



Virginia's First Regional Industrial Facility Authority

6580 Valley Center Drive, Suite 124

Radford, VA 24141

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

Bland County

John C. Thompson
Henry M. Blessing

Craig County

Jay Polen

Giles County

Chris McKlarney
Richard McCoy

Montgomery County

Mary W. Biggs
Clay Goodman

Pulaski County

Peter M. Huber
Shawn Utt

Roanoke County

Charlotte Moore
Douglas Chittum

Wythe County

Bucky Sharitz
Martha P. Umberger

City of Radford

Bruce Brown
Basil Edwards

City of Roanoke

Brian Townsend
Court G. Rosen

City of Salem

John Givens
Benjamin Tripp

Town of Christiansburg

Randy Wingfield
Barry D. Helms

Town of Dublin

Doug Irvin

Town of Narrows

Clayton Davis
Buddy Kast

Town of Pearisburg

Kenneth F. Vittum
Brad Jones

Town of Pulaski

Morgan Welker
John Hawley

MEMORANDUM

DATE: October 1, 2008
TO: Virginia's First Regional Industrial Facility Authority Members
FROM: Dave Rundgren
SUBJECT: October 8, 2008 Meeting

A meeting of the Virginia's First Regional Industrial Facility Authority Members will be held on **October 8, 2008**, immediately following the Commerce Park Participation Committee meeting being held at 4:30 p.m. The meeting will be held at the New River Valley Competitiveness Center, Fairlawn.

Please mark your calendar and notify me as to your plans for attendance.

Virginia's First Regional Industrial Facility Authority

Agenda

October 8, 2008

New River Valley Competitiveness Center

Fairlawn, VA

1. Roll Call
1. Approval of the September 10, 2008 meeting minutes
2. Treasurer's Report for ^{October 8} September 10, 2008 *(to be provided at the meeting)*
3. Old Business
 - a) Consideration of request for legal opinion regarding voting requirements *(to be provided at the meeting)*
4. New Business
 - a) Report from Participation Committee
 1. EDA grant for water and sewer
 2. Staffing recommendation
 - b) Financial audit for FY 2008
5. Administrative Staff Report
6. Other Business
7. Adjournment

Next scheduled meeting: November 12, 2008

Virginia's **FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY**
Meeting Minutes
September 10, 2008

1. Roll Call

Chairman McKlarney called the meeting of the Authority to order. A roll call was taken and a quorum determined (see attached).

2. Approval of the August 13, 2008 meeting minutes

Motion: Ms. Biggs moved approval of the August 13, 2008 authority meeting minutes. Mr. Helms seconded the motion.

Action: The motion carried.

3. Treasurer's Report for September 2008

Mr. Helms reviewed the Treasurer's Report for September 2008. The Accounts Payable for the month include AEP and NRVPCD.

Motion: Mr. Helms moved approval of the September treasurer's report and authorized payment of accounts payable as presented. Ms. Biggs seconded the motion.

Action: The motion carried.

4. Old Business

a) Discussion of Grant/Loan Program

The board reviewed the program draft provided in the meeting packet and discussed the program structure (how funds can be distributed, who is eligible to apply and for what kinds of projects).

Motion: Mr. Huber moved to adopt the grant program guidelines with amendments that only member jurisdictions who are not also Commerce Park Participation Committee members may request funds. Mr. Helms seconded the motion.

Action: The motion carried.

No other business was discussed under old business.

5. New Business

a) Consideration of legal opinion regarding voting requirements

The board discussed resolving difference of the legal opinions between the authority's attorney and other localities' attorneys on authority activities. The board determined a resolution of this issue in general is necessary and of the particular situation in which the authority's attorney determined the board can direct funds with a majority vote of a quorum and Montgomery County's attorney determined any action committing authority funds must be a unanimous vote of every locality of the authority membership. The board decided an opinion should be solicited from the state attorney general by the authority's attorney.

No other business was discussed under old business.

6. Administrative Staff Report

No further staff report was given under this item.

7. Other Business

There was no other business to come before the Authority.

8. Adjournment

With no further business to discuss, the meeting adjourned. The next meeting will be October 8, 2008.

Respectfully Submitted,



David W. Rundgren

Approved by,



Barry Helms

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
Attendance

September 10, 2008
New River Competitiveness Center
Radford, VA

Jurisdiction	Member	Alternate
Bland County	() <i>John C. Thompson</i> () Henry M. Blessing	
Craig County	() (x) Jay Polen	
Giles County	(x) Chris McKlarney () Richard McCoy	
Montgomery	(x) Mary Biggs (x) Clay Goodman	(x) Bob Isner () Carol Edmonds
Pulaski County	(x) Shawn Utt (x) Peter Huber	() Joe Sheffey (x) Ronnie Coake
Roanoke County	() Charlotte Moore (x) Douglas Chittum	() Jill Loope
Wythe County	(x) Bucky Sharitz (x) Martha P. Umberger	
City of Radford	() Bruce Brown (x) Basil Edwards	
City of Roanoke	(x) <i>Court Rosen</i> () Brian Townsend	() Anita Price
City of Salem	() John Givens () Benjamin Tripp	
Town of Christiansburg	() Randy Wingfield (x) <i>Barry Helms</i>	
Town of Dublin	() Samuel Gregory Jr. (x) Doug Irvin	
Town of Narrows	(x) <i>Clayton Davis</i> () Buddy Kast	
Town of Pearisburg	() Brad Jones (x) Ken Vittum	
Town of Pulaski	(x) Morgan Welker () John Hawley	

Others Present: Trevor Kimzey

Staff Present: Dave Rundgren, Christy Straight

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

September 11, 2008

Virginia's First Regional Industrial Facility Authority
Attn: Board Members and
Dave Rundgren, Director
6580 Valley Center Drive, Box 21
Radford, Virginia 24141

Dear Board Members and Mr. Rundgren:

We are pleased to confirm our understanding of the services we are to provide the Virginia's First Regional Industrial Facility Authority for the year ended June 30, 2008. We will audit the financial statements of the business-type activities which collectively comprise the basic financial statements of the Virginia's First Regional Industrial Facility Authority as of and for the year ended June 30, 2008. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the Virginia's First Regional Industrial Facility Authority's basic financial statements. As part of our engagement, we will apply certain limited procedures to the Virginia's First Regional Industrial Facility Authority's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

Audit 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 additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) 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 the Virginia's First Regional Industrial Facility Authority and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully 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 laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the Virginia's

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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 prepare a draft of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the financial position of the business-type activities of the Virginia's First Regional Industrial Facility Authority and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the 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 or illegal acts 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, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

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 audits or other engagements or 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 or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions.

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. 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 an audit is designed to provide reasonable, but not absolute assurance 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. 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 you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you 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 Controls

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. 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 the 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*.

Audit 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 Virginia's First Regional Industrial Facility Authority; 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 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 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 11, 2008 and to issue our reports no later than September 30, 2008. Corbin Stone is the engagement partner and is responsible for supervising the engagement and signing the report. Our fee for these services shall not exceed \$2,600. This 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.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2007 peer review accompanies this letter.

Very truly yours,

ROBINSON, FARMER, COX ASSOCIATES



Corbin C. Stone
Certified Public Accountant
Member

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

By: David W. Ruedgen

Title: Executive Director

Date: 9/11/08



Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

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To the Members
Robinson, Farmer, Cox Associates
A Professional Limited Liability Company

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, 2004. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The design of the system and compliance with it are the responsibility of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with the system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it.

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

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, 2004, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

Tetrick & Bartlett, PLLC

December 17, 2004