

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Communication with Those Charged with Governance

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To the Board of Directors  
Virginia's Region 2000 Local Government Council

We have audited the financial statements of financial statements of Virginia's Region 2000 Local Government Council for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 28, 2017. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Virginia's Region 2000 Local Government Council are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Council's financial statements were:

Management's estimate of the depreciable lives of capital assets is based on historical experience and industry standards. We evaluated the key factors and assumptions used to develop the estimate of depreciable lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 2, 2017.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedules related to pension and OPEB funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI. Our responsibility with respect to the budgetary comparison information, which also supplements the basic financial statements, is to evaluate the presentation of the schedules in relation to the financial statements as a whole and to report on whether it is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Matters: (Continued)

We were engaged to report on the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section or statistical section which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Virginia's Region 2000 Local Government Council and is not intended to be, and should not be, used by anyone other than these specified parties.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 2, 2017

## VIRGINIA'S REGION 2000 LOCAL GOVERNMENT COUNCIL

Budget to Actual for FY18 and Budget for FY19

as of February 28,2018

	<u>Actual as of 6/30/17</u>	<u>FY18 Budget</u>	<u>Actual as of 2/28/18</u>	<u>Diff Between Budget &amp; Actual</u>	<u>% of Budget Used</u>	<u>FY 19 Draft Budget</u>	<u>\$ Change from FY18 to FY19</u>
<b>OPERATIONS FUND (EXPENDITURES)</b>							
<b>SALARY</b>							
ADMINISTRATION	197,084	200,150	106,046	94,104	52.98%	166,603	(33,547)
FINANCE	133,479	136,149	90,766	45,383	66.67%	138,872	2,723
OPERATIONS	147,547	168,604	145,868	22,736	86.52%	223,588	54,984
WIA	0	0	0	0		0	0
	478,110	504,903	342,680	162,223	67.87%	529,063	24,160
PART TIME HELP	14,509	10,000	216	9,784	2.16%	10,000	0
<b>Total Salaries &amp; Wages</b>	<b>492,619</b>	<b>514,903</b>	<b>342,896</b>	<b>172,007</b>	<b>66.59%</b>	<b>539,063</b>	<b>24,160</b>
				0			
EMPLOYER COST FICA	36,129	39,390	25,382	14,008	64.44%	41,238	1,848
EMPLOYER COST V R S	31,039	32,768	22,247	10,521	67.89%	24,919	(7,849)
EMPLOYER COST HEALTH INS	71,300	78,301	50,727	27,574	64.78%	81,871	3,570
EMPLOYER COST LIFE INS	6,265	6,614	4,491	2,123	67.90%	6,931	317
WORKERS COMP	327	700	411	289	58.71%	714	14
<b>Total Fringe Benefits</b>	<b>145,060</b>	<b>157,773</b>	<b>103,258</b>	<b>54,515</b>	<b>65.45%</b>	<b>155,673</b>	<b>(2,100)</b>
<b>OFFICE EXPENSES</b>							
AUDITING SERVICES	5,050	5,250	5,050	200	96.19%	5,500	250
LEGISLATIVE ADVOCACY				0		0	0
PAYROLL ACCOUNTING SERVICES	7,906	8,500	2,371	6,129	27.89%	6,670	(1,830)
LEGAL SERVICES	1,560	3,000		3,000	0.00%	3,000	0
LIABILITY INSURANCE	1,427	1,450	910	540	62.76%	1,000	(450)
CONTRACTUAL SERVICES	15,774	17,000	18,229	(1,229)	107.23%	24,500	7,500
ADVERTISING	1,016	1,000		1,000	0.00%	1,000	0
POSTAGE	809	1,000	52	948	5.20%	1,000	0
TELEPHONE	6,400	5,000	3,192	1,808	63.84%	6,400	1,400
INTERNET SERVICES	706	700	315	385	45.00%	700	0
OFFICE SUPPLIES	5,045	6,000	2,163	3,837	36.05%	6,000	0
PRINTING & BINDING	99	1,500		1,500	0.00%	1,500	0
TRAVEL	3,761	7,500	2,391	5,109	31.88%	7,500	0
SPECIAL MEETINGS	6,888	7,000	5,564	1,436	79.49%	7,000	0
EDUCATION & TRAINING	3,979	6,000	1,781	4,219	29.68%	6,000	0
DUES, SUBSCRIPTIONS	8,745	10,800	7,609	3,191	70.45%	10,800	0
PUBLICATIONS	459	700	164	536	23.43%	700	0
MISCELLANEOUS EXPENSES	591	1,000	555	445	55.50%	1,000	0
FURNITURE & FIXTURES	555	1,000	875	125	87.50%	1,000	0
RENTAL OFFICE EQUIPMENT	3,311	4,000	1,758	2,242	43.95%	4,000	0
OFFICE RENT	62,454	67,493	45,106	22,387	66.83%	69,337	1,844
PARKING	3,865	4,200	2,305	1,895	54.88%	4,200	0
COMPUTER EQUIP/SOFTWARE	12,014	10,000	3,150	6,850	31.50%	10,000	0
<b>Total Office Expenses</b>	<b>152,414</b>	<b>170,093</b>	<b>103,540</b>	<b>66,553</b>	<b>60.87%</b>	<b>178,807</b>	<b>8,714</b>
<b>Total Operations Expenses</b>	<b>790,093</b>	<b>842,769</b>	<b>549,694</b>	<b>293,075</b>	<b>65.22%</b>	<b>873,543</b>	<b>30,774</b>

## VIRGINIA'S REGION 2000 LOCAL GOVERNMENT COUNCIL

Budget to Actual for FY18 and Budget for FY19

as of February 28,2018

	<u>Actual as of 6/30/17</u>	<u>FY18 Budget</u>	<u>Actual as of 2/28/18</u>	<u>Diff Between Budget &amp; Actual</u>	<u>% of Budget Used</u>	<u>FY 19 Draft Budget</u>	<u>\$ Change from FY18 to FY19</u>
<b>Total Operations Expenses (from Page 1)</b>	<b>790,093</b>	<b>842,769</b>		<b>842,769</b>	<b>0.00%</b>	<b>873,543</b>	<b>30,774</b>
<b>Direct Project Expenses</b>							
Amherst CDBG - Old Town Madison Heights	99	0	394	(394)	#DIV/0!	1,000	1,000
Amherst Construction Ready						750	750
Amherst Sedimentation Basin						500	500
Amherst Training Center	20,000	0		0			0
Appomattox County Comp Plan	0	0		0			0
Appomattox CDBG - Meadowlark	9,541	5,000	4,407	593	88.14%	5,000	0
Appomattox CDBG - Planning	397	0		0			0
Appomattox Town Planning	23			0			0
Appomattox Trail Project	0	500		500	0.00%		(500)
Appomattox Recovery Planning Grant	15,686	3,000	1,693	1,307	56.43%	3,000	0
Brookneal Comp Plan	0	755	239	516	31.66%		(755)
Brookneal Streetscape	43	0		0			0
Campbell County Route 29 Corridor Planning (N	82,951	0		0			0
DHCD	713	2,500	751	1,749	30.04%	2,500	0
DRPT / FTA	4,162	2,500	2,956	(456)	118.24%	11,000	8,500
EDA CEDS - LGC	68,438	9,000	5,982	3,018	66.47%		(9,000)
Hazard Mitigation		103,213		103,213	0.00%	62,400	(40,813)
Pamplin CDBG	255	0		0			0
Pamplin VDH Water	1,593	0	77	(77)		500	500
Regional Radio Board	516	1,000	260	740	26.00%	1,000	0
RideSolutions	28,652	22,414	5,364	17,050	23.93%	22,414	0
TMDL Redevelopment	3,000	0		0			0
Town of Amherst Main Street Waterline	247	0	19	(19)			0
VDOT - PL	13,435	15,400	12,129	3,271	78.76%	15,400	0
VDOT - Rural	7,258	2,500	2,242	258	89.68%	2,500	0
WIOA Career Center	0	0		0		0	0
WIOA	236,046	418,233	335,851	82,382	80.30%	544,004	125,771
<b>Total Direct Project Expenses</b>	<b>493,055</b>	<b>586,015</b>	<b>372,364</b>	<b>213,651</b>	<b>63.54%</b>	<b>671,968</b>	<b>85,953</b>
<b>TOTAL OPERATING &amp; DIRECT PROJECT EXPENSES</b>	<b>\$1,283,148</b>	<b>\$1,428,784</b>	<b>\$922,058</b>	<b>\$506,726</b>	<b>64.53%</b>	<b>\$1,545,511</b>	<b>\$116,727</b>
<b>Pass Thru Expenses</b>							
Regional Radio Board	984,128	1,249,988	331,076	918,912	26.49%	1,249,988	0
VDOT - PL	44,952	48,600	40,320	8,280	82.96%	48,600	0
WIOA	818,722	950,000	486,439	463,561	51.20%	950,000	0
<b>Total Pass Thru Expenses</b>	<b>\$1,847,802</b>	<b>\$2,248,588</b>	<b>\$857,835</b>	<b>\$1,390,753</b>	<b>38.15%</b>	<b>\$2,248,588</b>	<b>\$0</b>
<b>Total Expenses</b>	<b>\$3,130,950</b>	<b>\$3,677,372</b>	<b>\$1,779,893</b>	<b>\$1,897,479</b>	<b>48.40%</b>	<b>\$3,794,099</b>	<b>\$116,727</b>

## VIRGINIA'S REGION 2000 LOCAL GOVERNMENT COUNCIL

Budget to Actual for FY18 and Budget for FY19

as of February 28,2018

	<u>Actual as of 6/30/17</u>	<u>FY18 Budget</u>	<u>Actual as of 2/28/18</u>	<u>Diff Between Budget &amp; Actual</u>	<u>% of Budget Received</u>	<u>FY 19 Draft Budget</u>	<u>\$ Change from FY18 to FY19</u>
<b>Revenues</b>							
<b>OPERATIONS FUND (REVENUE)</b>							
Dues	154,429	154,668	154,668	0	100.00%	154,774	106
Miscellaneous Revenue	12,296	12,000	12,435	(435)	103.63%	12,000	0
<b>Total Operations Revenue</b>	<b>166,725</b>	<b>166,668</b>	<b>167,103</b>	<b>(435)</b>	<b>100.26%</b>	<b>166,774</b>	<b>106</b>
<b>Direct Project Revenues</b>							
Amherst County - Old Town Madison Heights	15,900	0	(3,700)	3,700	#DIV/0!	17,500	17,500
Amherst Construction Ready						1,500	1,500
Amherst Sedimentation Basin						2,800	2,800
Appomattox County Comp Plan	0	0	0	0			0
Appomattox CDBG - Meadow Lark	11,700	22,700	13,200	9,500	58.15%	24,000	1,300
Appomattox Downtown	4,000			0			0
Appomattox CDBG - Planning	4,500			0			0
Appomattox Trail Project		2,500		2,500	0.00%		(2,500)
Appomattox Recovery Planning & construction	28,093	20,000	10,675	9,325	53.38%	13,900	(6,100)
Campbell County Route 29 Corridor Planning (N	86,510	0		0			0
Brookneal Comp Plan		8,152		8,152	0.00%		(8,152)
DHCD	75,971	72,471	56,978	15,493	78.62%	72,471	0
DRPT / FTA	92,361	103,357	56,956	46,401	55.11%	107,955	4,598
EDA/CEDS - LGC	40,862	6,273	5,131	1,142	81.79%		(6,273)
Hazard Mitigation		102,500		102,500	0.00%	85,200	(17,300)
Pamplin VDH Water	9,020	5,907		5,907	0.00%	2,500	(3,407)
Regional Radio Board	34,598	30,000	10,543	19,457	35.14%	20,000	(10,000)
Region 2000 Services Authority	164,330	164,204	96,596	67,608	58.83%	167,488	3,284
RideSolutions	46,806	44,214	13,372	30,842	30.24%	44,214	0
TMDL Redevelopment	4,000	0		0			0
Town of Amherst Main Street Waterline	4,598	0		0			0
VDOT-PL	111,870	131,918	27,834	104,084	21.10%	131,918	0
VDOT-Rural	58,000	58,000	17,534	40,466	30.23%	58,000	0
WIOA	293,517	453,234	383,232	70,002	84.55%	625,914	172,680
				0			
<b>Total Direct Project Revenues</b>	<b>1,086,636</b>	<b>1,225,430</b>	<b>688,351</b>	<b>537,079</b>	<b>56.17%</b>	<b>1,375,360</b>	<b>149,930</b>
Interest	3,291	2,000	3,636	(1,636)	181.80%	3,500	1,500
<b>TOTAL OPERATIONS &amp; DIRECT PROJECT REVENUES</b>	<b>1,256,652</b>	<b>1,394,098</b>	<b>859,090</b>	<b>535,008</b>	<b>61.62%</b>	<b>1,545,634</b>	<b>151,536</b>
<b>Surplus/(Use of Fund) Balance</b>	<b>(26,496)</b>	<b>(34,686)</b>	<b>(62,968)</b>	<b>28,282</b>	<b>181.54%</b>	<b>123</b>	<b>34,809</b>
Funding from Fund Balance for EDA CEDS	36,883	6,273		6,273	0.00%	0	(6,273)
Funding from Fund Balance for Amherst Trainir	20,000	30,000		30,000	0.00%		(30,000)
Funding from Fund Balance for Career Center Location				0		0	0
<b>Funding from Fund Balance</b>	<b>56,883</b>	<b>36,273</b>	<b>0</b>	<b>36,273</b>	<b>0.00%</b>	<b>0</b>	<b>(36,273)</b>
	<b>\$30,387</b>	<b>\$1,587</b>	<b>(\$62,968)</b>	<b>\$64,555</b>	<b>-3967.74%</b>	<b>\$123</b>	<b>(\$1,464)</b>
<b>Pass Thru Revenue</b>							
Regional Radio Board	1,267,254	1,249,988	1,119,281	130,707	89.54%	1,249,988	0
VDOT - PL	44,952	48,600	40,320	8,280	82.96%	48,600	0
WIOA	819,160	950,000	491,661	458,339	51.75%	950,000	0
<b>Total Pass Thru Revenues</b>	<b>\$2,131,366</b>	<b>\$2,248,588</b>	<b>\$1,651,262</b>	<b>\$597,326</b>	<b>73.44%</b>	<b>\$2,248,588</b>	<b>\$0</b>
<b>Total Revenue</b>	<b>3,444,901</b>	<b>3,678,959</b>	<b>2,510,352</b>	<b>1,168,607</b>	<b>68.24%</b>	<b>3,794,222</b>	<b>115,263</b>
<b>Net Surplus/(Use of Fund) Balance</b>	<b>313,951</b>	<b>1,587</b>	<b>730,459</b>	<b>(728,872)</b>		<b>123</b>	<b>(1,464)</b>

**LOCAL GOVERNMENT COUNCIL**

**Budget to Actual for FY18**

**as of February 28, 2018**

**CASH ON HAND**

Sun Trust Checking

LGC Funds

255,996

WIA Trainit Funds

4,429

Local Govt Invest Pool

480,021

Petty Cash

200

**Cash on Hand**

**\$ 740,646**

**CALCULATION OF ESTIMATED YEAR-END FUND BALANCE**

**Estimated Year-end Fund Balance**

**\$ 892,682**

**Ending Fund Balance**

