

**INDUSTRIAL DEVELOPMENT AUTHORITY**  
**OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**  
**FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2024**

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**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**  
**DIRECTORY OF PRINCIPAL OFFICIALS**

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**AUTHORITY MEMBERS**

Robin Whitman, Chairman

Len Hobbs, Vice-Chairman

Allen M. Blackwell

Theopolis Gilliam

James Parham, Jr. III

Jerry Rose

Bridgette Tyler

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**OTHER OFFICIALS**

Natalie Slate, Secretary

Gary Cifers, Treasurer



# ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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## Independent Auditors' Report

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**To the Honorable Members of  
the Board of Directors  
Industrial Development Authority of Greensville County, Virginia  
Emporia, Virginia**

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

#### ***Opinion***

We have audited the accompanying financial statements of the business-type activities of Industrial Development Authority of Greensville County, Virginia, a component unit of County of Greensville, 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 Industrial Development Authority of Greensville 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 Industrial Development Authority of Greensville 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 the Industrial Development Authority of Greensville 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 the Industrial Development Authority of Greensville 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 Industrial Development Authority of Greensville 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***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents 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 and other auditors 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 14, 2024, on our consideration of Industrial Development Authority of Greensville County, 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 Industrial Development Authority of Greensville County, 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 Industrial Development Authority of Greensville County, Virginia's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Robinson, Farmer, Cox Associates".

Charlottesville, Virginia  
November 14, 2024

# INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA

## Management's Discussion and Analysis Year Ended June 30, 2024

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As management of Industrial Development Authority of Greenville County (the "Authority") we offer this narrative overview and analysis of the financial performance and overview of the Authority's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented herein in connection with the Authority's basic financial statements.

### **Financial Highlights for FY 2024:**

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$20,342,537.

The Authority's net position increased by \$112,657 for the current year.

### **Overview of the Financial Statements:**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. Since the Authority is engaged only in business-type activities, its basic financial statements comprise two components: 1) enterprise fund financial statements, and 2) notes to the financial statements.

#### **Enterprise Fund Financial Statements**

The enterprise fund financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

#### **Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

**Table 1 - Summary of Statement of Net Position  
As of June 30, 2024 and 2023**

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Current and other assets	\$ 1,887,023	\$ 1,793,035
Capital assets	3,571,612	3,742,122
Other long-term assets	21,530,013	21,774,604
Total assets	\$ 26,988,648	\$ 27,309,761
Current liabilities	\$ 628,574	\$ 618,231
Long-term liabilities	2,979,121	3,188,002
Total liabilities	\$ 3,607,695	\$ 3,806,233
Deferred inflows of resources	\$ 3,038,416	\$ 3,273,648
Net position:		
Net investment in capital assets	\$ 383,609	\$ 347,052
Unrestricted	19,958,928	19,882,828
Total net position	\$ 20,342,537	\$ 20,229,880

At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The Authority's net position increased by \$112,657 during the year as compared to an increase of \$129,814 in the prior year.

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

The following table shows the revenues and expenses of the Authority for the past two fiscal years:

**Table 2 - Changes in Net Position  
For the Fiscal Years Ended June 30, 2024 and 2023**

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
<b>Revenues:</b>		
Operating revenues	\$ 385,009	\$ 389,597
Intergovernmental revenue	-	146,788
Other revenue	72,394	77,770
Total revenues	\$ 457,403	\$ 614,155
<b>Expenses:</b>		
Operating expenses (less depreciation and property tax rebates)	\$ 52,433	\$ 39,175
Depreciation	170,510	170,510
Contributions to industry	-	146,788
Interest and other fiscal charges	121,803	127,868
Total expenses	\$ 344,746	\$ 484,341
Increase (decrease) in net position	\$ 112,657	\$ 129,814
Net position beginning of year	20,229,880	20,100,066
Net position end of year	\$ 20,342,537	\$ 20,229,880



### **Revenues:**

The Authority's total revenues decreased by \$156,752 during the current year. Operating revenues decreased \$4,588 from the prior fiscal year. The decrease in total revenues is due to a decrease in intergovernmental revenues.

### **Expenses:**

For the fiscal year ended June 30, 2024, total expenses decreased by \$139,595 while operating expenses increased \$13,258. Total expenses decreased due to a decrease in contributions to industry.

### **Long-term Debt:**

At the end of the current fiscal year, the Authority had \$3,188,003 in long-term debt outstanding versus \$3,395,070 last year, a decrease of \$207,067. Reference Note 5 for additional details on the Authority's long-term debt.

### **Capital Assets and Other Investments:**

The Authority's investment in capital assets as of June 30, 2024 amounts to \$3,571,612 (net of accumulated depreciation). Below is a comparison of the items that makeup capital assets and other investments as of June 30, 2024 with that of June 30, 2023.

	<b><u>2024</u></b>	<b><u>2023</u></b>
Land, Property and equipment (net)	\$ 3,571,612	\$ 3,742,122
Investment in Industrial Land	<u>18,545,963</u>	<u>18,545,963</u>
Net capital assets and other investments	<u><u>\$ 22,117,575</u></u>	<u><u>\$ 22,288,085</u></u>

The Authority reports investment in industrial land in the amount of \$18,545,963 for fiscal year 2024 and 2023.

### **Economic Factors and Review of Operations:**

Industrial Development Authority of Greenville County, Virginia is an organization dedicated to industrial development within Greenville County. The Authority provides a comprehensive approach to industrial development including recruitment, planning organization and financial and legal facilitation. The Authority is governed by a Board of Directors appointed by the Board of Supervisors of Greenville County, Virginia.

With a strategic location 75 miles southeast of Richmond, Virginia (via interstate 95) the Authority offers developed sites for industries including:

- Shell building
- Industrial land and development sites
- Favorable tax exempt financing and property tax relief

In addition to opportunity for future industrial prospects, the Authority has supported its existing local industries with industrial investment expenditures. Many of the Authority's development expenditures are committed to improving the infrastructure.

Additionally, there are a number of industrial prospects considering expanding or locating their business within County of Greenville, Virginia. This new business investment, supported by local leadership, will result in a significant increase in the County's tax base.

**Contacting the Authority's Financial Management:**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Authority's Treasurer, Greenville County Government Center located at 1781 Greenville County Circle, Emporia, VA 23847-0631.

**- Basic Financial Statements -**

**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

Statement of Net Position

At June 30, 2024

**ASSETS**

Current Assets:		
Cash	\$	1,254,504
Cash - restricted		382,860
Leases receivable - current portion		213,549
Notes receivable - current portion		36,110
Total Current Assets	\$	<u>1,887,023</u>
Noncurrent Assets:		
Capital assets:		
Buildings (net of accumulated depreciation of \$1,575,382)	\$	3,539,907
Land		31,705
Total Capital assets	\$	<u>3,571,612</u>
Other assets:		
Investment in industrial land		18,545,963
Leases receivable - net of current portion		2,915,787
Notes receivable - net of current portion		68,263
Total Noncurrent Assets	\$	<u>25,101,625</u>
Total Assets	\$	<u><u>26,988,648</u></u>

**LIABILITIES**

Current Liabilities:		
Accounts payable	\$	9,630
Accrued interest payable		27,202
Notes and bond payable - current portion		208,882
Payable from restricted assets:		
Debt service reserve held on behalf of County of Greenville		382,860
Total Current Liabilities	\$	<u>628,574</u>
Noncurrent Liabilities:		
Notes and bond payable - net of current portion	\$	<u>2,979,121</u>
Total Noncurrent Liabilities	\$	<u>2,979,121</u>
Total Liabilities	\$	<u><u>3,607,695</u></u>

**DEFERRED INFLOWS OF RESOURCES**

Leases receivable related	\$	<u><u>3,038,416</u></u>
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**NET POSITION**

Net investment in capital assets	\$	383,609
Unrestricted		<u>19,958,928</u>
Total Net Position	\$	<u><u>20,342,537</u></u>

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

**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

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

Operating Revenues:	
Lease revenue	\$ 384,944
Miscellaneous	<u>65</u>
Total Operating Revenues	\$ <u>385,009</u>
Operating Expenses:	
Professional fees	\$ 13,103
Board member compensation	1,230
Office expenses	129
Utilities	6,293
Repairs and maintenance	17,812
Insurance	13,866
Depreciation expense	<u>170,510</u>
Total Operating Expenses	\$ <u>222,943</u>
Operating Income (Loss)	\$ <u>162,066</u>
Nonoperating Revenues (Expenses):	
Interest and investment income	\$ 72,394
Interest expense	<u>(121,803)</u>
Total Nonoperating Revenues (Expenses)	\$ <u>(49,409)</u>
Change in net position	\$ 112,657
Net position beginning of year	<u>20,229,880</u>
Net position end of year	\$ <u><u>20,342,537</u></u>

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

**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

Statement of Cash Flows  
Year Ended June 30, 2024

Cash Flows from Operating Activities:	
Receipts from industries	\$ 383,862
Payments to vendors	<u>(51,803)</u>
Net Cash Provided By (Used For) Operating Activities	\$ <u>332,059</u>
Cash Flows from Noncapital Financing Activities:	
(Increase) decrease in notes receivable	\$ 24,908
Increase (decrease) in debt service reserve held for County of Greenville, Virginia	<u>9,005</u>
Net Cash Provided By (Used For) Noncapital Financing Activities	\$ <u>33,913</u>
Cash Flows from Capital and Related Financing Activities:	
Interest payments	\$ (122,909)
Principal payments on indebtedness	<u>(207,067)</u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	\$ <u>(329,976)</u>
Cash Flows from Investing Activities:	
Interest received	\$ <u>72,394</u>
Increase (decrease) in cash and cash equivalents	\$ 108,390
Cash and cash equivalents at beginning of year (includes restricted cash of \$372,430)	<u>1,528,974</u>
Cash and cash equivalents at end of year (includes restricted cash of \$382,860)	<u><u>\$ 1,637,364</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating income (loss)	\$ 162,066
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:	
Depreciation expense	170,510
Changes in Operating Assets and Liabilities:	
(Increase) decrease in accounts receivable	24,907
(Increase) decrease in lease receivable	209,178
Increase (decrease) in accounts payable	630
Increase (decrease) in deferred inflows of resources	<u>(235,232)</u>
Net Cash Provided By (Used For) Operating Activities	\$ <u><u>332,059</u></u>

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

**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements  
At June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Organization and Purpose:**

Industrial Development Authority of Greenville County (the Authority) was organized on November 29, 1983 in accordance with Chapter 33 of Title 15.1 of the Code of Virginia (1950), as amended (the Act). The purpose of the Authority shall be to acquire, own, lease, and dispose of properties to enable it 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 Act empowers the Authority to issue tax exempt bonds so they may acquire, improve, maintain, equip, own, lease, or dispose of properties in order that they may be able to promote industry and develop trade by inducing manufacturing and industrial enterprises to locate or remain in the Commonwealth of Virginia. 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 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 Authority is a separate and distinct entity from County of Greenville, Virginia and is, in accordance with the Act, a political subdivision of the Commonwealth of Virginia.

The Authority is governed by a Board of Directors appointed by the Board of Supervisors of Greenville County, Virginia to serve a term of four years.

**B. Financial Reporting Entity:**

The basic criterion for including organizations within the reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in the reporting entity. These financial statements present Industrial Development Authority of Greenville County, Virginia. Industrial Development Authority of Greenville County, Virginia's financial statements include all operations of Industrial Development Authority of Greenville County, Virginia.

**C. Basis of Accounting:**

Industrial Development Authority of Greenville County, 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 services in connection with the Authority's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements  
At June 30, 2024 (Continued)

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**D. Cash and Cash Equivalents:**

The Authority's cash and cash equivalents consist of cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

**E. Capital Assets:**

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$2,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	30

**F. Other Significant Accounting Policies:**

- Note receivable are reported at book value utilizing the direct write-off method for uncollectible accounts. Uncollected balances have not been significant and no allowance for uncollectible accounts is recorded.
- Investments are reported at amortized cost or fair value.
- Other assets are reported at cost.

**G. 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.



**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements  
At June 30, 2024 (Continued)

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

H. 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.

I. Net Position Flow Assumption:

Sometimes the Authority will fund outlays for a particular purpose from both restricted 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.

J. 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 has one item that qualifies for reporting in this category. Certain items related to leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

K. Investments:

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements  
At June 30, 2024 (Continued)

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

L. Leases:

The Authority leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

*Lessor*

The Authority recognizes leases receivable and deferred inflows of resources. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

*Key Estimates and Judgments*

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease receivable.

The Authority monitors changes in circumstances that would require a remeasurement or modification of its leases. The Authority will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements  
At June 30, 2024 (Continued)

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**NOTE 2 - DEPOSITS:**

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 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 and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

The Authority has no formal investment policy addressing the various risks related to investments. The Authority has no investments as of June 30, 2024.

**NOTE 3 – NOTE RECEIVABLE:**

The Authority's note receivable consists of the following at June 30, 2024:

In June 2017, the Authority loaned \$286,721 to Southern Virginia Development Corporation, Inc. ("SVDC"), a nonprofit organization. The Authority will receive 120 monthly payments from SVDC including principal and interest. The note bears interest at an annual rate of 3.5%.

Note Receivable - SVDC				
Year	Principal		Interest	
2025	\$	36,110	\$	3,582
2026		32,146		1,877
2027		33,290		733
2028		2,827		8
Total	\$	<u>104,373</u>	\$	<u>6,200</u>

**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements  
At June 30, 2024 (Continued)

**NOTE 4 – CAPITAL AND OTHER INDUSTRIAL ASSETS:**

Capital asset activity for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 31,705	\$ -	\$ -	\$ 31,705
Total capital assets not being depreciated	\$ 31,705	\$ -	\$ -	\$ 31,705
Capital assets being depreciated:				
Buildings and improvements	\$ 5,115,289	\$ -	\$ -	\$ 5,115,289
Accumulated depreciation	(1,404,872)	(170,510)	-	(1,575,382)
Total capital assets being depreciated	\$ 3,710,417	\$ (170,510)	\$ -	\$ 3,539,907
Total Capital Assets, Net	\$ 3,742,122	\$ (170,510)	\$ -	\$ 3,571,612

The investment in other industrial assets is as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Other Industrial Assets:				
Investment in industrial land	\$ 18,545,963	\$ -	\$ -	\$ 18,545,963
Total Industrial Assets	\$ 18,545,963	\$ -	\$ -	\$ 18,545,963

**NOTE 5 – LONG-TERM DEBT:**

The following table is a summary of changes in long-term debt as of June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Amounts Due Within One Year
Direct Borrowings and Direct Placements:					
Bond payable	\$ 3,060,000	\$ -	\$ 160,000	\$ 2,900,000	\$ 160,000
Notes payable	335,070	-	47,067	288,003	48,882
Total	\$ 3,395,070	\$ -	\$ 207,067	\$ 3,188,003	\$ 208,882

**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements  
At June 30, 2024 (Continued)

**NOTE 5 – LONG-TERM DEBT: (CONTINUED)**

On July 19, 2010, the Authority entered into a note payable agreement in the amount of \$825,000 with Greenville County Water and Sewer Authority for Shell Building 1. The proceeds were used to refinance the note payable agreement dated February 11, 2005 with an outstanding balance of \$820,594. Payments are due monthly in the amount of \$4,913 through July 15, 2030, interest at 5.0%. The outstanding balance of this note at June 30, 2024 is \$288,003.

On August 2, 2017, the Authority issued Series 2017B lease revenue taxable bonds in the amount of \$3,795,000. Principal is payable annually on October 1<sup>st</sup> starting October 1, 2018 through October 1, 2037 in varying amounts with interest payable semi-annually at rates from 1.774% to 4.053%. The outstanding balance at June 30, 2024 is \$2,900,000.

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

Direct Borrowings and Direct Placements					
VRA 2017B				GCWSA	
Shell Building 2 Expansion				Shell Building 1	
Principal		Interest		Principal	Interest
2025	\$ 160,000	\$ 106,430	\$ 48,882	\$ 10,072	
2026	165,000	101,479	50,767	8,187	
2027	175,000	96,090	52,725	6,229	
2028	180,000	90,289	54,758	4,196	
2029	185,000	83,798	56,870	2,084	
2030	190,000	76,694	24,001	564	
2031	200,000	69,309	-	-	
2032	205,000	61,646	-	-	
2033	215,000	53,699	-	-	
2034	225,000	45,073	-	-	
2035	235,000	35,755	-	-	
2036	245,000	26,033	-	-	
2037	255,000	15,906	-	-	
2038	265,000	5,370	-	-	
Total	\$ 2,900,000	\$ 867,571	\$ 288,003	\$ 31,332	

**INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**  
**(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements  
At June 30, 2024 (Continued)

**NOTE 6 - CONDUIT DEBT OBLIGATIONS:**

From time to time, the Authority has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Authority, the State, nor any political subdivision thereof is obligated in any matter for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

**NOTE 7 – TRANSACTIONS WITH COUNTY OF GREENSVILLE:**

The County of Greenville (“County”) provides office space, accounting and other administrative functions to the Authority at no cost.

**NOTE 8 – LEASES RECEIVABLE:**

The entity leases building space to tenants under various lease contracts. Only one of these lease contracts qualify for recognition under Governmental Accounting Standards Board Statement No. 87, *Leases*. In fiscal year 2024, the Authority recognized lease revenue and interest revenue in the amount of \$258,284 and \$66,654, respectively. The remaining lease revenue and interest revenue on the financial statements is not related to GASB 87. A description of leases is as follows:

<u>Lease Description</u>	<u>End Date</u>	<u>Remaining Term (in months)</u>	<u>Payment Frequency</u>	<u>Discount Rate</u>	<u>Receivable Balance</u>
Local Industry/Company	5/31/2037	155	Monthly	2.07%	\$ 3,129,336
Total Receivable					\$ <u>3,129,336</u>

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 213,549	\$ 62,283	\$ 275,832
2026	218,012	57,820	275,832
2027	222,568	53,264	275,832
2028	227,218	48,613	275,831
2029	231,967	43,865	275,832
2030-2034	1,234,606	144,554	1,379,160
2035-2037	781,416	23,113	804,529
Total	\$ <u>3,129,336</u>	\$ <u>433,512</u>	\$ <u>3,562,848</u>

- Compliance -



# ROBINSON, FARMER, COX ASSOCIATES, PLLC

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*Certified Public Accountants*

## **Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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**To the Honorable Members of  
the Board of Directors  
Industrial Development Authority of Greensville County, Virginia  
Emporia, 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 Industrial Development Authority of Greensville County, Virginia, a component unit of County of Greensville, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Industrial Development Authority of Greensville County, Virginia's basic financial statements, and have issued our report thereon dated November 14, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Industrial Development Authority of Greensville 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 Industrial Development Authority of Greensville County, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Industrial Development Authority of Greensville 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 the Industrial Development Authority of Greenville 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*

Charlottesville, Virginia

November 14, 2024