



INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

*Pittsylvania County Board of Supervisors' Conference Room
1 Center Street, Chatham, Virginia 24531*

IDA BOARD MEETING PACKET

**REGULAR MEETING
TUESDAY, MARCH 8, 2015
6:00 P.M.**

**Eddie L. Hite, Jr., Chairman
Stanley Simpson, Secretary/Treas.
Charlie Mahan, Vice-Chairman
Ron McMahan
Randy Anderson
Ronnie Haymore
Joey Faucette**



INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

MEETING

TUESDAY, MARCH 8, 2016

6:00 P.M.

PITTSYLVANIA COUNTY BOARD OF SUPERVISORS' CONFERENCE ROOM
1 CENTER STREET, CHATHAM, VIRGINIA 24531

AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda – *page 2*
- IV. Approval of Meeting Minutes (*January 12, 2016*) – *pages 3 - 4*
- V. Review of Financial Statements (*February 9, 2016; March 4, 2016*)
 - A. Regular Checking – *pages 5 - 8*
 - B. Axxor Debt Reserve – *pages 9 - 12*
 - C. BB& T Loan – *pages 13 - 15*
- VI. New Business
 - A. Harris, Harvey, Neal & Co., LLP (Auditor): – *pages 16 - 21*
 1. Audit Engagement Letter Execution Authorization
 2. Audit Payment Authorization
 - B. Axxor Discussion – *page 22*
- VII. Economic Development Director Updates (Matthew D. Rowe)
- VIII. Matters from the Board
- IX. Adjourn



DRAFT



INDUSTRIAL DEVELOPMENT AUTHORITY
OF PITTSYLVANIA COUNTY, VIRGINIA

PITTSYLVANIA COUNTY BOARD OF SUPERVISORS' CONFERENCE ROOM;
1 CENTER STREET; JANUARY 12, 2016; 6:00 P.M.

MEETING MINUTES

IDA Members

Eddie L. Hite, Jr., Chairman
Charlie Mahan, Vice-Chairman
Stanley Simpson, Sec./Treas.
Randy Anderson
Joey Faucette
Ronnie Haymore
Ron McMahan

Staff Present

J. Vaden Hunt, Esq., IDA Attorney/County Attorney
Brenda O. Robertson, IDA Clerk/Legal Secretary
Matthew D. Rowe, Economic Development Director
Gregory L. Sides, Assistant County Administrator

I. Call to Order:

Meeting called to order by Hite at 6:00 P.M.

II. Roll Call:

IDA roll call by Robertson. All IDA members present.

III. Approval of Agenda:

Motion made by Haymore, seconded by Anderson, to approve Agenda. Motion carried unanimously.

IV. Approval of Meeting Minutes (December 8, 2015):

Motion by Anderson, seconded by Faucette, to approve December 8, 2015, meeting minutes. Motion carried unanimously.

V. Review of Financial Statements (January 8, 2016):

IDA Regular Checking Account balance as of January 8, 2016, was \$302,219.33. Axxor Debt Reserve Account balance as of January 8, 2016, was \$286,337.58. BB&T Loan Account balance as of January 8, 2016, was \$1,618,646.75.

VI. New Business:

A. Introduction of Matthew D. Rowe (Pittsylvania County Director of Economic Development) by Gregory L. Sides (Assistant County Administrator):

Sides introduced Rowe to IDA Board members. Rowe stated that he is looking forward to working with the IDA.

B. Discussion of IDA/BOS Meeting Conflict Date and Potential IDA Meeting Date and/or Time Change:

Due to the conflict between the IDA and BOS December 2016 meeting dates, the IDA, on a motion from McMahan, seconded by Anderson, unanimously voted to change its December meeting date to December 13, 2016, at 5:30 p.m.

VII. Updates by Matthew D. Rowe (Director of Economic Development):

None.

VIII. Matters from the Board:

None.

IX. Closed Session:

Motion by Anderson, seconded by Haymore, to enter into closed session at 6:30 p.m., for the following; motion carried unanimously.

Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. For the purposes of this subdivision, "probably litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

Legal Authority: § 2.2-3711(A)(7), Code of Virginia, 1950, as amended
Subject: Discussion of Legal Options/Implications Regarding Equipment Lease Purchase and Equipment Lease Purchase Agreement
Purpose: Consultation with Legal Counsel

Hite reconvened IDA meeting in open session at 6:40 p.m.

**PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
CERTIFY CLOSED MEETING**

BE IT RESOLVED that, at the meeting of the Pittsylvania County Industrial Development Authority on January 12, 2016, IDA members hereby certify by a recorded vote that, to the best of each member's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting. If any member believes that there was a departure from the requirements of the Code, he shall so state prior to the vote indicating the substance of the departure. The statement shall be recorded in the IDA's minutes.

| | <u>Vote</u> |
|-----------------------------------|-------------|
| Eddie L. Hite, Jr., Chairman | Yes |
| Charlie Mahan, Vice-Chairman | Yes |
| Stanley Simpson, Secretary/Treas. | Yes |
| Randy Anderson | Yes |
| Joey Faucette | Yes |
| Ronnie Haymore | Yes |
| Ron McMahan | Yes |

X. Adjourn:

With there being no further business, motion by Stanley, seconded by Mahon, to adjourn meeting. Motion carried unanimously. Hite adjourned meeting at 7:15 P.M.

Respectfully Submitted,

Approved:

W. Stanley Simpson, Sec./Treas.

Eddie L. Hite, Jr., Chairman

V. (A)
Checking Account
as of
(February 9, 2016 and March 4, 2016)



Account Details

Checking 6030 / \$301,921.56



As of Feb 09,2016

Available Balance \$301,921.56 [Manage My Alerts](#)

[Buy QuickBooks](#)

Posted Balance: \$301,921.56

Interest Paid (YTD): \$2.23

Interest Rate: 0.010%

Routing Number: *****4260 [show](#)

Account Number: *****6030 [show](#)



Try TurboTax and be entered to win \$25,000. [Learn More >](#)

Transaction Details

| <u>Date</u> | <u>Type</u> | <u>Check #</u> | <u>Description</u> | <u>Debit (-)</u> | <u>Credit (+)</u> | <u>Daily Posted Balance¹</u> |
|-------------|-------------|----------------|--|------------------|-------------------|---|
| 02/01/2016 | Credit | | EDI PYMNTS Intertape Polyme 0006INDUS- TRIAL DEV.A ACH CREDIT | | \$30,324.97 | \$301,921.56 |
| 01/29/2016 | Interest | | INTEREST PAYMENT | | \$2.23 | \$271,596.59 |
| 01/25/2016 | Check | <u>1631</u> | CHECK #1631 View | \$30,324.97 | - ANB | \$271,594.36 |
| 01/13/2016 | Check | <u>1630</u> | TELLER CASHED CHECK #1630 View | \$300.00 | - Robertson | \$301,919.33 |

Your [Pending Transactions](#) and Available Balance will be adjusted during our nightly processing cycle as activity is posted to your account.

Transactions are paid from your Available Balance at the time of posting consistent with payment guidelines in your [Bank Service Agreement](#).



Account Details

Checking 6030 / \$301,623.68



As of Mar 04, 2016

| | | |
|--------------------------|--------------------------------|----------------------------------|
| <u>Available Balance</u> | \$301,623.68 | Manage My Alerts |
| | | Buy QuickBooks |
| <u>Posted Balance:</u> | \$301,623.68 | |
| Interest Paid (YTD): | \$4.35 | |
| Interest Rate: | 0.010% | |
| Routing Number: | *****4260 show | |
| Account Number: | *****6030 show | |



Get \$200 off your EMV chip card terminal. [BB&T Merchant Services >](#)

Transaction Details

| <u>Date</u> | <u>Type</u> | <u>Check #</u> | <u>Description</u> | <u>Debit (-)</u> | <u>Credit (+)</u> | <u>Daily Posted Balance¹</u> |
|-------------|-------------|----------------|--|------------------|-------------------|---|
| 03/01/2016 | Credit | | EDI PYMNTS Intertape Polyme 0008INDUS-TRIAL DEV.A ACH CREDIT | | \$30,324.97 | \$301,623.68 |
| 02/29/2016 | Interest | | INTEREST PAYMENT | | \$2.12 | \$271,298.71 |
| 02/25/2016 | Check | <u>1632</u> | CHECK #1632 View | \$30,324.97 | ANB | \$271,296.59 |
| 02/22/2016 | Check | <u>1633</u> | CHECK #1633 View | \$300.00 | Robertson | \$301,621.56 |

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Transactions are paid from your Available Balance at the time of posting consistent with payment guidelines in your Bank Service Agreement.

AMERICAN NATIONAL

Your Relationship Bank
Danville, Virginia

1/19/16

Industrial Develop Auth of Pittsy C
C/O Mrs Kim Vanderhyde Finance Dire
PO Box 426
Chatham VA 24531

L O A N S U M M A R Y

| | | | |
|------------------|------------|------------------|-----------|
| ACCOUNT NUMBER | [REDACTED] | PRINCIPAL DUE | 16,802.28 |
| PAYMENT DUE DATE | 2/01/16 | INTEREST DUE | 13,522.69 |
| INTEREST RATE | 3.9500% | Charges | 0.00 |
| OFFICER | TRL | PAST DUE AMOUNT | 0.00 |
| | | TOTAL AMOUNT DUE | 30,324.97 |

LAST PAYMENT DATE 12/24/15
LAST PAYMENT AMOUNT 30,324.97
CURRENT BALANCE 3,979,959.46

IF PAYMENT IS AUTO DRAFTED FROM AN ACCOUNT, PLEASE RETAIN FOR YOUR RECORDS

INDUSTRIAL DEV AUTH OF PITTSYLVANIA COUNTY 02/95
PO BOX 426
CHATHAM, VA 24531

1631

68-426/514

DATE 1-12-16

PAY TO THE ORDER OF

American National Bank

Thirty-Thousand-Three Hundred twenty-four

\$ 30,324.97

97/100 DOLLARS

Security Features Details on Back



BRANCH BANKING AND TRUST COMPANY
1-800-BANK BBT BBT.com

FOR loan intertype

W Stanley Simpson

⑆5001⑆0515⑆

V. (B)
Debt Reserve Account
as of
(February 9, 2016 and March 4, 2016)



Account Details

Checking 7017 / \$292,033.21



As of Feb 09,2016

Available Balance \$292,033.21 [Manage My Alerts](#)

[Buy QuickBooks](#)

Posted Balance: \$292,033.21

Interest Paid (YTD): \$2.39

Interest Rate: 0.010%

Routing Number: *****4260 [show](#)

Account Number: *****7017 [show](#)



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Transaction Details

| <u>Date</u> | <u>Type</u> | <u>Check #</u> | <u>Description</u> | <u>Debit (-)</u> | <u>Credit (+)</u> | <u>Daily Posted Balance¹</u> |
|-------------|-------------|----------------|---|------------------|--------------------|---|
| 02/05/2016 | Credit | | BUS DISB AXXOR N A LLC INDUSTRIAL DEV AUTH ACH CREDIT | | \$20,000.00 | \$292,033.21 |
| 01/29/2016 | Interest | | INTEREST PAYMENT | | \$2.39 | \$272,033.21 |
| 01/29/2016 | Check | <u>148</u> | CHECK #148 View | \$14,306.76 | -BBT loan pymnt | |

Your [Pending Transactions](#) and Available Balance will be adjusted during our nightly processing cycle as activity is posted to your account.

Transactions are paid from your Available Balance at the time of posting consistent with payment guidelines in your [Bank Service Agreement](#).

¹Daily Posted Balance: The posted balance after nightly processing is completed. Please note that transactions are paid from your Available Balance consistent with our payment guidelines, and that the Available Balance may be different than your Daily Posted Balance. Important: The Daily Posted Balance does not reflect all pending transactions and fees and should not be used to determine how overdraft fees were assessed.



Account Details

Checking 7017 / \$297,728.71



As of Mar 04,2016

| | | |
|--------------------------|--------------------------------|----------------------------------|
| <u>Available Balance</u> | \$297,728.71 | Manage My Alerts |
| | | Buy QuickBooks |
| <u>Posted Balance:</u> | \$277,728.71 | |
| Interest Paid (YTD): | \$4.65 | |
| Interest Rate: | 0.010% | |
| Routing Number: | *****4260 show | |
| Account Number: | *****7017 show | |



Customizable account access for your employees. [BB&T Multiple User Access >](#)

Transaction Details

| <u>Date</u> | <u>Type</u> | <u>Check #</u> | <u>Description</u> | <u>Debit (-)</u> | <u>Credit (+)</u> | <u>Daily Posted Balance¹</u> |
|-----------------------|-------------|----------------|---|------------------|-------------------|---|
| Pending 03/04/2016 | Credit | | BUS DISB AXXOR N A LLC - INDUSTRIAL DEV AUTH | | \$20,000.00 | |
| 02/29/2016 | Interest | | INTEREST PAYMENT | | \$2.26 | \$277,728.71 |
| 02/22/2016 | Check | <u>149</u> | CHECK #149 View | \$14,306.76 | BBT Loan | \$277,726.45 |
| 02/05/2016 | Credit | | BUS DISB AXXOR N A LLC INDUSTRIAL DEV AUTH ACH CREDIT | | \$20,000.00 | \$292,033.21 |

Your [Pending Transactions](#) and Available Balance will be adjusted during our nightly processing cycle as activity is posted to your account.

Transactions are paid from your Available Balance at the time of posting consistent with payment guidelines in your [Bank Service Agreement](#).



Business Loan Statement



5042 2091670 494-01-01-00
INDUSTRIAL DEV AUTH OF PITTSYLVANIA COUN
21 N MAIN ST
CHATHAM VA 24531-3113

Statement Date: 01/15/2016

Loan Summary

| | |
|---------------------------|----------------|
| Account Number | [REDACTED] |
| Current Loan Amount | \$1,618,646.75 |
| Current Principal Balance | \$1,618,646.75 |
| Interest Rate | 5.89700% |
| Daily Interest Charge | \$265.1433 |
| Interest Paid YTD | \$0.00 |
| Maturity Date | 09/30/2017 |

If your payment is not received within 10 days of the payment due date shown, a late fee will be assessed.

For over 135 years, through good times and turbulent times, through depressions and recessions, BB&T has remained a solid, consistent guiding light for our clients. Despite the very challenging economic environment, BB&T's financial performance remains strong. We have avoided the major problems being experienced by many of our competitors by making sound investments and decisions that are in your best interest. So no matter what your next financial need may be, you can take comfort in knowing that BB&T is where it has always been, right by your side. Stop by your local financial center, visit BBT.com, or call 1-800-BANK-BBT, to experience the BB&T difference.

Billing Summary

| | |
|------------------------|-------------|
| Payment Due Date | 01/30/2016 |
| Current Principal Due | \$6,096.65 |
| Current Interest Due | \$8,210.11 |
| Current Late Fees Due | \$0.00 |
| Current Other Fees Due | \$0.00 |
| Past Due Date | 00/00/0000 |
| Past Due Amount | \$0.00 |
| Total Amount Due | \$14,306.76 |

Equal Housing Lender

Member FDIC

Transaction History

| Date | Description | Principal | Interest | Fees | Interest Rate | Principal Balance |
|----------|--------------|-----------|----------|------|---------------|-------------------|
| | CURRENT RATE | | | | 5.897 | |
| 12/21/15 | PAYMENT | 6,328.27 | 7,978.49 | | | 1,618,646.75 |

Detach here and mail with your payment in the enclosed envelope. Make check payable to BB&T. Be sure to include your loan account number on the check. Allow 7 days for postal delivery.

PAYMENT VOUCHER

| Account Number | TC | Statement Date | Payment Due Date |
|----------------|----|----------------|------------------|
| [REDACTED] | 84 | 01/15/2016 | 01/30/2016 |

302953245145800001500000014306760507

Check here if you prefer to have your payment drafted.

INDUSTRIAL DEV AUTH OF PITTSYLVANIA

Total Amount Due: \$14,306.76

Amount Enclosed

\$ 14,306.76

BB&T ITEM PROCESSING CENTER
PO BOX 580050
CHARLOTTE NC 28258-0050



PD
[Signature]

V. (C)
BB& T Loan
as of
(February 9, 2016 and March 4, 2016)



Small Business Online Banking

Account Details

Note 00001 / \$1,612,550.10



As of Feb 09,2016

Balance **\$1,612,550.10**

Primary Account:
Business Loan Account 51458

Original Balance: **\$2,000,000.00**



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Small Business Online Banking

Account Details

Note 00001 / \$1,606,166.68



As of Mar 04,2016

Balance **\$1,606,166.68**

Primary Account:
Business Loan Account 51458

Original Balance: **\$2,000,000.00**



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VI. (A)

New Business

Harris, Harvey, Neal & Co., LLP (Auditor)

1. *Audit Engagement Letter Execution Authorization
(action required)*
2. *Audit Payment Authorization
(action required)*

February 19, 2016

Board of Directors
Industrial Development Authority of Pittsylvania County, Virginia
Chatham, Virginia

We are pleased to confirm our understanding of the services we are to provide Industrial Development Authority of Pittsylvania County, Virginia for the year ended December 31, 2015. We will audit the financial statements of the business-type activities, including the related notes to the financial statements, which collectively comprise the basic financial statements of Industrial Development Authority of Pittsylvania County, Virginia as of and for the year ended December 31, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Industrial Development Authority of Pittsylvania County, Virginia's basic financial statements. Such 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. As part of our engagement, we will apply certain limited procedures to Industrial Development Authority of Pittsylvania County, Virginia's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Industrial Development Authority of Pittsylvania County, Virginia's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We expect to begin our audit on approximately March 17, 2016 and to issue our reports no later than May 1, 2016. Stephen M. Gay is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$3,550. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Industrial Development Authority of Pittsylvania County, Virginia and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

HARRIS, HARVEY, NEAL & CO., LLP



Stephen M. Gay, CPA
Partner

RESPONSE:

This letter correctly set forth the understanding of
Industrial Development Authority of Pittsylvania County, Virginia

Officer Signature

Title

Brenda Robertson

From: Stephen M Gay <smg@hhncpa.com>
Sent: Friday, February 19, 2016 11:29 AM
To: Brenda Robertson
Subject: Items Needed

Hi Brenda,

I think a good place for me to start would be if you could send your annual summary for both checking accounts, that way I can tell you what else I may need. Do you still have the CD at BB&T?

Thank you.



Stephen M. Gay, CPA
Partner

HHN&Co.

Harris, Harvey, Neal & Co., LLP
Certified Public Accountants

2309 Riverside Drive
P.O. Box 3424
Danville, VA 24543

Voice ~ 434-792-3220
Fax ~ 434-792-8604

VI. (B)

New Business

Axxor Discussion
(no action required)