

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

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

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

**FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2024**

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

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**BOARD OF DIRECTORS**

Bruce McWilliams, Chairman

Stephen Hiner, Vice Chair

Jason Miller, Treasurer

Joe Wood

Randall Roberts

Alan Seacord

John Singleton

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**INDEPENDENT AUDITORS' REPORT**

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**TO THE HONORABLE MEMBERS OF THE BOARD OF DIRECTORS  
ECONOMIC DEVELOPMENT AUTHORITY OF BATH COUNTY, VIRGINIA  
WARM SPRINGS, VIRGINIA**

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of the business-type activities of the Economic Development Authority of Bath County, component unit of the County of Bath, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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 Bath County, Virginia, as of June 30, 2024, 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.

***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Economic Development Authority of Bath County, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Economic Development Authority of Bath County, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Economic Development Authority of Bath County, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Economic Development Authority of Bath County, Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 November 18, 2025, on our consideration of Economic Development Authority of Bath County'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 Economic Development Authority of Bath County'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 Economic Development Authority of Bath County's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Assoc.*

Staunton, Virginia  
November 18, 2025

# **FINANCIAL STATEMENTS**

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

**Exhibit 1**

**Statement of Net Position  
June 30, 2024**

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**ASSETS**

Current Assets:

Cash and cash equivalents	\$ 722,313
Prepaid expenses	<u>1,429</u>

Total current assets \$ 723,742

Noncurrent Assets:

Capital Assets:

Land	\$ 162,799
Buildings and improvements	77,096
Accumulated depreciation	<u>(30,179)</u>
Total noncurrent assets	\$ <u>209,716</u>

Total assets \$ 933,458

**LIABILITIES**

Current liabilities:

Accounts payable	\$ <u>2,432</u>
Total current liabilities	\$ <u>2,432</u>

Total liabilities \$ 2,432

**NET POSITION**

Investment in capital assets	\$ 209,716
Unrestricted	<u>721,310</u>
Total net position	\$ <u>931,026</u>

Total liabilities and net position \$ 933,458

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

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

**Exhibit 2**

**Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2024**

Operating Revenues:	
Lodging tax rebate	\$ 944,081
Lease revenue	<u>18,000</u>
Total operating revenues	<u>\$ 962,081</u>
Operating Expenses:	
Repairs and maintenance	\$ 1,200
Attorney fees	4,046
Audit	11,250
Property insurance	4,879
Lodging tax rebate expense	941,560
Depreciation expense	7,217
Donation	5,600
Miscellaneous	<u>182</u>
Total operating expenses	<u>\$ 975,934</u>
Operating income (loss)	<u>\$ (13,853)</u>
Nonoperating Revenues (Expenses):	
Interest income	\$ 21,191
Donation	120,000
Gain (loss) on sale of assets	<u>343,500</u>
Total nonoperating income (expenses)	<u>\$ 484,691</u>
Change in net position	\$ 470,838
Net position, beginning of year	<u>460,188</u>
Net position, end of year	<u><u>\$ 931,026</u></u>

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

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

**Exhibit 3**

**Statement of Cash Flows  
Year Ended June 30, 2024**

Cash flows from operating activities:	
Lease revenue	\$ 18,000
Lodging tax rebate	944,081
Payments for operating expenses	<u>(967,715)</u>
Net cash provided by (used for) operating activities	\$ <u>(5,634)</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	\$ <u>419,500</u>
Net cash provided by (used for) capital and related financing activities	\$ <u>419,500</u>
Cash flows from investing activities:	
Interest received	\$ <u>21,192</u>
Net cash provided (used) by investing activities	\$ <u>21,192</u>
Increase (decrease) in cash and cash equivalents	\$ 435,058
Cash and cash equivalents, beginning of year	<u>287,255</u>
Cash and cash equivalents, end of year	\$ <u><u>722,313</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (13,853)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation expense	7,217
(Increase) decrease in prepaid items	(1,429)
Increase (decrease) in payables and accrued expenses	<u>2,431</u>
Net cash provided by (used for) operating activities	\$ <u><u>(5,634)</u></u>
Schedule of noncash capital and related financing activities:	
Donated land	\$ <u><u>120,000</u></u>

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

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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**NOTE 1—ORGANIZATION AND DESCRIPTION OF THE ENTITY:**

The Economic Development Authority of Bath County, Virginia (a component unit of the County of Bath, Virginia) was created as a governmental subdivision of the Commonwealth of Virginia by ordinance of the Board of Supervisors of the County of Bath, Virginia on April 9, 1974, 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 seven directors appointed by the Board of Supervisors. 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 whom facilities are constructed. Collection of revenue bonds is 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.

**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 basic financial statements
  - Statement of Net Position
  - Statement of Revenues, Expenses and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements

**B. Basis of Accounting**

The Economic Development Authority of Bath County, Virginia (a component unit of the County of Bath, 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 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. Operating expenses include contributions to industries, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (CONTINUED)**

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

**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 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/amortization 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 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.

**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.

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

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets 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, 2024.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets 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, 2024.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (CONTINUED)**

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

**H. 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 lessee 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.

**I. Capital Assets**

Capital assets are recorded at historical cost. Donated assets are recorded at their acquisition value on the date donated. Depreciation is computed using the straight-line method over the assets' estimated useful lives as follows:

Buildings	50 years
Improvements	10 to 20 years

Depreciation applicable to operating facilities constructed with contributions is amortized by the straight-line method at rates sufficient to amortize the contributions over the estimated useful lives of the related plant. Maintenance and repairs are charged to expense as incurred; material renewals and betterments are capitalized. When assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

**NOTE 3—LEASE REVENUE:**

The Organization leases space in the Industrial Park to a tenant on a month-to-month basis. Either party can cancel the lease given 90-day notice.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (CONTINUED)**

**NOTE 4—DEPOSITS AND INVESTMENTS:**

Deposits

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

Investments

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 Investor Service, Inc.; A-1 by Standard & 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 investments at June 30, 2024.

**NOTE 5—CAPITAL ASSETS:**

A summary of capital assets at June 30, 2024 follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets:				
Land	\$ 42,799	\$ 120,000	\$ -	\$ 162,799
Buildings and improvements	377,096	-	(300,000)	77,096
Total capital assets	<u>\$ 419,895</u>	<u>\$ 120,000</u>	<u>\$ (300,000)</u>	<u>\$ 239,895</u>
Accumulated depreciation:				
Buildings and improvements	\$ (246,962)	\$ (7,217)	\$ 224,000	\$ (30,179)
Net capital assets	<u>\$ 172,933</u>	<u>\$ 112,783</u>	<u>\$ (76,000)</u>	<u>\$ 209,716</u>

Depreciation expense for the year ended June 30, 2024, totaled \$7,217.

# 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 THE HONORABLE MEMBERS OF THE BOARD OF DIRECTORS  
ECONOMIC DEVELOPMENT AUTHORITY OF BATH COUNTY, VIRGINIA  
WARM SPRINGS, 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 Economic Development Authority of Bath County, Virginia (a component unit of the County of Bath, Virginia) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Economic Development Authority of Bath County, Virginia's basic financial statements and have issued our report thereon dated November 18, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Economic Development Authority of Bath County, Virginia'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 the Economic Development Authority of Bath County, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Economic Development Authority of Bath 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Economic Development Authority of Bath 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 Assoc.*

Staunton, Virginia  
November 18, 2025