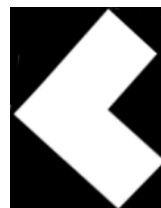


*Industrial Development Authority
of the Town of Chase City, Virginia*

Annual Comprehensive Financial Report

Year Ended June 30, 2023



*Creedle, Jones
& Associates, P.C.
Certified Public Accountants*

**Industrial Development Authority
of the Town of Chase City, Virginia**

Table of Contents

Year Ended June 30, 2023

	Pages
Independent Auditor's Report	i-iii
Management's Discussion and Analysis	1-2
FINANCIAL STATEMENTS	
Exhibits	
A Statements of Net Position	3
B Statements of Revenues, Expenses, and Changes in Net Position	4
C Statements of Cash Flows	5
Notes to Financial Statements	6-8
COMPLIANCE	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	9-10



**Creedle
Jones
& Associates**

A Professional Corporation

*Robin B. Jones, CPA, CFP
Kimberly W. Jackson, CPA*

Sherwood H. Creedle, Founder

*Members of
American Institute of Certified Public Accountants
Virginia Society of Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Industrial Development Authority of the
Town of Chase City, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Industrial Development Authority of the Town of Chase City, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Industrial Development Authority of the Town of Chase City, Virginia'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 respective financial position of the business-type activities of the Industrial Development Authority of the Town of Chase City, Virginia, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 *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 and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Industrial Development Authority of the Town of Chase City, 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 opinions.

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2023, the Authority adopted new accounting guidance, GASB No. 94, Public-Private and Public-Public Partnerships and No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

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 the Industrial Development Authority of the Town of Chase City, 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.

Auditor's 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 auditor's report that includes our opinions. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the Industrial Development Authority of the Town of Chase City, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of 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 the Industrial Development Authority of the Town of Chase City, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-2 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023 on our consideration of the Industrial Development Authority of the Town of Chase City, 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 Industrial Development Authority of the Town of Chase City, 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 Industrial Development Authority of the Town of Chase City, Virginia's internal control over financial reporting and compliance.

Creedle, Jones & Associates, P.C.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
November 13, 2023

**Industrial Development Authority
of the Town of Chase City, Virginia**

Management's Discussion and Analysis

As of June 30, 2023

Our discussion and analysis of the Industrial Development Authority of the Town of Chase City, Virginia's financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2023. Please read this information in conjunction with the Industrial Development Authority of the Town of Chase City, Virginia's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Industrial Development Authority of the Town of Chase City, Virginia (the "Authority") presents three basic financial statements. These are: (1) Statement of Net Position; (2) Statement of Revenues, Expenses, and Changes in Net Position; and (3) Statement of Cash Flows.

Our financial position is measured in terms of resources (assets) we own and obligations (liabilities) we owe on a given date. This information is reported on the Statement of Net Position, which reflects the Authority's assets in relation to its debt to creditors. The excess of our assets over liabilities is our equity or net position.

Information regarding the results of our operation during the year is reported in the Statement of Revenues, Expenses, and Changes in Net Position. These statements show how much our overall net position increased or decreased during the year as a result of our operations and for other reasons.

Our Statement of Cash Flows discloses the flow of cash resources into and out of the Authority during the year and how we applied those funds.

FINANCIAL SUMMARY

Financial Position. A summary of the Authority's Statements of Net Position for 2023 and 2022 is presented below:

	<u>2023</u>	<u>2022</u>
Total Assets	<u>\$ 704,631</u>	<u>\$ 687,744</u>
Total Liabilities	\$ -	\$ -
Net Position		
Unrestricted	<u>704,631</u>	<u>687,744</u>
Total Liabilities and Net Position	<u>\$ 704,631</u>	<u>\$ 687,744</u>

The financial position of the Authority increased in 2023. Assets increased by 2.46%.

Change in Net Position. A summary of the Authority's Condensed Statements of Revenues, Expenses, and Changes in Net Position for 2023 and 2022 is presented below:

**Condensed Statement of Revenues, Expenses,
and Changes in Net Position**

	<u>2023</u>	<u>2022</u>
Operating Revenues	\$ 1,593	\$ 3,519
Operating Expenses	<u>16,825</u>	<u>11,260</u>
Net Operating Loss	(15,232)	(7,741)
Non-Operating Revenues	<u>32,119</u>	<u>11,635</u>
Net Non-Operating Revenues	<u>32,119</u>	<u>11,635</u>
Changes in Net Position	<u>\$ 16,887</u>	<u>\$ 3,894</u>

During the year, the Authority had a net operating loss of \$15,232. Operating revenues were derived from a revenue sharing agreement. Operating expenses were comprised of professional fees, advertising and site and grant expenses. Non-operating income amounted to \$32,119 due to grants and interest income.

Net position increased \$16,887 in 2023.

Cash Flows. A summary of the Authority's Statements of Cash Flows for 2023 and 2022 is presented below:

Condensed Statement of Cash Flows

	<u>2023</u>	<u>2022</u>
Cash Provided by (Used in)		
Operating activities	\$ (15,232)	\$ (7,741)
Capital and related financing activities	1,500	11,000
Investing activities	<u>619</u>	<u>635</u>
Net Increase (Decrease) in Cash	<u>\$ (13,113)</u>	<u>\$ 3,894</u>

Cash flows from operating activities of \$(15,232), created a negative cash flow.

Cash flows from capital and related financing activities net to a positive cash flow of \$1,500 from grant revenues and capital expenditures made with grant funds.

Cash flows from investing were \$619 for interest income, creating a positive cash flow.

During fiscal year 2023, there was a decrease of \$13,113 in cash.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the Town of Chase City, Virginia, 319 North Main Street, Chase City, Virginia 23924, telephone 434-372-5136.

FINANCIAL STATEMENTS

**Industrial Development Authority
of the Town of Chase City, Virginia**

Statements of Net Position

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash	\$ <u>622,531</u>	\$ <u>635,644</u>
Total Current Assets	622,531	635,644
Noncurrent Assets		
Investment in land held for resale	10,000	10,000
Investment in land and building held for resale	<u>72,100</u>	<u>42,100</u>
Total Noncurrent Assets	<u>82,100</u>	<u>52,100</u>
Total Assets	<u>\$ 704,631</u>	<u>\$ 687,744</u>
Liabilities and Net Position		
Liabilities	\$ -	\$ -
Total Liabilities	-	-
Net Position		
Unrestricted	<u>704,631</u>	<u>687,744</u>
Total Net Position	<u>704,631</u>	<u>687,744</u>
Total Liabilities and Net Position	<u>\$ 704,631</u>	<u>\$ 687,744</u>

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

**Industrial Development Authority
of the Town of Chase City, Virginia**

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Revenue sharing - property taxes	\$ 1,593	\$ 3,519
Operating Expenses		
Virginia Brownfield Restoration - legal fees	-	9,000
Town of Chase City reimbursements	6,000	2,000
Administration fees for grant	1,500	-
Contract fees for grant	3,000	-
Professional fees	6,250	-
Advertising	<u>75</u>	<u>260</u>
Total Operating Expenses	<u>16,825</u>	<u>11,260</u>
Operating Loss	(15,232)	(7,741)
Non-Operating Revenues (Expenses)		
Interest income	619	635
Grant income	<u>31,500</u>	<u>11,000</u>
Net Non-Operating Revenues (Expenses)	<u>32,119</u>	<u>11,635</u>
Change in Net Position	16,887	3,894
Net Position - Beginning of Year	<u>687,744</u>	<u>683,850</u>
Net Position - End of Year	<u>\$ 704,631</u>	<u>\$ 687,744</u>

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

**Industrial Development Authority
of the Town of Chase City, Virginia**

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Receipts from revenue sharing agreement	\$ 1,593	\$ 3,519
Payments to suppliers	<u>(16,825)</u>	<u>(11,260)</u>
Net Cash Used in Operating Activities	(15,232)	(7,741)
Cash Flows from Capital and Related Financing Activities		
Purchase of land and building - rehabilitation expenses	(30,000)	-
Grants	<u>31,500</u>	<u>11,000</u>
Net Cash Provided by Capital and Related Financing Activities	1,500	11,000
Cash Flows from Investing Activities		
Interest income	<u>619</u>	<u>635</u>
Net Cash Provided by Investing Activities	<u>619</u>	<u>635</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,113)	3,894
Cash and Cash Equivalents - Beginning of Year	<u>635,644</u>	<u>631,750</u>
Cash and Cash Equivalents - End of Year	<u>\$ 622,531</u>	<u>\$ 635,644</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (15,232)	\$ (7,741)
Net Cash Used in Operating Activities	<u>\$ (15,232)</u>	<u>\$ (7,741)</u>

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

Industrial Development Authority of the Town of Chase City, Virginia

Notes to Financial Statements

Year Ended June 30, 2023

1 Organization, Description of the Entity and Its Activities

The Industrial Development Authority of the Town of Chase City, Virginia (the "Authority") was created by a resolution of the Town Council of Chase City, Virginia (the "Town") in accordance with Chapter 33, Title 15.1, of the Code of Virginia of 1950, as amended (the "Act"). The purpose of the Authority shall be to promote industry and develop trade by inducing manufacturing, industrial, governmental, and commercial enterprises to locate in or remain in the Commonwealth of Virginia and to further the use of its agricultural products and natural resources.

The Authority is a separate and distinct entity from the Town of Chase City, Virginia and is, in accordance with the Act, a political subdivision of the Commonwealth of Virginia and not subject to income taxation.

A seven-member board appointed by the Town Council of the Town of Chase City, Virginia governs the Authority. The directors are to serve staggered terms of four years each.

In addition, the Authority is authorized to issue revenue bonds for the purpose of obtaining and constructing facilities. The Authority may retain liability under the bonds or it may be assumed by the enterprise for which facilities are constructed. Collection of revenues pledged to liquidate the bonds may be assigned to a trustee. The 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 secured by a deed of trust on those facilities.

The Authority is a component unit of the financial reporting entity of the Town of Chase City, Virginia.

2 Significant Accounting Policies

Financial Statement Presentation

The financial statements of the Industrial Development Authority of the Town of Chase City, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the Authority's accounting policies are described below:

Net Investment in Direct Financial Leases

The Authority may acquire and improve properties and retain title to them. Where transfer of title at the completion of a lease to a tenant is not reasonably assured by bargain purchase options or other lease provisions, the Authority accounts for activities in its role as lessor as either capital leases or operating leases. The Authority does not have any investment in direct financing leases.

Basis of Accounting

The Authority's accounting system is organized and operated on a fund basis. A fund records cash and other financial resources, together with all related liabilities, obligations, reserves, and residual equity, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Proprietary Funds account for activities similar to those found in the private sector. The measurement focus is upon determination of net income. The Authority utilizes one type of Proprietary Fund with that being an Enterprise Fund.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Authority is that the cost of providing services to the general public be financed or recovered through user charges. In the Authority's operation, costs are represented by interest expense and financing cost, while user charges consist of interest income earned on receivables.

The Authority utilizes the accrual basis of accounting under which revenues are recorded in the period earned and expenses are recorded when the related liabilities are incurred.

Use of Estimates

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

Adoption of New GASB Statements

The Authority adopted the following GASB statements during the year ended June 30, 2023:

In March 2020, GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB Statement No. 94 is effective for fiscal years beginning after June 15, 2022. The requirements of this statement are effective for the fiscal year ending June 30, 2023 for the Authority.

In May 2020, Statement No. 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB Statement No. 96 is effective for fiscal year ending June 15, 2022. The requirements of this statement are effective for the fiscal year ending June 30, 2023 for the Authority.

3 Cash Equivalents

The Authority considers all investments purchased with a maturity of three months or less to be cash equivalents.

Deposits. All cash of the Authority is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et seq. of the Code of Virginia or covered by Federal Depository Insurance.

4 Investments in Land and Buildings

The Authority owns 10 acres of land. The land was originally part of a larger track that was developed as an Industrial Park. The Authority made an investment of \$42,100 in a local commercial property in the Town in FY23. The Authority made improvements of \$30,000 to the property.

The schedule below shows the breakdown of investments at June 30, 2023:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Investments in Land and Buildings				
Investment in 10 acres - Industrial Park, Chase City	\$ 10,000	\$ -	\$ -	\$ 10,000
Investment in commercial building in Chase City	42,100	30,000	-	72,100
Total Investments in Land and Buildings	<u>\$ 52,100</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 82,100</u>

5 Litigation

At June 30, 2023, there were no matters of litigation involving the Authority that would have a material affect on the financial position of the Authority.

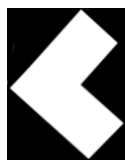
6 Risk Management

The Authority's Treasurer is bonded under a surety blanket bond in the amount of \$144,000 for each transaction.

7 Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2023 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2023. Management has performed their analysis through November 13, 2023.

COMPLIANCE



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& Associates**

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Sherwood H. Creedle, Founder

*Members of
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**INDEPENDENT AUDITOR'S 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 Board of Directors
Industrial Development Authority of the
Town of Chase City, 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 *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 Industrial Development Authority of the Town of Chase City, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Industrial Development Authority of the Town of Chase City, Virginia's basic financial statements, and have issued our report thereon dated November 13, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Industrial Development Authority of the Town of Chase City, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Industrial Development Authority of the Town of Chase City, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of Industrial Development Authority of the Town of Chase City, 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 Industrial Development Authority of the Town of Chase City, 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.

Creedle, Jones & Associates, P.C.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
November 13, 2023