

LURAY-PAGE COUNTY AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF PAGE, VIRGINIA)

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2020

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**LURAY-PAGE COUNTY AIRPORT AUTHORITY**

**(A COMPONENT UNIT OF THE  
COUNTY OF PAGE, VIRGINIA)**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2020**

# **LURAY-PAGE COUNTY AIRPORT AUTHORITY**

## **Authority Members**

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Mr. Leroy Lancaster – Chairman

Mr. E. Powell Markowitz – Secretary and Treasurer

Mr. Mark Johnson

Mr. Jeff Vaughan

Mr. Keith Stephens

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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**INDEPENDENT AUDITORS' REPORT**

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**TO THE LURAY-PAGE COUNTY AIRPORT AUTHORITY  
LURAY, VIRGINIA**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Luray-Page County Airport Authority (a component unit of County of Page, Virginia), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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 an opinion 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 Authorities, Boards, and Commissions*, 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 opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Luray-Page County Airport Authority, as of June 30, 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise Luray-Page County Airport Authority's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2021, on our consideration of Luray-Page County Airport Authority'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 Luray-Page County Airport Authority'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 Luray-Page County Airport Authority's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
January 19, 2021

## **BASIC FINANCIAL STATEMENTS**

**LURAY - PAGE COUNTY AIRPORT AUTHORITY**  
**(A Component Unit of The County of Page, Virginia)**

**Exhibit 1**

Statement of Net Position  
June 30, 2020

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**ASSETS**

Current Assets:

Cash and cash equivalents	\$	163,536
Cash in the custody of others		78,348
Accounts receivable		5,397
Lease receivable		1,304
Due from commonwealth		75,513
Due from federal government		495,207
Inventory		<u>26,120</u>

Total current assets \$ 845,425

Noncurrent Assets:

Capital Assets:

Land	\$	1,936,386
Construction work in progress		1,513,771
Property, plant and equipment, net of accumulated depreciation		<u>11,099,897</u>
Net capital assets	\$	<u>14,550,054</u>
Total noncurrent assets	\$	<u>14,550,054</u>

Total assets \$ 15,395,479

**LIABILITIES**

Current liabilities:

Accounts payable	\$	550,659
Retainage payable		<u>113,790</u>

Total current liabilities \$ 664,449

Other liabilities:

Hangar deposits held in trust	\$	<u>2,420</u>
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Total liabilities \$ 666,869

**NET POSITION**

Net investment in capital assets	\$	14,436,264
Unrestricted		<u>292,346</u>

Total net position \$ 14,728,610

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



**LURAY - PAGE COUNTY AIRPORT AUTHORITY**  
**(A Component Unit of The County of Page, Virginia)**

**Exhibit 2**

Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2020

Operating Revenues:	
Airport hangar rent/lease	\$ 92,900
Land lease	1,304
Fuel	202,291
Miscellaneous	1,805
Total operating revenues	<u>\$ 298,300</u>
Operating Expenses:	
Insurance expense	\$ 7,424
Professional services	4,112
Miscellaneous	496
Electricity	2,606
Repairs and maintenance	8,798
Labor	100,594
Telephone	4,267
Supplies	170
Vehicle	709
Credit card fees	4,680
Fuel cost	146,911
Contribution to Page EDA	93,061
Depreciation expense	383,924
Total operating expenses	<u>\$ 757,752</u>
Operating income (loss)	<u>\$ (459,452)</u>
Nonoperating Revenues (Expenses):	
Interest income	<u>\$ 263</u>
Total nonoperating revenues (expenses)	<u>\$ 263</u>
Net income (loss) before capital contributions and grants	<u>\$ (459,189)</u>
Construction grants - Federal	\$ 1,062,205
Construction grants - State	98,083
Contributions for construction from localities	<u>97,400</u>
Total contributions and grants	<u>\$ 1,257,688</u>
Change in net position	\$ 798,499
Net position, beginning of period	13,930,111
Net position, end of period	<u><u>\$ 14,728,610</u></u>

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

**LURAY - PAGE COUNTY AIRPORT AUTHORITY**  
**(A Component Unit of The County of Page, Virginia)**

**Exhibit 3**

Statement of Cash Flows  
Year Ended June 30, 2020

Cash flows from operating activities:	
Other receipts	\$ 297,345
Payments to vendors	(357,895)
Hangar deposits held in trust	<u>260</u>
Net cash provided by (used for) operating activities	\$ <u>(60,290)</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	\$ (669,793)
Proceeds from construction grants and capital contributions	<u>718,026</u>
Net cash provided by (used for) capital and related financing activities	\$ <u>48,233</u>
Cash flows from investing activities:	
Interest received	\$ <u>263</u>
Net cash provided by (used for) investing activities	\$ <u>263</u>
Increase (decrease) in cash and cash equivalents	\$ (11,794)
Cash and cash equivalents at beginning of year, including cash in the custody of others	<u>253,678</u>
Cash and cash equivalents at end of year, including cash in the custody of others	\$ <u><u>241,884</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (459,452)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	383,924
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	349
(Increase) decrease in lease receivable	(1,304)
(Increase) decrease in inventory	15,961
Increase (decrease) in accounts payable	(28)
Increase (decrease) in hangar deposits held in trust	<u>260</u>
Net cash provided by (used for) operating activities	\$ <u><u>(60,290)</u></u>
Schedule of non-cash capital and related financing activities:	
Purchase of capital assets on account	\$ 550,230

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

**LURAY-PAGE COUNTY AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF PAGE, VIRGINIA)**

**Notes to Financial Statements  
June 30, 2020**

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**NOTE 1—BASIS OF PRESENTATION:**

The Luray-Page County Airport Commission was established January 12, 1970. On July 1, 2013, the Commission disbanded and the Luray-Page County Airport Authority (The Authority) was formed. At such time, all assets were transferred to the Authority and a year-end of June 30 was established. The land for the airport was deeded jointly to the Town of Luray and the County of Page. The Authority oversees any construction and major improvements to the airport. Both the Town of Luray and the County of Page appoint two members each and one at-large member jointly to the Authority to see to this task. The Authority was created to own and operate the airport.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

A. Financial Reporting Entity:

A separate report is prepared for the County of Page, Virginia, which includes all agencies, boards, commissions, and authorities over which the County exercises or has the ability to exercise oversight authority. Luray-Page County Airport Authority is a component unit of the County of Page, Virginia and is included in the financial statements of the County.

B. Basic Financial Statements:

The financial statements include a Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

Since the Authority is only engaged in business-type activities, it is required to present only the financial statements required for enterprise funds. For the Authority, the basic financial statements and required supplementary information consist of:

- Management's discussion and analysis (not presented this year)
- Enterprise fund financial statements
  - Statement of Net Position
  - Statement of Revenues, Expenses and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Hangar rentals, fees, and fuel sales are included in operating income. Operating expenses include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**LURAY-PAGE COUNTY AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF PAGE, VIRGINIA)**

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

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**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

C. Basis of Accounting:

The Authority utilizes the enterprise fund method of accounting for financial reporting purposes. Enterprise fund accounting uses the accrual basis of accounting where revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows.

D. Capital Assets:

Capital assets consist of improvements related to construction of the airport, a fuel tank, fence, and equipment. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 (an amount not rounded) and an estimated useful life in excess of one year. 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. Depreciation expense is computed using the straight-line method over an estimated life of 40 years for both the improvements and the fuel tank, 20 years for the fence, and 7 years for the equipment.

E. Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. 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.

G. Net Position:

For the Authority, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

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

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

**LURAY-PAGE COUNTY AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF PAGE, VIRGINIA)**

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

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**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

H. 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 (expense) until then. The Authority does not have any deferred outflows of resources as of June 30, 2020.

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 Authority does not have any deferred inflows of resources as of June 30, 2020.

**NOTE 3—DEPOSITS AND INVESTMENTS:**

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.

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

The Authority had no such investments at year end.

**NOTE 4—DUE FROM OTHER GOVERNMENTAL UNITS:**

Amounts due from other governmental units at June 30, 2020, are as follows:

<u>Commonwealth of Virginia:</u>	
Department of Aviation	\$ 75,513
<u>Federal Government:</u>	
Federal Aviation Administration	495,207
Total	\$ <u>570,720</u>

**LURAY-PAGE COUNTY AIRPORT AUTHORITY**  
**(A COMPONENT UNIT OF THE COUNTY OF PAGE, VIRGINIA)**

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

**NOTE 5—CAPITAL ASSETS:**

A summary of changes in capital assets for the year follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 1,936,386	\$ -	\$ -	\$ 1,936,386
Construction in progress	218,203	1,295,568	-	1,513,771
Total capital assets not being depreciated	\$ 2,154,589	\$ 1,295,568	\$ -	\$ 3,450,157
Capital assets being depreciated:				
Buildings and improvements	\$ 14,496,036	\$ -	\$ -	\$ 14,496,036
Equipment	392,545	-	-	392,545
Total capital assets being depreciated	\$ 14,888,581	\$ -	\$ -	\$ 14,888,581
Accumulated depreciation:				
Buildings and improvements	\$ (3,169,336)	\$ (346,678)	\$ -	\$ (3,516,014)
Equipment	(235,424)	(37,246)	-	(272,670)
Total accumulated depreciation	\$ (3,404,760)	\$ (383,924)	\$ -	\$ (3,788,684)
Capital assets being depreciated, net	\$ 11,483,821	\$ (383,924)	\$ -	\$ 11,099,897
Total capital assets, net	\$ 13,638,410	\$ 911,644	\$ -	\$ 14,550,054

**NOTE 6—AGENCY FUND:**

The County of Page maintains an Airport Hangar Fund on its books. Hangar rent/lease receipts and related hangar expenses are maintained in this fund. This activity for the year ended June 30, 2020 is reflected on the financial statements of the Authority.

**NOTE 7—LITIGATION:**

There were no matters of litigation involving the Authority which would materially affect the Authority's financial position should any court decisions on pending matters not be favorable to the Authority.

**NOTE 8—APPROVAL:**

The Authority currently must obtain approval from both the Town of Luray and the County of Page before engaging in any activities not within the normal scope of business.

**LURAY-PAGE COUNTY AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE COUNTY OF PAGE, VIRGINIA)**

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

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**NOTE 9—SUBSEQUENT EVENT:**

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

## **COMPLIANCE**





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

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**TO LURAY-PAGE COUNTY AIRPORT AUTHORITY  
LURAY, 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 Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Luray-Page County Airport Authority (a component unit of County of Page, Virginia) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collective comprise the Authority's basic financial statements and have issued our report thereon dated January 19, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Luray-Page County Airport Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Luray-Page County Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Luray-Page County Airport Authority'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 Luray-Page County Airport Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
January 19, 2021



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

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**TO THE LURAY-PAGE COUNTY AIRPORT AUTHORITY  
LURAY, VIRGINIA**

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

We have audited Luray-Page County Airport Authority'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 Luray-Page County Airport Authority's major federal programs for the year ended June 30, 2020. Luray-Page County Airport Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Luray-Page County Airport Authority'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 the 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 Luray-Page County Airport Authority'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 Luray-Page County Airport Authority's compliance.

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

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

## Report on Internal Control over Compliance

Management of Luray-Page County Airport Authority 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 Luray-Page County Airport Authority'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 Luray-Page County Airport Authority'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
January 19, 2021

**Luray-Page County Airport Commission**  
**(A Component Unit of The County of Page, Virginia)**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2020**

<b>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
Department of Transportation:			
Direct Payments:			
Airport Improvement Program	20.106	Not Applicable	\$ <u>1,062,205</u>
Total Expenditures of Federal Awards			\$ <u><u>1,062,205</u></u>

See accompanying notes to schedule of expenditures of federal awards.

**LURAY-PAGE COUNTY AIRPORT AUTHORITY**  
**(A COMPONENT UNIT OF THE COUNTY OF PAGE, VIRGINIA)**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2020**

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

**A. Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (SEFA) presents the activity of all federal award programs of the Luray-Page County Airport Authority, a discretely presented component unit of the County of Page, Virginia, for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the 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). The Authority's reporting entity is defined in Note 2 of the notes to the Authority's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies to the Authority are included in the accompanying schedule of expenditures of federal awards.

**B. Summary of Significant Account 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

(3) The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**C. Matching Costs:**

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

**NOTE B-RELATIONSHIP TO FINANCIAL STATEMENTS**

Total expenditure amounts reported in the accompanying schedule of expenditures of federal awards agree with the total expenditure amounts reported in the related federal financial reports in all material respects.

**NOTE C-SUBRECIPIENTS**

The Authority did not have any subrecipients for the year ended June 30, 2020.

**Luray-Page County Airport Commission**  
**(A Component Unit of The County of Page, Virginia)**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2020**

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

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Financial Statements

Type of auditors' report issued

unmodified

Internal control over financial reporting:

- Material weaknesses identified?

       yes   x   no

- Significant deficiencies identified?

       yes   x   none reported

Noncompliance material to financial statements noted?

       yes   x   no

Federal Awards

Internal control over major programs:

- Material weaknesses identified?

       yes   x   no

- Significant deficiencies 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:

CFDA Numbers

Name of Federal Program or Cluster

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20.106 .....Airport Improvement Program

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

Auditee qualified as low-risk auditee?        yes   x   no

**Section II-Financial Statement Findings**

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None

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

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None

**Section IV-Summary Schedule of Prior Year Findings**

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There were no prior year findings.