

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

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2020

---

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

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

**FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2020**

**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

---

|   | <b><u>Page</u></b> |
|---|--------------------|
| Independent Auditors' Report .....  | 1-2                |
| <b>FINANCIAL STATEMENTS:</b>  |                    |
| Statement of Net Position.....  | 3                  |
| Statement of Revenues, Expenses and Changes in Net Position .....   | 4                  |
| Statement of Cash Flows .....   | 5                  |
| Notes to the Financial Statements .....   | 6-12               |
| <b>COMPLIANCE:</b>  |                    |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance<br>and Other Matters Based on an Audit of the Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> ..... | 13-14              |



---

**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, 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 the Economic Development Authority of Page County, Virginia, 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 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 January 5, 2021, on our consideration of the Economic Development Authority of Page County, Virginia's (a component unit of the County of Page, Virginia) 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's (a component unit of the County of Page, Virginia) 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  
January 5, 2021

## **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, 2020**

---

**ASSETS**

Current Assets:

|   |    |                |
|---|----|----------------|
| Cash and cash equivalents                   | \$ | 280,172        |
| Notes receivable - current portion          |    | 5,654          |
| Other accounts receivable - current portion |    | 25,857         |
| Prepaid items                               |    | 1,475          |
| Total current assets                        | \$ | <u>313,158</u> |

Noncurrent Assets:

Receivables:

|   |    |                  |
|---|----|------------------|
| Note receivable                                   | \$ | 53,270           |
| Other accounts receivable, net of current portion |    | 1,446,021        |
| Total noncurrent receivables                      | \$ | <u>1,499,291</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>4,250,291</u> |

|              |    |                         |
|--------------|----|-------------------------|
| Total assets | \$ | <u><u>4,563,449</u></u> |
|--------------|----|-------------------------|

**LIABILITIES**

Current liabilities:

|                                |    |               |
|--------------------------------|----|---------------|
| Accounts payable               | \$ | 749           |
| Note payable - current portion |    | 3,365         |
| Revenue bond - current portion |    | 25,857        |
| Total current liabilities      | \$ | <u>29,971</u> |

Noncurrent liabilities:

|                                       |    |                  |
|---------------------------------------|----|------------------|
| Note payable                          | \$ | 53,270           |
| Revenue bond - net of current portion |    | 1,446,021        |
| Total noncurrent liabilities          | \$ | <u>1,499,291</u> |

|                   |    |                  |
|-------------------|----|------------------|
| Total liabilities | \$ | <u>1,529,262</u> |
|-------------------|----|------------------|

**NET POSITION**

|                              |    |                         |
|------------------------------|----|-------------------------|
| Investment in capital assets | \$ | 2,751,000               |
| Unrestricted                 |    | <u>283,187</u>          |
| Total net position           | \$ | <u><u>3,034,187</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, 2020**

---

|  |                            |
|--|----------------------------|
| Operating Expenses:                            |                            |
| Fee paid to directors/officers                 | \$ 2,550                   |
| Donations                                      | 4,547                      |
| Legal and professional fees                    | 40                         |
| Supplies                                       | 149                        |
| Insurance expense                              | 1,475                      |
| Sponsorships                                   | 1,000                      |
| Utilities expense                              | 480                        |
| Association dues/membership fees               | 250                        |
| Miscellaneous                                  | <u>794</u>                 |
| Total operating expenses                       | \$ <u>11,285</u>           |
| Operating income (loss)                        | \$ <u>(11,285)</u>         |
| Nonoperating Revenues (Expenses):              |                            |
| Intergovernmental:                             |                            |
| Contribution from Page-Luray Airport Authority | \$ 63,129                  |
| Contribution from Page County                  | 14,000                     |
| Interest on notes receivable                   | 119                        |
| Interest on investments                        | 2,876                      |
| Interest expense                               | (63,184)                   |
| Miscellaneous revenue                          | <u>1,826</u>               |
| Total nonoperating revenues (expenses)         | \$ <u>18,766</u>           |
| Change in net position                         | \$ 7,481                   |
| Net position, beginning of year                | <u>3,026,706</u>           |
| Net position, end of year                      | \$ <u><u>3,034,187</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, 2020**

|  |                           |
|--|---------------------------|
| Cash flows from operating activities:  |                           |
| Payments to suppliers  | \$ <u>(10,536)</u>        |
| Net cash provided by (used for) operating activities                         | \$ <u>(10,536)</u>        |
| Cash flows from noncapital financing activities:                             |                           |
| Contribution from Page-Luray Airport Authority                               | \$ 63,129                 |
| Contribution from Page County - revenue bond principal                       | 24,783                    |
| Contribution from Page County - industrial development                       | 14,000                    |
| Proceeds from indebtedness   | 60,000                    |
| Principal payments on debt   | (25,116)                  |
| Interest payments on debt  | (63,129)                  |
| Other receipts   | <u>1,826</u>              |
| Net cash provided by (used for) noncapital financing activities              | \$ <u>75,493</u>          |
| Cash flows from investing activities:  |                           |
| Notes receivable issued  | \$ (60,000)               |
| Principal payments received on notes   | 769                       |
| Interest payments received on notes  | 64                        |
| Interest on investments  | <u>2,876</u>              |
| Net cash provided by (used for) investing activities                         | \$ <u>(56,291)</u>        |
| Increase (decrease) in cash and cash equivalents                             | \$ 8,666                  |
| Cash and cash equivalents at beginning of year                               | <u>271,506</u>            |
| Cash and cash equivalents at end of year                                     | \$ <u><u>280,172</u></u>  |
| Reconciliation of operating income (loss) to net cash provided by (used for) |                           |
| operating activities:  |                           |
| Operating income (loss)  | \$ (11,285)               |
| Adjustments to reconcile operating income (loss) to net cash provided by     |                           |
| operating activities:  |                           |
| Increase (decrease) in payables and accrued expenses                         | <u>749</u>                |
| Net cash provided by (used for) operating activities                         | \$ <u><u>(10,536)</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, 2020**

---

**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 eight 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, 2020 (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, 2020 (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 materially 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, 2020.

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

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020 (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, 2020.

**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, 2020, 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, 2020:

|   | Balance      |           |             | Balance       |
|---|--------------|-----------|-------------|---------------|
|   | July 1, 2019 | Issuances | Retirements | June 30, 2020 |
| Direct Borrowings and Direct Placements |              |           |             |               |
| USDA Revenue Bond                       | \$ 1,496,661 | \$ -      | \$ 24,783   | \$ 1,471,878  |
| Note payable, net of discount           | -            | 56,914    | 279         | 56,635        |
| Total                                   | \$ 1,496,661 | \$ 56,914 | \$ 25,062   | \$ 1,528,513  |

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

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020 (continued)**

**NOTE 4—LONG-TERM OBLIGATIONS: (CONTINUED)**

The Authority's outstanding revenue bond of \$1,471,878 contains a provision that in the event of default, the entire unpaid principal and interest become immediately due and payable. With consent of the Town of Luray and Page County, Virginia, the Authority has pledged to secure the payment and performance of the Authority's obligations under the bond with the Authority's right, title, and interests to all revenues in connection with rental of the T-Hangers at the Luray-Page County Airport.

At June 30, 2020 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, 2020         | \$ 1,471,878               |
| \$60,000 Note Payable issued on May 20, 2020, by Pioneer Bank (the lender) with monthly payments of \$333, and an imputed interest rate of 1.15%, balance at June 30, 2020 | 56,635                     |
| Less: current portion  | <u>(29,222)</u>            |
| Total long-term obligations, net of current portion  | <u><u>\$ 1,499,291</u></u> |

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

| Years Ended<br>June 30, | Direct Borrowings and Placements |                     |                  |                 |
|-------------------------|----------------------------------|---------------------|------------------|-----------------|
|                         | Revenue Bond                     |                     | Note Payable     |                 |
|                         | Principal                        | Interest            | Principal        | Interest        |
| 2021                    | \$ 25,857                        | \$ 62,055           | \$ 3,365         | \$ 634          |
| 2022                    | 26,978                           | 60,934              | 3,405            | 595             |
| 2023                    | 28,147                           | 59,765              | 3,445            | 555             |
| 2024                    | 29,367                           | 58,545              | 3,484            | 515             |
| 2025                    | 30,639                           | 57,273              | 42,936           | 732             |
| 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>\$ 1,471,878</u>              | <u>\$ 1,104,410</u> | <u>\$ 56,635</u> | <u>\$ 3,031</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020 (continued)**

**NOTE 5—CAPITAL ASSETS:**

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

|                                       | Balance<br>July 1,<br>2019 | Increases   | Decreases   | Balance<br>June 30,<br>2020 |
|---------------------------------------|----------------------------|-------------|-------------|-----------------------------|
| Capital assets not being depreciated: |                            |             |             |                             |
| Land                                  | \$ 2,751,000               | \$ -        | \$ -        | \$ 2,751,000                |
| Capital assets                        | <u>\$ 2,751,000</u>        | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,751,000</u>         |

**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 \$284 beginning on October 23, 2016. Accrued interest is calculated at the rate of 5.5% per annum.

Note receivable also represents a promissory note between the Authority and Aircraft Maintenance Solutions. On May 20, 2020, the Authority loaned Aircraft Maintenance Solutions \$60,000. Aircraft Maintenance Solutions shall repay the loan in 60 monthly payments of \$333 beginning on June 20, 2020. Imputed interest is calculated at the rate of 1.15%. The existing balance is due to the Authority on April 20, 2025. Amounts due to the Authority at June 30, 2020 include:

| Years Ended<br>June 30, | Note Receivable  |                 |
|-------------------------|------------------|-----------------|
|                         | Principal        | Interest        |
| 2021                    | \$ 5,654         | \$ 688          |
| 2022                    | 3,405            | 595             |
| 2023                    | 3,445            | 555             |
| 2024                    | 3,484            | 515             |
| 2025                    | 42,936           | 732             |
| Total                   | <u>\$ 58,924</u> | <u>\$ 3,085</u> |

**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, 2020 was \$1,471,878.



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

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020 (continued)**

---

**NOTE 8—SUBSEQUENT EVENTS:**

In preparing these financial statements, management of the Authority has evaluated events and transactions for potential recognition or disclosure through January 5, 2021, the date the financial statements were available to be issued.

As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact the Authority. However, the potential financial impact is unknown at this time.

## **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**

---

**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, 2020, 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 January 5, 2021.

**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) as 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 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 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 5, 2021