

# COUNTY OF PAGE, VIRGINIA



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

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

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

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

---

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

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

**FINANCIAL SECTION**

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

**Basic Financial Statements:**

Government-wide Financial Statements:

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

Fund Financial Statements:

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

|                                         |       |
|-----------------------------------------|-------|
| Notes to the Financial Statements ..... | 18-76 |
|-----------------------------------------|-------|

**Required Supplementary Information:**

|            |                                                                                                                        |    |
|------------|------------------------------------------------------------------------------------------------------------------------|----|
| Exhibit 8  | General Fund — Schedule of Revenues, Expenditures, and Changes<br>in Fund Balances — Budget and Actual .....           | 77 |
| Exhibit 9  | Schedule of Changes in Net Pension Liability and Related Ratios<br>Primary Government .....                            | 78 |
| Exhibit 10 | Schedule of Changes in Net Pension Liability and Related Ratios<br>Component Unit School Board (nonprofessional) ..... | 79 |
| Exhibit 11 | Schedule of Employer's Share of Net Pension Liability VRS Teacher<br>Retirement Plan .....                             | 80 |

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

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

|                                                                                                                                                | <b><u>Page</u></b> |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Required Supplementary Information: (Continued)</b>                                                                                         |                    |
| Exhibit 12      Schedule of Employer Contributions — Pension Plans.....                                                                        | 81                 |
| Exhibit 13      Notes to Required Supplementary Information — Pension Plans.....                                                               | 82                 |
| Exhibit 14      Schedule of Changes in Total OPEB Liability and Related Ratios<br>Primary Government .....                                     | 83                 |
| Exhibit 15      Schedule of Changes in Total OPEB Liability and Related Ratios<br>Component Unit School Board .....                            | 84                 |
| Exhibit 16      Notes to Required Supplementary Information — OPEB.....                                                                        | 85                 |
| Exhibit 17      Schedule of County's Share of Net OPEB Liability<br>Group Life Insurance (GLI) Program .....                                   | 86                 |
| Exhibit 18      Schedule of School Board's Share of Net OPEB Liability<br>Group Life Insurance (GLI) Program .....                             | 87                 |
| Exhibit 19      Schedule of Employer Contributions<br>Group Life Insurance (GLI) Program .....                                                 | 88                 |
| Exhibit 20      Notes to Required Supplementary Information<br>Group Life Insurance (GLI) Program .....                                        | 89-90              |
| Exhibit 21      Schedule of County School Board's Share of Net OPEB Liability<br>Teacher Employee Health Insurance Credit (HIC) Program .....  | 91                 |
| Exhibit 22      Schedule of Employer Contributions<br>Teacher Employee Health Insurance Credit (HIC) Program .....                             | 92                 |
| Exhibit 23      Notes to Required Supplementary Information<br>Teacher Employee Health Insurance Credit (HIC) Program .....                    | 93                 |
| <b>Other Supplementary Information:</b>                                                                                                        |                    |
| Exhibit 24      Capital Projects Fund<br>Schedule of Revenues, Expenditures, and Changes in Fund Balances —<br>Budget and Actual .....         | 94                 |
| Exhibit 25      Combining Balance Sheet<br>Nonmajor Special Revenue Funds.....                                                                 | 95                 |
| Exhibit 26      Combining Statement of Revenues, Expenditures, and Changes in<br>Fund Balances<br>Nonmajor Special Revenue Funds.....          | 96                 |
| Exhibit 27      Schedule of Revenues, Expenditures, and Changes in Fund<br>Balances — Budget and Actual<br>Nonmajor Special Revenue Funds..... | 97-99              |

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

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

**Other Supplementary Information: (continued)**

|                                                                                                                                                                            | <b><u>Page</u></b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Exhibit 28 Combining Statement of Fiduciary Net Position<br>Fiduciary Funds .....                                                                                          | 100                |
| Exhibit 29 Combining Statement of Changes in Assets and Liabilities<br>Agency Funds .....                                                                                  | 101                |
| Exhibit 30 Combining Balance Sheet<br>Discretely Presented Component Unit School Board .....                                                                               | 102                |
| Exhibit 31 Combining Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – Governmental Funds<br>Discretely Presented Component Unit — School Board ..... | 103                |
| Exhibit 32 Schedule of Revenues, Expenditures, and Changes in Fund<br>Balances — Budget and Actual<br>Discretely Presented Component Unit — School Board .....             | 104-105            |
| Exhibit 33 Statement of Net Position<br>Internal Service Fund<br>Discretely Presented Component Unit – School Board .....                                                  | 106                |
| Exhibit 34 Statement of Revenues, Expenses, and Changes in Net Position<br>Internal Service Fund<br>Discretely Presented Component Unit — School Board .....               | 107                |
| Exhibit 35 Statement of Cash Flows<br>Internal Service Fund<br>Discretely Presented Component Unit — School Board .....                                                    | 108                |

**Supporting Schedules**

|                                                                                       |         |
|---------------------------------------------------------------------------------------|---------|
| Schedule 1 Schedule of Revenues — Budget and Actual —<br>Governmental Funds .....     | 109-112 |
| Schedule 2 Schedule of Expenditures — Budget and Actual —<br>Governmental Funds ..... | 113-116 |

**STATISTICAL SECTION**

|                                                              | <b><u>Page</u></b> |
|--------------------------------------------------------------|--------------------|
| Table 1 Net Position by Component .....                      | 117-118            |
| Table 2 Changes in Net Position .....                        | 119-122            |
| Table 3 Governmental Activities Tax Revenues by Source ..... | 123                |

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

---

**TABLE OF CONTENTS (CONTINUED)**

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

|                                                                                                     | <b><u>Page</u></b> |
|-----------------------------------------------------------------------------------------------------|--------------------|
| Table 4 Fund Balances of Governmental Funds .....                                                   | 124-125            |
| Table 5 Changes in Fund Balances of Governmental Funds .....                                        | 126-127            |
| Table 6 General Governmental Tax Revenues by Source .....                                           | 128                |
| Table 7 Assessed Value and Estimated Actual Value of Taxable Property .....                         | 129-130            |
| Table 8 Property Tax Rates .....                                                                    | 131                |
| Table 9 Principal Property Taxpayers .....                                                          | 132                |
| Table 10 Property Tax Levies and Collections .....                                                  | 133                |
| Table 11 Ratios of Outstanding Debt by Type .....                                                   | 134                |
| Table 12 Ratio of Net General Bonded Debt to Assessed Value and Net Bonded<br>Debt per Capita ..... | 135                |
| Table 13 Direct and Overlapping Governmental Activities Debt .....                                  | 136                |
| Table 14 Demographic and Economic Statistics .....                                                  | 137                |
| Table 15 Principal Employers .....                                                                  | 138                |
| Table 16 Full-time Equivalent County Government Employees by Function .....                         | 139                |
| Table 17 Operating Indicators by Function .....                                                     | 140-141            |
| Table 18 Capital Asset Statistics by Function .....                                                 | 142                |

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

|                                                                                                                                                                                                                                       |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Independent Auditors' Report on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements Performed<br>in Accordance with <i>Government Auditing Standards</i> ..... | 143-144 |
| Independent Auditors' Report on Compliance for Each Major Program and on Internal<br>Control over Compliance Required by the Uniform Guidance .....                                                                                   | 145-146 |
| Schedule of Expenditures of Federal Awards .....                                                                                                                                                                                      | 147-149 |
| Schedule of Findings and Questioned Costs .....                                                                                                                                                                                       | 150     |

## **INTRODUCTORY SECTION**



## COUNTY OF PAGE

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

### Board of Supervisors:

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

### County Administrator:

Amity Moler

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Major Initiatives and Goals**

The Mission Statement of Page County is as follows:

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

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

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

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

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

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

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

## **Financial Information**

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

### **Single Audit**

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

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

### **Budgeting Controls**

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

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

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

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

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

### **Relevant Financial Policies**

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

### **Other Information**

#### **Independent Audit**

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

#### **Certificate of Achievement**

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

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

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

### **Acknowledgments**

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

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

Sincerely,

A handwritten signature in cursive script that reads "Dennis Lee Click". The signature is written in black ink and is positioned above the printed name and title.

Dennis Lee Click  
Director of Finance



Government Finance Officers Association

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

Presented to

**County of Page  
Virginia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

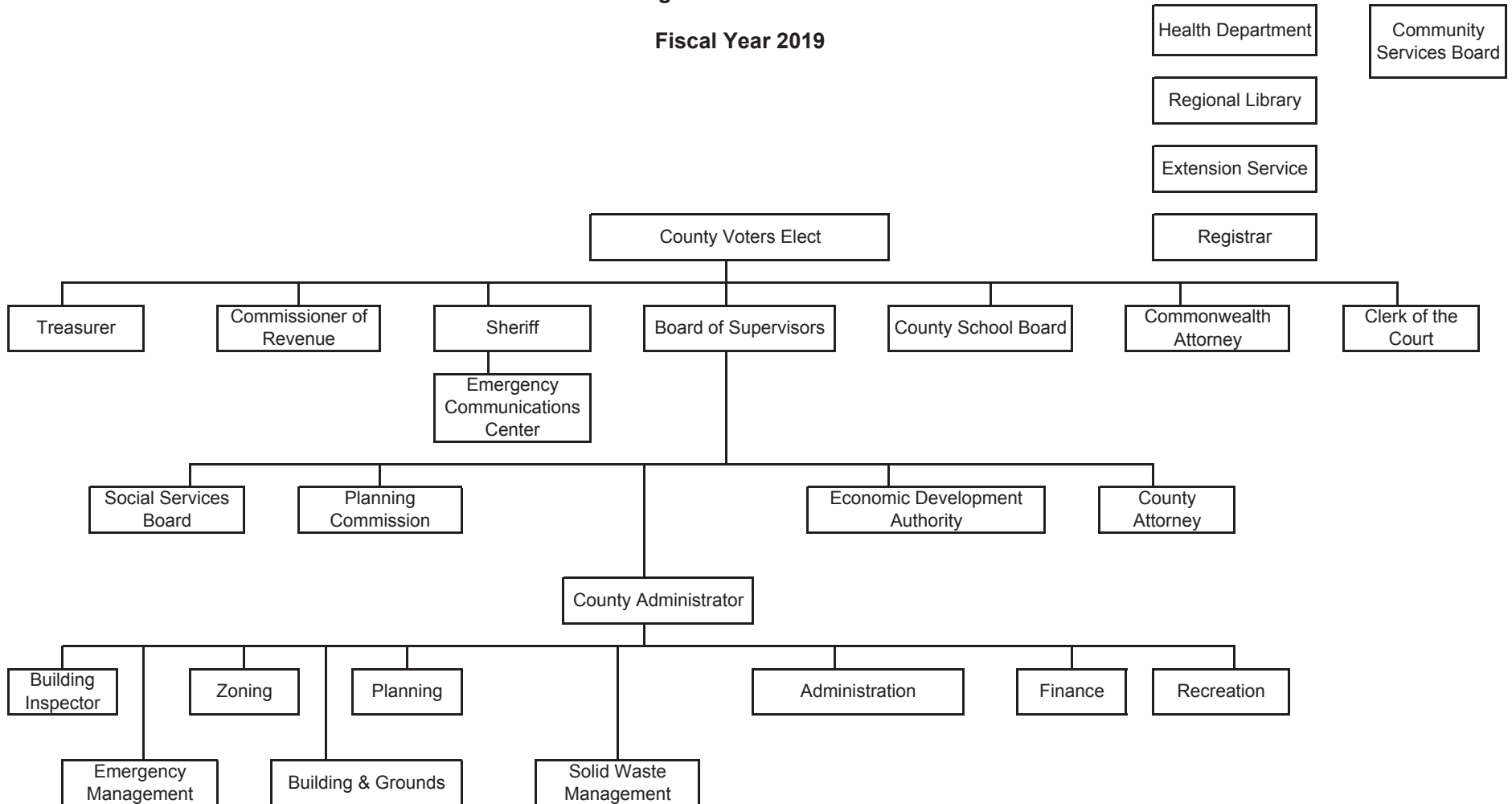
Executive Director/CEO

County of Page, Virginia

Organizational Chart

Fiscal Year 2019

State Regional Agencies



---

**COUNTY OF PAGE, VIRGINIA**

---

**BOARD OF SUPERVISORS**

---

Morgan Phenix, Chairman

Mark Stroupe  
David Wiatrowski  
Jeff Vaughan

Larry Foltz  
D. Keith Guzy, Jr.

Amity Moler, County Administrator

---

**OFFICIALS**

---

|                                                                |                      |
|----------------------------------------------------------------|----------------------|
| Judge of the Circuit Court .....                               | James V. Lane        |
| Judge of the General District Court.....                       | W. Dale Houff        |
| Judge of the Juvenile & Domestic Relations District Court..... | William W. Sharp     |
| Clerk of the Circuit Court.....                                | C. Grayson Markowitz |
| Commonwealth's Attorney .....                                  | Kenneth L. Alger II  |
| Commissioner of the Revenue.....                               | Rebecca Smith        |
| Treasurer .....                                                | Penny Gray           |
| Sheriff.....                                                   | Chad Cubbage         |
| Superintendent of Schools.....                                 | Wendy Gonzalez       |
| Director of Department of Social Services .....                | Patricia C. Koontz   |

---

**SCHOOL BOARD**

---

Randy Bailey, Chairman

Sharon Lucas, Vice Chairman  
Rolf Gubler  
Jackie Sullivan-Smoot

Tommy Lansberry  
Shawn Printz  
Linda Breeden-Wallace, Clerk

---

**FINANCE BOARD**

---

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

---

**BOARD OF SOCIAL SERVICES**

---

Louise Kyger, Chairman

Ted Booker  
Donnie Roudabush

Fred Fielding  
Darrell Short

Jan Sletten

## **FINANCIAL SECTION**



---

**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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of County of Page, Virginia, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Supplementary and Other Information***

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

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

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

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

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

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
December 11, 2019

## **Management's Discussion and Analysis**

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

### **Financial Highlights**

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

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

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

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

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

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

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

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

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

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

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

## **Fund Financial Statements**

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

### **Governmental Funds**

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

### **Proprietary Funds**

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

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

### **Fiduciary Funds**

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

## Notes to the Financial Statements

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

### Government-wide Financial Analysis

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

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

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

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

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

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

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

## **Governmental Activities**

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

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

## **Financial Analysis of the Government's Funds**

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

## Governmental Funds

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

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

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

## General Fund Budgetary Highlights

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

## Capital Asset and Debt Administration

### Capital Assets

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

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

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

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

## Long-term debt

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

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

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

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

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

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

## **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Statement of Net Position  
June 30, 2019

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

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

**THIS PAGE LEFT BLANK INTENTIONALLY**

COUNTY OF PAGE, VIRGINIA

Statement of Activities  
Year Ended June 30, 2019

| Functions/Programs                                           | Expenses             | Program Revenues     |                                    |                                  |
|--------------------------------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
|                                                              |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>PRIMARY GOVERNMENT:</b>                                   |                      |                      |                                    |                                  |
| Governmental activities:                                     |                      |                      |                                    |                                  |
| General government administration                            | \$ 2,809,655         | \$ 104,889           | \$ 292,765                         | \$ -                             |
| Judicial administration                                      | 1,302,775            | 84,902               | 699,788                            | -                                |
| Public safety                                                | 9,757,334            | 812,649              | 2,727,351                          | -                                |
| Public works                                                 | 3,219,021            | 1,713,847            | 12,289                             | -                                |
| Health and welfare                                           | 3,801,920            | 5,987                | 2,479,645                          | -                                |
| Education                                                    | 11,770,736           | -                    | -                                  | -                                |
| Parks, recreation, and cultural                              | 353,747              | 35,421               | -                                  | -                                |
| Community development                                        | 2,918,672            | -                    | 1,885,262                          | -                                |
| Interest on long-term debt                                   | 2,263,372            | -                    | -                                  | -                                |
| Total governmental activities                                | <u>\$ 38,197,232</u> | <u>\$ 2,757,695</u>  | <u>\$ 8,097,100</u>                | <u>\$ -</u>                      |
| <b>COMPONENT UNITS:</b>                                      |                      |                      |                                    |                                  |
| School Board                                                 | \$ 37,257,410        | \$ 2,693,021         | \$ 24,930,980                      | \$ -                             |
| Economic Development Authority                               | 80,607               | -                    | 80,058                             | -                                |
| Luray-Page Airport Authority                                 | 773,409              | 315,059              | -                                  | 379,049                          |
| Total component units                                        | <u>\$ 38,111,426</u> | <u>\$ 3,008,080</u>  | <u>\$ 25,011,038</u>               | <u>\$ 379,049</u>                |
| General revenues:                                            |                      |                      |                                    |                                  |
| General property taxes                                       |                      |                      |                                    |                                  |
| Local sales tax                                              |                      |                      |                                    |                                  |
| Motor vehicle licenses                                       |                      |                      |                                    |                                  |
| Transient occupancy taxes                                    |                      |                      |                                    |                                  |
| Meals tax                                                    |                      |                      |                                    |                                  |
| Business licenses                                            |                      |                      |                                    |                                  |
| Tax on recordation and wills                                 |                      |                      |                                    |                                  |
| Other local taxes                                            |                      |                      |                                    |                                  |
| Unrestricted revenues from use of money and property         |                      |                      |                                    |                                  |
| Miscellaneous                                                |                      |                      |                                    |                                  |
| Grants and contributions not restricted to specific programs |                      |                      |                                    |                                  |
| Total general revenues                                       |                      |                      |                                    |                                  |
| Change in net position                                       |                      |                      |                                    |                                  |
| Net position - beginning                                     |                      |                      |                                    |                                  |
| Net position - ending                                        |                      |                      |                                    |                                  |

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

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

## **FUND FINANCIAL STATEMENTS**

Balance Sheet  
Governmental Funds  
June 30, 2019

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

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

Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
June 30, 2019

---

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

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

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

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

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

|                                      |    |                  |           |
|--------------------------------------|----|------------------|-----------|
| Unavailable revenue - property taxes | \$ | <u>4,530,039</u> | 4,530,039 |
|--------------------------------------|----|------------------|-----------|

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

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

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

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

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

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

|                                         |    |                           |
|-----------------------------------------|----|---------------------------|
| Net position of governmental activities | \$ | <u><u>(7,744,366)</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, 2019

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

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

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

---

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

|                                                        |    |           |
|--------------------------------------------------------|----|-----------|
| Net change in fund balances - total governmental funds | \$ | 1,854,672 |
|--------------------------------------------------------|----|-----------|

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

|                                                                            |    |                    |             |
|----------------------------------------------------------------------------|----|--------------------|-------------|
| Capital outlays                                                            | \$ | 466,485            |             |
| Depreciation expense                                                       |    | (975,795)          |             |
| Allocation of debt financed school assets based on current year repayments |    | <u>(2,298,762)</u> | (2,808,072) |

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

|                |    |                |         |
|----------------|----|----------------|---------|
| Property taxes | \$ | <u>369,848</u> | 369,848 |
|----------------|----|----------------|---------|

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

|                                                        |    |                  |           |
|--------------------------------------------------------|----|------------------|-----------|
| Principal repayments                                   | \$ | 2,947,540        |           |
| Change in accrued interest                             |    | 67,230           |           |
| Amortization of bond premium                           |    | 37,203           |           |
| Change in landfill closure and post-closure care costs |    | <u>(543,113)</u> | 2,508,860 |

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

|                                |    |                  |         |
|--------------------------------|----|------------------|---------|
| Change in compensated absences | \$ | (39,449)         |         |
| Pension expense                |    | 602,889          |         |
| OPEB expense                   |    | <u>(118,142)</u> | 445,298 |

|                                                   |    |                         |
|---------------------------------------------------|----|-------------------------|
| Change in net position of governmental activities | \$ | <u><u>2,370,606</u></u> |
|---------------------------------------------------|----|-------------------------|

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019

---

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

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

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2019

---

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

The Economic Development Authority of Page County, Virginia is included as a component unit because the Authority's primary use of funds is to provide for economic development of the County, thereby benefiting the County even though it does not provide services directly to the County. The County is financially accountable for the Authority in that the County appoints the Authority's Board of Directors and has a financial indebtedness burden related to the Authority. The Economic Development Authority of Page County, Virginia does prepare separate financial statements. Complete financial statements for the Authority may be obtained at the Authority's administrative office at 440E Kenrick Lane, Front Royal, Virginia 22835.

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

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

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

**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.

**D. Jointly Governed Organizations**

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

Rockingham Library Association — The County of Page, the County of Rockingham, and the City of Harrisonburg participate in the Rockingham County Library Association which provides library services to its participants. The Rockingham Library Association is governed by a Board of Trustees consisting of 19 members, who are elected at the annual meeting each year of the Rockingham Library Association. Each locality’s contribution is set by contractual agreement with the Rockingham Library Association. The County of Page contributed \$210,026 to the Association for operating purposes for the year ended June 30, 2019.

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

---

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

The County, in conjunction with other localities, has created the Northwestern Community Services Board. The School Board participates in the Shenandoah Valley Regional Program for Special Education. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$86,227 to the Northwestern Community Services Board and \$892,621 to the Shenandoah Valley Regional Program.

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

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

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

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

The government reports the following major governmental funds:

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

---

#### 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 nonmajor fund types:

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

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

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

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

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

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

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

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

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

###### **3. Property taxes**

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

## COUNTY OF PAGE, VIRGINIA

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

---

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

---

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

###### **4. Allowance for uncollectible accounts**

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

###### **5. Inventories and prepaid items**

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

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

###### **6. Capital assets**

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

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

---

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

**7. Long-term obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**8. Fund equity**

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

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

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

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

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

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

---

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

**9. Net position**

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

**10. Net position flow assumption**

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

**11. Reclassifications**

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

**G. Investments**

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

**H. Use of Estimates**

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

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

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

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

---

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

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

**J. Pensions**

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

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

***Group Life Insurance***

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

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

---

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

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

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

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

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

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

---

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

**THIS SPACE LEFT BLANK INTENTIONALLY**

## COUNTY OF PAGE, VIRGINIA

### Notes to the Financial Statements June 30, 2019 (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. The legal level of control is at the activity level.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. The School Fund and School Cafeteria Fund are integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30 for all County units.
8. All budgetary data presented in the accompanying financial statements is the revised budget as of June 30.

#### NOTE 4—DEPOSITS AND INVESTMENTS:

---

##### Deposits

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

##### Investments

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

## COUNTY OF PAGE, VIRGINIA

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

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

##### **Custodial Credit Risk (Investments)**

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

##### **Credit Risk of Debt Securities**

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

1. U.S. Treasury Bills, Notes, Bonds and other direct obligations of the United States Government.
2. Obligations of Agencies of the Federal Government, including but not limited to the Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation and Student Loan Marketing Association.
3. Obligations of the Commonwealth of Virginia and of its local governments and public bodies, provided such obligations have a debt rating of at least “AA” or equivalent by Moody’s and/or Standard & Poor’s.
4. Repurchase Agreements executed through Federal Reserve Member Banks or Primary Dealers in U.S. Government securities, and collateralized by Treasury or Agency obligations the market value of which is at least 102% of the purchase price of the repo.
5. Certificates of deposit or other deposits of national banks located within the Commonwealth and state-chartered banks under Commonwealth supervision provided such deposits are insured or collateralized as provided by the Virginia Security for Public Deposits Act.
6. U.S. dollar denominated Bankers’ Acceptances issued by a domestic bank or a foreign bank with an agency domiciled in the U.S., and rated by Thomson Bankwatch at least B/C (issuing bank) and I (country of origin). Not more than 40% of the total funds available for investment may be invested in banker’s acceptances.
7. U.S. dollar denominated Commercial Paper issued by an entity incorporated in the U.S. and rated at least A-1 by Standard & Poor’s Corp. and P-1 by Moody’s Investors Service. Not more than 35% of the total funds available for investment may be invested in commercial paper, and not more than 5% in the obligations of any one issuer.
8. The County’s rated debt investments as of June 30, 2019 were rated by Moody and/or an equivalent national rating organization and the ratings are presented below using the Moody rating scale.

##### **Investment Maturities (in years)**

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

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2019 (Continued)****NOTE 4—DEPOSITS AND INVESTMENTS: (CONTINUED)****Interest Rate Risk**

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

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

**External Investment Pools**

The fair value of the positions in the Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

**DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD:**

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

**NOTE 5—INTERFUND OBLIGATIONS:**

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

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

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2019 (Continued)****NOTE 6—INTERFUND TRANSFERS:**

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

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

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

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

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

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

# COUNTY OF PAGE, VIRGINIA

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

### NOTE 8—CAPITAL ASSETS:

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

#### Primary Government

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

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

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

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

# COUNTY OF PAGE, VIRGINIA

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

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

#### Capital Leases:

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

The assets acquired through capital leases are as follows:

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

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

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

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

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

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

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2019 (Continued)****NOTE 8—CAPITAL ASSETS: (CONTINUED)**Capital Leases: (continued)**Discretely presented component unit-School Board: (Continued)**

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

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

The assets acquired through capital leases are as follows:

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

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

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

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

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

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

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2019 (Continued)****NOTE 8—CAPITAL ASSETS: (CONTINUED)****Discretely presented component unit-Luray-Page County Airport Authority:**

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

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

**THIS SPACE LEFT BLANK INTENTIONALLY**

## COUNTY OF PAGE, VIRGINIA

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

---

#### NOTE 9—PENSION PLANS:

---

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

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

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

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

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

---

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

---

##### **Contributions**

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

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

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

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

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

##### **Net Pension Liability**

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

##### **Actuarial Assumptions – General Employees**

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

---

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

---

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Largest 10 – Non-Hazardous Duty:

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

## COUNTY OF PAGE, VIRGINIA

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

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

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

Mortality rates: (continued)

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

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

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

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

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

## COUNTY OF PAGE, VIRGINIA

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

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

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

Mortality rates: (continued)

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Largest 10 – Hazardous Duty:

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

All Others (Non 10 Largest) – Hazardous Duty:

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

## COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

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

##### *Discount Rate*

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

COUNTY OF PAGE, VIRGINIA

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

NOTE 9—PENSION PLANS: (CONTINUED)

*Changes in Net Pension Liability*

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

COUNTY OF PAGE, VIRGINIA

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

NOTE 9—PENSION PLANS: (CONTINUED)

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

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

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

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

---

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

---

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

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

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

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

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

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

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

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

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

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

##### *Contributions (continued)*

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

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

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

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

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

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

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

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

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

##### Mortality rates:

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

## COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

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

##### *Net Pension Liability*

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

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

---

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

---

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

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

The following presents the school division's proportionate share of the net pension liability using the discount rate of 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        |                  |               |
|-----------------------------------------------------------------------------------|----|-------------|------------------|---------------|
|                                                                                   |    | 1% Decrease | Current Discount | 1% Increase   |
|                                                                                   |    | (6.00%)     | (7.00%)          | (8.00%)       |
| School division's proportionate share of the VRS Teacher Employee Retirement Plan |    |             |                  |               |
| Net Pension Liability                                                             | \$ | 41,011,000  | \$ 26,848,000    | \$ 15,125,000 |

##### ***Pension Plan Fiduciary Net Position***

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

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

---

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

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

##### **Benefits Provided**

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

##### **Plan Membership**

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

|                                      | Primary<br>Government | Component<br>Unit School<br>Board |
|--------------------------------------|-----------------------|-----------------------------------|
| Total active employees with coverage | 29                    | 24                                |
| Total retirees with coverage         | 158                   | 508                               |
| Total                                | 187                   | 532                               |

##### **Contributions**

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

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

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

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

##### **Actuarial Assumptions**

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

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

# COUNTY OF PAGE, VIRGINIA

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

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

#### Actuarial Assumptions (continued)

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

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

#### Discount Rate

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

#### Changes in Total OPEB Liability

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

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

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

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

COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

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

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

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

COUNTY OF PAGE, VIRGINIA

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

---

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

---

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

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

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

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

THIS SPACE LEFT BLANK INTENTIONALLY

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

---

***Plan Description***

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

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

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

***Eligible Employees***

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

***Benefit Amounts***

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

***Contributions***

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

## COUNTY OF PAGE, VIRGINIA

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

---

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

---

##### ***Contributions (continued)***

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

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

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

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

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

THIS SPACE LEFT BLANK INTENTIONALLY

COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

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

##### **Actuarial Assumptions**

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

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

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

##### **Mortality Rates – Teachers**

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

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

##### *Actuarial Assumptions (Continued)*

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

## COUNTY OF PAGE, VIRGINIA

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

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

##### *Actuarial Assumptions (Continued)*

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

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

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

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

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

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

##### *Actuarial Assumptions (Continued)*

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

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

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

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

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

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

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

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

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2019 (Continued)****NOTE 11—GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)*****Long-Term Expected Rate of Return***

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

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

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

***Discount Rate***

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

## COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

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

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

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

---

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

---

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

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

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

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

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

##### ***HIC Program Notes***

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

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

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

COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

---

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

---

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

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

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

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

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

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

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

## COUNTY OF PAGE, VIRGINIA

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

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

##### ***Mortality Rates – Teachers***

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

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

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

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

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

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

Plan Fiduciary Net Position as a Percentage  
of the Total Teacher Employee HIC OPEB Liability

8.08%

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

## COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

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

##### *Discount Rate*

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

COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

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

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

THIS SPACE LEFT BLANK INTENTIONALLY

# COUNTY OF PAGE, VIRGINIA

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

### NOTE 13—LONG-TERM OBLIGATIONS:

#### Primary Government Obligations

#### Changes in Long-Term Liabilities

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

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

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

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2019 (Continued)****NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)****Primary Government Obligations: (continued)****Direct Borrowings and Placements:**

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

**THIS SPACE LEFT BLANK INTENTIONALLY**

# COUNTY OF PAGE, VIRGINIA

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

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

#### Primary Government Obligations: (continued)

| <u>Details of Long-Term Obligations</u>                                                                                                                                                                                                   | <u>Total<br/>Amount<br/>Outstanding</u> | <u>Amount<br/>Due Within<br/>One Year</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| Governmental Activities                                                                                                                                                                                                                   |                                         |                                           |
| <b>Direct Borrowings and Placements:</b>                                                                                                                                                                                                  |                                         |                                           |
| General Obligation Bonds:                                                                                                                                                                                                                 |                                         |                                           |
| <u>Virginia Public School Authority (V.P.S.A.) Bonds:</u>                                                                                                                                                                                 |                                         |                                           |
| \$1,500,000 Virginia Public School Authority Bond issued November 16, 2000, due in annual installments of \$80,000 to \$85,000 through July 15, 2020. Interest payable semi-annually at varying interest rates of 4.975% to 5.85%.        | \$ 160,000                              | \$ 80,000                                 |
| \$30,695,000 Virginia Public School Authority Bond issued November 19, 2006, at a premium of \$305,572 due in annual installments of \$655,000 to \$2,005,000 through November 19, 2032. Interest payable semi-annually at 6.1% to 6.4%.  | 21,315,000                              | 1,120,000                                 |
| \$12,019,506 Virginia Public School Authority Bond issued November 19, 2006, at a premium of \$331,039 due in annual installments of \$458,384 to \$740,470 through November 19, 2032. Interest payable semi-annually at 6.1% to 6.4%.    | 5,461,619                               | 631,272                                   |
| \$13,790,000 Virginia Public School Authority Bond issued May 2, 2008, at a premium of \$210,714, due in annual installments of \$444,193 to \$925,815 through July 15, 2037. Interest is payable semi-annually at 4.6% to 5.1%.          | <u>11,620,000</u>                       | <u>380,000</u>                            |
| Total general obligation bonds                                                                                                                                                                                                            | \$ <u>38,556,619</u>                    | \$ <u>2,211,272</u>                       |
| <u>Revenue Bonds:</u>                                                                                                                                                                                                                     |                                         |                                           |
| \$4,000,000 revenue bonds issued October 15, 2012 due in annual installments of \$108,152 to \$316,063 through October 15, 2027. Interest payable annually at 2.65%.                                                                      | \$ 2,424,940                            | \$ 262,616                                |
| \$10,431,000 revenue refunding bonds issued March 29, 2018, payments vary throughout the life of the loan. Interest on the bonds is 2.76% through June 2035. These bonds were issued in connection with the Battle Creek landfill.        | 10,230,000                              | 204,000                                   |
| \$3,027,000 revenue bonds issued August 31, 2016, payments vary throughout the life of the loan. Interest on the bonds is 1.82% through August 1, 2026. These bonds were issued in connection with the Phase II of Battle Creek landfill. | <u>2,178,000</u>                        | <u>289,000</u>                            |
| Total revenue bonds                                                                                                                                                                                                                       | \$ <u>14,832,940</u>                    | \$ <u>755,616</u>                         |
| Other long-term obligations:                                                                                                                                                                                                              |                                         |                                           |
| <u>Capital Leases:</u>                                                                                                                                                                                                                    |                                         |                                           |
| \$52,400 capital lease payable for the purchase of a Caterpillar mini excavator dated July 11, 2017 payable in monthly installments of \$970 including interest at 4.2% through May 2022.                                                 | \$ 33,602                               | \$ 10,425                                 |
| \$339,000 capital lease payable for the purchase of a Caterpillar track loader dated December 28, 2017 payable in monthly installments of \$6,290 including interest at 4.2% through November 2022.                                       | <u>245,302</u>                          | <u>66,453</u>                             |
| Total capital leases                                                                                                                                                                                                                      | \$ <u>278,904</u>                       | \$ <u>76,878</u>                          |

COUNTY OF PAGE, VIRGINIA

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

NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)

**Primary Government Obligations: (continued)**

Details of Long-Term Obligations (continued)

Governmental Activities: (continued)

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

**Component Unit Obligations:**

Change in Component Unit-School Board Long-Term Obligations

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

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

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

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

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2019 (Continued)****NOTE 13—LONG-TERM OBLIGATIONS: (CONTINUED)****Component Unit Obligations: (continued)**Details of Component Unit-School Board Long-Term Obligations

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

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

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

Series 2009 Revenue Bond

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

**COUNTY OF PAGE, VIRGINIA****Notes to the Financial Statements  
June 30, 2019 (Continued)**

---

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

---

**Component Unit Obligations: (continued)**

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

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

## COUNTY OF PAGE, VIRGINIA

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

---

#### NOTE 14—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.

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

#### NOTE 15—CONTINGENT LIABILITIES:

---

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

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

---

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

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

## COUNTY OF PAGE, VIRGINIA

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

#### NOTE 17—HEALTH INSURANCE FUND:

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

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

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

Anthem has established a surplus (liability) for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. At June 30, 2019 the plan surplus was \$48,937. The net position, (\$7,254) of the Plan maintained by the School Board can be found on Exhibit 33. The following represents the change in approximate aggregate liabilities for the fund:

|           | Beginning of<br>Fiscal Year<br>Surplus<br>(Liability) | Claims and<br>Changes in<br>Estimates | Claim<br>Payments | Balance at<br>Fiscal Year End<br>Surplus<br>(Liability) |
|-----------|-------------------------------------------------------|---------------------------------------|-------------------|---------------------------------------------------------|
| 2018-2019 | \$ 148,176                                            | \$ 4,200,467                          | \$ 4,299,706      | \$ 48,937                                               |
| 2017-2018 | 29,629                                                | 4,322,394                             | 4,203,847         | 148,176                                                 |
| 2016-2017 | 68,462                                                | 2,858,126                             | 2,896,959         | 29,629                                                  |
| 2015-2016 | 264,680                                               | 3,839,258                             | 4,035,476         | 68,462                                                  |
| 2014-2015 | 448,235                                               | 3,615,957                             | 3,799,512         | 264,680                                                 |

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

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

The post-closure and thirty-year monitoring costs for the Stanley landfill are estimated at \$2,027,314. The estimated total current cost of the landfill closure and post-closure care of \$2,027,314 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were performed as of June 30, 2019. Included in the County's post-closure and thirty-year monitoring costs of \$2,027,314 is \$1,472,660 for corrective action costs for exceeding groundwater protection standards. However, the actual cost of closure and post-closure may be different due to inflation, changes in technology, or change in landfill laws and regulations.

## COUNTY OF PAGE, VIRGINIA

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

---

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

---

During June of 2005, the County acquired Battle Creek landfill. The post-closure and thirty-year monitoring costs are estimated at \$10,973,475. The estimated total current cost of the landfill closure and post-closure care of \$5,214,617 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were performed as of June 30, 2019. The estimated useful life of the Battle Creek landfill is 33 years. However, the actual cost of closure and post-closure may be different due to inflation, changes in technology, or change in landfill laws and regulations.

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

At June 30, 2019, the County demonstrated financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Government Financial Assurance Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

#### NOTE 19—LITIGATION:

---

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

#### NOTE 20—UPCOMING PRONOUNCEMENTS:

---

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

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

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

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

## General Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Largest 10 – Non-Hazardous Duty:

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

Largest 10 – Hazardous Duty:

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

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

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

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

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

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

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

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

---

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

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

*Methods and assumptions used to determine OPEB liability:*

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

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

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

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

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

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

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

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

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

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

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

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

**Teachers**

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

**Largest Ten Locality Employers - General Employees**

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

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

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

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

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

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

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

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

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

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

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

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

---

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

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

---

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

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

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

## **OTHER SUPPLEMENTARY INFORMATION**

### **MAJOR CAPITAL PROJECT FUNDS**

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

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

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

## **Nonmajor Governmental Funds**

### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

**THIS PAGE LEFT BLANK INTENTIONALLY**

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

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

COUNTY OF PAGE, VIRGINIA

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

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

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

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

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

## **FIDUCIARY FUNDS**

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

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

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

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

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

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

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

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

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

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

### **MAJOR GOVERNMENTAL FUNDS**

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

### **NONMAJOR GOVERNMENTAL FUNDS**

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

### **INTERNAL SERVICE FUND**

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

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

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

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

|                               |            |
|-------------------------------|------------|
| Total fund balances per above | \$ 834,678 |
|-------------------------------|------------|

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

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

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

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

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

|                       |                   |         |
|-----------------------|-------------------|---------|
| Health insurance fund | \$ <u>(7,264)</u> | (7,264) |
|-----------------------|-------------------|---------|

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

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

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

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

|                                         |                       |
|-----------------------------------------|-----------------------|
| Net position of governmental activities | \$ <u>(7,884,147)</u> |
|-----------------------------------------|-----------------------|

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds - Discretely Presented Component Unit - School Board**  
**Year Ended June 30, 2019**

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

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

|                               |              |
|-------------------------------|--------------|
| Total fund balances per above | \$ (427,699) |
|-------------------------------|--------------|

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

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

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

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

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

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

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

|                                        |              |           |
|----------------------------------------|--------------|-----------|
| Health insurance net revenue (expense) | \$ (198,066) | (198,066) |
|----------------------------------------|--------------|-----------|

|                                                   |                     |
|---------------------------------------------------|---------------------|
| Change in net position of governmental activities | <u>\$ 2,167,351</u> |
|---------------------------------------------------|---------------------|

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

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

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

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

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

---

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

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

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

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

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

## **SUPPORTING SCHEDULES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **STATISTICAL SECTION**

## STATISTICAL SECTION

### Contents

### Tables

#### Financial Trends

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

1-5

#### Revenue Capacity

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

6-10

#### Debt Capacity

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

11-13

#### Demographic and Economic Information

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

14-15

#### Operating Information

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

16-18

#### Sources:

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

**THIS PAGE LEFT BLANK INTENTIONALLY**

**COUNTY OF PAGE, VIRGINIA**

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

---

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

Table 1

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

**COUNTY OF PAGE, VIRGINIA**

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

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

Table 2

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

**COUNTY OF PAGE, VIRGINIA**

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

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

Table 2

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

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

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

**THIS PAGE LEFT BLANK INTENTIONALLY**

**COUNTY OF PAGE, VIRGINIA**

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

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

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

Table 4

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

**COUNTY OF PAGE, VIRGINIA**

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

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

Table 5

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

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

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

**THIS PAGE LEFT BLANK INTENTIONALLY**

## COUNTY OF PAGE, VIRGINIA

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

---

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

Source: Commissioner of Revenue

(1) Real estate assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

(3) Source: Virginia Department of Taxation.

Table 7

---

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

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

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

Source: County Commissioner of Revenue

(1) Per \$100 of assessed value

Principal Property Taxpayers  
Current Year and the Period Nine Years Prior

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

Source: Commissioner of Revenue

Property Tax Levies and Collections  
Last Ten Fiscal Years

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

Source: Commissioner of Revenue, County Treasurer's office

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

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

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

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

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

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

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

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

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

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

Direct and Overlapping Governmental Activities Debt  
June 30, 2019

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

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

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

Demographic and Economic Statistics  
Last Ten Fiscal Years

---

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

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

Principal Employers  
Current Year and Nine Years Prior

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

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

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

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

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

Source: Individual County departments

**THIS PAGE LEFT BLANK INTENTIONALLY**

## County of Page, Virginia

### Operating Indicators by Function Last Ten Fiscal Years

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

Source: Individual County departments

\* Information unavailable

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

Table 17

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

Capital Asset Statistics by Function  
Last Ten Fiscal Years

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

Source: Individual County departments

## **COMPLIANCE SECTION**



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

---

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

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

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
December 11, 2019



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

---

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

---

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

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

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

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

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

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

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

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

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

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

*Robinson, Finner, Cox Associates*

Staunton, Virginia  
December 11, 2019

COUNTY OF PAGE, VIRGINIA

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

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

COUNTY OF PAGE, VIRGINIA

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

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

COUNTY OF PAGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
Primary Government and Discretely Presented Component Unit School Board  
Year Ended June 30, 2019

---

Notes to Schedule of Expenditures of Federal Awards

**NOTE 1-BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Page, Virginia under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Page, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Page, Virginia.

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) County of Page, Virginia has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(3) Pass-through entity identifying numbers are presented where available.

**NOTE 3-FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2019, the County had food commodities totaling \$30,560 in inventory.

**NOTE 4- MATCHING COSTS**

Matching costs, the nonfederal share of certain program costs are not included in the Schedule.

**NOTE 5- LOANS**

County of Page had no federal loans required to be presented in the Schedule.

**NOTE 6-RELATIONSHIP TO FINANCIAL STATEMENTS**

Intergovernmental federal revenues per the basic financial statements:

|                                                                               |              |
|-------------------------------------------------------------------------------|--------------|
| Primary government:                                                           |              |
| General Fund                                                                  | \$ 285,668   |
| Department of the Interior-Payment in Lieu of Taxes                           | (183,240)    |
| Special Revenue Funds:                                                        |              |
| Workforce Investment Act Fund                                                 | 1,885,262    |
| Virginia Public Assistance Fund                                               | 1,263,305    |
| Total primary government                                                      | \$ 3,250,995 |
| Discretely presented component unit - School Board:                           |              |
| School operating fund                                                         | \$ 1,975,380 |
| School cafeteria fund                                                         | 1,202,804    |
| Total discretely presented component unit - School Board                      | \$ 3,178,184 |
| Total federal expenditures per the Schedule of Expenditures of Federal awards | \$ 6,429,179 |

COUNTY OF PAGE, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2019

**Section I-Summary of Auditors' Results**

Financial Statements:

Type of auditors' report issued unmodified

Internal control over financial reporting:

- Material weakness(es) identified?     yes   x   no

- Significant deficiency(ies) identified?     yes   x   no

Noncompliance material to financial statements noted?     yes   x   none reported

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified?     yes   x   no

- Significant deficiency(ies) identified?     yes   x   none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR section 200.516(a)?     yes   x   no

Identification of major programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u>          |
|---------------------|----------------------------------------------------|
| 84.010              | ..... Title I Grants to Local Educational Agencies |

**SNAP Cluster:**

|        |                                                                                              |
|--------|----------------------------------------------------------------------------------------------|
| 10.561 | ..... State Administrative Matching Grants for the Supplemental Nutrition Assistance Program |
|--------|----------------------------------------------------------------------------------------------|

**Workforce Investment Cluster:**

|        |                                     |
|--------|-------------------------------------|
| 17.258 | ..... WIA Adult Program             |
| 17.278 | ..... WIA Dislocated Worker Program |
| 17.259 | ..... WIA Youth Activities          |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   x   yes     no

**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

**Section IV-Summary of Prior Findings**

None