



*INDUSTRIAL DEVELOPMENT AUTHORITY OF  
PITTSYLVANIA COUNTY, VIRGINIA*

*REGULAR MEETING*

*July 12, 2016*

*6:00 P.M.*

*Eddie L. Hite, Jr., Chairman*

*Charlie Mahan, Vice-Chairman*

*Stanley Simpson, Secretary/Treas.*

*Ron McMahan*

*Randy Anderson*

*Ronnie Haymore*

*Joey Faucette*



INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

MEETING

TUESDAY, JULY 12, 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 1*
- IV. Approval of Meeting Minutes (*May 10, 2016*) – *pages 2-4*
- V. Review of Financial Statements (*June 2016 and July 2016*) – *pages 5-7*
- VI. Unfinished Business
  - A. Intertape Repayment Status Update – *pages 8-10*
- VII. New Business
  - A. Audit Opinion Letter Execution Ratification – *pages 11-15*
  - B. Auditor Payment Authorization – *pages 16-18*
- VIII. Economic Development Director Updates (Matthew D. Rowe)
- IX. Matters from the Board
- X. Closed Meeting
  - A. Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body.

Authority:

Virginia Code § 2.2-3711(A)(1)

Subject Matter:

Personnel

Purpose:

Discussion of IDA Clerk's Employment Agreement

- XI. Adjourn

IV.  
Approval of Minutes  
*(May 10, 2016)*



# DRAFT



**INDUSTRIAL DEVELOPMENT AUTHORITY  
OF PITTSYLVANIA COUNTY, VIRGINIA**

**PITTSYLVANIA COUNTY BOARD OF SUPERVISORS' CONFERENCE ROOM;  
1 CENTER STREET; MAY 10, 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 McMahon

**Staff Present**

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

**Also in Attendance**

Stephen H. Gay, CPA (Harris, Harvey, Neal & Co., LLP)

**I. Call to Order:**

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

**II. Roll Call:**

IDA roll call by Robertson. Six (6) IDA members present, Haymore absent.

**III. Approval of Agenda:**

Motion by Mahan, seconded by Anderson, to approve Agenda. Motion carried unanimously by members present.

**IV. Approval of Meeting Minutes (March 8, 2016):**

Motion by Anderson, seconded by Faucette, to approve March 8, 2016, meeting minutes. Motion carried unanimously by members present.

**V. Review of Financial Statements (April 12, and May 10, 2016):**

IDA Regular Checking Account balance as of May 10, 2016, was \$299,976.06. IDA Regular Checking Account balance as of April 12, 2016, was \$300,276.23. Axxor Debt Reserve Account balance as of May 10, 2016, was \$259,116.79. Axxor Debt Reserve Account balance as of April 12, 2016, was \$253,424.09. BB&T Loan Account balance as of May 10, 2016, was \$1,593,557.02. BB&T Loan Account balance as of April 12, 2016, was \$1,599,745.57.

**VI. New Business:**

**A. VACORP Insurance Execution Ratification**

Motion by Faucette, seconded by Anderson, to ratify execution of VACORP Insurance agreement by Hite. Motion carried unanimously by members present.

**B. SIPS Bill of Sales for CNC Router Ratification:**

Motion by Faucette, seconded by Anderson, to ratify execution of IDA's portion of Bill of Sale by Hite. Motion carried unanimously by members present.

**C. Harris, Harvey, Neal & Co., LLP Audit Presentation:**

Stephen H. Gay, CPA, presented 2015 Financial Statement Report. A difference was noted that Intertape did not pay August 2015 invoice payment. There appeared to be a misunderstanding during the refinancing process. A letter was submitted to IDA Clerk to seek payment from Intertape. There were no questions from IDA members. Motion made by Anderson, seconded by Mahan, to accept 2015 Financial Statement Report.

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

Rowe provided general comments on the County's economic development potential.

**VIII. Matters from the Board:**

None.

**X. Adjourn:**

With there being no further business, motion by Faucette, seconded by McMahon, to adjourn meeting. Motion carried unanimously by members present. Hite adjourned meeting at 6:45 P.M.

Respectfully Submitted,

Approved:

W. Stanley Simpson, Sec./Treas.

Eddie L. Hite, Jr., Chairman

V.  
Review of Financial  
Statements  
*(June 2016 and July 2016)*

# V.

## Review of Financial Statements

ACCOUNT	BALANCE
<i>June 2016</i>	
A. Regular Checking Account	\$299,678.27
B. Axxor Debt Reserve Account	\$264,812.17
C. BB&T Loan Account	\$1,587,076.19
D. Intertape Loan ANB	3,911,108.50 - payment

# V.

## Review of Financial Statements

ACCOUNT	BALANCE
<i>July 2016</i>	
A. Regular Checking Account	\$322,590.30
B. Axxor Debt Reserve Account	\$270,507.54
C. BB&T Loan Account	\$1,580,821.13
D. Intertape Loan ANB	3,894,075.27 - payment

VI. (A)  
Unfinished Business  
*(Discussion of Intertape Audit  
Payment)*

## Brenda Robertson

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**From:** Brenda Robertson  
**Sent:** Friday, June 24, 2016 3:31 PM  
**To:** J. Vaden Hunt, Esq.  
**Subject:** FW: Payment No.- 00193536  
**Attachments:** F6753868.PDF; ATT00001.htm

Please see attached payment from Intertape.

**From:** Kim Van Der Hyde  
**Sent:** Thursday, June 23, 2016 9:54 PM  
**To:** Brenda Robertson <Brenda.Robertson@pittgov.org>  
**Subject:** Fwd: Payment No.- 00193536

Sent from my iPhone

Begin forwarded message:

**From:** <MStir@itape.com>  
**Date:** June 23, 2016 at 4:35:09 PM EDT  
**To:** <Kim.Vanderhyde@pittgov.org>  
**Subject:** Payment No.- 00193536

The attachment is a message from Intertape Polymer Group



This message may contain confidential and/or privileged information. If you are not the addressee or authorized to receive this for the addressee, you are not authorized to use, copy, disclose, or take any action based on this message or any information herein, which is strictly prohibited. If you have received this message in error, please advise the sender immediately by reply email and delete this message. Thank you for your cooperation.

© Intertape Polymer Group, Inc. 100 Paramount Drive Suite 300 Sarasota, Florida 34232 www.itape.com



From: Intertape Polymer Corp.  
Attn: Accounts Receivable  
Email: Kim.Vanderhyde@pittgov.org

Payment No.- 00193536  
Payment Date 06/24/16  
Payee No. - 124451

Paid Invoice Number	Inv Date	Remark	Gross	Discount	Payment
DANV RDC LEASE	AUG 2015	08/01/15	20,309.84		20,309.84
			20,309.84		20,309.84

124451 06/24/16 00193536

051404260 \*\*\*\*\*6030 \*\*\*\*\*20,309.84

INDUSTRIAL DEV.AUTHORITY OF PITTS.CO.  
PO BOX 426, 1 CENTER ST  
CHATHAM VA 24531

VII. (A)  
New Business  
*Harris, Harvey, Neal & Co., LLP*  
*(Auditors)*

1. *Audit Opinion Letter Execution Ratification*  
*(action required)*



**INDUSTRIAL DEVELOPMENT AUTHORITY**  
**OF PITTSYLVANIA COUNTY, VIRGINIA**

P.O. Box 426  
Chatham, Virginia 24531

April 26, 2016

Harris, Harvey, Neal, & Co., LLP  
P.O. Box 3424  
Danville, Virginia

This representation letter is provided in connection with your audits of the financial statements of Industrial Development Authority of Pittsylvania County, Virginia, which comprise the respective financial position of the business-type activities as of December 31, 2015 and 2014, and the respective changes in financial position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 26, 2016, the following representations made to you during your audit.

**Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 19, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims or assessments.
- 10) Guarantees, whether written or oral, under which the Industrial Development Authority is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Industrial Development Authority from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Industrial Development Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Industrial Development Authority and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Industrial Development Authority's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims
- 18) or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 19) We have disclosed to you the identity of the Industrial Development Authority's related parties and all the related party relationships and transactions of which we are aware.

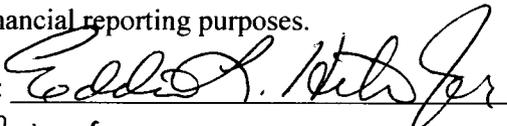
**Government-specific**

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) The Industrial Development Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 28) The Industrial Development Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The Industrial Development Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- 30) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .
- 31) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 33) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 34) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 35) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 36) We have appropriately disclosed the Industrial Development Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 37) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

  
Chairman

# VII. (B)

## New Business

*Harris, Harvey, Neal & Co., LLP*  
*(Stephen M. Gay, CPA)*

1. *Auditor Payment Authorization*  
*(action required)*

**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

# Harris, Harvey, Neal & Co., LLP

Certified Public Accountants

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

(434) 792-3220

PITTSLVANIA COUNTY IDA  
34 N. MAIN ST.  
CHATHAM, VA 24531

Invoice No. ~InvoiceNumber  
Date ~InvoiceDate  
Client No. 16575

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AUDIT OF FINANCIAL REPORTS AND PREPARATION OF REPORT THEREON  
FOR THE PERIOD ENDED DECEMBER 31, 2015

Current Amount Due	4,053.80
Prior Balance	<u>(50.00)</u>
Total Amount Due	<u>\$ 4,003.80</u>

The overage relates to the Intertape Issue. (\$453.80)

FINANCE CHARGE is computed by a "PERIODIC RATE" of 1.5% per month which is AN ANNUAL PERCENTAGE RATE of 18% applied to the previous balance after deducting current payments and/or credits. To avoid additional FINANCE CHARGE pay the current charges within 45 days and previous balance within 15 days of closing date.