were allocated to the component unit school board on the government-wide financial statements — Exhibit 1.

NOTE 5—INTERFUND OBLIGATIONS

The purpose of interfund obligations due to/from component unit is to report the balance of local appropriations unspent at year-end due back to the respective funds. The purpose of interfund obligations due to/from other funds is to repay the general fund for expenditures related to Virginia public assistance fund and comprehensive services act.

Fund	Interfund Receivable Primary Government/ Component Unit	Interfund Payable Primary Government/ Component Unit	Due From Other Funds	Due To Other Funds
Primary Government:				
General Fund	\$ -	\$ 2,221,922	\$ 192,403	\$ -
Virginia Public Assistance Fund	-	-	-	130,518
Comprehensive Services Act	-	-	-	61,885
Sub-total	\$ -	\$ 2,221,922	\$ 192,403	\$ 192,403
Discretely Presented Component Units:				
School Fund	\$ 2,221,922	\$ -	\$ -	\$ -
Total reporting entity	\$ 2,221,922	\$ 2,221,922	\$ 192,403	\$ 192,403

COUNTY OF PAGE, VIRGINIA**Notes to the Financial Statements
June 30, 2015 (Continued)****NOTE 6—INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2015 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 768,523
Virginia Public Assistance Fund	339,169	-
Comprehensive Services Act	355,086	-
County Capital Projects Fund	74,268	-
Total reporting entity	<u>\$ 768,523</u>	<u>\$ 768,523</u>

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

NOTE 7—DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governments consists of payments due from federal, and state governmental units at June 30, 2015 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	\$ -	\$ 643,111	\$ -
Local sales taxes	292,841	-	-
Compensation board	227,951	-	-
Comprehensive Services Act funds	89,122	-	-
Public assistance and welfare	46,890	-	-
Other funds	330,497	20,588	7,471
Federal Government:			
Public assistance and welfare	83,628	-	-
School funds	-	237,443	-
Other funds	49,481	-	81,239
Total	<u>\$ 1,120,410</u>	<u>\$ 901,142</u>	<u>\$ 88,710</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 8—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 1,970,464	\$ -	\$ -	\$ 1,970,464
Construction in progress	387,558	422,596	(209,034)	601,120
Total capital assets not being depreciated	\$ 2,358,022	\$ 422,596	\$ (209,034)	\$ 2,571,584
Capital assets being depreciated				
Buildings	\$ 54,602,497	\$ 209,034	\$ (1,825,606)	\$ 52,985,925
Machinery and equipment	6,565,472	417,616	-	6,983,088
Total capital assets being depreciated	\$ 61,167,969	\$ 626,650	\$ (1,825,606)	\$ 59,969,013
Accumulated depreciation				
Buildings	\$ (5,812,597)	\$ (850,987)	\$ -	\$ (6,663,584)
Machinery and equipment	(4,618,277)	(532,548)	-	(5,150,825)
Total accumulated depreciation	\$ (10,430,874)	\$ (1,383,535)	\$ -	\$ (11,814,409)
Total capital assets being depreciated, net	\$ 50,737,095	\$ (756,885)	\$ (1,825,606)	\$ 48,154,604
Governmental activities capital assets, net	\$ 53,095,117	\$ (334,289)	\$ (2,034,640)	\$ 50,726,188

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

Governmental activities:	
General government administration	\$ 41,524
Judicial administration	15,362
Public safety	267,133
Public works	344,474
Health and welfare	17,641
Education	697,401
Total depreciation expense-governmental activities:	\$ 1,383,535

COUNTY OF PAGE, VIRGINIA

**Notes to the Financial Statements
June 30, 2015 (Continued)**

NOTE 8—CAPITAL ASSETS (CONTINUED)

Discretely presented component unit-School Board

Activity for the School Board for the year ended June 30, 2015 was as follows:

	Beginning Balance as adjusted	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 885,591	\$ -	\$ -	\$ 885,591
Construction in progress	28,994	1,395,637	(415,553)	1,009,078
Total capital assets not being depreciated	\$ 914,585	\$ 1,395,637	\$ (415,553)	\$ 1,894,669
Capital assets being depreciated:				
Buildings and improvements	\$ 27,374,501	\$ 2,241,159	\$ -	\$ 29,615,660
Machinery and equipment	5,609,512	142,127	-	5,751,639
Total capital assets being depreciated	\$ 32,984,013	\$ 2,383,286	\$ -	\$ 35,367,299
Accumulated depreciation:				
Buildings and improvements	\$ (7,535,838)	\$ (1,495,259)	\$ 697,401	\$ (8,333,696)
Machinery and equipment	(4,274,751)	(335,897)	-	(4,610,648)
Total accumulated depreciation	\$ (11,810,589)	\$ (1,831,156)	\$ 697,401	\$ (12,944,344)
Total capital assets being depreciated, net	\$ 21,173,424	\$ 552,130	\$ 697,401	\$ 22,422,955
School Board capital assets, net	\$ 22,088,009	\$ 1,947,767	\$ 281,848	\$ 24,317,624

Depreciation expense for the year ended June 30, 2015 totaled \$1,831,156.

Discretely presented component unit-Economic Development Authority of Page County

Activity for the Authority for the year ended June 30, 2015 was as follows:

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

COUNTY OF PAGE, VIRGINIA**Notes to the Financial Statements
June 30, 2015 (Continued)****NOTE 8—CAPITAL ASSETS (CONTINUED)****Discretely presented component unit-Luray-Page County Airport Authority**

Activity for the Authority for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,936,386	\$ -	\$ -	\$ 1,936,386
Construction in progress	2,601,661	413,069	(2,620,867)	393,863
Total capital assets not being depreciated	\$ 4,538,047	\$ 413,069	\$ (2,620,867)	\$ 2,330,249
Capital assets being depreciated:				
Buildings and improvements	\$ 7,276,963	\$ 2,620,867	\$ -	\$ 9,897,830
Equipment	282,218	-	-	282,218
Total capital assets being depreciated	\$ 7,559,181	\$ 2,620,867	\$ -	\$ 10,180,048
Accumulated depreciation:				
Buildings and improvements	\$ (1,970,580)	\$ (180,403)	\$ -	\$ (2,150,983)
Machinery and equipment	(122,466)	(11,848)	-	(134,314)
Total accumulated depreciation	\$ (2,093,046)	\$ (192,251)	\$ -	\$ (2,285,297)
Total capital assets				
being depreciated, net	\$ 5,466,135	\$ 2,428,616	\$ -	\$ 7,894,751
Total capital assets, net	\$ 10,004,182	\$ 2,841,685	\$ (2,620,867)	\$ 10,225,000

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Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by 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.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1</p> <p>Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p>About Plan 2</p> <p>Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is 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.</p>	<p>About the Hybrid Retirement Plan</p> <p>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members")</p> <ul style="list-style-type: none"> The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.

NOTE 9—PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 (Cont.)</p>	<p>About Plan 2 (Cont.)</p>	<p>About the Hybrid Retirement Plan (Cont.)</p> <ul style="list-style-type: none"> • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is 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.</p> <p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • School division employees • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Hybrid Opt-In Election (Cont.) Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Hybrid Opt-In Election (Cont.) Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>*Non-Eligible Members (Cont.) Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016.</p>	<p>Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Creditable Service Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Creditable Service Same as Plan 1.</p>	<p>Creditable Service <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting (Cont.)	Vesting (Cont.)	<p>Vesting (Cont.) <u>Defined Contributions Component: (Cont.)</u> Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required by law until age 70½.</p>
<p>Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1</p>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Calculating the Benefit (Cont.) An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p>Calculating the Benefit (Cont.)</p>	<p>Calculating the Benefit (Cont.) <u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p>Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p> <p>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p>Sheriffs and regional jail superintendents: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Not applicable.</p>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age <u>Defined Benefit Component:</u> VRS: Same as Plan 2.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as Plan 1</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement <u>Defined Benefit Component:</u> Same as Plan 2.</p> <p><u>Defined Contribution Component:</u> Not applicable.</p> <p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p>Disability Coverage Employees of political subdivisions and School divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-year period, the rate for most categories of service will change to actuarial cost. <p><u>Defined Contribution Component:</u> Not applicable.</p>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2014-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Employees Covered by Benefit Terms

As of the June 30, 2013 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	93	69
Inactive members:		
Vested inactive members	28	10
Non-vested inactive members	20	32
Inactive members active elsewhere in VRS	59	17
Total inactive members	107	59
Active members	150	117
Total covered employees	350	245

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. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The County's contractually required contribution rate for the year ended June 30, 2015 was 14.31% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

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 \$816,947 and \$818,671 for the years ended June 30, 2015 and June 30, 2014, respectively.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Contributions (Continued)

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2015 was 10.17% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

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 \$218,945 and \$224,337 for the years ended June 30, 2015 and June 30, 2014, respectively.

Net Pension Liability

The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2015. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2013, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

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, 2013, 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, 2015.

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

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

Mortality rates: 14% of deaths are assumed to be service related

Largest 10 – Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Actuarial Assumptions – General Employees (Continued)

All Others (Non 10 Largest) – Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Actuarial Assumptions – Public Safety Employees

The total pension liability for Public Safety employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2013, 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, 2015.

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

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

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Actuarial Assumptions – Public Safety Employees (Continued)

Mortality rates: 60% of deaths are assumed to be service related

Largest 10 – Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

All Others (Non 10 Largest) – Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) – LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

COUNTY OF PAGE, VIRGINIA**Notes to the Financial Statements
June 30, 2015 (Continued)****NOTE 9—PENSION PLAN (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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

COUNTY OF PAGE, VIRGINIA**Notes to the Financial Statements
June 30, 2015 (Continued)****NOTE 9—PENSION PLAN (Continued)****Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the County and Component Unit School Board (nonprofessional) Retirement Plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed 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.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2013	\$ 24,841,062	\$ 20,059,024	\$ 4,782,038
Changes for the year:			
Service cost	\$ 734,796	\$ -	\$ 734,796
Interest	1,697,830	-	1,697,830
Contributions - employer	-	818,671	(818,671)
Contributions - employee	-	337,845	(337,845)
Net investment income	-	3,165,273	(3,165,273)
Benefit payments, including refunds of employee contributions	(1,172,685)	(1,172,685)	-
Administrative expenses	-	(16,918)	16,918
Other changes	-	167	(167)
Net changes	\$ 1,259,941	\$ 3,132,353	\$ (1,872,412)
Balances at June 30, 2014	\$ 26,101,003	\$ 23,191,377	\$ 2,909,626

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Changes in Net Pension Liability (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2013	\$ 7,415,782	\$ 6,098,210	\$ 1,317,572
Changes for the year:			
Service cost	\$ 205,699	\$ -	\$ 205,699
Interest	505,091	-	505,091
Contributions - employer	-	224,337	(224,337)
Contributions - employee	-	94,640	(94,640)
Net investment income	-	954,930	(954,930)
Benefit payments, including refunds of employee contributions	(400,390)	(400,390)	-
Administrative expenses	-	(5,162)	5,162
Other changes	-	50	(50)
Net changes	\$ 310,400	\$ 868,405	\$ (558,005)
Balances at June 30, 2014	\$ 7,726,182	\$ 6,966,615	\$ 759,567

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

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

	Rate		
	(6.00%)	(7.00%)	(8.00%)
County			
Net Pension Liability	\$ 6,394,305	\$ 2,909,626	\$ 37,495
Component Unit School Board (nonprofessional)			
Net Pension Liability	\$ 1,643,549	\$ 759,597	\$ 12,768

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

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

For the year ended June 30, 2015, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$356,093 and \$91,198, respectively. At June 30, 2015, 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
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,409,834	\$ -	\$ 424,866
Employer contributions subsequent to the measurement date	816,947	-	218,945	-
Total	<u>\$ 816,947</u>	<u>\$ 1,409,834</u>	<u>\$ 218,945</u>	<u>\$ 424,866</u>

\$816,947 and \$218,945 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 ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Primary Government	Component Unit School Board (nonprofessional)
2016	\$ (352,459)	\$ (106,217)
2017	(352,459)	(106,217)
2018	(352,459)	(106,217)
2019	(352,457)	(106,215)
Thereafter	-	-

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

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 options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

Each School Division's contractually required contribution rate for the year ended June 30, 2015 was 14.50% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013. The actuarial rate for the Teacher Retirement Plan was 18.20%. 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. Based on the provisions of §51.1-145 of the Code of Virginia, as amended the contributions were funded at 79.69% of the actuarial rate for the year ended June 30, 2015. Contributions to the pension plan from the School Board were \$2,593,964 and \$2,110,000 for the years ended June 30, 2015 and June 30, 2013, respectively.

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

At June 30, 2015, the school division reported a liability of \$29,865,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2015 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, 2015 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2015, the school division's proportion was .24713% as compared to .24467% at June 30, 2013.

COUNTY OF PAGE, VIRGINIA**Notes to the Financial Statements
June 30, 2015 (Continued)****NOTE 9—PENSION PLAN (Continued)****Component Unit School Board (professional) (Continued)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2015, the school division recognized pension expense of \$2,423,000. Since there was a change in proportionate share between June 30, 2013 and June 30, 2015, 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, 2015, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 4,432,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	278,000	-
Employer contributions subsequent to the measurement date	<u>2,593,964</u>	<u>-</u>
Total	\$ <u>2,871,964</u>	\$ <u>4,432,000</u>

\$2,593,964 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 ended June 30, 2016. 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>	
2016	\$ (1,047,000)
2017	(1,047,000)
2018	(1,047,000)
2019	(1,047,000)
Thereafter	34,000

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2013, 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, 2015.

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

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

Mortality rates:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and females set back 5 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 3 years

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 1 year and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Component Unit School Board (professional) (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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 9—PENSION PLAN (Continued)

Component Unit School Board (professional) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that 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. Through the fiscal year ending June 30, 2018, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, school divisions are assumed 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.

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

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

	Rate		
	(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 43,854,000	\$ 29,865,000	\$ 18,348,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2014 Comprehensive Annual Financial Report (CAFR). A copy of the 2014 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2014-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, 2015 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS

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

County

A. Plan Description

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

B. Funding Policy

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

C. Annual OPEB Cost and Net OPEB Obligation

The annual cost of other postemployment benefits (OPEB) under GASB 45 is calculated based on the annual required contribution or ARC. The estimated pay-as-you-go cost for OPEB benefits is \$164,900 for fiscal year 2015. The County has elected not to pre-fund OPEB liabilities. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years.

COUNTY OF PAGE, VIRGINIA**Notes to the Financial Statements
June 30, 2015 (Continued)****NOTE 10—OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)****County (continued)****C. Annual OPEB Cost and Net OPEB Obligation (continued)**

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

Annual Required Contribution (ARC)	\$ 165,900
Interest on OPEB Obligation	23,800
Adjustment to ARC	(24,800)
Annual OPEB cost	\$ 164,900
Contributions Made	(57,800)
Increase in Net OPEB Obligation	\$ 107,100
Net OPEB Obligation - beginning of year	595,800
Net OPEB Obligation - end of year	\$ 702,900

For 2015, the County's expected cash payment of \$57,800 was \$107,100 less than the OPEB cost (expense) of \$164,900. The Government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding two years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 164,900	35%	\$ 702,900
June 30, 2014	168,600	56%	595,800
June 30, 2013	163,900	56%	521,000

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2014, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 2,203,500
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability	\$ 2,203,500
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 6,502,300
UAAL as a percentage of covered payroll	33.89%

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

D. Funded Status and Funding Progress (continued)

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

E. Actuarial Methods and Assumptions

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

Cost Method

In the June 30, 2014 most recent actuarial valuation, the projected unit credit method, with linear proration to assumed benefit commencement was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014, the date of the most recent actuarial valuation, was 30 years.

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

School Board

A. Plan Description

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

B. Funding Policy

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

COUNTY OF PAGE, VIRGINIA**Notes to the Financial Statements
June 30, 2015 (Continued)****NOTE 10—OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)****School Board (continued)****C. Annual OPEB Cost and Net OPEB Obligation**

The annual cost of other post-employment benefits (OPEB) under GASB 45 is calculated based on the annual required contribution or ARC. The estimated pay-as-you-go cost for OPEB benefits was \$420,800 for fiscal year 2015. The School Board has elected not to pre-fund OPEB liabilities. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

Annual Required Contribution (ARC)	\$	423,100
Interest on OPEB Obligation		55,000
Adjustment to ARC		(57,300)
Annual OPEB cost	\$	420,800
Contributions Made		(173,300)
Increase in Net OPEB Obligation	\$	247,500
Net OPEB Obligation - beginning of year		1,375,400
Net OPEB Obligation - end of year	\$	<u>1,622,900</u>

For 2015, the School Board's expected cash payment of \$173,300 was \$247,500 less than the OPEB cost (expense) of \$420,800. The Government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding two years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 420,800	41%	\$ 1,622,900
June 30, 2014	422,000	40%	1,375,400
June 30, 2013	405,200	30%	1,123,500

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

School Board (continued)

D. Funded Status and Funding Progress The funded status of the plan as of June 30, 2014, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$	4,433,500
Actuarial value of plan assets	\$	-
Unfunded actuarial accrued liability	\$	4,433,500
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	\$	18,477,800
UAAL as a percentage of covered payroll		23.99%

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

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

E. Actuarial Methods and Assumptions

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

Cost Method

In the June 30, 2014 actuarial valuation, the date of the most recent actuarial valuation, the projected unit credit method, with linear pro-rata to assumed benefit commencement was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll as an open basis. The remaining amortization period at June 30, 2014 was 30 years.

Interest Assumptions

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

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

School Board (continued)

Health Insurance Credit Program

A. Plan description

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

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

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

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.1% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2015, 2014, and 2013 were \$198,572, \$200,160, and \$184,023, respectively and equaled the required contributions for each year.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 11—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, 2015:

	Balance July 1, 2014, as restated	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2015
Revenue bonds	\$ 11,369,513	\$ -	\$ 264,505	\$ 11,105,008
General obligation bonds	48,463,653	-	1,825,606	46,638,047
Lease revenue bonds	3,880,485	-	292,116	3,588,369
Premiums on bond issue	657,819	-	37,203	620,616
Capital lease	211,504	-	56,144	155,360
Landfill closure and post- closure care costs	5,148,955	269,673	-	5,418,628
Net pension liability	4,782,038	2,449,544	4,321,956	2,909,626
Net OPEB obligation	595,800	164,900	57,800	702,900
Compensated absences	614,658	386,783	368,795	632,646
Total	\$ <u>75,724,425</u>	\$ <u>3,270,900</u>	\$ <u>7,224,125</u>	\$ <u>71,771,200</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
2016	\$ 63,125	\$ 3,617
2017	64,980	1,762
2018	27,255	174
Totals	\$ <u>155,360</u>	\$ <u>5,553</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 11—LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government Obligations: (Continued)

Year Ending June 30,	Governmental Activities			
	Lease Revenue Bonds		General Obligation/Revenue Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 298,286	\$ 93,672	\$ 2,174,132	\$ 2,607,552
2017	304,623	84,762	2,265,756	2,496,696
2018	311,128	75,683	2,350,939	2,388,629
2019	255,743	67,716	2,439,949	2,282,520
2020	262,603	60,856	2,522,278	2,171,378
2021	271,078	53,812	2,501,140	2,056,032
2022	276,881	46,579	2,522,334	1,938,694
2023	284,308	39,152	2,621,776	1,820,985
2024	291,934	31,525	2,731,897	1,699,645
2025	299,765	23,694	2,843,401	1,572,482
2026	307,806	15,653	2,961,553	1,438,682
2027	316,063	7,064	3,086,082	1,297,891
2028	108,151	-	2,457,716	1,170,598
2029	-	-	2,564,968	1,042,234
2030	-	-	2,682,751	926,896
2031	-	-	2,806,088	805,111
2032	-	-	2,935,004	676,581
2033	-	-	3,069,522	540,900
2034	-	-	1,114,669	433,719
2035	-	-	1,165,473	382,610
2036	-	-	1,221,962	329,091
2037	-	-	1,274,166	273,133
2038	-	-	1,337,115	206,160
2039	-	-	450,841	166,619
2040	-	-	470,380	147,080
2041	-	-	490,765	126,695
2042	-	-	512,034	105,426
2043	-	-	534,224	83,236
2044	-	-	557,376	60,084
2045	-	-	581,532	35,928
2046	-	-	495,232	10,726
Totals	\$ 3,588,369	\$ 600,168	\$ 57,743,055	\$ 31,294,013

COUNTY OF PAGE, VIRGINIA**Notes to the Financial Statements
June 30, 2015 (Continued)****NOTE 11—LONG-TERM OBLIGATIONS (CONTINUED)****Primary Government Obligations: (Continued)****Details of Long-Term Obligations****Governmental Activities**

	<u>Total Amount Outstanding</u>	<u>Amount Due Within One Year</u>
General Obligation Bonds:		
<u>Virginia Public School Authority (V.P.S.A.) Bonds:</u>		
\$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%.	\$ 480,000	\$ 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%.	25,340,000	935,000
\$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%.	7,863,047	579,814
\$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%.	12,955,000	310,000
Total general obligation bonds	\$ 46,638,047	\$ 1,904,814
<u>Lease Revenue Bonds:</u>		
\$931,000 lease revenue bonds issued January 15, 2003 due in annual installments of \$62,067 through January 15, 2018. Interest payable annually at 4.11%.	\$ 186,200	\$ 62,067
\$4,000,000 lease revenue bonds issued October 15, 2012 due in annual installments of \$108,152 to \$316,063 through October 15, 2027. Interest payable annually at 2.65%.	\$ 3,402,169	\$ 236,219
Total lease revenue bonds	\$ 3,588,369	\$ 298,286
<u>Series 2006 Revenue Bonds</u>		
\$13,000,000 bonds issued June 16, 2006 , payments vary throughout the life of the loan. Interest on the bonds is 2.76% through June 2046. These bonds were issued in connection with the Battle Creek landfill.	\$ 11,105,008	\$ 269,318
<u>Capital Lease</u>		
\$310,300 capital lease payable for the purchase of a 725 Caterpillar truck dated October 17, 2012 payable in annual installments of \$66,743 including interest at 2.9% through October 2018.	\$ 155,360	\$ 63,125

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 11—LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government Obligations: (Continued)

Details of Long-Term Obligations (Continued)

Governmental Activities (Continued)

	Total Amount Outstanding	Amount Due Within One Year
Net pension liability	\$ 2,909,626	\$ -
Net OPEB obligation	\$ 702,900	\$ -
Compensated absences	\$ 632,646	\$ 379,588
Landfill closure and post-closure care costs	\$ 5,418,628	\$ -
Unamortized premium on bond issues	\$ 620,616	\$ 37,203
Total Long-term obligations	<u>\$ 71,771,200</u>	<u>\$ 2,952,334</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, 2015:

	Balance July 1, 2014, as restated	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2015
Capital lease	\$ 276,223	\$ -	\$ 66,747	\$ 209,476
Net pension liability	35,023,572	3,138,952	7,537,957	30,624,567
Compensated absences	236,373	182,636	141,824	277,185
Net OPEB obligation	1,375,400	420,800	173,300	1,622,900
Total	<u>\$ 36,911,568</u>	<u>\$ 3,742,388</u>	<u>\$ 7,919,828</u>	<u>\$ 32,734,128</u>

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

Year Ending June 30,	Governmental Activities	
	Capital Lease	
	Principal	Interest
2016	\$ 68,263	\$ 4,757
2017	69,814	3,207
2018	71,399	1,622
Totals	<u>\$ 209,476</u>	<u>\$ 9,586</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements
June 30, 2015 (Continued)

NOTE 11—LONG-TERM OBLIGATIONS (CONTINUED)

Component Unit Obligations: (Continued)

Details of Component Unit-School Board Long-Term Obligations

	Total Amount Outstanding	Amount Due Within One Year
<u>Capital Lease</u>		
\$365,103 capital lease payable for the purchase of four school busses dated August 15, 2013 payable in annual installments of \$73,021 including interest at 2.271% through August 15, 2017.	\$ 209,476	\$ 68,263
Net pension obligation	\$ 30,624,567	\$ -
Net OPEB obligation	\$ 1,622,900	\$ -
Compensated absences	\$ 277,185	\$ 166,311
Total Long-term obligations	\$ 32,734,128	\$ 234,574

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, 2015:

Series 2009 Revenue Bond

\$1,672,600 Revenue Bond issued on October 14, 2009 by USDA (the lender) with monthly payments of \$7,326, and an interest rate of 4.25%, balance at June 30, 2015	\$ 1,585,917
Less: current portion	(20,915)
Total Long-term obligations, net of current portion	\$ 1,565,002

COUNTY OF PAGE, VIRGINIA**Notes to the Financial Statements
June 30, 2015 (Continued)**

NOTE 11—LONG-TERM OBLIGATIONS (CONTINUED)

Component Unit Obligations: (Continued)

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

Year Ending June 30,	Revenue Bond	
	Principal	Interest
2016	\$ 20,915	\$ 66,997
2017	21,821	66,091
2018	22,767	65,145
2019	23,754	64,158
2020	24,783	63,129
2021	25,857	62,055
2022	26,978	60,934
2023	28,147	59,765
2024	29,367	58,545
2025	30,639	57,273
2026	31,967	55,945
2027	33,352	54,560
2028	34,798	53,114
2029	36,306	51,606
2030	37,879	50,033
2031	39,521	48,391
2032	41,234	46,678
2033	43,021	44,891
2034	44,885	43,027
2035	46,830	41,082
2036	48,860	39,052
2037	50,977	36,935
2038	53,187	34,725
2039	55,492	32,420
2040	57,896	30,016
2041	60,406	27,506
2042	63,023	24,889
2043	65,755	22,157
2044	68,604	19,308
2045	71,577	16,335
2046	74,679	13,233
2047	77,916	9,996
2048	81,293	6,619
2049	84,816	3,096
2050	26,615	224
Total	\$ <u>1,585,917</u>	\$ <u>1,429,930</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 12—RISK MANAGEMENT

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

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

The Component Unit School Board administers the health insurance program for the Health Insurance Fund (an Internal Service Fund) by charging the various fund types a portion of the premium.

NOTE 13—CONTINGENT LIABILITIES

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. The Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

NOTE 14—DEFERRED AND UNAVAILABLE REVENUE-PROPERTY TAXES

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 \$9,270,360 and \$12,553,297 respectively, is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2015, but paid in advance by the taxpayers totaled \$562,060 at June 30, 2015.
- B. Unbilled Property Taxes – Property taxes for the second half of 2015 that had not been billed as of June 30, 2015 amounted to \$8,708,300.
- C. Unavailable Property Taxes – Uncollected tax billings not available for funding of current expenditures totaled \$3,282,937 at June 30, 2015.

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 15—HEALTH INSURANCE FUND

The County maintains an internal service fund entitled Health Insurance Fund that has been included in the fund financial statements. The purpose of this fund is to disclose the County's self-insured health insurance transactions for the fiscal year as required by GASB 10. The County was self-insured for health insurance purposes in prior years, but is no longer self-insured and has retained Anthem to administer the program. The School Board uses Anthem as the administrator of their self-insured plan. The Health Insurance fund pays Anthem an administrative fee for these services. This fund serves the School Board component unit and accounts for the health insurance activities of the aforementioned funds but does not constitute a transfer of risk from the County.

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

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

Anthem has established a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. At June 30, 2015 the plan liability was \$264,680. The net position, \$828,557 of the Plan maintained by the School Board can be found on Exhibit 25. The following represents the change in approximate aggregate liabilities for the fund:

	Beginning of Fiscal Year (Surplus) Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End (Surplus) Liability
2014-2015	\$ 448,235	\$ 5,646,390	\$ 5,829,945	\$ 264,680
2013-2014	28,823	6,677,190	6,257,778	448,235
2012-2013	5,509	6,446,343	6,423,029	28,823
2011-2012	18,397	5,881,457	5,894,345	5,509
2010-2011	476,524	6,194,888	6,653,015	18,397

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 16—LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require that the County place a final cover on its landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts wastes. The recognition of these landfill closure and post-closure care costs are based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care cost is attributable to the Stanley landfill, which was closed in February 1999 and Battle Creek landfill which was acquired in June 2005.

The post-closure and thirty year monitoring costs for the Stanley landfill are estimated at \$2,122,023. The estimated total current cost of the landfill closure and post-closure care of \$2,122,023 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, 2015. Included in the County's post-closure and thirty year monitoring costs of \$2,122,023 is \$1,398,121 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 \$10,390,340. The estimated total current cost of the landfill closure and post-closure care of \$3,296,605 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, 2015. The estimated useful life of the Battle Creek landfill is 34 years. However, the actual cost of closure and post-closure may be different due to inflation, changes in technology, or change in landfill laws and regulations.

The County will finance the closure and post-closure care from future revenues earned by the General Fund and charges derived from the use of the landfill. No assets have been restricted at this time to pay these costs. The anticipated future inflation costs and additional costs that might arise from changes in post-closure requirements (due to changes in technology or laws and regulations, for example) may need to be covered from future tax revenue.

At June 30, 2015, 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 17—CONSTRUCTION CONTRACTS OUTSTANDING

The Component Unit School Board had the following material contracts outstanding at June 30, 2015:

<u>Project</u>	<u>Original Contract Amount</u>	<u>Amount Spent as of June 30, 2015</u>	<u>Amount of Contract Remaining at Year End</u>
PCTC Building	\$ <u>243,189</u>	\$ <u>36,478</u>	\$ <u>206,711</u>

COUNTY OF PAGE, VIRGINIA

Notes to the Financial Statements June 30, 2015 (Continued)

NOTE 18—LITIGATION

At June 30, 2015, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

NOTE 19—UPCOMING PRONOUNCEMENTS

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. No formal study or estimate of the impact of this standard has been performed.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. No formal study or estimate of the impact of this standard has been performed.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, objective is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. No formal study or estimate of the impact of this standard has been performed.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 20,276,881	\$ 20,276,881	\$ 19,961,029	\$ (315,852)
Other local taxes	3,095,400	3,095,400	3,160,649	65,249
Permits, privilege fees, and regulatory licenses	185,890	186,390	193,298	6,908
Fines and forfeitures	116,250	116,250	106,910	(9,340)
Revenue from the use of money and property	50,000	50,000	54,677	4,677
Charges for services	2,160,417	2,162,167	1,992,602	(169,565)
Miscellaneous	-	-	86,328	86,328
Intergovernmental:				
Commonwealth	5,680,957	5,833,409	5,565,488	(267,921)
Federal	466,337	572,967	431,445	(141,522)
Total revenues	<u>\$ 32,032,132</u>	<u>\$ 32,293,464</u>	<u>\$ 31,552,426</u>	<u>\$ (741,038)</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,462,169	\$ 2,527,663	\$ 2,428,333	\$ 99,330
Judicial administration	1,157,690	1,139,591	1,151,505	(11,914)
Public safety	8,308,819	9,090,295	8,593,685	496,610
Public works	3,713,682	3,770,965	2,229,313	1,541,652
Health and welfare	411,861	411,861	649,113	(237,252)
Education	9,491,587	9,491,587	9,385,334	106,253
Parks, recreation, and cultural	281,664	281,664	284,327	(2,663)
Community development	1,143,927	1,143,927	1,062,746	81,181
Nondepartmental	532,691	506,621	368,134	138,487
Debt service:				
Principal retirement	2,448,779	2,448,779	2,438,370	10,409
Interest and other fiscal charges	2,791,109	2,791,109	2,779,245	11,864
Total expenditures	<u>\$ 32,743,978</u>	<u>\$ 33,604,062</u>	<u>\$ 31,370,105</u>	<u>\$ 2,233,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (711,846)</u>	<u>\$ (1,310,598)</u>	<u>\$ 182,321</u>	<u>\$ 1,492,919</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>\$ (820,263)</u>	<u>\$ (820,263)</u>	<u>\$ (768,523)</u>	<u>\$ 51,740</u>
Total other financing sources (uses)	<u>\$ (820,263)</u>	<u>\$ (820,263)</u>	<u>\$ (768,523)</u>	<u>\$ 51,740</u>
Net change in fund balances	\$ (1,532,109)	\$ (2,130,861)	\$ (586,202)	\$ 1,544,659
Fund balances - beginning	1,532,109	2,130,861	7,965,710	5,834,849
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,379,508</u>	<u>\$ 7,379,508</u>

Schedule of OPEB Funding Progress
June 30, 2015

PRIMARY GOVERNMENT:**County Other Postemployment Benefit Program**

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
6/30/2008	\$ -	\$ 986,500	\$ 986,500	0.00%	\$ 6,297,100	15.67%
6/30/2008 (as updated for FY2010)	-	1,543,200	1,543,200	0.00%	6,454,500	23.91%
6/30/2008 (as updated for FY2011)	-	1,669,500	1,669,500	0.00%	6,615,900	25.23%
4/1/2011 (as updated for FY 2014)	-	1,834,500	1,834,500	0.00%	5,316,600	34.51%
6/1/2014	-	2,203,500	2,203,500	0.00%	6,502,300	33.89%

DISCRETELY PRESENTED COMPONENT UNIT:**School Board Other Postemployment Benefit Program**

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
6/30/2008 (as updated for FY2010)	\$ -	\$ 3,036,000	\$ 3,036,000	0.00%	20,152,800	15.06%
7/1/2010	-	3,926,600	3,926,600	0.00%	18,606,100	21.10%
7/1/2010 (as updated for FY2012)	-	4,176,500	4,176,500	0.00%	18,606,100	22.45%
7/1/2012	-	4,236,700	4,236,700	0.00%	18,606,100	22.77%
7/1/2014	-	4,433,500	4,433,500	0.00%	18,477,800	23.99%

Schedule of Components of and Changes in Net Pension Liability and Related Ratios
Primary Government
Year Ended June 30, 2015

	2014
Total pension liability	
Service cost	\$ 734,796
Interest	1,697,830
Benefit payments, including refunds of employee contributions	(1,172,685)
Net change in total pension liability	\$ 1,259,941
Total pension liability - beginning	24,841,062
Total pension liability - ending (a)	\$ 26,101,003
 Plan fiduciary net position	
Contributions - employer	\$ 818,671
Contributions - employee	337,845
Net investment income	3,165,273
Benefit payments, including refunds of employee contributions	(1,172,685)
Administrative expense	(16,918)
Other	167
Net change in plan fiduciary net position	\$ 3,132,353
Plan fiduciary net position - beginning	20,059,024
Plan fiduciary net position - ending (b)	\$ 23,191,377
 County's net pension liability - ending (a) - (b)	\$ 2,909,626
 Plan fiduciary net position as a percentage of the total pension liability	88.85%
 Covered-employee payroll	\$ 6,302,311
 County's net pension liability as a percentage of covered-employee payroll	46.17%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

Schedule of Components of and Changes in Net Pension Liability and Related Ratios
 Component Unit School Board (nonprofessional)
 Year Ended June 30, 2015

	2014
Total pension liability	
Service cost	\$ 205,699
Interest	505,091
Benefit payments, including refunds of employee contributions	(400,390)
Net change in total pension liability	\$ 310,400
Total pension liability - beginning	7,415,782
Total pension liability - ending (a)	\$ 7,726,182
 Plan fiduciary net position	
Contributions - employer	\$ 224,337
Contributions - employee	94,640
Net investment income	954,930
Benefit payments, including refunds of employee contributions	(400,390)
Administrative expense	(5,162)
Other	50
Net change in plan fiduciary net position	\$ 868,405
Plan fiduciary net position - beginning	6,098,210
Plan fiduciary net position - ending (b)	\$ 6,966,615
 School Division's net pension liability - ending (a) - (b)	\$ 759,567
 Plan fiduciary net position as a percentage of the total pension liability	90.17%
 Covered-employee payroll	\$ 1,893,445
 School Division's net pension liability as a percentage of covered-employee payroll	40.12%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
 Year Ended June 30, 2015*

		2015
Employer's Proportion of the Net Pension Liability		0.24713%
Employer's Proportionate Share of the Net Pension Liability	\$	29,865,000
Employer's Covered-Employee Payroll	\$	18,032,457
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll		166%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		70.88%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

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

Schedule of Employer Contributions
 Year Ended June 30, 2015

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Employee Payroll (4)</u>	<u>Contributions as a % of Covered Employee Payroll (5)</u>
Primary Government					
2015	\$ 816,947	\$ 816,947	\$ -	\$ 6,732,041	12%
Component Unit School Board (nonprofessional)					
2015	\$ 218,945	\$ 218,945	\$ -	\$ 1,913,078	11%
Component Unit School Board (professional)					
2015	\$ 2,593,964	\$ 2,593,964	\$ -	\$ 18,783,879	14%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
Year Ended June 30, 2015

Changes of benefit terms – There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013 and the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

Largest 10 – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Largest 10 – LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) – LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

Component Unit School Board - Professional Employees

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates withdrawals for 3 through 9 years of service
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

OTHER SUPPLEMENTARY INFORMATION

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,608	\$ 1,608
Total revenues	\$ -	\$ -	\$ 1,608	\$ 1,608
EXPENDITURES				
Current:				
Capital projects	\$ -	\$ 271,454	\$ 1,486,480	\$ (1,215,026)
Total expenditures	\$ -	\$ 271,454	\$ 1,486,480	\$ (1,215,026)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (271,454)	\$ (1,484,872)	\$ (1,213,418)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 74,268	\$ 74,268
Total other financing sources (uses)	\$ -	\$ -	\$ 74,268	\$ 74,268
Net change in fund balances	\$ -	\$ (271,454)	\$ (1,410,604)	\$ (1,139,150)
Fund balances - beginning	-	271,454	2,981,898	2,710,444
Fund balances - ending	\$ -	\$ -	\$ 1,571,294	\$ 1,571,294

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	<u>Virginia Public Assistance Fund</u>	<u>Comprehensive Services Act Fund</u>	<u>E-911 Fund</u>	<u>Parks and Recreation Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ 2,830	\$ 644	\$ 100,646	\$ 104,120
Due from other governmental units	<u>130,518</u>	<u>202,777</u>	<u>-</u>	<u>-</u>	<u>333,295</u>
Total assets	<u>\$ 130,518</u>	<u>\$ 205,607</u>	<u>\$ 644</u>	<u>\$ 100,646</u>	<u>\$ 437,415</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 140,933	\$ -	\$ 612	\$ 141,545
Accrued liabilities	-	2,789	-	-	2,789
Due to other funds	<u>130,518</u>	<u>61,885</u>	<u>-</u>	<u>-</u>	<u>192,403</u>
Total liabilities	<u>\$ 130,518</u>	<u>\$ 205,607</u>	<u>\$ -</u>	<u>\$ 612</u>	<u>\$ 336,737</u>
Fund balances:					
Committed:					
For subsequent expenditure	\$ -	\$ -	\$ 644	\$ 100,034	\$ 100,678
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644</u>	<u>\$ 100,034</u>	<u>\$ 100,678</u>
Total liabilities and fund balances	<u>\$ 130,518</u>	<u>\$ 205,607</u>	<u>\$ 644</u>	<u>\$ 100,646</u>	<u>\$ 437,415</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2015

	Virginia Public Assistance Fund	Comprehensive Services Act Fund	E-911 Fund	Parks and Recreation Fund	Total
REVENUES					
Charges for services	\$ 6,787	\$ -	\$ -	\$ 24,942	\$ 31,729
Intergovernmental:					
Commonwealth	521,380	637,774	-	-	1,159,154
Federal	<u>993,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>993,372</u>
Total revenues	\$ <u>1,521,539</u>	\$ <u>637,774</u>	\$ <u>-</u>	\$ <u>24,942</u>	\$ <u>2,184,255</u>
EXPENDITURES					
Current:					
Health and welfare	\$ 1,860,708	\$ 992,860	\$ -	\$ -	\$ 2,853,568
Parks, recreation, and cultural	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,490</u>	<u>16,490</u>
Total expenditures	\$ <u>1,860,708</u>	\$ <u>992,860</u>	\$ <u>-</u>	\$ <u>16,490</u>	\$ <u>2,870,058</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(339,169)</u>	\$ <u>(355,086)</u>	\$ <u>-</u>	\$ <u>8,452</u>	\$ <u>(685,803)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ <u>339,169</u>	\$ <u>355,086</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>694,255</u>
Total other financing sources (uses)	\$ <u>339,169</u>	\$ <u>355,086</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>694,255</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ 8,452	\$ 8,452
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>644</u>	<u>91,582</u>	<u>92,226</u>
Fund balances - ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>644</u></u>	\$ <u><u>100,034</u></u>	\$ <u><u>100,678</u></u>

County of Page, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2015

	Virginia Public Assistance Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 6,787	\$ 6,787
Intergovernmental:				
Commonwealth	591,175	591,175	521,380	(69,795)
Federal	1,126,350	1,126,350	993,372	(132,978)
Total revenues	<u>\$ 1,717,525</u>	<u>\$ 1,717,525</u>	<u>\$ 1,521,539</u>	<u>\$ (195,986)</u>
EXPENDITURES				
Current:				
Health and welfare	<u>\$ 2,219,748</u>	<u>\$ 2,219,748</u>	<u>\$ 1,860,708</u>	<u>\$ 359,040</u>
Total expenditures	<u>\$ 2,219,748</u>	<u>\$ 2,219,748</u>	<u>\$ 1,860,708</u>	<u>\$ 359,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (502,223)</u>	<u>\$ (502,223)</u>	<u>\$ (339,169)</u>	<u>\$ 163,054</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 502,223</u>	<u>\$ 502,223</u>	<u>\$ 339,169</u>	<u>\$ (163,054)</u>
Total other financing sources (uses)	<u>\$ 502,223</u>	<u>\$ 502,223</u>	<u>\$ 339,169</u>	<u>\$ (163,054)</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		
\$ -	\$ -	\$ -	\$ -
536,470	723,691	637,774	(85,917)
-	-	-	-
\$ 536,470	\$ 723,691	\$ 637,774	\$ (85,917)
\$ 856,510	\$ 1,041,731	\$ 992,860	\$ 48,871
\$ 856,510	\$ 1,041,731	\$ 992,860	\$ 48,871
\$ (320,040)	\$ (318,040)	\$ (355,086)	\$ (37,046)
\$ 320,040	\$ 318,040	\$ 355,086	\$ 37,046
\$ 320,040	\$ 318,040	\$ 355,086	\$ 37,046
\$ -	\$ -	\$ -	\$ -
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2015

	Parks and Recreation Fund			Variance with Final Budget Positive Negative
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 30,000	\$ 30,000	\$ 24,942	\$ (5,058)
Total revenues	\$ 30,000	\$ 30,000	\$ 24,942	\$ (5,058)
EXPENDITURES				
Current:				
Parks, recreation, and cultural	\$ 30,000	\$ 30,000	\$ 16,490	\$ 13,510
Total expenditures	\$ 30,000	\$ 30,000	\$ 16,490	\$ 13,510
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 8,452	\$ 8,452
Net change in fund balances	\$ -	\$ -	\$ 8,452	\$ 8,452
Fund balances - beginning	-	-	91,582	91,582
Fund balances - ending	\$ -	\$ -	\$ 100,034	\$ 100,034

Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency Funds					
	Special Welfare Fund	Cash Bonds Fund	Neutering/ Spaying Fund	Jail Inmate Fund	Luray/Page Airport Hangar Fund	Total
ASSETS						
Cash and cash equivalents	\$ 4,247	\$ 34,062	\$ 17,644	\$ 39,866	\$ 97,563	\$ 193,382
Total assets	<u>\$ 4,247</u>	<u>\$ 34,062</u>	<u>\$ 17,644</u>	<u>\$ 39,866</u>	<u>\$ 97,563</u>	<u>\$ 193,382</u>
LIABILITIES						
Amounts held for social services clients	\$ 4,247	\$ -	\$ -	\$ -	\$ -	\$ 4,247
Amounts held for others	-	34,062	17,644	-	97,563	149,269
Amounts held for inmates	-	-	-	39,866	-	39,866
Total liabilities	<u>\$ 4,247</u>	<u>\$ 34,062</u>	<u>\$ 17,644</u>	<u>\$ 39,866</u>	<u>\$ 97,563</u>	<u>\$ 193,382</u>

Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2015

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	\$ 2,911	\$ 23,435	\$ 22,099	\$ 4,247
LIABILITIES				
Amounts held for social services clients	\$ 2,911	\$ 23,435	\$ 22,099	\$ 4,247
Neutering/Spaying Fund:				
ASSETS				
Cash and cash equivalents	\$ 16,816	\$ 1,908	\$ 1,080	\$ 17,644
LIABILITIES				
Amounts held for neutering/spaying	\$ 16,816	\$ 1,908	\$ 1,080	\$ 17,644
Cash Bonds Fund:				
ASSETS				
Cash and cash equivalents	\$ 34,062	\$ -	\$ -	\$ 34,062
LIABILITIES				
Amounts held for bonds fund	\$ 34,062	\$ -	\$ -	\$ 34,062
Jail Inmate Fund:				
ASSETS				
Cash and cash equivalents	\$ 29,246	\$ 194,902	\$ 184,282	\$ 39,866
LIABILITIES				
Amounts held for inmates	\$ 29,246	\$ 194,902	\$ 184,282	\$ 39,866
Luray/Page Airport Hangar Fund:				
ASSETS				
Cash and cash equivalents	\$ 102,340	\$ 86,220	\$ 90,997	\$ 97,563
LIABILITIES				
Amounts held for Airport	\$ 102,340	\$ 86,220	\$ 90,997	\$ 97,563
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	\$ 185,375	\$ 306,465	\$ 298,458	\$ 193,382
Total assets	\$ 185,375	\$ 306,465	\$ 298,458	\$ 193,382
LIABILITIES				
Amounts held for social services clients	\$ 2,911	\$ 23,435	\$ 22,099	\$ 4,247
Amounts held for others	153,218	88,128	92,077	149,269
Amounts held for inmates	29,246	194,902	184,282	39,866
Total liabilities	\$ 185,375	\$ 306,465	\$ 298,458	\$ 193,382

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, 2015

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 1,043,228	\$ 1,043,228
Receivables (net of allowance for uncollectibles):			
Accounts receivable	50,677	-	50,677
Due from primary government	2,221,922	-	2,221,922
Due from other governmental units	850,130	51,012	901,142
Inventories	-	62,173	62,173
Prepaid items	79,881	-	79,881
Total assets	<u>\$ 3,202,610</u>	<u>\$ 1,156,413</u>	<u>\$ 4,359,023</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 142,268	\$ -	\$ 142,268
Accrued liabilities	3,060,342	85,949	3,146,291
Total liabilities	<u>\$ 3,202,610</u>	<u>\$ 85,949</u>	<u>\$ 3,288,559</u>
Fund balances:			
Nonspendable:			
Inventories	\$ -	\$ 62,173	\$ 62,173
Prepaid items	79,881	-	79,881
Assigned:			
School lunch program	-	1,008,291	1,008,291
Unassigned:			
School operating fund	(79,881)	-	(79,881)
Total fund balances	<u>\$ -</u>	<u>\$ 1,070,464</u>	<u>\$ 1,070,464</u>
Total liabilities and fund balances	<u>\$ 3,202,610</u>	<u>\$ 1,156,413</u>	<u>\$ 4,359,023</u>

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

Total fund balances per above	\$ 1,070,464
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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 depreciation exceeded capital outlays in the current period.	24,317,624
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	(4,856,866)
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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.	828,557
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Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year and, therefore, are not reported in the funds.	3,090,909
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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.	(32,734,128)
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Net position of governmental activities	<u>\$ (8,283,440)</u>
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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
Year Ended June 30, 2015

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 19,891	\$ 183	\$ 20,074
Charges for services	1,457,331	615,611	2,072,942
Intergovernmental:			
Local government	9,373,175	-	9,373,175
Commonwealth	20,556,822	34,053	20,590,875
Federal	1,892,838	1,138,342	3,031,180
Total revenues	<u>\$ 33,300,057</u>	<u>\$ 1,788,189</u>	<u>\$ 35,088,246</u>
EXPENDITURES			
Current:			
Education	\$ 33,226,336	\$ 1,698,630	\$ 34,924,966
Debt service:			
Principal retirement	66,747	-	66,747
Interest and other fiscal charges	6,974	-	6,974
Total expenditures	<u>\$ 33,300,057</u>	<u>\$ 1,698,630</u>	<u>\$ 34,998,687</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 89,559	\$ 89,559
Net change in fund balances	\$ -	\$ 89,559	\$ 89,559
Fund balances - beginning	-	980,905	980,905
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,070,464</u>	<u>\$ 1,070,464</u>

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

Net change in fund balances - total governmental funds - per above \$ 89,559

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. 2,229,565

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (4,856,866)

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. 66,747

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. 4,867,315

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. 146,881

Change in net position of governmental activities \$ 2,543,201

County of Page, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
Year Ended June 30, 2015

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 19,891	\$ 19,891
Charges for services	1,620,101	1,620,101	1,457,331	(162,770)
Intergovernmental:				
Local government	9,479,428	9,479,428	9,373,175	(106,253)
Commonwealth	20,473,235	20,473,235	20,556,822	83,587
Federal	1,821,429	1,821,429	1,892,838	71,409
Total revenues	<u>\$ 33,394,193</u>	<u>\$ 33,394,193</u>	<u>\$ 33,300,057</u>	<u>\$ (94,136)</u>
EXPENDITURES				
Current:				
Education	\$ 33,394,193	\$ 33,394,193	\$ 33,226,336	\$ 167,857
Debt service:				
Principal retirement	-	-	66,747	(66,747)
Interest and other fiscal charges	-	-	6,974	(6,974)
Total expenditures	<u>\$ 33,394,193</u>	<u>\$ 33,394,193</u>	<u>\$ 33,300,057</u>	<u>\$ 94,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 23

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 183	\$ 183
731,366	686,325	615,611	(70,714)
-	-	-	-
38,759	38,759	34,053	(4,706)
1,006,250	1,006,250	1,138,342	132,092
\$ 1,776,375	\$ 1,731,334	\$ 1,788,189	\$ 56,855
\$ 1,776,375	\$ 1,776,375	\$ 1,698,630	\$ 77,745
-	-	-	-
-	-	-	-
\$ 1,776,375	\$ 1,776,375	\$ 1,698,630	\$ 77,745
\$ -	\$ (45,041)	\$ 89,559	\$ 134,600
\$ -	\$ (45,041)	\$ 89,559	\$ 134,600
-	45,041	980,905	935,864
\$ -	\$ -	\$ 1,070,464	\$ 1,070,464

Statement of Net Position
Proprietary Funds
Discretely Presented Component Unit - School Board
June 30, 2015

	Internal Service Funds
	<u> </u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ <u>828,557</u>
Total assets	\$ <u>828,557</u>
 NET POSITION	
Unrestricted	\$ <u>828,557</u>
Total net position	\$ <u><u>828,557</u></u>

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Discretely Presented Component Unit - School Board
 Year Ended June 30, 2015

	Internal Service Funds
	<hr/>
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ <u>5,646,390</u>
Total operating revenues	\$ <u>5,646,390</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ <u>5,507,002</u>
Total operating expenses	\$ <u>5,507,002</u>
Operating income (loss)	\$ <u>139,388</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ <u>7,493</u>
Total nonoperating revenues (expenses)	\$ <u>7,493</u>
Change in net position	\$ 146,881
Total net position - beginning	<u>681,676</u>
Total net position - ending	\$ <u><u>828,557</u></u>

Statement of Cash Flows
 Proprietary Funds
 Discretely Presented Component Unit - School Board
 Year Ended June 30, 2015

	Internal Service Funds
	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 5,646,390
Payments for premiums	(5,507,002)
Net cash provided by (used for) operating activities	<u>\$ 139,388</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	\$ 7,493
Net cash provided by (used for) investing activities	<u>\$ 7,493</u>
 Net increase (decrease) in cash and cash equivalents	 \$ 146,881
 Cash and cash equivalents - beginning	 <u>681,676</u>
Cash and cash equivalents - ending	<u><u>\$ 828,557</u></u>

SUPPORTING SCHEDULES

**Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2015**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 12,764,076	\$ 12,764,076	\$ 12,884,165	\$ 120,089
Real and personal public service corporation taxes	600,000	600,000	594,340	(5,660)
Personal property taxes	6,450,000	6,450,000	5,958,609	(491,391)
Penalties	242,805	242,805	251,490	8,685
Interest	220,000	220,000	272,425	52,425
Total general property taxes	\$ 20,276,881	\$ 20,276,881	\$ 19,961,029	\$ (315,852)
Other local taxes:				
Local sales and use taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,478,959	\$ (21,041)
Business licenses	150,000	150,000	147,747	(2,253)
Consumption taxes	60,400	60,400	48,429	(11,971)
Motor vehicle licenses	315,000	315,000	332,612	17,612
Taxes on recordation and wills	150,000	150,000	136,311	(13,689)
Transient occupancy taxes	620,000	620,000	743,834	123,834
Meals taxes	300,000	300,000	272,757	(27,243)
Total other local taxes	\$ 3,095,400	\$ 3,095,400	\$ 3,160,649	\$ 65,249
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 9,500	\$ 9,500	\$ 8,891	\$ (609)
Land use application fees	3,000	3,000	4,318	1,318
Transfer fees	700	700	794	94
Permits and other licenses	172,690	173,190	179,295	6,105
Total permits, privilege fees, and regulatory licenses	\$ 185,890	\$ 186,390	\$ 193,298	\$ 6,908
Fines and forfeitures:				
Court fines and forfeitures	\$ 116,250	\$ 116,250	\$ 106,910	\$ (9,340)
Total fines and forfeitures	\$ 116,250	\$ 116,250	\$ 106,910	\$ (9,340)
Revenue from use of money and property:				
Revenue from use of money	\$ 4,000	\$ 4,000	\$ 1,009	\$ (2,991)
Revenue from use of property	46,000	46,000	53,668	7,668
Total revenue from use of money and property	\$ 50,000	\$ 50,000	\$ 54,677	\$ 4,677
Charges for services:				
Sheriff's fees	\$ 1,943	\$ 1,943	\$ 1,838	\$ (105)
Ambulance and rescue service	550,000	550,000	508,562	(41,438)
Charges for Animal Protection	12,000	12,000	10,318	(1,682)
Charges for Commonwealth's Attorney	3,000	3,000	4,375	1,375
Work release and other inmate fees	139,300	139,300	86,095	(53,205)
Charges for sanitation and waste removal	1,390,924	1,390,924	1,323,908	(67,016)
Other charges for services	63,250	65,000	57,506	(7,494)
Total charges for services	\$ 2,160,417	\$ 2,162,167	\$ 1,992,602	\$ (169,565)
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 86,328	\$ 86,328
Total miscellaneous revenue	\$ -	\$ -	\$ 86,328	\$ 86,328
Total revenue from local sources	\$ 25,884,838	\$ 25,887,088	\$ 25,555,493	\$ (331,595)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 12,000	\$ 12,000	\$ 10,322	\$ (1,678)
State recordation tax	10,000	10,000	36,618	26,618
Railroad rolling stock tax	50,000	50,000	40,362	(9,638)
Communication taxes	586,000	586,000	488,017	(97,983)
Motor vehicle rental tax	2,500	2,500	4,553	2,053
Personal property tax relief funds	1,640,791	1,640,791	1,640,791	-
Total noncategorical aid	\$ 2,301,291	\$ 2,301,291	\$ 2,220,663	\$ (80,628)

**Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2015 (Continued)**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 278,766	\$ 278,766	\$ 277,898	\$ (868)
Sheriff	2,108,622	2,138,066	2,128,023	(10,043)
Commissioner of revenue	130,224	130,224	132,266	2,042
Treasurer	135,562	135,562	105,151	(30,411)
Registrar/electoral board	34,000	34,000	35,473	1,473
Clerk of the Circuit Court	261,505	261,505	246,301	(15,204)
Total shared expenses	<u>\$ 2,948,679</u>	<u>\$ 2,978,123</u>	<u>\$ 2,925,112</u>	<u>\$ (53,011)</u>
Other categorical aid:				
CJS GTS grant	\$ -	\$ 14,377	\$ 5,190	\$ (9,187)
Virginia Juvenile Community Crime Control Act	28,954	28,954	26,684	(2,270)
Crime prevention education	27,275	27,275	-	(27,275)
PSAP grant	105,504	105,504	92,878	(12,626)
Litter control	12,350	24,658	12,289	(12,369)
Fire programs funds	43,023	43,023	47,791	4,768
Victims witness grant	49,881	49,881	51,377	1,496
Two-for-life grant	24,000	60,317	23,384	(36,933)
School resource officer grant	100,000	100,000	61,713	(38,287)
Crime against kids grant	40,000	71,662	70,509	(1,153)
Other	-	28,344	27,898	(446)
Total other categorical aid	<u>\$ 430,987</u>	<u>\$ 553,995</u>	<u>\$ 419,713</u>	<u>\$ (134,282)</u>
Total categorical aid	<u>\$ 3,379,666</u>	<u>\$ 3,532,118</u>	<u>\$ 3,344,825</u>	<u>\$ (187,293)</u>
Total revenue from the Commonwealth	<u>\$ 5,680,957</u>	<u>\$ 5,833,409</u>	<u>\$ 5,565,488</u>	<u>\$ (267,921)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ 128,426</u>	<u>\$ 13,426</u>
Categorical aid:				
Forfeited assets	\$ 30,000	\$ 136,630	\$ 141,045	\$ 4,415
Local law enforcement	2,750	2,750	1,299	(1,451)
Byrne grant	2,036	2,036	-	(2,036)
DMV ground transportation safety grant	19,926	19,926	18,211	(1,715)
Bullet proof vest grant	18,161	18,161	1,145	(17,016)
Emergency management planning grant	-	-	11,870	11,870
Community oriented police	244,561	244,561	120,484	(124,077)
FEMA/Homeland security	-	-	5,238	5,238
Community coalition grant	10,000	10,000	-	(10,000)
Citizens corp	23,903	23,903	-	(23,903)
ATF Sheriff overtime grant	-	-	3,595	3,595
DEQ royalties	-	-	132	132
Total categorical aid	<u>\$ 351,337</u>	<u>\$ 457,967</u>	<u>\$ 303,019</u>	<u>\$ (154,948)</u>
Total revenue from the federal government	<u>\$ 466,337</u>	<u>\$ 572,967</u>	<u>\$ 431,445</u>	<u>\$ (141,522)</u>
Total General Fund	<u>\$ 32,032,132</u>	<u>\$ 32,293,464</u>	<u>\$ 31,552,426</u>	<u>\$ (741,038)</u>
Special Revenue Funds:				
Workforce Investment Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Workforce Investment Act	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,221,951</u>	<u>\$ 2,221,951</u>
Virginia Public Assistance Fund:				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,787</u>	<u>\$ 6,787</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	<u>\$ 591,175</u>	<u>\$ 591,175</u>	<u>\$ 521,380</u>	<u>\$ (69,795)</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	<u>\$ 1,126,350</u>	<u>\$ 1,126,350</u>	<u>\$ 993,372</u>	<u>\$ (132,978)</u>
Total Virginia Public Assistance Fund	<u>\$ 1,717,525</u>	<u>\$ 1,717,525</u>	<u>\$ 1,521,539</u>	<u>\$ (195,986)</u>

**Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2015 (Continued)**

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Comprehensive Services Act Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act program	\$ 536,470	\$ 723,691	\$ 631,871	\$ (91,820)
Child support public assistance funds	-	-	5,903	5,903
Total categorical aid	\$ 536,470	\$ 723,691	\$ 637,774	\$ (85,917)
Total revenue from the Commonwealth	\$ 536,470	\$ 723,691	\$ 637,774	\$ (85,917)
Total Comprehensive Services Act Fund	\$ 536,470	\$ 723,691	\$ 637,774	\$ (85,917)
Parks and Recreation Fund:				
Revenue from local sources:				
Charges for services:				
Parks and recreation fees	\$ 30,000	\$ 30,000	\$ 24,942	\$ (5,058)
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,608	\$ 1,608
Total Primary Government	\$ 34,316,127	\$ 34,764,680	\$ 35,960,240	\$ 1,195,560
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from use of money and property:				
Revenue from the use of property	\$ -	\$ -	\$ 19,891	\$ 19,891
Total revenue from use of money and property	\$ -	\$ -	\$ 19,891	\$ 19,891
Charges for services:				
Charges for education	\$ 1,620,101	\$ 1,620,101	\$ 1,457,331	\$ (162,770)
Total revenue from local sources	\$ 1,620,101	\$ 1,620,101	\$ 1,477,222	\$ (142,879)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Page, Virginia	\$ 9,479,428	\$ 9,479,428	\$ 9,373,175	\$ (106,253)
Total revenues from local governments	\$ 9,479,428	\$ 9,479,428	\$ 9,373,175	\$ (106,253)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,608,866	\$ 3,608,866	\$ 3,641,207	\$ 32,341
Basic school aid	10,660,117	10,660,117	10,660,145	28
GED funding	15,717	15,717	15,717	-
Regular foster children education	50,352	50,352	27,435	(22,917)
Remedial summer education	99,290	99,290	74,880	(24,410)
Gifted and talented	109,643	109,643	109,767	124
Remedial education	403,578	403,578	404,036	458
Special education	725,507	725,507	726,331	824
Textbook payments	224,464	224,464	224,719	255
Vocational standards of quality payments	377,917	377,917	378,346	429
Social security	611,199	611,199	611,893	694
Retirement fringe benefits	1,250,392	1,250,392	1,242,469	(7,923)
Vocational occupational technical education	42,573	42,573	42,237	(336)
Early reading intervention	64,512	64,512	57,830	(6,682)
Group life instructional	41,991	41,991	37,368	(4,623)
Homebound education	13,511	13,511	7,187	(6,324)
Regional program tuition	611,347	611,347	567,180	(44,167)

**Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2015 (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>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (continued)				
Categorical aid: (continued)				
At risk payments	\$ 416,378	\$ 416,378	\$ 416,819	\$ 441
Primary class size	493,371	493,371	510,634	17,263
Technology	258,000	258,000	258,000	-
Standards of Learning algebra readiness	52,394	52,394	52,499	105
At risk four-year olds	319,930	319,930	332,511	12,581
English as a second language	11,815	11,815	14,857	3,042
Special education foster children	-	-	19,353	19,353
Other state funds	10,371	10,371	123,402	113,031
Total categorical aid	<u>\$ 20,473,235</u>	<u>\$ 20,473,235</u>	<u>\$ 20,556,822</u>	<u>\$ 83,587</u>
Revenue from the federal government:				
Categorical aid:				
Federal land use	\$ 50,000	\$ 50,000	\$ 28,604	\$ (21,396)
Title I	786,292	786,292	791,357	5,065
Title VI-B, special education flow-through	716,516	716,516	739,558	23,042
Vocational education	68,699	68,699	87,928	19,229
Title VI-B, special education pre-school	15,028	15,028	14,145	(883)
Title II	124,335	124,335	158,219	33,884
Title III	-	-	1,844	1,844
Title VI	-	-	18,065	18,065
Learn and serve grant	3,575	3,575	-	(3,575)
21st century grant	56,984	56,984	53,118	(3,866)
Total categorical aid	<u>\$ 1,821,429</u>	<u>\$ 1,821,429</u>	<u>\$ 1,892,838</u>	<u>\$ 71,409</u>
Total revenue from the federal government	<u>\$ 1,821,429</u>	<u>\$ 1,821,429</u>	<u>\$ 1,892,838</u>	<u>\$ 71,409</u>
Total School Operating Fund	<u>\$ 33,394,193</u>	<u>\$ 33,394,193</u>	<u>\$ 33,300,057</u>	<u>\$ (94,136)</u>
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 183	\$ 183
Charges for services:				
Cafeteria sales	\$ 731,366	\$ 686,325	\$ 615,611	\$ (70,714)
Total revenue from local sources	<u>\$ 731,366</u>	<u>\$ 686,325</u>	<u>\$ 615,794</u>	<u>\$ (70,531)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 38,759	\$ 38,759	\$ 34,053	\$ (4,706)
Total revenue from the Commonwealth	<u>\$ 38,759</u>	<u>\$ 38,759</u>	<u>\$ 34,053</u>	<u>\$ (4,706)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 1,006,250	\$ 1,006,250	\$ 1,022,279	\$ 16,029
USDA commodities	-	-	116,063	116,063
Total categorical aid	<u>\$ 1,006,250</u>	<u>\$ 1,006,250</u>	<u>\$ 1,138,342</u>	<u>\$ 132,092</u>
Total revenue from the federal government	<u>\$ 1,006,250</u>	<u>\$ 1,006,250</u>	<u>\$ 1,138,342</u>	<u>\$ 132,092</u>
Total School Cafeteria Fund	<u>\$ 1,776,375</u>	<u>\$ 1,731,334</u>	<u>\$ 1,788,189</u>	<u>\$ 56,855</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 35,170,568</u>	<u>\$ 35,125,527</u>	<u>\$ 35,088,246</u>	<u>\$ (37,281)</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
Year Ended June 30, 2015

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 117,140	\$ 117,140	\$ 101,974	\$ 15,166
General and financial administration:				
County administrator	\$ 290,281	\$ 325,398	\$ 289,781	\$ 35,617
Accounting	241,027	274,171	257,514	16,657
Legal services	98,000	98,000	143,945	(45,945)
Commissioner of revenue	522,871	521,212	504,528	16,684
Assessment	250,000	250,000	215,325	34,675
Geographic information systems	98,674	98,674	100,548	(1,874)
Treasurer	479,139	478,031	469,097	8,934
Data processing	215,000	215,000	224,690	(9,690)
Total general and financial administration	\$ 2,194,992	\$ 2,260,486	\$ 2,205,428	\$ 55,058
Board of elections:				
Electoral board and officials	\$ 50,794	\$ 50,794	\$ 29,746	\$ 21,048
Registrar	99,243	99,243	91,185	8,058
Total board of elections	\$ 150,037	\$ 150,037	\$ 120,931	\$ 29,106
Total general government administration	\$ 2,462,169	\$ 2,527,663	\$ 2,428,333	\$ 99,330
Judicial administration:				
Courts:				
Circuit court	\$ 9,950	\$ 9,950	\$ 7,438	\$ 2,512
General district court	15,450	15,450	15,275	175
Special magistrates	3,600	3,600	3,381	219
Juvenile and domestic relations court	20,750	20,750	20,100	650
Sheriff	144,671	149,493	147,019	2,474
Victim witness program	61,577	61,577	72,432	(10,855)
Clerk of the circuit court	421,249	417,758	408,102	9,656
Total courts	\$ 677,247	\$ 678,578	\$ 673,747	\$ 4,831
Commonwealth's attorney:				
Commonwealth's attorney	\$ 480,443	\$ 461,013	\$ 477,758	\$ (16,745)
Total judicial administration	\$ 1,157,690	\$ 1,139,591	\$ 1,151,505	\$ (11,914)
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 4,105,532	\$ 4,584,647	\$ 3,833,743	\$ 750,904
Virginia Juvenile Community Crime Control Act	28,954	28,954	28,254	700
Total law enforcement and traffic control	\$ 4,134,486	\$ 4,613,601	\$ 3,861,997	\$ 751,604
Fire and rescue services:				
Volunteer fire departments and rescue squads	\$ 551,723	\$ 588,040	\$ 601,300	\$ (13,260)
Fire and rescue services	843,486	867,521	912,258	(44,737)
Total fire and rescue services	\$ 1,395,209	\$ 1,455,561	\$ 1,513,558	\$ (57,997)
Correction and detention:				
Jail	\$ 2,029,867	\$ 2,270,876	\$ 2,557,425	\$ (286,549)
Juvenile detention	361,215	361,215	297,811	63,404
Total correction and detention	\$ 2,391,082	\$ 2,632,091	\$ 2,855,236	\$ (223,145)

Schedule of Expenditures - Budget and Actual
Governmental Funds
Year ended June 30, 2015 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Other protection:				
Animal control	\$ 377,277	\$ 378,277	\$ 352,309	\$ 25,968
Medical examiner	500	500	320	180
Concern hotline	1,000	1,000	1,000	-
Emergency services	9,265	9,265	9,265	-
Total other protection	<u>\$ 388,042</u>	<u>\$ 389,042</u>	<u>\$ 362,894</u>	<u>\$ 26,148</u>
Total public safety	<u>\$ 8,308,819</u>	<u>\$ 9,090,295</u>	<u>\$ 8,593,685</u>	<u>\$ 496,610</u>
Public works:				
Sanitation and waste removal:				
Compactor sites	\$ 79,683	\$ 79,683	\$ 86,861	\$ (7,178)
Landfill	3,067,220	3,124,503	1,703,927	1,420,576
Total sanitation and waste removal	<u>\$ 3,146,903</u>	<u>\$ 3,204,186</u>	<u>\$ 1,790,788</u>	<u>\$ 1,413,398</u>
Maintenance of general buildings and grounds:				
General properties	\$ 566,779	\$ 566,779	\$ 438,525	\$ 128,254
Total public works	<u>\$ 3,713,682</u>	<u>\$ 3,770,965</u>	<u>\$ 2,229,313</u>	<u>\$ 1,541,652</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 252,959	\$ 252,959	\$ 252,959	\$ -
Total health	<u>\$ 252,959</u>	<u>\$ 252,959</u>	<u>\$ 252,959</u>	<u>\$ -</u>
Mental health and mental retardation:				
Community services board	\$ 74,655	\$ 74,655	\$ 74,655	\$ -
Choices	5,000	5,000	5,000	-
Total mental health and mental retardation	<u>\$ 79,655</u>	<u>\$ 79,655</u>	<u>\$ 79,655</u>	<u>\$ -</u>
Welfare:				
Welfare administration	\$ 14,247	\$ 14,247	\$ 13,671	\$ 576
Shenandoah Area Agency on Aging	65,000	65,000	65,000	-
Tax relief for the elderly	-	-	237,828	(237,828)
Total welfare	<u>\$ 79,247</u>	<u>\$ 79,247</u>	<u>\$ 316,499</u>	<u>\$ (237,252)</u>
Total health and welfare	<u>\$ 411,861</u>	<u>\$ 411,861</u>	<u>\$ 649,113</u>	<u>\$ (237,252)</u>
Education:				
Other instructional costs:				
Contributions to L.F. Community College	\$ 12,159	\$ 12,159	\$ 12,159	\$ -
Contribution to County School Board	9,479,428	9,479,428	9,373,175	106,253
Total education	<u>\$ 9,491,587</u>	<u>\$ 9,491,587</u>	<u>\$ 9,385,334</u>	<u>\$ 106,253</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	\$ 72,407	\$ 72,407	\$ 75,070	\$ (2,663)
Total parks and recreation	<u>\$ 72,407</u>	<u>\$ 72,407</u>	<u>\$ 75,070</u>	<u>\$ (2,663)</u>

**Schedule of Expenditures - Budget and Actual
Governmental Funds
Year ended June 30, 2015 (Continued)**

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Parks, recreation, and cultural: (Continued)				
Library:				
Regional library	\$ 209,257	\$ 209,257	\$ 209,257	\$ -
Total parks, recreation, and cultural	\$ 281,664	\$ 281,664	\$ 284,327	\$ (2,663)
Community development:				
Planning and community development:				
Planning	\$ 434,408	\$ 434,408	\$ 392,988	\$ 41,420
Northern Shenandoah Planning Commission	40,055	40,055	20,483	19,572
Zoning	3,909	3,909	2,255	1,654
Economic development	292,615	292,615	280,807	11,808
Airport Commission	45,075	45,075	45,075	-
Chamber of Commerce	245,000	245,000	245,000	-
Total planning and community development	\$ 1,061,062	\$ 1,061,062	\$ 986,608	\$ 74,454
Environmental management:				
Other environmental management	\$ 81,365	\$ 81,365	\$ 74,638	\$ 6,727
Total environmental management	\$ 81,365	\$ 81,365	\$ 74,638	\$ 6,727
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	\$ 1,143,927	\$ 1,143,927	\$ 1,062,746	\$ 81,181
Nondepartmental:				
Miscellaneous	\$ 532,691	\$ 506,621	\$ 368,134	\$ 138,487
Debt service:				
Principal retirement	\$ 2,448,779	\$ 2,448,779	\$ 2,438,370	\$ 10,409
Interest and other fiscal charges	2,791,109	2,791,109	2,779,245	11,864
Total debt service	\$ 5,239,888	\$ 5,239,888	\$ 5,217,615	\$ 22,273
Total General Fund	\$ 32,743,978	\$ 33,604,062	\$ 31,370,105	\$ 2,233,957
Special Revenue Funds:				
Workforce Investment Act Fund:				
Community development:				
Shenandoah Valley Workforce Investment Board	\$ -	\$ -	\$ 2,221,951	\$ (2,221,951)
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 2,219,748	\$ 2,219,748	\$ 1,860,708	\$ 359,040
Total Virginia Public Assistance Fund	\$ 2,219,748	\$ 2,219,748	\$ 1,860,708	\$ 359,040
Comprehensive Services Act Fund:				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 856,510	\$ 1,041,731	\$ 992,860	\$ 48,871
Total Comprehensive Services Act Fund	\$ 856,510	\$ 1,041,731	\$ 992,860	\$ 48,871

Schedule of Expenditures - Budget and Actual
Governmental Funds
Year ended June 30, 2015 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Parks and Recreation Fund:				
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 30,000	\$ 30,000	\$ 16,490	\$ 13,510
Total Parks and Recreation fund	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 16,490</u>	<u>\$ 13,510</u>
Capital Projects Fund:				
County Capital Improvements Fund:				
Capital projects expenditures:				
Courthouse repair	\$ -	\$ 271,454	\$ 271,399	\$ 55
School construction	-	-	1,198,776	(1,198,776)
Other	-	-	16,305	(16,305)
Total capital projects	<u>\$ -</u>	<u>\$ 271,454</u>	<u>\$ 1,486,480</u>	<u>\$ (1,215,026)</u>
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ 271,454</u>	<u>\$ 1,486,480</u>	<u>\$ (1,215,026)</u>
Total Primary Government	<u>\$ 35,850,236</u>	<u>\$ 37,166,995</u>	<u>\$ 37,948,594</u>	<u>\$ (781,599)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instructional	\$ 24,761,048	\$ 24,761,048	\$ 24,676,824	\$ 84,224
Administration, attendance and health services	1,786,534	1,786,534	1,662,658	123,876
Pupil transportation	2,124,567	2,124,567	2,161,214	(36,647)
Operation and maintenance	3,747,423	3,747,423	3,760,764	(13,341)
Facilities	-	-	125,000	(125,000)
Technology	974,621	974,621	839,876	134,745
Total education	<u>\$ 33,394,193</u>	<u>\$ 33,394,193</u>	<u>\$ 33,226,336</u>	<u>\$ 167,857</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 66,747	\$ (66,747)
Interest and other fiscal charges	-	-	6,974	(6,974)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,721</u>	<u>\$ (73,721)</u>
Total School Operating Fund	<u>\$ 33,394,193</u>	<u>\$ 33,394,193</u>	<u>\$ 33,300,057</u>	<u>\$ 94,136</u>
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,776,375	\$ 1,776,375	\$ 1,698,630	\$ 77,745
Total School Cafeteria Fund	<u>\$ 1,776,375</u>	<u>\$ 1,776,375</u>	<u>\$ 1,698,630</u>	<u>\$ 77,745</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 35,170,568</u>	<u>\$ 35,170,568</u>	<u>\$ 34,998,687</u>	<u>\$ 171,881</u>

STATISTICAL INFORMATION

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County of Page, Virginia

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare
2015	\$ 2,423,301	\$ 1,161,227	\$ 8,550,584	\$ 2,647,595	\$ 3,524,666
2014	2,306,937	1,094,479	8,695,178	4,283,275	3,195,361
2013	2,833,213	1,105,308	7,520,179	2,384,891	3,101,854
2012	2,256,222	1,115,093	7,072,258	1,530,469	3,582,940
2011	3,036,414	1,119,582	6,755,169	3,393,399	3,804,608
2010	2,581,708	1,088,426	7,054,231	1,864,433	4,450,952
2009	2,958,084	1,084,091	6,721,986	3,485,849	4,864,647
2008	2,594,416	1,127,851	6,465,844	2,632,231	5,124,721
2007	2,721,418	1,031,210	6,326,121	2,284,169	5,010,637
2006	2,391,188	912,629	5,562,040	4,237,339	4,797,023

Includes the primary government and component unit school board.

Table 1

	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long- Term Debt	Total
\$	49,236,323	\$ 303,976	\$ 3,315,348	\$ 2,698,894	\$ 73,861,914
	47,988,942	290,824	745,558	2,797,872	71,398,426
	47,642,973	273,795	537,342	2,921,300	68,320,855
	47,171,896	271,922	645,888	3,057,354	66,704,042
	46,251,934	237,294	491,427	3,038,008	68,127,835
	54,783,120	280,664	1,009,738	3,130,944	76,244,216
	47,448,393	372,810	2,394,702	3,000,078	72,330,640
	43,792,754	361,870	1,167,563	2,741,544	66,008,794
	41,076,429	355,263	843,537	2,057,773	61,706,557
	39,170,831	304,228	1,042,107	518,790	58,936,175

County of Page, Virginia

Government-Wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes
2015	\$ 4,397,481	\$ 31,644,376	\$ -	\$ 19,813,686	\$ 3,160,649
2014	4,519,338	28,778,803	-	20,239,090	2,951,227
2013	4,503,812	28,310,015	-	19,586,968	2,974,154
2012	4,260,003	29,045,124	-	19,396,791	3,332,411
2011	4,474,002	28,916,943	-	18,577,570	3,148,384
2010	4,807,491	29,524,205	275,594	17,648,296	3,139,321
2009	4,350,698	31,739,721	148,953	17,161,221	3,294,671
2008	3,357,231	33,534,523	151,763	17,042,154	3,323,138
2007	3,337,956	30,146,101	152,368	14,274,262	2,749,063
2006	3,234,225	27,467,464	440,382	13,906,915	3,326,249

Includes the primary government and component unit school board.

Table 2

GENERAL REVENUES				
Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total	
\$ 76,359	\$ 233,209	\$ 15,159,544	\$ 74,485,304	
63,634	39,250	13,905,926	70,497,268	
59,968	49,754	13,933,429	69,418,100	
58,599	144,457	12,999,469	69,236,854	
61,542	204,922	13,066,031	68,449,394	
69,257	191,687	18,088,385	73,744,236	
610,312	291,172	13,314,721	70,911,469	
2,214,945	192,889	10,976,833	70,793,476	
2,054,857	113,272	9,862,420	62,690,299	
245,063	266,186	10,494,961	59,381,445	

County of Page, Virginia

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare
2015	\$ 2,428,333	\$ 1,151,505	\$ 8,593,685	\$ 2,229,313	\$ 3,502,681
2014	2,041,202	1,097,386	8,824,594	2,005,315	3,155,666
2013	2,102,193	1,110,754	7,556,394	2,403,072	3,101,293
2012	2,039,067	1,103,368	7,252,991	2,437,670	3,599,674
2011	2,788,787	1,101,332	6,534,815	2,099,341	3,779,579
2010	2,320,872	1,064,870	6,809,527	2,325,513	4,424,999
2009	2,749,489	1,074,252	6,628,711	3,121,167	4,863,039
2008	2,261,845	1,117,154	6,448,574	2,225,291	5,121,971
2007	2,351,468	1,029,276	6,447,115	1,974,751	4,980,512
2006	2,154,250	918,482	5,561,815	2,175,521	4,793,577

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

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

Table 3

	Education (2)	Parks, Recreation, and Cultural	Community Development	Non- departmental	Debt Service	Total
\$	34,937,125	\$ 300,817	\$ 3,284,697	\$ 368,134	\$ 5,291,336	\$ 62,087,626
	34,426,042	291,338	741,485	182,281	5,337,884	58,103,193
	34,337,747	272,914	537,342	104,938	5,165,702	56,692,349
	34,414,140	271,698	643,068	138,650	4,773,473	56,673,799
	33,957,085	237,294	514,911	189,029	5,072,539	56,274,712
	36,483,139	282,782	1,004,646	218,375	5,101,331	60,036,054
	35,985,627	370,641	2,391,289	175,749	5,018,670	62,378,634
	34,049,948	359,460	1,168,975	121,073	4,143,954	57,018,245
	32,937,411	354,933	833,154	159,074	1,446,480	52,514,174
	30,265,796	302,498	1,031,354	193,941	11,115,864	58,513,098

County of Page, Virginia

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services
2015	\$ 19,961,029	\$ 3,160,649	\$ 193,298	\$ 106,910	\$ 74,751	\$ 4,097,273
2014	20,075,105	2,951,227	147,891	106,746	59,994	4,264,701
2013	19,510,388	2,974,154	249,634	124,325	51,785	4,129,853
2012	19,256,025	3,332,411	162,688	91,632	51,375	4,005,683
2011	18,277,353	3,148,384	181,311	78,282	61,542	4,214,409
2010	17,076,620	3,139,321	200,275	89,120	69,257	4,518,096
2009	16,636,631	3,294,671	240,406	112,288	172,526	3,998,004
2008	16,761,743	3,323,138	312,018	86,630	455,588	2,958,583
2007	14,484,551	3,349,730	409,010	54,251	571,946	2,837,064
2006	12,987,869	3,326,249	263,136	20,355	245,063	2,624,771

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

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

Table 4

<u>Miscellaneous</u>	<u>Inter- governmental (2)</u>	<u>Total</u>
\$ 86,328	\$ 33,993,465	\$ 61,673,703
39,250	31,193,407	58,838,321
49,754	30,655,890	57,745,783
144,457	30,855,111	57,899,382
204,922	30,745,848	56,912,051
191,687	31,646,717	56,931,093
291,172	33,828,946	58,574,644
192,889	32,871,171	56,961,760
113,272	32,194,834	54,014,658
266,986	29,871,104	49,605,533

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected Current	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2015	\$ 19,250,147	\$ 18,216,468	94.63%	\$ -	\$ 18,216,468	94.63%	\$ 1,033,679	5.37%
2014	19,152,140	18,063,097	94.31%	193,686	18,256,783	95.33%	895,357	4.67%
2013	18,978,746	17,803,281	93.81%	672,837	18,476,118	97.35%	502,628	2.65%
2012	18,716,329	17,595,707	94.01%	765,975	18,361,682	98.11%	354,647	1.89%
2011	19,403,213	18,204,086	93.82%	931,199	19,135,285	98.62%	267,928	1.38%
2010	18,389,681	17,476,832	95.04%	690,232	18,167,064	98.79%	222,617	1.21%
2009	18,041,342	16,605,832	92.04%	1,235,271	17,841,103	98.89%	200,239	1.11%
2008	17,742,263	16,109,021	90.79%	1,490,719	17,599,740	99.20%	142,523	0.80%
2007	15,621,561	14,668,962	93.90%	817,602	15,486,564	99.14%	132,717	0.85%
2006	15,810,214	12,863,380	81.36%	2,903,281	15,766,661	99.72%	50,530	0.32%

(1) Exclusive of penalties and interest.

Assessed Value of Taxable Property (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate		Personal Property & Mobile Homes		Machinery and Tools		Public Service					
							Real Estate	Personal Property	Total			
2015	\$	2,003,154,535	\$	172,342,920	\$	19,939,210	\$	87,334,603	\$	762,895	\$	2,283,534,163
2014		1,997,441,018		171,783,252		20,757,580		85,325,231		755,802		2,276,062,883
2013		1,987,973,023		173,845,772		22,857,550		67,700,556		482,994		2,252,859,895
2012		1,981,271,373		172,938,572		24,212,520		56,601,652		474,580		2,235,498,697
2011		2,134,124,400		168,781,100		24,648,928		75,016,471		16,025		2,402,586,924
2010		2,280,983,900		181,124,448		24,955,483		72,698,741		16,025		2,559,778,597
2009		2,264,983,200		174,593,871		24,618,443		67,861,578		23,725		2,532,080,817
2008		2,242,856,500		188,690,673		22,227,076		59,930,248		29,710		2,513,734,207
2007		1,711,515,700		191,693,126		22,404,153		40,687,398		26,289		1,966,326,666
2006 (2)		1,180,515,800		276,822,073		35,212,565		50,947,774		40,143		1,543,538,355

(1) Assessment at 100% of value.

(2) 2006 was the first year the County implemented semi-annual billing for personal property.

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Years	Real Estate/ Mobile Homes (2)	Personal Property	Machinery and Tools/ Motor Carrier	Farm Machinery
2015	\$ 0.64	\$ 4.64	\$ 2.00	0.30
2014	0.64	4.64	2.00	0.30
2013	0.64	4.64	2.00	0.30
2012	0.48/0.64	4.64	2.00	0.30
2011	0.48/0.64	4.64	2.00	0.30
2010	0.48	4.64	2.00	0.30
2009	0.48	4.64/3.90	2.00	0.30
2008	0.48	3.90	2.00	0.30
2007	0.67/0.48	3.00/3.90	2.00	0.60/.30
2006	0.67	3.00	2.00	0.60

(1) Per \$100 of assessed value.

(2) The rates shown are for the second half/first half of the respective years.

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2015	24,083	\$ 2,003,154,535	\$ 58,363,671	2.91%	\$ 2,423
2014	24,042	1,997,441,018	60,490,985	3.03%	2,516
2013	24,215	1,987,973,023	62,554,664	3.15%	2,583
2012	24,042	1,981,271,373	64,523,273	3.26%	2,684
2011	24,042	2,134,124,400	66,382,718	3.11%	2,761
2010	24,164	2,280,983,900	68,254,645	2.99%	2,825
2009	24,164	2,264,983,200	69,800,007	3.08%	2,889
2008	23,177	2,242,856,500	70,872,719	3.16%	3,058
2007	23,177	1,711,515,700	57,653,918	3.37%	2,488
2006	23,177	1,180,515,800	14,429,005	1.22%	623

(1) Welden Cooper Center

(2) From Table 6-Real Estate Assessment.

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans.
Excludes lease revenue bonds, capital leases, compensated absences.

Ratio of Annual Debt Service Expenditures for General Bonded
Debt to Total General Governmental Expenditures (1)
Last Ten Fiscal Years

Fiscal Year	Principal (4)	Interest	Total Debt Service (2)	Total General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures
2015	\$ 2,438,370	\$ 2,779,245	\$ 5,217,615	\$ 62,087,626	8.40%
2014	2,451,305	2,886,579	5,337,884	58,103,193	9.19%
2013	2,172,308	2,993,394	5,165,702	56,692,349	9.11%
2012	1,900,636	2,872,837	4,773,473	56,673,799	8.42%
2011	1,947,591	3,124,948	5,072,539	56,274,712	9.01%
2010	1,901,841	3,199,490	5,101,331	60,036,054	8.50%
2009	1,597,801	2,486,408	4,084,209	62,378,634	6.55%
2008	888,384	2,473,509	3,361,893	57,018,245	5.90%
2007	649,837	796,643	1,446,480	52,514,174	2.75%
2006	599,369	516,495	1,115,864	58,513,098	1.91%

(1) Includes General Obligation Bonds, State Literary Fund Loans, and Capital Leases.

(2) Excludes bond issuance and other costs.

(3) Includes General and Special Revenue Funds of the Primary Government and Discretely Presented Component Unit - School Board. Excludes contribution from Primary Government to Discretely Presented Component Unit.

(4) Does not include \$10,000,000 loan paid off with 2006 bond issue.

COMPLIANCE

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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, 2015, and the related notes to the financial statements, which collectively comprise County of Page, Virginia's basic financial statements, and have issued our report thereon dated December 18, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robinson, Farmer, Cox Associates

Staunton, Virginia
December 18, 2015

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

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 Circular A-133 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, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2015.

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Staunton, Virginia
December 18, 2015

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit School Board
Year Ended June 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
PRIMARY GOVERNMENT:			
Department of Agriculture:			
Pass Through Payments:			
Department of Social Services:			
State Administrative Matching Grants For the Supplemental Nutrition Assistance Program	10.561	0010110	\$ 186,213
Total Department of Agriculture			\$ 186,213
Environmental Protection Agency:			
Pass Through Payments:			
Department of Environmental Quality:			
DEQ Rent Royalties	66.000	Not Available	\$ 132
Total Environmental Protection Agency			\$ 132
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Foster Care - Title IV-E	93.658	1100111	\$ 79,499
Adoption Assistance	93.659	1120111	109,211
Temporary Assistance for Needy Families	93.558	0400111	190,771
Refugee and Entrant Assistance - State Administered Programs	93.566	0500111	280
Low-Income Home Energy Assistance	93.568	0600411	21,664
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900110	1,335
Social Services Block Grant	93.667	1000111	135,033
Chafee Foster Care Independence Program	93.674	9150110	1,326
Promoting Safe and Stable Families	93.556	0950110	15,333
Medical Assistance Program	93.778	1200111	218,282
Children's Health Insurance Program	93.767	0540111	6,526
Child Care - Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760111	27,899
Total Department of Health and Human Services			\$ 807,159
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Services:			
Bullet Proof Vest Partnership Program	16.607	Not Available	\$ 1,145
Criminal Justice Triad Grant	16.592	Not Available	121,783
ATF Sheriif Overtime	16.000	Not Available	3,595
Asset Seizure Proceeds	16.000	Not Available	141,045
Total Department of Justice			\$ 267,568
Department of Labor:			
Pass Through Payments:			
Virginia Community College System:			
Workforce Investment Act Cluster			
WIA Adult Program	17.258	Not Available	\$ 734,488
WIA Dislocated Formula Grants	17.278	Not Available	677,167
WIA Youth Activities	17.259	Not Available	810,296
Total Department of Labor			\$ 2,221,951

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
Primary Government and Discretely Presented Component Unit School Board
Year Ended June 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Services:			
Homeland Security Grant Program	97.067	Not Available	\$ 3,245
Hazard Mitigation Grant	97.039	Not Available	1,993
Emergency Management Performance Grants	97.042	Not Available	<u>11,870</u>
Total Department of Homeland Security			\$ <u>17,108</u>
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	Not Available	\$ 7,853
Alcohol Open Container Requirements	20.607	Not Available	<u>10,358</u>
Total Department of Transportation			\$ <u>18,211</u>
Total Expenditures of Federal Awards - Primary Government			\$ <u><u>3,518,342</u></u>
<u>COMPONENT UNIT SCHOOL BOARD:</u>			
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Department of Education:			
School Breakfast Program	10.553	17901-40591	\$ 218,506
Department of Education:			
National School Lunch Program	10.555	17901-40623	\$ 803,773
Department of Agriculture:			
Food Distribution-School Lunch	10.555	17901-40623	<u>116,063</u>
Total School Lunch Program			\$ <u>919,836</u>
Schools and Roads Grants to States	10.665	Not Available	<u>28,604</u>
Total Department of Agriculture			\$ <u>1,166,946</u>
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	17901-42901	\$ 791,357
Higher Education - Institutional Aid	84.031	Not Available	1,844
Special Education (IDEA) Cluster:			
Special Education - Grants to States	84.027	17901-43071	739,558
Special Education - Preschool Grants	84.173	17901-62521	14,145
Career and Technical Education			
Basic Grants to States	84.048	17901-61095	87,928
Education Technology State Grant	84.318	Not Available	53,118
Rural Education	84.358	Not Available	18,065
Improving Teacher Quality State Grants	84.367	Not Available	<u>158,219</u>
Total Department of Education			\$ <u>1,864,234</u>
Total Expenditures of Federal Awards - Component Unit School Board			\$ <u><u>3,031,180</u></u>
Total Expenditures of Federal Awards - Reporting Entity			\$ <u><u>6,549,522</u></u>

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
Primary Government and Discretely Presented Component Unit School Board
Year Ended June 30, 2015

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 grant activity of the County of Page, Virginia under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Page, Virginia, it is not intended to and does not present the financial position, changes in net 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 OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

NOTE 3-FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2015, the County had food commodities totaling \$62,173 in inventory.

NOTE 4-RELATIONSHIP TO FINANCIAL STATEMENTS

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 431,445
Department of the Interior-Payment in Lieu of Taxes	(128,426)
Special Revenue Fund:	
Workforce Investment Act Fund	2,221,951
Virginia Public Assistance Fund	993,372
Total primary government	<u>\$ 3,518,342</u>

Discretely presented component unit - School Board:

School operating fund	\$ 1,892,838
School cafeteria fund	1,138,342
Total discretely presented component unit - School Board	<u>\$ 3,031,180</u>

Total federal expenditures per the Schedule of Expenditures of

Federal awards	<u>\$ 6,549,522</u>
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COUNTY OF PAGE, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

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 section 510(a) of Circular A-133? yes x no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

Workforce Investment Act Cluster:

17.258 WIA Adult Program
17.278 WIA Dislocated Worker Formula Grants
17.259 WIA Youth Activities

Child Nutrition Cluster:

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

84.010 Title I Grants to Local Educational Agencies

Special Education Cluster (IDEA):

84.027 Special Education-Grants to States
84.173 Special Education-Preschool Grants

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

Auditee qualified as low-risk auditee? yes x no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

Section IV-Summary of Prior Findings

None