Danville-Pittsylvania Regional Industrial Facility Authority

CITY OF DANVILLE, VIRGINIA
COUNTY OF PITTSYLVANIA, VIRGINIA

AGENDA

MONDAY, MAY 10, 2010

12:00 NOON

DAN RIVER BUSINESS DEVELOPMENT CENTER CONFERENCE ROOM
300 RINGGOLD INDUSTRIAL PARKWAY

COUNTY OF PITTSYLVANIA MEMBERS

COY E. HARVILLE, CHAIRMAN
HENRY A. "HANK" DAVIS, JR.
FRED M. INGRAM, ALTERNATE

CITY OF DANVILLE MEMBERS

SHERMAN M. SAUNDERS, VICE-CHAIRMAN/SECRETARY-TREASURER
T. DAVID LUTHER
FRED O. SHANKS, III, ALTERNATE

STAFF

JOSEPH C. KING, INTERIM CITY MANAGER, DANVILLE
WILLIAM D. SLEEPER, PITTSYLVANIA COUNTY ADMINISTRATOR
CLEMENT & WHEATLEY, ATTORNEY FOR AUTHORITY
ANNETTE Y. CRANE, CLERK TO THE AUTHORITY

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES (APRIL 12, 2010 REGULAR MEETING)

4. CONSIDERATION OF THE INCLUSION OF 240 FACTORY LANE INTO THE CANE CREEK CENTRE

5. DISCUSSION ON THE COVENANTS FOR THE MEGA PARK – DAN SLEEPER

6. CONSIDERATION OF APPROVAL TO EXTEND HUNTING LEASE PER REQUEST OF MR. R.D. LONG

7. CONSIDERATION OF APPROVAL TO EXTEND THE AUDIT CONTRACT TO BROWN, EDWARDS & COMPANY FOR AN ADDITIONAL TWO FISCAL YEARS (FISCAL YEAR 2010 & 2011)

8. DISCUSSION ON THE DEVELOPMENT AND DISSEMINATION OF RIFA AGENDAS AND SUPPORTING REPORTS – JOE KING

9. FINANCIAL REPORT

10. COMMUNICATIONS FROM:

    HENRY A. "HANK" DAVIS, JR.
    COY E. HARVILLE
    FRED M. INGRAM
    T. DAVID LUTHER
    SHERMAN M. SAUNDERS
    FRED O. SHANKS, III
    STAFF

11. ADJOURN

AGENDA
ITEM NUMBER 3

Danville-Pittsylvania Regional Industrial Facility Authority

Minutes

April 12, 2010

The Regular Meeting of the Danville Pittsylvania Regional Industrial Facility Authority convened at 12 o'clock Noon on the above date in the Conference Room of the Dan River Business Development Center located at 300 Ringgold Industrial Parkway. Present were City of Danville Members Vice-Chairman/Secretary-Treasurer Sherman Saunders, David Luther, Alternate Fred Shanks and Pittsylvania County Members Chairman Coy Harville and Hank Davis.

City/County staff members attending were: Danville Interim City Manager Joe King, Pittsylvania County Administrator Dan Sleeper, Pittsylvania County Assistant Administrator Otis Hawker, Danville Economic Development Director Jeremy Stratton, Pittsylvania County Economic Development Director Ken Bowman, Danville Finance Director Barbara Dameron, Danville Senior Accountant Amy Merricks, Clement and Wheatley Attorney Michael Guanzon, and Danville Executive Secretary Tiffany Harris. Danville Economic Development Consultant Linwood Wright was also present.

Chairman Harville called the Meeting to order.

APPROVAL OF MARCH 8, 2010 & MARCH 30, 2010 MINUTES

Upon **Motion** by Mr. Davis and second by Mr. Saunders, minutes of the March 8, 2010 Meeting and the March 30, 2010 Special Called Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the meeting.

MEGA PARK PHASE I WATER LINE PROJECT PRESENTATION

Mr. Sleeper advised that the County has reviewed plans with Dewberry to reduce the proposed water line running along Berry Hill Road from Hwy. 58 to the Mega Park site from a sixteen inch line to a twelve inch line. Mr. Sleeper explained the location of the proposed water tanks for Phase II of the project. He explained that during Phase II there will be a sixteen inch water line installed between the two water tanks creating a loop through the Mega Park site so that the entire site will be served by a sixteen inch water line. Mr. Sleeper explained that inside the park a sixteen inch line is needed in order to handle the fire flow.

MEGA PARK DEVELOPMENT STRATEGY

Mr. King advised that Governor McDonnell has budgeted $5 million for an undesignated Mega-Site. Mr. King explained that staff from Economic Development attended a meeting with Lt. Governor Bolling who indicated that the Governor's preference was to use the funds to help further development of a mega site at one location. Mr. King explained that there have been suggestions of spreading the proposed funding the Tobacco Region. He stated that the source of the funding is the Tobacco Commission. Mr. King explained that staff has met with Dewberry and has been advised to develop a plan to show how the proposed funds could be used to support the Mega Park. Mr. King stated that the goal of a plan would be to show that the Mega Park site is "shovel ready."

Mr. King explained that in order to certify that the site is "shovel ready," RIFA should develop a formal proposal to conduct a full environmental assessment of the Mega Park; complete preliminary engineering designs for utility services and roadways; secure road and utility easements; complete permitting processes; and undertake associated public information and involvement activities.

Mr. Harville stated that he is in agreement with the development of a formal proposal to use the funding. Mr. Harville suggested having a Work Session to discuss the development strategy of the Mega Park and to expedite a request to the Governor and to the Tobacco Commission.

Mr. Luther **moved** acceptance to adopt a Mega Park Development Strategy as outlined in the memorandum from Interim City Manager Joe King which includes a request to the Governor and the Tobacco Commission for funding from the Mega-Site Fund. The Motion was seconded by Mr. Davis and carried unanimously. A copy of the memorandum from Joe King had been distributed to Authority Members prior to the meeting and was included in the agenda packets.

DEVELOPMENT AND DISSEMINATION OF RIFA AGENDAS AND SUPPORTING REPORTS

Mr. King explained that the City Manager's Office is responsible for distributing the RIFA agenda materials. He suggested refinements in the process to makes sure the materials are complete and ready for distribution in a timely manner. He stated that it is being proposed that the agenda be distributed on the Wednesday before the Monday meeting as opposed to the Friday before the Monday meeting. Mr. King explained that the County Adminstrator, Dan Sleeper, would coordinate collecting input from Pittsylvania County staff and Board members and the City Manager would coordinate collecting input from City staff and Board members to be added to the agenda.

Mr. Harville agreed that a formal process to prepare the RIFA agenda is needed.

Mr. King advised that at the next meeting, a new process will be presented to the Board on how the agenda will be made available to Board members and the public.

Mr. Harville requested the RIFA Attorney review the bylaws so that it is clear if items can be added to the agenda during a meeting and how many board members must be present to add items to the agenda during a meeting.

Mr. Saunders also requested that the RIFA Attorney review the bylaws to be sure that public notice requirements and timeframes are addressed as well.

MONTHLY FINANCIAL REPORT

Mr. Harville called attention to the Monthly Financial Report that had been distributed to Members prior to the Meeting. Members were asked to direct any questions to Barbara Dameron.

Mr. Davis **moved** acceptance of the Financial Report as presented. The Motion was seconded by Mr. Luther and carried unanimously.

CLOSED MEETING

At 12:34 P.M. Mr. Harville recognized Mr. Davis who **moved** the meeting be recessed and the Authority immediately convene in Closed Meeting for discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business or industry's interest in locating or expanding its facilities in the community as permitted by Subsection (A) (5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended and for consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body regarding specific legal matters requiring the provision of legal advise by such counsel of as permitted by Subsection (A) (7) of Section 2.2-3711 of the Code of Virginia, 1950, as amended. The Motion was seconded by Mr. Saunders and carried unanimously.

Upon unanimous vote, at 12:48 P.M. the Authority returned to open meeting and Mr. Davis **moved** adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in confirmity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

The Motion was seconded by Mr. Luther and carried by the following vote:

VOTE:	4-0
AYE:	Davis, Harville, Luther, and Saunders (4)
NAY:	None (0).

The Meeting adjourned at 12:51 P.M.

_____
Chairman

_____
Clerk to the Authority

AGENDA
ITEM NUMBER 4

Job Luning Prak
Cruciger L.P.
501 Penllyn Pike
Penllyn, PA 19422

Tucson, April 20, 2010

RE: 240 Factory Lane, Ringgold, VA.

Mr. Jeremy Stratton, Director
Danville Office of Economic Development
427 Patton Street
Danville, VA 24541

Dear Mr. Stratton:

I am emailing in hopes that you will forward this request to the Danville Pittsylvania Regional Industrial Facilities Authority (RIFA). Cruciger L.P. is the owner of 240 Factory Lane, the former EToys warehouse, a 23-acre site located adjacent to Cane Creek Centre. Upon extensive review of the location of my property and in determining how best to market the facility, I have come to the tentative conclusion it would be wise for me to request that the property become a part of Cane Creek Centre.

I understand from our previous conversations that if my property becomes part of Cane Creek Centre there would be no new or future assessments required by RIFA. In addition, I understand that RIFA, Pittsylvania County, and/or the City of Danville would not be responsible for any type of infrastructure improvements for my building. Having scanned your protective covenants, I also request that our property would be incorporated into the park on an "as is" grandfathered basis without any requirements to bring the property into compliance with those covenants.

Thank you for helping me with this request. I look forward to hearing from you soon and please let me know how I can help expedite the approval process.

Very sincerely yours,

CRUCIGER L.P.

j.l.p.

Job Luning Prak
President, Cruciger, Inc., G.P.

cc.: Mike Scearce, CB Johnson Realty
Marie Raquet, LPA RE
Carrie O'Malley, Esq. Hirschler Fleisher PC

AGENDA
ITEM NUMBER 6

Mr. R.D. Long
4306 Mathews Lane
Greensboro, NC 27405
Phone (336) 621-3495
Cell 336 3827991

GUILFORD WHITETAIL MANAGEMENT HUNTING CONTRACT

This contract would give RD Long the authority to maintain the hunting rights and the wild life habitat with the understanding that any landowner or agent may hunt unconditionally. This contract RD Long agrees to:

1- **Post all property boundaries.**
2- **Cable and lock all roadways onto this property.**
3- **Cooperate with landowner, agent or farmer, giving them keys to all locks.**
4- **Plant food plots for all wildlife and not interfere with farming.**
5- **Follow all laws and regulations applying to hunting and firearms.**
6- **Take all reasonable precautions against fire and littering.**
7- **Indemnify and save harmless landowner or agent from all loss cost or damage on account of injury to person or persons on property while hunting with me or as my guest.**
8- **Carry and maintain for the duration of this contract liability insurance coverage of not less than $500,000.00, and provide landowner or agent with current certificate of insurance.**

Location of Property:
State Road 863 Pittsylvania County
Kluttz Farm

Term of contact: Starting- May 17, 2009 Ending- May 17, 2010

Property Owners Names and Address:
R.I.F.A.
549 Main Street
Danville, Va. 24541

Number of Acreage: 1500 more or less

Price per Acre: _____ Total Price: $ 2,000.00/00

RD Long requests first option for the hunting rights for the following year. I will do my best to look after this farm and keep you informed on any changes with hope that our friendship will continue to grow.

CR. No. 2839
dated 5/21/09

AGREED: R.D. Long
DATE: May 19, 2009

AGREED: Cay E. Danville
DATE: 6-8-09

AGENDA
ITEM NUMBER 7

Danville-Pittsylvania Regional Industrial Facility Authority

427 Patton Street, Room 428
Danville, VA 24541
Telephone: 434-799-5185
Facsimile: 434-799-5041

Date: April 28, 2010

To: RIFA Board

From: Barbara Dameron

Subject: Fiscal Year 2010 and 2011 Audit

At the May 14, 2007 meeting the RIFA board approved a contract with Brown, Edwards and Co. to perform the audit for the Danville-Pittsylvania Regional Industrial Facility Authority for three fiscal years (FY 07, 08, and 09). The contract expired at the end of FY 09. The Request for Proposal and procurement regulations allows the RIFA Board to extend the contract for up to two fiscal years. The staff has met and has come to the conclusion that the best option for RIFA would be to extend the contract for an additional two fiscal years. After the two fiscal year extension has expired, RIFA should then advertise a Request for Proposal and interview selected candidates.

Attached please find the engagement letter between RIFA and Brown, Edwards and Co. extending the contract for an additional two fiscal years. Be advised that the fee for the FY 2010 audit will decrease from the previous year of $18,500 to $18,000, while the fee for the FY 2011 audit will increase to $18,750.

Staff suggests that the RIFA Board approve the attached contract extending the audit engagement for an additional two fiscal years.

BROWN,
EDWARDS&
COMPANY, L.L.P.
Certified Public Accountants

COPY

April 20, 2010

Board of Directors
c/o Barbara Dameron, Director of Finance
Danville-Pittsylvania Regional Industrial
Facility Authority
427 Patton Street, Room 428
Danville, Virginia 24541

To the Members of the Board:

We are pleased to confirm our understanding of the services we are to provide the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority") for the years ending June 30, 2010 and 2011. We will audit the basic financial statements of the Authority as of and for the years ending June 30, 2010 and 2011. 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 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 the Authority's RSI, if included, 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 MD&A, if presented, is RSI required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

Audit Objectives

The objective of our audit is the expression of an opinion 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, if any, 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 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 the Authority and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is 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 an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Audit Objectives (Continued)

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 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 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 our assistance with the 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. 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, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the Authority and the respective changes in financial position and cash flows 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 and financial information is reliable and properly recorded. 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.

Management Responsibilities (Continued)

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. You are responsible for the preparation of supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information, if any, in any document that contains and indicates that we have reported on the supplementary information. You also agree to present the supplementary information with the audited financial statements 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.

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. 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.

Audit Procedures – General (Continued)

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 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 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.

Audit Administration, Fees, and Other (Continued)

The audit documentation for this engagement is the property of Brown, Edwards and Company, L.L.P. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to certain state agencies, 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 Brown, Edwards, and Company, L.L.P. 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 certain state agencies or its designee, a federal agency providing funding, or the U.S. Government Accountability Office. 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.

Jason Hartman is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fees are based on the time required by the individuals assigned to the engagement at our standard hourly rates, plus travel and other out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the skill required. However, we agree that our gross fee, including expenses, will not exceed $18,000 and $18,750 for the audits for the years ending June 30, 2010 and 2011, respectively. This fee does not include a change in the scope of the audit such as additional federal awards that would require a Single Audit. Should a Single Audit of one major program become necessary in either year, we would charge an additional $1,500 beyond the fee quoted above. Similarly, if there is an unusual increase in incentive grants and agreements or other activities we may incur additional time and thus charge additional fees. However, we will discuss those with you in advance.

It is our understanding that (1) the overall condition of the financial and accounting records is excellent (requires few or no adjusting journal entries); (2) we will receive full support from your personnel necessary for the preparation of all items discussed or as outlined in our client assistance list, to be provided annually; and (3) the preparation of items in our client assistance list will be completed prior to our arrival to begin fieldwork. If for some reason your personnel are unable to provide the contemplated assistance, or should we encounter unexpected circumstances that will require spending more time than presently anticipated, we will bring this to your attention and discuss the additional cost during the normal billing process. A change of the scope of our services (e.g., due to changes to regulations or professional standards, and as applicable to you, loss of key personnel, financial and/or accounting irregularities, unexpected and material litigation, etc.) may also require additional time and therefore, add to the cost of the engagement. We assure you that we will make every attempt to hold our time to a minimum, commensurate with the work involved. Other services, such as research or consultation, would be an additional cost. We will discuss all such matters with you prior to our incurring those costs.

Audit Administration, Fees, and Other (Continued)

Our invoices for these fees will be rendered as our work progresses and expenses are incurred and are payable upon presentation.

In accordance with firm policy, work may be suspended if your account becomes significantly overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

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 2009 peer review report accompanies this letter.

****

We appreciate the opportunity to be of service to the Danville-Pittsylvania Regional Industrial Development 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,

BROWN, EDWARDS & COMPANY, L.L.P.

Norman D. Yoder, Director

Jason A. Hartman, Partner

Attachment

RESPONSE:

This letter correctly sets forth the understanding of the Danville-Pittsylvania Regional Industrial Facility Authority.

By: _____

Title: _____

Date: _____

P&N Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

System Review Report

To the Partners of Brown, Edwards & Company L.L.P.

and the AICPA Peer Review Board's National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown, Edwards & Company L.L.P. (the firm) applicable to non-SEC issuers in effect for the year ended May 31, 2009. 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 with 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.

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

In our opinion, the system of quality control for the accounting and auditing practice of Brown, Edwards & Company L.L.P. applicable to non-SEC issuers, in effect for the year ended May 31, 2009, 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.* Brown, Edwards & Company L.L.P. has received a rating of *pass.*

Postlethwaite & Netterville

Baton Rouge, Louisiana

August 13, 2009

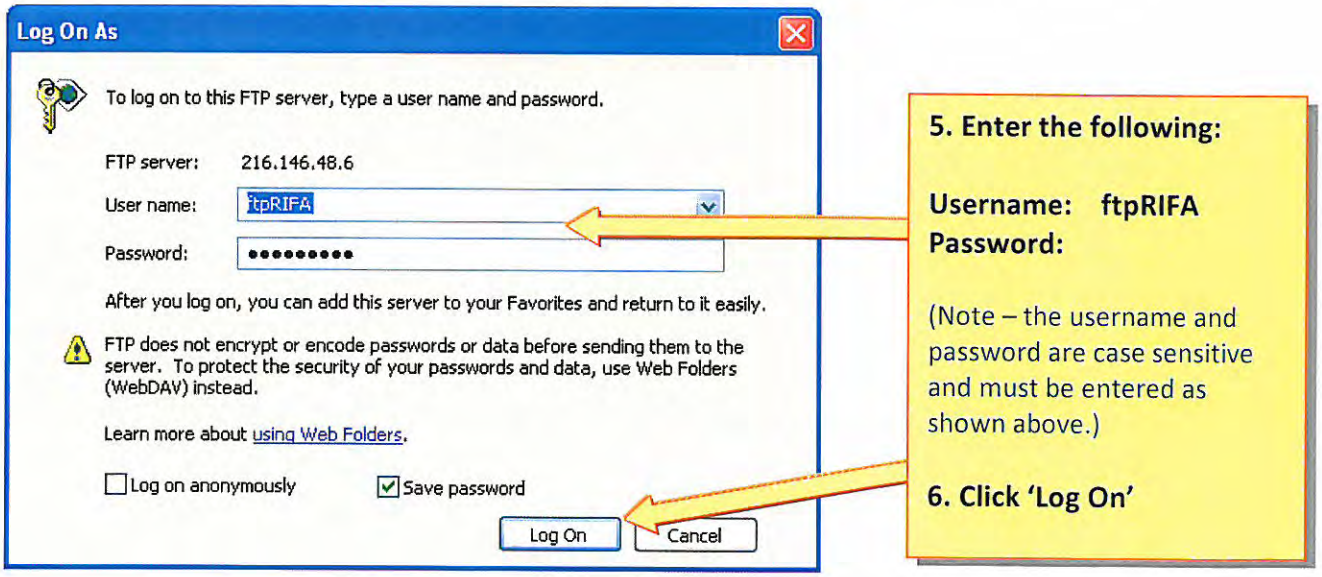
8550 United Plaza Blvd. Suite 1001 • Baton Rouge LA 70809 • Tel: 225.922.4600 • Fax: 225.922.4611

AGENDA
ITEM NUMBER 8

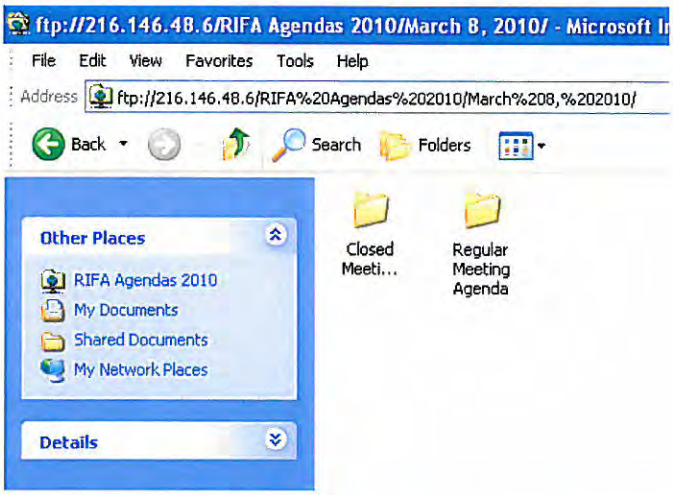
Instructions to Access RIFA Members Only Content

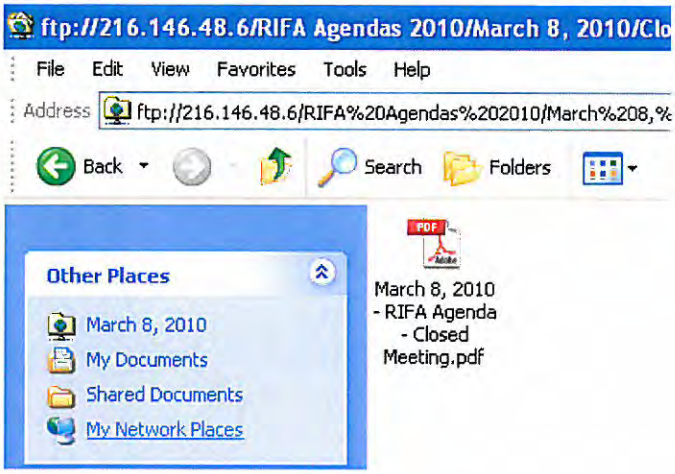
1. **Go to RIFA webpage on the City of Danville's website at www.danville-va.gov**
2. **Below is a screenshot of the RIFA webpage:**

4. **After clicking the link, the following box will appear:**



7. After you Log-on, the following series of folders will appear. The RIFA agenda and any closed meeting/confidential information will be stored as a PDF document in the folders as shown below.





8. If you encounter any problems accessing the content or lose the username and password, contact the City Manager's Office at 434-799-5100.

AGENDA
ITEM NUMBER 9

Danville - Pittsylvania Regional Industrial Facility Authority

Financial Status

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A. $7.3 Million Bonds

B. General Expenditures for FY 2010

C. Mega Park

D. Build out of the Research Facility – Danville Regional Foundation

Danville-Pittsylvania Regional Industrial Facility Authority

$7.3 million Bonds for Cane Creek Centre - Issued in August 2005

As of April 30, 2010

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
Funds from bond issuance	$ 7,300,000.00				
Issuance cost	(155,401.33)				
Bank fees	(98.25)				
Interest earned to date	483,168.57				
Cane Creek Parkway		$ 3,423,296.09	$ 3,342,961.25	$ 80,334.84	
Swedwood Drive [2]		69,414.00	69,414.00	-	
Cane Creek Centre entrance [3]		72,335.00	53,878.70	-	
Financial Advisory Services		7,600.00	7,600.00	-	
Dewberry contracts [1]		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant[4]		142,740.61	3,500.00	139,240.61	
Land			2,560,921.67	-	
Demolition services			33,761.62	-	
Legal fees			42,937.89	-	
Other expenditures			9,689.70	-	
Total	$ 7,627,668.99		$ 6,194,247.33	$ 219,575.46	**$ 1,213,846.21**

notes:

[1] *Dewberry Contracts consist of wetland, engineering, surveying and site preparation*

[2] *Funds being used to cover City and County matching contributions for a VDOT grant for Swedwood Drive*

[3] *Project completed under budget*

[*] *In September 2008 the outstanding principal balance of $6,965,000 on the Series 2005 Cane Creek Project Revenue Bonds was tendered and not remarketed. These bonds were converted to bank bonds and are now subject to the Credit and Reimbursement agreement the Authority has with Wachovia Bank. The remarketing agent will continue its attempt to remarket these bonds in order to convert them back to Variable Rate Revenue Bonds. As a result, it is likely that the City and County will have to contribute additional funds in order to make future interest payments on the letter of credit attached to these bonds.*

[4] *These contracts were originally to be paid by the $1.7M Special Projects Grant, this grant has expired and the TIC did not issue an extension. The remaining amounts of the contract will be paid using bond funds.*

Road Summary-Cane Creek Parkway:	
English Contract-Construction	$ 5,363,927.00
Change Orders	165,484.50
Expenditures over contract amount	3,579.50
(Less) County's Portion of Contract	(935,207.00)
(Less) Mobilization Allocated to County	(9,718.00)
Portion of English Contract Allocated to RIFA	4,588,066.00
Dewberry Contract-Engineering	683,850.00
Total Road Contract Allocated to RIFA	**$ 5,271,916.00**

Funding Summary - Cane Creek Parkway	
VDOT	$ 1,848,619.91
Bonds	3,423,296.09
	$ 5,271,916.00

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2010

As of April 30, 2010

	Funding	Budget	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City	$ 75,000.00	$	$	$	$
County	75,000.00				
Carry forward from FY09	20,001.89				
Contingency					
Bank Fees			4,046.25	-	
Berry Hill Project			13,233.29	-	
Angler's Park Wetland Miligation			1,360.00		
Total Contingency Budget		50,000.00	18,639.54	-	31,360.46
Legal		75,401.89	9,946.71	-	65,455.18
Accounting		20,000.00	18,500.00	-	1,500.00
Postage & Shipping		100.00	24.76	-	75.24
Meals		2,500.00	1,414.15	-	1,085.85
Utilities		15,000.00	6,336.81	-	8,663.19
Insurance		7,000.00	369.00	-	6,631.00
Total	$ 170,001.89	$ 170,001.89	$ 55,230.97	$ -	**$ 114,770.92**

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park

As of April 30, 2010

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City contribution	$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property [1]	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Land					
Klutz property		$ 8,394,553.50	$ 8,394,553.50	$ -	
Canter property [2]		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis[3]		990,850.00	720,282.66	270,567.34	
Consulting Services - McCallum Sweeney		115,000.00	80,343.52	34,656.48	
Total	$ 14,388,399.83	$ 14,231,524.83	$ 13,926,301.01	$ 305,223.82	$ 156,875.00

[1] *This figure does not include the interest the City is losing from the univested funds.*

[2] *settlement fees have been charged to general expenditures until a funding source is available*

[3] *This contract was originally for $814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. $740,000 will be covered by the FY09 Tobacco Allocation and $250,850 will be covered by the FY10 Tobacco Allocation.*

Danville Pittsylvania Regional Industrial Facility Authority

Danville Regional Foundation - Build Out of the Research Facility

As of April 30, 2010

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Danville Reg. Foundation	1,745,000.00				
Money Market - Interest Earned	22,687.21				
McKinney & Company		144,800.79	144,800.79	-	
Blair Construction, Inc.		1,450,261.00	1,450,261.00	-	
CRB Electric, Inc		23,153.00	-	-	
Custom Construction		13,911.00	13,806.67	-	
Powers Signs, Inc.		5,871.35	5,871.35	-	
Millwork Specialist, LLC - Case work for interior		78,935.04	78,935.04	-	
Commonwealth Blinds & Shades		3,074.20	3,074.20	-	
Sigma Engineered Solutions PC		11,800.00	9,800.00	2,000.00	
CCI**		59,101.00	59,101.00	-	
Total	1,767,687.21	1,790,907.38	1,765,650.05	2,000.00	**37.16**

** Contract is for $82,588, the Institute will provide the remaining funds of $23,487 to complete the project