

ROCKY MOUNT TOWN COUNCIL
AGENDA
REGULAR COUNCIL MEETING
TO BE HELD IN COUNCIL CHAMBERS
ROCKY MOUNT MUNICIPAL BUILDING
345 DONALD AVENUE
ROCKY MOUNT, VIRGINIA
APRIL 14, 2014
AT 7:00 P.M.

NOTE: WHEN SPEAKING BEFORE TOWN COUNCIL, PLEASE COME TO THE PODIUM AND GIVE YOUR NAME AND ADDRESS, ADDRESSING TOWN COUNCIL AND NOT THE AUDIENCE. WHEN GIVING COUNCIL ANY DOCUMENTATION, COPIES ARE TO BE GIVEN TO THE TOWN CLERK PRIOR TO SPEAKING. ALL CELLULAR PHONES MUST BE TURNED OFF DURING COUNCIL MEETING. THE TOWN OF ROCKY MOUNT IS PLEASED TO OFFER ASSISTANCE DEVICES AT ITS MEETING FOR THOSE ATTENDING WITH SPECIAL HEARING NEEDS. ASK ANY STAFF MEMBER OR THE TOWN CLERK AND A DEVICE WILL BE LOANED TO YOU.

- I. Roll Call
- II. Pledge of Allegiance
- III. Approval of Agenda
- IV. Special Items
 - A. Presentation of "Resolution in Honor of National Volunteer Week of April 6-12, 2014"
 - B. Formal presentation of Town of Rocky Mount's audit by Town auditors Robinson, Farmer, Cox Associates
 - C. Presentation of "Peter Saunders Memorial Bridge" (commonly known as Pigg River) plaque to Franklin County Historical Society
 - D. Introduction by Rocky Mount Police Department Chief of Police of two newly hired patrol officers.
- V. Public Hearing(s)
 - A. Rocky Mount Baptist Church requesting a special use permit to construct a 12-foot by 16-foot accessory building on its property located at 85 West Church Street and known as Franklin County Tax Map and Parcel Number 20700-60400. The property is zoned Central Business District (CBD), and accessory structures are not a use-by-right in the district.
 - B. Bryan Hochstein requesting a special use permit to erect a mural sign on the storefront located at 467 Franklin Street and known as Franklin County Tax Map and Parcel Number 20700-57100. The applicant wishes to reconstruct the historical landmark mural, which formally represented the Rocky Mount Bottling Company at the same location. Pursuant to Article 8-15(E) of the "Zoning & Development Ordinance", a special use permit is required for all new signs of this type. The property is zoned Central Business District (CBD).
- VI. Approval of Draft Minutes
 - March 10, 2014 Regular Council Meeting
 - March 18, 2014 Special Council Meeting
- VII. Approval of Consent Agenda
 - Miscellaneous Resolutions/Proclamations
 - Miscellaneous Action
 - Departmental Monthly Reports
 - Community Development Department

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(OVER)

Rocky Mount Town Council Meeting
April 14, 2014 Agenda - continued

- Finance Department
- Fire Department
- Police Department
- Public Works Department
- Wastewater Department
- Water Department
- VIII. Hearing of Citizens
- IX. Old Business
 - A. Review and consideration of writing-off of negative fund balance in Utility Fund and write-off due to General Fund from Utility Fund.
- X. New Business
 - A. Formal presentation of Fiscal Year 2014 Budget and Capital Improvement Plan (CIP) by Town Manager, Assistant Town Manager and Finance Director
 - B. Review and consideration of approving draft "Town of Rocky Mount Supplemental Appropriation Resolution for the Fiscal Year Ending June 30, 2014" regarding a Byrne Justice Assistance Grant awarded to the Rocky Mount Police Department from the Virginia Department of Criminal Justice Services
 - C. Review and consideration of draft resolution by the Rocky Mount Town Council regarding volunteer auxiliary officers of the Town of Rocky Mount Police Department.
- XI. Committee Reports
 - A. Finance & Human Services Committee
 - Recommendation of Finance & Human Services Committee regarding Town of Rocky Mount 2013 audit.
 - B. Public Utilities Committee
 - Recommendation of Public Utilities Committee regarding exploratory wells at the Rocky Mount Municipal Building
- XII. Other Matters, Concerns and Rise 'N Shine Appearances
 - A. Referrals to Planning Commission from Rocky Mount Town Council
 - B. Rise 'N Shine Appearances
- XIII. Closed Meeting and Action
 - Section 2.2-371(A) 5 - Discussion concerning a prospective business or industry, or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community (Town of Rocky Mount/Franklin County Industrial Park)
- XIV. Adjournment

Copies of the agenda packet are available for review at the Town Clerk's Office located at the Rocky Mount Municipal Building, 345 Donald Avenue, Rocky Mount, Virginia, Monday through Friday, during normal working hours (8 a.m. to 5 p.m.), or by going to Town of Rocky Mount website: www.rockymountva.org.
Notice of intent to comply with Americans With Disabilities Act: Special assistance is available for disabled persons addressing Town Council. Efforts will be made to provide adaptations or accommodations based on individual needs of qualified individuals with disability, provided that reasonable advance notification has been received by the Town Clerk's Office. For assistance, please contact the Town Clerk's Office, Town of Rocky Mount, 345 Donald Avenue, Rocky Mount, Va. 24151, or by calling (540) 483-7660.
Thank you for taking the time to participate in your Town Council meeting. The Mayor and members of Council invite and encourage you to attend whenever possible because good government depends on the interest and involvement of citizens.

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ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens Consent Item Old Business New Business
 Committee Report Special Items

FOR COUNCIL MEETING DATED: April 14, 2014

STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	The Mayor will be presenting a "Resolution in Honor of National Volunteer Week of April 6-12, 2014" honoring all of the Town's volunteers (i.e., Fire Department, Retired Volunteer & Student Program, and all commissions and board members that assist the Town throughout the year).
ACTION NEEDED:	(none at this time)

Attachment(s): Yes

FOLLOW-UP ACTION:
(To be completed by Town Clerk)



**RESOLUTION
IN HONOR OF
NATIONAL VOLUNTEER WEEK OF
APRIL 6 - 12, 2014**

WHEREAS, the Town of Rocky Mount, Virginia (Town) recognizes that its volunteers are a very important asset and resource for providing invaluable services to not only the citizens of the Town of Rocky Mount, but also to those visiting our community; and

WHEREAS, the Town wishes to support and encourage the continuation and growth of this time honored tradition of dedicated citizens volunteering for their community; and

WHEREAS, consistent with the Rocky Mount Town Council to strive to provide the best municipal service to the citizens and customers of the Town, it is important that the volunteers for the Town of Rocky Mount share that commitment; and

WHEREAS, in addition to recruiting talented and high-quality volunteers, recognition of hard work by Town volunteers helps to develop good morale and continued volunteer efforts, and allows the Town to undertake tasks, projects and services it might not otherwise be able to afford by utilizing the services of these dedicated services; and

WHEREAS, the Town properly recognizes and expresses its appreciation to its volunteers as a group and individually; and

NOW, THEREFORE, BE IT RESOLVED, on behalf of the Rocky Mount Town Council, I, Mayor Steven C. Angle, recognize all Town volunteers during the month of April; and also recognizes April 6th thru 12th, 2014 as *National Volunteer Week*.

Given under my hand this 14th day of April 2014.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts, Town Clerk

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens Consent Item Old Business New Business
 Committee Report Special Items

FOR COUNCIL MEETING DATED: April 14, 2014

STAFF MAKING REQUEST:	C. James Ervin, Town Manager Linda Woody, Finance Director
BRIEF SUMMARY OF REQUEST:	Re: Presentation of Town of Rocky Mount Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2013. Deanna Cox with the audit firm Robinson, Farmer, Cox Associates will be here to formally present the annual report. She will also be at the Finance Committee meeting scheduled for 6:00 p.m. on Monday, April 14, 2014. The audit report is unqualified (see page 9 first paragraph).
ACTION NEEDED:	Accept the audited financial statements.

Attachment(s): Yes

FOLLOW-UP ACTION:
(To be completed by Town Clerk)

TOWN OF ROCKY MOUNT, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2013

Prepared by the Finance Director/Treasurer

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2013

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TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2013

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INTRODUCTORY SECTION



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to
**Town of Rocky Mount
 Virginia**

For its Comprehensive Annual
 Financial Report
 for the Fiscal Year Ended

June 30, 2012

Jeffrey R. Egan
 Executive Director/CEO

TOWN OF ROCKY MOUNT, VIRGINIA

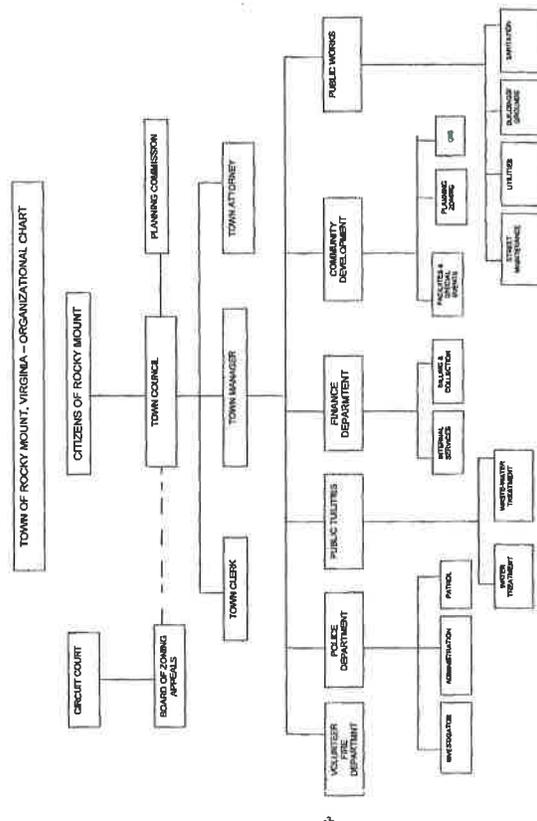
DIRECTORY OF PRINCIPAL OFFICIALS

TOWN COUNCIL

Steven C. Angle, Mayor
 Gregory B. Walker, Vice Mayor
 Bobby M. Cundiff
 Jerry W. Greer, Sr.
 P. Ann Love
 Bobby M. Moyer
 Billie W. Stockton

APPOINTED OFFICIALS

C. James Ervin Town Manager
 John T. Botnott Town Attorney
 Linda P. Woody Finance Director/Treasurer
 Patricia H. Keatts Town Clerk



Town of Rocky Mount
345 Donald Avenue
Rocky Mount, Virginia 24151

540 483 5243
FAX 540 483 8630

E-mail: jervin@rockymountva.org
www.rockymountva.org



TOWN COUNCIL
Steven C. Angia, Mayor
Gregory B. Walker, Vice Mayor

Bobby M. Cundiff P. Ann Love
Jerry W. Green, Sr. Bobby L. Moyer
Béle W. Stockton

C. James Ervin, Town Manager
Linda Woody, Finance Director

March 12, 2014

To the Honorable Mayor, Council Members, and Citizens of the Town of Rocky Mount:

State Law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. We issued the Town's comprehensive annual financial report for the fiscal year ended June 30, 2013 late due to the delayed actuarial report on other post employment benefit (OPEB).

This report consists of management's representations concerning the finances of the Town of Rocky Mount. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Rocky Mount has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Town of Rocky Mount's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Rocky Mount's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Rocky Mount's financial statements have been audited by Robinson, Farmer, Cox Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Rocky Mount for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Rocky Mount's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Rocky Mount, incorporated in 1873, is located in the rolling hills of the western Blue Ridge Mountains and serves as the seat of Franklin County's government, service, and business center. The Town of Rocky Mount currently occupies a land area of 5.4 square miles

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The governing Council of the Town of Rocky Mount, in planning for future residential and commercial needs, continues to fund water and sewer line improvements and expansions within the Town's utility system. Due to the slow-down in the local economy, funding for fiscal year 2013 and fiscal year 2014 have been scaled back. Lilly's Leisure, a 44-unit residential facility located just outside the Town limits on Diamond Avenue Extended, has connected to the Town's water and sewer lines during the fiscal year 2013 construction. Occupancy will begin during fiscal year 2014.

The Virginia Department of Transportation has begun the replacement of the Pigg River bridge on South Main Street. This project is expected to take up to three years to complete. The Town is working with state and federal agencies, in conjunction with this project, to improve safety around the Pigg River dam at Veteran's Memorial Park. This safety work began in late fall 2013.

The Town of Rocky Mount is very excited to be an anchor on the Crooked Road - Virginia's Heritage Music Trail. It provides an opportunity to showcase the area's cultural assets. During fiscal year 2012 Town Council purchased the old Lynch Hardware Building in downtown Rocky Mount to house a community cultural venue to better showcase the talents of local citizens and activities associated with the Crooked Road's musical heritage and the 'Round the Mountain's artisan heritage. Renovation began in the summer of 2013 with a completion date in late spring 2014. Funding is being sought from state and federal agencies and foundations as well as using historic tax credits to fund more than half the costs to transform the building into the Harvester Performance Center. Performances are slated to begin in April 2014.

Cash management policies and practices. Cash temporarily idle during the year was invested in obligations of the U.S. Treasury and the State Treasurer's investment pool. The maturities of the investments range from 90 days to 4 years. The average yield on investments was .98% for the government amid national declining rates. Investment income is affected by prevailing interest rates and the appreciation or depreciation in the fair value of investments. The decreases in interest rates during fiscal year 2012 and 2013, however, do not necessarily represent trends that will continue on investments the government intends to hold to maturity.

Risk management. The government is a member of the Virginia Municipal Liability Pool which is open to Virginia local political subdivisions. Additional information on the Town of Rocky Mount's risk management activity can be found in Note 12 of the notes to the financial statements.

Pension and other postemployment benefits. The Town of Rocky Mount provides pension benefits for its employees through a state-wide plan managed by the Virginia Retirement System. The Town of Rocky Mount has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to the Virginia Retirement System.

Every two years, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the Town of Rocky Mount must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Town of Rocky Mount fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the Town of Rocky Mount's conservative funding policy, the Town of Rocky Mount has succeeded as of June 30, 2011, in funding 72.77% of the present value of the projected benefits earned by employees. Any remaining unfunded amount would be systematically funded over 20 years or less, as part of the annual required contribution calculated by the actuary.

The Town of Rocky Mount also provides post-retirement health and dental care benefits for certain retirees and their spouses. Participants must pay 100% of the premium.

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and hosts a population of approximately 4,800. The Town of Rocky Mount is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The Town of Rocky Mount has operated under the council-manager form of government since 1988. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing the Planning Commission, and hiring the government's manager, attorney, and clerk. The government's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected at large. The Town of Rocky Mount holds municipal elections in May of even-numbered years. Council members serve four-year staggered terms, with three council members elected every two years. The mayor is elected to serve a four-year term.

The Town of Rocky Mount provides a full range of services, including police and volunteer fire protection; the construction and maintenance of streets, sidewalks, water and sewer lines, and other infrastructure; zoning and land use management; recreational parks; and community and cultural events. The Town of Rocky Mount also provides water and wastewater services to both town and county residents and businesses.

The annual budget serves as the foundation for the Town of Rocky Mount's financial planning and control. All departments of the Town of Rocky Mount are required to submit requests for appropriation to the government's manager during the annual budget process. The government's manager uses these requests as the starting point for developing a proposed budget. The Town Manager then presents this proposed budget to the Council for review by May 1. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the Town of Rocky Mount's fiscal year. The appropriated budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Rocky Mount operates.

Local economy. After experiencing a period of economic downturn due to the loss of jobs in its traditional textile and furniture manufacturing industries, other long-term manufacturers within the Town have experienced some degree of stability during these declining economic times. The Town continues to enjoy growth in the retail and service businesses that serve and are supported by town residents and county residents. Residential growth continues with new single-family housing developments.

The Town is also mindful of how the slow-down in the local economy has affected its citizens. Accordingly, Town Council increased the Town's budget by a modest 3.6% for fiscal year 2013 and presented no increases in taxes or fees to its citizens. A modest fee increase for water usage and a new fee for capital recovery based on meters sized 1" or higher for commercial customers was introduced to begin in February 2013.

Long-term financial planning and economic improvement projects. The Town of Rocky Mount continues to methodically plan for future growth by investing resources in infrastructure improvements and expansion. The Town is vigorously pursuing the development of the Cox property for industrial clients. The Town has completed the access road and utility line extensions and is now working on extending rail lines within the property.

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Additional information on the Town of Rocky Mount's pension arrangements and post-employment benefits can be found in Notes 8 and 9 in the notes to the financial statements

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for a locality's comprehensive annual financial report (CAFR). In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. The report must also satisfy GAAP and applicable legal requirements. We believe that our current CAFR will meet the Certificate of Achievement Program's requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and manager's offices as well as the Town's department heads. We would like to express our appreciation to all members of the Town staff who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and Council for their unfailing support for maintaining the highest standard of professionalism in the management of the Town of Rocky Mount's finances.

Respectively submitted,

C. James Ervin
C. James Ervin
Town Manager

Linda P. Woody
Linda P. Woody
Town Finance Director

Independent Auditors' Report

To the Honorable Members of Town Council
Town of Rocky Mount, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Town of Rocky Mount, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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FINANCIAL SECTION

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Rocky Mount, Virginia, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 16 to the financial statements, in 2013, the Town adopted new accounting guidance, GASB Statement Nos. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11-18, budgetary comparison information, and schedules of pension and OPEB funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Rocky Mount, Virginia's basic financial statements. The introductory section, individual fund financial statement and supporting schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statement and supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statement and supporting schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

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Report on Summarized Comparative Information

We have previously audited the Town of Rocky Mount, Virginia's 2012 financial statements, and our report dated November 2, 2012 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived, with the exception of the beginning balance adjustments described in Note 15.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2014, on our consideration of Town of Rocky Mount, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Rocky Mount, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
March 12, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Rocky Mount, Virginia (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 4 through 7 of this report.

Financial Highlights

- The total assets of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$31,217,788 (net position). Of this amount, \$8,145,367 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by \$210,230. This decrease is due to the \$273,700 invested in the Uptown Revitalization Project during the fiscal year to finish the 4 year project.
- As of the close of the current fiscal year, the Town's governmental funds reported an ending fund balance of \$9,908,973, a decrease of \$638,458 in comparison with the prior year. 100% of the Town's fund balance, constitutes an unassigned fund balance, which is available for spending at the Town's discretion. (GASB 54)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements - The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, liabilities, and deferred inflows/outflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result only in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Overview of the Financial Statements (Continued)

Government-wide Financial Statements (Continued)

Both the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, community development, parks, recreation and cultural, and non-departmental. The business-type activities of the Town are the water and wastewater departments.

Fund Financial Statements - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town adopts annual appropriated budgets for its general and capital project funds. Budgetary comparison statements have been provided for the general fund and capital project funds to demonstrate compliance with these budgets.

Proprietary Funds - The Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its water and wastewater departments.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater departments.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Overview of the Financial Statements (Continued)

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This information further explains and supports the information in the financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities and deferred inflows of resources by \$31,217,788 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position, \$22,792,403 reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related outstanding debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	The Town's Net position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 10,347,156	\$ 10,759,389	\$ 273,138	\$ 279,991	\$ 10,620,294	\$ 11,039,380
Capital assets	15,331,019	15,466,135	13,507,347	13,938,929	28,838,366	29,405,064
Total assets	25,678,175	26,225,524	13,780,485	14,218,920	39,458,660	40,444,444
Long-term liabilities						
Outstanding obligations	2,887,067	2,995,461	3,685,262	4,374,093	6,572,329	7,369,554
Other liabilities	432,973	225,013	1,226,664	1,394,510	1,659,637	1,619,523
Total liabilities	3,320,040	3,220,474	4,911,926	5,768,603	8,231,966	8,989,077
Deferred inflows	8,906	-	-	-	8,906	-
Net investment in capital assets	12,824,596	12,768,337	9,967,807	9,685,215	22,792,403	22,480,901
Restricted for debt service	-	-	280,018	280,018	280,018	280,018
Unrestricted	9,524,633	10,236,713	(1,379,266)	(1,314,916)	8,145,367	8,694,448
Total net position	\$ 22,349,229	\$ 23,005,050	\$ 8,868,559	\$ 8,450,317	\$ 31,217,788	\$ 31,455,367

Government-wide Financial Analysis (Continued)

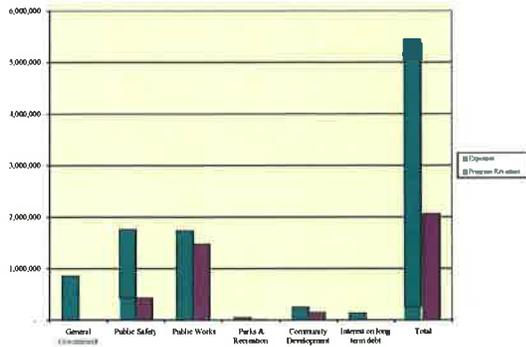
Unrestricted net position of \$8,145,367 may be used to meet the Town's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town is able to report positive balances in both categories of net position.

Governmental activities - Governmental activities decreased the Town's net position by \$628,472. **Business-type activities** - Business-type activities increased the Town's net position by \$418,242.

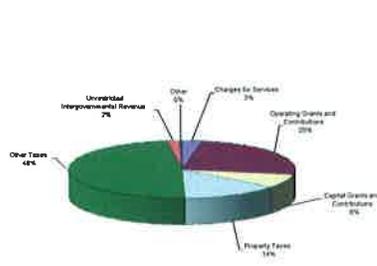
	The Town's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	\$ 198,335	\$ 141,744	\$ 2,034,980	\$ 1,777,053	\$ 2,233,315	\$ 1,919,797
Operating grants and contributions	1,477,830	1,439,839	-	-	1,477,830	1,439,839
Capital grants and contributions	-	156,064	-	-	-	156,064
General revenues						
Property taxes	849,121	836,746	-	-	849,121	836,746
Other taxes	2,797,927	2,884,666	-	-	2,797,927	2,884,666
Intergovernmental revenue unrestricted	244,810	255,227	1,000	4,000	245,810	259,227
Investment earnings	69,353	81,198	36	18	69,389	81,216
Other	39,699	32,619	166,432	41,166	206,131	73,785
Total revenues	5,677,075	5,828,103	2,202,448	1,822,237	7,879,523	7,650,340
Expenses						
General government	894,183	1,310,661	-	-	894,183	1,310,661
Public safety	1,884,733	2,012,658	-	-	1,884,733	2,012,658
Public works	1,756,852	1,538,835	-	-	1,756,852	1,538,835
Parks, recreation, and cultural	125,182	54,320	-	-	125,182	54,320
Community development	752,701	581,132	-	-	752,701	581,132
Interest on long-term debt	108,331	116,630	-	-	108,331	116,630
Water and wastewater	-	-	2,567,771	2,285,055	2,567,771	2,285,055
Total expenses	5,521,982	5,614,236	2,567,771	2,285,055	8,089,753	7,899,291
Increase (decrease) in net position before transfers	155,093	213,867	(365,323)	(462,818)	(210,230)	(248,951)
Transfers	(783,565)	(454,138)	783,565	454,138	-	-
Change in net position	\$ (628,472)	\$ (240,271)	\$ 418,242	\$ (8,680)	\$ (210,230)	\$ (248,951)

Government-wide Financial Analysis (Continued)

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Capital Asset and Debt Administration

Capital Assets - The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$28,838,366 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, infrastructure, machinery and equipment. The total decrease in the Town's investment in capital assets for the current fiscal year was 2% (a 1% decrease for governmental activities and a 3% decrease for business-type activities). Additional information on the Town's capital assets can be found in Note 7 of this report.

Major capital asset events during the current fiscal year included the following:
 Water Treatment Plant electric upgrade \$264,241
 Wastewater Treatment Plant ultra-violet equipment upgrade \$68,386
 Design work on the Performance Venue \$119,350

The Town's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,620,168	\$ 2,620,168	\$ 189,454	\$ 189,454	\$ 2,815,622	\$ 2,815,622
Buildings and Improvements	7,383,778	7,153,999	-	-	7,383,778	7,153,999
Public domain infrastructure	11,757,595	11,463,782	-	-	11,757,595	11,463,782
Distribution/transmission systems	-	-	22,327,195	22,292,299	22,327,195	22,292,299
Water and wastewater plants	-	-	5,704,808	5,704,808	5,704,808	5,704,808
Machinery and equipment	4,543,812	4,489,146	1,249,693	870,336	5,793,505	5,359,482
Accumulated depreciation	(10,980,334)	(10,266,960)	(15,963,803)	(15,117,968)	(26,944,137)	(25,384,928)
Total	\$ 15,331,019	\$ 15,466,135	\$ 13,507,347	\$ 13,938,929	\$ 28,838,366	\$ 29,405,064

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,908,973, a decrease of \$638,458 in comparison with the prior year. One hundred percent of the \$9,908,973, constitutes an unassigned fund balance, which is available for spending at the Town's discretion.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the total fund balance of the general fund was \$10,704,059. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 207% of total general fund expenditures.

The fund balance of the Town's general fund decreased by \$618,973 during the fiscal year. Factors to this decrease are a transfer from the general fund to the utility fund of \$169,287 to fund the balance due on the Water Treatment Plant electric replacement project and two transfers to the capital projects fund of \$201,421 for the Uptown project and \$193,925 for the Performance Venue project for fiscal year 2013.

The fund balance of the Town's capital projects fund decreased by \$19,485 during the year. The key factor to this decrease is related to finishing up Uptown project.

Proprietary Funds - The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and wastewater departments at the end of the year amounted to \$(1,379,266). The key factor in this deficit is the use of funds in fiscal year 2011 to retire a \$2,010,000 bond. The increase in net position for this fiscal year 2013 was \$418,242.

General Fund Budgetary Highlights

There was an increase of \$147,366 and \$219,326 between the original budget and the final amended budget for both revenues and expenditures, respectively. This was due to the receipt and related expenditure of \$144,637 in carry-over funds from the previous year for a guardrail project (\$30,812) and a sidewalk project (\$83,825) as well as a grant of \$25,000 for 2 K-9 Police vehicles where the expenditures totaled \$67,149.

There were no significant variances between the final budget and the actual final results for the year.

Long-term debt - At the end of the current fiscal year, the Town had total debt outstanding of \$5,955,363. Of this amount, \$4,735,963 comprises debt backed by the full faith and credit of the government, and \$1,310,000 is related to notes payable.

The Town's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation	\$ -	\$ -	\$ 2,265,063	\$ 2,931,568	\$ 2,265,063	\$ 2,931,568
Revenue bonds	1,147,500	1,171,800	977,500	998,200	2,125,000	2,170,000
Notes payable	1,310,000	1,475,000	-	-	1,310,000	1,475,000
Capital lease	-	-	255,300	280,500	255,300	280,500
Total	\$ 2,457,500	\$ 2,646,800	\$ 3,497,863	\$ 4,210,268	\$ 5,955,363	\$ 6,857,068

The Town's total debt decreased by \$811,105 (11.8%) during the fiscal year primarily from retiring the principal portion on existing debt. Additional information on the Town's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for Franklin County (no statistics are available for the Town individually) as of June 30, 2013 is 5.7%, which is a decrease from the annual rate of 6.2% a year ago according to the Virginia Employment Commission. The state's average unemployment rate as of June 30, 2013 is 6.0% and the national average rate as of June 30, 2013 is 7.8%. The occupancy rate of the Town's central business district continues to remain high.

Inflationary trends in the region compare favorably to national indices.

Water consumption has declined slightly this fiscal year mostly due to conservation efforts by both residents and industries.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town of Rocky Mount, 345 Donald Avenue, Rocky Mount, Virginia 24151.

FUNCTIONS/ORGANIZATIONS	Program Revenues		Capital Grants and Contributions		Totals	
	2013	2012	2013	2012	2013	2012
PRIMARY GOVERNMENT:						
General government administration	\$ 284,122	\$ -	\$ -	\$ -	\$ 284,122	\$ -
Public safety	1,796,432	92,030	3,000	-	1,799,432	92,030
Public works	96,136	225,483	-	-	225,483	96,136
Arts, culture, and recreation	702,201	1,133,806	-	-	1,836,007	1,133,806
Community development	4,530	25,000	-	-	29,530	25,000
Intergovernmental	108,233	1,082,333	-	-	1,190,566	1,082,333
Total primary government	\$ 2,891,714	\$ 2,564,649	\$ -	\$ -	\$ 2,891,714	\$ 2,564,649
Business-type activities:						
Water and wastewater	\$ 449,121	\$ -	\$ -	\$ -	\$ 449,121	\$ -
Total business-type activities	\$ 449,121	\$ -	\$ -	\$ -	\$ 449,121	\$ -
Total	\$ 3,340,835	\$ 2,564,649	\$ -	\$ -	\$ 3,340,835	\$ 2,564,649

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

	Primary Government		Totals	
	Governmental Activities	Business-type Activities	2013	2012
ASSETS				
Cash and cash equivalents	\$ 2,247,832	\$ -	\$ 2,247,832	\$ 2,472,385
Investments	7,509,182	-	7,509,182	7,460,822
Receivables (net of allowance for uncollectibles):				
Taxes receivable	54,719	-	54,719	49,994
Accounts receivable	262,645	160,228	422,873	398,923
Internal balances	233,035	(233,035)	-	-
Due from other governmental units	39,743	-	39,743	334,242
Inventories	-	39,527	39,527	42,996
Restricted assets:				
Cash and cash equivalents - customer deposits	-	26,300	26,300	-
Cash and cash equivalents	-	280,018	280,018	280,018
Capital assets (net of accumulated depreciation):				
Land	2,626,168	189,454	2,815,622	2,815,622
Buildings and improvements	4,354,684	1,411,188	5,765,872	4,680,836
Machinery and equipment	1,672,523	671,914	2,344,437	2,380,691
Infrastructure	6,677,644	11,234,791	17,912,435	18,527,915
Total assets	\$ 25,678,175	\$ 13,780,485	\$ 39,458,660	\$ 40,444,444
LIABILITIES				
Accounts payable	\$ 155,395	\$ 210,586	\$ 366,381	\$ 360,988
Reconciled overdraft	150,501	944,358	1,094,859	1,108,031
Accrued liabilities	82,569	9,589	92,158	39,217
Customers' deposits	-	26,300	26,300	29,275
Accrued interest payable	44,508	35,431	79,939	82,012
Long term liabilities:				
Due within one year	351,194	543,879	895,073	1,073,751
Due in more than one year	2,535,873	3,141,383	5,677,256	6,295,803
Total liabilities	\$ 3,320,040	\$ 4,911,926	\$ 8,231,966	\$ 8,989,027
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 8,906	\$ -	\$ 8,906	\$ -
NET POSITION				
Net investment in capital assets	\$ 12,824,596	\$ 9,967,807	\$ 22,792,403	\$ 22,480,901
Restricted for:				
Debt service	-	280,018	280,018	280,018
Unrestricted	9,524,633	(1,379,266)	8,145,367	8,694,448
Total net position	\$ 22,349,229	\$ 8,668,559	\$ 31,017,788	\$ 31,455,367

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

	Governmental Funds		Totals	
	General	Capital Projects	2013	2012
ASSETS				
Cash and cash equivalents	\$ 2,247,832	\$ -	\$ 2,247,832	\$ 2,443,110
Investments	7,509,182	-	7,509,182	7,460,822
Receivables (net of allowance for uncollectibles):				
Taxes receivable	54,719	-	54,719	49,994
Accounts receivable	233,035	28,750	262,645	238,186
Due from other funds	861,425	-	861,425	861,425
Due from other governmental units	39,743	-	39,743	334,242
Total assets	\$ 10,946,296	\$ 28,750	\$ 10,975,046	\$ 11,387,779
LIABILITIES				
Accounts payable	\$ 110,450	\$ 44,945	\$ 155,395	\$ 147,332
Reconciled overdraft	-	150,501	150,501	-
Accrued payroll and related liabilities	82,569	-	82,569	30,611
Due to other funds	-	628,390	628,390	628,390
Total liabilities	\$ 193,019	\$ 823,836	\$ 1,016,855	\$ 806,333
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 49,718	\$ -	\$ 49,718	\$ 34,015
FUND BALANCES				
Unassigned, reported in:				
General fund	\$ 10,704,059	\$ -	\$ 10,704,059	\$ 11,323,032
Capital projects funds	-	(795,086)	(795,086)	(775,401)
Total fund balances (liabilities)	\$ 10,704,059	\$ (795,086)	\$ 9,908,973	\$ 10,547,631
Total liabilities, deferred inflows, and fund balances	\$ 10,946,296	\$ 28,750	\$ 10,975,046	\$ 11,387,779

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

Town of Rocky Mount, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Exhibit 4

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 9,908,973	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$ 2,626,168	
Buildings and system	4,354,684	
Machinery and equipment	1,672,523	
Infrastructure	6,677,644	15,331,019
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		40,812
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	\$ (1,147,500)	
Plus: premium on issuance	(48,923)	
Notes payable	(1,210,000)	
Accrued interest payable	(44,508)	
Net OPEB obligation	(168,386)	
Compensated absences	(212,258)	(2,931,575)
Net position of governmental activities		<u>\$ 22,349,229</u>

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

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Town of Rocky Mount, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

Exhibit 5

	Total		Total	
	General	Capital Projects	2013	2012
REVENUES				
General property taxes	\$ 842,324	\$ -	\$ 842,324	\$ 835,312
Other local taxes	2,797,927	-	2,797,927	2,884,666
Permits, privilege fees, and regulatory licenses	12,861	-	12,861	5,945
Fees and forfeitures	53,037	-	53,037	28,467
Revenue from the use of money and property	69,353	-	69,353	81,198
Charges for services	132,437	-	132,437	107,332
Miscellaneous	6,193	33,506	39,699	32,619
Contributions	-	-	-	156,064
Recovered costs	3,814	-	3,814	413
Intergovernmental revenues:				
Commonwealth	1,669,536	-	1,669,536	1,695,066
Federal	53,104	-	53,104	-
Total revenues	<u>\$ 5,840,586</u>	<u>\$ 33,506</u>	<u>\$ 5,874,092</u>	<u>\$ 5,837,282</u>
EXPENDITURES				
Current:				
General government administration	\$ 627,291	\$ -	\$ 627,291	\$ 824,164
Public safety	1,891,726	-	1,891,726	1,754,573
Public works	1,587,437	-	1,587,437	1,427,358
Parks, recreation, and cultural	118,091	-	118,091	69,802
Community development	477,164	-	477,164	374,620
Nondepartmental	176,669	-	176,669	398,734
Capital outlay	-	348,337	348,337	645,734
Debt service:				
Principal retirement	189,300	-	189,300	189,300
Interest and other fiscal charges	112,968	-	112,968	176,383
Total expenditures	<u>\$ 5,180,648</u>	<u>\$ 348,337</u>	<u>\$ 5,528,985</u>	<u>\$ 6,050,668</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 459,938	\$ (314,831)	\$ 145,107	\$ (223,384)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 395,346	\$ 395,346	\$ 592,219
Transfers out	(1,078,911)	(800,000)	(1,878,911)	(1,204,107)
Total other financing sources (uses)	<u>\$ (1,078,911)</u>	<u>\$ 295,346</u>	<u>\$ (783,565)</u>	<u>\$ (611,888)</u>
Net change in fund balances	\$ (618,973)	\$ (19,485)	\$ (638,458)	\$ (677,522)
Fund balances - beginning	13,223,012	(779,691)	12,443,321	11,294,953
Fund balances (deficit) - ending	<u>\$ 12,704,039</u>	<u>\$ (799,176)</u>	<u>\$ 11,904,863</u>	<u>\$ 10,617,431</u>

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

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Town of Rocky Mount, Virginia
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2013

Exhibit 6

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (638,458)	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeded capital outlay in the current period.		
Capital outlay	\$ 598,258	
Depreciation expense	(733,374)	(135,116)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		8,797
The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long term debt and related items.		
Principal repayments:		
Revenue bonds	\$ 24,300	
Notes payable	165,000	189,300
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Compensated absences	\$ (47,693)	
Net OPEB obligation	(7,939)	
Amortization of premium on bond issuance	2,075	
Accrued interest	2,562	(50,995)
Change in net position of governmental activities		<u>\$ (628,472)</u>

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

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Town of Rocky Mount, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2013

Exhibit 7

	Water and Wastewater Fund	
	2013	2012
ASSETS		
Current assets:		
Accounts receivable	\$ 160,328	\$ 160,737
Due from other funds	628,390	628,390
Investments	39,527	42,996
Total current assets	<u>\$ 828,245</u>	<u>\$ 832,123</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	\$ 280,018	\$ 280,018
Customer deposits - cash and cash equivalents	26,300	29,275
Total restricted assets	<u>\$ 306,318</u>	<u>\$ 309,293</u>
Capital assets, net of accumulated depreciation:		
Land	\$ 189,454	\$ 189,454
Distribution systems	11,234,791	11,857,760
Machinery and equipment	671,914	1,543,236
Water and wastewater plants	1,411,188	348,479
Total capital assets	<u>\$ 13,507,347</u>	<u>\$ 13,938,929</u>
Total noncurrent assets	<u>\$ 13,813,665</u>	<u>\$ 14,248,222</u>
Total assets	<u>\$ 14,641,910</u>	<u>\$ 15,080,345</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 210,986	\$ 213,456
Accrued payroll and related liabilities	9,589	8,606
Reconciled overdraft	944,358	1,108,031
Customer deposits	26,300	29,275
Accrued interest payable	35,431	34,942
Due to other funds	861,425	861,425
Compensated absences - current portion	63,831	48,620
Bonds payable - current portion	480,048	712,407
Total current liabilities	<u>\$ 2,631,968</u>	<u>\$ 3,016,962</u>
Noncurrent liabilities:		
Compensated absences - net of current portion	\$ 21,277	\$ 16,206
Bonds payable - net of current portion	3,059,492	3,541,307
Net OPEB liability	60,614	55,523
Total noncurrent liabilities	<u>\$ 3,141,383</u>	<u>\$ 3,613,066</u>
Total liabilities	<u>\$ 5,773,351</u>	<u>\$ 6,630,028</u>
NET POSITION		
Net investment in capital assets	\$ 9,967,807	\$ 9,685,215
Restricted for debt service	280,018	280,018
Unrestricted	(1,379,266)	(1,514,916)
Total net position	<u>\$ 8,868,559</u>	<u>\$ 8,450,317</u>

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

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Town of Rocky Mount, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

Exhibit 8

	Water and Wastewater Fund	
	(For comparative purposes only)	
	2013	2012
OPERATING REVENUES		
Charges for services:		
Water service charges and fees	\$ 1,215,212	\$ 1,095,171
Sewer service charges and fees	760,571	661,731
Capital fund water service charges and fees	13,128	-
Capital fund sewer service charges and fees	26,493	-
Water/sewer penalties	19,576	20,151
Other revenues	72,847	41,166
Total operating revenues	\$ 2,107,827	\$ 1,818,219
OPERATING EXPENSES		
Salaries	\$ 581,843	\$ 537,202
Fringe benefits	288,044	308,667
Maintenance	31,876	21,179
Utilities and insurance	207,016	156,076
Materials and supplies	152,794	143,216
Contractual services	86,149	113,720
Other	189,878	101,596
Depreciation	845,835	730,616
Total operating expenses	\$ 2,383,433	\$ 2,112,272
Operating income (loss)	\$ (275,606)	\$ (294,053)
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental revenue	\$ 1,000	\$ 4,000
Other nonoperating revenue	93,585	-
Interest revenue	36	18
Interest and fiscal charges	(184,338)	(172,781)
Total nonoperating revenues (expenses)	\$ (89,717)	\$ (168,765)
Income (loss) before transfers	\$ (365,323)	\$ (462,818)
Transfers in	\$ 783,565	\$ 454,138
Change in net position	\$ 418,242	\$ (8,680)
Total net position - beginning, as related	8,450,317	8,458,997
Total net position - ending	\$ 8,868,559	\$ 8,450,317

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

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TOWN OF ROCKY MOUNT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1-Summary of Significant Accounting Policies:

The financial statements of the Town conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the Town are discussed below.

A. Financial Reporting Entity:

The Town of Rocky Mount ("the Town") was established in 1873. It is a political subdivision of the Commonwealth of Virginia operating under the Council-Manager form of government. The Town Council consists of a mayor and six other council members. The Town is part of Franklin County and has taxing powers subject to statewide restrictions and tax limits.

The Town provides a full range of municipal services including police, refuse collection, public improvements, planning and zoning, general administrative services, recreation, and water and wastewater services. The Town provides substantial operating funding for its Volunteer Fire Department and also provides some funding for the County-wide volunteer rescue squad services.

These financial statements present the Town as the primary government. The Town has no component units - that is, entities for which the primary government is considered to be financially accountable. Furthermore, the Town has no related or jointly governed organizations.

B. Government-wide and fund financial statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Net Position is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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Town of Rocky Mount, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

Exhibit 9

	Water and Wastewater Fund	
	(For comparative purposes only)	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 2,104,443	\$ 1,829,567
Payments to suppliers	(673,830)	(349,099)
Payments to employees	(843,561)	(842,295)
Payments for interfund services used	(163,677)	(108,031)
Net cash provided by (used for) operating activities	\$ 423,359	\$ 1,745,904
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	\$ 783,565	\$ 454,138
Intergovernmental funds	1,000	5,291
Net cash provided by (used for) noncapital financing activities	\$ 784,565	\$ 459,731
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital asset additions	\$ (414,253)	\$ (265,090)
Proceeds from issuance of debt	93,585	780,500
Other nonoperating revenue	-	-
Principal payments on bonds	(712,405)	(866,683)
Interest payments	(177,862)	(175,377)
Net cash provided by (used for) capital and related financing activities	\$ (1,210,935)	\$ (876,632)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received	\$ 36	\$ 18
Net cash provided by (used for) investing activities	\$ 36	\$ 18
Net increase (decrease) in cash and cash equivalents	\$ (2,975)	\$ 1,379,041
Cash and cash equivalents - beginning	309,293	(1,069,748)
Cash and cash equivalents - ending	\$ 306,318	\$ 309,293
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (275,606)	\$ (294,053)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	\$ 845,835	\$ 730,616
(Increase) decrease in accounts receivable	(409)	9,073
(Increase) decrease in inventories	(3,469)	2,525
(Increase) decrease in prepaid items	-	999
Increase (decrease) in customer deposits	(2,975)	2,273
Increase (decrease) in accounts payable	(2,670)	183,164
Increase (decrease) in accrued payroll and related liabilities	983	(17,242)
Increase (decrease) in other liability	5,361	19,420
Increase (decrease) in compensated absences	20,782	1,096
Increase (decrease) in reconciled overdraft	(163,677)	(1,108,031)
Total adjustments	\$ 698,965	\$ 2,039,957
Net cash provided by (used for) operating activities	\$ 423,359	\$ 1,745,904

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

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TOWN OF ROCKY MOUNT, VIRGINIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1-Summary of Significant Accounting Policies: (continued)

B. Government-wide and fund financial statements: (continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

C. Measurement focus, basis of accounting, and financial statement presentation:

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 45 days after year-end are reflected as nonavailable revenues.

Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the Town.

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TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 1-Summary of Significant Accounting Policies: (continued)

C. Measurement focus, basis of accounting, and financial statement presentation: (continued)

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general-purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when the government receives cash.

The Town reports the following major governmental funds:

The *general fund* is the Town's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds.

The *capital projects fund* is used to account for and report financial resources to be used for the construction of major capital facilities, other than those financed by proprietary funds.

The government reports the following major proprietary funds:

The *enterprise fund* accounts for the financing of services to the general public where all or most of the operating expenses involved are intended to be recovered in the form of user charges, or where management has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for management control, accountability or other purposes. The enterprise fund consists of the water and wastewater fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the Town's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows, and net position or fund balance: (continued)

6. Allowance for Uncollectible Accounts

The Town calculates its allowance for uncollectible accounts for taxes using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$13,085 for property taxes at June 30, 2013. Management considers all accounts receivable related to business-type activities to be fully collectible and accordingly, no allowance for doubtful accounts is considered necessary.

7. Use of Estimates

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

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current or previous year.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	30-40
Machinery and equipment	5-10
Distribution/transmission systems	40-50
Water and wastewater plants	40-50
Infrastructure	20-40

TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows, and net position or fund balance:

1. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the Town are reported at fair value. The State Treasurer's Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Inventories

Inventories consist of expendable supplies held for consumption. Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

4. Prepaid Items

Payments to vendors for services that will benefit future periods are reported as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense when the services are consumed.

5. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable on February 28. The Town bills and collects its own property taxes.

TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows, and net position or fund balance: (continued)

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town does not have any deferred outflows of resources as of June 30, 2013.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one type of item that qualifies for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and amounts prepaid and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid are reported as deferred inflows of resources.

10. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement). In accordance with the provisions of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The Town accrues salary-related payments associated with the payment of compensated absences. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

11. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows, and net position or fund balance: (continued)

11. Long-term Obligations: (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

12. Fund Equity

The Town reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Town Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

Note 2-Stewardship, Compliance, and Accountability: (continued)

A. Budgetary information: (continued)

5. Formal budgetary integration is employed as a management control device during the year.
6. Budgets are adopted utilizing the modified accrual basis of accounting.
7. Appropriations lapse on June 30 for all Town units.
8. All budgetary data presented is the final revised budget.
9. No functions overspent budgeted amounts during fiscal year 2013.

B. Deficit fund equity

At June 30, 2013, the Capital Projects Fund had deficit fund equity of \$(795,086).

Note 3-Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments:

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

Investment Policy

In accordance with the Code of Virginia and other applicable law, including regulations, the Town's investment policy (Policy) permits investments in U.S. treasury securities, U.S. agency securities, prime quality commercial paper, non-negotiable certificates of deposit and time deposits of Virginia banks, negotiable certificates of deposit of domestic banks, banker's acceptances with domestic banks, Commonwealth of Virginia and Virginia Local Government Obligations, repurchase agreements collateralized by the U.S. treasury/agency securities, the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP, a 2a-7 like pool). Pursuant to Sec.2.1-234.7 of the Code of Virginia, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings and the fair value of the position in LGIP is the same as the value of the pool share (i.e., the LGIP

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows, and net position or fund balance: (continued)

13. Net Position

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

14. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

15. Comparative Data

Comparative total data for the year ended June 30, 2012 has been presented in the financial statements in order to provide an understanding of the changes in the financial position and operations.

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary Information

The following procedures are used by the Town in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the Town Manager submits to the Town Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund, Capital Projects Fund, and the Water and Wastewater Fund.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget for the general fund is legally enacted through passage of an Appropriations Resolution. Town Council may, from time to time, amend the budget, providing for additional expenditures and the means for financing them.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Management can over-expend at the line item level without approval of Town Council.

Note 3-Deposits and Investments: (Continued)

maintains a stable net position value of \$1 per share). The LGIP investment policy specifies that no investment may have a maturity greater than one year from the date of purchase.

The Policy limits investment maturities to five years maximum maturity for any negotiable certificate of deposit or any sovereign government obligation excluding those of the United States; to 15 years for any single corporate security; and five years for any single asset-backed security.

Credit Risk of Debt Securities

As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following: Moody's Investors Service, Standard & Poor's, and Fitch Investors Service, provided that the issuing corporation has a net worth of at least \$50 million and its long term debt is rated "A" or better by Moody's and Standard & Poor's.

Banker's acceptances and Certificates of Deposit maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investors Service.

Although the intent of the Policy is for the Town to diversify its investment portfolio to avoid incurring unreasonable risks regarding (i) security type, (ii) individual financial institution or issuing entity, and (iii) maturity, the policy places no limit on the amount the Town may invest in any one issuer.

As of June 30, 2013, issuers that equal or exceed 5% of the total portfolio are as follows:

	% of Portfolio
Certificates of Deposit	71%
Federal National Mortgage Association	10%
LGIP	19%

The Town's rated debt investments as of June 30, 2013 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale.

Rated Debt Investments	Town's Rated Debt Investment Value	
	Fair Quality Ratings	
	Aaa	Unrated
Certificates of Deposit	\$ -	\$ 5,306,140
Federal National Mortgage Association	740,623	-
LGIP	1,462,420	-
	\$ 2,203,043	\$ 5,306,140

TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 3-Deposits and Investments: (Continued)

Interest Rate Risk

All Town investments must be in securities maturing within five years.

Investment Type	Investment Maturities			Call options
	Fair Value	< 1 year	1-5 years	
Certificates of Deposit	\$ 5,306,140	\$ 1,236,362	\$ 4,069,778	None
Federal National Mortgage Association	488,300	-	488,300	12/26/2013
Federal National Mortgage Association	252,323	-	252,323	9/27/2013
LGIIP	1,462,420	1,462,420	-	None
Total	\$ 7,509,183	\$ 2,698,782	\$ 4,810,401	

Custodial Credit Risk

The Policy requires that all investment securities shall be held in safekeeping by a third party and evidenced by safekeeping receipts. As required by the Code of Virginia, all security holdings with maturities over 30 days may not be held in safekeeping with the "counterparty" to the investment transaction. As of June 30, all of the Town's investments are held in a bank's trust department in the Town's name.

Note 4-Due from Other Governmental Units:

The following amounts represent receivables from other governments at year-end:

	General Fund
Local Governments:	
Franklin County Fire	\$ 7,500
Commonwealth of Virginia:	
Categorical aid	2,141
Federal Government:	
Categorical aid	30,102
Total	\$ 39,743

TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 6-Capital Assets:

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,626,168	\$ -	\$ -	\$ 2,626,168
Capital assets, being depreciated:				
Public Domain Infrastructure	\$ 11,463,782	\$ 293,813	\$ -	\$ 11,757,595
Buildings and improvements	7,153,999	229,779	-	7,383,778
Machinery and equipment	4,489,146	74,666	(20,000)	4,543,812
Total capital assets being depreciated	\$ 23,106,927	\$ 598,258	\$ (20,000)	\$ 23,685,185
Less: accumulated depreciation for:				
Public Domain Infrastructure	\$ (4,793,627)	\$ (286,324)	\$ -	\$ (5,079,951)
Buildings and Improvements	(2,821,642)	(207,452)	-	(3,029,094)
Machinery and equipment	(2,651,691)	(239,598)	20,000	(2,871,289)
Total accumulated depreciation	\$ (10,266,960)	\$ (733,374)	\$ 20,000	\$ (10,980,334)
Total capital assets being depreciated, net	\$ 12,839,967	\$ (135,116)	\$ -	\$ 12,704,851
Governmental activities capital assets, net	\$ 15,466,135	\$ (135,116)	\$ -	\$ 15,331,019

TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 5-Interfund Transfers and Due to/from Other Funds:

Interfund transfers for the year ended June 30, 2013 consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ -	\$ 1,078,911
Capital Projects Fund	395,346	100,000
Water and Wastewater Fund	783,565	-
Total	\$ 1,178,911	\$ 1,178,911

The primary purpose of transfers is to pay the current year debt payments in the water and wastewater fund and eliminate negative pooled cash amounts due to normal operations.

Due to/from other funds for the year ended June 30, 2013 consisted of the following:

Fund	Due to Other Funds	Due from Other Funds
Primary Government:		
General Fund	\$ -	\$ 861,425
Capital Projects Fund	628,390	-
Water and Wastewater Fund	861,425	628,390
Total	\$ 1,489,815	\$ 1,489,815

The primary purpose of the due from/to amount is for the fund's portion of pooled cash that is negative.

TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 6-Capital Assets: (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 189,454	\$ -	\$ -	\$ 189,454
Capital assets being depreciated:				
Distributions/transmission systems	\$ 22,292,299	\$ 34,896	\$ -	\$ 22,327,195
Water and wastewater plants	5,704,808	-	-	5,704,808
Machinery and equipment	870,336	379,357	-	1,249,693
Total capital assets being depreciated	\$ 28,867,443	\$ 414,253	\$ -	\$ 29,281,696
Less: accumulated depreciation:				
Distributions/transmission systems	\$ (10,434,539)	\$ (657,865)	\$ -	\$ (11,092,404)
Water and wastewater plants	(4,161,572)	(132,048)	-	(4,293,620)
Machinery and equipment	(521,857)	(55,922)	-	(577,779)
Total accumulated depreciation	\$ (15,117,968)	\$ (845,835)	\$ -	\$ (15,963,803)
Total capital assets being depreciated, net	\$ 13,749,475	\$ (431,582)	\$ -	\$ 13,317,893
Business-type Activities capital assets, net	\$ 13,938,929	\$ (431,582)	\$ -	\$ 13,507,347

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government administration	\$ 93,593
Public safety	229,608
Public works	283,242
Parks, recreation, and culture	7,091
Community development	119,840
Total depreciation expense-governmental activities	\$ 733,374
Business-type activities:	
Water	\$ 301,973
Wastewater	543,862
Total depreciation expense-business type activities	\$ 845,835

TOWN OF ROCKY MOUNT, VIRGINIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 7-Long-term Obligations:

Primary Government - Governmental Activity Liabilities:

The following is a summary of long-term obligations transactions of the Town for the year ended June 30, 2013:

	Balance July 1, 2012	Issuances	Retirements	Balance June 30, 2013
Revenue Bonds	\$ 1,171,800	\$ -	\$ (24,300)	\$ 1,147,500
Issuance premium	50,998	-	(2,075)	48,923
Notes Payable	1,475,000	-	(165,000)	1,310,000
Compensated absences	164,565	171,117	(123,424)	212,258
OPEB liability	160,447	27,206	(19,267)	168,386
Total	\$ 3,022,810	\$ 198,323	\$ (334,066)	\$ 2,887,067

The general government compensated absences, pension obligations and post-employment benefits are generally liquidated by the general fund.

Annual requirements to amortize long-term debt and related interest are as follows:

Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2014	\$ 27,000	\$ 56,417	\$ 165,000	\$ 50,404
2015	27,000	55,404	165,000	45,289
2016	29,700	54,324	165,000	40,174
2017	29,700	53,136	165,000	35,059
2018	29,700	51,948	165,000	28,294
2019-2023	180,900	234,212	485,000	44,296
2024-2028	232,200	183,735	-	-
2029-2033	297,000	119,475	-	-
2034-2037	294,300	37,665	-	-
Totals	\$ 1,147,500	\$ 846,316	\$ 1,310,000	\$ 243,516

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TOWN OF ROCKY MOUNT, VIRGINIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 7-Long-term Obligations: (Continued)

Details of long-term indebtedness:

	Interest Rates	Date Issued	Final Maturity	Original Amount	Amount Outstanding	Amount Due Within One Year
Revenue Bonds:						
Virginia Municipal League	4.57%	02/07	02/37	\$ 2,380,000	\$ 1,147,500	\$ 27,000
Add bond premium	n/a	n/a	n/a	n/a	48,923	-
Total Revenue Bonds					\$ 1,196,423	\$ 27,000
Notes Payable:						
Emergency Services Building	3.70%	12/10	12/21	\$ 1,640,000	\$ 1,210,000	\$ 165,000
Other Long-term Obligations:						
OPEB liability	n/a	n/a	n/a	n/a	\$ 168,386	\$ -
Compensated absences	n/a	n/a	n/a	n/a	212,258	159,194
Total Other Obligations					\$ 380,644	\$ 159,194
Total Long-term Obligations					\$ 2,887,067	\$ 351,194

Primary Government-Enterprise Activity Obligations:

The following is a summary of long-term obligations transactions of the Enterprise Fund for the year ended June 30, 2013:

	Balance July 1, 2012	Issuances	Retirements	Balance June 30, 2013
Revenue bonds	\$ 998,200	\$ -	\$ (20,700)	\$ 977,500
Issuance premium	43,444	-	(1,767)	41,677
General obligation bonds	2,931,568	-	(666,505)	2,265,063
Capital lease	280,500	-	(25,200)	255,300
Compensated absences	64,826	68,902	(48,620)	85,108
OPEB liability	55,553	9,794	(4,733)	60,614
Total	\$ 4,374,091	\$ 78,696	\$ (767,525)	\$ 3,685,262

The enterprise activities' compensated absences, pension obligations and post-employment benefits are generally liquidated by the enterprise fund.

TOWN OF ROCKY MOUNT, VIRGINIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 7-Long-term Obligations: (continued)

Annual requirements to amortize long-term obligations and the related interest are as follows:

Year Ending June 30,	Revenue Bond		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 23,000	\$ 48,059	\$ 431,254	\$ 82,507
2015	23,000	47,196	185,103	71,520
2016	25,300	46,276	192,581	64,041
2017	25,300	45,264	200,361	56,261
2018	25,300	44,252	208,456	48,167
2019-2023	154,100	199,513	1,047,308	107,495
2024-2028	197,800	156,515	-	-
2029-2033	253,000	101,775	-	-
2034-2037	250,700	32,085	-	-
Totals	\$ 977,500	\$ 720,935	\$ 2,265,063	\$ 429,991

Details of long-term indebtedness:

	Interest Rates	Date Issued	Final Maturity	Original Amount	Amount Outstanding	Amount Due Within One Year
Revenue Bonds:						
Virginia Municipal League	4.57%	02/07	02/37	\$ 2,380,000	\$ 977,500	\$ 23,000
Add bond premium	n/a	n/a	n/a	n/a	41,677	-
Total Revenue Bonds					\$ 1,019,177	\$ 23,000
General Obligation Bonds:						
Virginia Resource Authority	3.00%	06/92	01/14	\$ 7,931,455	\$ 253,339	\$ 253,339
Virginia Resource Authority	4.00%	07/01	11/23	3,451,906	2,011,724	177,915
Total General Obligation Bonds					\$ 2,265,063	\$ 431,254
Capital Lease:						
Stafford County, Virginia IDA	2.345%	07/01	3/22	\$ 280,500	\$ 255,300	\$ 25,794
Other Long-term Obligations:						
OPEB liability	n/a	n/a	n/a	n/a	\$ 60,614	\$ -
Compensated absences	n/a	n/a	n/a	n/a	85,108	63,831
Total Other Obligations					\$ 145,722	\$ 63,831
Total Long-term Obligations					\$ 3,685,262	\$ 543,879

TOWN OF ROCKY MOUNT, VIRGINIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 8-Employee Retirement System and Pension Plans:

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)
Identification of Plan: Agent Multiple-Employer Defined Benefit Pension Plan
Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan.

VRS administers two defined benefit plans for local government employees - Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who were vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or at age 50 with at least 30 years of service credit. They may retire with a reduced benefit as early as age 55 with at least five years of service credit or at age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least five years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs, and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by employer. The multiplier for Plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP, or Advance Pension Option or those retiring with a reduced benefit.

Note 8-Employee Retirement System and Pension Plans: (continued)

A. Plan Description: (continued)

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the Town is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The Town's contribution rate for the fiscal year ended 2013 was 12.75% of annual covered payroll.

C. Annual Pension Cost

The FY 2013 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% per year for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the Town's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The Town's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

Note 9-Other Post-Employment Benefits (OPEB):

Plan Description

The Town provides post-employment medical and dental coverage for retired employees through a single-employer defined benefit plan. The plan is established under the authority of Town Council, which may also amend the plan as deemed appropriate. The plan does not issue a publicly available financial report.

The plan will provide retiring employees the option to continue health and dental insurance offered by the Town. Participants in the Town's OPEB plan must have attained 5 years of service and must have attained the age of 55, or 10 years of service and attained age 50 to be eligible and may remain on the Town's policy until death. Members who retire from the Town are also eligible after 5 years of service and attained the age of 65.

Health benefits include medical and dental. Participating retirees pay 100% of monthly premiums to continue with the Town's insurance plans.

The number of participants at July 1, 2010 was as follows:

Retirees currently receiving benefits	7
Active employees	59
Total	66

Funding Policy

The Town currently funds post-employment health care benefits on a pay-as-you-go basis and the retiree pays 100% of premiums.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

Annual required contribution	\$ 37,000
Interest on net OPEB obligation	9,000
Adjustment to annual required contribution	(9,000)
Annual OPEB cost (expense)	\$ 37,000
Contributions made	(24,000)
Increase in net OPEB obligation	\$ 13,000
Net OPEB obligation - beginning of year	216,000
Net OPEB obligation - end of year	\$ 229,000

Note 8-Employee Retirement System and Pension Plans: (continued)

C. Annual Pension Cost (continued)

For fiscal year 2013, the Town of Rocky Mount's annual pension cost of \$336,913 for VRS was equal to the required and actual contributions.

Three Year Trend Information

	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Primary Government:	6/30/2013	\$ 336,913	100.00%	-
	6/30/2012	359,583	100.00%	-
	6/30/2011	353,217	100.00%	-

The FY 2013 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the Town's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The Town's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

D. Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the plan was 67.86% funded. The actuarial accrued liability for benefits was \$9,611,069, and the actuarial value of assets was \$6,522,491, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,088,578. The covered payroll (annual payroll of active employees covered by the plan) was \$1,990,706, and ratio of the UAAL to the covered payroll was 155.15%.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

Note 9-Other Post-Employment Benefits (OPEB): (continued)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the current and preceding two years as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 90,000	9%	\$ 133,000
6/30/2012	94,000	12%	216,000
6/30/2013	37,000	65%	229,000

Funded Status and Funding Progress

The funded status of the Plan as of July 1, 2012, the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 350,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 350,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 3,305,565
UAAL as a percentage of covered payroll	10.59%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 9-Other Post-Employment Benefits (OPEB): (continued)

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used to determine liabilities. Under this method, the postretirement health costs are assumed to be earned ratably from the date of hire to the participant's full eligibility age. The actuarial assumptions used a 2.5% inflation rate, 4.0% investment rate of return, and a health care trend rate of 9.0% graded to 5.0% over 10 years. The unfunded accrued liability is being amortized as a level percent over 30 years. Amortizations are open ended in that they begin anew at each valuation date.

Note 10-Property Taxes:

The major sources of property taxes are real estate and personal property taxes. The assessments are the responsibility of Franklin County, while billing and collection are the Town's responsibilities.

Property taxes are levied annually on assessed values as of January 1 and are due by February 28 of the following calendar year. Personal property taxes do not create a lien on property; however, Town vehicle decals may not be issued to any individuals having outstanding personal property taxes.

The annual assessment for real estate is based on 100% of the assessed fair market value. A penalty of 10% of the unpaid tax is due for late payment. Interest is accrued at 10% for the initial year of delinquency, and thereafter at the maximum annual rate authorized by the Internal Revenue Code Section 6621(b). The effective tax rates per \$100 of assessed value for the year ended June 30 were as follows:

Real estate	\$	0.13
Personal Property	\$	0.51
Machinery and Tools	\$	0.17

Note 11-Unavailable Revenue:

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unavailable revenue totaling \$40,812 is comprised of the following:

Property Taxes - Property tax revenue representing uncollected tax billings not available for funding current expenditures totaled \$31,906.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2013 but paid in advance by the taxpayers totaled \$8,906.

TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 16-Adoption of Accounting Principles:

Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, Statement No. 63 of the Governmental Accounting Standards Board:

The Town implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement provides guidance for reporting deferred inflows and deferred outflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on an entity's net position. With the implementation of this Statement, certain terminology has changed and financial statement descriptions have changed from "net assets" to "net position." The net equity reported in the financial statements was not changed as a result of implementing this Statement and no restatement of prior balances is required.

Items Previously Reported as Assets and Liabilities, Statement No. 65 of the Governmental Accounting Standards Board:

The Town implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of this Statement resulted in the restatement of net position details of which are provided at Note 15.

Note 17-Upcoming Pronouncements:

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The Town has not determined the impact of this pronouncement on its financial statements.

TOWN OF ROCKY MOUNT, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 12-Risk Management:

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Town participates with other localities in a public entity risk pool for their coverage of general liability, property, crime, machinery and auto insurance with the Virginia Municipal League. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The Town pays the Virginia Municipal League contributions and assessments which are deposited into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available resources, the pool may assess all members in the proportion to which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13-Surety Bonds:

VML Insurance Programs	
Employee Dishonesty	\$ 1,000,000

Note 14-Commitments and Contingencies:

Special Purpose Grants

In 2004, the Town purchased and renovated a home for approximately \$70,000 using Community Development Block Grant funds to be used as relocation housing for individuals whose home was being rehabilitated as part of the same Community Development Block Grant. If the Town elects to retain ownership of the home so that it can be used as a relocation house for future rehabilitation projects, it will be required to pay back the cost of this project to the Department of Housing and Community Development. On July 25, 2012 the house was sold for \$25,292 at 4.00% interest for 10 years per CDBG to a low to moderate income family.

Note 15-Restatement of Beginning Balances:

Beginning balances have been restated from the prior financial report as noted below:

	General Fund
Restatement of beginning net position:	
Net position, as previously reported	\$ 23,009,807
Removal of bond issuance costs	(32,106)
Beginning net position, as restated	\$ 22,977,701
	Business-type
	Activities
Restatement of beginning net position:	
Net position, as previously reported	\$ 8,477,666
Removal of bond issuance costs	(27,349)
Beginning net position, as restated	\$ 8,450,317

Required Supplementary Information

Town of Rocky Mount, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 829,077	\$ 829,077	\$ 842,324	\$ 13,247
Other local taxes	2,622,079	2,622,079	2,797,927	175,848
Fees, privilege fees, and regulatory licenses	27,400	27,500	12,861	(14,539)
Fines and forfeitures	22,410	22,410	53,037	30,627
Revenue from the use of money and property	97,238	97,238	69,353	(27,885)
Charges for services	103,696	103,696	132,437	28,741
Miscellaneous	1,140	1,140	6,193	5,053
Recovered costs	1,500	1,500	3,814	2,314
Intergovernmental revenues:				
Commonwealth	1,608,478	1,730,844	1,669,536	(61,308)
Federal	-	25,000	53,104	28,104
Total revenues	\$ 5,313,218	\$ 5,460,584	\$ 5,640,586	\$ 180,002
EXPENDITURES				
Current:				
General government administration	\$ 650,015	\$ 650,016	\$ 627,291	\$ 22,725
Public safety	1,816,402	1,904,627	1,891,226	12,901
Public works	1,464,493	1,595,594	1,587,437	8,157
Parks, recreation, and cultural	171,228	171,228	118,091	53,137
Community development	658,121	658,121	477,166	180,955
Nondepartmental	187,913	187,912	176,669	11,243
Debt service:				
Principal retirement	189,300	189,300	189,300	-
Interest and other fiscal charges	112,968	112,968	112,968	-
Total expenditures	\$ 5,250,340	\$ 5,470,266	\$ 5,180,648	\$ 289,618
Excess (deficiency) of revenues over (under) expenditures	\$ 62,278	\$ (9,682)	\$ 459,938	\$ 469,620
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (514,278)	\$ -	\$ (1,078,911)	\$ (1,038,911)
Issuance of bonds	275,000	275,000	-	(275,000)
Total other financing sources (uses)	\$ (239,278)	\$ 275,000	\$ (1,078,911)	\$ (1,353,911)
Net change in fund balances	\$ (177,000)	\$ 265,318	\$ (618,973)	\$ (884,291)
Fund balances - beginning	177,000	418,247	11,121,017	10,904,785
Fund balances - ending	\$ -	\$ 683,565	\$ 10,704,079	\$ 10,020,494

Note 1: The budget is prepared on the modified accrual basis of accounting.

Supplementary Financial Statements

Town of Rocky Mount, Virginia
Required Supplementary Information

Schedule of Pension and OPEB Funding Progress
For the Year Ended June 30, 2013

Primary Government: Town Retirement Plan

Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAL) (3) - (2)	Funded Ratio Assets as % of AAL (2)/(3)	Annual Covered Payroll	UAAI as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2012	\$ 6,522,491	\$ 9,611,069	\$ 3,088,578	67.86%	\$ 1,990,706	155.15%
June 30, 2011	6,494,391	8,924,105	2,429,714	72.77%	1,945,330	124.90%
June 30, 2010	6,304,482	8,803,126	2,498,644	71.62%	2,081,330	120.04%

Primary Government: Town Other Post-Employment Benefits Plan

Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAL) (3) - (2)	Funded Ratio Assets as % of AAL (2)/(3)	Annual Covered Payroll	UAAI as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
July 1, 2012	\$ -	\$ 350,000	\$ 350,000	0.00%	\$ 3,305,565	10.59%
July 1, 2010	-	804,000	804,000	0.00%	2,081,530	38.63%
July 1, 2008	-	480,000	480,000	0.00%	2,152,021	22.30%

Town of Rocky Mount, Virginia
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 1,200,000	\$ (1,166,494)
Intergovernmental revenues:				
Commonwealth	-	-	500,000	(500,000)
Total revenues	\$ -	\$ -	\$ 1,700,000	\$ (1,666,494)
EXPENDITURES				
Capital outlay	\$ -	\$ 2,600,000	\$ 348,337	\$ 2,251,663
Total expenditures	\$ -	\$ 2,600,000	\$ 348,337	\$ 2,251,663
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (900,000)	\$ (138,337)	\$ 585,169
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 395,346	\$ 395,346
Transfers out	-	-	(100,000)	(100,000)
Total other financing sources (uses)	\$ -	\$ -	\$ 295,346	\$ 295,346
Net change in fund balances	\$ -	\$ (900,000)	\$ (19,000)	\$ 880,515
Fund balances - beginning	-	900,000	(775,691)	(1,075,691)
Fund balances - ending	\$ -	\$ -	(794,691)	(195,086)

Note 1: The budget is prepared on the modified accrual basis of accounting.

SUPPORTING SCHEDULES

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real Property Tax	\$ 569,689	\$ 569,689	\$ 566,678	\$ (3,011)
Public service corporation taxes	25,822	25,822	27,803	1,981
Personal Property Tax	137,603	137,603	136,312	(1,291)
Machinery and tools tax	92,733	92,733	103,177	10,444
Penalties	2,730	2,730	5,084	2,354
Interest	500	500	3,273	2,773
Total general property taxes	\$ 829,077	\$ 829,077	\$ 842,324	\$ 13,247
Other local taxes:				
Local sales and use taxes	\$ 164,637	\$ 164,637	\$ 170,318	\$ 5,681
Consumers' utility taxes	332,100	332,100	322,792	(9,308)
Business license taxes	527,950	527,950	626,570	98,620
Motor vehicle licenses	87,310	87,310	87,651	341
Bank stock taxes	203,877	203,877	211,311	7,434
Lodging taxes	84,598	84,598	86,254	1,656
Meals taxes	1,081,609	1,081,609	1,192,660	111,051
Cigarette taxes	140,000	140,000	100,371	(39,629)
Total other local taxes	\$ 2,622,079	\$ 2,622,079	\$ 2,797,927	\$ 175,848
Permits, privilege fees, and regulatory licenses:				
Farmers market permits	\$ 2,600	\$ 2,600	\$ 2,496	\$ (104)
Welcome Center fees	5,900	5,900	3,950	(1,950)
Planning and zoning	9,500	9,500	6,415	(3,085)
Alaska venue fees	10,000	10,000	-	(10,000)
Total permits, privilege fees, and regulatory licenses	\$ 27,600	\$ 27,600	\$ 12,861	\$ (14,739)
Fines and forfeitures:				
Court fines	\$ 22,160	\$ 22,160	\$ 52,567	\$ 30,407
Parking fines	250	250	470	220
Total fines and forfeitures	\$ 22,410	\$ 22,410	\$ 53,037	\$ 30,627
Revenue from use of money and property:				
Interest earned	\$ 96,818	\$ 96,818	\$ 87,451	\$ (9,367)
Revenue from use of property	420	420	420	-
Gains (losses) on investments	-	-	(18,518)	(18,518)
Total revenue from use of money and property	\$ 97,238	\$ 97,238	\$ 69,353	\$ (27,885)
Charges for services:				
Waste collection charges	\$ 88,170	\$ 88,170	\$ 98,134	\$ 9,964
Grass preparation	2,100	2,100	2,000	(100)
Police reports	1,300	1,300	1,171	(129)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Security services	\$ 1,400	\$ 1,400	\$ 11,160	\$ 9,760
Passport services	8,046	8,046	15,401	7,355
Miscellaneous services	480	480	4,569	4,089
Total charges for services	\$ 101,696	\$ 101,696	\$ 112,412	\$ 10,716
Miscellaneous revenue:				
Donations	\$ -	\$ -	\$ 656	\$ 656
Miscellaneous	1,140	1,140	5,327	4,187
Total miscellaneous revenue	\$ 1,140	\$ 1,140	\$ 6,013	\$ 4,873
Recovered costs:				
Other recovered costs	\$ 1,500	\$ 1,500	\$ 3,814	\$ 2,314
Total recovered costs	\$ 1,500	\$ 1,500	\$ 3,814	\$ 2,314
Total revenue from local sources	\$ 1,704,740	\$ 1,704,740	\$ 3,917,946	\$ 213,206
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal property tax relief funds	\$ 53,861	\$ 53,861	\$ 53,861	\$ -
Telecommunications tax	180,668	180,668	184,259	3,691
Litter tax	1,746	1,746	2,964	1,218
Rolling Stock	1,000	1,000	1,628	628
Total noncategorical aid	\$ 239,275	\$ 239,275	\$ 244,810	\$ 5,535
Categorical aid:				
Fire programs	\$ 40,000	\$ 40,000	\$ 44,776	\$ 4,776
Highway maintenance	1,191,111	1,191,111	1,213,806	22,695
Law enforcement block grant	-	-	4,272	4,272
COPS grant	-	4,729	-	(4,729)
Drug asset forfeiture	-	-	10,239	10,239
Law enforcement aid	108,460	108,460	108,460	-
Department of Conservation and Recreation grant	-	-	10,541	10,541
VDOT grant	-	114,637	-	(114,637)
School resource office	29,632	29,632	29,632	-
Other categorical aid	-	3,000	3,000	3,000
Total other categorical aid	\$ 1,369,203	\$ 1,491,500	\$ 1,434,230	\$ (156,841)
Total revenue from the Commonwealth	\$ 1,608,478	\$ 1,730,844	\$ 1,669,536	\$ (161,308)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
FEMA grants	\$ -	\$ -	\$ 7,613	\$ 7,613
DWV mail grant	-	-	20,491	20,491
USDA grant	-	25,000	25,000	-
Total categorical aid	\$ -	\$ 25,000	\$ 53,104	\$ 28,104
Total revenue from the federal government	\$ -	\$ 25,000	\$ 53,104	\$ 28,104
Total General Fund	\$ 3,313,218	\$ 3,460,584	\$ 5,640,586	\$ 180,002
Capital Projects Fund:				
Capital Projects:				
Revenue from local sources:				
Miscellaneous revenue:				
Contributors and private grants	\$ -	\$ 1,200,000	\$ 33,506	\$ (1,166,494)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Tobacco grant	\$ -	\$ 500,000	\$ -	\$ (500,000)
Total Capital Projects Fund	\$ -	\$ 1,700,000	\$ 33,506	\$ (1,666,494)

Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
Page 1 of 12

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Mayor and Town Council:				
Wages - elected officials	\$ 2,500	\$ 2,500	\$ 2,450	\$ 50
Wages - contractual services	35,000	35,000	31,175	3,825
Fringes/benefits	9,710	9,710	7,715	1,995
Contractual services	3,350	3,350	2,381	969
Advertising	1,100	1,100	2,804	(1,704)
Printing and binding	150	150	119	231
Postage and delivery services	200	200	176	24
Communication	3,360	3,360	4,348	(988)
Uniforms and clothing	-	-	89	(89)
Travel, training, and education	3,800	3,800	6,790	(2,990)
Meeting expenses	1,050	1,050	950	100
Stipends	1,100	1,100	850	250
Dues and professional memberships	9,424	9,424	9,469	(45)
Books and subscriptions	500	500	362	138
Office supplies	250	250	2,739	(2,489)
Miscellaneous	10,000	10,000	12,365	(2,365)
Furniture and fixtures	-	-	630	(630)
Data processing equipment	-	-	109	(109)
Total Mayor and Town Council	\$ 81,684	\$ 81,684	\$ 85,521	(3,837)
Town Manager:				
Wages	\$ 122,367	\$ 122,367	\$ 129,864	\$(7,497)
Fringes/benefits	53,279	53,279	49,662	3,617
Contractual services	716	716	1,123	(407)
Printing and binding	25	25	77	(52)
Postage and delivery services	400	400	245	155
Motor fuel expense	590	590	548	42
Motor vehicle expense	250	250	403	(153)
Communication	5,500	5,500	6,039	(539)
Travel, training, and education	3,000	3,000	8,803	(3,803)
Dues and professional memberships	850	850	865	(15)
Books and subscriptions	350	350	212	138
Office supplies	2,000	2,000	3,051	(1,051)
Capital outlay	4,000	4,000	-	4,000
Furniture and fixtures	-	-	630	(630)
Data processing equipment	-	-	2,449	(2,449)
Total Town Manager	\$ 191,327	\$ 191,327	\$ 201,971	(9,644)

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
Page 2 of 12

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
General government administration: (continued)				
Town Attorney/Legal Services:				
Contractual services	\$ 3,500	\$ 3,500	\$ 5,039	\$(1,539)
Retainer	15,750	15,750	18,600	(2,850)
Professional services	25,163	25,163	5,193	19,970
Dues and professional memberships	240	240	240	-
Books and subscriptions	400	400	391	9
Total Town Attorney/Legal Services	\$ 45,053	\$ 45,053	\$ 49,463	\$(4,410)
Finance:				
Wages	\$ 140,190	\$ 140,190	\$ 148,831	\$(8,641)
Fringes/benefits	73,190	73,191	63,241	9,950
Contractual services	77,066	77,066	62,573	14,493
Advertising	375	375	301	74
Printing and binding	14,150	14,150	8,526	5,624
Postage and delivery services	6,000	6,000	6,945	(945)
Communications	4,350	4,350	5,129	(779)
Travel, training, and education	4,500	4,500	4,167	333
Dues and professional memberships	1,270	1,270	1,295	(25)
Books and subscriptions	100	100	210	(110)
Miscellaneous	-	-	29	(29)
Office supplies	8,750	8,750	6,014	2,736
Data processing	-	-	3,075	(3,075)
Total Finance	\$ 329,941	\$ 329,942	\$ 310,336	\$ 19,606
Total General Government Administration	\$ 650,015	\$ 650,016	\$ 627,291	\$ 22,725
Public Safety:				
Police Department:				
Wages	\$ 960,553	\$ 960,553	\$ 1,003,854	\$(43,301)
Fringes/benefits	526,338	526,338	432,080	94,258
Contractual services	10,000	10,000	18,865	(8,865)
Repairs and maintenance	500	500	186	314
Advertising	1,000	1,000	1,403	(403)
Printing and binding	1,000	1,000	-	1,000
Postage and delivery services	850	850	322	528
Motor fuel expense	49,483	49,483	56,899	(7,416)
Motor vehicle expense	15,000	15,000	25,218	(10,218)
Communications	20,000	20,000	23,328	(3,328)
Grant expenses	-	-	4,983	(4,983)
Purchases DWV Grants	-	-	945	(945)
Asset purchase expenses	1,000	1,000	3,662	(2,662)
Police 9-9-11 call	4,000	4,000	4,026	(26)

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
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Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Public safety: (continued)				
Police Department: (continued)				
SWAT/trainer expenses	\$ -	\$ -	\$ 246	\$(246)
Uniforms	10,000	10,000	11,986	(1,986)
Travel, training, and education	9,500	9,500	5,031	4,469
Uniform stipend	11,600	11,600	11,600	-
Dues and professional memberships	550	550	1,040	(490)
Books and subscriptions	400	400	108	292
Miscellaneous	300	300	264	36
Office supplies	5,000	5,000	3,783	1,217
Police supplies	15,000	15,000	15,472	(472)
Capital outlay	7,400	7,400	6,617	783
Furniture and fixtures	800	800	2,070	(1,270)
Data processing	5,000	5,000	8,480	(3,480)
Motor vehicles	2,200	69,349	72,445	(3,096)
Motor vehicle lease	27,272	27,272	27,858	(586)
Audio and video equipment	37,000	35,254	34,365	10,999
Total Police Department	\$ 1,711,748	\$ 1,727,349	\$ 1,787,038	\$ 20,113
Volunteer Fire Department:				
Fringes/benefits	\$ 3,490	\$ 3,490	\$ 2,887	\$ 603
Contractual services	2,000	2,000	2,375	(375)
Repairs and maintenance	2,500	2,500	1,616	884
Advertising	-	-	1,193	(1,193)
Printing and binding	250	250	20	230
Postage and delivery services	150	150	-	150
Motor fuel expense	10,516	10,516	6,722	3,794
Motor vehicle expense	12,000	12,000	22,510	(10,510)
Small equipment expense	350	350	618	(268)
Communications	3,000	3,000	2,384	616
Insurance	6,500	6,500	6,841	(341)
Uniforms/turnout gear	6,500	6,500	7,574	(1,074)
Travel, training, and education	1,500	1,500	1,500	-
Stipends	44,000	44,000	45,590	(1,590)
Dues and professional memberships	1,000	1,000	565	435
Books and subscriptions	1,000	1,000	855	145
Office supplies	600	600	273	327
Equipment replacement truck	-	12,822	8,831	3,991
Furniture and fixtures	-	-	370	(370)
Fire department supplies	7,800	7,800	3,194	4,606
Data processing	1,500	1,500	144	1,356

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
Page 4 of 12

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Public safety: (continued)				
Volunteer Fire Department: (continued)				
Safety equipment	\$ -	\$ -	\$ 761	\$(761)
Acquisitions - grant funded	-	-	9,387	(9,387)
Total Volunteer Fire Department	\$ 304,656	\$ 317,478	\$ 324,690	\$(7,232)
Total public safety	\$ 1,816,402	\$ 1,904,627	\$ 1,891,726	\$ 12,901
Public Works:				
Administration:				
Fringes/benefits	\$ 420	\$ 420	\$ 754	\$(334)
Contractual services	800	800	607	193
Permits, licenses and fees	-	-	148	(148)
Communications	1,620	1,620	1,620	-
Uniforms	15,625	15,625	11,653	3,972
Books and subscriptions	-	-	210	(210)
Office supplies	-	-	141	(141)
Total Public Works Administration	\$ 18,015	\$ 18,015	\$ 15,133	\$ 2,882
PW Non-VDOT Highway Eligible:				
Uniforms	\$ -	\$ -	\$ 1,952	\$(1,952)
Street Lights:				
Wages	\$ -	\$ -	\$ 2,100	\$(2,100)
Fringes/benefits	-	-	1,646	(1,646)
Contractual services	1,000	1,000	1,577	(577)
Utilities	92,000	92,000	103,507	(11,507)
Streets, street lights, sidewalks	150	150	2,100	(1,950)
Total Street Lights	\$ 93,150	\$ 93,150	\$ 110,930	\$(17,780)
Traffic Control and Parking:				
Wages	\$ 7,785	\$ 7,785	\$ 8,320	\$(535)
Fringes/benefits	5,149	5,149	4,697	452
Contractual services	30,000	30,000	32,468	(2,468)
Utilities	8,600	8,600	9,183	(583)
Motor fuel expense	820	820	620	200
Motor vehicle expense	200	200	168	32
Lights for life expenses	-	-	483	(483)
Traffic control/parking supplies	7,000	7,000	8,888	(1,888)
Lights for Life/Opicom	-	16,868	-	16,868
Total Traffic Control and Parking	\$ 59,554	\$ 78,018	\$ 64,827	\$ 13,191

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
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Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Public works: (continued)				
Streets:				
Wages	\$ 276,098	\$ 276,098	\$ 277,830	\$ (1,732)
Fringes/benefits	181,965	181,965	157,763	24,202
Contractual services	300,000	300,000	474,181	(174,181)
Repairs and maintenance	250	250	250	-
Advertising	-	-	413	(413)
Permits, licenses, fees	750	750	-	750
Motor fuel expense	33,000	33,000	30,774	2,226
Motor vehicle expense	12,000	12,000	15,564	(3,564)
Small equipment expense	3,500	3,500	4,623	(1,123)
Miscellaneous	100	100	-	100
Agricultural supplies	350	350	223	127
Chemicals and materials	3,100	3,100	3,150	(50)
Streets, street lights, sidewalk supplies	20,000	20,000	28,188	(8,188)
Motor vehicles	-	-	1,318	(1,318)
Machinery and equipment	2,500	2,500	-	2,500
Total Streets	\$ 833,613	\$ 833,613	\$ 994,387	\$(160,774)
Sidewalks, curbs, and guttering:				
Wages	\$ 7,785	\$ 7,785	\$ 3,350	\$ 4,435
Fringes/benefits	5,149	5,149	1,519	3,630
Travel, training, and education	90	90	178	(88)
Street and sidewalk supplies	4,880	4,880	2,070	2,810
Total Sidewalks, curbs, and guttering	\$ 17,004	\$ 17,004	\$ 7,117	\$ 9,887
Street Cleaning:				
Wages	\$ 7,785	\$ 7,785	\$ 7,454	\$ 331
Fringes/benefits	5,149	5,149	4,557	592
Motor fuel expense	1,100	1,100	1,044	56
Motor vehicle expense	2,500	2,500	3,047	(547)
Total Street Cleaning	\$ 16,534	\$ 16,534	\$ 16,102	\$ 432

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
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Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Public works: (continued)				
Refuse Collection:				
Wages	\$ 83,348	\$ 83,348	\$ 85,843	\$(2,495)
Fringes/benefits	51,934	51,934	45,468	6,466
Advertising	300	300	371	(71)
Motor fuel expense	8,600	8,600	11,450	(2,850)
Motor vehicle expense	6,000	6,000	4,905	1,095
Refuse collection supplies	400	400	75	325
Total Refuse Collection	\$ 150,582	\$ 150,582	\$ 148,112	\$ 2,470
Snow Removal:				
Wages	\$ 6,391	\$ 6,391	\$ 7,188	\$(797)
Fringes/benefits	3,523	3,523	4,845	(1,322)
Motor fuel expense	2,000	2,000	752	1,248
Motor vehicle expense	2,000	2,000	64	1,936
Chemicals, materials, supplies	10,000	10,000	4,464	5,534
Streets, street lights, cleaning, and sidewalk supplies	1,800	1,800	778	1,022
Total Snow Removal	\$ 24,914	\$ 24,914	\$ 18,093	\$ 6,821
Grassy Hill Guardrails:				
Contractual services	\$ -	\$ -	\$ 5,395	\$(5,395)
Capital outlay	30,812	30,812	-	30,812
Infrastructure	-	-	30,812	-
Total Grassy Hill Guardrails	\$ 30,812	\$ 30,812	\$ 36,207	\$(5,395)
40 East Sidewalk/Crosswalks:				
Contractual services	\$ -	\$ -	\$ 19,375	\$(19,375)
Capital outlay	83,825	83,825	-	83,825
Infrastructure	-	-	83,825	-
Total East Sidewalk/Crosswalk	\$ 83,825	\$ 83,825	\$ 19,375	\$(64,450)
Municipal Building:				
Wages	\$ -	\$ -	\$ 3,077	\$(3,077)
Fringes/benefits	-	-	1,949	(1,949)
Contractual services	30,000	30,000	36,860	(6,860)
Repairs and maintenance	500	500	1,585	(1,085)
Advertising	-	-	250	(250)
Utilities	28,000	28,000	26,033	1,967
Communications	400	400	487	(87)
Municipal building supplies	1,800	1,800	1,402	398
Agricultural supplies	500	500	73	427
Janitorial supplies	1,500	1,500	2,354	(854)

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
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Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Public works: (continued)				
Municipal Building:				
Data processing	\$ -	\$ -	\$ 1,725	\$(1,725)
Audio and video equipment	-	-	1,472	(1,472)
Total Municipal Building	\$ 62,700	\$ 62,700	\$ 77,287	\$(14,587)
Emergency Services Building:				
Wages	\$ -	\$ -	\$ 4,096	\$(4,096)
Fringes/benefits	-	-	1,308	(1,308)
Contractual services	17,000	17,000	18,712	(1,712)
Repairs and maintenance	4,000	4,000	5,031	(1,031)
Utilities	16,500	16,500	16,925	(425)
Heating fuel expense	14,000	14,000	13,541	459
Small equipment expense	-	-	621	(621)
Communications	1,220	1,220	1,938	(718)
Agricultural supplies	250	250	73	177
Janitorial supplies	2,500	2,500	4,638	(2,138)
ES building supplies	550	550	569	(19)
Capital outlay	-	-	1,000	(1,000)
Total Emergency Services Building	\$ 56,020	\$ 56,020	\$ 68,452	\$(12,432)
Public Works Building:				
Wages	\$ -	\$ -	\$ 1,725	\$(1,725)
Fringes/benefits	-	-	915	(915)
Contractual services	1,800	1,800	1,448	352
Repairs and maintenance	250	250	1,125	(875)
Utilities	5,000	5,000	4,010	990
Heating fuel expense	2,000	2,000	2,928	(928)
Communications	2,500	2,500	2,539	(39)
Office supplies	100	100	138	(38)
Janitorial supplies	1,700	1,700	1,125	575
Shop supplies	2,500	2,500	3,155	(655)
Capital outlay	1,000	1,000	21,187	(20,187)
Total Public Works Building	\$ 18,850	\$ 18,850	\$ 40,399	\$(21,549)
Total public works	\$ 1,464,493	\$ 1,595,594	\$ 1,587,417	\$ 8,157

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
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Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Parks, recreation, and cultural:				
Cemetery Maintenance:				
Wages	\$ 7,785	\$ 7,785	\$ 9,826	\$(2,041)
Fringes/benefits	5,149	5,149	4,849	300
Contractual services	1,000	1,000	-	1,000
Motor fuel expense	800	800	1,162	(362)
Small equipment expense	700	700	185	515
Agricultural supplies	200	200	340	(140)
Parks, recreation, cemetery supplies	100	100	70	30
Total Cemetery Maintenance	\$ 15,734	\$ 15,734	\$ 16,832	\$(1,098)
Playgrounds and Parks:				
Wages	\$ 10,381	\$ 10,381	\$ 13,576	\$(3,195)
Fringes/benefits	6,863	6,863	7,333	(470)
Contractual services	800	800	1,600	(800)
Repairs and maintenance	200	200	1,222	(1,022)
Utilities	2,400	2,400	1,947	453
Motor fuel expense	750	750	1,256	(506)
Motor vehicle expense	200	200	200	-
Small equipment expense	200	200	54	146
Agricultural supplies	200	200	315	(115)
Parks, recreation, cemetery supplies	2,000	2,000	395	1,605
Machinery and equipment	5,000	5,000	5,449	(449)
Total Playgrounds and Parks	\$ 28,994	\$ 28,994	\$ 33,543	\$(4,549)
Celeste Park:				
Land improvements	\$ 97,000	\$ 97,000	\$ 47,621	\$ 29,379
Pigg River Dam Safety Improvements				
Contractual services	\$ 30,000	\$ 30,000	\$ 895	\$ 29,105
Total parks, recreation, and cultural	\$ 171,728	\$ 171,728	\$ 118,091	\$ 53,637

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
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Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Community development:				
Planning and Zoning:				
Wages	\$ 55,807	\$ 55,807	\$ 59,231	\$ (3,424)
Fringes/benefits	27,300	27,300	25,380	1,920
Contractual services	10,000	10,000	2,961	7,039
Advertising	2,000	2,000	2,011	(11)
Printing and binding	2,500	2,500	-	2,500
Postage and delivery services	1,000	1,000	522	478
Motor fuel expense	520	520	656	(136)
Motor vehicle expense	500	500	177	323
Communications	3,000	3,000	4,254	(1,254)
Travel	3,000	3,000	869	2,131
Meeting expenses	300	300	1,178	(878)
Stipends	8,500	8,500	7,850	650
Dues and professional memberships	450	450	475	25
Books and subscriptions	300	300	313	(13)
Office supplies	1,750	1,750	2,838	(1,088)
Furniture and fixtures	-	-	200	(200)
Data processing equipment	5,000	5,000	6,883	(1,883)
Total Planning and Zoning	\$ 121,927	\$ 121,927	\$ 115,748	\$ 6,179
Community and Economic Development:				
Wages	\$ 79,213	\$ 79,213	\$ 85,106	\$ (5,893)
Fringes/benefits	29,263	29,263	25,007	4,256
Contractual services	35,000	35,000	27,953	7,047
Advertising	4,000	4,000	4,783	(783)
Printing and binding	1,950	1,950	63	1,887
Postage and delivery services	475	475	669	(194)
Motor fuel expense	900	900	995	(95)
Motor vehicle expense	400	400	129	271
Communications	1,700	1,700	2,933	(1,233)
Uniforms and clothing	-	-	305	(305)
Travel, training, and education	4,800	4,800	4,793	7
Dues and professional memberships	1,000	1,000	1,007	(7)
Books and subscriptions	250	250	2,481	(2,231)
Miscellaneous	-	-	176	(176)
Special events/promotions	16,000	16,000	13,720	2,280
Office supplies	2,500	2,500	3,964	(1,464)
Community development, PBZ, GIS supplies	-	-	300	(300)
Capital outlay	2,500	2,500	1,401	1,099
Furniture and fixtures	1,000	1,000	2,725	(1,725)
Data processing equipment	1,500	1,500	3,081	(1,581)
Audio and video equipment	900	900	-	900

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
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Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Community development: (continued)				
Community and Economic Development: (continued)				
Town decorations	\$ 2,000	\$ 2,000	\$ 4,277	\$ (2,277)
Total Community and Economic Development	\$ 105,351	\$ 105,351	\$ 105,868	\$ (517)
Citizens' Square:				
Wages	\$ -	\$ -	\$ 2,028	\$ (2,028)
Fringes/benefits	-	-	716	(716)
Contractual services	8,000	8,000	7,655	345
Repairs and maintenance	800	800	894	(94)
Advertising	1,200	1,200	241	959
Permits, licenses, fees	150	150	40	110
Utilities	2,000	2,000	1,625	375
Special events/promotions	1,500	1,500	-	1,500
Agricultural supplies	-	-	24	(24)
Janitorial supplies	700	700	123	577
Citizens' Square/Depot supplies	50	50	-	50
Audio and video equipment	-	-	180	(180)
Total Citizens' Square	\$ 14,400	\$ 14,400	\$ 13,526	\$ 874
Community and Hospitality Center:				
Wages	\$ 15,470	\$ 15,470	\$ 9,511	\$ 5,959
Fringes/benefits	1,183	1,183	760	423
Contractual services	4,000	4,000	3,280	720
Repairs and maintenance	1,000	1,000	1,187	(187)
Advertising	1,500	1,500	125	1,375
Printing and binding	-	-	500	(500)
Utilities	5,900	5,900	5,133	767
Communications	1,200	1,200	828	372
Special events/promotions	-	-	225	(225)
Office supplies	100	100	1,188	(1,088)
Agricultural supplies	100	100	-	100
Janitorial supplies	700	700	274	426
Merchandise for resale	-	-	338	(338)
Citizens' Square/Depot supplies	550	550	55	495
Furniture and fixtures	-	-	1,592	(1,592)
Total Community and Hospitality Center	\$ 31,703	\$ 31,703	\$ 25,686	\$ 6,017

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
Page 11 of 12

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Community development: (continued)				
Passport Program:				
Postage and delivery services	\$ 1,300	\$ 1,300	\$ 1,679	\$ (379)
Office supplies	500	500	845	(345)
Passport supplies	-	-	160	(160)
Total Passport Program	\$ 1,800	\$ 1,800	\$ 2,484	\$ (684)
Harvester Center Operations				
Wages	\$ -	\$ -	\$ 6,555	\$ (6,555)
Fringes/benefits	-	-	2,442	(2,442)
Contractual services	20,000	20,000	115,329	(95,329)
Advertising	2,750	2,750	1,734	1,016
Printing and duplicating	-	-	454	(454)
Permits	-	-	1,413	(1,413)
Utilities	5,190	5,190	636	4,554
Land and buildings	275,000	275,000	-	275,000
Data processing equipment	-	-	1,128	(1,128)
Total Harvester Center Operation	\$ 302,940	\$ 302,940	\$ 129,689	\$ 173,251
Economic Development Authority:				
Wages	\$ -	\$ -	\$ 200	\$ (200)
Fringes/benefits	-	-	47	(47)
Contractual services	-	-	4,203	(4,203)
Advertising	-	-	81	(81)
Office supplies	-	-	234	(234)
Total Economic Development	\$ -	\$ -	\$ 4,765	\$ (4,765)
Total Community Development	\$ 658,121	\$ 658,121	\$ 477,366	\$ 180,755
Nondepartmental:				
Fringes/benefits	\$ 49,055	\$ 49,054	\$ 60,267	\$ (11,213)
Insurance	65,891	65,891	65,093	798
Contributions to other entities	42,756	42,756	51,309	(9,553)
Contingency	30,211	30,211	-	30,211
Total Non-departmental	\$ 187,913	\$ 187,912	\$ 176,669	\$ 11,244
Debt service:				
Principal retirement	\$ 189,300	\$ 189,300	\$ 189,300	\$ -
Interest and fiscal charges	112,968	112,968	112,968	-
Total debt service	\$ 302,268	\$ 302,268	\$ 302,268	\$ -
Total General Fund	\$ 5,250,940	\$ 5,470,266	\$ 5,180,648	\$ 289,618

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Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
Page 12 of 12

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund:				
Capital Projects:				
Community development:				
Capital outlay	\$ -	\$ 2,600,000	\$ 348,337	\$ 2,251,663

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STATISTICAL SECTION

This part of the Town of Rocky Mount, Virginia's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends 1-4
 These tables contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity 5-8
 These tables contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes and utility revenues.

Debt Capacity 9-10
 These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 11-12
 These tables offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.

Operating Information 13-15
 These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial activities relate to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

STATISTICAL SECTION

Table 1

Town of Rocky Mount, Virginia
 Financial Statements
 Balance Sheet
 Annual Basis of Accounting

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities									
Net investment in capital assets	\$ 1,204,224	\$ 1,236,271	\$ 1,434,128	\$ 1,411,208	\$ 1,491,492	\$ 1,426,473	\$ 1,232,491	\$ 1,234,227	\$ 1,424,506
Net receivables	1,171,000	1,171,000	1,171,000	1,171,000	1,171,000	1,171,000	1,171,000	1,171,000	1,171,000
Total governmental activities net position	\$ 2,375,224	\$ 2,407,271	\$ 2,605,128	\$ 2,582,208	\$ 2,662,492	\$ 2,597,473	\$ 2,403,491	\$ 2,405,227	\$ 2,595,506
Business-type activities									
Net investment in capital assets	\$ 2,044,544	\$ 2,044,544	\$ 2,044,544	\$ 2,044,544	\$ 2,044,544	\$ 2,044,544	\$ 2,044,544	\$ 2,044,544	\$ 2,044,544
Net receivables	182,841	182,841	182,841	182,841	182,841	182,841	182,841	182,841	182,841
Unamortized	1,425,227	1,425,227	1,425,227	1,425,227	1,425,227	1,425,227	1,425,227	1,425,227	1,425,227
Total business-type activities	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612
Primary Government									
Net investment in capital assets	\$ 14,784,700	\$ 14,696,285	\$ 13,883,045	\$ 13,289,422	\$ 13,610,028	\$ 13,278,940	\$ 12,142,706	\$ 12,448,801	\$ 13,792,463
Net receivables	17,235,422	17,235,422	17,235,422	17,235,422	17,235,422	17,235,422	17,235,422	17,235,422	17,235,422
Unamortized	20,484,548	20,484,548	20,484,548	20,484,548	20,484,548	20,484,548	20,484,548	20,484,548	20,484,548
Total primary government net position	\$ 52,504,670	\$ 52,416,255	\$ 51,602,995	\$ 50,859,392	\$ 51,329,998	\$ 50,998,910	\$ 49,862,676	\$ 49,968,771	\$ 51,512,433

Table 2

Town of Rocky Mount, Virginia
 Financial Statements
 Statement of Activities
 Annual Basis of Accounting

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities									
General government administration	\$ 1,182,418	\$ 742,078	\$ 781,817	\$ 802,371	\$ 861,445	\$ 796,948	\$ 174,544	\$ 131,644	\$ 891,482
Public safety	1,207,707	1,207,707	1,207,707	1,207,707	1,207,707	1,207,707	1,207,707	1,207,707	1,207,707
Public works	1,008,864	1,008,864	1,008,864	1,008,864	1,008,864	1,008,864	1,008,864	1,008,864	1,008,864
Police, recreation and cultural	109,667	26,727	43,412	43,321	43,978	43,798	112,286	54,320	129,142
Community development	456,701	456,701	456,701	456,701	456,701	456,701	456,701	456,701	456,701
Total governmental activities expense	\$ 3,365,337	\$ 3,444,077	\$ 3,532,511	\$ 3,517,566	\$ 3,634,635	\$ 3,466,258	\$ 2,764,126	\$ 2,965,223	\$ 3,726,376
Business-type activities									
Water and sewer	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371
Total business-type activities expense	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371
Total primary government expense	\$ 4,726,708	\$ 4,805,448	\$ 4,893,882	\$ 4,878,937	\$ 4,996,006	\$ 4,827,629	\$ 4,125,497	\$ 4,326,594	\$ 5,087,747
Program Revenues									
Charges for services	\$ 6,446	\$ 6,446	\$ 6,446	\$ 6,446	\$ 6,446	\$ 6,446	\$ 6,446	\$ 6,446	\$ 6,446
General government administration	58,370	73,121	66,882	104,706	88,412	89,484	89,484	91,463	91,376
Public works	28,327	28,327	28,327	28,327	28,327	28,327	28,327	28,327	28,327
Police, recreation and cultural	1,046,118	1,046,118	1,046,118	1,046,118	1,046,118	1,046,118	1,046,118	1,046,118	1,046,118
Community development	1,178,228	1,178,228	1,178,228	1,178,228	1,178,228	1,178,228	1,178,228	1,178,228	1,178,228
Total governmental activities program revenues	\$ 2,417,497	\$ 2,437,447	\$ 2,363,999	\$ 2,363,999	\$ 2,363,999	\$ 2,363,999	\$ 2,363,999	\$ 2,363,999	\$ 2,363,999
Business-type activities									
Water and sewer	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371
Total business-type activities program revenues	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371	\$ 1,361,371
Total primary government program revenues	\$ 3,778,868	\$ 3,798,818	\$ 3,725,370	\$ 3,725,370	\$ 3,725,370	\$ 3,725,370	\$ 3,725,370	\$ 3,725,370	\$ 3,725,370
Net investment in capital assets	\$ 1,204,224	\$ 1,236,271	\$ 1,434,128	\$ 1,411,208	\$ 1,491,492	\$ 1,426,473	\$ 1,232,491	\$ 1,234,227	\$ 1,424,506
Governmental activities	\$ 2,375,224	\$ 2,407,271	\$ 2,605,128	\$ 2,582,208	\$ 2,662,492	\$ 2,597,473	\$ 2,403,491	\$ 2,405,227	\$ 2,595,506
Business-type activities	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612	\$ 3,652,612
Total primary government net expense	\$ 1,094,208	\$ 1,094,208	\$ 1,094,208	\$ 1,094,208	\$ 1,094,208	\$ 1,094,208	\$ 1,094,208	\$ 1,094,208	\$ 1,094,208

Table 6

Town of Rocky Mount, Virginia

Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	Fiscal Year 2013			Fiscal Year 2003		
	Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Wal Mart Real Estate Business Trust	\$ 9,648,400	1	2.21%	\$ 7,348,700	2	2.91%
Rocky Mount Development Company LLC (Old Franklin Trpl)	9,449,500	2	2.16%	6,580,100	4	2.60%
Carlton Franklin Memorial Hospital	8,910,800	3	2.04%	2,945,500	11	1.17%
Southgate Associates II LP (Tanyard Rd)	8,670,900	4	1.99%	6,544,200	5	2.59%
Lowe's Home Centers Inc.	7,925,700	5	1.82%	-	-	0.00%
Trinity Packaging Corporation/Standard Register	7,512,200	6	1.72%	2,948,300	10	1.17%
Mod U Kraf Homes Inc.	5,244,600	7	1.20%	3,736,600	9	1.48%
AZ Rocky Mount LLC/Walgreen #13013	5,074,700	8	1.16%	-	-	0.00%
PG Multi-16 LP/W W Manufacturers Inc.	5,066,000	9	1.16%	8,156,100	1	3.21%
Medical Facilities of Virginia/Franklin Health Care	4,886,200	10	1.12%	6,341,300	6	2.51%
Eldercare Inc./Trinity Mission of Rocky Mount	4,274,900	11	0.98%	3,982,200	8	1.58%
L B M Properties LLC/The Lane Co.	4,112,200	12	0.94%	2,319,300	14	0.92%
Rocky Mount Limited Liability Co. (Tanyard)	3,915,300	13	0.90%	1,993,600	18	0.79%
Rocky Mount Orchard Avenue LLC	3,696,700	14	0.85%	7,081,500	3	2.80%
F H Holding Inc./Fleetwood Homes	3,585,000	15	0.82%	4,586,300	7	1.81%
Danny Perdue Living Trust	3,273,300	16	0.75%	638,200	25	0.25%
CVS #4565 (Old Franklin Turnpike)	3,209,600	17	0.74%	-	-	0.00%
Ferguson Land & Lumber Co. Inc.	2,811,700	18	0.64%	1,497,000	20	0.59%
Harris-Marek Company Ltd./Empire Foods	2,478,800	19	0.57%	-	-	0.00%
Franklin County Lodging/Holiday Inn Express	2,460,300	20	0.57%	-	-	0.00%
Windy Lane Associates Limited	2,259,900	21	0.52%	1,429,000	23	0.57%
Branch Banking & Trust	2,212,000	22	0.51%	-	-	0.00%
Tanyard Village Limited Partners	2,188,500	23	0.50%	1,479,300	21	0.59%
Newbold Corporation	2,164,400	24	0.50%	2,320,200	13	0.92%
CVS #7565 (40 West)	2,069,700	25	0.47%	-	-	0.00%
Great Southern Wood VA Inc./Rocky Top Wood Preservers I	2,061,300	-	0.47%	1,624,100	19	0.64%
Cardlewood	1,930,100	-	0.44%	2,176,900	16	0.86%
Solomon Resource Inc./Crestwood Health/Kingsbury Hospitality	1,718,300	-	0.39%	2,568,700	12	1.02%
Franklin Plaza Partners/Edment Furniture	1,680,600	-	0.38%	1,000,400	24	0.40%
W D Rocky Mount, Va. Partners	-	-	0.00%	2,178,800	15	0.86%
Erath Yemmer Inc.	-	-	0.00%	2,099,500	17	0.83%
Weaver Mirror Co., Inc.	-	-	0.00%	1,163,400	23	0.46%
	\$ 124,498,600		28.51%	\$ 68,129,900		21.45%

Source: Real estate tax assessments

Table 7

Town of Rocky Mount, Virginia

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2013	839,177	820,174	97.74%	834,000	99.38%
2012	893,025	870,261	97.45%	887,815	99.42%
2011	879,419	869,431	98.86%	892,160	101.45%
2010	869,573	869,099	99.95%	892,494	102.64%
2009	890,915	852,065	95.64%	855,309	96.00%
2008	813,789	804,657	98.88%	813,959	100.02%
2007	788,293	757,667	96.11%	757,667	96.11%
2006	603,696	724,135	99.17%	724,135	99.17%
2005	590,127	590,127	97.75%	606,103	100.40%
2004	537,765	520,577	96.80%	532,353	98.99%

Source: Detailed Town property tax records.
Note: Amount collected includes any penalties and interest on late payments.

Table 8

Town of Rocky Mount, Virginia

Principal Utility Customers
(Largest Own-Source Revenue)
Current Year and Ten Years Ago

Taxpayer	Fiscal Year 2013			Fiscal Year 2003		
	Monthly Average Consumption	Rank	Percentage of Total Billed Monthly Average Consumption	Monthly Average Consumption	Rank	Percentage of Total Billed Monthly Average Consumption
Ronke	1,860,840	1	7.56%	631,050	2	2.99%
PlyGem Windows	1,012,446	2	4.11%	1,289,864	1	6.12%
Trinity Mission	718,863	3	2.92%	579,683	4	2.75%
Greater Southern Wood Preservers/Rocky Top	506,236	4	2.06%	-	-	0.00%
Franklin County High School	423,222	5	1.72%	-	-	0.00%
Home Town Ice	412,204	6	1.68%	-	-	0.00%
Franklin County Middle School	390,291	7	1.59%	-	-	0.00%
Medical Facilities of America	356,177	8	1.45%	157,225	10	0.75%
Cardlewood Apartments	280,557	9	1.14%	-	-	0.00%
Rocky Mount Development (Kroger)	221,038	10	0.90%	-	-	0.00%
Carlton Franklin Memorial Hospital	185,990	11	0.76%	211,892	7	1.00%
Property Mgt./Mountain View Apts.	179,553	12	0.73%	-	-	0.00%
Franklin County Courthouse Complex	174,231	13	0.71%	-	-	0.00%
Rocky Mount Comfort Inn	149,089	14	0.61%	-	-	0.00%
All American Auto Spa	144,342	15	0.59%	-	-	0.00%
Tanyard Village	142,063	16	0.58%	-	-	0.00%
Holiday Inn Express	136,858	17	0.56%	-	-	0.00%
Trinity Packaging	122,732	18	0.50%	-	-	0.00%
Ferguson Land & Lumber	121,292	19	0.49%	608,633	3	2.89%
Franklin Car Wash	117,583	20	0.48%	-	-	0.00%
Blue Ridge Investors (Red Oak)	110,167	21	0.45%	-	-	0.00%
Applebee's International	108,131	22	0.44%	-	-	0.00%
Wal mart	107,458	23	0.44%	228,957	6	1.09%
Knob Apartments	105,229	24	0.43%	-	-	0.00%
McDonald's	103,708	25	0.42%	-	-	0.00%
Shelley Laundry	69,583	-	0.28%	159,825	9	0.76%
Chandler Concrete/Franklin Ready Mix	15,926	-	0.06%	168,800	8	0.80%
The Lane Company	-	-	0.00%	553,050	5	2.62%

Source: Average Consumption Report from Utility Billing System

Table 9

Town of Rocky Mount, Virginia Computation of Legal Debt Margin Last Ten Fiscal Years	Fiscal Year																									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013																
Debt limit	\$ 33,927,976	\$ 31,166,559	\$ 31,260,530	\$ 35,272,585	\$ 45,614,870	\$ 45,614,870	\$ 46,188,130	\$ 46,761,910	\$ 47,336,080	\$ 47,910,250																
Total net debt applicable to limit	2,251,208	2,160,618	2,065,995	12,476,680	11,715,915	10,720,856	10,113,684	7,431,900	6,576,568	5,700,063																
Legal debt margin	31,676,768	29,005,941	29,194,535	22,795,905	33,898,955	34,894,014	36,074,446	39,330,010	40,759,512	42,210,187																
Total net debt applicable to the limit as a percentage of debt limit	7%	7%	7%	36%	26%	23%	22%	16%	14%	12%																
Legal Debt Margin Calculated for Fiscal Year 2013	<table border="0"> <tr> <td>Assessed value</td> <td>\$ 413,965,600</td> </tr> <tr> <td>Debt limit (10% of assessed value)</td> <td>\$ 41,396,560</td> </tr> <tr> <td>Debt applicable to limit</td> <td>2,265,063</td> </tr> <tr> <td>Legal Debt Margin</td> <td>39,131,497</td> </tr> <tr> <td>Program Revenue Bonds</td> <td>2,125,000</td> </tr> <tr> <td>Other Long-Term Obligations</td> <td>1,310,000</td> </tr> <tr> <td>Total net applicable to limit</td> <td>3,435,000</td> </tr> <tr> <td>Legal debt margin</td> <td>\$ 37,696,497</td> </tr> </table>										Assessed value	\$ 413,965,600	Debt limit (10% of assessed value)	\$ 41,396,560	Debt applicable to limit	2,265,063	Legal Debt Margin	39,131,497	Program Revenue Bonds	2,125,000	Other Long-Term Obligations	1,310,000	Total net applicable to limit	3,435,000	Legal debt margin	\$ 37,696,497
Assessed value	\$ 413,965,600																									
Debt limit (10% of assessed value)	\$ 41,396,560																									
Debt applicable to limit	2,265,063																									
Legal Debt Margin	39,131,497																									
Program Revenue Bonds	2,125,000																									
Other Long-Term Obligations	1,310,000																									
Total net applicable to limit	3,435,000																									
Legal debt margin	\$ 37,696,497																									

Town of Rocky Mount, Virginia
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Table 10

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Notes Payable	Revenue Bonds	General Obligation Bonds	Revenue Bonds			
2013	\$ 1,310,000	\$ 1,196,423	\$ 2,265,063	\$ 1,019,177	\$ 3,790,663	0.30%	\$ 1,201
2012	1,475,000	1,222,798	2,931,568	1,041,644	6,671,010	0.36%	1,384
2011	1,640,000	1,249,173	3,576,900	1,064,111	7,530,184	0.44%	1,569
2010	1,641,948	1,275,548	6,211,736	1,086,578	10,215,810	0.59%	2,258
2009	1,735,113	1,299,223	6,871,743	1,106,745	11,032,824	0.88%	2,405
2008	1,863,353	1,322,898	7,512,557	1,126,912	11,825,720	10.09%	2,567
2007	1,966,682	1,346,573	8,129,798	1,147,079	12,590,332	10.26%	2,756
2006	2,065,905	-	8,729,067	-	10,794,972	9.39%	2,363
2005	2,160,618	-	9,502,629	-	11,663,247	10.14%	2,561
2004	2,251,208	-	10,056,897	-	12,308,105	10.99%	2,702

Town of Rocky Mount, Virginia
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Table 11

Fiscal Year Ended (1)	Population (2)	Per Capita Personal Income (3)	Total Personal Income Thousands of Dollars (3)	Public School Enrollment	Unemployment Rate
2013	4,821	\$ 34,614	\$ 1,952,632	7,080	5.70%
2012	4,820	32,426	1,840,735	7,278	6.20%
2011	4,799	33,116	1,719,502	7,325	8.00%
2010	4,525	33,420	1,728,877	7,120	7.60%
2009	4,544	27,082	123,602	7,285	4.90%
2008	4,564	26,622	121,609	7,185	4.70%
2007	4,564	25,249	115,009	7,256	3.40%
2006	4,568	-	-	7,146	3.70%
2005	4,555	-	-	7,074	3.40%
2004	4,555	-	-	7,110	3.60%

(1) Population, school enrollment and unemployment figures are based on fiscal years ending June 30. Per Capita Income is as of December 31.

(2) Population is based on figures available from the Weldon Cooper Center, University of Virginia and the Town Planning Department.

(3) Source: Bureau of Economic Analysis (for Franklin County). Current year information is unavailable until December 31.

Town of Rocky Mount, Virginia
 Principal Employers
 Current Year and Nine Years Ago

Table 12

Employer	Fiscal Year 2013			Fiscal Year 2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Franklin County Public Schools	1,395	1	29.58%	1,094	2	23.10%
Ply Gem Manufacturers Inc.	800	2	16.96%	1,367	1	29.12%
Wal-mart	400	3	8.48%	343	3	7.31%
Franklin County	308	4	6.53%	272	6	5.79%
Trinity Packaging Inc.	300	5	6.36%	300	4	6.39%
Ronite Inc.	300	6	6.36%	289	5	6.16%
Carlton Franklin Memorial Hospital	270	7	5.73%	270	7	5.75%
Arlington Enterprises	174	8	3.69%	-	-	0.00%
Trinity Mission Healthcare	167	9	3.54%	200	10	4.26%
Mod-U Kraf Homes Inc.	125	10	2.65%	245	8	5.22%
Lowe's	121	11	2.57%	-	-	0.00%
Kroger	100	12	2.12%	115	11	2.45%
Fleetswood Homes of Virginia	96	13	2.04%	200	9	4.26%
YMCA	80	14	1.70%	-	-	0.00%
McDonald's	80	15	1.70%	-	-	0.00%
	<u>4,716</u>			<u>4,695</u>		

Note: 2005 was the first year this data was accumulated.

Source: Virginia Employment Commission & employer human resource offices

Table 13

Function/Program	Town of Rocky Mount, Virginia Full-Time Equivalent Town Government Employees by Function/Program Last Ten Fiscal Years									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	2	2	2	2	2	2	2	2	2	2
Management services	5	5	5	5	5	5	5	5	5	5
Finance	5	5	5	5	5	5	5	5	5	5
Planning & Community Development	0	0	0	0	1	1	1	1	1	1
Building	0	0	0	0	0	0	0	0	0	0
Police	20	20	20	20	20	20	17	15	15	15
Officers	2	2	2	2	2	2	2	2	2	2
Civilians	17	17	17	17	17	17	15	13	13	13
Other public works	6	6	6	6	6	6	6	6	6	6
Parks, recreation, and cultural	4	4	4	4	4	4	4	4	4	4
Water	4	4	4	4	4	4	4	4	4	4
Sewer	4	4	4	4	4	4	4	4	4	4
Total	61	61	61	61	61	62	59	55	55	55

Source: Town's Adopted Operating Budget

Table 14

Town of Rocky Mount, Virginia
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government	56	56	56	56	56	56	56	56	56	56
Pieces of equipment maintained										
Fleet										
Public safety										
Police	622	608	604	516	693	815	303	376	445	356
Police/accidents					23	52	36	42	115	98
Parking violations	1,172	754	730	653	820	1,638	908	726	991	810
Traffic violations										
Fire	427	380	379	308	289	318	343	312	283	259
Emergency responses										
Public works										
Streets	4	3	3	3	3	3	3	3	3	3
Street resurfacing (miles)										
Water	2,855	2,836	2,824	2,813	2,801	2,799	2,727	2,497	2,636	2,608
Number of customer accounts	820,333	895,083	866,694	858,256	917,166	1,002,931	978,729	1,098,713	987,000	841,163
Volume pumped (million gallons per day average)										
Sewer	2,009	2,003	2,001	1,998	1,982	1,980	1,956	1,917	1,884	1,882
Number of customer accounts	703,833	740,817	738,611	856,644	816,199	773,034	837,685	798,000	680,000	749,000
Waste/Water treated (million gallons per day)										

Source: Council reports, utility reports, highway reports.

COMPLIANCE SECTION

Table 15

Town of Rocky Mount, Virginia
Capital Assets and Infrastructure Subtotals by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public safety	21	19	15	14	14	14	13	13	13	12
Law enforcement vehicles										
Fire stations	2	2	2	2	2	2	2	2	2	2
Public works										
Primary streets (lane miles)	9	9	9	9	9	9	9	9	9	9
Secondary streets (lane miles)	31	31	31	31	31	31	31	31	31	31
Parks, recreation, and cultural										
Community centers	2	2	2	2	2	2	2	2	2	2
Parks/athletic fields	3	3	3	3	3	3	3	3	3	3
Water and sewerage										
Water treatment plants	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	66	66	66	66	66	66	66	65	65	61
Sanitary sewers (miles)	64	64	64	64	64	64	64	64	64	64

Source: Equipment schedules, highway reports, GIS system.

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Members of Town Council
Town of Rocky Mount, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, and each major fund of Town of Rocky Mount, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Rocky Mount, Virginia's basic financial statements, and have issued our report thereon dated March 12, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robinson-James, Co. Associate
Blacksburg, Virginia
March 12, 2014

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens Consent Item Old Business New Business
 Committee Report Special Item

FOR COUNCIL MEETING DATED: April 14, 2014

STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	When the Pigg River bridge was replaced, the "Peter Saunders Memorial Bridge" plaques were kept. The Franklin County Historical Society has requested one of the plaques to be displayed at their museum. The Mayor will be making a presentation of one of those plaques to the Society during the April 14, 2014 Council meeting.
ACTION NEEDED:	For informational purposes.

Attachment(s): Yes

FOLLOW-UP ACTION:
(To be completed by Town Clerk)

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens Consent Item Old Business New Business
 Committee Report Special Item

FOR COUNCIL MEETING DATED: April 14, 2014

STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	Introduction by the Chief of Police of two new Rocky Mount Police Department patrol officers - Timothy Nichols - Jeffrey Sanders
ACTION NEEDED:	For informational purposes only.

Attachment(s): No

FOLLOW-UP ACTION:
(To be completed by Town Clerk)



ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens Consent Item Old Business New Business
 Committee Report Public Hearing

TOWN OF ROCKY MOUNT
 345 DONALD AVE.
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TOWN COUNCIL
 STEVEN C. ANGLE, MAYOR
 GREGORY B. WALKER, VICE MAYOR
 BOBBY M. CINDOFF P. ANH LOVE
 JERRY W. GREEN, SR. BOBBY L. MUMFORD
 BILLIE W. STOCKTON
 PATRICK H. RUST
 Town Planner
 Code Inspector/GIS Technician

FOR COUNCIL MEETING DATED: April 14, 2014

STAFF MAKING REQUEST:	Matthew C. Hankins, Zoning Administrator
BRIEF SUMMARY OF REQUEST:	The Planning Commission met on April 1, 2014 to hold a public hearing to hear the request of Rocky Mount Baptist Church for a special use permit to construct a 12-foot by 16-foot accessory building on its property located at 85 West Church Street and known as Franklin County Tax Map and Parcel Number 20700-60400. The property is zoned Central Business District (CBD), and accessory structures are not a use-by-right in the district. Attached is the staff report from Mr. Patrick Rust, the Town Planner, outlining the request of Rocky Mount Baptist Church, along with the recommendation of the Planning Commission.
ACTION NEEDED:	Approval/denial of special use permit.

Attachment(s): Yes

FOLLOW-UP ACTION:
 (To be completed by Town Clerk)

MEMORANDUM

To: Mayor Angle & Town Council
 C. James Ervin, Town Manager
 From: Patrick Rust, Town Planner
 Date: 04/09/2014
 Re: 85 West Church Street (Rocky Mount Baptist Church) Special Use Request

Mayor and Council:
 The Town has received a special use request from Jack Strickler on behalf of Rocky Mount Baptist Church. The request is to place an accessory structure on the property located at 85 West Church Street, identified as Franklin County Tax Map and Parcel Number 20700 60400.

The request is to construct a 12-foot by 16-foot (192 square feet) accessory building on the property, which is zoned Central Business District-CBD. Accessory structures are not a use by right in the CBD.

All of the parcels adjacent to or adjoining the property in question are also zoned CBD; however, most of the parcels are currently used solely for residential purposes.

In reviewing this proposed special use request staff considered the following aspects:

- Other zoning districts which allow for accessory structures as uses by right, set forth specific requirements for size and location, specifically: (1) that accessory buildings must be located at least 10 feet behind the main structure; (2) that they must be located at least five feet from the side and rear property lines; (3) that the accessory building shall not be greater in height than the main structure; (4) that accessory structures closer than 20 feet to any property line may not be more than one story in height; and, (5) that the building footprint of an accessory building cannot exceed 50-percent of the footprint of the main structure. In relation to this request, however, these code requirements do not necessarily apply, but may be used as a point of reference in considering the request.
- In this case, the proposed accessory structure would be located behind the main structure and should not be visible except from Scott Street.
- The distance from the main structure to the rear property line is approximately 20 feet. The proposed building will take up 12 feet of the rear yard, leaving approximately 8 feet to be collectively dispersed between the buffer from the main structure to the accessory building and the buffer from the accessory

building to the neighboring property line. However, as stated previously, Article 29-7-1 specifies that no yards are required for business uses in the CBD.

- The neighboring property (which the proposed accessory building will abut against and which is currently used for residential purposes) is of a higher elevation and is separated from the church property by a retaining wall. An allowance for the proposed accessory structure to be placed closer to the neighboring property line than the standard five feet allowed in other zoning districts would not encroach upon the neighboring property, nor would it be contrary to the property's current zoning.
- Article 29-13 of the Zoning Ordinance specifies that businesses located next to existing residential units within the central businesses district must observe a minimum buffer of at least 25 feet. The proposed location of the accessory structure will impede the buffer which will require a variance. This variance will be heard by the Board of Zoning Appeals on May 1st, 2014 based on the determination of the special use request.
- Article 29-12-1(a) specifies that landscaping or fencing is required for screening of outbuildings not connected to a primary building.
- The most recent, similar request to this occurred in January 2011, when Dr. Clements of Franklin Dental Associates requested a special use to add an accessory storage structure to his property located at 490 South Main Street. This request was approved with conditions by Town Council in February 2011. Another similar request was made by and approved for Verdella Holland in 2010 for her property located at 50 Warren Street, which is a mixed-use property with the residential use located above the commercial use.

After due review and based on these considerations, staff suggests that Town Council issues approval of this special use application to allow an accessory structure at 85 West Church Street, Tax Map and Parcel Number 20700 60400.

Possible motions:

Approval

I move that the Town Council approves this special use request, as presented, to allow an accessory structure at 85 West Church Street, Tax Map and Parcel Number 20700 60400.

Conditional Approval

I move that the Town Council approves this special use request to allow an accessory structure at 85 West Church Street, Tax Map and Parcel Number 20700 60400, with the following condition(s):

Dental

I move that Town Council denies the special use request for an accessory structure at 85 West Church Street, Tax Map and Parcel Number 20700 60400.

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens Consent Item Old Business New Business
 Committee Report Public Hearing

FOR COUNCIL MEETING DATED: April 14, 2014

STAFF MAKING REQUEST:	Matthew C. Hankins, Zoning Administrator
BRIEF SUMMARY OF REQUEST:	The Planning Commission met on April 1, 2014 to hold a public hearing to hear the request of Bryan Hochstein for a special use permit to erect a mural sign on the storefront located at 467 Franklin Street and known as Franklin County Tax Map and Parcel Number 20700-67100. The applicant wishes to reconstruct the historical landmark mural, which formally represented the Rocky Mount Bolling Company at the same location. Pursuant to Article 8-15(E) of the "Zoning & Development Ordinance", a special use permit is required for all new signs of this type. The property is zoned Central Business District (CBD). Attached is the staff report from Mr. Patrick Rust, the Town Planner, outlining the request of Bryan Hochstein, along with the recommendation of the Planning Commission.
ACTION NEEDED:	Approval/denial of special use permit.

Attachment(s): Yes

FOLLOW-UP ACTION:
 (To be completed by Town Clerk)

TOWN OF ROCKY MOUNT
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TOWN COUNCIL
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 BILLIE W. STOCKTON
 PATRICK N. RUST
 Town Planner
 Code Inspector/GIS Technician

MEMORANDUM

To: Mayor Angle & Town Council
 C. James Ervin, Town Manager
 From: Patrick Rust, Town Planner
 Date: 04/09/2014
 Re: 467 Franklin Street (Bootleggers Cafe) Special Use Request

Mayor and Council:

The Town has received a special use request from Bryan Hochstein, owner of the still-under-development Bootleggers Cafe. The request is for a special use permit to erect a mural sign on the storefront located at 467 Franklin Street and known as Tax Map and Parcel Number 20700 57100. The applicant wishes to reconstruct the historical, landmark mural which formerly represented the Rocky Mount Bottling Company in the same location. Historical pictures of the 1940s era mural are attached for reference.

Article 8-15(E) of the Zoning and Development Ordinance specifies that a special use permit is required for all new mural signs. Additionally, the same code section exempts landmark signs (that may be preserved and maintained even if they no longer pertain to the present use of the premises) from the code's dimensional requirements for wall signs.

The significance of this exemption is that it would allow the applicant to erect up to an additional 60 square feet of signage for the promotion of the business, which is the district maximum per business in the Central Business District - CBD.

In reviewing this special use request staff rconsidered the following aspects:

- The landmark mural sign would replicate the original Rocky Mount Bottling Company Coca-Cola sign at a higher location on the building which would allow for the display of the current business's signage.
- The reproduction of the landmark sign would add nostalgic character to and enhance the historical significance of the building and surrounding area.
- Town Council's most recent experience with mural requirements occurred in 2012 with two separate requests from Mary Wray and the Rocky Mount Center for the Arts, Inc. for arts related murals. Both requests were approved by Town Council with conditions as determined based on the merits of each request. The historical, landmark nature of this request sets it apart from the previous requests.
- The significance of this request might most closely be compared to the mural sign which currently exists on the northern wall of the Angle Hardware building, located at 330 Franklin Street. The Angle Hardware mural differs

slightly because it represents a current business. However, the mural does add a bit of nostalgic flair to the Downtown District.

After due review and based on these considerations, staff suggests that Town Council issues the approval of this special use application as presented allowing for the historic, landmark mural depicting the Rocky Mount Bottling Company to be erected at 467 Franklin Street, Tax Map and Parcel Number 20700 57100.

Possible motions:

Approval

I move that Town Council approves this special use application as presented allowing for the historic, landmark mural depicting the Rocky Mount Bottling Company to be erected at 467 Franklin Street, Tax Map and Parcel Number 20700 57100.

Conditional Approval

I move that Town Council approves this special use application allowing for the historic, landmark mural depicting the Rocky Mount Bottling Company to be erected at 467 Franklin Street, Tax Map and Parcel Number 20700 57100, with the following condition(s):

Denial

I move that Town Council denies this special use application for a historic, landmark mural depicting the Rocky Mount Bottling Company to be erected at 467 Franklin Street, Tax Map and Parcel Number 20700 57100.



ROCKY MOUNT TOWN COUNCIL
REGULAR COUNCIL MEETING
MARCH 10, 2014

The March 20, 2014 regular Council meeting of the Rocky Mount Town Council was held in the Council Chambers of the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia at 7:00 p.m. with Mayor Steven C. Angle presiding. The following members of Council were present:

Vice Mayor Gregory B. Walker and Council Members
Bobby M. Cundiff, Jerry W. Greer, Sr., P., Ann Love, Robert L.
Moyer, and Billie W. Stockton

The meeting was called to order by Mayor Angle.

For the record, the following were present: All members of Town Council as noted, Town Manager C. James Ervin, Assistant Town Manager/Community Development Director Matthew C. Hankins (and Planning & Zoning Administrator), Town Attorney John T. Bolinott, Chief of Police David Cundiff, Captain Kenneth Criner, Finance Director Linda Woody, Public Works Director Cecil R. Mason, Superintendent of Water Department Robert Deilrich, Superintendent of Wastewater Department Timothy Burton, Fire Chief Charles Robertson, and Town Clerk Patricia H. Keatts. Absent were Public Works Director Cecil Mason and Town Planner Patrick Rust.

The Mayor led the *Pledge of Allegiance*.

APPROVAL OF AGENDA

Prior to the meeting, Council had received the agenda for review and consideration of approval.

There being no comments, the Mayor entertained a motion.

Motion Action Taken:

Motion was made by Vice Mayor Walker to approve the agenda as presented, with motion on the floor being seconded by Council Member Moyer. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

SPECIAL ITEMS

Let the record show there were no special items at this time.

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HEARING OF CITIZENS

Let the record show that no one had contacted the Town Clerk's Office wishing to come before Council to speak.

At this time, the Mayor opened the floor to anyone wishing to come forward to speak.

Let the record show that no one came forward at this time.

OLD BUSINESS

A. Update on Veterans' Memorial Park

The Town Manager and Mr. Chris Fewster with Earth Environmental & Civil, Inc. presented to Council an update on the Veterans' Memorial Park, giving an overview of the planned repairs, and including a time-line of the estimated costs.

- Shoreline protection/box culverts at an estimated construction cost of \$422,350.
- Estimated related costs of \$135,635, such as: construction contingency at 10%; engineering services; inspection; and flood analysis – as built.
- Explained schematic of the proposed work.
- Explained how the 10, 20, 50 and 100 year flood works in accordance with the plan submitted, and how the Veterans' Memorial Park bank will be armored to help prevent it being affected by flooding.
- Will be presenting the estimated cost of repairs to Council as a capital item during the Fiscal Year 2015 budget review.
- Goal is to have project bid out and back to Council in June to award and start construction in July.

The Town Manager requested Council to bid the project out now without giving the okay to go forward with the project unless budget is in place. Confirmed to Council that funds far spent this year had already been appropriated by Council.

There being no further comments, the Mayor entertained a motion.

Motion Action Taken:

Motion was made by Council Member Love to approve the request to bid out the project, with motion on the floor being seconded by Vice Mayor Walker. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

NEW BUSINESS

A. Review and consideration of request of Franklin County Historical Society

The Town Manager informed Council that Linda Stanley, Special Projects Coordinator

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PUBLIC HEARING

Let the record show there were no public hearing items at this time.

APPROVAL OF MINUTES

Prior to the meeting, Council had received for consideration of approval the following draft minutes:

- February 10, 2014 Regular Council Meeting

The Mayor asked if there were any changes to the draft minutes, and there being none, the Mayor entertained a motion.

Motion Action Taken:

Motion was made by Council Member Cundiff to approve the minutes as presented, with motion on the floor being seconded by Council Member Moyer. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

APPROVAL OF CONSENT AGENDA

The approval of the *Consent Agenda* consists of approving any miscellaneous resolutions/proclamations, miscellaneous action, departmental monthly reports, and bill list that were submitted prior to the meeting for Council's review and consideration.

- Miscellaneous Resolutions/Proclamations (*none at this time*)
- Miscellaneous Action (*none at this time*)
- Departmental Monthly Report
 - Community Development
 - Finance Department
 - Fire Department
 - Police Department
 - Public Works Department
 - Waste Water Department
 - Water Department
- Bill List

There being no comments, the Mayor entertained a motion.

Motion Action Taken:

Motion was made by Council Member Stockton to approve the "Consent Agenda" as presented, with motion on the floor being seconded by Council Member Love. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

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for Franklin County Historical Society, presented a request for Council's consideration of approval for their upcoming events:

1. The "Moonshine Express" is scheduled for Sundays, April 6th and 13th. Asking for permission to once again have the event take place in the parking lot area of the Rocky Mount Municipal Building, with them actually setting up the Saturdays prior to the event and cleaning up that Sunday evening.
2. The "Ghosts & More" is scheduled for Saturdays, October 18th and 25th. Asking for permission to once again have the event take place in the parking lot area of the Rocky Mount Municipal Building, with them actually setting up the Friday prior to the event and cleaning up the following Sunday.
3. In conjunction with the two above-mentioned events, requesting the Town of Rocky Mount to agree again to sponsor one or more of their four buses at \$300 per bus.
4. The "Veterans' Day Memorial" is scheduled to take place on the Franklin County Courthouse lawn on Saturday, May 27th. Requesting permission to stop traffic from Main Street to Maple Avenue and from West Court Street to Floyd Avenue for the brief period of the program. The Chief of Police informed staff that he has no problem with the request to close the street.

There being no further comments, the Mayor entertained a motion.

Motion Action Taken:

Motion was made by Council Member Greer to approve all four requests, with motion on the floor being seconded by Council Member Love. Discussion ensued that the Town would be sponsoring two buses each for both events at a cost of \$300 each. There being no further discussion, let the record show that the motion on the floor passed unanimously by those present.

B. Review and consideration of request of Christian Heritage Academy to hold their annual Memorial Day race.

The Town Manager informed Council that Mr. Eric Miller with Christian Heritage Academy is requesting permission to hold their annual Memorial Day race on May 26, 2014. The Chief of Police confirmed to Council that the race would be during the same time frame and the same route used as in previous years, and that he has no problem with this request.

There being no further comments, the Mayor entertained a motion.

Motion Action Taken:

Motion was made by Council Member Stockton to approve the request as presented, with motion on the floor being seconded by Council Member Love. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

C. Review and consideration of reducing the required number of members of the Microenterprise Board.

The Assistant Town Manager informed Council of the following:

- During the regular Council meeting of February 10, 2014, it was the decision of Council to expand the footprint of the microenterprise loan pool to any small business that wants to participate within the Town corporate limits. It was the decision of Council to continue to keep these types of loans under the current Façade Improvement and Microenterprise Loan Board that was in place during the Department of Housing & Community Development grant-funding Uptown Revitalization Project.
- The Microenterprise Loan Board was established as a seven-member board, but has operated as a six-member board for some time due to the resignation of Derwin Hall (banker position). The current Board members are: Board Chairman Gregory Walker, Senna Garst, Brenda Hunt (other banker position), Carolyn Johnson, Tillman Riddle, and Carol Tuning. Mr. Riddle has asked to be removed from the Board, and Ms. Garst has been unresponsive to meeting notices and other inquiries. Therefore, staff is requesting that the required number of members be reduced to five in order to streamline the Board, with this requiring that one additional person, preferably a banker, be appointed to the Board.

Council Member Cundiff stated he did not mind reducing the number, but would like to address the membership at some point and time.

There being no further comments, the Mayor entertained a motion.

Motion Action Taken:
 Motion was made by Council Member Cundiff to reduce the current membership from seven to five, keeping the two bankers, with motion on the floor being seconded by Council Member Greer. Discussion ensued. Council Member Cundiff reiterated that he would like to discuss at a later time the current membership. The Town Attorney confirmed to the Mayor that the Microenterprise Board bylaws do not need to be changed to reflect the reduction in membership as the motion on the floor would take care of this. There being no further discussion, let the record show that the motion on the floor passed unanimously by those present.

D. Review and consideration of setting a special Council meeting for the purpose of giving staff guidance in the preparation of the draft Fiscal Year 2015 Budget and Fiscal Year 2014-2019 Capital Improvement Plan (CIP).

Presented to Council by the Assistant Town Manager were three dates to consider holding a special Council meeting to give staff guidance in the preparation of the Fiscal Year 2015 and Fiscal Year 2015-2019 Capital Improvement Plan (CIP), being: Thursday – March 13th; Monday – March 17th; or, Tuesday – March 18th.

Consensus Action Taken:
 It was the consensus of Council that the special Council meeting take place on Tuesday – March 18th at 5:00 p.m. in the Council Chambers. Town Clerk so noted.

B. Rise 'N Shine Appearances

The Town Manager confirmed to Council that he was on the Rise 'N Shine show this morning and that the conversation was good between him and the host, Mr. Richard Shoemaker.

COUNCIL CONCERNS

Let the record show there were no Council concerns at this time.

CLOSED MEETING

At 7:30 p.m., motion was made by Council Member Greer to go into *Closed Meeting*, and seconded by Council Member Moyer and carried unanimously to discuss the following:

- Section 2.2-3711(A).1 -Discussion, consideration or interviews of prospective candidates for employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body (consideration of appointment to Microenterprise Board).
- Section 2.2-3711(A).3 - Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body (property located on Sycamore Street within Rocky Mount Town Council corporate limits).
- Section 2.2-3711(A).7 - Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter (legal briefing from staff).

At 8:38 p.m., motion was made by Council Member Cundiff to come out of *Closed Meeting* and to reconvene the meeting back into open session, with motion on the floor being seconded by Council Member Moyer and carried unanimously by those present.

CERTIFICATE OF CLOSED MEETING

Whereas, the Town of Rocky Mount Council has convened a *Closed Meeting* on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the

COMMITTEE REPORTS

A. Public Utilities Committee

It was pointed out to Council by the Town Manager that the Public Utilities Committee had met on March 5, 2014 for the purpose of:

1. Reviewing and accounting requirements for revenue transfer from the Utility Funds to the Utility Capital Fund.

The Town Manager stated that the Committee recommended that the Town move what it has to-date and continue moving it on a monthly basis, then look at it again in the next 60 days. It was confirmed to Council that evidence of the transfer on paper should be in Council's next packet, then they should see it on a monthly basis.

2. Review of expenses charged to the General Fund, Utility Fund and Capital Fund.

The Town Manager stated that the Committee recommended that the Finance Director bring to Council a decision document in April or May to forgive the debt that the Utility Fund owes the General Fund.

3. Overview from the Town Manager of the current state of negotiations on the agreement between the Town of Rocky Mount, Franklin County and the Western Virginia Water Authority for the interconnection of the utility services.

The Town Manager confirmed to Council that at this time, no recommendation is being made by the Committee as this is an on-going contract negotiation with all parties involved. Further stated that he hopes to bring an update to Council sometime in April or May.

OTHER MATTERS, CONCERNS AND RISE 'N SHINE APPEARANCES

A. Referrals to Planning Commission from Town Council

Let the record show there were no referrals to the Planning Commission from Council at this time.

On an unrelated matter, the Assistant Town Manager informed Council that the Town of Rocky Mount Board of Zoning Appeals had met to consider a variance for the new owners of The Grove to install a parking lot facing State Route 40 West that would accommodate 50 to 70 parking spaces for events, and the parking spaces would be a greener/natural parking lot made of natural material.

Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires certification by this council that such *Closed Meeting* was conducted in conformity with Virginia Law.

Now, Therefore, Be It Resolved that the Rocky Mount Town Council hereby certifies that, to the best of each members' knowledge: (1) only public business matters lawfully exempted from open meeting requirements under this chapter; and (2) only such public business matters as were identified in the motion by which the *Closed Meeting* was convened were heard, discussed, or considered in the meeting by the public body.

 Steven C. Angle, Mayor

○ Motion was made by Council Member Greer certifying that: (1) only public business matters lawfully exempted from open meeting requirements under this chapter was discussed; and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body was discussed. Motion was seconded by Council Member Love. The Mayor swore to adopt the motion on the floor by Council Member Greer that this was all that was discussed as defined in Section 2.2-3712 Code of Virginia. Voting yes were Vice Mayor Gregory B. Walker and Council Members Bobby M. Cundiff, Jerry W. Greer, Sr., P. Ann Love, Robert L. Moyer, and Billie W. Stockton.

The Mayor reported that no action took place.

ADJOURNMENT

At 8:40 p.m., motion was made by Council Member Moyer to adjourn, seconded by Council Member Stockton and carried unanimously by those present.

 Steven C. Angle, Mayor

ATTEST:

 Patricia H. Keatts/Town Clerk

/phk

ROCKY MOUNT TOWN COUNCIL
SPECIAL COUNCIL MEETING
MARCH 18, 2014

The Rocky Mount Town Council held a special meeting at the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia on March 18, 2014 at 5:00 p.m. with Mayor Steven C. Angle presiding.

On behalf of the Rocky Mount Town Council, the meeting was called to order by Mayor Angle, with the following members of Council being present:

Council Members Bobby M. Cundiff, P. Ann Love, Robert L. Moyer and Billie W. Stockton

Absent during the roll call of the meeting were Vice Mayor Gregory G. Walker and Council Member Jerry W. Greer, Sr.

Let the record show that Vice Mayor Walker and Council Greer was present at 5:08 p.m.

For the record, the following were present: All members of Town Council as noted, Town Manager C. James Ervin, Assistant Town Manager/Community Development Director Matthew C. Hankins, Finance Director Linda Woody, and Town Clerk Patricia H. Keatts.

APPROVAL OF AGENDA

Prior to the meeting, Council had received the agenda for review and consideration of approval.

Council Member Cundiff requested that the agenda be amended to include public utilities.

Motion Action Taken:
Motion was made by Council Member Moyer to approve the amended agenda, with motion on the floor being seconded by Council Member Love. Let the record show the motion on the floor passed unanimously by those present.

PUBLIC UTILITIES

Motion Action Taken:
Motion was made by Council Member Cundiff to deposit all funds to a special utility fund to be used only for utility upgrades, repairs and upkeep of the Rocky Mount utilities that serve the Town citizens, and that the reserved funds will consist of capital recovery fees, water, sewer and garbage fees prevailed as of December 31, 2012, with motion on the floor being seconded by Council Member Love. There being no discussion let the record show the motion on the floor passed unanimously by those present.

COUNCIL GUIDANCE FOR STAFF IN SETTING PRIORITIES FOR THE PREPARATION OF DRAFT FISCAL YEAR 2015 BUDGET AND FISCAL YEAR 2015-2019 CAPITAL IMPROVEMENT PLAN (CIP)

The Town Manager referenced a memorandum Council had received prior to the meeting that gave a synopsis of the of a list of expenses requested by the Town department heads that are additions from prior capital years. He pointed out the following:

- Explained that the list included a few line item increases and a list of capital items that the departments are requesting for the upcoming fiscal year.
- It will not be possible to fund all of these items in the upcoming year and guidance is sought from Council prior to assembling a recommended budget.
- Staff is recommending a bond issue in the upcoming fiscal year to accomplish some of these capital expenses. Items recommended to be financed in the bond issue are noted in the description. The size of the bond issue is one of the inputs sought from Council, as it would not be practical to plan on funding some essential capitals with a bond issue if the size of that issue was not acceptable to Council.
- Many of these items presented to Council will not be proposed in the Fiscal Year 2015 budget as they will be pushed forward to future years in order to have the Town's capital expenses match the allocated funds, both out of operation revenues and the proposed bond issue.
- The budgetary priorities for the next year include a merit increase for the staff and the contribution of at least \$100,000 to General Fund balance, the Utility Fund balance, and the Utility Capital Fund balance.
- Items needing to possibly be paid by a bond issue are: Veterans' Memorial Park erosion repair; Chlorine bleach conversion; replacement of sludge compactor (bell press) at Wastewater Treatment Plant; and removal of the two Pendleton water tanks.

The Town Manager informed Council that if they want to do a bond issue, there are several things to consider: (1) are there other line items that needs to be included in the bond issue that are not included in the list being presented to Council that they would like to see on the list; (2) if there is something on the list Council objects to; (3) Council agrees with items on the list; and (4) what is the size of the bond Council wants.

Council was further informed by the Town Manager that the Town is not increasing any taxes or fees, and the only increase is in the utilities that was approved by Council as the normal rate of increase.

The Assistant Town Manager came before Council and presented the proposed list that was submitted by each department head:

POLICE	
Radio System: Franklin County is acquiring through bond a new radio system. The Town will have to replace all of the radio equipment in all public safety vehicles as well as contribute a share to the overall project. <i>Bond Recommended.</i>	\$50,000.00
<i>There was discussion regarding what the County is contemplating regarding their upgrade to the radio system, with a price tag of approximately \$20 million, with them not knowing for sure what they are doing; at this time, they have not picked a vendor to do the project; and they are looking at doing a bond issue. It was discussed the County would be coming to the Town to participate in the expenses of the upgrade since the Town's Police Department and Fire Department rely on the County's radio system. At this time, the Town may be on the hook for 10% for the use of the tower on Scuffling Hill Road. The Town has placed \$50,000 just as a placeholder at this time for the Police Department. Since the County does not have their final numbers yet, the Town has not put down an amount for the Fire Department. The Finance Director mentioned that the Fire Chief has given her an estimation of \$135,000 for this as they are more dependable on the County's dispatch service. Discussed that the Fire Department does at least 60% to 70% of the calls in the County, with the Town getting a payment from the County annually in the amount of \$30,000.</i>	
Ammunition: A line item increase request. Due to increase in price and required twice a year qualifying. State contract.	\$12,000.00
<i>Mentioned that due to ammunition being in high demand and being hard to purchase now-a-days, wanted to make sure they have enough on-hand.</i>	
Court Overtime: A line item increase request. Due to court being set on officers day off or night shift, would like to see increase; as of now there is \$2,411.12. Only have \$88.00 left for four months. Out of control.	\$5,000.00
<i>Mentioned that the officers are required to be in court, even if they are not working at the time of the court date.</i>	
Training: A line item increase request. Increase due to younger officers need more training and also the department has, and is, becoming self-sufficient. Have a K-9 officer, which will need to be trained, as have a trained dog.	\$10,000.00

<i>Mentioned that the Town Manager is asking the Chief of Police to have K-9 dog on each shift. As of right now, only have two.</i>	
Lease Vehicles: (2 each 2014 Ford Police Interceptor Utilities) Need two vehicles, preferably Explorers as this will place a 4-wheel drive on each shift. The lease on the patrol vehicles is paid and the lease is interest free.	\$70,000.00
<i>Mentioned that the department is trying to get back on schedule for lease vehicles, and requesting them to be Explorers that are capable of being K-9 units. The Town Manager is requesting Chief of Police to have enough of these 4-wheel units for each shift. Have finished leasing the Crown Victorias. The Town has the option of purchasing the leased vehicles after the lease contract is over.</i>	
FINANCE	
Replacement of Office Personal Computers (6 each)	\$18,000.00
<i>Mentioned that the department has the oldest office personal computers and they are in need of being replaced. Mentioned that no new equipment will be purchased until determination can be made about the debit/credit card payments.</i>	
Replacement of Printers – Personal Desks (5 each)	\$2,000.00
<i>Mentioned that these will be for personal desks.</i>	
Replacement of Printer for AS400 Tasks (1 each)	\$6,000.00
<i>Mentioned that this was the big printer. Also mentioned that the department has a maintenance contract.</i>	
Replacement of Cash Register Printers (4 each)	\$4,000.00
<i>Briefly discussed.</i>	
FIRE	
Replacement of two Thermal Imaging Cameras: These cameras are to replace cameras that are passed their life expectancy (12 years). They are essential tools to the department and are used on almost all structure fires, and also used at night for search and rescue operations. Without these tools, the department would be at a definite disadvantage. <i>Bond Recommended.</i>	\$13,000.00
<i>Mentioned that this item was essential.</i>	
Replacement of 1995 Chevrolet Suburban: With 117,000 "hard" miles on the existing vehicle, dependability becomes a real factor to the department's success. These	\$35,000.00

vehicles are used as quick response by the departments' Chief and Assistant Chief response to emergency scenes. This quick response by the two chief officers allows for quick assessment and size-ups for the situation at-hand. These quick assessments enable the department to better success rates before/during and after the emergency. <i>Bond Recommended but staff recommends delaying purchase.</i>	
<i>Mentioned that this was on state contract.</i>	
Replacement of 4 each SCOT 2216 SCBA Units: (approx. \$5,500 each) These units have a finite lifespan and will not re-certify past that lifespan. The department is continuously rotating old packs out and new packs in. Air packs are essential in fire fighter safety while fighting fires. <i>Bond Recommended.</i>	\$22,000.00
<i>Mentioned trying to get this on a regular rotating basis.</i>	
WATER	
Filter Turbidity Monitors: (highest priority) Plant must comply with new, more stringent future turbidity standards beginning in October 2014. Plant's current filter turbidity monitoring units are obsolete and longer supported by the manufacturer. Plant is currently relying on used units procured on eBay to replace the Plant's originals that failed. In order to assure compliance with the new regulations, need to obtain 2 new turbidity monitors, calibration equipment, and a supply of spare bulbs. <i>Utility Capital Fund Recommended</i>	\$6,000.00
<i>Mentioned that this item was a high priority.</i>	
Finished Water Pump #2: (rebuild) Of the 3 finished water pumps at the Plant, all show signs of significant wear. Had a spare impeller in stock that had been in storage so long it required some cleanup and testing before use. Since the impeller is the most expensive and substantial part of a pump, and since had one on hand, the spare impeller was professionally serviced and installed on Pump #1 in February. With the new impeller, Pump #1 now puts out approximately 10% more water than before, and 15% more than the other two water pumps. While all 3 motors are practically brand new, only one of the associated pumps is now in top condition. Strategically, the Plant would be much better off, in terms of reliability and efficiency, if at least 2 of the finished pumps were in top condition. Further, a worn pump will cause accelerated wear to the bearings in the motor at a much faster rate than a well-balanced pump. For these reasons, and because the re-build of a worn	\$25,000.00

impeller may take more than 6 months, requesting funds to begin this project during the upcoming FY 2015 budget cycle. <i>Bond Recommended or Utility Capital Recovery Fund Recommended.</i>	
<i>Mentioned how the finished water pump worked and the increase in productivity of pump #1 when the spare impeller was professionally serviced and installed on pump #1.</i>	
Exterior Facility Light: (replacement) A large percentage of the Plant's building, loading dock and driveway lights required new ballasts and bulbs. These are high wattage, high electrical demand lights that burn all night long. Instead of incurring the expense of hiring a contractor to repair the existing inefficient lighting fixtures, it would be prudent at this time to replace the lights with high efficiency LED light fixtures that will use less than half the electricity and require less upkeep. This project would be done cooperatively with the Wastewater Plant in order to share the cost and reduce costs by only hiring once contractor. <i>Bond Recommended with matching project in Waste Water or Utility Capital Recover Fund Recommended.</i>	\$15,000.00
<i>Mentioned the gentleman who had visited the wastewater and water plants regarding the LED lights and how much of a savings in the electrical bill the replacement bulbs would make.</i>	
Automatic Fire Hydrant Flushers: (3 each) The Town has a number of dead ends where routine flushing is needed to keep water quality satisfactory. Hydrant flushers allow for controlled flushing to occur after hours on a regular schedule. <i>Utility Capital Recovery Fund Recommended.</i>	\$5,085.00
<i>Mentioned that the Town Manager has seen other localities use these types of fire hydrant flushers; if used, should be a savings in the amount of water that is flushed out before a scheduled test takes place.</i>	
Pendleton Tanks Removal: An engineering analysis has deemed these tanks as structurally deficient. An engineering analysis received by Virginia Department of Health (VDH) has indicated the Town has more than adequate water storage without Pendleton tanks. Engineering plans have been approved by VDH to replace the tanks with valve controls to facilitate fire flow to the affected area. The project is ready to bid. <i>Bond Recommended considered essential.</i>	\$250,000.00
<i>Mentioned that this is a high priority.</i>	
Chlorine Bleach Conversion: In order to improve safety for the staff and nearby residents,	\$130,000.00

propose the replacement of the current chlorine gas disinfection system with a much safer liquid bleach system. Staff has had preliminary discussions with VDH and engineering firms and the project should be easily managed without having to build any out buildings or significantly modify the existing plant keeping the cost to a minimum. <i>Bond Recommended considered essential.</i>	
<i>Mentioned that this is essential and a high priority.</i>	
Blackwater Dam Safety Maintenance: Since the initial work to improve safety at the Blackwater Dam, high water has moved some of the rock that had been placed on the downstream side. This proposed work will bring the rock back to original construction levels. Permits have already been obtained from relevant government agencies. The project is ready to bid. <i>Bond Recommended considered essential.</i>	\$30,000.00
<i>Mentioned the rock has moved, as expected, since its placement. This item is essential, with the rock needing to be replaced. May have to be replaced one more time.</i>	
Portable Generator 300 kw: The Water Department is requesting the purchase of a trailer mounted generator that can be used to operate the Water Plant during a power outage. The Wastewater Department has also indicated its need for a portable unit for use at its pump stations. The unit could be set up to operate any Town facility as needed. <i>Bond Recommended if approved not recommended for next FY by management.</i>	\$90,000.00
<i>Mentioned the history leading up to the plant needing a generator as a result of the electrical upgrade; how well the loaned generator worked during a test; if purchased, can use at the Town's pump station when a new one is built; cannot take a pump out of the current pump station to use at the water plant because it is hard-wired in; the Town does have a mutual aid agreement to have the use of a pump during an emergency, but if there is a wide spread emergency, the Town may not be able to get a generator in time; and would prefer the Town has it own equipment.</i>	
Driveway, Parking Area Repair and Security Gate: The Plant's paved areas have developed significant cracks that will continue to worsen with the heavy delivery and water trucks that visit the plant. Repair and repaving will prevent further deterioration. An electric security gate with intercom will help staff control delivery drivers and site seers. <i>Bond Recommended or Utility Capital Recovery Fund Recommended if approved by Council, not recommended for next FY by management.</i>	\$30,000.00

<i>Mentioned the security gate would be first on the list, if considered at this time.</i>	
220 South Water Tank – Tank Mixer: Water becomes stale in the summer months. It is difficult to maintain a consistent amount of chlorine in the tank and for customers in the area. By eliminating stale water we will also reduce the Plant's levels of disinfection byproducts found in the distribution system. <i>Bond Recommended or Utility Capital Recovery Fund Recommended.</i>	\$60,000.00
<i>Briefly discussed how this works.</i>	
Flocculator Replacement: – (Qlr-3 for \$70,000) Mixers are extremely worn, original, obsolete equipment. <i>Bond Recommended or Utility Capital Recovery Fund Recommended.</i>	\$70,000.00
<i>Briefly discussed how this works.</i>	
Air Handler / Blower Unit (HVAC): Existing unit requires frequent repairs. <i>Utility Capital Recovery Fund Recommended.</i>	\$7,250.00
<i>Briefly discussed how this works.</i>	
Rebuild Backwash Motor: (2 for \$7,000) Motors are worn and in need for routine service. <i>Utility Capital Recovery Fund Recommended.</i>	\$7,000.00
<i>Briefly discussed how this works.</i>	
Upper Pump Station Pump/Motor Rehab: (2nd of 2) Routine service to extend the life of the equipment. <i>Utility Capital Recovery Fund Recommended.</i>	\$20,000.00
<i>Briefly discussed how this works.</i>	
Lower Pump Station Pump/Motor Combo Rehab: (2 for \$35,000) Pumps are worn and must be run at 100% to get water to the upper pump station. Rebuild will improve efficiency and extend service life. <i>Bond Recommended or Utility Capital Recovery Fund Recommended.</i>	\$35,000.00
<i>Briefly discussed how this works.</i>	
Raw Pump Rebuild: (2 nd of 2) Rebuild will improve efficiency and extend service life. <i>Bond Recommended or Utility Capital Recovery Fund Recommended, not recommended by management for next FY.</i>	\$50,000.00
<i>Briefly discussed how this works.</i>	

Sludge Collection System: Replace work chain driven scraper system. Bond Recommended or Utility Capital Recovery Fund Recommended , not recommended by management for next FY. <i>Briefly discussed how this works.</i>	\$184,000.00
WASTEWATER	
Headworks Compactor: Old compactor worn out and gelling beyond repair. It really needs to be replaced in FY 15 budget. Bond Recommended . <i>Mentioned this item is the same as a belt press and it removes water from sludge so it can be taken to the Franklin County landfill.</i>	\$80,000.00
LED Yard Lights: Currently have 26 high output sodium outside lights with 10 of the currently not working. It would cost over \$1,000 to repair these and parts are getting more difficult to get. New LED lights would save about \$2,000 annually in power consumption alone, while providing better lighting for security and safety when employees have to work after dark. Hoping to combine these with Water Plant and drive the price down some. Utility Capital Recovery Fund Recommended . <i>(Discussed during Wastewater Treatment Plant discussion.)</i>	\$16,000.00
Clarifier Brushes: Equipment is needed to help control algae growth on the clarifiers and greatly reduce the amount of man hours required to manually clean these. It would make the operation of the treatment process more efficient and help in maintaining the UV system from clogging up with algae. Utility Capital Recovery Fund Recommended . <i>Briefly discussed how this works.</i>	\$30,000.00
Polymer Blending System: Cost continues to rise with polymer costing over \$1,100 a drum, and the plant uses 8 to 10 drums annually. A new polymer blending system is supposed to save in polymer consumption through more efficient use of polymer. This system will be tested on a trial basis to assure it is worth the money before it is purchased. If it does not perform as expected, then it will not be purchased. Utility Capital Recovery Fund Recommended . <i>Briefly discussed how this works.</i>	\$10,000.00

a new Tandem Dump truck for \$135,000; a new leaf machine for \$25,000; a new salt spreader for \$12,000; and a new front end loader for \$190,000.	
COMMUNITY DEVELOPMENT	
Depot HVAC Replacement. Bond Recommended . <i>Mentioned spending more on maintaining the current system in place, it is pretty much worn out, and every technician that has worked on it says that the HVAC needs replacing.</i>	\$27,500.00
Council Chambers Projection Upgrades <i>Mentioned what areas of the Council Chambers need upgrading, with the projection system being outdated and, therefore, it is not compatible with current programs; and the wiring that is located on the floor that lies at the podium needs to be safely installed.</i>	\$12,500.00
Veteran's Memorial Park Erosion Repair. Bond Recommended , considered essential by staff and the prime reason a bond issue is needed in the next FY. <i>Mentioned high priority and essential.</i>	\$520,000
40W Sidewalk Extension Floyd to Dent. VDOT Revenue Sharing . Bond Recommended . <i>Mentioned the area this project would cover. Also discussed 40 East sidewalk project, with staff mentioning that the project has been submitted to VDOT, with the Town awaiting final approval from them; and once received, the Town can start on that project.</i>	\$65,000

Council Member Love did a re-cap of essential items that staff had outlined, with projects totaling approximately \$1.16 million, which included: (1) Police and Fire Department radios; (2) Pendleton tank removals; (3) Chlorine bleach conversion; (4) Blackwater dam; (4) Veterans' Park; and (5) belt press.

The Town Manager stated that the essentials total approximately \$1.25 million, and the bond issue is about 2.5% or maybe 3% interest for a 20-year bond, but needed to be confirmed by the Finance Director. Council discussed which projects they believed to be essential, and how much money the Town "had in the bank", with the Finance Director stating that she believes it is about \$5 million. The Town Manager stated that he is not comfortable having less than \$5 million in the bank. Also discussed doing a bond issue, and keeping the origination fees absorbed by the lender, the same way the last bond was done.

Also discussed a 2.5% cost of living (COLA) and a 2.5% merit raise for Town employees, with the merit raise being given to only those employees that merit such a raise. Discussed also that when the last COLA was given, the only employees given a 5% raise were below

Wastewater Collection – CJP: (SCADA for pump stations) This will allow the plant to tie-in the main pump stations to the existing SCADA system for better monitoring of the stations. There is some payback due to getting rid of the telephone lines and going to radio communications or cellular. This would also help protect from overflows due to equipment failure and could possibly save the Town from violations and fines. Bond Recommended or Utility Capital Recovery Fund Recommended . <i>Briefly discussed how this works.</i>	\$40,000.00
PUBLIC WORKS	
Replace 1987 Chevrolet Garbage Truck <i>Basically discussed the replacement truck.</i>	\$83,000.00
Street Mower <i>(no discussion)</i>	\$8,500.00
Replace 2" Water Line (Orchard Avenue). Bond Recommended or Utility Capital Recovery Fund Recommended . <i>(no discussion)</i>	\$13,000.00
Replace 2" Water Line (Oak Street). Bond Recommended or Utility Capital Recovery Fund Recommended . <i>(no discussion)</i>	\$7,500.00
Install 2 each 10" Gate Valves and Hydrant on Circle Drive Nowhere to cut off from Franklin Street to Highland Hills Road. Bond Recommended or Utility Capital Recovery Fund Recommended . <i>(no discussion)</i>	\$7,500.00
Extend Sewer (Scuffling Hill Road) To serve areas not being served. Bond Recommended . <i>Mentioned that this item has been discussed in the past and the temporary fix that was done several years ago seems to work, but the Public Works Director still puts it back into the budget for consideration.</i>	\$65,000.00
Extend Sewer (Bernard Road) For development – if it happens. Bond Recommended . <i>(no discussion)</i>	\$25,000.00
Public Works also has some future capital needs that Council may wish to move up to the current year if a bond issue is contemplated. These include a new Garbage Truck for \$165,000.	

a certain annual salary, and others that had been working for the Town for some length of time and above that certain annual salary, were only given 2.5%. Also discussed how some employees that have been here for some time are making essentially the same as some newly hired employees due to the fact that those employees with longevity have not received any merit raises, and how this affects morale.

The Mayor requested that staff bring back to Council a breakdown of raises by 5%, 4%, 3%, 2%, etc. and how it impacts the budget. He also asked that without obligating the Town to a bond issue, he would like to know what the going rate is for certain amounts of bonds, without having to pay up-front fees for a bond counsel.

The Town Manager stated that staff would bring Council a budget document that will be balanced.

The Assistant Town Manager informed Council that staff expects the meals tax to increase due to new restaurants coming into Town, being: Taco Bell; the new family restaurant going in where 2x2 BBQ use to be; new restaurant at The Grove; one going in where Pyramid Pizza use to be; and one inquiry about the location where the restaurant use to be at the corner of Claiborne Avenue and Franklin Street.

ADJOURNMENT

At 6:50 p.m., motion was made by Council Member Greer to adjourn, seconded by Council Member Love and carried unanimously.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts, MMC, Town Clerk

MONTHLY STAFF REPORT

**TOWN OF ROCKY MOUNT
NEW BUSINESS LICENSES
DURING MARCH 2014**

DATE:	April 10, 2014
TO:	Rocky Mount Town Council
FROM:	Linda Woody, Finance Director <i>Linda Woody</i>
DEPARTMENT:	Finance Department
MONTH:	April meeting

The following new businesses obtained their business licenses during the month:

CONTRACTOR:
Probuild Company LLC, no specific site provided

REPAIRS / PERSONAL SERVICE:
HMMA Martial Art School, 513 South Main St., Instructor
Crown Studio, 914 Tanyard Rd., hair salon

This report contains the following monthly information for March 2014 activity:

New businesses obtaining a business license during the month

Investment portfolio from the latest bank statement

Revenue comparisons from this fiscal year to last fiscal year

Meals tax collections chart

Local sales tax collections chart

Expenditure comparisons from this fiscal year to last fiscal year

Available contingency funds status

Project expenses for the Performance Venue

Utility billing profiles on customers and consumption

Water Customer Cut-off's a chart

Water accountability reconciliation of finished water gallons pumped vs. metered water gallons consumed

Utility profiles on water production and wastewater flow

Customer flow for the Finance Department:

749 walk-in transactions

850 drive-thru transactions

1713 mail transactions

**TOWN OF ROCKY MOUNT
Investment Portfolio
at February 28, 2014**

Security	Call Date	Maturity Date	Bond	Market Price	Market Yield	Market Yield to Maturity	Coupon	Coupon Number	Estimated Annual Interest
Fixed Income / Bonds:									
FNMA	12/29/2013	12/29/2017	500,000	98.858	4.94	1.01%	1.00%	3135060J3	5,000.00
FNMA	02/27/2013	02/27/2017	250,000	99.565	253,041.75	0.70%	0.70%	319G06R4	1,783.00
Bond Totals			750,000	748,131.75	0.86%	avg return			6,783.00
Certificates of Deposits:									
Air Express Centurian	11/11/2016		228,000	101.831	228,119.76	1.71%	1.75%	02587DQX0	3,937.40
BMW Salt Lake City UT	10/11/2016		245,000	100.099	243,242.55	2.04%	2.05%	05988P3E2	6,022.90
Bank Hampton Rdr VA	02/27/2017		245,000	98.831	242,184.93	1.01%	1.00%	06246ZB45	2,450.00
Bank of Perry Co. Tenn	02/29/2016	A	248,000	99.533	246,841.84	1.26%	1.28%	004288R98	3,100.00
Bank of China NY	02/29/2014		245,000	99.989	244,924.05	0.30%	0.30%	054288R08	733.00
CIT BK Salt Lake UT	10/13/2016		190,000	99.564	189,209.69	1.00%	1.00%	17284CBJ2	1,500.00
Com Bk Hampshire IN	02/29/2018		246,000	100.049	245,199.05	0.90%	1.00%	20143PCV0	2,450.00
Compass Bk Birmingham AL	12/29/2014		230,000	100.424	230,975.20	0.99%	1.00%	20451PAC0	2,300.00
Deconvr Bk Greenwood	04/2/2018		245,000	100.038	245,088.20	2.04%	2.05%	254871VH0	6,022.90
East Bk Stroudsburg PA	11/03/2018		246,000	99.992	245,916.40	1.00%	1.00%	29887RCE7	2,450.00
GE Cap FTR Retail	12/29/2016		245,000	102.382	250,850.40	2.05%	2.10%	36180YAM4	5,145.00
Goldman Sachs NYC	11/3/2014		245,000	100.843	246,675.35	1.49%	1.60%	38142AAP9	3,875.00
Hull Rep Chicago CTF	12/2/2010		245,000	101.866	249,371.70	0.89%	1.00%	63736QRT0	2,450.00
Saltz Natl NY NY	2/9/2015		248,000	100.687	248,563.15	0.74%	0.74%	78850YVY4	1,837.50
Security Bk Aiken SC	7/27/2016		245,000	100.106	243,206.70	1.24%	1.24%	814231JY4	3,082.80
Sovereign Bk Wilmington DE	9/29/2020		245,000	100.282	245,841.90	0.74%	0.75%	84093M2V7	1,837.50
State Bk India Chicago IL	7/25/2017		230,000	101.268	232,082.40	1.53%	1.58%	850283TL0	3,666.00
CD Totals			4,085,000	4,079,771.19	1.24%	avg return			59,640.00
Total Investments			4,818,000	4,827,002.94	1.20%	avg return			67,225.00

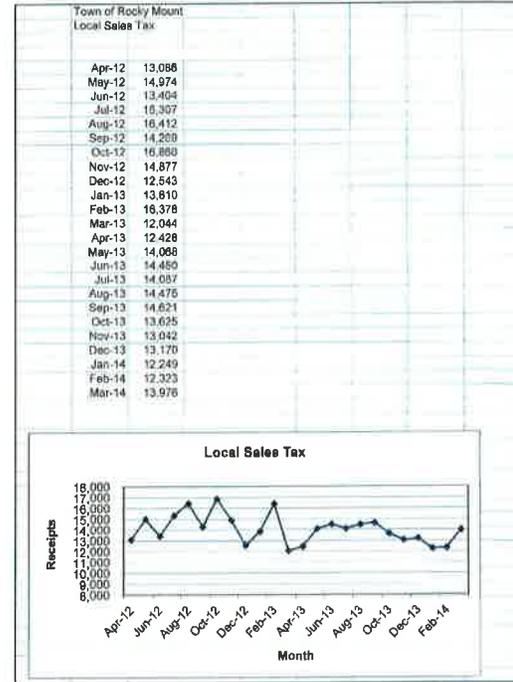
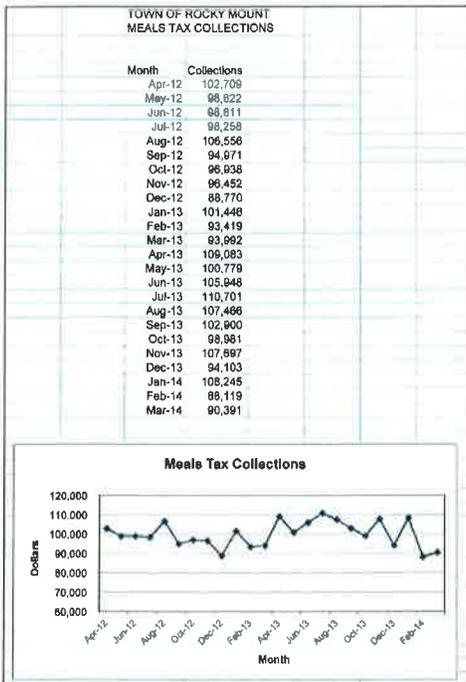
Note: A new bond replaces CD with 20 year 2.5 rates

Month	Balance	Effective Yield
Feb-13	720,893.86	0.15%
Mar-13	1,080,214.00	0.10%
Apr-13	1,097,140.43	0.15%
May-13	1,114,780.02	0.15%
Jun-13	1,462,419.96	0.10%
Jul-13	1,485,391.80	0.11%
Aug-13	1,069,777.16	0.11%
Sep-13	1,431,014.89	0.11%
Oct-13	948,361.06	0.12%
Nov-13	885,954.02	0.10%
Dec-13	1,330,260.31	0.09%
Jan-14	547,014.84	0.19%
Feb-14	884,003.17	0.19%

TOWN OF ROCKY MOUNT REVENUE COMPARISONS AS OF MARCH 31, 2014							
REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET THIS YEAR	BUDGET LAST YEAR	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR			
GENERAL FUND - Local Revenues:							
Real Estate Tax	143,674	151,401	607,352	536,733	558,709	96.16%	
Public Service Tax	-	12,388	-	-	12,791	27.75%	
Personal Property Tax	85,138	83,048	344,903	350,049	373,628	108.73%	
Machinery & Tool Tax	-	3,368	-	-	99,515	105.14%	
Interest on Tax	1,061	1,049	1,226	3,030	2,500	148.02%	
Local Sales Tax	350	298	1,030	2,074	1,509	167.64%	
Meals Tax	13,819	12,644	89,008	100,781	130,730	54.48%	
Utility Tax	80,381	83,892	787,605	702,107	1,110,449	98.25%	
Commutational Tax	29,887	29,453	223,500	215,806	324,503	58.66%	
Dues	-	17,175	139,896	118,493	232,812	84.84%	
Bank Book Tax	-	30,051	3,915	55,347	78,597	3.84%	
Priority Meals Tax	357	334	2,244	2,450	1,730	129.54%	
Interest on Tax	33	3	1,423	729	650	284.32%	
Logging Tax	6,425	6,639	59,858	14,615	83,691	62.10%	
Coffee Tax	19,296	3,323	73,598	72,417	99,094	74.27%	
IPOL Hotel	3,241	-	27,004	8,294	333,931	8.89%	
IPOL Professional	-	-	8,052	9,312	137,573	6.88%	
IPOL Contractor	156	-	7,318	8,411	12,799	80.67%	
IPOL Reparat/Resto	20	-	2,506	2,804	116,596	2.26%	
IPOL Amusement	-	-	8,052	9,312	137,573	6.88%	
IPOL Paraly/Retard	-	-	4,947	1,079	1,200	412.23%	
IPOL Amusement	-	-	-	-	200	0.02%	
IPOL Utility	-	-	-	-	11,408	11,400	0.02%
IPOL Miscellaneous	50	-	1,300	807	2,800	48.43%	
Saltice Farms	-	-	-	-	-	0.02%	
Farmers Market Fees	200	603	3,990	2,815	2,815	16.92%	
Wisconsin Center Fees	380	139	3,800	2,749	3,099	128.01%	
Planning/Zoning Fees	2,298	323	12,110	4,331	6,781	196.49%	
Crust Fees	7,430	5,223	39,965	36,754	31,688	128.58%	
Printing Fees	-	-	45	289	200	22.80%	
Interest Earnings	8,779	20	24,743	51,438	26,524	43.90%	
Retain Check Fees	100	25	500	500	700	71.43%	
Hotel of Property	-	-	420	420	420	100.00%	
Sale of Materials	-	-	-	-	-	0.00%	
Sale of Property	-	-	10,654	961	-	0.00%	
Marriage Payments	236	-	2,049	2,049	-	0.00%	
Bank Payments	-	-	-	-	-	0.00%	
Grave Preparation	-	-	2,250	1,250	1,800	150.00%	
Security Services	-	-	849	8,800	4,000	120.00%	
Take Alarm Response Fees	-	-	158	-	-	0.00%	
Paratransit Service Fees	1,350	8,301	8,434	11,478	10,800	77.90%	
Police Reports	45	142	824	918	1,200	88.67%	
Fireproof Service Fees	36	10	345	350	-	0.00%	
Hunting Collection Fees	7,700	9,389	73,025	72,740	108,969	96.27%	
Less Transfer to Utility Capital Fund (33 months)	(19,821)	-	(19,821)	-	-	0.00%	
Trust Rental Program	70	-	180	60	100	110.00%	
Trees Control Charges (Mowing)	-	-	287	-	-	0.00%	
Miscellaneous Services	215	944	1,245	3,100	250	256.00%	
Transfer from Utility Fund	-	-	426,426	426,426	426,426	100.00%	
Competition	-	-	24	68	-	0.00%	
Marshall's Fees	-	-	254	424	200	182.19%	
Corporation - Corbett Park	-	-	815	-	-	0.00%	
Miscellaneous	2,912	843	4,437	11,423	200	3145.05%	
Curb & Outer Reclosures	-	-	-	-	800	0.00%	
Amusement	-	-	153	2,683	1,000	18.00%	

TOWN OF ROCKY MOUNT REVENUE COMPARISONS AS OF MARCH 31, 2014						
REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET	BUDGET
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	THIS YEAR
Special Projects						0.00%
Unrealized Gain on Investments	(1,743)		(1,856)	18,383		0.00%
Appropriated Fund Balance			42,349		2,731,283	1.84%
Total Local Revenues	383,381	577,980	2,995,831	2,454,728	2,282,554	41.31%
GENERAL FUND - State Revenues:						
Rolling Black Tax			3,827	3,828	3,000	127.56%
Utility Tax			2,614	2,804	2,100	124.48%
Other Categorical Aid						0.00%
Fire Programs			12,134	12,830	10,000	101.12%
FFPRA from the State			53,861	53,861	33,861	150.00%
Historic Resource Offsets						0.00%
DAV/AFOS Grant						0.00%
Local Law Enforcement				4,272	4,500	0.00%
OSU Mill Grants			7,700	20,481		0.00%
Street Maintenance	312,378	303,452	837,134	810,355	1,226,682	75.60%
VMI, Early Grant			4,000	0,000		0.00%
Volunteer Fire Dept.	7,500	248	22,500	22,500	30,000	75.00%
Law Enforcement-500 Funds			27,114	24,230	61,245	85.06%
FEMA Grant			2,611			0.00%
Police Grant						0.00%
VJ, Commission of the Arts Grant						0.00%
Dept. of Conservation & Recreation					20,832	100.00%
Other Categorical Aid-Schools			29,832		1,481,330	78.19%
Total State Revenues	316,878	323,323	1,129,884	1,157,733	1,481,330	78.19%
TOTAL GENERAL FUND REVENUES	699,259	901,303	4,125,715	3,612,461	3,763,884	47.90%
UTILITY FUND REVENUES:						
Water Sales	87,225	129,900	790,682	777,873	1,437,728	82.85%
Less transfer to Utility Capital Fund (12 months)	(84,449)		(82,449)			0.00%
Water Connections	18,808,875	21,499,021	182,525,879	169,347,330		9.00%
Less transfer to Utility Capital Fund (12 months)						0.00%
Reconnect Fees	809	479	6,186	3,333	30,828	79.64%
Parades	2,155	1,824	15,000	14,656	20,000	75.00%
State Water Purchases	95		8,391	2,715	2,500	233.80%
Health Dept						0.00%
Sewer Collection Charges	87,118	103,218	487,640	458,382	949,284	81.95%
Less transfer to Utility Capital Fund (12 months)	(13,985,485)	(16,773,770)	(123,811,103)	(123,473,886)		0.00%
Less transfer to Utility Capital Fund (12 months)	(31,249)		(31,249)			0.00%
Sewer Connections			6,508	60,380	13,000	89.41%
Cool Tower Fund	8,888	3,832	34,540	26,297	48,348	74.24%
VMI, Safety Grant				1,000		0.00%
Recreation			4,484	24,888	2,000	224.18%
Good Friends				234,147		0.00%
Meals Tax Transfer			514,278	514,278	514,278	100.00%
Appropriated Fund Balance			235,300		741,850	34.42%
TOTAL UTILITY FUND REVENUES	83,544	248,354	2,844,693	2,290,983	3,789,294	83.93%

TOWN OF ROCKY MOUNT REVENUE COMPARISONS AS OF MARCH 31, 2014						
REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET	BUDGET
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	THIS YEAR
CAPITAL PROJECTS REVENUES						
Upper Level Replacements	764	405	47,183	3,783		0.00%
CECO Grant						0.00%
TEA 21 Grant						500,000
Transport Grant						200,000
Private Foundations & Grants						1,000,000
Historic Tax Credits						0.00%
State Loans						0.00%
Transfers from General Fund (for Harvested)			2,675,000			800,000
Appropriated Fund Balance						0.00%
TOTAL CAPITAL PROJECTS REVENUES	764	405	2,622,183	3,783	2,500,000	104.84%
UTILITY CAPITAL REVENUES:						
Capital Recovery Fees-Water	7,358	2,968	29,861	5,343	32,040	83.96%
Capital Recovery Fees-Sewer	8,851	9,307	48,880	53,773	64,820	75.64%
Capital Recovery Fees-Garbage	1,858		13,700			0.00%
Transfer in for garbage fee increase (12 months)			19,821			0.00%
Transfer in for water fee increase (12 months)			83,448			0.00%
Transfer in for sewer fee increase (12 months)			31,248			0.00%
Appropriated Fund Balance					199,895	0.00%
Transfer from Other Funds					38,665	100.00%
TOTAL UTILITY CAPITAL REVENUES	121,687	8,281	298,058	116,113	271,660	68.68%
PERFORMANCE VENUE REVENUES:						
Ticket Sales					89,300	0.00%
Concessions - Food					7,050	0.00%
Concessions - Alcohol					4,000	0.00%
Merchandise Sales - Retail					2,500	0.00%
Merchandise Sales - Donor					2,500	0.00%
Parade - Merchandise					30,168	100.00%
Transfer from General Fund					117,889	0.00%
TOTAL PERFORMANCE VENUE REVENUES					117,889	75.00%



TOWN OF ROCKY MOUNT EXPENDITURE COMPARISONS AS OF MARCH 31, 2014						
ACTIVITY	MONTH		YEAR TO DATE		BUDGET THIS YEAR	% CHG BUDGET THIS YEAR
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR		
GENERAL FUND						
Mayor & Council	6,005	5,078	62,008	68,214	88,103	72.62%
Town Manager	15,838	16,522	143,954	142,518	200,890	74.62%
Town Attorney	-	2,285	10,053	24,054	4,120	78.87%
Town Department	22,833	44,357	222,282	241,878	372,531	60.84%
Electrical Board	-	-	-	-	2,500	0.00%
Public Engineering	110,908	125,061	1,284,378	1,244,342	1,809,887	69.84%
Volunteer Fire Dept.	2,280	5,914	77,189	86,836	125,540	61.45%
Public Works Admin.	955	1,020	11,355	11,744	20,429	67.74%
Street Lights	5,358	5,024	74,713	76,138	112,454	66.44%
Traffic Control & Parking	1,224	1,270	8,919	54,056	123,033	43.89%
Streets	34,267	31,235	422,121	799,201	1,018,118	47.25%
Sidewalks & Curb	-	-	1,889	2,251	16,183	12.31%
Gravel Hill Guards	42,800	-	48,378	-	61,624	12.64%
48 East Stonebrook/Crosswalks	1,239	7,500	10,309	14,853	160,198	6.44%
Street Closures	3,923	1,402	14,232	11,631	18,217	79.89%
Police Collection	6,763	3,584	117,750	115,547	169,029	15.47%
Grass Removal	5,908	412	21,781	10,253	22,508	66.68%
Municipal Building	5,554	4,560	43,588	69,247	69,822	83.25%
Emergency Services (Mtg.)	9,309	10,181	52,118	62,778	68,748	80.99%
Public Works Building	5,979	3,063	18,109	36,878	14,424	132.48%
Contingency	172	1,901	13,860	11,954	15,463	89.10%
Payroll	109	5,917	10,075	26,234	77,089	24.74%
Valerius Memorial Park Entity	32,838	11,135	39,845	48,349	28,261	139.60%
Pigg River Dam Safety	-	-	-	825	28,105	0.00%
Planning & Zoning	10,331	10,451	85,504	86,691	123,682	69.31%
Community Development	15,220	20,013	143,719	136,970	193,618	76.32%
Calvert's Square	3,962	2,248	16,486	8,838	13,323	144.16%
Hospitality Center	1,029	879	24,307	16,158	34,754	65.94%
Passport Services Expenses	400	873	1,981	1,705	2,380	83.69%
Partnership Arts Venue	-	42,580	-	763	101,890	0.00%
Commons Development Authority	123	160	2,764	63	11,505	6.55%
Restoration of Brighton Boulevard	-	-	1,085	63	20,000	6.43%
Non-Departmental	-	-	-	-	-	-
Wages & Fringes	6,821	14,908	25,079	24,344	91,068	27.84%
Business Workers Program	-	1,347	-	320	1,760	78.93%
Employee Drug Testing	-	-	387	483	1,050	37.64%
Insurance	-	-	65,127	85,093	78,608	85.24%
Contributions to Others	-	21,760	-	32,500	22,500	88.87%
Debt Service-Principal	-	-	197,403	189,300	162,000	122.41%
Debt Service-Interest	-	-	98,273	112,006	108,829	89.18%
Transfer to Utility Fund	-	-	614,278	514,278	514,278	100.00%
Transfer to Capital Proj. Fund	-	-	2,850,000	-	2,875,000	100.00%
Transfer to Performance Operations	-	-	20,168	-	20,169	100.00%
Contingency	-	-	-	-	50,000	0.00%
Contingency - to reimburse fund balance	-	-	-	-	113,169	0.00%
TOTAL GENERAL FUND EXPENDITURES	364,164	392,912	8,628,497	4,481,376	8,774,321	78.54%

TOWN OF ROCKY MOUNT EXPENDITURE COMPARISONS AS OF MARCH 31, 2014						
ACTIVITY	MONTH		YEAR TO DATE		BUDGET THIS YEAR	% CHG BUDGET THIS YEAR
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR		
WATER & SEWER FUND						
Water System Operation	5,068	10,310	89,381	120,632	152,736	46.31%
Water Reading	2,282	4,710	25,498	28,100	44,435	57.34%
Water Plant	62,180	64,868	434,962	424,858	575,418	88.82%
Traffic Packaging Water Line Relocation	-	-	-	-	1,853	0.00%
City's Legacy Utility Extension	-	122	-	10,827	-	0.00%
West St. Water Line Program	-	-	-	24,199	-	0.00%
Wastewater System Operations	12,349	35,120	113,695	88,521	147,419	77.12%
Wastewater Treatment Plant	55,360	45,200	209,744	316,417	408,706	73.68%
Utility Billing & Administration	11,329	18,880	81,957	105,696	152,733	60.43%
Non-Departmental	-	-	-	-	-	-
Wages & Fringes	-	-	21,700	21,838	6,548	0.00%
Insurance	-	-	761,513	370,463	460,048	165.63%
Debt Service-Principal	-	-	28,539	75,514	138,405	19.75%
Debt Service-Interest	-	-	-	-	-	0.00%
Transfer to Capital Project Fund	-	-	-	-	169,287	100.00%
Transfer to General Fund-Utility Electric Proj	-	-	140,287	-	287,139	100.00%
Transfer to General Fund-Stormwater Capt	-	-	227,133	-	50,000	0.00%
Contingency	-	-	-	-	448,054	0.00%
Contingency - to reimburse fund balance	-	-	-	-	741,800	0.00%
Depreciation	-	-	-	-	-	-
TOTAL WATER & SEWER FUND EXPENSES	160,507	185,063	3,381,314	1,695,318	3,850,386	61.38%
CAPITAL IMPROVEMENTS FUND						
Utility Replacement Project	-	-	-	120,206	-	0.00%
Industrial Park - Site Improvements	-	-	-	-	2,500,000	58.42%
Industrial Zone Venue Renovations	287,566	-	1,460,387	-	-	-
TOTAL CAPITAL PROJECTS EXPENDITURES	287,566	-	1,460,387	120,206	2,500,000	58.42%
UTILITY CAPITAL FUND						
Public Works Utility Project	-	-	-	175,847	175,000	100.84%
Water Treatment Plant Utility Project	-	-	-	-	49,000	0.00%
Wastewater Treatment Plant Utility Project	-	-	-	-	47,650	0.00%
Transfer to Reserved Utility Capital Fund Balance	-	-	-	-	4,893	0.00%
TOTAL UTILITY CAPITAL EXPENDITURES	-	-	175,847	-	271,543	84.73%
PERFORMANCE VENUE OPERATIONS						
Performance Venue Operations	11,938	-	68,783	-	-	0.00%
Wages and Fringe Benefits	3,400	-	11,895	-	111,715	16.68%
Contractual Services	-	-	-	-	400	0.00%
Control Services	-	-	-	-	1,000	0.00%
Printing Expenses	-	-	-	-	200	0.00%
Taxes	12,500	-	30,125	-	1,810	413.73%
Advertising	2,448	-	8,206	-	300	22.73%
Printing & Binding	-	-	240	-	300	22.73%
Postage & Delivery Services	40	-	45	-	300	22.73%
Licenses & Permits	-	-	280	-	1,485	86.38%
Lodging	285	-	1,312	-	900	0.00%
Communications	-	-	-	-	1,088	8.00%
Travel & Training	-	-	-	-	150	0.00%
Books & Manuscripts	-	-	-	-	789	0.00%
Books & Subscriptions	-	-	-	-	348	0.00%
Office Supplies	136	-	436	-	320	138.28%
Merchandise for Retail	-	-	-	-	484	0.00%
Other Processing Equipment	-	-	8,842	-	-	0.00%
TOTAL PERFORMANCE VENUE EXPENSES	30,911	-	133,626	-	117,990	103.95%

TOWN OF ROCKY MOUNT
CONTINGENCY FUNDS
FISCAL YEAR 2014

	GENERAL FUND	UTILITY FUND
BUDGETED CONTINGENCY	50,000	50,000
COMMITTED:		
Aerial Fire Truck Repairs (8-12-13)	(14,000)	
Engineering-Removal of Pendleton tanks (8-12-13)		(23,000)
Powder Mill pump station repairs (11-12-13)		(6,000)
PD Digital Evidence Viewer system (11-12-13)	(6,545)	
Broadband Width Increase (tentative 12-9-13)	(3,012)	(1,102)
Broadband Facilities Construction (tentative 12-9-13)		(10,000)
AVAILABLE CONTINGENCY FUND BALANCE	26,443	9,898
Available / (overexpended)		

TOWN OF ROCKY MOUNT PERFORMANCE VENUE (01.8108) VENUE OPERATIONS (06.8401) VENUE RENOVATIONS (04.8121) PROJECT TO DATE EXPENSES (EXCLUDING BUILDING PURCHASE)		
	This Month	Project To Date
Building Purchase	-	248,922.30
Renovations	287,566.21	1,525,454.68
Design	-	136,972.50
Operations:		
Wages & Fringes	11,935.28	75,780.78
Miscellaneous	6,020.64	24,388.32
Promotions	-	9,711.84
Utilities	254.82	2,433.65
Performances	12,500.00	24,306.34
Total Operations	30,710.74	136,620.93
Grand Total	318,276.95	2,047,970.41

TOWN OF ROCKY MOUNT
UTILITY BILLING
WATER CONSUMPTION PERCENTAGES
FOR THE MONTH OF MARCH 2014

	TOTAL METERS	TOTAL GALLONS	TOTAL REVENUES	% METERS	% GALLONS	% REVENUES
IN-TOWN CUSTOMERS						
RESIDENTIAL	1,763	8,023,545	\$ 34,586	61%	32%	33%
COMMERCIAL	338	5,617,280	\$ 21,799	12%	30%	21%
INDUSTRIAL	48	3,802,880	\$ 12,480	2%	19%	12%
TOTAL	2,149	18,243,505	\$ 68,865	76%	82%	66%
OUT-OF-TOWN CUSTOMERS						
RESIDENTIAL	655	2,152,870	\$ 24,301	23%	12%	23%
COMMERCIAL	74	1,209,100	\$ 10,717	3%	6%	10%
INDUSTRIAL	2	1,400	\$ 56	0%	0%	0%
TOTAL	731	3,363,370	\$ 35,074	25%	16%	34%
				100%	100%	100%
GRAND TOTAL (ALL CUSTOMERS)						
RESIDENTIAL	2,418	8,176,415	\$ 58,887	64%	44%	57%
COMMERCIAL	412	6,826,380	\$ 32,516	14%	37%	31%
INDUSTRIAL	50	3,804,080	\$ 12,536	2%	19%	12%
TOTAL	2,880	18,806,875	\$ 103,939	100%	100%	100%

TOWN OF ROCKY MOUNT
UTILITY BILLING
PERCENT CONSUMPTION & PERCENT REVENUE
PER CUSTOMER CLASS
FISCAL YEAR 2014

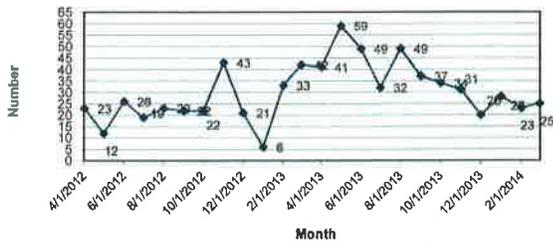
Month	In Town				Out of Town				Total							
	Residential % Gal. % Rev.	Commercial % Gal. % Rev.	Industrial % Gal. % Rev.	Total % Gal. % Rev.	Residential % Gal. % Rev.	Commercial % Gal. % Rev.	Industrial % Gal. % Rev.	Total % Gal. % Rev.								
Jul-13	35%	33%	28%	32%	20%	13%	22%	65%	11%	23%	6%	6%	0%	0%	16%	32%
Aug-13	35%	32%	27%	32%	20%	14%	22%	66%	12%	23%	7%	10%	0%	0%	16%	32%
Sep-13	32%	31%	28%	34%	22%	17%	23%	69%	11%	21%	6%	10%	0%	0%	17%	31%
Oct-13	30%	30%	29%	33%	24%	16%	24%	69%	12%	21%	6%	10%	0%	0%	16%	31%
Nov-13	32%	31%	28%	32%	23%	15%	23%	68%	11%	21%	6%	10%	0%	0%	17%	32%
Dec-13	34%	34%	30%	33%	22%	14%	22%	68%	12%	22%	7%	9%	0%	0%	14%	30%
Jan-14	35%	33%	29%	31%	19%	13%	21%	69%	12%	23%	7%	11%	0%	0%	18%	34%
Feb-14	36%	34%	29%	33%	19%	12%	21%	69%	12%	23%	7%	11%	0%	0%	19%	34%
Mar-14	32%	33%	30%	31%	19%	12%	22%	68%	12%	23%	6%	10%	0%	0%	18%	34%
Apr-14																
May-14																
Jun-14																
Average	33%	32%	28%	32%	21%	14%	23%	68%	11%	22%	6%	10%	0%	0%	17%	32%

***NOTE: The above chart shows the breakdown of In-town customer gallons and revenues vs. Out-of-town. It also breaks these gallons & revenues into residential, commercial, and industrial customers for FY 2014 (year ended 6/30/14).

TOWN OF ROCKY MOUNT
WATER ACCOUNTABILITY
February-14

Water Plant Finished Water Pumped	24,800,000
Water Consumption Billed	18,608,876
Meters Read and Not Billed	947,920
Water Obtained from Water Plant (to bill)	18,000
Water Obtained from Public Works Hydrant (to bill)	-
Fusing Water Lines Reported to WTP or PW	-
Flow Meter Checks at Hydrants	-
Grand Total of Water Metered / Consumed / Tracked	19,672,795
Percent Finished Water Accounted	78.61%
Meters Read and Not Billed	
001-0122-10-01 Mary Bethune Park	-
001-0188-00-01 Impound Lot	-
002-0317-20-01 Public Works Bldg	219
002-0317-30-01 Public Works Bldg-new bldg	2,000
004-1067-00-01 Veteran's Memorial Park	-
005-1300-00-01 Mary Elizabeth Park	-
005-1343-10-01 Performance Venue	1,900
005-1384-00-01 Farmer's Market	8,000
005-1457-00-01 Municipal Bldg	2,000
006-1710-00-01 Welcome Center / Depot	410
009-2523-60-01 Emergency Services Bldg	6,300
011-0050-00-01 Rt 122 Pump Station	-
041-0034-00-01 WasteWater Treatment Plant	280,000
Water Plant Process	847,000
TOTAL Meters Not Billed	947,920
Water Line Repairs by Public Works during the month: 2" line on Claybrook	
Sewer Line Repairs by Public Works during the month: none	

Number of Water Cut-offs



TOWN OF ROCKY MOUNT WATER ACCOUNTABILITY FISCAL YEAR 2014						
Month	Finished Water Treated	Total Water Gallons Accounted	Percent Accounted	Monthly Gallons Variance	Average Accounted Variance per Quarter	Average Monthly Variance per Quarter
Jul-13	24,370,000	22,147,894	90.89%	2,222,106		
Aug-13	27,000,000	24,180,478	89.56%	2,809,522		
Sep-13	25,900,000	21,408,437	82.66%	4,491,563	87.71%	3,174,397
Oct-13	26,100,000	23,823,011	91.28%	2,276,989		
Nov-13	25,300,000	19,380,434	76.60%	5,919,566		
Dec-13	24,500,000	20,908,470	85.34%	3,591,530	84.41%	3,929,362
Jan-14	26,500,000	22,316,135	84.21%	4,183,865		
Feb-14	24,900,000	19,572,795	78.61%	5,327,205		
Mar-14					81.41%	4,755,535
Apr-14						
May-14						
Jun-14					0.00%	
AVG.	29,224,286	24,821,093	87.02%	4,403,192	84.61%	3,953,098
TOTAL	204,670,000	173,747,654		30,822,346		
Monthly Avg. Percent Unaccounted = 2.98%						
Monthly Avg. Percent Accounted = 97.02%						
6 out of 8 months this fiscal year > 80% accountability						



TOWN OF ROCKY MOUNT UTILITY PROFILE FISCAL YEAR 2014												
Month	Plant #	Raw Water Drawn	Monthly Avg. % of capacity	Finished water Treated	Monthly Avg. % of capacity	Total Water Gallons (A)(B)	Put Account ad	Connections	Wastewater Monthly Flow	Monthly Avg. % of Capacity	Total Gallons Billed	Put Account ad
Jul-13	106-01	12,375,600	38.8%	10,270,000	31.5%	10,270,000	83.9%	2,857	28,555,000	42.5%	15,421,000	49.7%
Aug-13	106-01	26,000,000	81.6%	27,000,000	83.5%	27,000,000	83.9%	2,857	27,320,000	34.4%	17,583,200	37.4%
Sep-13	118-01	21,500,000	43.1%	23,000,000	43.1%	23,000,000	39.6%	2,864	10,000,000	31.7%	35,430,320	31.2%
Oct-13	106-01	24,400,000	75.8%	25,100,000	77.0%	25,100,000	61.3%	2,864	23,200,000	32.8%	17,233,200	68.1%
Nov-13	106-01	24,000,000	74.0%	19,500,000	58.5%	19,500,000	38.9%	2,833	15,500,000	23.5%	11,500,400	30.2%
Dec-13	106-01	24,200,000	74.0%	24,600,000	74.0%	24,600,000	65.3%	2,872	20,000,000	42.8%	15,033,600	30.6%
Jan-14	106-01	24,400,000	74.0%	24,600,000	74.0%	24,600,000	65.3%	2,872	22,000,000	41.8%	16,200,000	32.2%
Feb-14	106-01	24,200,000	74.0%	24,600,000	74.0%	24,600,000	65.3%	2,860	21,000,000	42.4%	13,950,000	29.7%
Mar-14	106-01	24,600,000	74.0%	24,600,000	74.0%	24,600,000	65.3%	2,860	21,000,000	41.3%		
Apr-14			0.00%		0.00%					0.00%		
May-14			0.00%		0.00%					0.00%		
Jun-14			0.00%		0.00%					0.00%		
AVG.	106-01	24,545,553	74.0%	24,821,093	74.0%	24,821,093	65.3%	2,864	24,377,700	40.6%	15,033,200	30.4%

NOTE (A) "Total Water Gallons Accounted" consists of gallons billed and gallons used but not billed plus both water sold at the Water Plant plus water used for flush lines or hydrants plus gallons used to fill water tanks.

NOTE (B) For July thru months, "total water gallons accounted" are for "finished water treated" that month. For example, for the month of July, "water gallons accounted" would be water consumed during the month of July by customers and used by the water plant during the first week of August. Those gallons, however, would not be billed to customers until the end of August during that month's billing cycle. However, those gallons consumed are displayed on the July line to match usage with water plant production ("finished water treated").

NOTE (C) The raw water flow meter is 20 years old and no longer provides accurate readings. An \$20,000 to replace it will be put in the FY 2015 budget as a capital item. An identical meter on the finished water line split open in 2010 partially flooding the basement of the plant.

MONTHLY STAFF REPORT

DATE:	April 1, 2014
TO:	Rocky Mount Town Council
FROM:	Charles Robertson, Fire Chief
DEPARTMENT:	Rocky Mount Fire Department
MONTH:	February 2014

The Rocky Mount Fire Department answered a total of 29 calls for the month of February 2014. There were 9 in-town calls and 20 calls answered in the county.

There were a total of 155 man hours accumulated on these calls, with an average of 9.2 members per call on all calls.

The Department traveled a total of 758 miles on all Fire Department vehicles for the month, using a total of 45.9 gallons of gasoline and 49.6 gallons of diesel fuel.

The call breakdown is as follows: 8 structure fires, 2 motor vehicle fires, 5 woods and grass fires, 8 motor vehicle accidents, 3 false alarms, 2 assistance to the rescue squad, and 1 maintenance call.

The Department accumulated a total of 90 man-hours in extra training. The training was in E.V.O.C. and aerial operations.

The Department has had several new members to join the Department in the last several months, and therefore, have been devoting time and training to help advance their knowledge in fire ground operations and safety procedures.

MONTHLY STAFF REPORT

DATE:	April 1, 2014
TO:	Rocky Mount Town Council
FROM:	David Cundiff, Chief of Police
DEPARTMENT:	Police Department
MONTH:	March 2014

Please see attached monthly report for March 2014.

DATE: March 2014	JAN	FEB	MARCH
TRAFFIC ARRESTS	145	81	79
TRAFFIC STOPS	230	192	145
CRIMINAL ARRESTS "MISDEMEANOR"	22	30	25
CRIMINAL ARRESTS "FELONY"	8	7	9
BOLO'S (Be On Look Out)	70	55	92
TRAINING HOURS	220.25	262.75	319.25
FOLLOW-UP'S	35	42	44
ALARM RESPONSES	50	36	50
ACCIDENTS INVESTIGATED (TRENDS)	15	11	16
INCIDENTS ADDRESSED	1992	1951	2121
INCIDENTS, OFFENSES REPORTABLE	61	61	70
BUSINESSES, RESIDENCES CHECKED "FOOT PATROLS"	1032	1169	1277
SCHOOL CHECKS	81	43	112
OPEN DOORS, WINDOWS, ETC. UNSECURED	4	0	0
MOTORIST AIDES	65	47	69
BREAKING & ENTERING REPORTS	1	1	3
BREAKING & ENTERING WARRANTS	0	0	0
GRAND LARCENY WARRANTS	0	0	0
UNIFORM TRAFFIC SUMMONS ISSUED	145	81	79
DUI	4	3	3
SPEEDING TICKETS ISSUED	57	39	31
COURT HOURS	59.5	32.25	43.25
SPECIAL ASSIGNMENT HOURS	33	25.25	16.25

TRAFFIC ENFORCEMENT:

- ◊ Moving and stationary radar: throughout the Town, Demard Road, Greenview Drive, North & South Main Street, Grassy Hill Road, Tanyard Road, Pell Avenue, State Street, Old Franklin Turnpike, Scuffling Hill Road, Glenwood Drive, Green Meadow Lane and Windy Lane
- ◊ There were 16 reportable accidents with 16 of the accidents on our public streets

COMMUNITY OUTREACH:

- ◊ Residential Foot Patrols: Demard Road, Bland Street, Hooker 1, Washington Highway, Bunny Lane, Dyrd Lane, Candlewood Apartments, Claiborne Avenue, Diamond Avenue, Donald Avenue, East Court Street, East Street, Edgemont Street, Fairlawn Drive, Goodview Street, Green Meadow Lane, Herbert Street, Highland Hills Road, Hillcrest Drive, Hilltop Drive, Knob Apartments, Lakeview Drive, Law Street, Mary Coger Lane, Mountain View Drive, Norris Street, North Main Street, Old Franklin Turnpike, Old Furnace Road, Orchard Avenue, Pell Avenue, Penultion Street, Scuffling Hill Road, Summit Drive, Sycamore Street, Tanyard Village, West College Street, Willow Street, Windy Lane and Woodlawn Drive.
- ◊ Business Foot Patrols: Aaron's, Advance Auto, Angle Hardware, BFMS, Dejanglex, CATCE, Comfort Inn, Cox's, CVS, DMV, Dollar General, Eagle Cinema, El Rio, El Rodeo, Family Pharmacy, Franklin County High School, Food Lion, Franklin Auto Glass, Franklin Center, Franklin Community Bank, Franklin County Health Department, Franklin Memorial Hospital, Franklin Outdoors, Franklin Street, Goodwill, Gustler's, Hardee's, Haywood's Jewelry, Holiday Inn Express, Hub Restaurant, Ippy's, J & J Fashions, Jones Produce, KFC, Kroger, Lee M. Waid, Lowe's, Martinsville Dupont Credit Union, Member One Federal Credit Union, Newbold, North Main Street, Old Franklin Turnpike, Papa John's, Pell Animal Clinic, Pizza King, Quiznos, Rocky Mount Howling Center, Rocky Mount Elementary, Roses, School Board Road, Sheetz, South Main Street, Subway, Tanyard Road, The Pot Clinic, Trinity Mission, Walgreens, Wal-Mart, Wendy's and YMCA.

MISCELLANEOUS:

- ◊ March 1st, 2014 - Foot Patrol at Regional Odyssey of the Mind Competition @ FCHS
- ◊ March 3rd, 2014 - Foot Patrol: Tennis/Cheer Shuttle, Baseball/Softball Shuttle & Lacrosse Shuttle
- ◊ March 3rd, 2014 - March 5th, 2014 - Project Lifesaver Training Conducted at RMPD
- ◊ March 4th, 2014 - Foot Patrol: Tennis Shuttle, Baseball/Softball Shuttle & Lacrosse Shuttle
- ◊ March 5th, 2014 - Foot Patrol: Tennis Shuttle, Baseball/Softball Shuttle & Lacrosse Shuttle
- ◊ March 6th, 2014 - Foot Patrol: Varsity Girls Soccer, JV Softball & Varsity Softball games
- ◊ March 6th, 2014 - Foot Patrol: Tennis/Cheer Shuttle, Baseball/Softball Shuttle & Lacrosse Shuttle
- ◊ March 7th, 2014 - Foot Patrol: Tennis Shuttle, Baseball/Softball Shuttle & Lacrosse Shuttle
- ◊ March 8th, 2014 - Foot Patrol: Varsity Baseball game
- ◊ March 10th, 2014 - March 12th, 2014 - Southern Software Training at FCSO
- ◊ March 10th, 2014 - Foot Patrol: BFMS Baseball & BFMS Softball games
- ◊ March 10th, 2014 - Foot Patrol: Lax Shuttle, Tennis Shuttle & Baseball/Softball Shuttle
- ◊ March 11th, 2014 - Foot Patrol: Varsity Baseball game, Lax Shuttle, Tennis Shuttle & Baseball/Softball Shuttle
- ◊ March 12th, 2014 - Foot Patrol: JV Softball & Varsity Softball games
- ◊ March 12th, 2014 - Foot Patrol: Lax Shuttle, Tennis Shuttle & Baseball/Softball Shuttle
- ◊ March 13th, 2014 - Foot Patrol: BFMS Boys Soccer & BFMS Softball games
- ◊ March 13th, 2014 - Foot Patrol: Lax Shuttle, Tennis Shuttle & Baseball/Softball Shuttle
- ◊ March 14th, 2014 - Foot Patrol: Lax Shuttle, Tennis Shuttle & Baseball/Softball Shuttle
- ◊ March 15th, 2014 - Foot Patrol: BFMS Softball Jamboree
- ◊ March 17th, 2014 - Foot Patrol: Varsity Baseball, Boys Tennis & BFMS Boys Soccer games
- ◊ March 17th, 2014 - Foot Patrol: Tennis Shuttle & Lax Shuttle
- ◊ March 18th, 2014 - Foot Patrol: JV Girls Soccer, Varsity Girls Soccer & Girls Tennis games

TRAFFIC CONTROL UPDATES:

- ◊ No new updates for this month.

INVESTIGATIONS:

- ◊ New Criminal Investigations: 21
- ◊ New Drug Investigations: 1
- ◊ Cases Cleared: 9
- ◊ Misdemeanor charges: 2
- ◊ Felony Charges: 4
- ◊ Pending Cases: 7
- ◊ Child Abuse Cases: 1
- ◊ Search Warrants: 1
- ◊ Traffic Stops: 11
- ◊ Drug/Currency Seizures: 0
- ◊ On-Duty Court Time: 9 hrs

MEETINGS:

- ◊ CART/CAC - (Norton)
- ◊ Two days of SRO Assignment @ FCIS - (Norton)
- ◊ One day of SRO Assignment @ FCIS - (Divers)
- ◊ Southern Software Phase 1 Training - (Brabham)
- ◊ Southern Software Weekly Conference Calls "4" - (Brabham)
- ◊ Applicant Testing @ Cardinal Academy in Salem - (Brabham, Divers, Norton)
- ◊ Sgt. Promotional Boards - (Brabham)
- ◊ Worked Patrol Shifts - (Brabham "1"), (Harris "2"), (Divers "2"), (Norton "2")
- ◊ Criminal Polygraph for PCSO - (Brabham)

TRAINING:

- ◊ Project Lifesaver Training/Certification "3" Days - (Brabham)
- ◊ VICIN Level B Certification - (Brabham) & (Norton)

CLASSES TAUGHT:

- ◊ Self Defense for Women Training "4" Sessions - (Harris)
- ◊ Basic Academy Defensive Tactics @ Cardinal Academy "4" days - (Harris)

SPEEDING TICKETS ISSUED

- Pell Avenue (x 8)
- State Street (x 4)
- Tanyard Road (x 4)
- South Main Street (x 3)
- Mountain View Drive (x 3)
- East Court Street (x 2)
- North Main Street (x 2)
- Old Franklin Turnpike (x 2)
- Bernard Road
- Hatcher Street
- Green Meadow Lane

CRIMINAL ARRESTS & LOCATIONS:

Distribution of Marijuana	North Main Street
Possession of Marijuana	Norris Street
Possession of a Controlled Substance	Norris Street
Possession of a Controlled Substance	Old Franklin Turnpike
Possession of Drug Paraphernalia	Norris Street
Driving Under the Influence	Franklin Street
Driving Under the Influence	Old Franklin Turnpike
Driving Under the Influence	North Main Street
Drunk In Public	North Main Street (x 3)
Drunk In Public	Old Franklin Turnpike
Drunk In Public	Goodview Street
Felony Shoplifting	Old Franklin Turnpike (x 3)
Shoplifting	Old Franklin Turnpike (x 6)
Felony Domestic Assault	East Court Street
Domestic Assault	Fairlawn Drive
Domestic Assault	North Main Street
Contribute to the Delinquency of a Minor	Tanyard Road (x 3)
Disorderly Conduct	Pell Avenue
Curse Over the Phone	School Board Road
Breaking & Entering	Diamond Avenue
Destruction of Property	Diamond Avenue

MONTHLY STAFF REPORT

DATE:	April 4, 2014
TO:	Rocky Mount Town Council
FROM:	Cecil R. Mason, Public Works Director
DEPARTMENT:	Public Works Department
MONTH:	March 2014

1. Swept streets March 5th, 28th and 31st.
2. Removal of snow on March 7th.
3. Read meters: 3 days.
4. Repaired 2" water line leak on Highfield Circle.
5. Changed 3 each 5/8" meters.
6. Sowed grass on areas as needed.
7. Did cleanup for 3 days.
8. Repaired 6" sewer main on Tank Hill.
9. Finished checking sewer lines and made repairs, and flushed manholes as needed.
10. Installed conduit in Franklin Street for Harvester Performance Center.
11. Opened grave.
12. Repaired sidewalk at Veterans' Park.
13. Replaced uneven sidewalk across from Harvester Performance Center.

MONTHLY STAFF REPORT

DATE:	April 1, 2014
TO:	Rocky Mount Town Council
FROM:	Tim Burton, Superintendent
DEPARTMENT:	Wastewater Treatment Plant
MONTH:	March 2014

Average Daily Flow	0.902 MGD
TSS Reduction	99 %
BOD Reduction	99 %
Leachate (F.C. Landfill)	286,050 gallons
VPDES Violations	None
Sludge (Land filled @ F.C.)	79.05 Tons
Rain Total	2.4 inches
Snow Total	8.0 inches

Request: None

Respectfully Submitted,

Timothy Burton

MONTHLY STAFF REPORT

DATE:	April 1, 2014
TO:	Rocky Mount Town Council
FROM:	Bob Deitrich, Water Plant Superintendent
DEPARTMENT:	Water Department
MONTH:	March 2014

Operation and Production Summary:

The actual water production time (filtering of water) for the entire month averaged 11.5 hours per day which yielded approximately 940,000 gallons of drinking water per day.

Total Raw Water Pumped:	28.8 million gallons
Total Drinking Water Produced:	29.0 million gallons
Average Daily Production:	940,000 gallons per day
Ave Percent of Production Capacity:	47%
Flushing of Hydrants/Tanks/ FD Use	15,000
Plant Processed Water:	702,000 gallons (finished water used by the plant)
Bulk Water Sold @ WTP:	27,900 gallons

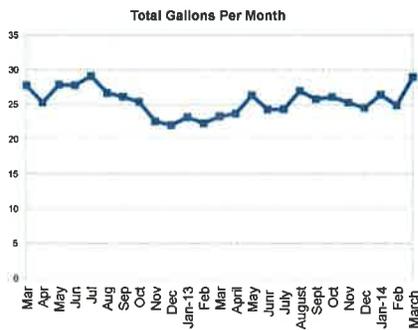
Operational Issues:

- All monthly water samples were satisfactory.
- Water demand continues to remain higher than normal. For much of 2014, we have been working to minimize our electric bill while producing enough water. We worked a number of extended days to keep the tanks full while trying to evaluate our new electrical controls. Once the electric meter was read for March, the plant was set to maximum output to keep up with demand. We are still working to minimize our energy bill but the increase in the plant's output should keep us from having to play catch up until water demand returns to normal.
- Flow Meters – As part of our SCADA project, we have had a number of technicians working with our metering equipment. We discovered that our raw water totalizer was under-reporting and that there are extraneous signal converters on the raw and filter flow meters that can and should be removed due to their age. These old converters are no longer needed with the new SCADA. The technician explained that, at 20 years old, the signal converters can get weak and cause low readings. The old equipment will be removed in April.

Repairs/Maintenance:

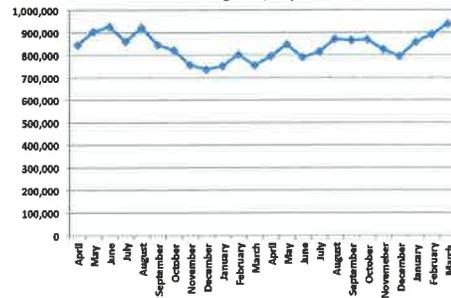
- Our SCADA project continues. The basic system is in place at the water plant with the exception of radio communication with the water tanks. Apparently the radios are old enough where they are not compatible with new computer operating system (Windows). The contractor is looking into our options. It is possible that our existing radios could just need a software update. We still have the old computer in operation so tank levels can be monitored.

Water Plant Production (March 2012 to March 2014)



The chart below shows our daily average. Given that February only has 28 days and March 31, it is easier to see an upward trend in production since January using our monthly daily averages instead of just total gallons for the month.

Average Gal/Day



ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens
 Consent Item
 Old Business
 New Business
 Committee Report
 Other

FOR COUNCIL MEETING DATED: April 14, 2014

STAFF MAKING REQUEST:	C. James Ervin, Town Manager Linda Woody, Finance Director
BRIEF SUMMARY OF REQUEST:	Re: Write-off of negative fund balance of Utility Fund and write-off due to General Fund from Utility Fund.
ACTION NEEDED:	Attached is the transaction needed to forgive the negative fund balance of \$1,379,266 in the Utility Fund at June 30, 2013 and to forgive the due to General Fund from the Utility Fund of \$861,425. Also noted is the transaction to give the Utility Fund what the fund owes the Capital Projects (general combined) Fund of \$628,390 in order to remove this from the general ledger.

Attachment(s): Yes

FOLLOW-UP ACTION:
(To be completed by Town Clerk)

	General/ Capital Projects	Utility Operating	Grand Total
Town of Rocky Mount write-off negative utility fund balance write-off due to general fund from utility fund at 6/30/13			
FY 2013 ending balance:	9,908,973	(1,379,266)	8,529,707
forgive negative fund balance	(1,379,266)	1,379,266	-
forgive due to G/F from U/F	(861,425)	861,425	-
Fund Balances	7,668,282	861,425	8,529,707
forgive due to U/F from C/F	628,390	(628,390)	-
Fund Balances	8,296,672	233,035	8,529,707

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens
 Consent Item
 Old Business
 New Business
 Committee Report
 Other

FOR COUNCIL MEETING DATED: April 14, 2014

STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	<p>Presented tonight is the Town Manager's proposed budget.</p> <p>Staff's objectives in this budget are the following:</p> <ul style="list-style-type: none"> Contribute to our fund balance Fund essential capital that has been skipped for the past five years Leverage the current historically low interest rates to the economic advantage of Town Citizens Return to normalcy in the annual evaluation and reward of Town employees <p>Contributing to Fund Balance:</p> <p>With this budget, the four funds used by the Town have the following details:</p> <p>The General Fund has an estimated starting balance for the upcoming fiscal year (not including amounts due to it from the Utility Fund) of \$6.9M and an estimated ending balance of \$7.7M, which is a net growth in fund balance of \$800,000. This includes a new debt service payment in the General Fund of \$90,000 and salary changes of \$200,000.</p> <p>The Utility Fund has an estimated starting balance of \$280,000 (assuming Council forgives the debt from the Utility Operating Fund to the General fund during the April meeting). The Fund has an estimated ending balance of \$380,000, with a net growth in fund balance of \$100,000. This includes salary changes in this fund costing \$50,000.</p> <p>The Utility Capital Fund has an estimated starting balance of \$285,000 and an estimated ending balance of \$585,000, a net growth of \$300,000. This includes a new debt service payment from this fund of \$90,000.</p> <p>The Performance Center Fund has a starting balance of \$0 and an estimated ending balance of \$2,000. This fund is projected to be self sufficient this year.</p>

<p>Though Council has not adopted an official fund balance policy, staff's working goals for the fund balance are \$8M General, \$1M Utility Operating and \$1M Utility Capital. This proposed budget takes the Town to 87% of this goal.</p> <p>Fund essential capital that has been skipped for the past five years:</p> <p>A bond issue is proposed in this year's budget totaling \$2.4M with a debt service payment of \$180,000. The items included in the bond issue are detailed starting on page 100 of the proposed budget. This bond is generally equally split between items for the Utility Capital Fund and the General Fund. A bond issue is proposed for two reasons. First, there are large items that in staff's opinion must be undertaken in the upcoming fiscal year. Secondly, the use of debt at this time is in the financial best interest of the Town (as discussed later).</p> <p>The large essential capital proposed in the budget include the repair of the erosion at Veteran's Memorial park for \$550,000, removal of the chlorine gas system at the water plant for \$130,000, removal of the Pendleton water tanks for \$250,000. This is a mandatory total of nearly \$1M. The remaining capital is viewed as essential to your departments (a radio system for your public safety staff at nearly \$250,000 and other capital not acquired in the past five years that can be acquired now to justify the overall cost of a bond issue). Our current fiscal year debt is \$5.1M and the proposed total debt is \$7.5M. This is still among the lowest debt per capita ratios in Virginia and well short of our legal debt limit of \$44.9M.</p> <p>Leverage the current historically low interest rates to the economic advantage of Town Citizens:</p> <p>It is your financial and management staff's opinion that the current federal monetary policy will at some point trigger a rise in the cost of money. Inflation. The long-term effects of holding down the cost of funds to near zero, combined with the federal debt, creates a scenario of likely inflation. It is likely that any inflation encountered will be controlled by the Federal Reserve bank within reason, and it is still more likely that the next five to ten years will see a return to 5% yields on our investments and 6% to 8% costs of borrowing. This is a strong incentive for the Town to borrow at the current low rates and build up our cash reserves. The cash reserves we accumulate will be worth more when returns on investments are normal and the borrowing proposed will be at historically low rates and be repaid with funds with lower purchasing power due to inflation.</p>

	<p>Return to normalcy in the annual evaluation and reward of Town employees:</p> <p>A merit raise is included in this budget of 2.5% as well as a .5% cost of living increase totaling a 3% increase. The Town has not issued a merit raise since July of 2008, creating a scenario where staff hired today are being hired at the same rate as some of your veteran employees. This trend cannot continue as it is devastating to morale and will ultimately result in the Town having to do a significant pay and compensation adjustment in the future to avoid getting our salaries out of sync with the market (as we had to do in 2008).</p>
ACTION NEEDED:	For informational purposes only in preparation of first budget work session.

Attachment(s): No

FOLLOW-UP ACTION:
(To be completed by Town Clerk)

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens
 Consent Item
 Old Business
 New Business
 Committee Report
 Other

FOR COUNCIL MEETING DATED: April 14, 2014

STAFF MAKING REQUEST:	Linda Woody, Finance Director David Cundiff, Police Chief
BRIEF SUMMARY OF REQUEST:	The Virginia Department of Criminal Justice Services has awarded the Rocky Mount Police Department a Byrne Justice Assistance Grant for \$4,941 with a local cash match of \$549 for a total award of \$5,490 to be used for supplies or equipment. A supplemental appropriation resolution is needed.
ACTION NEEDED:	Approval/denial of the draft "Town of Rocky Mount Supplemental Appropriation Resolution for the Fiscal Year Ending June 30, 2014" for \$5,490 for police supplies funded by the Byrne Justice Assistance Grant.

Attachment(s): Yes

FOLLOW-UP ACTION:
(To be completed by Town Clerk)

DRAFT



**TOWN OF ROCKY MOUNT
SUPPLEMENTAL APPROPRIATION RESOLUTION
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

WHEREAS, the Town Council of Rocky Mount approved a budget for the fiscal year beginning July 1, 2013 through June 30, 2014, hereafter known as FY 2014; and

WHEREAS, the Virginia Department of Criminal Justice Services has awarded the Town Police Department a Byrne Justice Assistance Grant for \$4,941 with a local cash match of \$549 for a total award of \$5,490 and the Byrne Justice Assistance Grant will be used for supplies or equipment; and

WHEREAS, the Town Council of Rocky Mount wishes to thank the Virginia Department of Criminal Justice Services for their generous grant award.

NOW, THEREFORE, BE IT RESOLVED, that the Town Council of Rocky Mount does hereby appropriate the following supplemental expenditure and supplemental revenue for FY 2014:

Account 01.3101.0000.0000.6010 (Police Supplies)	\$5,490
Account 01.2400.0415 (grant revenue)	\$4,941
Account 01.4100.9999 (appropriated fund balance)	\$549

GIVEN UNDER MY HAND, THIS 14TH DAY OF APRIL 2014:

Steven C. Angle, Mayor

ATTESTED:

Patricia H. Keatts, Town Clerk

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens
 Consent Item
 Old Business
 New Business
 Committee Report
 Other

FOR COUNCIL MEETING DATED: April 14, 2014

STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	<p>The Town has historically used auxiliary police officers to assist the staffing of the Police Department. While they are working with the department, we have considered them employees from the perspective of Workers Compensation insurance coverage.</p> <p>Our insurance carrier asks that the Town declare that status in the form of a resolution so that there is no ambiguity regarding the status of auxiliary police officers. A draft resolution is submitted for your consideration.</p>
ACTION NEEDED:	Approval/denial of draft resolution.

Attachment(s): Yes

FOLLOW-UP ACTION:
(To be completed by Town Clerk)

DRAFT



RESOLUTION BY THE ROCKY MOUNT TOWN COUNCIL

RESOLVED, volunteer auxiliary officers of the Town of Rocky Mount's Police Department are hereby authorized to be included as employees for the purposes of the Workers' Compensation Act of the Commonwealth of Virginia and entitled to all coverage provided under said Act.

Adopted in the Town of Rocky Mount, Virginia this 14th day of April 2014.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts, Town Clerk

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens, Consent Item, Old Business, New Business, Committee Report, Other

FOR COUNCIL MEETING DATED: April 14, 2014

Table with 2 columns: Request/Summary/Action, and Content. Includes Staff Making Request, Brief Summary of Request, and Action Needed.

Attachment(s): No

FOLLOW-UP ACTION: (To be completed by Town Clerk)

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens, Consent Item, Old Business, New Business, Committee Report, Other

FOR COUNCIL MEETING DATED: April 8, 2014

Table with 2 columns: Request/Summary/Action, and Content. Includes Staff Making Request, Brief Summary of Request, and Action Needed.

Attachment(s): No

FOLLOW-UP ACTION: (To be completed by Town Clerk)