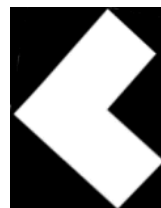


*Farmville Industrial Development Authority  
A Component Unit of the Town of Farmville, Virginia*

*Comprehensive Annual Financial Report*

*Years Ended June 30, 2017 and 2016*



*Creedle, Jones  
& Alga, P. C.  
Certified Public Accountants*

**Farmville Industrial Development Authority**  
**A Component Unit of the Town of Farmville, Virginia**

Table of Contents

Years Ended June 30, 2017 and 2016

	<b>Pages</b>
IDA Officials	i
Independent Auditor's Report	ii-iii
Management's Discussion and Analysis	1-3
<b>FINANCIAL STATEMENTS</b>	
<b>Exhibits</b>	
A            Statements of Net Position (Deficit)	4
B            Statements of Revenues, Expenses, and Changes in Net Position (Deficit)	5
C            Statements of Cash Flows	6
Notes to the Financial Statements	7-11
<b>COMPLIANCE</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12-13

**Farmville Industrial Development Authority**  
**A Component Unit of the Town of Farmville, Virginia**

IDA Officials

Year Ended June 30, 2017

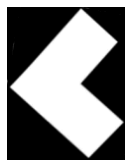
**Board of Directors**

Mr. William W. Poulston (Chairman)  
Mr. Perry Carrington (Vice-Chairman)  
Ms. Cindy Cave

Mr. Jack Houghton  
Mr. William Overstreet  
Ms. Elizabeth Ragland  
Rev. Rex Williams

**Ex Officio Members**

Gerald Spates - Town Manager (Secretary)  
Carol Anne Seal - Town Treasurer (Fiscal Agent)  
Gary Elder - Legal Council



**Creedle  
Jones  
& Alga**

*A Professional Corporation*

*Robin B. Jones, CPA, CFP  
David V. Alga, CPA, CVA, CFF  
Denise C. Williams, CPA, CSEP  
Scott A. Thompson, CPA, CGMA  
Kimberly W. Jackson, CPA*

*James A. Allen, Jr., CPA  
Nadine L. Chase, CPA*

*Sherwood H. Creedle, Emeritus*

*Members of  
American Institute of Certified Public Accountants  
Virginia Society of Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Farmville Industrial Development Authority

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Farmville Industrial Development Authority, a component unit of the Town of Farmville, Virginia, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Farmville Industrial Development Authority's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Farmville Industrial Development Authority, as of June 30, 2017 and 2016, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 3 be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2017, on our consideration of the Farmville Industrial Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Farmville Industrial Development Authority's internal control over financial reporting and compliance.

*Creedle, Jones & Alga, P.C.*

Creedle, Jones & Alga, P.C.  
Certified Public Accountants

South Hill, Virginia  
September 27, 2017

**Farmville Industrial Development Authority**  
**A Component Unit of the Town of Farmville, Virginia**

Management's Discussion and Analysis

As of June 30, 2017 and 2016

Our discussion and analysis of the Farmville Industrial Development Authority's financial performance provides an overview of the Authority's financial activities for the fiscal years ended June 30, 2017 and 2016. Please read this information in conjunction with Farmville Industrial Development Authority's basic financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Farmville Industrial Development Authority (the "Authority") presents three basic financial statements. These are: (1) Statements of Net Position; (2) Statements of Revenues, Expenses, and Changes in Net Position; and (3) Statements of Cash Flows.

Our financial position is measured in terms of resources (assets) we own and obligations (liabilities) we owe on a given date. This information is reported on the Statements of Net Position, which reflects the Authority's assets in relation to its debt to creditors. The excess of our assets over liabilities is our equity, or net position.

Information regarding the results of our operation during the year is reported in the Statements of Revenues, Expenses, and Changes in Net Position. These statements show how much our overall net position increased or decreased during the years as a result of our operations and for other reasons.

Our Statements of Cash Flows disclose the flow of cash resources into and out of the Authority during the years and how we applied those funds.

**FINANCIAL SUMMARY**

**Financial Position.** A summary of the Authority's Statements of Net Position for 2017 and 2016 is presented below:

	<u><b>2017</b></u>	<u><b>2016</b></u>
Total Assets	<u><b>\$ 346,388</b></u>	<u>\$ 385,465</u>
Total Liabilities	<u><b>\$ 897,335</b></u>	\$ 921,919
<b>Net Position</b>		
Unrestricted (deficit)	<u><b>(550,947)</b></u>	<u>(536,454)</u>
Total Liabilities and Net Position	<u><b>\$ 346,388</b></u>	<u>\$ 385,465</u>

The financial position of the Authority decreased in 2017. Assets decreased by 10.14 percent while liabilities decreased by 3.72 percent.

**Change in Net Position.** A summary of the Authority's Statements of Revenues, Expenses, and Changes in Net Position for 2017 and 2016 is presented as follows:

**Condensed Statements of Revenues, Expenses,  
and Changes in Net Position**

	<u>2017</u>	<u>2016</u>
Operating Income	\$ -	\$ -
Operating Expenses	<u>2,500</u>	<u>55,050</u>
Net Operating Loss	(2,500)	(55,050)
Non-Operating Revenues (Expenses)	<u>(11,993)</u>	<u>(12,749)</u>
Changes in Net Position	<u>\$ (14,493)</u>	<u>\$ (67,799)</u>

During the year, the Authority had an operating loss of \$2,500. The Authority had non-operating income in the form of interest income, which amounted to \$7,875. This income was offset by non-operating expenses in the form of interest expense that totaled \$19,868.

The deficit in net position increased \$14,493 in 2017. This resulted primarily from the net interest expense on notes used to attract and support business locating or expanding in the Farmville area.

**Cash Flows.** A summary of the Authority's Statements of Cash Flows for 2017 and 2016 is presented below:

**Condensed Statements of Cash Flows**

	<u>2017</u>	<u>2016</u>
<b>Cash Provided by (Used in)</b>		
Operating activities	\$ (2,500)	\$ (2,400)
Capital and related financing activities	(8,518)	(7,047)
Investing activities	<u>(2,434)</u>	<u>(13,002)</u>
Net Decrease in Cash	<u>\$ (13,452)</u>	<u>\$ (22,449)</u>

Cash flows from operations of \$2,500 were minimal, but due to lack of offsetting revenues, the Authority ended in a negative position. The Authority received \$33,500 in note receivable payments from an area business, while making payments of \$44,452 on the note payable shared with the Town. These amounts include interest income and expense as well as principal received and paid.

During fiscal year 2017, there was a decrease of \$13,452 in cash. This was primarily due to the curtailment of debt and operating expense.

**LONG-TERM DEBT**

	<u>Balance July 1, 2016</u>	<u>Net Additions and Deletions</u>	<u>Balance June 30, 2017</u>
Long-term debt	\$ 434,092	\$ (33,980)	<u>\$ 400,112</u>

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Carol Anne Seal, Town Treasurer, Farmville Industrial Development Authority, P. O. Drawer 368, Farmville, Virginia 23901, telephone 434-392-3333.



# FINANCIAL STATEMENTS

**Farmville Industrial Development Authority**  
**A Component Unit of the Town of Farmville, Virginia**

Statements of Net Position (Deficit)

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 51,726	\$ 65,178
Accrued interest receivable	1,874	2,037
Notes receivable - current portion (Note 5)	<u>26,603</u>	<u>25,461</u>
Total Current Assets	80,203	92,676
<b>Long-Term Notes Receivable</b>	<u>266,185</u>	<u>292,789</u>
Total Assets	<u>\$ 346,388</u>	<u>\$ 385,465</u>
<b>Liabilities and Net Position (Deficit)</b>		
<b>Liabilities</b>		
<i>Current Liabilities</i>		
Due to Town of Farmville, Virginia	\$ 482,591	\$ 482,591
Accrued interest payable	14,632	5,236
Notes payable - current portion	<u>35,598</u>	<u>33,980</u>
Total Current Liabilities	532,821	521,807
<i>Long-Term Liabilities</i>		
Note payable - less current portion (Note 6)	<u>364,514</u>	<u>400,112</u>
Total Liabilities	897,335	921,919
<b>Net Position (Deficit)</b>		
Unrestricted (deficit)	<u>(550,947)</u>	<u>(536,454)</u>
Total Liabilities and Net Position (Deficit)	<u>\$ 346,388</u>	<u>\$ 385,465</u>

The accompanying notes to the financial statements are an integral part of this statement.

**Farmville Industrial Development Authority**  
**A Component Unit of the Town of Farmville, Virginia**

Statements of Revenues, Expenses, and Changes in Net Position (Deficit)

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Operating Income</b>	\$ -	\$ -
<b>Operating Expenses</b>		
Business development - land	-	52,650
Professional fees	<u>2,500</u>	<u>2,400</u>
Net Operating Loss	(2,500)	(55,050)
<b>Non-Operating Revenues (Expenses)</b>		
Interest income	7,875	8,610
Interest expense	<u>(19,868)</u>	<u>(21,359)</u>
Net Non-Operating Revenues (Expenses)	<u>(11,993)</u>	<u>(12,749)</u>
Change in Net Position (Deficit)	(14,493)	(67,799)
Total Net Position (Deficit) - Beginning of Year	<u>(536,454)</u>	<u>(468,655)</u>
Total Net Position (Deficit) - End of Year	<u><u>\$ (550,947)</u></u>	<u><u>\$ (536,454)</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**Farmville Industrial Development Authority**  
**A Component Unit of the Town of Farmville, Virginia**

Statements of Cash Flows

Years Ended June 30, 2017 and 2016

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Cash Flows from Operating Activities</b>		
Payments to suppliers	\$ <u>(2,500)</u>	\$ <u>(2,400)</u>
Net Cash Used in Operating Activities	(2,500)	(2,400)
<b>Cash Flows from Capital and Related Financing Activities</b>		
Curtailment of borrowings	(33,980)	(32,509)
Proceeds resulting from curtailment of note receivable	<u>25,462</u>	<u>25,462</u>
Net Cash Used in Capital and Related Financing Activities	(8,518)	(7,047)
<b>Cash Flows from Investing Activities</b>		
Interest income	8,038	8,774
Interest expense	<u>(10,472)</u>	<u>(21,776)</u>
Net Cash Used in Investing Activities	<u>(2,434)</u>	<u>(13,002)</u>
Net Decrease in Cash and Cash Equivalents	(13,452)	(22,449)
Cash and Cash Equivalents - Beginning of Year	<u>65,178</u>	<u>87,627</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 51,726</u></u>	<u><u>\$ 65,178</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating loss	\$ (2,500)	\$ (55,050)
Business development - land	<u>-</u>	<u>52,650</u>
Net Cash Used in Operating Activities	<u><u>\$ (2,500)</u></u>	<u><u>\$ (2,400)</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**Farmville Industrial Development Authority**  
**A Component Unit of the Town of Farmville, Virginia**

Notes to the Financial Statements

Year Ended June 30, 2017

## **1 Organization, Description of the Entity, and Its Activities**

The Farmville Industrial Development Authority (the "Authority") was created by a resolution of the Town Council of Farmville, Virginia (the "Town") dated March 12, 1981 in accordance with Chapter 33, Title 15.1, of the Code of Virginia of 1950, as amended (the "Act"). The purpose of the Authority shall be to promote economic and industrial development in the greater Farmville area.

The Authority is a separate and distinct entity from the Town of Farmville, Virginia and is, in accordance with the Act, a political subdivision of the Commonwealth of Virginia.

A seven-member board appointed by the judge of the Circuit Court of Prince Edward County governs the Authority. The directors are to serve staggered terms of four years each.

In addition, the Authority is authorized to issue revenue bonds for the purpose of obtaining and constructing facilities. Liability under the bonds may be retained by the Authority or it may be assumed by the enterprise for which facilities are constructed. Collection of revenues pledged to liquidate the bonds may be assigned to a trustee. The revenue bonds are not deemed to constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any municipality thereof. The bonds are payable solely from revenues generated from the lease of the facilities constructed and may be secured by a deed of trust on those facilities.

The Authority is a component unit of the financial reporting entity of the Town of Farmville, Virginia. The Town has agreed to provide funding as needed to meet operating shortfalls.

## **2 Significant Accounting Policies**

### *Financial Statement Presentation*

The financial statements of the Farmville Industrial Development Authority, a Component Unit of the Town of Farmville, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the Authority's accounting policies are described below:

### *Net Investment in Direct Financial Leases*

The Authority may acquire and improve properties and retain title to them. Where transfer of title at the completion of a lease to a tenant is not reasonably assured by bargain purchase options or other lease provisions, the Authority accounts for activities in its role as lessor as either capital leases or operating leases. The Authority does not have any investment in direct financing leases.

### *Basis of Accounting*

The Authority's accounting system is organized and operated on a fund basis. A fund records cash and other financial resources, together with all related liabilities, obligations, reserves, and residual equity, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Proprietary Funds account for activities similar to those found in the private sector. The measurement focus is upon determination of net income. The Authority utilizes one type of Proprietary Fund with that being an Enterprise Fund.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Authority is that the cost of providing services to the general public be financed or recovered through user charges. In the Authority's operation, costs are represented by interest expense and financing cost, while user charges consist of interest income earned on receivables.

The Authority utilizes the accrual basis of accounting under which revenues are recorded in the period earned and expenses are recorded when the related liabilities are incurred.

The Authority may realize its assets and liquidate its liabilities in operating cycles, which range from very short to very long periods. The accompanying financial statements are presented in a nonclassified format because working capital concepts are not indicative of its operating cycle.

### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### *Accounts Receivable*

The Authority utilizes the direct write-off method for the reporting of uncollectible receivables. Generally accepted accounting principles require the use of an allowance for doubtful accounts method which recognizes anticipated losses based on predetermined guidelines. Management has determined that all existing receivables are collectible as of June 30, 2017. Refer to Note 5 regarding notes receivable.

### *Subsequent Events*

Management has performed an analysis of the activities and transactions subsequent to June 30, 2017 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2017. Management has performed their analysis through September 27, 2017.

## **3** Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial risk as of June 30, 2017. All of the Authority's bank account balance was collateralized in accordance with the Virginia Security of Public Deposits Act, Section 2.2-4400 et seq. of the Code of Virginia or covered by the FDIC. Therefore, as of fiscal year end, the Authority had no custodial risk regarding this depository relationship.

At year end, there were no outstanding items. Accordingly, the bank and book balances were \$51,726.

The Authority considers all investments purchased with a maturity of three months or less to be cash equivalents.

#### 4 Capital Assets

As of June 30, 2017, the Authority had no investment in capital assets.

#### 5 Notes Receivable

The Authority currently has one note receivable outstanding for the fiscal year ended June 30, 2017 as follows:

A \$600,000 note bearing an interest rate of 2.56 percent (rate of interest is 2.31% plus .25% for admin.). The loan is secured by the guarantee of the owner and his related business. The note requires interest payments semiannually in April and October and principal payments every October only. As of June 30, 2017, the balance of the note amounted to \$292,788.

The schedule of principal payments to be received is as follows:

<u>Fiscal Year(s)</u>	<u>Principal</u>	<u>Interest</u>
<u>Ending</u>		
2018	\$ 26,603	\$ 7,156
2019	26,597	6,475
2020	27,733	5,779
2021	27,721	5,069
2022	28,853	4,345
2023-2027	<u>155,281</u>	<u>10,105</u>
Total	<u>\$ 292,788</u>	<u>\$ 38,929</u>

#### 6 Notes Payable

During the course of normal business, the Authority has undertaken debt obligations to promote and finance growth in Farmville and the surrounding area. Currently, the note payable is as follows:

<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>
<u>July 1, 2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2017</u>	<u>One Year</u>

##### *Town of Farmville, Virginia*

In 2012, the Town refinanced the bonds in which the Authority shared responsibility. As of the refinance, the Authority now is responsible for 2.942% of the total proceeds. The debt service schedule calls for semi-annual payments with interest only due each April 1 and principal and interest due each October 1 through 2033.

There is no collateral for this loan.

<u>\$ 434,092</u>	<u>\$ -</u>	<u>\$ 33,980</u>	<u>\$ 400,112</u>	<u>\$ 35,598</u>
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The debt service responsibility of the Farmville Industrial Development Authority for this 2012 bond refinance is as follows:

<b>Fiscal Year(s)</b>	<b>Principal</b>	<b>Interest</b>
<b><u>Ending</u></b>		
2018	\$ 35,598	\$ 18,598
2019	37,216	16,900
2020	38,834	15,118
2021	40,747	13,079
2022	42,806	11,130
2023-2027	158,574	27,575
2028-2032	37,658	7,152
2033	<u>8,679</u>	<u>222</u>
Total	<u>\$ 400,112</u>	<u>\$ 109,774</u>

## 7 Due to Town of Farmville, Virginia

Due to prior year deficits in operations, the Town of Farmville, Virginia has funded the Authority resources to meet its loan obligations. During the year ended June 30, 2017, operations produced an operating loss, but existing cash balances were available to fund the deficit as the Authority was able to meet its cash flow needs. Accordingly, there was no additional funding required by the Town. As of June 30, 2017, the Authority owed the Town \$482,591. The Authority anticipates paying the "Due to" down through future administrative fees collected on sponsorship of industrial bonds for area businesses.

## 8 Fiscal Agent

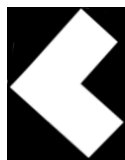
The Treasurer of the Town of Farmville, Virginia has been reappointed as the fiscal agent for the Authority. In addition, the fiscal agent utilizes the services of the Town's Deputy Treasurer to maintain the financial data of the Authority. The Authority is exposed to various risks of loss related to torts; theft of; and errors and omissions. The Treasurer and Deputy Treasurer of the Town are insured by \$100,000 blanket bond coverage. In addition to the blanket bond, the Treasurer is insured by a separate \$50,000 insurance bond.

## 9 Litigation

At June 30, 2017, there were no matters of litigation involving the Authority that would have a material affect on the financial position of the Authority.



# COMPLIANCE



**Creedle  
Jones  
& Alga**

*A Professional Corporation*

*Robin B. Jones, CPA, CFP  
David V. Alga, CPA, CVA, CFF  
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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Farmville Industrial Development Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of the Farmville Industrial Development Authority, a component unit of the Town of Farmville, Virginia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Farmville Industrial Development Authority's basic financial statements and have issued our report thereon dated September 27, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Farmville Industrial Development Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Farmville Industrial Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Farmville Industrial Development Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Farmville Industrial Development Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Creedle, Jones & Alga, P.C.*

Creedle, Jones & Alga, P.C.  
Certified Public Accountants

South Hill, Virginia  
September 27, 2017