

ECONOMIC DEVELOPMENT AUTHORITY
OF
PAGE COUNTY, VIRGINIA
(A COMPONENT UNIT OF THE
COUNTY OF PAGE, VIRGINIA)

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2018

**ECONOMIC DEVELOPMENT AUTHORITY OF
PAGE COUNTY, VIRGINIA**

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

**FINANCIAL REPORT
YEAR ENDED JUNE 30, 2018**

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

BOARD OF DIRECTORS

Mark Dofflemyer, Treasurer

Melissa Deibert

Gregory Foltz

Bart Price

Jay Dedman

Jason Pettit

Ian Rudolph

Joshua Knight

OFFICIALS

Liz Lewis, Secretary/Clerk

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
FINANCIAL STATEMENTS:	
Statement of Net Position.....	3
Statement of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11
COMPLIANCE:	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12-13

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT

TO THE HONORABLE MEMBERS OF THE BOARD OF DIRECTORS ECONOMIC DEVELOPMENT AUTHORITY OF PAGE COUNTY, VIRGINIA LURAY, VIRGINIA

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Economic Development Authority of Page County, Virginia (a component unit of the County of Page, Virginia) as of and for the year ended June 30, 2018, 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 the Economic Development Authority of Page County, Virginia, as of June 30, 2018, 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 require 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2019, on our consideration of the Economic Development Authority of Page County, Virginia (a component unit of the 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 Economic Development Authority of Page County, Virginia (a component unit 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 the Economic Development Authority of Page County, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Staunton, Virginia
February 8, 2019

FINANCIAL STATEMENTS

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

Exhibit 1

**STATEMENT OF NET POSITION
JUNE 30, 2018**

ASSETS

Current Assets:

Cash and cash equivalents (Note 2)	\$	267,754
Notes receivable - current (Note 6)		3,247
Other accounts receivable - current		23,754
Prepaid items		1,475
Total current assets	\$	<u>296,230</u>

Noncurrent Assets:

Receivables:

Other accounts receivable, net of current portion		1,496,660
Total noncurrent receivables	\$	<u>1,496,660</u>

Capital Assets:

Land - Luray Park	\$	761,000
Land - Goodrich Road		990,000
Land - Project Clover		1,000,000
Total capital assets	\$	<u>2,751,000</u>
Total noncurrent assets	\$	<u>4,247,660</u>

Total assets	\$	<u>4,543,890</u>
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LIABILITIES

Current liabilities:

Revenue bond - current portion (Note 4)	\$	23,754
Total current liabilities	\$	<u>23,754</u>

Noncurrent liabilities:

Revenue bond - net of current portion (Note 4)	\$	1,496,660
Total noncurrent liabilities	\$	<u>1,496,660</u>

Total liabilities	\$	<u>1,520,414</u>
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NET POSITION

Investment in capital assets	\$	2,751,000
Unrestricted		<u>272,476</u>
Total net position	\$	<u><u>3,023,476</u></u>

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

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

Exhibit 2

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2018**

Operating Expenses:	
Fee Paid to Directors/Officers	\$ 5,400
Donations	2,724
Legal and Professional Fees	3,359
Other Expense	876
Insurance Expense	1,475
Utilities Expense	495
Association dues/membership fees	<u>425</u>
Total operating expenses	\$ <u>14,754</u>
Operating income (loss)	\$ <u>(14,754)</u>
Nonoperating Revenues (Expenses):	
Intergovernmental:	
Contribution from Page-Luray Airport Authority	\$ 65,145
Interest on Notes Receivable	201
Interest on Investments	1,990
Interest Expense	(65,145)
Miscellaneous Revenue	<u>50</u>
Total nonoperating revenues (expenses)	\$ <u>2,241</u>
Change in net position	\$ (12,513)
Net position, beginning of year	<u>3,035,989</u>
Net position, end of year	\$ <u><u>3,023,476</u></u>

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

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

Exhibit 3

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018**

Cash flows from operating activities:

Payments to suppliers	\$ <u>(14,754)</u>
Net cash provided by (used for) operating activities	\$ <u>(14,754)</u>

Cash flows from noncapital financing activities:

Contribution from Page-Luray Airport Authority	\$ 65,145
Contribution from Page County - revenue bond principal	22,767
Contribution from Page County - industrial development	18,300
Principal payments on debt	(22,767)
Interest payments on debt	(65,145)
Other receipts	<u>50</u>
Net cash provided by (used for) noncapital financing activities	\$ <u>18,350</u>

Cash flows from investing activities:

Principal payments received on notes	\$ 1,865
Interest payments received on notes	201
Interest on investments	<u>1,990</u>
Net cash provided by (used for) investing activities	\$ <u>4,056</u>

Increase (decrease) in cash and cash equivalents	\$ 7,652
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Cash and cash equivalents at beginning of year	<u>260,102</u>
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Cash and cash equivalents at end of year	\$ <u><u>267,754</u></u>
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Reconciliation of operating income (loss) to net cash provided by (used for)
operating activities:

Operating income (loss)	\$ <u>(14,754)</u>
Net cash provided by (used for) operating activities	\$ <u><u>(14,754)</u></u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1—BASIS OF PRESENTATION:

A. Organization and Purpose

The Economic Development Authority of Page County, Virginia (the Authority) (a component unit of the County of Page, Virginia), was created as a governmental subdivision of the Commonwealth of Virginia by ordinance of the Board of Supervisors of the County of Page, Virginia pursuant to the provisions of the Economic Development and Revenue Bond Act (Chapter 33, Section 15.1-1373, et seq., of the Code of Virginia [1950 as amended]). The Authority is governed by nine directors appointed by the Board of Supervisors of Page County, Virginia. It is authorized to acquire, own, lease and dispose of properties to the end that such activities may promote industry and develop trade by inducing enterprises to locate and remain in Virginia.

In addition, the Authority is authorized to issue revenue bonds for the purpose of obtaining and constructing facilities. Liability under the bonds may be retained by the Authority or it may be assumed by the enterprises for which facilities are constructed. The collections of revenue bonds are not deemed to constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any municipality thereof. The bonds are payable solely from revenues generated from the lease of the facilities constructed and may be collateralized by a deed of trust on those facilities.

B. 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. The Authority is a component unit of the County of Page, Virginia and is included as a discrete presentation in the financial statements of the County.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basic Financial Statements

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 (Management has elected not to prepare the MD&A in the current 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

ECONOMIC DEVELOPMENT AUTHORITY OF
PAGE COUNTY, VIRGINIA
(A COMPONENT UNIT OF THE COUNTY OF PAGE, VIRGINIA)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 (continued)

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

B. Basis of Accounting

The Economic Development Authority of Page, Virginia operates as an enterprise fund and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. The Authority accrues revenue for services rendered but not yet billed at the end of the fiscal year. The Authority follows all applicable GASB pronouncements.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are sale of property held for resale, charges to industries for bond fees and lease revenue. Expenses include contributions to industries, administrative expenses, and depreciation on capital assets.

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and investments with maturities of 90 days or less from the date of acquisition. The Authority considers all bank accounts to be cash and cash equivalents.

D. 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.

E. 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.

F. Net Position Flow Assumption

Sometimes the Authority 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 Authority's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 (continued)**

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

G. Pass-through Financing Of Leases and Installment Sales

The principal activities of the Authority represent pass-through lease or installment sales. These agreements provide for periodic payments in amounts which are equal to the principal and interest payments due to project bondholders.

The Authority has assigned all rights to the payments to the trustees, agents or the holders of the bonds, and the lessees or purchasers have assumed responsibility for all operating costs such as utilities, repairs, and property taxes. In such cases, the Authority neither receives nor disburses funds.

Although title to these properties may rest with the Authority, bargain purchase options or other lease provisions eliminate any equity interest that would otherwise be retained with the transactions. Deeds of trust collateralize outstanding bond obligations and title will pass to the lessee or purchaser when the bonds are fully paid.

Although the Authority provides a conduit to execute such transactions, it does not retain either the benefits or asset ownership or the liability for bond liquidation. Accordingly, the Authority does not recognize associated assets, liabilities, rental income or interest expense in its financial statements for the pass-through lease or installment sales. The Authority has recorded the bond liability for the Page-Luray Airport Commission, since the Commission is not allowed to obtain debt financing without the guarantee of other organizational entities.

H. Capital Assets

Capital assets, which consist of property, are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or material extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current or previous year.

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 (expense) until then. The Authority does not have any deferred outflows of resources as of June 30, 2018.

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 (continued)**

NOTE 2—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 Authority does not have any deferred inflows of resources as of June 30, 2018.

NOTE 3—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 local governments and other public bodies 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).

For the year ended June 30, 2018, the Authority did not have any investments.

NOTE 4—LONG-TERM OBLIGATIONS:

The following is a summary of long-term debt transactions of the Authority for the year ended June 30, 2018:

	Balance July 1, 2017	Issuances	Retirements	Balance June 30, 2018
USDA Revenue Bond	\$ 1,543,181	\$ -	\$ 22,767	\$ 1,520,414
Total	\$ 1,543,181	\$ -	\$ 22,767	\$ 1,520,414

At June 30, 2018 the Authority’s long-term obligations consisted of the following:

\$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, 2018	\$ 1,520,414
Less: current portion	(23,754)
Total long-term obligations, net of current portion	\$ 1,496,660

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 (continued)**

NOTE 4—LONG-TERM OBLIGATIONS: (CONTINUED)

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

Years Ended June 30,	Revenue Bond	
	Principal	Interest
2019	\$ 23,754	\$ 64,158
2020	24,783	63,129
2021	25,857	62,055
2022	26,978	60,934
2023	28,147	59,765
2024	29,367	58,545
2025	30,639	57,273
2026	31,967	55,945
2027	33,352	54,560
2028	34,798	53,114
2029	36,306	51,606
2030	37,879	50,033
2031	39,521	48,391
2032	41,234	46,678
2033	43,021	44,891
2034	44,885	43,027
2035	46,830	41,082
2036	48,860	39,052
2037	50,977	36,935
2038	53,187	34,725
2039	55,492	32,420
2040	57,896	30,016
2041	60,406	27,506
2042	63,023	24,889
2043	65,755	22,157
2044	68,604	19,308
2045	71,577	16,335
2046	74,679	13,233
2047	77,916	9,996
2048	81,293	6,619
2049	84,816	3,096
2050	26,615	224
Total	\$ <u>1,520,414</u>	\$ <u>1,231,697</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 (continued)**

NOTE 5—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 2,751,000	\$ -	\$ -	\$ 2,751,000
Capital assets	\$ 2,751,000	\$ -	\$ -	\$ 2,751,000

NOTE 6—NOTES RECEIVABLE:

Notes receivable represents a promissory note between the County of Page, the Authority, and Nellis Edwards Associates. The note represents a refinancing agreement dated September 23, 2016. The note funds of the original agreement were to be used to purchase a generator for the business. Nellis Edwards Associates shall repay the loan in 36 monthly payments of \$283.84 beginning on October 23, 2016. Accrued interest is calculated at the rate of 5.5% per annum. Amounts due to the Authority at June 30, 2018 include:

Years Ended June 30,	Note Receivable	
	Principal	Interest
2019	\$ 3,247	\$ 95
Total	\$ 3,247	\$ 95

NOTE 7—OTHER ACCOUNTS RECEIVABLE:

The Authority has recorded other accounts receivable due from the Page-Luray Airport Authority for repayment of its 2009 revenue bond recorded on the Authority's Statement of Net Position. The balance owed to the Economic Development Authority of Page County, Virginia at June 30, 2018 was \$1,520,414.

NOTE 8—EVALUATION OF SUBSEQUENT EVENTS:

In preparing these financial statements, management of the Authority has evaluated events and transactions for potential recognition or disclosure through February 8, 2019, the date the financial statements were available to be issued.

COMPLIANCE

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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 DIRECTORS ECONOMIC DEVELOPMENT AUTHORITY OF PAGE COUNTY, VIRGINIA 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 the Economic Development Authority of Page County, Virginia as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Economic Development Authority of Page County, Virginia's basic financial statements and have issued our report thereon dated February 8, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Economic Development Authority of Page County, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Economic Development Authority of Page County, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of Economic Development Authority of Page County, 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 the Economic Development Authority of Page County, 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
February 8, 2019