

**ROUND THE MOUNTAIN:
SOUTHWEST VIRGINIA'S ARTISAN NETWORK**

**AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

June 30, 2013

ROUND THE MOUNTAIN: SOUTHWEST VIRGINIA'S ARTISAN NETWORK

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

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Hicok, Fern, Brown & Garcia

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Round the Mountain: Southwest Virginia's Artisan Network
Abingdon, Virginia

We have audited the accompanying financial statements of Round the Mountain: Southwest Virginia's Artisan Network (a non-profit organization) which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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 an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Round the Mountain: Southwest Virginia's Artisan Network as of June 30, 2013, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013 on our consideration of Round the Mountain: Southwest Virginia's Artisan Network 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 the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit report performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Hick Fern Brown & Garcia
HICOK, FERN, BROWN & GARCIA
CERTIFIED PUBLIC ACCOUNTANTS

December 27, 2013

Hicok, Fern, Brown & Garcia

Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Round the Mountain: Southwest Virginia's Artisan Network
Abingdon, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Round the Mountain: Southwest Virginia's Artisan Network (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Round the Mountain: Southwest Virginia's Artisan Network'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Round the Mountain: Southwest Virginia's Artisan Network's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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.

Hicok, Fern, Brown & Garcia
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Our consideration of internal control over financial reporting 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the following paragraphs that we consider to be significant deficiencies.

- 1) The Organization received a grant check for another Organization and erroneously deposited the funds in their bank account. Additionally, all revenues and expenses related to the grant were recorded on the books of the Organization. The grant was awarded to Friends of Southwest Virginia.
- 2) The Organization was given permission to reallocate grant funds between the ARC and TCR Marketing grants; however, adequate documentation was not maintained to facilitate the audit of the detail transactions of the grants. In total, all transactions for the two grants combined were verified; however, we were not able to audit the proper classification of the funds between federal and state revenue.

Management Response and planned corrective action:

- 1) Management has implemented further review steps to ensure all checks deposited will be properly accounted for, and payable to the correct organization.
- 2) Management was able to locate the correct documentation after the audit was completed. Management has implemented policies to ensure proper documentation will be filed with the grant files in the future.

Round the Mountain: Southwest Virginia's Artisan Network's response to the finding identified in our audit is described previously. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Round the Mountain: Southwest Virginia's Artisan Network's financial statements are free of 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


HICOK, FERN, BROWN & GARCIA
CERTIFIED PUBLIC ACCOUNTANTS

December 27, 2013

Round the Mountain: Southwest Virginia's Artisan Network
 Abingdon, Virginia
 Statement of Financial Position
 At June 30, 2013

	<u>TOTAL</u>
<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 109,426
Cash and cash equivalents - restricted	5,544
Due from grantor (Note 2)	114,464
Accounts Receivable	6,622
Prepaid expenses (Note 3)	16,830
Total Current Assets	<u>252,886</u>
Long-term Assets:	
Property & equipment (Note 4)	8,319
Accumulated depreciation	<u>(7,408)</u>
Total Long-term Assets	<u>911</u>
 Total Assets	 \$ <u>253,797</u>
<u>LIABILITIES & NET ASSETS</u>	
<u>Liabilities</u>	
Total Current Liabilities:	
Accounts payable	\$ 15,742
Accrued expenses	4,936
Deferred revenue	4,461
Total Current Liabilities	<u>25,139</u>
<u>Net Assets</u>	
Unrestricted	223,114
Temporarily restricted (Note 5)	5,544
Total Net Assets	<u>228,658</u>
 Total Liabilities & Net Assets	 \$ <u>253,797</u>

The Notes to Financial Statements are an integral part of this statement.

Round the Mountain: Southwest Virginia's Artisan Network
 Abingdon, Virginia
 Statement of Activities
 For the Year Ended June 30, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL AGENCY</u>
SUPPORT & REVENUE:			
Federal and State grants	\$ -	\$ 332,736	\$ 332,736
Local grants	-	9,500	9,500
Membership dues & fees	7,363	-	7,363
Contributions	139,104	-	139,104
Other income	7,214	-	7,214
Net assets released from restrictions:			
Satisfaction of program restrictions	370,811	(370,811)	-
TOTAL SUPPORT & REVENUE	<u>524,492</u>	<u>(28,575)</u>	<u>495,917</u>
EXPENSES:			
Program Expenses	1,049,208	-	1,049,208
General and Administrative	76,897	-	76,897
Fundraising	24,065	-	24,065
TOTAL EXPENSES	<u>1,150,170</u>	<u>-</u>	<u>1,150,170</u>
CHANGE IN NET ASSETS	(625,678)	(28,575)	(654,253)
NET ASSETS AT BEGINNING OF YEAR	<u>848,792</u>	<u>34,119</u>	<u>882,911</u>
NET ASSETS AT END OF YEAR	<u>\$ 223,114</u>	<u>\$ 5,544</u>	<u>\$ 228,658</u>

The Notes to Financial Statements are an integral part of this statement.

Round the Mountain: Southwest Virginia's Artisan Network
 Abingdon, Virginia
 Statement of Cash Flows
 For the Year ended June 30, 2013

	<u>AMOUNT</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (654,253)
Adjustment to reconcile changes in net cash used in operating activities:	
Depreciation	1,372
Change in:	
Due from grantor	285,670
Accounts receivable	(6,622)
Prepaid expenses	(11,580)
Accounts payable	(9,089)
Accrued expenses	(1,574)
Deferred revenue	<u>4,461</u>
NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	<u>(391,615)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(391,615)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>506,585</u>
CASH AND CASH EQUIVALENTS, ENDING	\$ <u>114,970</u>

The Notes to Financial Statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Round The Mountain: Southwest Virginia's Artisan Network ("the Organization") is a nonprofit corporation designed to stimulate the economic growth of the most rural part of the region by promoting the craft and culture in the region. The primary mission is to undertake educational activities and a comprehensive community development strategy targeted to low wealth communities and neighborhoods of Southwest Virginia that will include economic development and job training as charitable activities through the creation of traditional and contemporary craft.

Basis of Accounting

Round The Mountain: Southwest Virginia's Artisan Network uses the accrual method of accounting for financial reporting. Under this method, revenues and expenses are reflected in the accounts in the period in which they are considered to have been earned or incurred.

Cash & Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. At June 30, 2013 \$0 was in excess of FDIC coverage.

Property and Equipment

It is the Organization's policy to capitalize property and equipment. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Deferred Revenue

Income from membership dues is deferred and recognized over the periods to which the dues relate.

Round the Mountain: Southwest Virginia's Artisan Network
Notes to Financial Statements
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contracts

The Organization receives grants and contracts from state and federal agencies, as well as from private organizations, to be used for specific purposes. The excess of reimbursable expenditures over cash receipts is included in Due from Grantor. Any excess of cash receipts over reimbursement expenditures is included in net assets for that fund.

Advertising Costs

The advertising costs of the Organization are expensed as incurred.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct any unrelated business activities. No provision for income taxes has been provided due to the Organization's tax exempt status.

The Organization's forms 990, *Return of Organization Exempt from Income Taxes*, for the years ending June 30, 2010, 2011, 2012 and 2013 are subject to examination by the IRS, generally for 3 years after they are filed.

Financial Statement Presentation

Round The Mountain: Southwest Virginia's Artisan Network's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Codification 958-205. Net assets of the organization are reported based on the existence of donor or grantor imposed restrictions. The following classifications are used to report the net assets of Round The Mountain: Southwest Virginia's Artisan Network.

Temporarily Restricted – The part of the net assets of the organization resulting (a) from inflows of assets whose use by the organization is limited by donor or grantor imposed stipulations that either expires by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and from reclassification to or (c) from other classes of net assets as a consequence of donor or grantor imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the organization pursuant to those stipulations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted – The part of net assets of the organization that is not temporarily restricted by donor or grantor imposed stipulations.

The Organization reports grants of cash and other assets as restricted support if they are received with grantor stipulations that limit the use of the grant asset. When the grantor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Organization to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of property, plant and equipment and intangibles; valuation allowances for receivables and inventories; and assets and obligations related to employee benefits. Accordingly, actual results could differ from those estimates.

NOTE 2 – DUE FROM GRANTOR

Grant revenues have been recognized as receivable by the Organization based upon their availability to reimburse amounts expended or incurred prior to the year end.

These amounts are comprised as follows:

ARC Education Coordinator	\$	2,207
VTC Maps Go Digital		8,023
Maps Go Digital Partner Match		23,839
ARC/TICR Marketing Grant		44,738
TICR Accelerator		33,174
VTC Artisan Trail		2,483
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TOTAL	\$	114,464
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Round the Mountain: Southwest Virginia's Artisan Network
 Notes to Financial Statements
 June 30, 2013

NOTE 3 – PREPAID EXPENSES

Prepaid expenses consist of the following:

Prepaid advertising	\$ 16,130
Prepaid performance fees	450
Prepaid memberships	<u>250</u>
TOTAL	<u>\$ 16,830</u>

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

	Balance June 30, 2012	Additions	Dispositions	Balance June 30, 2013
Equipment	\$ 8,999	\$ -	\$ (1,180)	\$ 7,819
Other Assets	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>
Totals	<u>\$ 9,499</u>	<u>\$ -</u>	<u>\$ (1,180)</u>	<u>\$ 8,319</u>
Accumulated Depreciation	<u>\$ 7,216</u>	<u>\$ 1,372</u>	<u>\$ (1,180)</u>	<u>\$ 7,408</u>

Equipment, vehicles, and furniture & fixtures have lives of 5-20 years.

Depreciation for fixed assets has been provided over the estimated useful lives listed above using the straight-line method. Depreciation and amortization for the period ended June 30, 2013 amounted to \$1,372.

Federal programs require that all assets disposed of during the year that were obtained with restricted money must be accounted for if the sale price exceeds \$5,000.

The Organization acquired \$0 in property & equipment through federal grants for the year ending June 30, 2013.

Round the Mountain: Southwest Virginia's Artisan Network
Notes to Financial Statements
June 30, 2013

NOTE 5 – RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose:

	<u>Amount</u>
Time or purpose restricted for period after June 30, 2013	<u>\$ 5,544</u>
TOTAL	<u>\$ 5,544</u>

NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments under FASB Codification 825-10, *Disclosures About Fair Value of Financial Instruments*, as amended by FASB Codification 820-10, are determined based on relevant market information. These estimates involve uncertainty and cannot be determined with precision. The following methods and assumptions are used to estimate the fair value of each class of financial instrument:

The carrying amounts of cash, receivables, accrued liabilities, and payables on the statement of financial position approximate fair value due to the short-term nature of these items.

Effective January 1, 2008, the Company adopted FASB Codification 820-10. FASB Codification 820-10 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FASB Codification 820-10 has been applied prospectively as of the beginning of the year.

FASB Codification 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB Codification 820-10 also establishes a fair value hierarchy which requires the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Level 2 Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly through corroboration with observable market data. Level 2 inputs include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in markets that are not active, (c) inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates), and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Unobservable inputs used to measure fair value to the extent that observable inputs are not available and that are supported by little or no market activity for the asset or liability at the measurement date.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated as of December 27, 2013, which is the date the financial statements were available to be issued. There have no recognized or unrecognized events.

**ROUND THE MOUNTAIN:
SOUTHWEST VIRGINIA'S ARTISAN NETWORK**

SUPPLEMENTARY INFORMATION

June 30, 2013

Round the Mountain: Southwest Virginia's Artisan Network
 Abingdon, Virginia
 Statement of Functional Expenses
 For the year ended June 30, 2013

SCHEDULE 1

<u>Expense Classification</u>	<u>Program Expenses</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Totals</u>
Advertising & marketing	267,148	-	-	267,148
Contractual	21,896	73	-	21,969
Contributions	600,000	-	-	600,000
Depreciation & amortization	-	1,372	-	1,372
Dues & subscriptions	-	481	-	481
Insurance	-	3,290	-	3,290
Media productions	51,186	-	-	51,186
Miscellaneous	45	1,940	-	1,985
Payroll & benefits expense	92,030	32,494	24,065	148,589
Postage	1,375	1,668	-	3,043
Printing	10,918	10,572	-	21,490
Professional fees	-	11,232	-	11,232
Rent	-	6,718	-	6,718
Supplies	637	341	-	978
Telephone	-	1,859	-	1,859
Travel & meeting expenses	1,988	4,857	-	6,845
Accelerator program	1,985	-	-	1,985
Total Expenses	1,049,208	76,897	24,065	1,150,170

FRIENDS OF SOUTHWEST VIRGINIA
AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

June 30, 2013

FRIENDS OF SOUTHWEST VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

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Schedule 1

Hicok, Fern, Brown & Garcia

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friends of Southwest Virginia
Abingdon, Virginia

We have audited the accompanying financial statements of Friends of Southwest Virginia (a non-profit organization) which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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 an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Southwest Virginia as of June 30, 2013, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013 on our consideration of Friends of Southwest Virginia 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 the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit report performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


HICOK, FERN, BROWN & GARCIA
CERTIFIED PUBLIC ACCOUNTANTS

December 13, 2013

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*Members of Virginia Society of
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Friends of Southwest Virginia
Abingdon, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Friends of Southwest Virginia (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Friends of Southwest Virginia'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Friends of Southwest Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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.

Hicok, Fern, Brown & Garcia
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Our consideration of internal control over financial reporting 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the following paragraph that we consider to be significant deficiencies.

The Organization received a check from a grantor and erroneously deposited the funds in the bank account of another organization. Additionally, all revenues and expenses related to the grant were recorded on the books of the other organization. The grant was awarded to Friends of Southwest Virginia; however the revenues and expenses related to that grant were not reflected on their books.

Management Response and planned corrective action:

Friends of Southwest Virginia's response to the finding identified in our audit is described previously. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Friends of Southwest Virginia's financial statements are free of 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

This 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


HICOK, FERN, BROWN & GARCIA
CERTIFIED PUBLIC ACCOUNTANTS

December 13, 2013

Friends of Southwest Virginia
 Abingdon, Virginia
 Statement of Financial Position
 At June 30, 2013

	<u>TOTAL</u>
<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents - unrestricted	\$ 253,239
Cash and cash equivalents - restricted	58,638
Due from grantor	349,369
Due from contractor	129,159
Accounts receivable	16,441
Inventory	234,509
Deposits	7,283
Total Current Assets	<u>1,048,638</u>
Long-term Assets:	
Property & equipment (Note 3)	322,570
Accumulated depreciation	<u>(73,587)</u>
Total Long-term Assets	<u>248,983</u>
Total Assets	<u>\$ 1,297,621</u>
<u>LIABILITIES & NET ASSETS</u>	
<u>Liabilities</u>	
Total Current Liabilities:	
Grants Payable	\$ 30,000
Accounts payable	177,979
Accrued Expenses	10,171
Total Current Liabilities	<u>218,150</u>
<u>Net Assets</u>	
Unrestricted	1,020,833
Temporarily restricted (Note 4)	58,638
Total Net Assets	<u>1,079,471</u>
Total Liabilities & Net Assets	<u>\$ 1,297,621</u>

The Notes to Financial Statements are an integral part of this statement.

Friends of Southwest Virginia
 Abingdon, Virginia
 Statement of Activities
 For the Year Ended June 30, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL AGENCY</u>
SUPPORT & REVENUE:			
Federal grants	\$ -	\$ 303,723	\$ 303,723
State grants	-	52,161	52,161
Local grants	-	58,050	58,050
Heartwood operations	810,414	-	810,414
Contributions	994,429	-	994,429
Other income	12,423	-	12,423
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>362,578</u>	<u>(362,578)</u>	<u>-</u>
TOTAL SUPPORT & REVENUE	<u>2,179,844</u>	<u>51,356</u>	<u>2,231,200</u>
EXPENSES:			
Program Expenses	1,363,055	-	1,363,055
General and Administrative	896,173	-	896,173
Fundraising	<u>35,500</u>	<u>-</u>	<u>35,500</u>
TOTAL EXPENSES	<u>2,294,728</u>	<u>-</u>	<u>2,294,728</u>
CHANGE IN NET ASSETS	(114,884)	51,356	(63,528)
NET ASSETS AT BEGINNING OF YEAR	<u>1,135,717</u>	<u>7,282</u>	<u>1,142,999</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,020,833</u>	<u>\$ 58,638</u>	<u>\$ 1,079,471</u>

The Notes to Financial Statements are an integral part of this statement.

Friends of Southwest Virginia
 Abingdon, Virginia
 Statement of Cash Flows
 For the year ended June 30, 2013

	<u>AMOUNT</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (63,528)
Adjustment to reconcile changes in net cash used in operating activities:	
Bad debt expense	4,250
Depreciation	39,183
Loss on disposal of assets	12,339
(Increase) decrease	
Due from grantor	(99,369)
Due from contractor	8,539
Accounts receivable	(12,479)
Inventory	57,762
Deposits	(7,283)
Increase (decrease)	
Accounts payable	42,867
Grants payable	30,000
Accrued expenses	10,171
NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	<u>22,452</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(9,560)
Deposits	32,863
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	<u>23,303</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	45,755
CASH AND CASH EQUIVALENTS, BEGINNING	<u>266,122</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 311,877</u>

The Notes to Financial Statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Friends of Southwest Virginia (“the Organization”) is a nonprofit corporation designed to stimulate the economic growth of Southwest Virginia by promoting the cultural and natural assets in the region. The primary mission is to provide educational and cultural opportunities for the general public and students of the region, and showcase the cultural assets of the region at Heartwood: Southwest Virginia’s Artisan Gateway.

Basis of Accounting

Friends of Southwest Virginia uses the accrual method of accounting for financial reporting. Under this method, revenues and expenses are reflected in the accounts in the period in which they are considered to have been earned or incurred.

Cash & Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. At June 30, 2013, \$ 94,099 was in excess of FDIC coverage.

Accounts Receivable

Accounts receivable are stated at unpaid balances. The Organization provides for losses on accounts receivable using the allowance method. It is the Organization’s policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. As of June 30, 2013, management determined the allowance to be \$-0-.

Property and Equipment

It is the Organization’s policy to capitalize property and equipment. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Friends of Southwest Virginia
Notes to Financial Statements
June 30, 2013

Inventories

Inventories consist of cultural crafts and are stated at the lower of cost or market value. At the end of each month, any spoiled or damaged goods are removed from the cost of inventory and expensed.

Grants

The Organization receives grants and contracts from federal and state agencies, as well as from private organizations, to be used for specific purposes. The excess of reimbursable expenditures over cash receipts is included in Due from Grantor. Any excess of cash receipts over reimbursement expenditures is included in restricted cash or deferred revenue.

Due From Contractor

The Organization has entered into a contract with GSI to operate and manage the activities of Heartwood. Each month the Organization is reimbursed for all monies collected from the operations.

Grants Payable

The Organization acts as fiscal agent on various grants. Funds received under these arrangements with grantor restrictions are held and designated as restricted cash. When the grantor restrictions have been satisfied, the funds are disbursed to the recipient or reclassified to grants payable until the funds are requested.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

The Organization's form 990, *Return of Organization Exempt from Income Taxes*, for the years ending June 30, 2012 and 2013 are subject to examination by the IRS, generally for 3 years after they are filed.

Financial Statement Presentation

Friends of Southwest Virginia's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Codification 958-205. Net assets of the organization are reported based on the existence of donor or grantor imposed restrictions. The following classifications are used to report the net assets of Friends of Southwest Virginia.

Friends of Southwest Virginia
Notes to Financial Statements
June 30, 2013

Temporarily Restricted – The part of the net assets of the organization resulting (a) from inflows of assets whose use by the organization is limited by donor or grantor imposed stipulations that either expires by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and from reclassification to or (c) from other classes of net assets as a consequence of donor or grantor imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the organization pursuant to those stipulations.

Unrestricted – The part of net assets of the organization that is not temporarily restricted by donor or grantor imposed stipulations.

The Organization reports grants of cash and other assets as restricted support if they are received with grantor stipulations that limit the use of the grant asset. When the grantor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Organization to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of property, plant and equipment; valuation allowances for receivables and inventories; and assets and obligations related to employee benefits. Accordingly, actual results could differ from those estimates.

NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

	Balance			Balance
	June 30, 2012	Additions	Dispositions	June 30, 2013
Equipment	\$ 282,125	\$ 7,085	\$ (14,601)	\$ 274,609
Furniture & Fixtures	46,552	2,475	(1,066)	47,961
Totals	<u>\$ 328,677</u>	<u>\$ 9,560</u>	<u>\$ (15,667)</u>	<u>\$ 322,570</u>

Equipment and furniture & fixtures have lives of 2-10 years.

Depreciation for fixed assets has been provided over the estimated useful lives listed above using the straight-line method. For purchased fixed assets, the cost is used as the basis for depreciation. Donated fixed assets are depreciated using net book value as the basis and remaining useful life for the life of the asset. Depreciation and amortization for the period ended June 30, 2013 amounted to \$ 39,183.

NOTE 3 – RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose:

	<u>Amount</u>
Time or purpose restricted for period after June 30, 2013	\$ <u>58,638</u>
TOTAL	\$ <u><u>58,638</u></u>

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments under FASB Codification 825-10, *Disclosures About Fair Value of Financial Instruments*, as amended by FASB Codification 820-10, are determined based on relevant market information. These estimates involve uncertainty and cannot be determined with precision. The following methods and assumptions are used to estimate the fair value of each class of financial instrument:

The carrying amounts of cash, receivables, inventory, and payables on the statement of financial position approximate fair value due to the short-term nature of these items.

FASB Codification 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB Codification 820-10 also establishes a fair value hierarchy which requires the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

- Level 2 Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly through corroboration with observable market data. Level 2 inputs include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in markets that are not active, (c) inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates), and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 Unobservable inputs used to measure fair value to the extent that observable inputs are not available and that are supported by little or no market activity for the asset or liability at the measurement date.

NOTE 5 – OPERATING LEASE

The Organization has a noncancelable operating lease for a copier that expires September 2015. The lease contains a month to month renewal option and requires the Organization to pay all executory costs such as taxes, maintenance and insurance. Rental expense for the lease totaled \$3,607 for the year ended June 30, 2013.

The following is a schedule by year of future minimum rental payments required under the operating lease agreement:

Year Ending June 30:	
2014	\$ 3,607
2015	3,607
2016	<u>601</u>
	\$ <u><u>7,815</u></u>

NOTE 6 – COMMITMENTS

The Organization has partnered with other non-profit organizations for the purpose of economic development and has pledged matching grants. As of June 30, 2013, the Organization committed \$59,250 and \$60,000 to The Crooked Road and Round the Mountain, respectively under the Virginia Tourism Marketing Leverage Program. In FY 2012, the Organization also committed \$100,000 to Round the Mountain under the Appalachian Regional Commission Southwest Virginia Economic Development Initiative grant. As of June 30, 2013, the Organization is obligated for \$71,697 under the commitment.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated as of December 13, 2013, which is the date the financial Statements were issued. There have no recognized or unrecognized events.

FRIENDS OF SOUTHWEST VIRGINIA

SUPPLEMENTARY INFORMATION

June 30, 2013

Friends of Southwest Virginia
 Abingdon, Virginia
 Statement of Functional Expenses
 For the year ended June 30, 2013

SCHEDULE 1

<u>Expense Classification</u>	<u>Program Expenses</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Totals</u>
Bank service charges	\$ -	\$ 130	\$ -	\$ 130
Bad Debt Expense	-	4,250	-	4,250
Contractual	-	61,683	-	61,683
Contributions	311,198	-	-	311,198
Depreciation	-	39,183	-	39,183
Dues and subscriptions	-	5,609	-	5,609
Economic impact study	-	64,325	-	64,325
Fundraising	-	-	35,500	35,500
Loss on disposal of assets	-	12,339	-	12,339
Heartwood - food and beverage costs	526,186	274,692	-	800,878
Heartwood - retail inventory	450,030	-	-	450,030
Heartwood - management fees	-	120,000	-	120,000
Heartwood - building maintenance	-	67,982	-	67,982
Insurance	-	20,938	-	20,938
Licenses and permits	-	55	-	55
Marketing grant	22,157	-	-	22,157
Meals, travel and meetings	-	4,146	-	4,146
Miscellaneous	150	18,708	-	18,858
Office expense	-	22,874	-	22,874
Payroll expense	46,541	19,659	-	66,200
Professional fees	-	48,442	-	48,442
Recruiting	-	11,105	-	11,105
Rent	-	6,912	-	6,912
Utilities	-	93,141	-	93,141
Website development	6,793	-	-	6,793
	<u>\$ 1,363,055</u>	<u>\$ 896,173</u>	<u>\$ 35,500</u>	<u>\$ 2,294,728</u>

TOWN OF WYTHEVILLE
COUNCIL-MANAGER FORM OF GOVERNMENT SINCE 1924

TOWN COUNCIL

MAYOR
TRENTON G. CREWF JR

VICE MAYOR
JACQUELINE K. KING

COUNCIL MEMBERS
THOMAS F. HUNDLEY
JACK W. HUNLEY
H. JUDSON LAMBERT



"The Hub of Southwest Virginia"

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C. WAYNE SUTHERLAND JR.
(276) 223-3350

ASSISTANT TOWN MANAGER
STEPHEN A. MOORE, AIA
(276) 223-3352

TOWN TREASURER
MICHAEL G. STEPHENS, MGT
(276) 223-3333

DIRECTOR OF ADMINISTRATIVE
SERVICES/CLERK OF COUNCIL
SHARON G. CORVIN
(276) 223-3349

February 23, 2015

Mr. Bruce Grant
Finance Director
Wythe County Administration Building
340 S. Sixth Street
Wytheville, VA 24382

Dear Mr. Grant

I would like to thank you for the opportunity to present our budget request for the 2015-2016 fiscal year. The funding that is provided by the Wythe County Board of Supervisors supports the Town of Wytheville Museums' Heritage Education Program. As of February 23, 2015, heritage education activities based on the Virginia Standards of Learning have been provided to 3,372 Wythe County public school students, both on-site at the Museums and in our outreach programs.

Through participation in these education activities, children of all ages learn a variety of academic subjects along with Wythe County history. In order for us to continue providing these innovative programs free of charge to our Wythe County students, we are asking the Wythe County Board of Supervisors for assistance again for the 2015-2016 year in the amount of \$5,000.

As requested in your letter, I am attaching a list of funds that are used, how these funds are used, and a break-down of the current year's expenditures. We appreciate your support and look forward to working with you again in the upcoming year. Thank you in advance for your consideration of this request.

Sincerely

Debbie M. Moody
Assistant Director of Museums

MID-TERM EDUCATION REPORT TO WYTHE COUNTY BOARD OF SUPERVISORS
SUBMITTED BY: Debbie Moody
975 Tazewell Street
Wytheville, VA 24382
(276) 223-3406
heritage@wytheville.org
February 23, 2015

It is the policy of the Town of Wytheville Department of Museums to provide outreach programs and Museum tours to Wythe County public school students free of charge. The funding that you provide helps insure that Wythe County students can continue to participate in these programs and tours. The funds we receive from the Wythe County Board of Supervisors are used to cover the cost of education staff, program materials, and staff travel costs to the County schools. In addition to the presentation of the outreach program or tour, each participating teacher receives materials to use in the classroom to extend our presentation and a list of correlating SOL's. The Museum Heritage Education program serves students, not only in Wythe County, but also in Smyth, Bland, Pulaski, Washington counties, and the cities of Galax and Bristol. Students from outside of Wythe who participate in our programs and tours pay our standard admission and outreach fees.

In September 318 Wythe County 5th grade students from all six elementary schools participated in an Ag Field Day at the Willowbrook Jackson Homestead Museum. These students learned about life long ago through hands-on activities such as pioneer cooking skills, medicinal plants, old-fashioned toys, the importance of beef cattle, dairy cows, and sheep on the homestead.
Cost for this program was **\$636.00**.

In September and October, 602 Wythe County students learned about drying apples as it was done in the past. They had the hands-on experience of using an apple peeler. Each class prepared apples to dry in their classroom.
The schools participating in this outreach program were: Jackson Elementary, Max Meadows Elementary, Rural Retreat Elementary, Sheffey Elementary Speedwell Elementary, and Spiller Elementary.
Cost for this program: **\$1204.00**

In November, 729 Wythe County students learned about the lives of the Native Americans that may have lived in our region. Using artifacts, as well as reproductions, the children experienced daily life of the Eastern Woodland Indians. Each class made a Native American talking stick. Students learned how the talking stick was used by the Native Americans and how it could be used in their classroom.
The schools participating in this outreach program were: Jackson Elementary, Max Meadows Elementary, Rural Retreat Elementary, Sheffey Elementary, Speedwell Elementary, and Spiller Elementary.
Cost for this program: **\$1458.00**

During the Christmas season, **369** Wythe County students enjoyed learning about Christmas of long ago through a guided tour of the Haller-Gibboney Rock House Museum. Students saw how the house may have been decorated during the 1800's and had a story time in the parlor. They also made a Christmas ornament that corresponded with the story.

The schools participating in this tour were: Rural Retreat Elementary and Spiller Elementary.

Cost for this tour: **\$738.00**

In January, **565** Wythe County students learned the importance of the family cow and how milk was used to make butter in a churn. This hands-on program allowed students to make and taste their own butter.

The schools participating in this program were: Jackson Elementary, Rural Retreat Elementary, Sheffey Elementary, Speedwell Elementary, and Spiller Elementary.

Cost for this program: **\$1,130.00.**

In February, **566** Wythe County students created special Victorian Valentines to give to someone special. The students learned the history of this holiday and how it was celebrated during the Victorian era.

The schools participating in this program were: Jackson Elementary, Rural Retreat Elementary, Sheffey Elementary, Speedwell Elementary, and Spiller Elementary.

Cost for this program: **\$1,132.00**

During the months of September, October, November, December, January, and February, **223** Wythe County students discovered the influence of Appalachian music on the culture of our area. Jim Lloyd, a well known musician and story teller, introduced the students to a wide variety of musical instruments such as the guitar, banjo, mandolin, fiddle, jew's harp, squeezebox, and upright bass.

The schools participating in this program were: Rural Retreat Elementary and Spiller Elementary.

Cost for this program: **\$446.00**

During the remaining months of the school year, students will dye eggs using natural dyes, learn the importance of honeybees to our food supply and environment, visit the Haller-Gibboney Rock House garden, and visit the Thomas J. Boyd Museum. The music program will continue until the end of the year. In May, over 300 Wythe County third grade students will visit the Homestead Museum for our annual May Day Celebration.



*12/10/14
Budget
full*

January 2, 2015

R. Cellell Dalton
County Administrator
Wythe County
340 South Sixth Street
Wytheville, VA 24382

Dear R. Cellell,

It was an absolute pleasure meeting you at the VACO Annual Meeting this past November at The Homestead! Sergei Troubetzkoy (City of Lynchburg) and I enjoyed representing the Virginia Association of Convention & Visitor Bureaus in the exhibit hall this year!

The Virginia Association of Convention & Visitor Bureaus (VACVB) is delighted to work with VACO and its members, so that our affiliates (YOUR local tourism professionals!) can better understand and facilitate each other's agendas now and in the future.

VACVB's mission is to offer our members advocacy, networking and professional development opportunities in order to ensure the economic success of our member localities. The Virginia Association of Convention & Visitors Bureaus is an association of individual, independent CVBs, who share broad-based political and community support, and whose primary objective is the promotion of their respective areas as convention, conference, and visitors destinations. We work together with the Virginia Tourism Corporation (VTC) and the Virginia Hospitality and Travel Association (VHTA), as well as several other organizations to speak with "one voice" about Tourism in Virginia.

The VACVB provides its members marketing, networking, and educational opportunities with the overall goal of generating local revenue by increasing tourism in our member communities and the Commonwealth of Virginia. We hope that your local CVB is a part of our organization -- or will join if you are just getting started in promoting Tourism as an economic driver to YOUR community! Tourism does represent the quickest return on economic development investment!

Please feel free to contact me if you have any questions regarding VACVB or if we can assist the CVB in YOUR area in any way. Best Wishes for a successful 2015!

Sincerely,

Judy Hare Winslow
VACVB, Executive Committee
Director, Smithfield & Isle of Wight County CVB

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DIRECTOR OF ADMINISTRATIVE
SERVICES/CLERK OF COUNCIL
SHARON G. CORVIN
(276) 223-3349

February 5, 2015

Dear Fellow American

The Town of Wytheville, via the Wall of Honor Committee, is working with the local Wounded Warrior Program and other Veterans organizations to add a new monument to the Wall of Honor in Withers Park. Spearheaded by local veterans from the Virginia Wounded Warrior Program's veterans networking group, over \$12,000 has already been raised to erect a monument honoring the men and women from all branches and eras of the military who have selflessly delivered their service to our country and are returning home to our community.

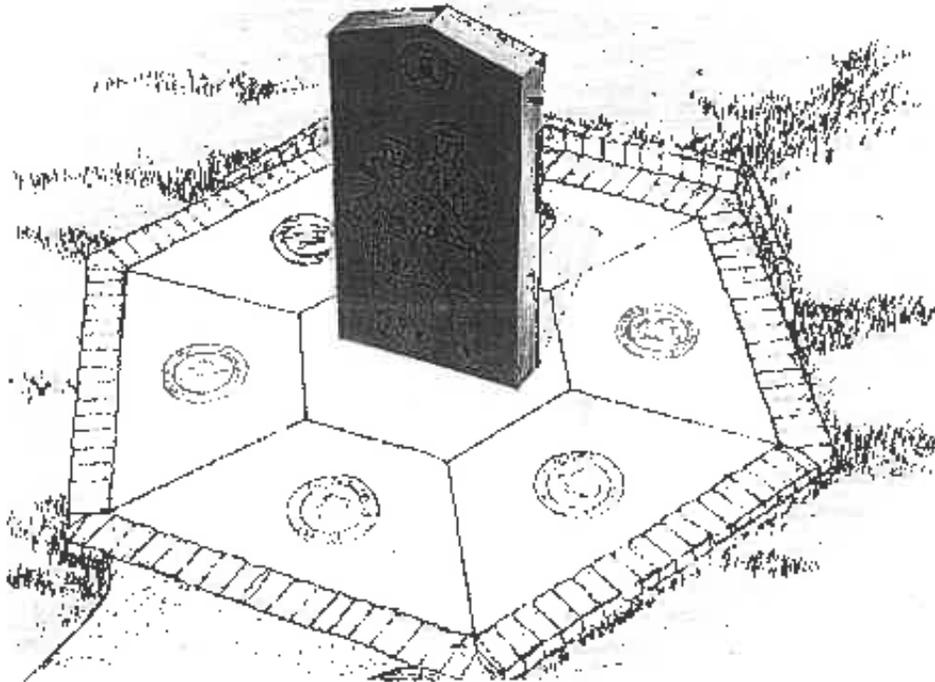
We feel that this public tribute is an appropriate addition to the beautiful war memorials within our park that honor those who have lost their lives in military service and should be constructed in a style befitting this place of honor. To do so, we need to raise an additional \$10,000 in funds. This is why I am writing to you. We are seeking the help of civic organizations, businesses, and our local citizens to help make this tribute a reality. Every one of us knows a family member, neighbor, or friend who has served in our great country's military. Our community is strong in its patriotic spirit of honoring our Veterans; and with this monument, we would like to offer special recognition to all of those veterans whether they live in this community or are just passing through. Please help us to demonstrate the sense of patriotism that we have here in Wytheville by contributing.

Enclosed you will find a drawing depicting the design of this monument with a form to help you make your tax deductible donation. By working together, we can make this idea become a reality and honor the sacrifice of those whose lives have been forever changed in service to our great nation.

Sincerely

Jacqueline K. King
Vice Mayor

WOUNDED WARRIOR MEMORIAL FOR THE WALL OF HONOR IN WITHERS PARK



YES, I WOULD LIKE TO MAKE A DONATION TO HELP MAKE THIS MONUMENT POSSIBLE IN THE FOLLOWING AMOUNT:

\$100 \$250 \$500 \$1000 Other amount \$ _____

NAME

ADDRESS

CITY

STATE

ZIP

Please make your tax deductible donation to the Town of Wytheville – Wounded Warrior Monument and mail to:

**Treasurer's Office
Town of Wytheville
P.O. Box 533
Wytheville, VA, 24382**



Wythe Arts Council, Ltd.
sponsor of Chautauqua Festival-In-The-Park

February 26, 2015

Bruce Grant
Finance Director
340 South Sixth Street
Wytheville, VA 24382

Dear Mr. Grant:

We received the Budget Request letter for Fiscal Year 2015-16 for the Chautauqua Festival. We are requesting the same amount as last year (\$10,000) and hope this will be fully funded. Enclosed you will find the detailed information requested.

We are excitedly making plans for this year's festival. The financial assistance from the Wythe County Board of Supervisors is greatly appreciated. Without the support from the County and the many other donations from individuals and local businesses, we would not be able to provide this annual event to our community.

If you need additional information, please feel free to give me call. My day number is (276) 783-1262 or you can reach me at home in the evenings at (276) 223-1805.

Sincerely,

Mary B. Cassell, Chair
Wythe Arts Council, Ltd.

Enclosure

cc Wendy Campbell, Treasurer
Cellel Dalton, County Administrator

“2015-16 Local Government Challenge Grant”

Wythe County Board of Supervisors
340 South Sixth Street, Administration Building, Suite 4
Wytheville, VA 24382

Telephone: (276) 223-6020
Fax: (276) 223-6030

FEIN: 54-6002871

Bruce Grant, Finance Director
(276) 223-4526

Amount of VCA assistance requested: \$5,000

Proposed Amount of local Government appropriation: \$5,000

Organization	Mailing Address/Contact Person	Proposed VCA Grant Share
Wythe Arts Council	P. O. Box 911 Wytheville, VA 24382 Mary B. Cassell (276) 783-1262 – Work #	50%

The Wythe County Board of Supervisors is making the application for Local Government Arts Funds on behalf of the Wythe Arts Council. The Board of Supervisors will be responsible for the evaluation of the proposal and the award of funding.

A copy of the current Wythe Arts Council Board of Directors is attached.

A brief description of the Wythe Arts Council is as follows:

Wythe Arts Council, Ltd.

The Wythe Arts Council, Ltd. was formed in the fall of 1984 and incorporated as a non-stock corporation on January 22, 1985.

The Council was formed to promote creative arts in Wythe County.

The major focus of the Wythe Arts Council for the past 29 years has been the annual eight-day Chautauqua Festival in the Park, which includes art, music, dance, drama, creative writing, and history. The council has been responsible for the involvement of both the county and the town in providing facilities for use in this festival.

Finances for the Chautauqua Festival are used to hire performers and teachers in the areas of art, music, drama, dance, and creative writing.

Wythe Arts Council, Ltd.

P. O. Box 911

Wytheville, VA 24382

Executive Board of Directors – 2014-2015			
Name	Address	Telephone	Fax/E-Mail
Mary Cassell Chair	130 Heritage Lane Wytheville VA 24382	223-1805 (Home) 620-9128 (Cell) 783-1262 (Office)	Mary.Brown-Cassell@FWW.COM
Teresa King Vice-Chair	595 N 6 th Street Wytheville, VA 24382	613-2941 (Cell)	king2tl@yahoo.com
Wendy Campbell Treasurer	1526 W Reservoir St Wytheville VA 24382	620-8611 (Cell)	wendycampbell@embarqmail.com
Faye Barker Recording Secretary	785 Rolling Hills Drive Wytheville, VA 24382	228-6018 (Office) 620-5892 (Cell)	FayeFaye98@embarqmail.com
Angie Griffith Corresponding Secretary	115 E. Jefferson St Wytheville, VA 24382	228-9337 (Work) 724-0158 (Cell)	griffithasg4@yahoo.com

General Board of Directors – 2014-2015			
Katherine Asbury	PO Box 999 Wytheville, VA 24382	620-0245	kfasbury@gmail.com
Dave Bockes	175 West Reservoir St Wytheville VA 24382	223-0160	davebockes@gmail.com davebockes@jetbroadband.com
Anna Caldwell	420 East Spiller St Wytheville, VA 24382	620-7926	Alcaldwell87@gmail.com
Sid Crocket	1500 Peppers Ferry Rd Wytheville, VA 24382	228-4050	crockettsn@hotmail.com
Matthew Frusher	810 E Liberty St Wytheville, VA 24382	619-248-9228	Nycmatty22@hotmail.com
Rob Kern	190 Heritage Lane Wytheville VA 24382	920-2670 (Cell) 228-2668 (Home) 688-1571 (work)	robkern@embarqmail.com

Wythe Arts Council, Ltd.

P. O. Box 911

Wytheville, VA 24382

John Matthews	251 Bishop Thomas Lane Wytheville, VA 24382	620-0504	matthews_wt@gmail.com
Mike Nosbisch	475 Century Court Wytheville VA 24382	540-250-8549 (Cell) 228-6943 (Home)	mldnosbisch@hotmail.com
Jen Otey	570 E. Spring St. Wytheville, VA 24382	620-0303	moon@ggartworks@yahoo.com
Sue Sprano	250 Arrow Lane Wytheville, VA 24382	620-4414	ssprano@wythe12.org



150 East Monroe Street • Wytheville, Virginia 24382
276-223-3365 • Fax 276-223-3412
chamber@wytheville.org www.wybchamber.com

February 19, 2015

Ms. Martha Collins
Administrative Assistant
340 S Sixth Street
Wytheville, VA 24382

Dear Martha:

The Wytheville-Wythe-Bland Chamber of Commerce budget request for 2015/2016 will be \$3,400.00. Please see the enclosed Financial and Action Plan for the Chamber of Commerce. Please, let me know if you need additional information.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer".

Jennifer W. Atwell, IOM
Executive Director

Wytheville-Wythe-Bland Chamber of Commerce
2015 Financial Plan

	2015 Plan
INCOME	
Administrative Professional Day	\$7,000.00
Bland Beautification	\$500.00
Etiquette Luncheon	\$3,850.00
Expo	\$7,300.00
Gift Certificates	\$0.00
Golf Tournament	\$11,000.00
Interest	\$1,850.00
Leadership Development	\$3,000.00
Membership	\$72,500.00
Membership Meeting	\$9,500.00
Membership Directory	\$0.00
Newsletter	\$600.00
Value Added Benefit - Anthem	\$16,000.00
YP's	\$2,000.00
Total	\$135,100.00
Admin/FICA/Ins/VRS (2 F/T)	\$102,000.00
Copier	\$1,200.00
Insurance - Liability & D/O	\$1,286.00
Marketing/Anthem Only	\$1,000.00
Bereavement	\$0.00
Meetings/Conferences	\$1,500.00
Office Expense	\$1,200.00
Postage	\$600.00
Professional Fees (Compilation)	\$2,700.00
Subscriptions/Dues/Affiliations	\$450.00
Telecommunications	\$1,750.00
PROGRAMMING EXPENSES	\$113,686.00
Administrative Professional Day	\$5,000.00
Bland Beautification	\$500.00
Etiquette Luncheon	\$2,650.00
Expo	\$1,200.00
Gift Certificate Supplies	\$600.00
Golf Tournament	\$3,800.00
Leadership Development	\$1,300.00
Membership Directory	\$0.00
Membership Meeting	\$4,350.00
YP's	\$2,000.00
Total	\$135,086.00

**Wytheville-Wythe-Bland Chamber of Commerce
2015 Strategic and Action Plan**

Vision: To be a working advocate within the business community.
Mission: The Wytheville-Wythe-Bland Chamber of Commerce is committed to promoting a favorable business climate for its membership and the community.

- GOAL 1: BE A USEFUL RESOURCE FOR BUSINESS**
 Objective 1-1: Provide programs, seminars/workshops that develop and enhance work force
 Objective 1-2: Provide avenues to promote businesses and network
 Objective 1-3: Be easily accessible and visible for businesses
 Objective 1-4: Respond in a timely manner to inquiries with appropriate requested materials
- GOAL 2: BE RESPONSIVE TO BUSINESS NEEDS**
 Objective 2-1: Evaluate and adjust/implement programs to meet business needs and provide an avenue for members to recommend programs and us to understand their needs
 Objective 2-2: Elect a Diversified Board of Directors (18)
- GOAL 3: RECOGNIZE BUSINESS AND RETAIN MEMBERSHIP**
 Objective 3-1: Maintain membership through appreciation to existing members and spotlighting businesses
 Objective 3-2: Establish and maintain the need to be a member by providing useful services to members
- GOAL 4: BE INVOLVED ON ISSUES AFFECTING THE BUSINESS COMMUNITY**
 Objective 4-1: Seek input from businesses on issues affecting them
 Objective 4-2: Maintain a positive relationship with business and governmental sectors to stay informed on issues
 Objective 4-3: Provide letters of support/recommendation on issues affecting the business climate as a whole
 Objective 4-4: Outreach and promotion
- GOAL 5: BE AN EFFICIENT ORGANIZATION THAT IS FINANCIALLY STRONG**
 Objective 5-1: Increase Membership Base
 Objective 5-2: Establish the desire (want) to be a member
 Objective 5-3: Have the Correct Tools and Necessary Manpower to Perform the Job and Avoid Redundancy
 Objective 5-4: Efficient Meetings
 Objective 5-5: Fundraising

Agriculture Committee – Meets twice a year.	Promote Agriculture; Select Ag Award Recipient
Committee Members: David Danner and Ellen Reynolds – Co-Chairs Betty Munsey, Rachel Havens, Jim Atwell, Mathew Miller, Eric Crowgey, Rusty Bird, Brian Repass, Debbie Moody, Jen Otey/Mike Cassell, Dianne Stephens, Tim Reeves, Randy Johnson, Peggy Spraker, Nate/April Repass, Travis Austin, Jennifer Atwell	
Bland Beautification Committee – Meets as needed.	Improve Bland Central Business District; Enhance/Protect Property Value; Promote Community Pride
Committee Members: Rita Palmer - Chair and Eric Workman - Board Liaison Debra Walker, Kristi Bevins, Cindy Wright, Donna Coward, Lucy Litton, Diana Phillips, Jennifer Atwell	
Education Committee – Meets as needed.	Leadership Development Program (LDI); Teacher of the Year Award – Wythe and Bland; Business Etiquette Luncheon
Committee Members: Lorri Huffard and Lee Brannon - Co-Chair Sharon Alexander, Doug Brown, Becky James, Annie Whitaker, Mitch Anders, Jennifer Atwell	
Expo Committee – Meets as needed.	Pfan Business Expo in May
Committee Members: Amanda Dean - Chair	Barbara Sewel, Michelle Garst, Donna Leonard, Judy Lefter, Richie Alba
Golf Committee – Meets as needed.	Organize Golf Tournament Fundraiser in September
Committee Members: Dan Delp – Chair	Misty Pack, David Kause, Gary Jeffrey, Judy Lefter, Artie Hall, Jennifer Atwell

Tourism Committee – Meets monthly.

Tourism Promotion; Select Tourism Award Recipient; Partner with other Tourism Offices; Update See and Do Guides; Itinerary Promotions; Lavendar Trails; Networking with other Tourism Properties

Committee Members: Gary Jeffrey – Chair Shane Terry, Nick Patel, Patti Plzinger, Ron Kime, , Mary Jo Babbitt, Gary Jeffrey, Ellen Reynolds, Jeremy Farley, Frances Emerson, Marcella Taylor, Farron Smith, Rachel Looney, Sunny Parmar, John Woods, Jen Otey, Melissa – Oakwood Homes, Ted/Kathy Martin, Jennifer Atwell

Executive Committee – Meets monthly.

Office Location/Hours/Phone/Fax; Staff Evaluations, Equipment, Office and Furniture; Utilize Available Technology
Guest Speakers at Board Meetings (Limited); Plan Annual Dinner and Awards → November; Identify New Board Members Geographically/ Occupational; Recommend Slate of Officers

Committee Members: Tony Pickett - Chair Herb Grant, Gary Jeffrey, Amie Harden, Eric Workman

YP Committee (Young Professionals) – Meets monthly.

Networking – *Midweek Mixers*; Volunteerism – Community Projects – *Chautouqua Drink Booth*; Promoting Local Businesses – *Cash Mobs*; *Support local Non-Profits*

Committee Members: Shane Terry - Chair Audra Lucas, David Manley, Jason Manley, Brandi Jones, John Matthews, Todd Repass

Board of Directors – Meets on the third Monday of each month.

Mentor New Board Members	Relations with other Councils and Boards	Attend Board Meetings
Letters of Support/Resolutions	Follow Financial Plan	Annual Review of Goals/Action Plan
Chair Committees/Give Reports	Attendance and Participation to events	Membership Retention
Membership Directory	Survey Membership	New Member Recognitions
Value Added Benefits	Secure 40 new members	
Visit New Members & Existing Members to deliver Directories and/or renewal letters		

Board Members: Tony Pickett, Dale Clark, Lee Brannon, Matt Clarke, Herb Grant, Amie Harden, Lorri Huffard, Michael James, Gary Jeffrey, Judy Lefler, Ellen Reynolds, Hunter Wilson, Eric Workman, Richie Alba, Amanda Dean, Artie Hall, David Kause, Shane Terry

Staff – Jennifer Atwell, IQM – Executive Director

Operate Office Monday – Friday, 8 am – 5 pm, 150 East Monroe Street, Wytheville

Notary/ Certificates of Origin	Gift Certificate Program	Displays/Brochure & Business Card Racks
Newsletters	Update Materials	Meeting Agendas/ Minutes
Membership Plaques	Membership Lists	Support and Encourage Business Growth
Facebook	Email Blast	Business After Hours
Media Releases	Mailing Lists	Calendar of Events
Ribbon Cuttings/Open House	Websites Updates	Administrative Professionals Day Luncheon
Workshops/Seminars	Membership Benefits	Toy Drive Drop Off Location
Logo/Branding	Program Evaluations	Business Media Spotlights
110% Supporters	Membership Packets	New Members
Support Economic Development with Joint IDA and Downtown Groups		