



## **Virginia's First Regional Industrial Facility Authority**

**6580 Valley Center Drive, Suite 124**

**Radford, VA 24141**

**Phone (540) 639-1524 FAX (540) 831-6093**

August 1, 2013

### **Bland County**

Lace M. (Nick) Asbury, IV  
Henry M. Blessing

### **Craig County**

Jay Polen

### **Giles County**

Chris McKlarney  
Richard McCoy

### **Montgomery County**

Mary W. Biggs, *Chair*  
Craig Meadows

### **Pulaski County**

Andy McCready  
Shawn Utt

### **Roanoke County**

Charlotte Moore  
Jill Loope

### **Wythe County**

Joe Hale  
Coy McRoberts

### **City of Radford**

Tim Cox  
Basil Edwards

### **City of Roanoke**

Brian Townsend  
*Executive Committee*  
Bill Bestpitch

### **Town of Christiansburg**

Randy Wingfield  
Barry D. Helms,  
*Secretary/Treasurer*

### **Town of Dublin**

Doug Irvin  
William H. Parker

### **Town of Pearisburg**

Kenneth F. Vittum,  
*Vice-Chair*  
Rick Tawney

### **Town of Pulaski**

Joseph Goodman  
John Hawley  
*Executive Committee*

**TO: Virginia's First Regional Industrial Facility Authority Board Members**  
**FROM: Joe Morgan, Executive Director**  
**SUBJECT: Annual Meeting to be held on Wednesday, August 14 at Noon**

A meeting of the Virginia's First Regional Industrial Facility Authority Board of Directors will be held on **Wednesday, August 14 at Noon**. The meeting will be held at the New River Valley Business Center, 6580 Valley Center Drive, Radford, VA 24141, in the New River Room at the opposite end of the building from the NRV Planning District offices.

Lunch will be provided. Please mark your calendar and notify us as to your plans for attendance.

#### **Tentative Meeting Agenda**

- 1) Roll Call and Agenda Approval
- 2) Public Comments
- 3) Approval of Minutes: August 15, 2012; January 16, February 4, & April 16, 2013
- 4) Preliminary Financial Report for Fiscal Year 2012-2013
- 5) Administrative Staff Report
  - a) Board Member Documentation Required
  - b) Memorandum of Understanding for Support Services from New River Valley Planning District
  - c) Fiscal Year 2011-2012 Auditor Engagement
  - d) Insurance Coverage Renewal
- 6) Old Business
  - a) Strategic Planning Focus
  - b) General Engineering Services Procurement
  - c) Report on 2013 Financing Completion
  - d) Completion of Support Agreement with Radford, Pulaski Town & County, Pearisburg and Giles County
  - e) Update on Reserve Funds Loan to Commerce Park Participation Committee
  - f) Budget Adoption
  - g) Other Old Business
- 7) New Business
  - a) By-Laws Amendment to Allow Execution of Documents by All Officers and Executive Director
  - b) Continuation of Authority Chair for 2014, per Code of Virginia 15.2-6403D
  - c) Nominating Committee or Election of Officers for Fiscal Years 2015 & 2016
  - d) Special Meeting of Authority at Each Commerce Park Meeting for Approval of Commerce Park Actions
  - e) Draft 2011-2012 Annual Report
  - f) Response to Dues Delinquency
  - g) Other New Business
- 8) Closed Session (if needed)
- 9) Other Business
- 10) Adjournment - Next scheduled full VA1st meeting: Wednesdays, August 13, 2013



## **Virginia's First Regional Industrial Facility Authority**

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August 6, 2013

**TO: Virginia's First Regional Industrial Facility Authority Board Members**  
**FROM: Joe Morgan, Executive Director**  
**SUBJECT: Staff Report for Annual Meeting to be held on Wednesday, August 14 at Noon**

- 1) **Roll Call and Agenda Approval** – A Board Member from 7 of the 13 member governments is required for a quorum. While not specified in the agenda requirements of the VFRIFA By-Laws, agenda items marked with \* may be adopted as consent items, unless a Board Member desires discussion prior to approval.
- 2) **Public Comments** – No public comments have been requested at this time.
- 3) **\*Approval of Minutes** - The minutes of the August 15, 2012; January 16, February 4, & April 16, 2013 meetings will be made available separately to reduce the size of the agenda packet sent with this staff report.
- 4) **\*Preliminary Financial Report for Fiscal Year 2012-2013** – Attached (on pages 5 -9) is the year-end report, showing available balances of \$203,822.24 for the Commerce Park and \$32,697.85 for the Authority.
- 5) **Administrative Staff Report**
  - a) **\*Board Member Documentation Required** – Ms. Straight will send the 2014 financial disclosure form required by the Commonwealth to Board Members by December for the January 2014 filing deadline. She will also alert the clerk of member governing bodies of any missing appointment resolutions or oaths of office.
  - b) **\*Memorandum of Understanding for Support Services from New River Valley Planning District** – *Continuation of the MOU under the same terms for FY 2013-14 is recommended*, with the allocation of cost estimated at \$18,000 for the Commerce Park and \$7,000 for the Authority, subject to amendment and termination by mutual consent.
  - c) **\*Fiscal Year 2011-2012 Auditor Engagement** – *Endorsement of the continued audit services of Robinson, Farmer Cox Associates is requested.* Attached (on pages 9 - 15) is the engagement letter, which principal auditor Corbin Stone asked to be given to Board Members, as well as their certification by Tetrick & Bartlett.
  - d) **\*Insurance Coverage Renewal** – *Endorsement of the renewal with VACORP is requested*, with the \$1,706 premium allocated \$583 for Commerce Park property coverage and \$1,123 for Authority liability, errors and omissions coverage.
- 6) **Old Business**
  - a) **Strategic Planning Focus** – The following recommendations have been reviewed by the Authority Executive Committee Members:
    - i) *Move to a Commerce Park only focus by FY 2014-15*
    - ii) *Move to a consolidated VFRIFA/Commerce Park budget by FY 2014-15*
    - iii) *Consider reducing the contracted administrative services by FY 2014-15 to no more than \$25,000 per year and possibly combining management with marketing with at least \$20,000 per year for marketing through:*
      - (1) *a consulting part time executive director;*
      - (2) *contract with another regional agency, such as the NRV Economic Development Alliance and/or PDC; and/or*
      - (3) *member government support.*

iv) *For Professional Services:*

- (1) *Continue to engage the services of Guynn, Memmer & Dillon, PC and Robinson, Farmer, Cox Associates on a year to year basis.*
- (2) *Engage three or more consulting engineering firms for on call services for a two year term, with three one-year renewals.*

v) *Procure a small business style banking relationship which allows efficient use of electronic transactions and interfaces well with the VFRIFA Quick Books accounting system.*

**Attached (on pages 16 - 17)** is the justification for the Authority strategic planning focus. An Executive Committee Meeting has been scheduled for 11:00 AM on Wednesday, August 14 at the NRV Business Center, prior to the Authority Annual Meeting to further review the recommendations. *Authorization for the Executive Committee to implement the recommendations by the August 2014 Authority Annual Meeting is recommended.*

- b) **\*General Engineering Services Procurement** – Proposals were received from 7 firms on July 25. *Engagement of the following firms for general engineering services is recommended: Anderson & Associates, Draper Aden Associates; Timmons and Thompson & Litton. Engagement of Schnabel Engineering for geotechnical related services is also recommended.* The term of engagement is for two years, with up to three one-year renewals. As the need for services arises, an informal solicitation of cost and availability, based on a specific scope of work, will be requested from all engaged firms to allow selection of the optimum engineering support at that time. Details of the procurement documents and proposals can be made available on request. *If further review of the proposals is desired, it is recommended a selection committee be appointed and authorized to complete the selection.*
- c) **\*Report on 2013 Financing Completion** – **Attached (on pages 18-22)** is the report from Davenport and Co. on the \$7.3 million financing closed in June. The financing reduced the end of debt payments from 2045 to 2038 and eliminated the lender restrictions on sale of the Commerce Park acreage. Due to market changes, the cost of the overall financing was less than hoped for in April 2013, but better than projected in November 2012.
- d) **\*Completion of Participation Agreement with Radford, Pulaski Town & County, Pearisburg and Giles County** – *Confirmation is requested that legal counsel and staff should complete the agreement with the members supporting the Red Sun Farms grading financing.* Once adopted by all participating governing bodies, the agreement should also be adopted by the Authority, which could occur at a special Authority meeting following a Commerce Park Participation Committee meeting.
- e) **\*Update on Reserve Funds Loan to Commerce Park Participation Committee** – Of the \$300,000 loan authorized at the Authority 2012 Annual Meeting, \$200,000 was available from Authority available funds. That amount was paid to the Debt Service Reserve Fund for the refinancing. The debt service reserve fund is accruing interest at market rates under the trust agreement with Regions Bank and will shorten the total financing in 2038 by a year. If the Authority desires repayment sooner, such as the fifteen years estimated at the 2012 Annual meeting, Commerce Park resources, such as Red Sun Farms tax revenue that should not be needed for the grading debt service, can be so allocated.
- f) **\*Lead Conference Calls through Contract with 310 Ltd. and Postcard Marketing Status** – The 310 Ltd. initial contract and extension has researched over 500 companies identified by Dean Whittaker & Associates as potential industries within the target groups identified in the 2010 Leak & Goforth study. From that research ten calls with business decision makers were scheduled for the NRV Alliance. The quarterly postcard marketing to those same 500 companies was delayed after the Red Sun Farms location to allow for revising the postcard message to reflect the changed status of the Commerce Park. The regional marketing expense is allocated to VFRIFA and the Commerce Park specific postcard marketing to the Commerce Park.

g) **Budget Adoption** – *Adoption of the FY 2013-14 Authority budget and consent to the Commerce Park budget to be adopted at the Participation Committee meeting immediately following this meeting is recommended, as attached (on pages 23 -26), with any modifications needed for actions taken on prior agenda items at this meeting. A key budget issue is the extent to which VFRIFA will directly support the Commerce Park water and sewer capacity expense.*

h) **Other Old Business**

7) New Business

a) **\*Authorization for Execution of Documents by Executive Director and / or Officer in Absence of the Chair and Vice-Chair** - *For a more practical approach to signing documents for the Authority, the following are recommended:*

- Pursuant to Article IV, Section 4.1 and Article V, Section 5.4 and 5.5 of the VFRIFA By-Laws, the Executive Director, Secretary/Treasurer of the Authority, and the Assistant Secretary/Treasurers of the Authority may sign documents for actions of the Authority that are approved in advance, including implementation of expenditures approved in the annual budget, or prior administrative actions that are to be ratified by the Authority.
- All officers of any participation committee are appointed as Assistant Secretary/Treasurers of the Authority.
- It is also understood that the current By-Laws allow designation of signatory authority along with any duly taken action of the Authority.

b) **\*Continuation of Authority Chair for 2014, per Code of Virginia 15.2-6403D** – *Election of Chair Biggs for calendar year 2014 or the end of her term is recommended for state code compliance.*

c) **Nominating Committee or Election of Officers for Fiscal Years 2015 & 2016** – Current biennial terms of officers expire on June 30, 2014. Either authorizing the Chair to appoint a nominating committee for recommending a slate of officers to be elected at the 2014 Annual Meeting; *or election of officers at the August 14, 2013 meeting is recommended.*

d) **\*Special Meeting of Authority at Each Commerce Park Meeting for Approval of Commerce Park Actions** – Continuation is recommended until the next Annual Meeting of the practice of holding a special meeting of the Authority Board of Directors to be held immediately following each regular or called meeting of the Commerce Park Participation Committee, for the purpose of receiving and acting on requests from the Commerce Park Participation Committee regarding Commerce Park projects and properties. By signature of the Chair and Secretary-Treasurer on the minutes of this meeting, representing the required two member localities, the special meeting can be called.

e) **\*Draft 2012-2013 Annual Report** – A draft will be presented for approval prior to the August 14 meeting.

f) **\*Response to Dues Delinquency** – Wythe County is several years in arrears on annual dues payment. *It is recommended an inquiry to Wythe County be made to determining the extent of continued interest.*

g) Other New Business

8) Closed Session (if needed)

9) Other Business

10) Adjournment - Next scheduled full VA1st meeting: Wednesday, August 13, 2014

	VA First	Commerce Park	Total Funds
<b>3/31/2013 Designated Balance</b>	\$ 259,443.01	\$ 737,431.10	\$ 996,874.11
<b>Quarterly Income</b>			
Dues/Shares			
Leases		\$ 9,650.84	
Interest		\$ 940.50	
Misc			
Add'l Shares - W/S Expansion			
<b>Total Income</b>	\$ -	\$ 10,591.34	
<b>Quarterly Expense</b>			
Admin Contracted	\$ 6,232.86	\$ 12,416.60	
Admin Exp	\$ 2,146.66	\$ 365.98	
Project Development			
Contractual Service			
Debt Service	\$ 200,000.00	\$ 30,774.00	
Participation Committee		\$ 261.26	
Professional	\$ 5,638.64		
Site Maintenance		\$ 1,473.36	
Revenue Refund			
Misc/reserve used for debt service		\$ 306,705.06	
<b>Total Expense</b>	\$ 214,018.16	\$ 351,996.26	
<b>6/30/13 Designated Balance</b>	\$ 45,424.85	\$ 396,026.18	\$ 441,451.03
VA 1st includes deferred revenue @		<b>6/30/13 ledger balance</b>	
\$12,727.00			\$ 441,451.03
		\$ 396,026.18	Commerce Pk 2nd Qtr Balance
		\$ (192,203.94)	designated for W/S expansion
		\$ -	designated for RD Loan reserve
		\$ 203,822.24	

**VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY** 6 of 26  
**Quarter Ending June 30, 2013**

<b>Ledger Balance Forward March 31, 2013</b>		<b>996,874.11</b>
Dues/Shares/Rents Received 4/1/2013 -6/30/2013	8,990.54	
Interest Earned April - June 2013	940.50	
Analysis charge for March 2013 - May 2013	(397.20)	
<b>Total Receivables (less fees)</b>	<b>9,533.84</b>	<b>9,533.84</b>

**April 2013 Payables**

Rural Development Loan	10,258.00
AEP	10.02
Verizon Wireless	89.70
Guynn, Memmer & Dillon	2,732.50
NRVPDC	2,220.12
NRVDC (room rental)	175.00
Joe Morgan	5,116.92

**May 2013 Payables**

Rural Development Loan	10,258.00
AEP	10.02
Verizon Wireless	129.03
Guynn, Memmer & Dillon	2,246.14
NRVPDC	3,777.08

**June 2013 Payables**

Regions Bank - Debt Service Reserve Fund	506,705.06
Rural Development Loan	10,258.00
Verizon Wireless	146.47
AEP	10.02
NRV Planning District Commission	2,652.26
Joe Morgan	5,796.58
VACORP	1,706.00
Guynn, Memmer & Dillon	660.00

**Total Accounts Payable**

**564,956.92**

<b>Ledger Balance June 30, 2013</b>		<b>(564,956.92)</b>
		<b>441,451.03</b>

<b>Available Funds</b>		
<b>Virginia's First Designated Balance</b>	<b>45,424.85</b>	
Virginia's First Deferred Excess Funds	(12,727.00)	
<b>Virginia First Available Balance</b>	<b>32,697.85</b>	<b>32,697.85</b>
<b>Commerce Park Designated Balance</b>	<b>396,026.18</b>	
Commerce Park Water/Sewer Expansion Reserve	(192,203.94)	
<b>Commerce Park Available Balance</b>	<b>203,822.24</b>	<b>203,822.24</b>
<b>Total Available Funds</b>		<b>236,520.09</b>

<b>Property Owned</b>		
Cullip, Doug (purchase price)	\$	1,400,000.00
Cullip, Andrew (purchase price)	\$	355,000.00
Collins/Evans (purchase price)	\$	1,000,000.00
Phillips, Edwina (purchase price)	\$	2,178,000.00
Construction/Improvements	\$	1,958,385.06
Equipment	\$	43,350.00
Debt Service Reserve Fund	\$	506,705.06
<b>Total Cost of Fixed Assets</b>	<b>\$</b>	<b>7,441,440.12</b>

2009 Appraised Value of Commerce Park (839 acres excluding surplus property)	\$	5,200,000.00
2009 Assessed Value of 35 Acre Surplus Property	\$	662,500.00
2009 Assessed Value of 55 Acre Surplus Property	\$	330,600.00
Subtotal Real Estate (above values include \$204,375 depreciated buildings value)	\$	6,193,100.00
2011 Depreciated Equipment Value	\$	8,670.00
<b>Estimated Value of Land, Buildings and Equipment</b>	<b>\$</b>	<b>6,201,770.00</b>

**Long-term Obligations - principal balance as of June 26, 2013**

Pulaski County IDA June 2013 Bond Issue 5.15% through 2028	\$	1,660,000.00
Pulaski County IDA June 2013 Bond Issue 5.15% through 2039	\$	5,150,000.00
VFRIFA Loan to CP Debt Service Reserve Fund through 2039	\$	200,000.00
<b>Total Current Debt</b>	<b>\$</b>	<b>7,010,000.00</b>

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Cash Basis

**Virginia's First Regional Industrial Facility Authority  
Combined Profit & Loss Budget vs. Actual**

July 2012 through June 2013

	Jul '12 - Jun 13	Budget	% of Budget
<b>Income</b>			
<b>Commerce Park Income</b>			
Commerce Park - Use of Reserve	0.00	98,998.41	0.0%
Grants - Commerce Park	30,000.00	30,000.00	100.0%
Interest Income - Commerce Park	4,855.78	5,000.00	97.1%
<b>Lease Income - Commerce Park</b>			
Dalton - 400 Acres	4,359.33	4,282.46	101.8%
Flory - 100 Acres	1,824.72	2,000.00	91.2%
Guthrie - 300 Acres	1,636.19	3,298.13	49.6%
Residence - Double Wide	7,261.20	3,000.00	242.0%
<b>Total Lease Income - Commerce Park</b>	<b>15,081.44</b>	<b>12,580.59</b>	<b>119.9%</b>
<b>Shares - Commerce Park</b>			
Shares - Bland County	5,900.00	5,900.00	100.0%
Shares - City of Radford	23,258.00	23,258.00	100.0%
Shares - City of Roanoke	27,500.00	27,500.00	100.0%
Shares - Craig County	5,844.00	5,844.00	100.0%
Shares - Giles County	55,851.00	55,851.00	100.0%
Shares - Montgomery County	55,851.00	55,851.00	100.0%
Shares - Pulaski County	180,172.00	180,172.00	100.0%
Shares - Roanoke County	29,255.00	29,255.00	100.0%
Shares - Town of Dublin	2,968.00	2,968.00	100.0%
Shares - Town of Pearisburg	5,900.00	5,900.00	100.0%
Shares - Town of Pulaski	20,001.00	20,001.00	100.0%
<b>Total Shares - Commerce Park</b>	<b>412,500.00</b>	<b>412,500.00</b>	<b>100.0%</b>
VA 1st Target Research Reimburs	22,000.00	22,000.00	100.0%
VA 1st Website Reimbursement	35,000.00	35,000.00	100.0%
<b>Total Commerce Park Income</b>	<b>519,437.22</b>	<b>616,079.00</b>	<b>84.3%</b>
<b>Virginia First's Income</b>			
Interest Income - VA First	0.00	1,000.00	0.0%
<b>Member Dues - VA First</b>			
Dues - Bland County	5,000.00	5,000.00	100.0%
Dues - City of Radford	5,000.00	5,000.00	100.0%
Dues - City of Roanoke	5,000.00	5,000.00	100.0%
Dues - Craig County	5,000.00	5,000.00	100.0%
Dues - Giles County	5,000.00	5,000.00	100.0%
Dues - Montgomery County	5,000.00	5,000.00	100.0%
Dues - Pulaski County	5,000.00	5,000.00	100.0%
Dues - Roanoke County	5,000.00	5,000.00	100.0%
Dues - Town of Christiansburg	5,000.00	5,000.00	100.0%
Dues - Town of Dublin	5,000.00	5,000.00	100.0%
Dues - Town of Pearisburg	5,000.00	5,000.00	100.0%
Dues - Town of Pulaski	5,000.00	5,000.00	100.0%
Dues - Wythe County	0.00	5,000.00	0.0%
<b>Total Member Dues - VA First</b>	<b>60,000.00</b>	<b>65,000.00</b>	<b>92.3%</b>
Miscellaneous - VA First	0.00	0.00	0.0%
VA 1st Use of Reserve	0.00	27,500.00	0.0%
<b>Total Virginia First's Income</b>	<b>60,000.00</b>	<b>93,500.00</b>	<b>64.2%</b>
<b>Total Income</b>	<b>579,437.22</b>	<b>709,579.00</b>	<b>81.7%</b>
<b>Gross Profit</b>	<b>579,437.22</b>	<b>709,579.00</b>	<b>81.7%</b>
<b>Expense</b>			
<b>Commerce Park Expenses</b>			
<b>Administration Contracted - CP</b>			
Contracted Management	9,075.00	9,000.00	100.8%
Contracted Site Coordination	0.00	1,000.00	0.0%
PDC Staff Services	18,384.49	18,000.00	102.1%
<b>Total Administration Contracted - CP</b>	<b>27,459.49</b>	<b>28,000.00</b>	<b>98.1%</b>
<b>Administration Expenses</b>			
Copies/Printing	0.00	100.00	0.0%
Miscellaneous	350.00	125.00	280.0%
Office Supplies	0.00	200.00	0.0%
Postage	5.05	100.00	5.1%
Transportation/Travel Per Diem	655.90	1,000.00	65.6%
<b>Total Administration Expenses</b>	<b>1,010.95</b>	<b>1,525.00</b>	<b>66.3%</b>
<b>Debt Service-Commerce Park</b>			
Debt Service Reserve Fund	506,705.06		
Pulaski Co PSA - 2050	0.00	55,000.00	0.0%
Rural Development #1 - 03/19/42	119,448.00	119,448.00	100.0%
Rural Development #2 - 03/02/45	123,096.00	123,096.00	100.0%
Stellar One - 02/01/24	113,798.89	113,764.00	100.0%
<b>Total Debt Service-Commerce Park</b>	<b>863,047.95</b>	<b>411,308.00</b>	<b>209.8%</b>
Participation Committee-Comm Pk	686.26	1,500.00	45.8%
<b>Professional Services-Comm Pk</b>			
Engineering	16,652.35	85,000.00	19.6%
Other Professional Fees	0.00	3,000.00	0.0%
<b>Total Professional Services-Comm Pk</b>	<b>16,652.35</b>	<b>88,000.00</b>	<b>18.9%</b>
<b>Project Development-Commerce Pk</b>			
<b>Site Development/Marketing</b>			
Pastcard Mailer	1,380.98	10,606.00	13.0%
Statigic Plan Review	0.00	15,000.00	0.0%
Target Industry Identification	15,050.00	31,750.00	47.4%

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Cash Basis

**Virginia's First Regional Industrial Facility Authority  
Combined Profit & Loss Budget vs. Actual**

July 2012 through June 2013

	Jul '12 - Jun 13	Budget	% of Budget
Website	15,321.64	14,807.00	103.5%
Total Site Development/Marketing	31,752.62	72,163.00	44.0%
Total Project Development-Commerce Pk	31,752.62	72,163.00	44.0%
Site Maintenance-Commerce Park			
Insurance			
Property	583.00	583.00	100.0%
Total Insurance	583.00	583.00	100.0%
Materials/Supplies	1,500.00	1,000.00	150.0%
Miscellaneous	856.25	500.00	171.3%
Rental Property Maintenance	6,750.00	10,000.00	67.5%
Utilities	120.24		
Total Site Maintenance-Commerce Park	9,809.49	12,083.00	81.2%
Total Commerce Park Expenses	950,419.11	614,579.00	154.6%
Virginia's First Expenses			
Administration Contracted -VF			
Contracted Management	9,925.00	9,000.00	110.3%
PDC Staff Services	6,765.93	7,000.00	96.7%
Total Administration Contracted -VF	16,690.93	16,000.00	104.3%
Administration Expenses - VA1st			
Copies/Printing	0.00	400.00	0.0%
Insurance - Public Officials	1,123.00	1,100.00	102.1%
Miscellaneous			
Bank Fees	1,572.26	1,600.00	98.3%
Other	747.56	1,000.00	74.8%
Total Miscellaneous	2,319.82	2,600.00	89.2%
Office Supplies	0.00	1,000.00	0.0%
Postage	0.00	400.00	0.0%
Telecommunications	1,055.65	1,200.00	88.0%
Transportation/Travel Per Diem	0.00	2,400.00	0.0%
Total Administration Expenses - VA1st	4,498.47	9,100.00	49.4%
Professional Services- VA First			
Audit Fee	3,400.00	3,400.00	100.0%
Legal	12,189.55	8,000.00	152.4%
Total Professional Services- VA First	15,589.55	11,400.00	136.8%
Reimbursement to CP for Website	57,000.00	57,000.00	100.0%
Revenue Refund	0.00		
Total Virginia's First Expenses	93,778.95	93,500.00	100.3%
Total Expense	1,044,198.06	708,079.00	147.5%
Net Income	<b>-464,760.84</b>	<b>1,500.00</b>	<b>-30,984.1%</b>

# ROBINSON, FARMER, COX ASSOCIATES

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CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

July 5, 2013

Virginia's First Regional Industrial Facility Authority  
Attn: Board of Directors and  
Joe Morgan, Director  
6580 Valley Center Drive, Suite 124  
Radford Virginia 24141

Dear Board Members and Mr. Morgan:

We are pleased to confirm our understanding of the services we are to provide Virginia's First Regional Industrial Facility Authority for the year ended June 30, 2013. 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 Virginia's First Regional Industrial Facility Authority as of and for the year ended June 30, 2013. 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 Virginia's First Regional Industrial Facility Authority'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 Virginia's First Regional Industrial Facility Authority'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:

- Management's Discussion and Analysis.

## Audit Objectives

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 U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be

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STREET AND MAILING ADDRESS:  
108 SOUTH PARK DRIVE  
BLACKSBURG, VIRGINIA 24060

CORBIN STONE, C.P.A., Managing Director

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conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Virginia's First Regional Industrial Facility Authority 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.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Virginia's First Regional Industrial Facility Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses 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 evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; 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 ensuring that management is reliable and financial information is reliable and properly recorded. 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 for 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, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

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 include the audited financial statements with any presentation of the supplementary information that includes our report thereon or 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 written 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.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as

your planned corrective actions, for the report, and for the timing and format for providing that 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 the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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 and *Government 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 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. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting

misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. 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 and *Government Auditing 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 Virginia's First Regional Industrial Facility Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **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 will provide copies of our reports to the Board of Directors; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Robinson, Farmer, Cox Associates and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Auditor of Public Accounts or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Robinson, Farmer, Cox Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State Auditor of Public Accounts. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately September 9<sup>th</sup>. Corbin C. Stone, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will not exceed \$3,700. 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.

In accordance with *Government Auditing Standards* we make our most recent external peer review report and any subsequent peer review reports received during the period of the contract publicly available. In addition, our 2010 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Virginia's First Regional Industrial Facility Authority 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,

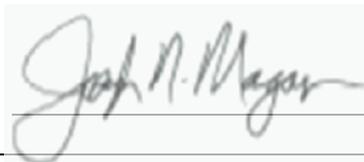
ROBINSON, FARMER, COX ASSOCIATES



Corbin C. Stone  
Certified Public Accountant  
Member

This letter correctly sets forth the understanding of Virginia's First Regional Industrial Facility Authority.

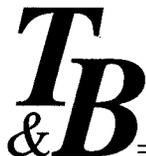
Management signature:



Joseph N. Morgan, Executive Director, Virginia's First  
Regional Industrial Facility Authority

Title:

Date: July 20, 2013



**Tetrick & Bartlett, PLLC**  
Certified Public Accountants  
Consultants

122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • [www.tetrickbartlett.com](http://www.tetrickbartlett.com)

## SYSTEM REVIEW REPORT

To the Members of Robinson, Farmer, Cox Associates  
and the Peer Review Committee of the  
Virginia Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Robinson, Farmer, Cox Associates (the firm) in effect for the year ended June 30, 2010. Our peer review was conducted in accordance with the *Standards for Performing and Reporting on Peer Reviews* established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Robinson, Farmer, Cox Associates in effect for the year ended June 30, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Robinson, Farmer, Cox Associates has received a peer review rating of *pass*.

Tetrick & Bartlett, PLLC

December 17, 2010

## VA1st Strategic Planning Focus

At the August 15, 2012 Virginia's First Regional Industrial Facility Authority (VFRIFA) Annual Meeting, the Executive Committee was charged with recommending a future focus regarding multiple projects, dues structure, administrative services, professional services and banking relationship. The recommendations are due at the August 14, 2013 VFRIFA meeting. Listed below are recommendations from the VFRIFA Executive Director.

1. Should VFRIFA remain available for multiple projects or solely focus on the Commerce Park?

There appears to be little interest from member governments in additional projects, operated by new participation committees.

*Recommendation: Move to a Commerce Park only focus by FY 2014-15*

2. What budget levels are required for keeping the current multiple project structure or moving to a Commerce Park only focus?

- Moving to a combined structure, with reduced or no dues from Christiansburg and Wythe County should allow a sustainable Commerce Park operation. **Attached** are some budget scenario comparisons.
- There will be some cash flow demands during the start-up of Red Sun Farms, until their performance agreement on minimum tax levels are met; however, if Commerce Park reserve funds are depleted, Pulaski County, Giles County, Pulaski Town, Pearisburg and Radford are responsible for closing the gap. So the **attached** sustainable combined VFRIFA and Commerce Park Budget should be achievable.
- With the recent removal of deed of trust restrictions, sale of surplus land, as well as swapping acreage with adjacent property owners, may provide additional cash or property resources and reduce the need for increased member government per share annual investment.

*Recommendation: Move to a consolidated VFRIFA/Commerce Park budget by FY 2014-15*

3. What administrative services are desired after Fiscal Year 2013-2014?

Since 2009, VFRIFA has engaged a consulting executive director, Joe Morgan, and used administrative, planning and accounting services from the New River Valley Planning District. The executive director began at a minimum of 40 hours per month and was reduced to a minimum of 30 hour per month in 2011. The Planning District services are engaged through a Memorandum of Understanding with the cost of specified services capped at \$25,000 per year. Except for the marketing program for which a Building Collaborative Communities grant was awarded from the Commonwealth of Virginia, most marketing and prospect relations have been performed by the NRV Economic Development Alliance and Pulaski County Community Development Director. Also, the Alliance has increasingly responded directly to prospect requests for information, with minimal Commerce Park input. Site maintenance at the Commerce Park continues to consume considerable time and attention. However, with the removal of deed of trust restrictions, sale of surplus property, as well as swapping of out parcels with adjacent landowners, should proceed more expeditiously in FY 2013-14. After 2014, site maintenance supervision might be done by Pulaski County as host. Also, it is likely that additional site development planning, which is the primary subject of the current

## VA1st Strategic Planning Focus

engineering services procurement, can be completed in 2014. So, a reduced administrative role may be warranted.

*Recommendation: Consider reducing the contracted administrative services by FY 2014-15 to no more than \$25,000 per year and possibly combing management with marketing with at least \$20,000 per year for marketing through:*

- *a consulting part time executive director;*
- *contract with another regional agency, such as the NRV Economic Development Alliance and / or PDC; and/or*
- *member government support.*

#### 4. What long term professional services are needed?

- Legal & Accounting Services: Attorney Theresa Fontana of Guynn, Memmer & Dillon, PC, of Salem, has been very responsive and has improved the services we are receiving under principal attorney Jim Guynn. Corbin Stone, Managing Director of Robinson, Farmer, Cox Associates has been willing to provide comprehensive services, not solely auditing. He has accommodated the lack of credentialed financial personnel on the NRV PDC staff and not required separately prepared financial reports by a CPA or equivalent prior to the annual audit.

*Recommendation: Continue to engage the services of Guynn, Memmer & Dillon, PC and Robinson, Farmer, Cox Associates on a year to year basis.*

- Engineering Services are being procured with proposals due by July 25. I anticipate a report on multiple firms available for engineering services as needed will be presented at the August 14 VFRIFA meeting.

*Recommendation: Engage three or more consulting engineering firms for on call services for a two year term, with three one year renewals.*

#### 5. What banking relationship is needed?

The existing debt refinancing and new debt for site development for the Commerce Park was issued through the Industrial Development Authority of Pulaski County. A \$506,705.06 debt service reserve fund was also established and is held by Regions Bank as Trustee for the bond issue. So, the VFRIFA funds for bank deposit have significantly diminished and will likely not exceed \$500,000 at annual peaks, with non-debt operating funds being less than \$100,000 annually. With this smaller cash amount, it may be more practical to convert to a small business style bank account. With continued advance approval of payables by the executive committee(s) and e-mail notice to multiple VFRIFA and CPPC officers when debits are made, more transactions could be handled by a debit or credit bank card, versus more time consuming paper check issuance and mailing, with no loss of internal control.

*Recommendation: Procure a small business style banking relationship which allows efficient use of electronic transactions and interfaces well with the VFRIFA Quick Books accounting system.*

# PLAN OF FINANCE – FINAL NUMBERS



Pulaski County, Virginia

## Sources and Uses of Funds:

	<u>New Money</u> <u>Portion</u>	<u>Refunding</u> <u>Portion</u>	<u>Total</u>	<u>Fiscal Year</u>	<u>Refunded Debt</u> <u>Service</u>	<u>Series 2013</u> <u>Refunding DS</u>	<u>Savings/</u> <u>(Dissavings)*</u>	<u>Series 2013</u>				
								<u>Refunding</u> <u>DS</u>	<u>Series 2013</u> <u>NM</u>	<u>Series 2013</u> <u>DSRF*</u>	<u>New Debt</u> <u>Service</u>	
<b>Sources of Funds</b>												
Bond Proceeds	\$1,660,000	\$5,150,000	\$6,810,000	6/30/2014	\$356,340	\$356,980	(\$640)	\$356,980	\$147,835	(\$4,898)	\$499,917	
Original Issue Discount	0	-10,133	-10,133	6/30/2015	356,340	353,595	2,745	353,595	148,925	(5,067)	497,453	
Commerce Park Contribution	123,500	383,500	507,000	6/30/2016	356,817	357,291	(475)	357,291	147,934	(5,067)	500,158	
<b>Total</b>	<b>\$1,783,500</b>	<b>\$5,523,368</b>	<b>\$7,306,868</b>	6/30/2017	356,340	355,361	980	355,361	146,523	(5,067)	496,817	
				6/30/2018	356,340	357,795	(1,454)	357,795	144,648	(5,067)	497,376	
				6/30/2019	356,340	354,590	1,751	354,590	147,393	(5,067)	496,916	
				6/30/2020	356,779	355,780	999	355,780	149,571	(5,067)	500,284	
				6/30/2021	356,340	356,339	1	356,339	146,240	(5,067)	497,512	
				6/30/2022	356,340	356,084	256	356,084	147,435	(5,067)	498,452	
				6/30/2023	356,340	355,423	917	355,423	148,284	(5,067)	498,640	
				6/30/2024	356,735	354,341	2,394	354,341	148,771	(5,067)	498,045	
				6/30/2025	242,542	357,823	(115,281)	357,823	148,882	(5,067)	501,638	
<b>Uses of Funds</b>				6/30/2026	242,542	355,557	(113,015)	355,557	148,540	(5,067)	499,030	
Project Fund	\$1,600,000	\$0	\$1,600,000	6/30/2027	242,542	352,815	(110,273)	352,815	147,789	(5,067)	495,537	
Escrow Deposit	0	4,957,000	4,957,000	6/30/2028	242,883	354,582	(111,699)	354,582	146,614	(128,581)	372,614	
Debt Service Reserve Fund	123,514	383,191	506,705	6/30/2029	242,542	355,606	(113,065)	355,606	0	(3,832)	351,774	
Cost of Issuance	39,636	122,966	162,602	6/30/2030	242,542	354,856	(112,315)	354,856	0	(3,832)	351,024	
Underwriter's Discount	19,571	60,717	80,288	6/30/2031	242,542	353,569	(111,027)	353,569	0	(3,832)	349,737	
Additional Proceeds	779	(506)	273	6/30/2032	242,819	356,744	(113,925)	356,744	0	(3,832)	352,912	
<b>Total</b>	<b>\$1,783,500</b>	<b>\$5,523,368</b>	<b>\$7,306,868</b>	6/30/2033	242,542	354,113	(111,571)	354,113	0	(3,832)	350,281	
				6/30/2034	242,542	355,944	(113,402)	355,944	0	(3,832)	352,112	
				6/30/2035	242,542	356,969	(114,427)	356,969	0	(3,832)	353,137	
				6/30/2036	242,742	357,188	(114,445)	357,188	0	(3,832)	353,356	
				6/30/2037	242,542	356,600	(114,058)	356,600	0	(3,832)	352,768	
				6/30/2038	242,542	355,206	(112,665)	355,206	0	(3,832)	351,374	
				6/30/2039	242,542	353,006	(110,465)	353,006	0	(387,023)	(34,017)	
				6/30/2040	242,651	0	242,651	0	0	0	0	
				6/30/2041	242,542	0	242,542	0	0	0	0	
				6/30/2042	242,542	0	242,542	0	0	0	0	
				6/30/2043	123,096	0	123,096	0	0	0	0	
				6/30/2044	123,111	0	123,111	0	0	0	0	
				6/30/2045	87,092	0	87,092	0	0	0	0	
					<b>\$8,621,031</b>	<b>\$9,244,157</b>	<b>(\$623,126)</b>	<b>\$9,244,157</b>	<b>\$2,215,383</b>	<b>(\$624,693)</b>	<b>\$10,834,847</b>	

\* Reserve earnings and corpus are not shown in the existing debt service nor are they counted in the refunding debt service for this savings/(dissavings) analysis.

\*Note: The Debt Service Reserve Fund is cash funded.

## BOND SUMMARY STATISTICS

Industrial Development Authority of Pulaski County  
Virginia's First Regional Industrial Facility Authority  
Bank of America  
FINAL NUMBERS

Dated Date	06/27/2013
Delivery Date	06/27/2013
Last Maturity	06/15/2039
Arbitrage Yield	4.773498%
True Interest Cost (TIC)	4.896944%
Net Interest Cost (NIC)	4.958999%
All-In TIC	5.154051%
Average Coupon	4.864401%
Average Life (years)	14.036
Duration of Issue (years)	9.826
Par Amount	6,810,000.00
Bond Proceeds	6,799,867.50
Total Interest	4,649,539.95
Net Interest	4,739,959.95
Total Debt Service	11,459,539.95
Maximum Annual Debt Service	506,705.06
Average Annual Debt Service	441,317.33
Underwriter's Fees (per \$1000)	
Average Takedown	6.250000
Other Fee	5.539648
Total Underwriter's Discount	11.789648
Bid Price	98.672247

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	3,915,000.00	100.000	3.913%	8.525
2039 Term Bond	2,895,000.00	99.650	5.375%	21.488
	6,810,000.00			14.036

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,810,000.00	6,810,000.00	6,810,000.00
+ Accrued Interest			
+ Premium (Discount)	-10,132.50	-10,132.50	-10,132.50
- Underwriter's Discount	-80,287.50	-80,287.50	
- Cost of Issuance Expense		-162,602.29	
- Other Amounts			
Target Value	6,719,580.00	6,556,977.71	6,799,867.50
Target Date	06/27/2013	06/27/2013	06/27/2013
Yield	4.896944%	5.154051%	4.773498%

## BOND PRICING

Industrial Development Authority of Pulaski County  
Virginia's First Regional Industrial Facility Authority  
Bank of America  
FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)	Takedown
Serial Bonds:							
	06/15/2014	230,000	0.770%	0.770%	100.000		6.250
	06/15/2015	220,000	1.043%	1.043%	100.000		6.250
	06/15/2016	225,000	1.485%	1.485%	100.000		6.250
	06/15/2017	225,000	1.974%	1.974%	100.000		6.250
	06/15/2018	230,000	2.374%	2.374%	100.000		6.250
	06/15/2019	235,000	2.822%	2.822%	100.000		6.250
	06/15/2020	245,000	3.172%	3.172%	100.000		6.250
	06/15/2021	250,000	3.624%	3.624%	100.000		6.250
	06/15/2022	260,000	3.774%	3.774%	100.000		6.250
	06/15/2023	270,000	3.924%	3.924%	100.000		6.250
	06/15/2024	280,000	4.074%	4.074%	100.000		6.250
	06/15/2025	295,000	4.274%	4.274%	100.000		6.250
	06/15/2026	305,000	4.424%	4.424%	100.000		6.250
	06/15/2027	315,000	4.574%	4.574%	100.000		6.250
	06/15/2028	330,000	4.724%	4.724%	100.000		6.250
		<u>3,915,000</u>					
2039 Term Bond:							
	06/15/2029	200,000	5.375%	5.400%	99.650	-700.00	6.250
	06/15/2030	210,000	5.375%	5.400%	99.650	-735.00	6.250
	06/15/2031	220,000	5.375%	5.400%	99.650	-770.00	6.250
	06/15/2032	235,000	5.375%	5.400%	99.650	-822.50	6.250
	06/15/2033	245,000	5.375%	5.400%	99.650	-857.50	6.250
	06/15/2034	260,000	5.375%	5.400%	99.650	-910.00	6.250
	06/15/2035	275,000	5.375%	5.400%	99.650	-962.50	6.250
	06/15/2036	290,000	5.375%	5.400%	99.650	-1,015.00	6.250
	06/15/2037	305,000	5.375%	5.400%	99.650	-1,067.50	6.250
	06/15/2038	320,000	5.375%	5.400%	99.650	-1,120.00	6.250
	06/15/2039	335,000	5.375%	5.400%	99.650	-1,172.50	6.250
		<u>2,895,000</u>				<u>-10,132.50</u>	
		6,810,000				-10,132.50	

Dated Date	06/27/2013	
Delivery Date	06/27/2013	
First Coupon	12/15/2013	
Par Amount	6,810,000.00	
Original Issue Discount	-10,132.50	
Production	6,799,867.50	99.851211%
Underwriter's Discount	-80,287.50	-1.178965%
Purchase Price	6,719,580.00	98.672247%
Accrued Interest		
Net Proceeds	6,719,580.00	

## Numbers Originally Shown to Authority In November

### Refinancing Debt as 'Matched Maturity' Structure

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Refinancing Debt Service</u>	<u>Difference</u>	<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Refinancing Debt Service</u>	<u>Difference</u>
2013	\$82,284	\$0	\$82,284	2030	\$242,544	\$272,800	(\$30,256)
2014	356,343	408,483	(52,140)	2031	242,544	275,975	(33,431)
2015	356,343	404,850	(48,507)	2032	242,544	273,625	(31,081)
2016	356,343	403,475	(47,132)	2033	242,544	276,013	(33,469)
2017	356,343	406,888	(50,545)	2034	242,544	272,875	(30,331)
2018	356,343	404,875	(48,532)	2035	242,544	274,475	(31,931)
2019	356,343	402,650	(46,307)	2036	242,544	275,550	(33,006)
2020	356,343	405,213	(48,870)	2037	242,544	276,100	(33,556)
2021	356,343	407,350	(51,007)	2038	242,544	276,125	(33,581)
2022	356,343	404,063	(47,720)	2039	242,544	275,625	(33,081)
2023	356,343	405,563	(49,220)	2040	242,544	274,600	(32,056)
2024	356,343	404,538	(48,195)	2041	242,544	273,050	(30,506)
2025	242,544	277,988	(35,444)	2042	242,544	275,975	(33,431)
2026	242,544	277,475	(34,931)	2043	123,096	138,113	(15,017)
2027	242,544	276,700	(34,156)	2044	123,096	141,813	(18,717)
2028	242,544	275,663	(33,119)	2045	25,544	99,988	(74,443)
2029	242,544	274,363	(31,819)				
				<b>Total</b>	<b>\$8,639,584</b>	<b>\$9,792,833</b>	<b>(\$1,153,249)</b>

### Refinancing Debt as 'Level Payments' Structure

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Refinancing Debt Service</u>	<u>Difference</u>	<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Refinancing Debt Service</u>	<u>Difference</u>
2013	\$82,284	\$0	\$82,284	2030	\$242,544	341,888	(\$99,344)
2014	356,343	356,633	(290)	2031	242,544	344,013	(101,469)
2015	356,343	342,475	13,868	2032	242,544	345,613	(103,069)
2016	356,343	344,288	12,055	2033	242,544	341,688	(99,144)
2017	356,343	345,888	10,455	2034	242,544	342,500	(99,956)
2018	356,343	342,275	14,068	2035	242,544	342,788	(100,244)
2019	356,343	343,663	12,680	2036	242,544	342,550	(100,006)
2020	356,343	344,838	11,505	2037	242,544	341,788	(99,244)
2021	356,343	345,800	10,543	2038	242,544	345,500	(102,956)
2022	356,343	341,550	14,793	2039	242,544	343,425	(100,881)
2023	356,343	342,300	14,043	2040	242,544	345,825	(103,281)
2024	356,343	341,788	14,555	2041	242,544	342,438	(99,894)
2025	242,544	341,013	(98,469)	2042	242,544	343,525	(100,981)
2026	242,544	344,975	(102,431)	2043	123,096	343,825	(220,729)
2027	242,544	343,413	(100,869)	2044	123,096	343,338	(220,242)
2028	242,544	341,588	(99,044)	2045	25,544	342,063	(316,518)
2029	242,544	344,500	(101,956)				
				<b>Total</b>	<b>\$8,639,584</b>	<b>\$10,999,746</b>	<b>(\$2,360,162)</b>

## FINAL RATES

### Refinancing Debt as 'Matched Maturity' Structure

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Refinancing Debt Service</u>	<u>Difference</u>	<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Refinancing Debt Service</u>	<u>Difference</u>
2013	\$0	\$0	\$0	2030	\$242,542	\$267,398	(\$24,856)
2014	356,340	379,058	(22,718)	2031	242,542	265,679	(23,137)
2015	356,340	380,169	(23,829)	2032	242,819	268,691	(25,872)
2016	356,817	383,500	(26,684)	2033	242,542	266,166	(23,625)
2017	356,340	381,050	(24,710)	2034	242,542	268,373	(25,831)
2018	356,340	382,793	(26,453)	2035	242,542	265,041	(22,500)
2019	356,340	383,757	(27,417)	2036	242,742	266,441	(23,699)
2020	356,779	383,819	(27,039)	2037	242,542	267,304	(24,762)
2021	356,340	383,109	(26,769)	2038	242,542	267,629	(25,087)
2022	356,340	381,405	(25,064)	2039	242,542	267,416	(24,875)
2023	356,340	379,234	(22,894)	2040	242,651	266,666	(24,015)
2024	356,735	381,582	(24,848)	2041	242,542	265,169	(22,627)
2025	242,542	268,231	(25,689)	2042	242,542	268,124	(25,582)
2026	242,542	268,957	(26,415)	2043	123,096	150,258	(27,162)
2027	242,542	269,312	(26,770)	2044	123,111	148,140	(25,029)
2028	242,883	269,280	(26,397)	2045	87,092	110,749	(23,657)
2029	242,542	268,848	(26,306)				
				<b>Total</b>	<b>\$8,621,031</b>	<b>\$9,423,347</b>	<b>(\$802,316)</b>

### Refinancing Debt as 'Level Payments' Structure

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Refinancing Debt Service</u>	<u>Difference</u>	<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Refinancing Debt Service</u>	<u>Difference</u>
2013	\$0	\$0	\$0	2030	\$242,542	334,253	(\$91,711)
2014	356,340	333,706	22,634	2031	242,542	331,459	(88,917)
2015	356,340	331,206	25,134	2032	242,819	333,396	(90,577)
2016	356,817	330,320	26,497	2033	242,542	329,796	(87,255)
2017	356,340	334,057	22,283	2034	242,542	330,928	(88,386)
2018	356,340	332,281	24,060	2035	242,542	331,521	(88,980)
2019	356,340	330,144	26,196	2036	242,742	331,578	(88,835)
2020	356,779	332,604	24,175	2037	242,542	331,096	(88,555)
2021	356,340	334,591	21,749	2038	242,542	330,078	(87,536)
2022	356,340	330,967	25,373	2039	242,542	333,521	(90,980)
2023	356,340	332,193	24,147	2040	242,651	331,159	(88,508)
2024	356,735	333,073	23,662	2041	242,542	333,019	(90,477)
2025	242,542	333,591	(91,050)	2042	242,542	334,058	(91,516)
2026	242,542	333,676	(91,135)	2043	123,096	334,275	(211,179)
2027	242,542	333,367	(90,826)	2044	123,111	333,671	(210,560)
2028	242,883	332,650	(89,767)	2045	87,092	332,246	(245,154)
2029	242,542	331,509	(88,967)				
				<b>Total</b>	<b>\$8,621,031</b>	<b>\$10,635,989</b>	<b>(\$2,014,958)</b>

	Budget FY 2011-12	Actual FY2011-12	Adopted FY 2012-13	Proposed FY 2013-14
<b><u>Income</u></b>				
<b>Commerce Park Income</b>				
Grants	30,000.00		30,000.00	
VA 1st Marketing Reimbursement			35,000.00	
VA 1st Target Research Reimbursement			22,000.00	
Interest Income - Commerce Park	5,000.00	4,166.76	5,000.00	
Water Surcharge				1,000.00
Property Taxes				0.00
Lease Income - Commerce Park				
Dalton - 400 Acres	4,065.25	4,282.46	4,282.46	4,000.00
Flory - 100 Acres	2,541.50	2,374.70	2,000.00	2,000.00
Guthrie - 300 Acres	3,200.25	3,298.13	3,298.13	1,800.00
Residence - Double Wide	6,000.00	5,450.00	3,000.00	7,200.00
Residence - Single Wide		0.00	0.00	0.00
<b>Total Lease Income - Commerce Park</b>	<b>15,807.00</b>	<b>15,405.29</b>	<b>12,580.59</b>	<b>15,000.00</b>
Shares - Commerce Park				
Shares - Bland County	5,900.00	5,900.00	5,900.00	5,900.00
Shares - City of Radford	23,258.00	23,258.00	23,258.00	23,258.00
Shares - City of Roanoke	27,500.00	27,500.00	27,500.00	27,500.00
Shares - Craig County	5,844.00	5,844.00	5,844.00	5,844.00
Shares - Giles County	55,851.00	0.00 *	55,851.00	55,851.00
Shares - Montgomery County	55,851.00	55,851.00	55,851.00	55,851.00
Shares - Pulaski County	180,172.00	180,172.00	180,172.00	180,172.00
Shares - Roanoke County	29,255.00	29,255.00	29,255.00	29,255.00
Shares - Town of Dublin	2,968.00	2,968.00	2,968.00	2,968.00
Shares - Town of Pearisburg	5,900.00	5,900.00	5,900.00	5,900.00
Shares - Town of Pulaski	20,001.00	20,001.00	20,001.00	20,001.00
<b>Total Shares - Commerce Park</b>	<b>412,500.00</b>	<b>356,649.00</b>	<b>412,500.00</b>	<b>412,500.00</b>
* (paid prior year)				
Use of Reserve Funds			97,498.41	152,857.00
<b>Total Commerce Park Income</b>	<b>463,307.00</b>	<b>376,221.05</b>	<b>614,579.00</b>	<b>581,357.00</b>

	Budget FY 2011-12	Actual FY2011-12	Adopted FY 2012-13	Proposed FY 2013-14
<b>Virginia First's Income</b>				
Interest Income - VA First	5,000.00	4,166.81	1,000.00	
Member Dues - VA First				
Dues - Bland County	5,000.00	5,000.00	5,000.00	5,000.00
Dues - City of Radford	5,000.00	5,000.00	5,000.00	5,000.00
Dues - City of Roanoke	5,000.00	0.00	5,000.00	5,000.00
Dues - City of Salem	5,000.00	0.00	0.00	0.00
Dues - Craig County	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Giles County	5,000.00	0.00	5,000.00	5,000.00
Dues - Montgomery County	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Pulaski County	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Roanoke County	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Town of Christiansburg	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Town of Dublin	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Town of Narrows	5,000.00	0.00	0.00	0.00
Dues - Town of Pearisburg	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Town of Pulaski	5,000.00	5,000.00	5,000.00	5,000.00
Dues - Wythe County	5,000.00	0.00	5,000.00	5,000.00
Total Member Dues - VA First	75,000.00	50,000.00	65,000.00	65,000.00
Use of Reserve			27,500.00	
<b>Total Virginia First's Income</b>	<b>80,000.00</b>	<b>54,166.81</b>	<b>93,500.00</b>	<b>65,000.00</b>
<b>Total Income</b>	<b>543,307.00</b>	<b>430,387.86</b>	<b>708,079.00</b>	<b>646,357.00</b>
<b>Expense</b>				
<b>Commerce Park Expenses</b>				
Administration Contracted - CP				
Contracted Management	12,000.00	8,500.00	9,000.00	5,940.00
Contracted Site Coordination		0.00	1,000.00	1,000.00
PDC Staff Services	18,000.00	18,183.81	18,000.00	18,000.00
Total Administration Contracted - CP	30,000.00	26,683.81	28,000.00	24,940.00
Administration Expenses				
Advertising/Media	500.00	0.00		
Copies/Printing	400.00	17.72	100.00	50.00
Miscellaneous				
Bank Fees		652.39		
Miscellaneous - Other		100.87	125.00	1,257.00
Total Miscellaneous	900.00	753.26	125.00	1,257.00
Office Space		220.00		
Office Supplies	400.00	173.32	200.00	50.00
Postage	352.00	4.28	100.00	20.00
Telecommunications	2,400.00	748.24		
Transportation/Travel Per Diem	2,400.00	933.18	1,000.00	1,000.00
Total Administration Expenses	7,352.00	2,850.00	1,525.00	2,377.00

	Budget FY 2011-12	Actual FY2011-12	Adopted FY 2012-13	Proposed FY 2013-14
<b>Contractual Service-Commerce Pk</b>		2,837.80		
<b>Debt Service-Commerce Park</b>				
Rural Development #1 - 03/19/42	119,448.00	119,448.00	119,448.00	
Rural Development #2 - 03/02/45	123,096.00	123,096.00	123,096.00	
Stellar One - 02/01/24	113,764.00	113,763.70	113,764.00	
Pulaski Co PSA - 2050			55,000.00	38,000.00
New Financing				499,917.00
<b>Total Debt Service-Commerce Park</b>	<b>356,308.00</b>	<b>356,307.70</b>	<b>411,308.00</b>	<b>537,917.00</b>
<b>Participation Committee-Comm Pk</b>	1,500.00	1,131.26	1,500.00	1,500.00
<b>Professional Services-Com Pk</b>				
Audit Fee	1,600.00	1,625.00		
Engineering		17,147.65	85,000.00	5,000.00
Legal	2,000.00	2,339.33		
Other Professional Fees	1,000.00	0.00	3,000.00	
<b>Total Professional Services-Com Pk</b>	<b>4,600.00</b>	<b>21,111.98</b>	<b>88,000.00</b>	<b>5,000.00</b>
<b>Project Development-Commerce Pk</b>				
<b>Site Development/Marketing</b>				
Strategic Plan	30,387.29	30,387.29		
Target Industry Idenification	47,000.00	15,250.00	31,750.00	
Website	37,260.00	22,419.93	14,807.00	
Postcard Mailer Campaign	13,092.00	2,485.92	10,606.00	5,000.00
Strategic Plan Review	15,000.00		15,000.00	
<b>Total Site Development/Marketing</b>	<b>142,739.29</b>	<b>70,543.14</b>	<b>72,163.00</b>	<b>5,000.00</b>
<b>Total Project Development</b>	<b>142,739.29</b>	<b>70,543.14</b>	<b>72,163.00</b>	<b>5,000.00</b>
<b>Site Maintenance-Commerce Park</b>				
Environmental		385.00	0.00	0.00
Equipment Maintenance	1,000.00	0.00	0.00	0.00
Rental Property Maintenance			10,000.00	2,500.00
<b>Insurance</b>				
Equipment/Machinery	275.00	0.00		
Liability	175.00	0.00		
Property	750.00	583.00	583.00	583.00
<b>Total Insurance</b>	<b>1,200.00</b>	<b>583.00</b>	<b>583.00</b>	<b>583.00</b>
Materials/Supplies	1,000.00	1,642.14	1,000.00	1,000.00
Miscellaneous	3,000.00	2,097.49	500.00	300.00
Utilities	10,600.00	10,066.00	0.00	240.00
Site Maintenance Other		650.00		0.00
<b>Total Site Maintenance</b>	<b>16,800.00</b>	<b>15,423.63</b>	<b>12,083.00</b>	<b>4,623.00</b>
<b>Total Commerce Park Expenses</b>	<b>559,299.29</b>	<b>496,889.32</b>	<b>614,579.00</b>	<b>581,357.00</b>

	Budget FY 2011-12	Actual FY2011-12	Adopted FY 2012-13	Proposed FY 2013-14
<b>Virginia's First Expenses</b>				
<b>Administration Contracted -VF</b>				
Contracted Management	6,000.00	9,500.00	9,000.00	12,060.00
PDC Staff Services	7,000.00	6,332.18	7,000.00	7,000.00
<b>Total Administration Contracted -VF</b>	<b>13,000.00</b>	<b>15,832.18</b>	<b>16,000.00</b>	<b>19,060.00</b>
<b>Administration Expenses - VA1st</b>				
Copies/Printing	400.00	0.72	400.00	50.00
Insurance - Public Officials	550.00	1,100.00	1,100.00	1,100.00
<b>Miscellaneous</b>				
Bank Fees		783.04	1,600.00	1,000.00
Miscellaneous - Other	500.00	210.86	1,000.00	840.00
<b>Total Miscellaneous</b>	<b>500.00</b>	<b>993.90</b>	<b>2,600.00</b>	<b>1,840.00</b>
Office Space		55.00		
Office Supplies	100.00	173.31	1,000.00	
Postage	352.00	5.92	400.00	50.00
Telecommunications	50.00	771.68	1,200.00	1,500.00
Transportation/Travel Per Diem	2,400.00	808.50	2,400.00	1,000.00
<b>Total Administration Expenses - VA1st</b>	<b>4,352.00</b>	<b>3,909.03</b>	<b>9,100.00</b>	<b>5,540.00</b>
<b>Professional Services- VA First</b>				
Audit Fee	2,100.00	1,625.00	3,400.00	3,400.00
Legal	4,000.00	2,694.33	8,000.00	5,000.00
<b>Total Professional Services- VA First</b>	<b>6,100.00</b>	<b>4,319.33</b>	<b>11,400.00</b>	<b>8,400.00</b>
<b>Water &amp; Sewer Capacity Debt Service</b>				17,000.00
<b>Website &amp; Target Industry Research</b>				
Website Maintenance				5,000.00
Website Analysis				2,000.00
Target Industry Research				8,000.00
<b>Total Regional Marketing</b>			57,000.00	15,000.00
<b>Total Virginia's First Expenses</b>	<b>23,452.00</b>	<b>24,060.54</b>	<b>93,500.00</b>	<b>65,000.00</b>
<b>Total Expense</b>	<b>582,751.29</b>	<b>520,949.86</b>	<b>708,079.00</b>	<b>646,357.00</b>
<b>Net Surplus (Deficit)</b>	<b>(90,562.00)</b>	<b>(90,562.00)</b>	<b>0.00</b>	<b>0.00</b>
<b>Commerce Park Use of Reserve</b>	<b>(120,668.27)</b>	<b>(120,668.27)</b>	<b>(97,498.41)</b>	<b>(152,857.00)</b>
<b>VA First Use of Reserve</b>	<b>0.00</b>	<b>0.00</b>	<b>(27,500.00)</b>	<b>0.00</b>