



ROCKY MOUNT TOWN COUNCIL
AGENDA
REGULAR COUNCIL MEETING
TO BE HELD IN COUNCIL CHAMBERS
ROCKY MOUNT MUNICIPAL BUILDING
345 DONALD AVENUE
ROCKY MOUNT, VIRGINIA
DECEMBER 09, 2019
AT 7:00 P.M.

When speaking before Town Council, please come to the podium and give your name and address for the record. Please address the Council and not the audience. If you provide Council with any documentation, please also give a copy to the town clerk prior to speaking.

◆
All cellular phones must be turned off during the Council Meeting.
◆

The Town of Rocky Mount is pleased to offer assistive listening devices for meeting attendees with special hearing needs. Please ask any staff member or the town clerk for assistance.

- I. Roll Call
- II. Pledge of Allegiance
- III. Approval of Agenda
- IV. Special Items
 1. Presentation of Town of Rocky Mount Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019
 2. Resolution for Joyce Moran
 3. Special Recognition for Donna Wray with Community Partnership for Revitalization
- V. Public Hearing (*none at this time*)
- VI. Approval of Draft Minutes
 1. November 12, 2019 – Regular Meeting Minutes
- VII. Approval of Consent Agenda
 - Miscellaneous Action
 - Miscellaneous Resolutions/Proclamations
 1. Updated Resolution for Revised Franklin County Solid Waste Management Plan
 2. Supplemental Appropriation Resolution for Empire Foods Incentive
 - Departmental Monthly Reports
 - Community Development Department
 - Finance Department
 - Fire Department
 - Police Department
 - Public Works Department
 - Wastewater Department
 - Water Department
- VIII. Hearing of Citizens
- IX. Old Business
 1. Compensation of Council Members and Mayor

- X. New Business
 - 1. Review and Consideration of Parade for Goodwill Industries of the Valleys
 - 2. Presentation by Chief Criner for Accreditation
 - 3. Second Amendment Legislation

- XI. Committee Reports
 - 1. Finance & Human Services Committee Meeting on November 25, 2019
 - 2. Finance & Human Services Committee met on December 9, 2019 which was past the time to be included in the packet.

- XII. Referrals to Planning (*none at this time*)

- XIII. Other Matters, Concerns and Rise 'N Shine Appearances

- XIV. Closed Meeting and Action

Section 2.2-3711(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. (Industrial Park)

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. (Town Manager's Office)

- XV. 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.

ITEM(S) TO BE CONSIDERED UNDER:

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

FOR COUNCIL MEETING DATED:	December 9, 2019
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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, 2019 and the Economic Development Authority Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019. Emily Veirs with the audit firm Robinson, Farmer, Cox Associates will be here to formally present the annual reports.
ACTION NEEDED:	Accept the audited financial statements.

Attachment(s): The 2019 CAFR for the Town and for the EDA.

FOLLOW-UP ACTION: (To be completed by Town Clerk)
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TOWN OF ROCKY MOUNT, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

Prepared by the Finance Director/Treasurer

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2019

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TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION

TOWN OF ROCKY MOUNT, VIRGINIA

DIRECTORY OF PRINCIPAL OFFICIALS

TOWN COUNCIL

Steven C. Angle, Mayor
Billie W. Stockton, Vice Mayor
Bobby M. Cundiff
Bobby M. Moyer
Mark H. Newbill
Jon W. Snead
Gregory B. Walker

APPOINTED OFFICIALS

C. James ErvinTown Manager
John T. Boitnott Town Attorney
Linda P. WoodyFinance Director/Treasurer
Rebecca H. Dillon..... Town Clerk



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Rocky Mount
Virginia**

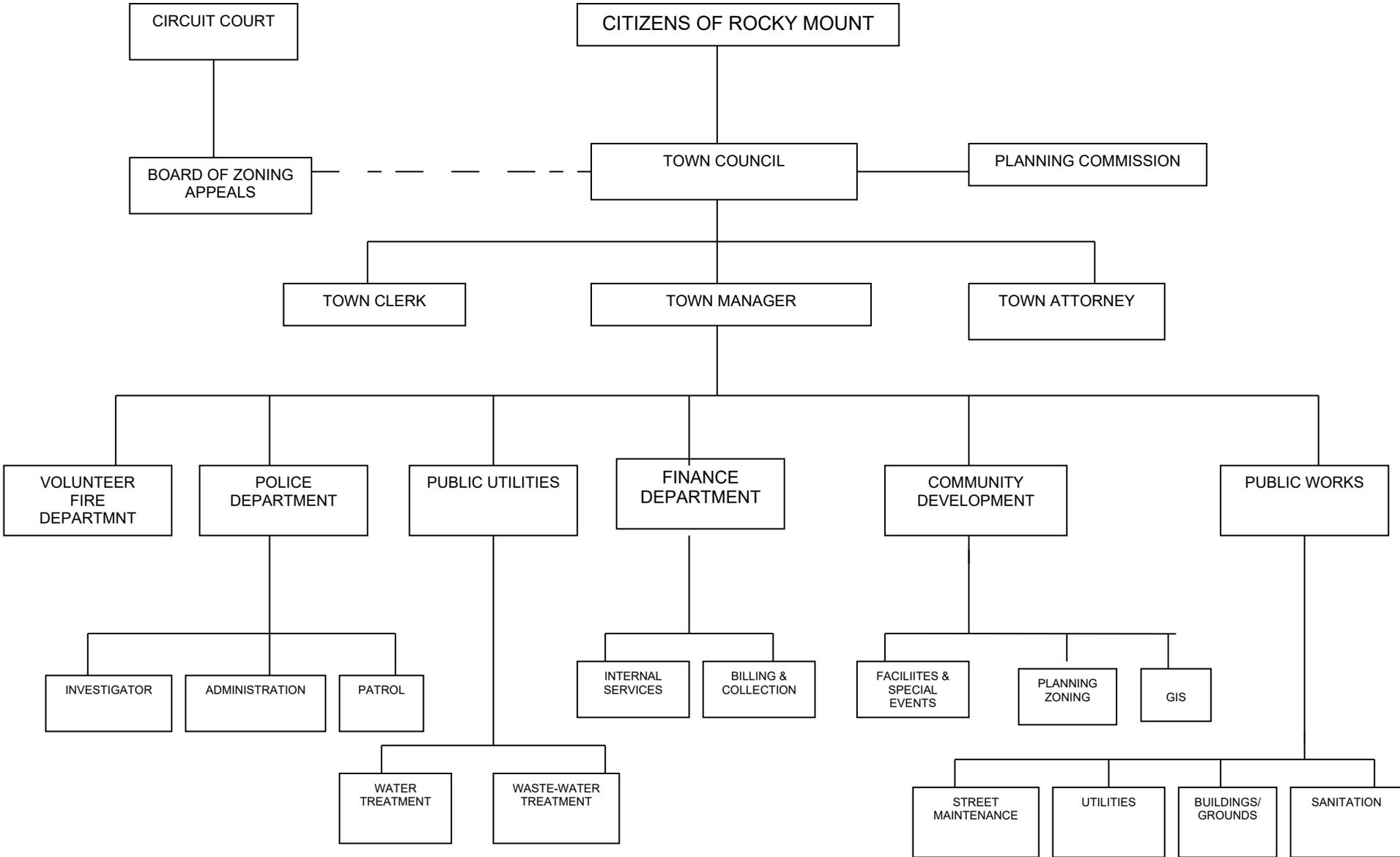
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

TOWN OF ROCKY MOUNT, VIRGINIA – ORGANIZATIONAL CHART



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

540.483.5243
FAX 540.483.8830

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



TOWN COUNCIL
Steven C. Angle, *Mayor*
Billie W. Stockton, *Vice Mayor*

Bobby M. Cundiff P. Ann Love
Jon W. Snead Bobby L. Moyer
Gregory B. Walker

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

November 14, 2019

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 are pleased to submit the Town's comprehensive annual financial report for the fiscal year ended June 30, 2019.

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, 2019, 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 the financial statements present fairly, in all material respects, the financial position of the Town of Rocky Mount for the fiscal year ended June 30, 2019, in conformity with generally accepted accounting principles (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 4.6 square miles and boasts a

population of 4,800. The Town of Rocky Mount is empowered to levy a property tax on both real and personal properties located within its boundaries

The Town of Rocky Mount has operated under the council-manager form of government since 1989. 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 Harvester Performance Center (HPC) is a part of this reporting entity as a component unit.

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 around April 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 (e.g. general 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.

The Town of Rocky Mount serves as the central business and education hub for Franklin County. The Town continues to enjoy growth in the retail and service businesses that serve and are supported by town residents and county residents. Long-term manufacturers within the Town limits are experiencing growth. Residential growth continues with new single-family construction. Because of these up-turns in employment and housing opportunities, Town residents are continuing to feel the security of a positive local economy.

The unemployment rate for Franklin County (no statistics are available for the Town individually) as of June 30, 2019 is 3.1%, which is a slight decrease from the annual rate of 3.4% a year ago according to the Virginia Employment Commission. The state's average unemployment rate as of June 30, 2019 is 2.7% and the national average rate is 3.5%. The occupancy rate of the Town's central business district continues to remain high and in demand by service businesses.

Inflationary trends in the region compare favorably to national indices. Town Council has continued its dedication to citizens and businesses by not increasing taxes or fees during fiscal year 2019.

The last modest increase in the usage fee for water was implemented in February 2019. Water consumption has remained stable for the fiscal year.

Rocky Mount is the eastern gateway to the Crooked Road, Virginia's Heritage Music Trail. Six years ago, the Town invested \$2.7 million in the transformation of the old Lynch Hardware Building in the central business district into a performance venue. Funding from federal and state historic tax credits and from a state Tobacco Commission grant was used to fund about half the costs of the renovation. The Harvester Performance Center celebrated its fifth anniversary of operations during this fiscal year and is showing a strong financial position with a full slate of performances and large audiences who spend their dollars at local retail and service businesses. In these five years of economic stimulation, the Town has seen an increase in job creation, meals tax revenue, and lodging tax revenue. The Town anticipates a continued large impact on the local economy from the Harvester patrons. The Harvester Performance Center continues to win awards from various municipal leagues across the country to recognize Town Council's investment in spurring local economic growth. During fiscal year 2019, the Harvester Performance Center showed a small profit meeting its self-sufficiency goal established by Council.

The Town of Rocky Mount continues to methodically plan for future growth by investing resources in infrastructure improvements and expansion. 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. With the revised utility rate structure introduced in mid-fiscal year 2013 to include a capital recovery fee for meters greater than 5/8" to be used to fund utility capital needs, projects to further the lives of the Water Treatment Plant, the Wastewater Treatment Plant, the existing water distribution lines, and the existing sewer collection lines have seen a modest increase in funding for fiscal year 2019. A total meter replacement project for the Town's water distribution system began during fiscal year 2019 and should be completed in fiscal year 2020.

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. The Town has achieved this prestigious award for twelve years. 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 Town 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
Town Manager



Linda P. Woody
Town Finance Director

FINANCIAL SECTION



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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Rocky Mount, Virginia, as of and for the year ended June 30, 2019, 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.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Rocky Mount, Virginia, as of June 30, 2019, 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.

Change in Accounting Principle

As described in Note 21 to the financial statements, in 2019, the Town adopted new accounting guidance, GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. 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, budgetary comparison information, and schedules related to pension and OPEB funding on pages 10-17, 77, and 78-85, respectively, 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.

Supplementary and Other Information

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

The other supplementary information is the responsibility of management and was derived from and relates 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 other supplementary information is 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019, on our consideration of the 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 solely 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 the effectiveness of Town of Rocky Mount, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Rocky Mount, Virginia, Virginia's internal control over financial reporting and compliance.

Prolinea, Farrow, Cox Associates

Blacksburg, Virginia
November 14, 2019

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, 2019. 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 in the introductory section of this report.

Financial Highlights

- The total assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$28,308,186 (net position). Of this amount, \$6,834,563 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors (Exhibit 1).
- The Town's total net position increased by \$247,687 from prior year report amounts. This increase is due to an increase in the purchase of capital assets (machinery and equipment).
- As of the close of the current fiscal year, the Town's governmental funds reported an ending fund balance of \$8,025,652, an increase of \$405,471 in comparison with the prior year. 98.3% of the Town's fund balance constitutes an unassigned fund balance, which is available for spending at the government's discretion (Exhibit 3).
- As of the close of the current fiscal year, the Town's proprietary fund reported an ending net position of \$9,739,591, an increase of \$48,999 in comparison with the prior year as originally reported (Exhibit 1).
- The Town's total outstanding debt increased \$524,500 due to a new bond issue of \$1,116,500 to fund the meter replacement project this fiscal year. There was no new bond issue in the prior fiscal year.
- The net position of the Harvester Performance Center, the component unit, is (\$349,898), a decrease of \$427,767 from the prior fiscal year because of the increase in the amount due to the Town of Rocky Mount (Exhibit 1).
- The general fund revenues were less than the final budgeted amount by \$725,194 (9.5%). Actual expenditures were \$1,930,078 (23.2%) less than the final budget (Exhibit 10).

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 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 a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources, with the difference between the two 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 government'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).

Both of 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.

The government-wide financial statements include the Town (known as the primary government) as well as funds of the Economic Development Authority (EDA) and its component unit the Harvester Performance Center (HPC) (known as the component unit). Financial information for this component unit is reported separately from the financial information presented for the primary government.

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 government'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, capital project, and Harvester Performance Center funds. Budgetary comparison statements have been provided for the general fund and the capital project fund to demonstrate compliance with these budgets.

Proprietary Funds – The Town maintains two types of proprietary funds. *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. The second type of proprietary fund is a *utility capital projects fund* to finance water and wastewater projects.

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 along with its utility capital projects department.

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.

Required supplementary 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28,308,186 at the close of the most recent fiscal year.

By far the largest portion of the Town’s net assets, \$21,320,680 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.

Unrestricted net assets of \$6,834,563 may be used to meet the government’s obligations to citizens and creditors.

The Town’s Net Position

	Governmental Activities		Business-Type Activities		Total Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 9,300,292	\$ 12,521,879	\$ 2,604,857	\$ 2,208,630	\$ 11,905,149	\$ 14,730,509
Capital assets	14,291,076	14,764,842	12,020,932	11,568,925	26,312,008	26,333,767
Total assets	23,591,368	27,286,721	14,625,789	13,777,555	38,217,157	41,064,276
Deferred outflows	726,349	445,620	269,672	185,392	996,021	631,012
Long-term liabilities	4,979,907	4,893,279	4,902,362	3,951,527	9,882,269	8,844,806
Other liabilities	560,286	4,215,488	194,506	246,081	754,791	4,461,569
Total liabilities	5,540,192	9,108,767	5,096,868	4,197,608	10,637,060	13,306,375
Deferred inflows	208,930	253,667	59,002	74,747	267,932	328,414
Net position						
Net Invested in capital assets	13,013,305	13,324,081	8,307,375	8,516,925	21,320,680	21,841,006
Restricted	-	127,010	152,943	-	152,943	127,010
Unrestricted	5,555,290	4,918,816	1,279,273	1,173,667	6,834,563	6,092,483
Total net position	\$ 18,568,595	\$ 18,369,907	\$ 9,739,591	\$ 9,690,592	\$ 28,308,186	\$ 28,060,499

Governmental activities – Governmental activities increased the Town’s net position by \$198,688 because of the purchase of several pieces of capital assets (machinery and equipment).

Business-type activities – Business-type activities increased the Town’s net position by \$48,999 because a large portion of capital revenues received this fiscal year were set aside for use in future periods.

The Town’s Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 215,660	\$ 198,433	\$ 2,716,967	\$ 2,714,441	\$ 2,932,627	\$ 2,912,874
Operating grants and contributions	1,665,336	1,631,703	-	-	1,665,336	1,631,703
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Property taxes	1,050,197	1,022,648	-	-	1,050,197	1,022,648
Other taxes	3,429,812	3,291,230	-	-	3,429,812	3,291,230
Intergovernmental revenue unrestricted	262,570	241,254	-	-	262,570	241,254
Investment earnings	265,366	51,434	-	-	265,366	51,434
Other	64,048	100,590	-	-	64,048	100,590
Total revenues	6,952,989	6,231,189	2,716,967	2,582,591	9,669,956	8,813,780
Expenses						
General government	1,122,515	936,954	-	-	1,122,515	936,954
Public safety	2,463,378	2,440,595	-	-	2,463,378	2,440,595
Public works	2,156,048	2,088,558	-	-	2,156,048	2,088,558
Parks, recreation, and cultural	193,722	216,058	-	-	193,722	216,058
Community development	619,565	1,284,101	-	-	619,565	1,284,101
Interest on long-term debt	46,130	58,784	-	-	46,130	58,784
Water and wastewater	-	-	2,820,911	2,501,509	2,820,911	2,501,509
Total expenses	6,601,358	7,025,050	2,820,911	2,501,509	9,422,269	9,526,559
Increase (decrease) in net position before transfers	351,631	(487,758)	(103,944)	212,932	247,687	(274,826)
Transfers	(152,943)	144,511	152,943	(144,511)	-	-
Change in net position	\$ 198,688	\$ (343,247)	\$ 48,999	\$ 68,421	\$ 247,687	\$ (274,826)
Net position, beginning	18,369,907	18,713,154	9,690,592	9,622,171	28,060,499	28,335,325
Net position, ending	\$18,568,595	\$ 18,369,907	\$ 9,739,591	\$ 9,690,592	\$ 28,308,186	\$28,060,499

Revenues and Expenses – Governmental Activities

Revenues

For the fiscal year ended June 30, 2019, revenues from governmental activities totaled \$6,934,446, an increase of \$289,586 from the prior fiscal year due to the sale of surplus equipment and small increase in local taxes (meals tax, lodging tax, and real estate taxes).

Other local taxes include meals tax, business license taxes, consumer utility taxes, bank stock tax, local sales tax, lodging tax, and cigarette taxes. Other local taxes, which are the Town's largest general fund revenue source, were \$3,429,812, an increase of \$138,582 from the prior fiscal year. Property taxes (real estate, personal property, machinery and tools, and public service) were \$1,028,517, an increase of \$6,035 from the prior fiscal year.

Charges for services totaled \$143,485 of the governmental activities. Garbage collection fees (\$104,777) are the largest component of charges for services.

The Town's largest intergovernmental revenue is for street maintenance (\$1,452,122). Other intergovernmental revenues include communications tax (\$167,639) and law enforcement aid (\$146,321).

Business-type revenues consist of charges to customers for water consumption and wastewater treatment. Cell tower rent (\$64,024) also contributes to the water and sewer operating fund.

Component unit revenue consists of Harvester Performance venue sales and sponsorships. The Town of Rocky Mount contributed \$394,982 to the Harvester operations prior to adjustments related to the allowance related to same.

Expenses

For the fiscal year ended June 30, 2019, expenses for governmental activities totaled \$6,376,032, a decrease of \$682,400 from the prior fiscal year due to decreased operating spending by the various governmental departments.

General fund expenses consist of general government (Town Council, Town Manager, Town Attorney, and Finance) and were \$913,382 (14.3%). Public Safety expenses were \$2,340,342 (36.7%). Public Works expenses totaled \$1,984,217 (31.1%). Parks totaled \$153,857 (2.4%). Community Development expenses were \$504,327 (7.9%). Interest expense and retirement of debt totaled \$340,079 (5.3%).

Business-type activities account for the operating and capital expenses of the Town's water production and distribution system and the Town's wastewater treatment plant and operations.

Component unit expenses consist of performance and operating expenses. The Town's contribution towards operations is \$394,982. The Town does not contribute to the performance expenses.

Financial Analysis of the Government'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 *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unreserved 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 \$8,025,652 (Exhibit 3), an increase of \$405,471 in comparison with the prior year. 98.3% of the \$8,025,652, constitutes unassigned fund balance, which is available for spending at the government'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 \$7,963,831 (Exhibit 3). As a measure of the general fund's liquidity, it may be useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 123.7% of total general fund expenditures.

The fund balance of the Town's general fund increased by \$403,429 during the fiscal year. There were less capital expenditures during the current fiscal year than the prior fiscal year.

The fund balance of the Town's capital projects fund increased by \$2,042 during the year. The increase is due to the repayment of microenterprise loans.

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 \$1,279,273 (Exhibit 7). This is a \$105,606 increase from the prior year attributed mostly due to a slight increase in utility rates.

General Fund Budgetary Highlights

There was an increase of \$25,000 between the original budget and the final amended budget for revenues, and an increase of \$891,466 between the original and final amended budget for expenditures (Exhibit 10). The increase in the revenue budget is due to a federal U.S.D.A. grant for the Police Department to purchase two vehicles. The increase in expenditure budgets came from \$152,660 in carry-over funds for various projects. State grants of \$407,469 from VDOT and from DCJS for paving and an additional School Resource Officer were received this fiscal year. Additional funds from the fund balance were appropriated for an asphalt zipper for Public Works (\$130,335).

Capital Asset and Debt Administration

Capital assets – The Town’s net investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$26,312,008 (Exhibit 1). This investment in capital assets includes land, buildings, building improvements, infrastructure, machinery, and equipment. The total decrease in the Town’s investment in capital assets for the current fiscal year was 0.08% (a 3.2% decrease for governmental activities and a 3.9% increase for business-type activities). Additional information on the Town’s capital assets can be found in Note 8 of this report.

Major capital asset events during the current fiscal year included the following:

New financial software & hardware \$460,000

Meter replacement \$990,000

Replace Water Treatment Plant flocculators \$161,000

Rebuild Wastewater main pump station climbing screen \$60,000

The Town’s Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,598,952	\$ 2,598,952	\$ 189,454	\$ 189,454	\$ 2,788,406	\$ 2,788,406
Buildings and improvements	7,190,881	7,184,382	-	-	7,190,881	7,184,382
Public domain infrastructure	13,538,765	13,531,321	-	-	13,538,765	13,531,321
Distribution/transmission Systems	-	-	21,645,077	21,633,958	21,645,077	21,633,958
Water and wastewater plants	-	-	7,978,149	7,832,224	7,978,149	7,832,224
Machinery and equipment	5,759,735	5,566,007	2,776,627	1,690,391	8,536,362	7,256,398
Construction in progress	-	23,201	-	-	-	23,201
Accumulated depreciation	(14,797,257)	(14,139,021)	(20,568,375)	(19,777,102)	(35,365,632)	(33,916,123)
Total	\$ 14,291,076	\$ 14,764,842	\$ 12,020,932	\$ 11,568,925	\$ 26,312,008	\$ 26,333,767

Long-term debt – At the end of the current fiscal year, the Town had total debt outstanding of \$5,443,500. The entire debt is backed by the full faith and credit of the government. There are no notes payable or capital leases.

The Town's Outstanding Debt
General Obligation and Notes Payable

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
General obligation	\$ 1,577,000	\$ 1,867,000	\$ -	\$ -	\$ 1,577,000	\$ 1,867,000
Revenue bonds	-	-	3,866,500	3,052,000	3,866,500	3,052,000
Notes payable	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-
	<u>\$ 1,577,000</u>	<u>\$ 1,867,000</u>	<u>\$ 3,862,500</u>	<u>\$ 3,052,000</u>	<u>\$ 5,443,500</u>	<u>\$ 4,919,000</u>

The Town's total debt increased by \$524,500 (10.7%) during the fiscal year due to a new bond issue of \$1,116,500 for the meter replacement project. Principal payments totaled \$592,000. Additional information on the Town's long-term debt can be found in Note 9 of this report.

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. The Town strives to demonstrate its accountability for the resources it receives and their uses. 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. The Town's website is www.rockymountva.org.

Basic Financial Statements

Town of Rocky Mount, Virginia
Statement of Net Position
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Authority
ASSETS				
Cash and cash equivalents	\$ 18,673	\$ 1,857,971	\$ 1,876,644	\$ 725,670
Investments	7,376,400	-	7,376,400	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	96,654	-	96,654	-
Accounts receivable	248,932	499,884	748,816	-
Loans receivable	43,148	-	43,148	-
Long-term receivable	634,956	-	634,956	-
Due from component unit	747,075	-	747,075	-
Due from other governmental units	58,314	-	58,314	-
Inventories	-	31,614	31,614	-
Prepaid items	76,140	18,620	94,760	-
Restricted assets:				
Cash and cash equivalents	-	196,768	196,768	-
Capital assets (net of accumulated depreciation):				
Land	2,598,952	189,454	2,788,406	68,244
Machinery and equipment	1,940,007	1,887,207	3,827,214	12,083
Distribution/transmission systems	-	4,318,875	4,318,875	-
Buildings and improvements	2,964,165	-	2,964,165	2,929,684
Water and wastewater plants	-	5,625,396	5,625,396	-
Public domain infrastructure	6,787,952	-	6,787,952	-
Total assets	<u>\$ 23,591,368</u>	<u>\$ 14,625,789</u>	<u>\$ 38,217,157</u>	<u>\$ 3,735,681</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related items	\$ 35,301	\$ 10,741	\$ 46,042	\$ -
Pension related items	691,048	258,931	949,979	-
Total deferred outflows of resources	<u>\$ 726,349</u>	<u>\$ 269,672</u>	<u>\$ 996,021</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 255,273	\$ 59,032	\$ 314,305	\$ 2,050
Reconciled overdraft	124,913	-	124,913	-
Accrued liabilities	145,438	26,969	172,407	-
Customer deposits	-	43,825	43,825	-
Accrued interest payable	17,517	46,060	63,577	-
Amount held for others	17,144	18,620	35,764	-
Long-term liabilities:				
Due within one year	479,048	432,941	911,989	4,083,529
Due in more than one year	4,500,859	4,469,421	8,970,280	-
Total liabilities	<u>\$ 5,540,192</u>	<u>\$ 5,096,868</u>	<u>\$ 10,637,060</u>	<u>\$ 4,085,579</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	\$ 2,645	-	\$ 2,645	-
OPEB related items	48,250	14,450	62,700	-
Pension related items	158,035	44,552	202,587	-
Total deferred inflows of resources	<u>\$ 208,930</u>	<u>\$ 59,002</u>	<u>\$ 267,932</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ 13,013,305	\$ 8,307,375	\$ 21,320,680	\$ 3,010,011
Restricted:				
Debt service	-	152,943	152,943	-
Unrestricted	5,555,290	1,279,273	6,834,563	(3,359,909)
Total net position	<u>\$ 18,568,595</u>	<u>\$ 9,739,591</u>	<u>\$ 28,308,186</u>	<u>\$ (349,898)</u>

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

Town of Rocky Mount, Virginia
 Statement of Activities
 Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	
					Governmental Activities	Business-type Activities	Total	Economic Development Authority
PRIMARY GOVERNMENT:								
Governmental activities:								
General government administration	\$ 1,122,515	\$ -	\$ -	\$ -	\$ (1,122,515)		\$ (1,122,515)	
Public safety	2,463,378	95,333	213,214	-	(2,154,831)		(2,154,831)	
Public works	2,156,048	104,777	1,452,122	-	(599,149)		(599,149)	
Parks, recreation, and cultural	193,722	-	-	-	(193,722)		(193,722)	
Community development	619,565	15,550	-	-	(604,015)		(604,015)	
Interest on long-term debt	46,130	-	-	-	(46,130)		(46,130)	
Total governmental activities	\$ 6,601,358	\$ 215,660	\$ 1,665,336	\$ -	\$ (4,720,362)		\$ (4,720,362)	
Business-type activities:								
Water and wastewater	\$ 2,820,911	\$ 2,716,967	\$ -	\$ -		\$ (103,944)	\$ (103,944)	
Total business-type activities	\$ 2,820,911	\$ 2,716,967	\$ -	\$ -		\$ (103,944)	\$ (103,944)	
Total primary government	\$ 9,422,269	\$ 2,932,627	\$ 1,665,336	\$ -	\$ (4,720,362)	\$ (103,944)	\$ (4,824,306)	\$ -
COMPONENT UNIT:								
Harvester Performance Center	\$ 2,344,649	\$ 1,634,047	\$ -	\$ -			\$ (710,602)	
Total component unit	\$ 2,344,649	\$ 1,634,047	\$ -	\$ -			\$ (710,602)	
General revenues:								
General property taxes					\$ 1,050,197	\$ -	\$ 1,050,197	\$ -
Other local taxes:								
Bank stock taxes					319,352	-	319,352	-
Business license taxes					703,410	-	703,410	-
Consumers' utility taxes					323,155	-	323,155	-
Local sales and use taxes					219,461	-	219,461	-
Lodging taxes					212,306	-	212,306	-
Meals taxes					1,564,903	-	1,564,903	-
Cigarette taxes					87,225	-	87,225	-
Unrestricted revenues from the use of money and property					265,366	-	265,366	-
Miscellaneous					64,048	-	64,048	72,310
Contributions from Town of Rocky Mount, Virginia					-	-	-	210,525
Grants and contributions not restricted to specific programs					262,570	-	262,570	-
Transfers					(152,943)	152,943	-	-
Total general revenues and transfers					\$ 4,919,050	\$ 152,943	\$ 5,071,993	\$ 282,835
Change in net position					\$ 198,688	\$ 48,999	\$ 247,687	\$ (427,767)
Net position - beginning					18,369,907	9,690,592	28,060,499	77,869
Net position - ending					\$ 18,568,595	\$ 9,739,591	\$ 28,308,186	\$ (349,898)

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

Town of Rocky Mount, Virginia
Balance Sheet
Governmental Funds
June 30, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 18,673	\$ 18,673
Investments	7,376,400	-	7,376,400
Receivables (net of allowance for uncollectibles):			
Taxes receivable	96,654	-	96,654
Accounts receivable	248,932	-	248,932
Loans receivable	-	43,148	43,148
Long-term receivable	634,956	-	634,956
Due from component unit	747,075	-	747,075
Due from other governmental units	58,314	-	58,314
Prepaid items	76,140	-	76,140
Total assets	<u>\$ 9,238,471</u>	<u>\$ 61,821</u>	<u>\$ 9,300,292</u>
LIABILITIES			
Accounts payable	\$ 255,273	\$ -	\$ 255,273
Reconciled overdraft	124,913	-	124,913
Amounts held for others	17,144	-	17,144
Accrued payroll and related liabilities	145,438	-	145,438
Total liabilities	<u>\$ 542,768</u>	<u>\$ -</u>	<u>\$ 542,768</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 96,916	\$ -	\$ 96,916
Unavailable revenue - long-term receivable	634,956	-	634,956
Total deferred inflows of resources	<u>\$ 731,872</u>	<u>\$ -</u>	<u>\$ 731,872</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	\$ 76,140	\$ -	\$ 76,140
Assigned:			
Capital projects	-	61,821	61,821
Unassigned	7,887,691	-	7,887,691
Total fund balances	<u>\$ 7,963,831</u>	<u>\$ 61,821</u>	<u>\$ 8,025,652</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,238,471</u>	<u>\$ 61,821</u>	<u>\$ 9,300,292</u>

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, 2019

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	8,025,652
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$	2,598,952
Buildings and improvements		2,964,165
Machinery and equipment		1,940,007
Public domain infrastructure		6,787,952
		14,291,076
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Unavailable revenue - property taxes	\$	94,271
Unavailable revenue - loan receivable		634,956
		729,227
Deferred outflows or resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	691,048
OPEB related items		35,301
		726,349
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds	\$	(1,577,000)
Accrued interest payable		(17,517)
Net OPEB liabilities		(792,975)
Compensated absences		(254,730)
Net pension liability		(2,355,202)
		(4,997,424)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$	(158,035)
OPEB related items		(48,250)
		(206,285)
Net position of governmental activities	\$	18,568,595

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

Town of Rocky Mount, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES			
General property taxes	\$ 1,028,517	\$ -	\$ 1,028,517
Other local taxes	3,429,812	-	3,429,812
Permits, privilege fees, and regulatory licenses	22,128	-	22,128
Fines and forfeitures	50,047	-	50,047
Revenue from the use of money and property	263,324	2,042	265,366
Charges for services	143,485	-	143,485
Miscellaneous	64,048	-	64,048
Recovered costs	3,137	-	3,137
Intergovernmental	1,927,906	-	1,927,906
Total revenues	<u>\$ 6,932,404</u>	<u>\$ 2,042</u>	<u>\$ 6,934,446</u>
EXPENDITURES			
Current:			
General government administration	\$ 913,382	\$ -	\$ 913,382
Public safety	2,340,342	-	2,340,342
Public works	1,984,217	-	1,984,217
Parks, recreation, and cultural	153,857	-	153,857
Community development	504,627	-	504,627
Nondepartmental	139,528	-	139,528
Debt service:			
Principal retirement	290,000	-	290,000
Interest and other fiscal charges	50,079	-	50,079
Total expenditures	<u>\$ 6,376,032</u>	<u>\$ -</u>	<u>\$ 6,376,032</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 556,372</u>	<u>\$ 2,042</u>	<u>\$ 558,414</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>\$ (152,943)</u>	<u>\$ -</u>	<u>\$ (152,943)</u>
Net change in fund balances	\$ 403,429	\$ 2,042	\$ 405,471
Fund balances - beginning	7,560,402	59,779	7,620,181
Fund balances - ending	<u>\$ 7,963,831</u>	<u>\$ 61,821</u>	<u>\$ 8,025,652</u>

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

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
 Fiscal Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds	\$	405,471
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>		
Capital outlay	\$	311,377
Depreciation expense		<u>(785,143)</u>
		(473,766)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes		21,680
<p>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.</p>		
Principal repayments:		
Principal payments on general obligation bonds		290,000
<p>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.</p>		
Change in compensated absences	\$	(9,039)
Change in accrued interest		3,949
Change in pension related items		(17,026)
Change in OPEB related items		<u>(22,581)</u>
		(44,697)
Change in net position of governmental activities	\$	<u><u>198,688</u></u>

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

Town of Rocky Mount, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2019

	Water and Wastewater Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,857,971
Accounts receivable	499,884
Inventories	31,614
Prepaid items	18,620
Total current assets	\$ 2,408,089
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents - unspent bond proceeds	\$ 152,943
Cash and cash equivalents - customer deposits	43,825
Total restricted assets	\$ 196,768
Capital assets, net of accumulated depreciation:	
Land	\$ 189,454
Water and wastewater plants	5,625,396
Machinery and equipment	1,887,207
Distribution/transmission systems	4,318,875
Total capital assets	\$ 12,020,932
Total noncurrent assets	\$ 12,217,700
Total assets	\$ 14,625,789
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related items	\$ 10,741
Pension related items	258,931
Total deferred outflows of resources	\$ 269,672
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 59,032
Accrued payroll and related liabilities	26,969
Customer deposits	43,825
Accrued interest payable	46,060
Amount held for others	18,620
Compensated absences - current portion	69,701
Bonds payable - current portion	363,240
Total current liabilities	\$ 627,447
Noncurrent liabilities:	
Compensated absences - net of current portion	\$ 23,234
Bonds payable - net of current portion	3,503,260
Net OPEB liabilities	237,525
Net pension liability	705,402
Total noncurrent liabilities	\$ 4,469,421
Total liabilities	\$ 5,096,868
DEFERRED INFLOWS OF RESOURCES	
OPEB related items	\$ 14,450
Pension related items	44,552
Total deferred inflows of resources	\$ 59,002
NET POSITION	
Net investment in capital assets	\$ 8,307,375
Restricted for debt service	152,943
Unrestricted	1,279,273
Total net position	\$ 9,739,591

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

Town of Rocky Mount, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2019

	Water and Wastewater Fund
OPERATING REVENUES	
Charges for services:	
Water service charges and fees	\$ 1,227,962
Sewer service charges and fees	852,836
Capital fund water service charges and fees	295,960
Capital fund sewer service charges and fees	224,827
Capital fund garbage service charges and fees	20,236
Water/sewer penalties	26,522
Other revenues	68,624
Total operating revenues	\$ 2,716,967
OPERATING EXPENSES	
Salaries	\$ 748,278
Fringe benefits	400,998
Maintenance	50,002
Utilities and insurance	224,061
Materials and supplies	215,259
Contractual Services	140,983
Other	149,523
Depreciation	791,273
Total operating expenses	\$ 2,720,377
Operating income (loss)	\$ (3,410)
NONOPERATING REVENUES (EXPENSES)	
Interest expense	\$ (100,534)
Total nonoperating revenues (expenses)	\$ (100,534)
Income (loss) before transfers	\$ (103,944)
Transfers in	\$ 152,943
Change in net position	\$ 48,999
Total net position - beginning	9,690,592
Total net position - ending	\$ 9,739,591

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

Town of Rocky Mount, Virginia
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2019

	Water and Wastewater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 2,712,436
Payments to suppliers	(853,758)
Payments to employees	(1,107,964)
Net cash provided by (used for) operating activities	\$ 750,714
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	\$ 152,943
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	\$ (1,243,280)
Proceeds from issuance of debt	1,116,500
Principal payments on bonds	(302,000)
Interest payments	(86,562)
Net cash provided by (used for) capital and related financing activities	\$ (515,342)
Net increase (decrease) in cash and cash equivalents	\$ 388,315
Cash and cash equivalents - beginning (including restricted cash of \$36,400)	1,666,424
Cash and cash equivalents - ending (including restricted cash of \$196,768)	\$ 2,054,739
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (3,410)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 791,273
(Increase) decrease in accounts receivable	(11,956)
(Increase) decrease in inventories	4,044
(Increase) decrease in deferred outflows of resources	(84,280)
Increase (decrease) in customer deposits	7,425
Increase (decrease) in accounts payable	(77,974)
Increase (decrease) in accrued payroll and related liabilities	5,002
Increase (decrease) in compensated absences	10,947
Increase (decrease) in net OPEB liabilities	15,801
Increase (decrease) in net pension liability	109,587
Increase (decrease) in deferred inflows of resources	(15,745)
Total adjustments	\$ 754,124
Net cash provided by (used for) operating activities	\$ 750,714

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

TOWN OF ROCKY MOUNT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1-Summary of Significant Accounting Policies:

The financial statements of the Town of Rocky Mount, Virginia 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, Virginia (the “Town”) was established in 1873. It is a political subdivision of the Commonwealth of Virginia operating under the Council-Manager form of government. These financial statements present the Town as the primary government. The Town Council consists of a mayor and six other council members. The Town is part of County of Franklin, Virginia 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.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended Component Unit - None

Discretely Presented Component Unit - The Economic Development Authority (the “EDA”) was created for the purposes of promoting economic development within the Town. Its component unit, the Harvester Performance Center (the “HPC”) is a mid-sized music venue for purposes of industrial and economic development in the Rocky Mount community. Because the Town owns the EDA which in turn owns the building housing the Harvester, the Town has its own operating budget for the HPC consisting of utilities, building and grounds maintenance, and other building related expenses. The HPC has a separate operating budget to cover performance expenses. Neither the Town nor the EDA can override the HPC’s performance budget or setting of rates. The HPC is fiscally dependent on the EDA and Town as the Town is responsible for funding any operating/performing deficits. As the HPC is not self-sustaining, this dependency creates a financial burden for the EDA and Town. The EDA has a year end of June 30, 2019 but its only activity consists of the HPC, whose entities have a December 31, 2018 year end. The EDA issues separate financial statements which include the operations of the HPC and can be obtained by contacting the Town’s administrative office.

Related Organizations - None

Jointly Governed Organizations - None

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

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

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 (governmental and business-type activities) and its discretely presented component unit. 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*.

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. The budgetary comparison presents 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.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

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

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

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 unavailable 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.

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.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

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

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

The Town 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.

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

1. Cash and cash equivalents

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.

2. Investments

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at the time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

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

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

3. 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 “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans).

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.

4. Inventories

Inventories consist of expendable supplies held for consumption. Inventories are presented at cost and are expended when used.

5. 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.

6. 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.

7. Allowance for Uncollectible Accounts

The Town calculates its allowance for uncollectible accounts for taxes and water and wastewater using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$80,562 for property taxes at June 30, 2019. The allowance amounted to approximately \$14,715 for water and wastewater at June 30, 2019.

8. 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.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

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

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

9. 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 acquisition 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:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30-40
Machinery and Equipment	5-10
Distribution/Transmission Systems	40-50
Water and Wastewater Plants	40-50
Infrastructure	20-40

10. 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 (expenditure/expense) until then. The Town has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension liabilities and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liabilities and net OPEB liabilities measurement date. For more detailed information on these items, reference the related notes.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

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

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

10. Deferred Outflows/Inflows of Resources (Continued)

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 multiple types of items that qualify 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 are 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. Long-term receivables are also reported in the governmental funds as deferred inflows of resources when the underlying revenues are considered unavailable as a result of a nonexchange transaction. In addition, certain items related to the measurement of the net pension liabilities and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

11. 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). 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.

12. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's Retirement Plan and the additions to/deductions from the Town's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

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

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

13. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS OPEB Plans' net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. 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. 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.

15. Fund Balance

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;

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

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

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

15. Fund Balance (Continued)

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).

16. 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.

17. 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.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

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 budgets for the general, capital projects, and the water and wastewater funds are legally enacted through passage of an Appropriations Resolution. Town Council may, from time to time, amend the budgets, 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.
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.

B. Excess of expenditures over appropriations

For the fiscal year ended June 30, 2019, expenditures did not exceed appropriations in any functions.

C. Deficit fund equity

At June 30, 2019, no funds had negative fund equity.

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TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

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). 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 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.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 3-Deposits and Investments: (Continued)

Credit Risk of Debt Securities (Continued)

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, 2019, issuers that equal or exceed 5% of the total portfolio are as follows:

	% of Portfolio
Certificates of Deposit	35.82%
Federal Home Loan Mortgage Corporation	9.63%
Federal National Mortgage Association	6.66%
LGIP	47.79%

The Town's rated debt investments as of June 30, 2019 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale.

Town's Rated Debt Investment Value			
Rated Debt Investments	Fair Quality Ratings		
	AAAm	AA+	Unrated
Money Market Mutual Funds	\$ -	\$ -	\$ 7,141
Certificates of Deposit	-	-	2,642,245
Federal Home Loan Mortgage Corporation	-	710,324	-
Federal National Mortgage Association	-	491,575	-
VML/VACo Virginia Investment Pool	152,943	-	-
LGIP	3,525,115	-	-
Total	\$ 3,678,058	\$ 1,201,899	\$ 2,649,386

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	
Money Market Mutual Funds	\$ 7,141	\$ 7,141	\$ -	None
Certificates of Deposit	2,642,245	-	2,642,245	None
Federal Home Loan Mortgage Corporation	710,324	-	710,324	6/29/19 & 6/30/19
Federal National Mortgage Association	491,575	-	491,575	7/27/2019
VML/VACo Virginia Investment Pool	152,943	152,943	-	None
LGIP	3,525,115	3,525,115	-	None
Total	\$ 7,529,343	\$ 3,685,199	\$ 3,844,144	

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 3-Deposits and Investments: (Continued)

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.

External Investment Pool

The fair value of the positions held in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio under the provisions of accounting standards. There are no withdrawal limitations or restrictions imposed on participants.

Redemption Restrictions

VML/VACO Virginia Investment Pool allows the Town to have the option to have access to withdrawal funds twice a month, with a five-day period notice. Additionally, fund are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, and etc.).

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability to an orderly transaction between market participants at the measurement date. The Town has measured fair value of the above VML/VACO Investment Pool investment at the net asset value (NAV).

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TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 4-Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Town maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The Town has the following recurring fair value measurements as of June 30, 2019:

	Balance June 30, 2019	Fair Value Level 1	Net Asset Value (NAV)
Money Market Mutual Funds	\$ 7,141	\$ 7,141	n/a
Certificates of Deposit	2,642,245	2,642,245	n/a
Federal Home Loan Mortgage Corporation	710,324	710,324	n/a
Federal National Mortgage Association	491,575	491,575	n/a
VML/VACo Virginia Investment Pool	152,943	n/a	152,943
Total investments	<u>\$ 4,004,228</u>	<u>\$ 3,851,285</u>	<u>\$ 152,943</u>

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 5-Due from Other Governmental Units:

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

	Governmental Activities
Local Government:	
Franklin County	\$ 7,500
Commonwealth of Virginia:	
Sales Tax	37,044
Communication Tax	13,770
Total	\$ 58,314

Note 6-Interfund Transfers:

Interfund transfers for the year ended June 30, 2019 consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ -	\$ 152,943
Water and Wastewater Fund	152,943	-
Total	\$ 152,943	\$ 152,943

The primary purpose of transfers is to ensure that cash balances are reported in the appropriate fund(s).

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TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 7-Component-Unit Obligations:

At year end, the component-unit Economic Development Authority carries a liability to the Town's general fund for monies advanced during the year to cover expenses of the Harvester Performance Center.

Fund	Due from Primary Government/ Component Unit	Due to Primary Government/ Component Unit
Primary Government:		
General Fund	\$ 747,075	\$ -
Component Unit - Economic Development Authority:		
Performance Venue Fund	-	4,083,529
Total	\$ 747,075	\$ 4,083,529

Amounts above differ as the EDA's activity is comprised solely of its component unit's, the Harvester Performance Center, activity. The Harvester Performance Center has a calendar year end and information is presented as of December 31, 2018. The difference results in additional amounts contributed by the Town after that time as well as recognition of contribution of buildings and improvements. Further, an allowance has been established by the Town to reflect the realizable amount on the receivable while the Harvester Performance Center reflects the amounts due in full as they have not been forgiven by the Town.

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TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 8-Capital Assets:

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,598,952	\$ -	\$ -	\$ 2,598,952
Construction in progress	23,201	4,946	(28,147)	-
Total capital assets not being depreciated	<u>\$ 2,622,153</u>	<u>\$ 4,946</u>	<u>\$ (28,147)</u>	<u>\$ 2,598,952</u>
Capital assets, being depreciated:				
Public Domain Infrastructure	\$ 13,531,321	\$ 7,444	\$ -	\$ 13,538,765
Buildings and improvements	7,184,382	6,499	-	7,190,881
Machinery and equipment	5,566,007	320,635	(126,907)	5,759,735
Total capital assets being depreciated	<u>\$ 26,281,710</u>	<u>\$ 334,578</u>	<u>\$ (126,907)</u>	<u>\$ 26,489,381</u>
Accumulated depreciation:				
Public Domain Infrastructure	\$ (6,433,743)	\$ (317,070)	\$ -	\$ (6,750,813)
Buildings and improvements	(4,024,136)	(202,580)	-	(4,226,716)
Machinery and equipment	(3,681,142)	(265,493)	126,907	(3,819,728)
Total accumulated depreciation	<u>\$ (14,139,021)</u>	<u>\$ (785,143)</u>	<u>\$ 126,907</u>	<u>\$ (14,797,257)</u>
Total capital assets being depreciated, net	<u>\$ 12,142,689</u>	<u>\$ (450,565)</u>	<u>\$ -</u>	<u>\$ 11,692,124</u>
Governmental activities capital assets, net	<u>\$ 14,764,842</u>	<u>\$ (445,619)</u>	<u>\$ (28,147)</u>	<u>\$ 14,291,076</u>

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TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 8-Capital Assets: (Continued)

Capital asset activity for the year ended June 30, 2019 was as follows: (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 189,454	\$ -	\$ -	\$ 189,454
Capital assets being depreciated:				
Water and wastewater plants	\$ 21,633,958	\$ 11,119	\$ -	\$ 21,645,077
Distributions/transmission systems	7,832,224	145,925	-	7,978,149
Machinery and equipment	1,690,391	1,086,236	-	2,776,627
Total capital assets being depreciated	<u>\$ 31,156,573</u>	<u>\$ 1,243,280</u>	<u>\$ -</u>	<u>\$ 32,399,853</u>
Accumulated depreciation:				
Water and wastewater plants	\$ (15,546,829)	\$ (472,852)	\$ -	\$ (16,019,681)
Distributions/transmission systems	(3,464,932)	(194,342)	-	(3,659,274)
Machinery and equipment	(765,341)	(124,079)	-	(889,420)
Total accumulated depreciation	<u>\$ (19,777,102)</u>	<u>\$ (791,273)</u>	<u>\$ -</u>	<u>\$ (20,568,375)</u>
Total capital assets being depreciated, net	<u>\$ 11,379,471</u>	<u>\$ 452,007</u>	<u>\$ -</u>	<u>\$ 11,831,478</u>
Business-type activities capital assets, net	<u>\$ 11,568,925</u>	<u>\$ 452,007</u>	<u>\$ -</u>	<u>\$ 12,020,932</u>

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

Governmental activities:	
General government administration	\$ 92,516
Public safety	217,095
Public works	319,653
Parks, recreation, and culture	39,382
Community development	116,497
Total depreciation expense-governmental activities	<u>\$ 785,143</u>
Business-type activities:	
Water	\$ 334,920
Wastewater	456,353
Total depreciation expense-business-type activities	<u>\$ 791,273</u>

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 9-Long-term Obligations:

Primary Government - Governmental Activities:

The following is a summary of long-term obligations transactions of the Town for the year ended June 30, 2019:

	<u>Balance July 1, 2018</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Balance June 30, 2019</u>
Direct Borrowings and Placements:				
General obligation bonds	\$ 1,867,000	\$ -	\$ (290,000)	\$ 1,577,000
Compensated absences	245,691	70,462	(61,423)	254,730
Net OPEB liabilities	791,276	93,343	(91,644)	792,975
Net pension liability	1,989,312	1,322,699	(956,809)	2,355,202
Total	<u>\$ 4,893,279</u>	<u>\$ 1,486,504</u>	<u>\$ (1,399,876)</u>	<u>\$ 4,979,907</u>

The general government compensated absences, pension liability, and postemployment 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,	<u>Direct Borrowings and Placements</u>	
	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 288,000	\$ 40,652
2021	291,000	31,082
2022	134,000	20,203
2023	136,000	17,273
2024	139,000	14,289
2025-2028	589,000	25,921
Totals	<u>\$ 1,577,000</u>	<u>\$ 149,420</u>

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 9-Long-term Obligations (Continued):

Primary Government - Governmental Activities: (Continued)

Details of long-term obligations:

	Interest Rates	Date Issued	Final Maturity	Original Amount	Amount Outstanding	Amount Due Within One Year
Direct borrowings and placements:						
General Obligation Bonds:						
Emergency Services Building	3.70%	12/10	12/21	\$ 1,640,000	\$ 320,000	\$ 160,000
GO Bond Series 2017	2.17%	04/17	08/27	1,512,000	1,257,000	128,000
Total Direct Borrowings and Placements					<u>\$ 1,577,000</u>	<u>\$ 288,000</u>
Other Long-term Obligations:						
Net OPEB liabilities	n/a	n/a	n/a	n/a	\$ 792,975	\$ -
Compensated absences	n/a	n/a	n/a	n/a	254,730	191,048
Net pension liability	n/a	n/a	n/a	n/a	2,355,202	-
Total Other Long-term Obligations					<u>\$ 3,402,907</u>	<u>\$ 191,048</u>
Total Long-term Obligations					<u>\$ 4,979,907</u>	<u>\$ 479,048</u>

In the event of default on the Emergency Services Building GO Bond, the lender may take whatever action under law which may appear necessary or desirable to collect amounts then due and thereafter to become due under the loan agreement. In the event of default on the GO Bond Series 2017 issuance, the unpaid principal amount shall bear interest at the rate of 12 percent per annum or the maximum rate permitted by applicable law, whichever is less while the default exists.

Primary Government - Business-type Activities:

The following is a summary of long-term obligations transactions of the Enterprise Fund for the year ended June 30, 2019:

	Balance July 1, 2018	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2019
Direct Borrowings and Placements:				
Revenue bonds	\$ 3,052,000	\$ 1,116,500	\$ (302,000)	\$ 3,866,500
Compensated absences	81,988	31,444	(20,497)	92,935
Net OPEB liabilities	221,724	39,725	(23,924)	237,525
Net pension liability	595,815	396,160	(286,573)	705,402
Total	<u>\$ 3,951,527</u>	<u>\$ 1,583,829</u>	<u>\$ (632,994)</u>	<u>\$ 4,902,362</u>

The business-type activities' compensated absences, pension liability, and postemployment benefits are generally liquidated by the enterprise fund.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 9-Long-term Obligations: (Continued)

Primary Government - Business-type Activities: (Continued)

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

Year Ending June 30,	Direct Borrowings and Placements	
	Revenue Bonds	
	Principal	Interest
2020	\$ 363,240	\$ 108,503
2021	369,330	99,887
2022	378,490	91,131
2023	265,740	82,180
2024	166,060	76,160
2025-2029	888,220	300,124
2030-2034	1,040,420	148,992
2035-2037	395,000	22,659
Totals	<u>\$ 3,866,500</u>	<u>\$ 929,636</u>

Details of long-term obligations:

	Interest Rates	Date Issued	Final Maturity	Original Amount	Amount Outstanding	Amount Due Within
Direct Borrowings and Placements:						
Revenue Bonds:						
Virginia Municipal League	2.85%	8/13	02/37	\$2,205,000	\$1,970,000	\$ 85,000
Virginia Municipal League	1.85%	8/13	08/22	2,042,500	780,000	221,000
General Obligation Bond	3.58%	10/18	08/23	1,116,500	1,116,500	57,240
Total Direct Borrowings and Placements					<u>\$3,866,500</u>	<u>\$363,240</u>
Other Long-term Obligations:						
Net OPEB liabilities	n/a	n/a	n/a	n/a	\$ 237,525	\$ -
Compensated absences	n/a	n/a	n/a	n/a	92,935	69,701
Net pension liability	n/a	n/a	n/a	n/a	705,402	-
Total Other Long-term Obligations					<u>\$1,035,862</u>	<u>\$ 69,701</u>
Total Long-term Obligations					<u>\$4,902,362</u>	<u>\$432,941</u>

In the event of default, the unpaid principal amount of the Virginia Municipal League issuances and the GO Bond issuance shall bear interest at the rate of 12 percent per annum or 9 percent per annum, respectively, or the maximum rate permitted under applicable law, whichever is less, while the event of default exists.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan:

Plan Description

All full-time, salaried permanent employees of the Town are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees hired before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of creditable service or age 50 with at least 30 years of creditable service. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of creditable service or age 50 with at least 10 years of creditable service. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of creditable service or age 50 with at least 25 years of creditable service. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of creditable service.
- b. Employees hired on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013 are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of creditable service or when the sum of their age and service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of creditable service. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of creditable service or age 50 with at least 25 years of creditable service. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of creditable service.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Benefit Structures: (Continued)

- c. Non-hazardous duty employees hired on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of creditable service, or when the sum of their age and service equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of creditable service. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total creditable service. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.7% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of creditable service are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	48
Inactive members:	
Vested inactive members	13
Non-vested inactive members	13
Inactive members active elsewhere in VRS	<u>14</u>
Total inactive members	40
Active members	<u>63</u>
Total covered employees	<u><u>151</u></u>

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Town's contractually required employer contribution rate for the year ended June 30, 2019 was 15.92% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$469,527 and \$392,185 for the years ended June 30, 2019 and June 30, 2018, respectively.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The Town's net pension liabilities were measured as of June 30, 2018. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2017, and rolled forward to the measurement date of June 30, 2018.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Town of Rocky Mount Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	7.0%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates:

Largest 10 - Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

All Others (Non 10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related
 Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% if rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Town of Rocky Mount Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	7.0%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates:

Largest 10 - Hazardous Duty: 70% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

All Others (Non 10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

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TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
 Total	 <u>100.00%</u>		 <u>4.80%</u>
		Inflation	2.50%
		*Expected arithmetic nominal return	<u>7.30%</u>

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Town was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2018, the alternate rate was the employer contribution rate used in FY 2012 or 90% of the actuarially determined employer contribution rate from the June 30, 2015 actuarial valuations, whichever was greater. From July 1, 2018 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2017	\$ 12,288,016	\$ 9,702,889	\$ 2,585,127
Changes for the year:			
Service cost	\$ 358,440	\$ -	\$ 358,440
Interest	836,876	-	836,876
Differences between expected and actual experience	516,739	-	516,739
Impact in change of proportion	-	-	-
Contributions - employer	-	392,185	(392,185)
Contributions - employee	-	136,306	(136,306)
Net investment income	-	714,891	(714,891)
Benefit payments, including refunds of employee contributions	(665,284)	(665,284)	-
Administrative expenses	-	(6,166)	6,166
Other changes	-	(638)	638
Net changes	\$ 1,046,771	\$ 571,294	\$ 475,477
Balances at June 30, 2018	\$ 13,334,787	\$ 10,274,183	\$ 3,060,604

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Town			
Net Pension Liability	\$ 4,799,845	\$ 3,060,604	\$ 1,614,434

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the Town recognized pension expense of \$488,798. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 429,851	\$ 33,618
Change in assumptions	-	32,606
Changes in proportion and differences between employer contributions and proportionate share of contributions	50,601	50,601
Net difference between projected and actual earnings on pension plan investments	-	85,762
Employer contributions subsequent to the measurement date	469,527	-
Total	\$ 949,979	\$ 202,587

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 10-Pension Plan: (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$469,527 was reported as deferred outflows of resources related to pensions resulting from the Town’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Primary Government</u>
2020	\$ 189,800
2021	105,520
2022	(9,312)
2023	(8,143)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 11-Other Postemployment Benefits (OPEB) - Healthcare:

Plan Description

In addition to the pension benefits described in Note 10, the Town administers a single-employer defined benefit healthcare plan. The plan provides post-employment health care benefits to all eligible permanent employees who meet the requirements under the Town’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

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.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 11-Other Postemployment Benefits (OPEB) - Healthcare: (Continued)

Plan Membership

At July 1, 2018 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	63	
Total retirees with coverage	3	
Total	66	

Contributions

The Town does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Town Council. The amount paid by the Town for OPEB as the benefits came due during the year ended June 30, 2019 was \$13,500.

Total OPEB Liability

The Town's total OPEB liability was measured as of July 1, 2018. The total OPEB liability was determined by an actuarial valuation as July 1, 2018.

Actuarial Assumptions

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Healthcare Cost Trend Rates	7.00% for fiscal year end 2019, decreasing 0.33% per year to an ultimate rate of 5.00%.
Salary Increases	2.50%
Discount Rate	3.62%
Investment Rate of Return	N/A

The mortality rates for active and healthy retirees was calculated using the RP-2014 Mortality Table fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2018.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 11-Other Postemployment Benefits (OPEB) - Healthcare: (Continued)

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is from a 20-Year tax exempt general obligation municipal bond with an average rating of AA/Aa or higher. Since the plan has no assets, the discount rate is equal to the Fidelity Index's "20-year Municipal GO AA Index" as of the measurement date. The final equivalent single discount rate used for this year's valuation is 3.62% as of the end of the fiscal year.

Changes in Total OPEB Liability

		Primary Government Total OPEB Liability
Balances at June 30, 2018	\$	790,000
Changes for the year:		
Service cost		48,700
Interest		29,600
Difference between expected and actual experience		(3,900)
Contributions - employer		(13,500)
Other changes		(43,400)
Net changes	\$	17,500
Balances at June 30, 2019	\$	807,500

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following amounts present the total OPEB liability of the Town, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.62%) or one percentage point higher (4.62%) than the current discount rate:

	Rate		
	1% Decrease 2.62%	Current Discount 3.62%	1% Increase 4.62%
Town's proportionate share of the			
Town's healthcare net OPEB liability	\$ 986,100	\$ 807,500	\$ 672,600

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 11-Other Postemployment Benefits (OPEB) - Healthcare: (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00% decreasing by 0.33% annually to an ultimate rate of 4.00%) or one percentage point higher (8.00% decreasing by 0.33% annually to an ultimate rate of 6.00%) than the current healthcare cost trend rates:

	Rate		
	Healthcare Cost		
	1% Decrease 6.00% decreasing to 4.00%	Trend 7.00% decreasing to 5.00%	1% Increase 8.00% decreasing to 6.00%
Town's proportionate share of the Town's healthcare net OPEB liability	\$ 656,200	\$ 807,500	\$ 1,011,600

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2019, the Town recognized OPEB expense in the amount of \$72,700. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,400
Changes in assumptions	-	38,300
Employer contributions subsequent to the measurement date	13,500	-
Total	\$ 13,500	\$ 41,700

\$13,500 reported as deferred outflows of resources related to OPEB resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability in the fiscal year ending June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Primary Government
2020	\$ (5,600)
2021	(5,600)
2022	(5,600)
2023	(5,600)
2024	(5,600)
Thereafter	(13,700)

Additional disclosures on changes in total OPEB liability and related ratios can be found in the required supplementary information following the notes to the financial statements.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 12-Group Life Insurance (GLI) Program (OPEB Plan):

Plan Description

The Group Life Insurance (GLI) Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Program was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Program is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of creditable service, the minimum benefit payable was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$8,279 effective July 1, 2018.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 12-Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2019 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program from the entity were \$15,542 and \$14,542 for the years ended June 30, 2019 and June 30, 2018, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB

At June 30, 2019, the entity reported a liability of \$223,000 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2018 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the participating employer's proportion was 0.01471% as compared to 0.01486% at June 30, 2017.

For the year ended June 30, 2019, the participating employer recognized GLI OPEB expense of \$1,000. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 12-Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB (Continued)

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,000	\$ 5,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	7,000
Change in assumptions	-	9,000
Changes in proportion	6,000	-
Employer contributions subsequent to the measurement date	15,542	-
Total	\$ 32,542	\$ 21,000

\$15,542 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	
2020	\$ (2,000)
2021	(2,000)
2022	(2,000)
2023	-
2024	2,000

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 12-Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018. The assumptions include several employer groups as noted below. Mortality rates included herein are for the relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

Inflation	2.5%
Salary increases, including inflation:	
General state employees	3.5% - 5.35%
Teachers	3.5%-5.95%
SPORS employees	3.5%-4.75%
VaLORS employees	3.5%-4.75%
JRS employees	4.5%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	7.0%, net of investment expenses, including inflation*

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of OPEB liabilities.

Mortality Rates - Largest Ten Locality Employers - General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 12-Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Largest Ten Locality Employers - General Employees (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 12-Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Mortality Rates - Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 12-Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Largest Ten Locality Employers - Hazardous Duty Employees (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 12-Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and Retirement Rates)	Updated to a more current mortality table - RP-2014 projected to 2020
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

NET GLI OPEB Liability

The net OPEB liability (NOL) for GLI Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2018, NOL amounts for the GLI Program are as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$	3,113,508
Plan Fiduciary Net Position		1,594,773
Employers' Net GLI OPEB Liability (Asset)	\$	1,518,735
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		51.22%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 12-Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System’s investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System’s investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	<u>100.00%</u>		<u>4.80%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.30%</u>

*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2018, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2018 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 12-Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 7.00%, as well as what the employer’s proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Town’s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 292,000	\$ 223,000	\$ 167,000

GLI Program Fiduciary Net Position

Detailed information about the GLI Program’s Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13-Line of Duty Act (LODA) (OPEB Benefits):

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The Town has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the City to VML. VML assumes all liability for the City’s LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The Town’s LODA coverage is fully covered or “insured” through VML. This is built into the LODA coverage cost presented in the annual renewals. The Town’s LODA premium for the year ended June 30, 2019 was \$43,236.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 14-Aggregate OPEB Information:

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program:				
Town	\$ 32,542	\$ 21,000	\$ 223,000	\$ 1,000
Town Stand-Alone Plan	13,500	41,700	807,500	72,700
Totals	\$ 46,042	\$ 62,700	\$ 1,030,500	\$ 73,700

Note 15-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.

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 16-Unavailable/Deferred Revenue:

Unavailable/deferred 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. Under the accrual basis, assessments for future periods are deferred. Unavailable revenue totaling \$731,872 is comprised of the following:

Property Taxes - Property tax revenue representing uncollected tax billings not available for funding current expenditures totaled \$96,654.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2019 but paid in advance by the taxpayers totaled \$262.

Unavailable Long-Term Receivable - Unearned revenue representing uncollected long-term receivable amounts not available for funding current expenditures totaled \$634,956.

TOWN OF ROCKY MOUNT, VIRGINIA
 FINANCIAL REPORT
 JUNE 30, 2019 (CONTINUED)

Note 16-Unavailable/Deferred Revenue: (Continued)

Deferred/Unavailable Revenue - Primary Government:

		Government-wide Statements		Balance Sheet
	\$	Governmental Activities	-	Governmental Funds
Unavailable long-term receivable	\$	-	\$	634,956
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures		-		94,271
Tax assessments due after June 30		-		
Prepaid property taxes due after June 30 but paid in advance by taxpayers		2,645		2,645
Total	\$	2,645	\$	731,872

Note 17-Related Party Transactions:

In 2015, the Town issued an interest free loan in the amount of \$1,287,519 to the Component Unit-Economic Development Authority. The loan does not have defined repayment terms and is payable to the Town as the Harvester has available funds. As of June 30, 2019, the Harvester had a remaining loan balance of \$634,956.

Note 18-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 19-Surety Bonds:

<u>VML Insurance Programs</u>	
Employee Dishonesty	\$ 1,000,000

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 20-Commitments and Contingent Liabilities:

At June 30, 2019, there were no significant matters of litigation pending involving the Town or which would materially affect the Town's financial position should any court decisions on pending matters not be favorable to the Town.

At June 30, 2019, the Town had entered into an incentive agreement with the County of Franklin, Virginia under which the Town is contingently liable to a Company for \$70,000 once performance measures have been met in accordance with the agreement. As performance measures were not met as of June 30, 2019, no liability has been recorded for this amount.

Note 21-Adoption of Accounting Principles:

The Town implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* during the fiscal year ended June 30, 2019. This Statement clarifies which liabilities governments should include when disclosing information related to debt. It also requires that additional essential information related to debt be disclosed in notes to financial statements. No restatement was required as a result of this implementation.

Note 22-Subsequent Events:

As of June 30, 2019 there were no subsequent events to report.

Note 23-Upcoming Pronouncements:

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*, provides guidance for reporting a government's majority equity interest in a legally separate organization and for reporting financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

TOWN OF ROCKY MOUNT, VIRGINIA
FINANCIAL REPORT
JUNE 30, 2019 (CONTINUED)

Note 23-Upcoming Pronouncements: (Continued)

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

Required Supplementary Information

Town of Rocky Mount, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 1,040,001	\$ 1,040,001	\$ 1,028,517	\$ (11,484)
Other local taxes	3,373,650	3,373,650	3,429,812	56,162
Permits, privilege fees, and regulatory licenses	17,540	17,540	22,128	4,588
Fines and forfeitures	46,999	46,999	50,047	3,048
Revenue from the use of money and property	96,957	96,957	263,324	166,367
Charges for services	127,687	127,687	143,485	15,798
Miscellaneous	33,773	106,575	64,048	(42,527)
Recovered costs	-	-	3,137	3,137
Intergovernmental:				
Local government	29,632	29,632	29,632	-
Commonwealth	2,405,859	2,793,557	1,886,637	(906,920)
Federal	25,000	25,000	11,637	(13,363)
Total revenues	\$ 7,197,098	\$ 7,657,598	\$ 6,932,404	\$ (725,194)
EXPENDITURES				
Current:				
General government administration	\$ 1,125,462	\$ 1,152,508	\$ 913,382	\$ 239,126
Public safety	2,291,790	2,376,152	2,340,342	35,810
Public works	2,501,736	3,192,193	1,984,217	1,207,976
Parks, recreation, and cultural	85,913	167,133	153,857	13,276
Community development	882,636	910,972	504,627	406,345
Nondepartmental	211,382	166,990	139,528	27,462
Debt service:				
Principal retirement	290,000	290,000	290,000	-
Interest and other fiscal charges	50,162	50,162	50,079	83
Total expenditures	\$ 7,439,081	\$ 8,306,110	\$ 6,376,032	\$ 1,930,078
Excess (deficiency) of revenues over (under) expenditures	\$ (241,983)	\$ (648,512)	\$ 556,372	\$ 1,204,884
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (152,943)	\$ (152,943)
Issuance of revenue bonds	108,216	108,216	-	(108,216)
Total other financing sources (uses)	\$ 108,216	\$ 108,216	\$ (152,943)	\$ (261,159)
Net change in fund balances	\$ (133,767)	\$ (540,296)	\$ 403,429	\$ 943,725
Fund balances - beginning	133,767	540,296	7,560,402	7,020,106
Fund balances - ending	\$ -	\$ -	\$ 7,963,831	\$ 7,963,831

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

Town of Rocky Mount, Virginia
 Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Primary Government
 For the Fiscal Years Ended June 30, 2018 and June 30, 2019

	2019	2018
Total OPEB liability		
Service cost	\$ 48,700	\$ 48,000
Interest	29,600	27,000
Differences between expected and actual experience	(3,900)	-
Contributions - employer	(13,500)	(15,000)
Other changes	(43,400)	-
Net change in total OPEB liability	\$ 17,500	\$ 60,000
Total OPEB liability - beginning	790,000	730,000
Total OPEB liability - ending	\$ 807,500	\$ 790,000
Covered-employee payroll	\$ 2,920,000	\$ 2,616,000
Town's total OPEB liability (asset) as a percentage of covered-employee or covered payroll	27.65%	30.20%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Town of Rocky Mount, Virginia
 Notes to Required Supplementary Information - OPEB
 Fiscal Year Ended June 30, 2019

Valuation Date: 7/1/2018
 Measurement Date: 7/1/2018

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.62%
Inflation	2.50%
Healthcare Trend Rate	7.00% for fiscal year end 2019, decreasing 0.33% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50%
Retirement Age	The average age at retirement is 62
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2018

Town of Rocky Mount, Virginia
 Schedule of Town's Share of Net OPEB Liability
 Group Life Insurance Program
 For the Measurement Dates of June 30, 2018 and 2017

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2018	0.01471%	\$ 223,000	\$ 2,798,748	7.97%	51.22%
2017	0.01486%	223,000	2,740,066	8.14%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Town of Rocky Mount, Virginia
 Schedule of Employer Contributions
 Group Life Insurance Program
 Fiscal Years Ended June 30, 2010 through June 30, 2019

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2019	\$ 15,542	\$ 15,542	\$ -	\$ 2,988,681	0.52%
2018	14,542	14,542	-	2,798,748	0.52%
2017	14,248	14,248	-	2,740,066	0.52%
2016	12,449	12,449	-	2,593,577	0.48%
2015	12,148	12,148	-	2,530,860	0.48%
2014	11,492	11,492	-	2,394,076	0.48%
2013	10,639	10,639	-	2,216,459	0.48%
2012	5,673	5,673	-	2,026,143	0.28%
2011	5,564	5,564	-	1,987,073	0.28%
2010	4,353	4,353	-	2,138,409	0.20%

Town of Rocky Mount, Virginia
Notes to Required Supplementary Information
Group Life Insurance Program
Fiscal Year Ended June 30, 2019

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

Town of Rocky Mount, Virginia
 Schedule of Changes in Net Pension Liability and Related Ratios
 Primary Government
 For the Measurement Dates of June 30, 2014 through June 30, 2018

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 358,440	\$ 346,951	\$ 317,557	\$ 311,299	\$ 271,936
Interest	836,876	809,351	717,349	675,381	645,150
Differences between expected and actual experience	516,739	(70,973)	201,701	130,521	-
Changes in assumptions	-	(68,836)	-	-	-
Impact in change of proportion	-	628,791	(9,646)	-	-
Benefit payments, including refunds of employee contributions	(665,284)	(581,269)	(520,844)	(495,244)	(475,165)
Net change in total pension liability	\$ 1,046,771	\$ 1,064,015	\$ 706,117	\$ 621,957	\$ 441,921
Total pension liability - beginning	12,288,016	11,224,001	10,517,884	9,895,927	9,454,006
Total pension liability - ending (a)	<u>\$ 13,334,787</u>	<u>\$ 12,288,016</u>	<u>\$ 11,224,001</u>	<u>\$ 10,517,884</u>	<u>\$ 9,895,927</u>
Plan fiduciary net position					
Impact in change of proportion	\$ -	\$ 462,039	\$ (7,482)	\$ -	\$ -
Contributions - employer	392,185	385,774	357,965	349,774	332,610
Contributions - employee	136,306	134,360	121,946	119,251	112,574
Net investment income	714,891	1,061,541	142,757	360,480	1,070,448
Benefit payments, including refunds of employee contributions	(665,284)	(581,269)	(520,844)	(495,244)	(475,165)
Administrative expense	(6,166)	(6,071)	(5,041)	(4,872)	(5,743)
Other	(638)	(948)	(61)	(75)	56
Net change in plan fiduciary net position	\$ 571,294	\$ 1,455,426	\$ 89,240	\$ 329,314	\$ 1,034,780
Plan fiduciary net position - beginning	9,702,889	8,247,463	8,158,223	7,828,909	6,794,129
Plan fiduciary net position - ending (b)	<u>\$ 10,274,183</u>	<u>\$ 9,702,889</u>	<u>\$ 8,247,463</u>	<u>\$ 8,158,223</u>	<u>\$ 7,828,909</u>
Town's net pension liability - ending (a) - (b)	\$ 3,060,604	\$ 2,585,127	\$ 2,976,538	\$ 2,359,661	\$ 2,067,018
Plan fiduciary net position as a percentage of the total pension liability	77.05%	78.96%	73.48%	77.57%	79.11%
Covered payroll	\$ 2,796,491	\$ 2,571,152	\$ 2,463,898	\$ 2,398,797	\$ 2,378,594
Town's net pension liability as a percentage of covered payroll	109.44%	100.54%	120.81%	98.37%	86.90%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Town of Rocky Mount, Virginia
 Schedule of Employer Contributions - Pension Plan
 Fiscal Years Ended June 30, 2010 through June 30, 2019

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2019	\$ 469,527	\$ 469,527	-	\$ 2,988,681	15.71%
2018	392,185	392,185	-	2,796,491	14.02%
2017	361,992	361,992	-	2,571,152	14.08%
2016	357,965	357,965	-	2,463,898	14.53%
2015	349,775	349,775	-	2,398,797	14.58%
2014	351,081	351,081	-	2,378,594	14.76%
2013	327,149	327,149	-	2,216,459	14.76%
2012	258,333	258,333	-	2,026,143	12.75%
2011	253,352	253,352	-	1,987,073	12.75%
2010	250,408	250,408	-	2,138,409	11.71%

Current year contributions are from Town records and prior year contributions are from the VRS actuarial valuation performed each year.

Town of Rocky Mount, Virginia
Notes to Required Supplementary Information
Fiscal Year Ended June 30, 2019

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Largest 10 - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

Other Supplementary Information

Town of Rocky Mount, Virginia
 Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget -
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 2,042	\$ 2,042
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 2,042	\$ 2,042
Net change in fund balances	\$ -	\$ -	\$ 2,042	\$ 2,042
Fund balances - beginning	-	-	59,779	59,779
Fund balances - ending	\$ -	\$ -	\$ 61,821	\$ 61,821

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

Town of Rocky Mount, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real Property Tax	\$ 605,310	\$ 605,310	\$ 580,625	\$ (24,685)
Public service corporation taxes	28,162	28,162	27,035	(1,127)
Personal Property Tax	259,012	259,012	261,439	2,427
Machinery and tools tax	139,717	139,717	148,325	8,608
Penalties	5,000	5,000	7,682	2,682
Interest	2,800	2,800	3,411	611
Total general property taxes	<u>\$ 1,040,001</u>	<u>\$ 1,040,001</u>	<u>\$ 1,028,517</u>	<u>\$ (11,484)</u>
Other local taxes:				
Local sales and use taxes	\$ 189,013	\$ 189,013	\$ 219,461	\$ 30,448
Consumers' utility taxes	329,910	329,910	323,155	(6,755)
Business license taxes	644,231	644,231	703,410	59,179
Bank stock taxes	228,700	228,700	319,352	90,652
Lodging taxes	186,771	186,771	212,306	25,535
Meals taxes	1,721,737	1,721,737	1,564,903	(156,834)
Cigarette taxes	73,288	73,288	87,225	13,937
Total other local taxes	<u>\$ 3,373,650</u>	<u>\$ 3,373,650</u>	<u>\$ 3,429,812</u>	<u>\$ 56,162</u>
Permits, privilege fees, and regulatory licenses:				
Farmers Market permits	\$ 3,640	\$ 3,640	\$ 4,830	\$ 1,190
Welcome Center fees	4,800	4,800	6,430	1,630
Solicitor fees	-	-	100	100
Zoning permits	9,100	9,100	10,768	1,668
Total permits, privilege fees, and regulatory licenses	<u>\$ 17,540</u>	<u>\$ 17,540</u>	<u>\$ 22,128</u>	<u>\$ 4,588</u>
Fines and forfeitures:				
Court fines	\$ 46,799	\$ 46,799	\$ 49,460	\$ 2,661
Parking fines	100	100	255	155
Other fines	100	100	332	232
Total fines and forfeitures	<u>\$ 46,999</u>	<u>\$ 46,999</u>	<u>\$ 50,047</u>	<u>\$ 3,048</u>
Revenue from use of money and property:				
Interest earned	\$ 96,507	\$ 96,507	\$ 262,874	\$ 166,367
Revenue from use of property	450	450	450	-
Total revenue from use of money and property	<u>\$ 96,957</u>	<u>\$ 96,957</u>	<u>\$ 263,324</u>	<u>\$ 166,367</u>
Charges for services:				
Waste collection charges	\$ 93,592	\$ 93,592	\$ 104,777	\$ 11,185
Police reports	1,260	1,260	1,235	(25)
Security services	3,305	3,305	3,630	325
Passport services	13,500	13,500	18,293	4,793
Miscellaneous services	16,030	16,030	15,550	(480)
Total charges for services	<u>\$ 127,687</u>	<u>\$ 127,687</u>	<u>\$ 143,485</u>	<u>\$ 15,798</u>
Miscellaneous:				
Donations	\$ -	\$ -	\$ 3,234	\$ 3,234
Local contributions and grants	30,000	35,817	35,606	(211)
Miscellaneous	3,773	70,758	25,208	(45,550)
Total miscellaneous	<u>\$ 33,773</u>	<u>\$ 106,575</u>	<u>\$ 64,048</u>	<u>\$ (42,527)</u>
Recovered costs:				
Other recovered costs	\$ -	\$ -	\$ 3,137	\$ 3,137
Total revenue from local sources	<u>\$ 4,736,607</u>	<u>\$ 4,809,409</u>	<u>\$ 5,004,498</u>	<u>\$ 195,089</u>

Town of Rocky Mount, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental:				
Revenue from local governments:				
County of Franklin, Virginia School Board	\$ 29,632	\$ 29,632	\$ 29,632	\$ -
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal property tax relief funds	\$ 53,861	\$ 53,861	\$ 53,861	\$ -
Communications tax	179,245	179,245	167,639	(11,606)
Litter tax	2,480	2,480	6,155	3,675
Rolling Stock	3,340	3,340	3,346	6
Other revenue	710	710	31,569	30,859
Total noncategorical aid	<u>\$ 239,636</u>	<u>\$ 239,636</u>	<u>\$ 262,570</u>	<u>\$ 22,934</u>
Categorical aid:				
Other categorical aid:				
Fire programs	\$ 16,044	\$ 16,044	\$ 16,611	\$ 567
Highway maintenance	1,438,227	1,438,227	1,452,122	13,895
COPS grant	-	-	998	998
Law enforcement aid	111,952	142,181	146,321	4,140
VDOT grant	600,000	957,469	8,015	(949,454)
Total other categorical aid	<u>\$ 2,166,223</u>	<u>\$ 2,553,921</u>	<u>\$ 1,624,067</u>	<u>\$ (929,854)</u>
Total revenue from the Commonwealth	<u>\$ 2,405,859</u>	<u>\$ 2,793,557</u>	<u>\$ 1,886,637</u>	<u>\$ (906,920)</u>
Revenue from the federal government:				
Categorical aid:				
DMV ground transportation safety grant	\$ -	\$ -	\$ 11,637	\$ 11,637
CDBG	25,000	25,000	-	(25,000)
Total categorical aid	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 11,637</u>	<u>\$ (13,363)</u>
Total revenue from the federal government	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 11,637</u>	<u>\$ (13,363)</u>
Total General Fund	<u><u>\$ 7,197,098</u></u>	<u><u>\$ 7,657,598</u></u>	<u><u>\$ 6,932,404</u></u>	<u><u>\$ (725,194)</u></u>
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Interest earned	\$ -	\$ -	\$ 2,042	\$ 2,042
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,042</u>	<u>\$ 2,042</u>
Total Primary Government	<u><u>\$ 7,197,098</u></u>	<u><u>\$ 7,657,598</u></u>	<u><u>\$ 6,934,446</u></u>	<u><u>\$ (723,152)</u></u>

Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General Government Administration:				
Mayor and Town Council:				
Wages - elected officials	\$ 2,200	\$ 2,200	\$ 2,200	\$ -
Wages - contractual services	30,450	30,450	29,475	975
Fringes/benefits	2,877	2,877	2,809	68
Contractual services	2,740	13,136	12,048	1,088
Advertising	1,250	1,250	2,629	(1,379)
Printing and binding	2,200	2,200	2,153	47
Postage and delivery services	115	115	204	(89)
Communication	3,561	3,561	3,361	200
Travel, training, and education	3,200	3,200	6,176	(2,976)
Meeting expenses	700	700	1,097	(397)
Stipends	900	900	550	350
Dues and professional memberships	10,588	10,588	13,639	(3,051)
Books and subscriptions	60	60	600	(540)
Office supplies	2,870	2,870	1,194	1,676
Miscellaneous	13,200	13,200	14,593	(1,393)
Furniture and fixtures	-	8,600	8,545	55
Data processing equipment	400	400	-	400
Total Mayor and Town Council	<u>\$ 77,311</u>	<u>\$ 96,307</u>	<u>\$ 101,273</u>	<u>\$ (4,966)</u>
Town Manager:				
Wages	\$ 166,897	\$ 166,897	\$ 166,641	\$ 256
Fringes/benefits	69,819	69,819	62,862	6,957
Contractual services	1,340	2,090	5,752	(3,662)
Advertising	400	400	140	260
Printing and binding	40	40	-	40
Postage and delivery services	140	140	183	(43)
Motor fuel expense	500	500	791	(291)
Motor vehicle expense	400	400	599	(199)
Communication	5,868	5,868	6,798	(930)
Travel, training, and education	9,000	9,000	8,330	670
Dues and professional memberships	1,235	1,235	1,161	74
Books and subscriptions	600	600	642	(42)
Office supplies	7,000	7,000	6,459	541
Data processing equipment	1,500	1,500	4,553	(3,053)
Total Town Manager	<u>\$ 264,739</u>	<u>\$ 265,489</u>	<u>\$ 264,911</u>	<u>\$ 578</u>
Town Attorney/Legal Services:				
Contractual services	\$ 5,000	\$ 5,000	\$ 1,986	\$ 3,014
Retainer	22,044	22,044	22,048	(4)
Professional services	10,000	17,300	21,981	(4,681)
Travel, training, and education	100	100	-	100
Dues and professional memberships	260	260	250	10
Books and subscriptions	395	395	-	395
Total Town Attorney/Legal Services	<u>\$ 37,799</u>	<u>\$ 45,099</u>	<u>\$ 46,265</u>	<u>\$ (1,166)</u>

Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (continued)				
General Government Administration: (continued)				
Finance:				
Wages	\$ 174,216	\$ 174,216	\$ 173,993	\$ 223
Fringes/benefits	80,352	80,352	73,013	7,339
Contractual services	102,200	102,200	74,208	27,992
Advertising	320	320	281	39
Printing and binding	10,200	10,200	11,148	(948)
Postage and delivery services	5,200	5,200	5,652	(452)
Fees	4,850	4,850	5,232	(382)
Communications	7,306	7,306	6,126	1,180
Travel, training, and education	6,400	6,400	5,953	447
Dues and professional memberships	1,254	1,254	1,433	(179)
Books and subscriptions	115	115	128	(13)
Miscellaneous	-	-	9	(9)
Office Supplies	7,500	7,500	5,618	1,882
Furniture and fixtures	700	700	1,987	(1,287)
Data processing	345,000	345,000	136,152	208,848
Total Finance	\$ 745,613	\$ 745,613	\$ 500,933	\$ 244,680
Total General Government Administration	\$ 1,125,462	\$ 1,152,508	\$ 913,382	\$ 239,126
Public Safety:				
Police Department:				
Wages	\$ 1,250,463	\$ 1,287,804	\$ 1,258,328	\$ 29,476
Fringes/benefits	603,679	616,338	616,097	241
Contractual services	16,000	16,000	20,997	(4,997)
Repairs and maintenance	500	500	126	374
Advertising	600	600	1,008	(408)
Printing and binding	880	880	713	167
Postage and delivery services	700	700	596	104
Motor fuel expense	38,900	38,900	42,582	(3,682)
Motor vehicle expense	30,000	30,000	21,716	8,284
Communications	24,292	24,292	23,690	602
Grant expenses	-	-	133	(133)
Purchases-grant funded	-	4,000	1,449	2,551
Purchases-comm grant	1,220	(21,051)	(29,664)	8,613
Police K-9 unit	9,500	9,500	10,810	(1,310)
SWAT/warrant expenses	100	100	-	100
Purchases-food	-	-	(1,042)	1,042
Uniforms	5,700	5,700	9,070	(3,370)
Travel, training, and education	5,500	5,500	19,190	(13,690)
Transportation and extraditions	100	100	-	100
Uniform stipend	13,600	13,600	13,200	400
Dues and professional memberships	10,600	10,600	11,060	(460)
Office supplies	2,400	2,400	2,547	(147)
Police supplies	26,700	26,700	21,702	4,998
Furniture and fixtures	1,000	1,000	139	861
Data processing	17,000	17,000	13,792	3,208
Motor vehicles	-	49,000	58,775	(9,775)
Motor vehicle lease	17,300	17,300	6,900	10,400

Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (continued)				
Public Safety: (continued)				
Police Department: (continued)				
Audio and video equipment	\$ 15,000	\$ 15,000	\$ 12,516	\$ 2,484
Police equipment	13,500	13,500	10,000	3,500
Lease expense	15,452	15,452	15,297	155
Total Police Department	<u>\$ 2,120,686</u>	<u>\$ 2,201,415</u>	<u>\$ 2,161,727</u>	<u>\$ 39,688</u>
Volunteer Fire Department:				
Fringes/benefits	\$ 7,500	\$ 7,500	\$ 5,683	\$ 1,817
Contractual services	2,360	2,360	3,726	(1,366)
Repairs and maintenance	3,000	3,000	154	2,846
Advertising	500	500	493	7
Printing and binding	100	100	-	100
Permits, licenses, and fees	100	100	-	100
Motor fuel expense	5,800	5,800	6,973	(1,173)
Motor vehicle expense	13,000	13,000	30,236	(17,236)
Small equipment expense	100	100	302	(202)
Communications	2,705	2,705	2,170	535
Insurance	9,694	9,694	9,551	143
Grant purchases	-	3,633	-	3,633
Uniforms/turnout gear	10,000	10,000	12,773	(2,773)
Travel, training, and education	100	100	-	100
Stipends	67,000	67,000	50,950	16,050
Dues and professional memberships	50	50	-	50
Books and subscriptions	150	150	-	150
Office supplies	200	200	752	(552)
Furniture and fixtures	500	500	-	500
Fire department supplies	3,000	3,000	1,299	1,701
Data processing	500	500	-	500
Audio and video equipment	-	-	2,023	(2,023)
Fire equipment	36,200	36,200	45,789	(9,589)
Lease expense	1,545	1,545	1,700	(155)
Safety equipment	7,000	7,000	-	7,000
DOFP reporting	-	-	4,041	(4,041)
Total Volunteer Fire Department	<u>\$ 171,104</u>	<u>\$ 174,737</u>	<u>\$ 178,615</u>	<u>\$ (3,878)</u>
Total Public Safety	<u>\$ 2,291,790</u>	<u>\$ 2,376,152</u>	<u>\$ 2,340,342</u>	<u>\$ 35,810</u>
Public Works:				
Administration:				
Wages	\$ 52,085	\$ 73,861	\$ 66,906	\$ 6,955
Fringes/benefits	21,994	21,994	33,750	(11,756)
Contractual services	500	9,200	12,331	(3,131)
Permits, licenses and fees	128	128	-	128
Advertising	-	-	240	(240)
Printing and binding	30	30	-	30
Postage and delivery	14	14	-	14
Communications	5,136	5,136	5,136	-
Uniforms	10,800	10,800	10,799	1
Travel, training, and education	2,000	2,000	2,289	(289)
Dues and professional memberships	250	250	216	34
Data processing equipment	-	-	664	(664)
Books and subscriptions	900	900	1,514	(614)
Office supplies	400	400	1,013	(613)
Total Administration	<u>\$ 94,237</u>	<u>\$ 124,713</u>	<u>\$ 134,858</u>	<u>\$ (10,145)</u>

Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (continued)				
Public Works: (continued)				
PW Non-VDOT Highway Eligible:				
Contractual services	\$ -	\$ -	\$ 12,178	\$ (12,178)
Uniforms	-	-	2,634	(2,634)
Total PW Non-VDOT Highway Eligible	\$ -	\$ -	\$ 14,812	\$ (14,812)
Street Lights:				
Wages	\$ 5,533	\$ 5,533	\$ 1,024	\$ 4,509
Fringes/benefits	3,453	3,453	727	2,726
Contractual services	-	-	1,038	(1,038)
Repairs and maintenance	450	450	4,488	(4,038)
Utilities	102,000	102,000	94,861	7,139
Streets, street lights, sidewalks	2,000	2,000	1,935	65
Capital outlay	-	43,224	-	43,224
Total Street Lights	\$ 113,436	\$ 156,660	\$ 104,073	\$ 52,587
Traffic Control and Parking:				
Wages	\$ 11,066	\$ 11,066	\$ 5,682	\$ 5,384
Fringes/benefits	6,908	6,908	4,225	2,683
Contractual services	22,000	13,300	1,812	11,488
Repairs and maintenance	1,700	1,700	-	1,700
Utilities	11,100	11,100	11,640	(540)
Motor fuel expense	715	715	876	(161)
Motor vehicle expense	500	500	854	(354)
Small equipment	-	-	800	(800)
Communications	3,144	3,144	1,304	1,840
Traffic control/parking supplies	12,700	12,700	12,332	368
Infrastructure	16,200	16,200	16,590	(390)
Traffic signals	20,000	20,000	11,649	8,351
Total Traffic Control and Parking	\$ 106,033	\$ 97,333	\$ 67,764	\$ 29,569
Streets:				
Wages	\$ 380,609	\$ 380,609	\$ 334,783	\$ 45,826
Fringes/benefits	183,490	183,490	193,365	(9,875)
Contractual services	450,000	761,041	423,432	337,609
Repairs and maintenance	2,500	2,500	-	2,500
Advertising	150	150	580	(430)
Permits, licenses, fees	800	800	-	800
Motor fuel expense	22,100	22,100	26,290	(4,190)
Motor vehicle expense	24,700	24,700	22,364	2,336
Travel and training	500	500	315	185
Small equipment expense	6,100	6,100	3,517	2,583
Agricultural supplies	400	400	75	325
Chemicals and materials	1,500	1,500	2,012	(512)
Streets, street lights, sidewalk supplies	35,000	35,000	33,754	1,246
Gravel	-	-	12,160	(12,160)
Asphalt	-	-	12,829	(12,829)
Machinery and equipment	1,500	131,835	144,343	(12,508)
Infrastructure	700,000	832,029	33,931	798,098
Total Streets	\$ 1,809,349	\$ 2,382,754	\$ 1,243,750	\$ 1,139,004
Sidewalks, Curbs, and Guttering:				
Wages	\$ 5,533	\$ 5,533	\$ 2,016	\$ 3,517
Fringes/benefits	3,423	3,423	1,371	2,052
Contractual services	-	-	1,845	(1,845)

Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (continued)				
Public Works: (continued)				
Sidewalks, Curbs, and Guttering: (continued)				
Street and sidewalk supplies	\$ 2,500	\$ 2,500	\$ 532	\$ 1,968
Capital outlay	40,000	40,000	40,000	-
Total Sidewalks, Curbs, and Guttering	<u>\$ 51,456</u>	<u>\$ 51,456</u>	<u>\$ 45,764</u>	<u>\$ 5,692</u>
Street Cleaning:				
Wages	\$ 2,766	\$ 2,766	\$ 3,607	\$ (841)
Fringes/benefits	1,700	1,700	2,030	(330)
Repairs and maintenance	1,000	1,000	-	1,000
Motor fuel expense	800	800	718	82
Motor vehicle expense	1,000	1,000	65	935
Streets, street lights, cleaning, and sidewalk supplies	120	120	-	120
Total Street Cleaning	<u>\$ 7,386</u>	<u>\$ 7,386</u>	<u>\$ 6,420</u>	<u>\$ 966</u>
Refuse Collection:				
Wages	\$ 72,679	\$ 72,679	\$ 62,393	\$ 10,286
Fringes/benefits	44,831	44,831	34,920	9,911
Contractual services	280	280	690	(410)
Advertising	700	700	468	232
Motor fuel expense	7,500	7,500	8,709	(1,209)
Motor vehicle expense	5,000	5,000	8,467	(3,467)
Refuse collection supplies	1,450	1,450	1,842	(392)
Total Refuse Collection	<u>\$ 132,440</u>	<u>\$ 132,440</u>	<u>\$ 117,489</u>	<u>\$ 14,951</u>
Snow Removal:				
Wages	\$ 15,533	\$ 24,157	\$ 22,215	\$ 1,942
Fringes/benefits	7,406	7,406	8,028	(622)
Motor fuel expense	1,300	1,300	1,725	(425)
Motor vehicle expense	1,500	1,500	746	754
Chemicals, materials, supplies	17,500	17,500	14,370	3,130
Streets, street lights, cleaning, and sidewalk supplies	1,000	1,000	6,748	(5,748)
Total Snow Removal	<u>\$ 44,239</u>	<u>\$ 52,863</u>	<u>\$ 53,832</u>	<u>\$ (969)</u>
Municipal Building:				
Wages	\$ -	\$ -	\$ 966	\$ (966)
Fringes/benefits	-	-	371	(371)
Contractual services	14,396	14,396	19,272	(4,876)
Repairs and maintenance	1,500	1,500	1,144	356
Utilities	22,020	34,196	33,608	588
Communications	4,200	7,347	5,607	1,740
Municipal building supplies	1,875	1,875	3,659	(1,784)
Agricultural supplies	270	270	-	270
Janitorial supplies	1,820	1,820	1,510	310
Furniture and fixtures	-	-	253	(253)
Data processing	-	2,773	2,773	-
Total Municipal Building	<u>\$ 46,081</u>	<u>\$ 64,177</u>	<u>\$ 69,163</u>	<u>\$ (4,986)</u>

Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (continued)				
Public Works: (continued)				
Emergency Services Building:				
Wages	\$ -	\$ -	\$ 539	\$ (539)
Fringes/benefits	-	-	520	(520)
Contractual services	22,157	22,157	17,367	4,790
Repairs and maintenance	7,600	7,600	4,049	3,551
Utilities	16,600	16,600	16,293	307
Heating fuel expense	9,500	9,500	11,419	(1,919)
Communications	4,980	4,980	5,979	(999)
Firefighters memorial	-	25,332	25,913	(581)
Agricultural supplies	70	70	-	70
Janitorial supplies	1,300	1,300	3,330	(2,030)
ES building supplies	518	518	623	(105)
Land and buildings	5,000	5,000	2,621	2,379
Data processing	-	-	504	(504)
Total Emergency Services Building	\$ 67,725	\$ 93,057	\$ 89,157	\$ 3,900
Public Works Building:				
Wages	\$ -	\$ -	\$ 965	\$ (965)
Fringes/benefits	-	-	510	(510)
Contractual services	4,287	4,287	4,789	(502)
Repairs and maintenance	600	600	2,714	(2,114)
Utilities	6,240	6,240	4,126	2,114
Heating fuel expense	4,000	4,000	3,193	807
Communications	4,127	4,127	4,713	(586)
Office supplies	100	100	-	100
Janitorial supplies	3,600	3,600	4,537	(937)
Agricultural supplies	100	100	-	100
Shop supplies	6,300	6,300	4,043	2,257
Land and buildings	-	-	6,500	(6,500)
Furniture and fixtures	-	-	541	(541)
Data processing	-	-	504	(504)
Total Public Works Building	\$ 29,354	\$ 29,354	\$ 37,135	\$ (7,781)
Total Public Works	\$ 2,501,736	\$ 3,192,193	\$ 1,984,217	\$ 1,207,976
Parks, Recreation, and Cultural:				
Cemetery Maintenance:				
Wages	\$ 11,066	\$ 11,066	\$ 8,130	\$ 2,936
Fringes/benefits	6,907	6,907	4,249	2,658
Contractual services	10	10	-	10
Motor fuel expense	600	600	603	(3)
Small equipment expense	200	200	-	200
Agricultural supplies	50	50	397	(347)
Total Cemetery Maintenance	\$ 18,833	\$ 18,833	\$ 13,379	\$ 5,454

Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (continued)				
Parks, Recreation, and Cultural: (continued)				
Playgrounds and Parks:				
Wages	\$ 27,665	\$ 27,665	\$ 21,716	\$ 5,949
Fringes/benefits	17,130	17,130	13,443	3,687
Contractual services	3,730	3,730	2,390	1,340
Repairs and maintenance	1,780	1,780	34	1,746
Utilities	1,900	1,900	1,326	574
Motor fuel expense	675	675	968	(293)
Small equipment expense	100	100	-	100
Agricultural supplies	-	-	6,017	(6,017)
Janitorial supplies	400	400	-	400
Parks, recreation, cemetery supplies	-	-	4,536	(4,536)
Capital outlay	3,700	3,700	-	3,700
Furniture and fixtures	-	17,804	17,804	-
Total Playgrounds and Parks	<u>\$ 57,080</u>	<u>\$ 74,884</u>	<u>\$ 68,234</u>	<u>\$ 6,650</u>
Mary Elizabeth Park:				
Capital outlay	\$ 10,000	\$ 68,171	\$ 64,800	\$ 3,371
Celeste Park:				
Capital outlay	\$ (5,245)	\$ -	\$ -	\$ -
Gilley's Park:				
Capital outlay	\$ 5,245	\$ 5,245	\$ -	\$ 5,245
Impound Lot:				
Impound lot	\$ -	\$ -	\$ 7,444	\$ (7,444)
Total Parks, Recreation, and Cultural	<u>\$ 85,913</u>	<u>\$ 167,133</u>	<u>\$ 153,857</u>	<u>\$ 13,276</u>
Community Development:				
Planning and Zoning:				
Wages	\$ 64,768	\$ 64,768	\$ 65,799	\$ (1,031)
Fringes/benefits	31,099	31,099	31,043	56
Contractual services	1,000	1,000	975	25
Advertising	5,000	5,000	1,540	3,460
Postage and delivery services	390	390	51	339
Motor fuel expense	50	50	-	50
Motor vehicle expense	500	500	-	500
Communications	5,935	5,935	6,101	(166)
Travel	1,000	1,000	790	210
Meeting expenses	75	75	49	26
Stipends	8,200	8,200	8,100	100
Dues and professional memberships	50	50	105	(55)
Books and subscriptions	100	100	641	(541)
Office Supplies	3,500	3,500	1,522	1,978
Data processing equipment	2,000	2,000	6,683	(4,683)
Total Planning and Zoning	<u>\$ 123,667</u>	<u>\$ 123,667</u>	<u>\$ 123,399</u>	<u>\$ 268</u>

Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (continued)				
Community Development: (continued)				
Community and Economic Development:				
Wages	\$ 98,055	\$ 98,055	\$ 95,336	\$ 2,719
Fringes/benefits	46,777	46,777	45,864	913
Contractual services	40,000	40,000	72,651	(32,651)
Advertising	2,000	2,000	46	1,954
Branding of Town	62,257	83,688	47,490	36,198
Printing and binding	-	-	176	(176)
Postage and delivery services	470	470	901	(431)
Motor fuel expense	1,700	1,700	1,972	(272)
Motor vehicle expense	2,000	2,000	758	1,242
Communications	2,870	2,870	4,595	(1,725)
Travel, training, and education	5,000	5,000	4,673	327
Dues and professional memberships	2,000	2,000	4,293	(2,293)
Books and subscriptions	600	600	1,024	(424)
Special events/promotions	21,000	21,000	27,180	(6,180)
Shop local campaign	5,000	5,000	-	5,000
Office supplies	6,000	6,000	5,304	696
Furniture and fixtures	-	-	1,480	(1,480)
Data processing equipment	2,000	2,000	10,848	(8,848)
Town decorations	1,000	7,905	10,105	(2,200)
Total Community and Economic Development	\$ 298,729	\$ 327,065	\$ 334,696	\$ (7,631)
Citizens' Square:				
Wages	\$ 5,533	\$ 5,533	\$ 1,188	\$ 4,345
Fringes/benefits	3,403	3,403	721	2,682
Contractual services	8,525	8,525	7,230	1,295
Repairs and maintenance	750	750	6,728	(5,978)
Permits, licenses, fees	40	40	-	40
EBT expense	650	650	628	22
Utilities	2,650	2,650	2,334	316
Janitorial supplies	240	240	430	(190)
Citizens' Square/Depot supplies	300	300	1,610	(1,310)
Furniture and fixtures	-	-	2,089	(2,089)
Total Citizens' Square	\$ 22,091	\$ 22,091	\$ 22,958	\$ (867)
Community and Hospitality Center:				
Wages	\$ 15,116	\$ 15,116	\$ 7,296	\$ 7,820
Fringes/benefits	3,025	3,025	738	2,287
Contractual services	3,500	3,500	4,444	(944)
Repairs and maintenance	200	200	-	200
Advertising	165	165	-	165
Utilities	3,600	3,600	3,133	467
Communications	996	996	1,027	(31)
Travel, training, and education	60	60	25	35
Office supplies	200	200	234	(34)
Janitorial supplies	250	250	62	188
Citizens' Square/Depot supplies	200	200	-	200
Total Community and Hospitality Center	\$ 27,312	\$ 27,312	\$ 16,959	\$ 10,353

Town of Rocky Mount, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Fiscal Year Ended June 30, 2019

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (continued)				
Community Development: (continued)				
Passport Program:				
Postage and delivery services	\$ 1,875	\$ 1,875	\$ 1,996	\$ (121)
Communications	-	-	154	(154)
Office supplies	1,125	1,125	407	718
Total Passport Program	\$ 3,000	\$ 3,000	\$ 2,557	\$ 443
Remediation of Blighted Structures:				
Demolition	\$ 10,000	\$ 10,000	-	\$ 10,000
Economic Development Authority:				
Wages	\$ 600	\$ 600	\$ 400	\$ 200
Fringes/benefits	155	155	170	(15)
Travel and training	300	300	-	300
Stipends	1,800	1,800	900	900
Total Economic Development Authority	\$ 2,855	\$ 2,855	\$ 1,470	\$ 1,385
Contributions to Harvester Performance Center	\$ 394,982	\$ 394,982	\$ 2,588	\$ 392,394
Total Community Development	\$ 882,636	\$ 910,972	\$ 504,627	\$ 406,345
Nondepartmental:				
Wages	\$ -	\$ -	\$ 24,018	\$ (24,018)
Fringes/benefits	47,651	47,651	35,538	12,113
Insurance	67,681	67,681	64,522	3,159
Contributions to other entities	16,500	16,500	15,450	1,050
Contingency	79,550	35,158	-	35,158
Total Nondepartmental	\$ 211,382	\$ 166,990	\$ 139,528	\$ 27,462
Debt Service:				
Principal retirement	\$ 290,000	\$ 290,000	\$ 290,000	-
Interest and fiscal charges	50,162	50,162	50,079	83
Total debt service	\$ 340,162	\$ 340,162	\$ 340,079	\$ 83
Total General Fund	\$ 7,439,081	\$ 8,306,110	\$ 6,376,032	\$ 1,930,078
Total Primary Government	\$ 7,439,081	\$ 8,306,110	\$ 6,376,032	\$ 1,930,078

STATISTICAL SECTION

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
<i>These tables contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	
Revenue Capacity	5-9
<i>These tables contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes and utility revenues.</i>	
Debt Capacity	10-11
<i>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.</i>	
Demographic and Economic Information	12-13
<i>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.</i>	
Operating Information	14-16
<i>These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.</i>	

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

Town of Rocky Mount, Virginia
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 9,938,639	\$ 12,308,493	\$ 12,768,337	\$ 12,824,596	\$ 13,421,135	\$ 13,173,384	\$ 13,194,309	\$ 13,382,249	\$ 13,324,081	\$ 13,013,305
Restricted	-	-	-	-	-	-	-	451,764	127,010	-
Unrestricted	10,998,693	10,934,072	10,241,470	9,524,633	5,700,375	4,942,843	6,909,303	5,750,745	4,918,816	5,555,290
Total governmental activities net position	<u>\$ 20,937,332</u>	<u>\$ 23,242,565</u>	<u>\$ 23,009,807</u>	<u>\$ 22,349,229</u>	<u>\$ 19,121,510</u>	<u>\$ 18,116,227</u>	<u>\$ 20,103,612</u>	<u>\$ 19,584,758</u>	<u>\$ 18,369,907</u>	<u>\$ 18,568,595</u>
Business-type activities										
Net investment in capital assets	\$ 7,601,301	\$ 9,435,263	\$ 9,712,564	\$ 9,967,807	\$ 8,910,140	\$ 8,741,269	\$ 8,522,241	\$ 13,013,305	\$ 8,516,925	\$ 8,307,375
Restricted for debt service	356,642	356,642	280,018	280,018	-	-	-	-	-	152,943
Unrestricted	(192,322)	(1,150,324)	(1,514,916)	(1,379,266)	266,300	22,529	8,757,094	5,555,290	1,173,667	1,279,273
Total business-type activities net position	<u>\$ 7,765,621</u>	<u>\$ 8,641,581</u>	<u>\$ 8,477,666</u>	<u>\$ 8,868,559</u>	<u>\$ 9,176,440</u>	<u>\$ 8,763,798</u>	<u>\$ 17,279,335</u>	<u>\$ 18,568,595</u>	<u>\$ 9,690,592</u>	<u>\$ 9,739,591</u>
Primary Government										
Net investment in capital assets	\$ 17,539,940	\$ 21,743,756	\$ 22,480,901	\$ 22,792,403	\$ 22,331,275	\$ 21,914,653	\$ 21,716,550	\$ 26,395,554	\$ 21,841,006	\$ 21,320,680
Restricted for debt service	356,642	356,642	280,018	280,018	-	-	-	451,764	127,010	152,943
Unrestricted	10,806,371	9,783,748	8,726,554	8,145,367	5,966,675	4,965,372	7,144,156	11,306,035	6,092,483	6,834,563
Total primary government net position	<u>\$ 28,702,953</u>	<u>\$ 31,884,146</u>	<u>\$ 31,487,473</u>	<u>\$ 31,217,788</u>	<u>\$ 28,297,950</u>	<u>\$ 26,880,025</u>	<u>\$ 28,860,706</u>	<u>\$ 38,153,353</u>	<u>\$ 28,060,499</u>	<u>\$ 28,308,186</u>

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government administration	\$ 798,988	\$ 174,544	\$ 1,310,661	\$ 894,183	\$ 909,202	\$ 931,434	\$ 836,494	\$ 983,926	\$ 936,954	\$ 1,122,515
Public Safety	1,713,977	2,157,429	2,012,658	1,884,733	2,123,428	2,026,137	2,017,134	2,374,024	2,440,595	2,463,378
Public Works	1,892,605	1,555,182	1,538,835	1,756,852	1,371,148	1,728,155	1,947,796	1,743,964	2,088,558	2,156,048
Parks, recreation and cultural	43,798	112,286	54,320	125,182	113,983	61,642	66,665	161,397	216,058	193,722
Community development	303,876	186,118	581,132	752,701	3,894,611	680,806	778,492	905,959	1,284,101	619,565
Interest on long-term debt	135,526	185,382	116,630	108,331	104,988	20,876	58,187	49,285	58,784	46,130
Total governmental activities expenses	\$ 4,888,770	\$ 4,370,941	\$ 5,614,236	\$ 5,521,982	\$ 8,517,360	\$ 5,449,050	\$ 5,704,768	\$ 6,218,555	\$ 7,025,050	\$ 6,601,358
Business-type activities:										
Water and Sewage	\$ 2,304,052	\$ 2,293,343	\$ 2,286,168	\$ 2,567,771	\$ 2,517,014	\$ 2,392,635	\$ 2,441,711	\$ 2,442,424	\$ 2,501,509	\$ 2,820,911
Total business-type activities expenses	\$ 2,304,052	\$ 2,293,343	\$ 2,286,168	\$ 2,567,771	\$ 2,517,014	\$ 2,392,635	\$ 2,441,711	\$ 2,442,424	\$ 2,501,509	\$ 2,820,911
Total primary government expenses	\$ 7,192,822	\$ 6,664,284	\$ 7,900,404	\$ 8,089,753	\$ 11,034,374	\$ 7,841,685	\$ 8,146,479	\$ 8,660,979	\$ 9,526,559	\$ 9,422,269
Program Revenues										
Governmental activities:										
Charges for services:										
Public Safety	\$ 33,858	\$ 38,121	\$ 34,393	\$ 93,630	\$ 109,983	\$ 89,168	\$ 81,459	\$ 86,852	\$ 85,651	\$ 95,333
Public Works	89,694	91,463	91,874	98,136	85,135	92,842	93,420	93,563	94,673	104,777
Other activities	13,887	23,473	15,477	6,569	5,154	3,403	8,040	19,772	18,109	15,550
Operating grants and contributions	1,488,707	1,587,192	1,439,839	1,477,830	1,471,561	1,482,557	1,591,163	1,562,401	1,631,703	1,665,336
Capital grants and contributions	789,122	760,818	156,064	-	-	500,000	-	-	-	-
Total governmental activities program revenues	\$ 2,415,268	\$ 2,501,067	\$ 1,737,647	\$ 1,676,165	\$ 1,671,833	\$ 2,167,970	\$ 1,774,082	\$ 1,762,588	\$ 1,830,136	\$ 1,880,996
Business-type activities:										
Charges for services:										
Water & Sewer	\$ 1,829,553	\$ 1,776,905	\$ 1,777,053	\$ 2,034,980	\$ 2,234,095	\$ 2,286,212	\$ 2,468,788	\$ 2,581,401	\$ 2,714,441	\$ 2,716,967
Total primary government program revenues	\$ 4,244,821	\$ 4,277,972	\$ 3,514,700	\$ 3,711,145	\$ 3,905,928	\$ 4,454,182	\$ 4,242,870	\$ 4,343,989	\$ 4,544,577	\$ 4,597,963
Net (expense)/revenue:										
Governmental activities	\$ (2,473,502)	\$ (1,869,874)	\$ (3,876,589)	\$ (3,845,817)	\$ (6,845,527)	\$ (3,281,080)	\$ (3,930,686)	\$ (4,455,967)	\$ (5,194,914)	\$ (4,720,362)
Business-type activities	(474,499)	(516,438)	(509,115)	(532,791)	(282,919)	(106,423)	27,077	138,977	212,932	(103,944)
Total primary government net expense	\$ (2,948,001)	\$ (2,386,312)	\$ (4,385,704)	\$ (4,378,608)	\$ (7,128,446)	\$ (3,387,503)	\$ (3,903,609)	\$ (4,316,990)	\$ (4,981,982)	\$ (4,824,306)

Town of Rocky Mount, Virginia
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 791,374	\$ 818,866	\$ 836,746	\$ 849,121	\$ 958,992	\$ 937,781	\$ 1,004,337	\$ 1,009,816	\$ 1,022,648	\$ 1,050,197
Sales tax	184,303	162,650	165,757	170,318	161,774	167,128	172,420	180,099	187,370	219,461
Business licenses taxes	563,079	566,498	727,126	626,570	671,456	625,162	682,104	644,219	658,908	703,410
Meals tax	1,057,284	1,093,932	1,163,386	1,192,660	1,247,585	1,352,151	1,403,288	1,483,084	1,526,284	1,564,903
Lodging tax	84,890	89,232	95,823	86,254	99,690	114,034	123,292	184,230	203,737	212,306
Bank stock tax	207,793	215,996	205,444	211,311	249,226	275,223	222,092	228,304	295,140	319,352
Other local taxes	89,619	86,873	83,426	87,651	2,890	-	-	-	-	-
Consumers' utility taxes	526,582	330,044	320,543	322,792	331,258	333,011	328,559	322,765	330,020	323,155
Cigarette tax	-	-	123,161	100,371	95,814	107,461	89,454	108,493	89,771	87,225
Intergovernmental revenue, unrestricted	65,707	266,795	255,227	244,810	256,745	256,262	250,549	245,240	241,254	262,570
Unrestricted revenues from use of money and property	221,229	320,196	81,198	69,353	62,171	74,136	142,520	52,266	51,434	265,366
Other	41,289	1,094,702	32,619	39,699	71,007	54,238	143,156	8,965	100,590	64,048
Transfers	(498,602)	(761,607)	(454,138)	(783,565)	(590,800)	(257,139)	33,781	(606,059)	144,511	(152,943)
Total governmental activities	\$ 3,334,547	\$ 4,284,177	\$ 3,636,318	\$ 3,217,345	\$ 3,617,808	\$ 4,039,448	\$ 4,595,552	\$ 3,861,422	\$ 4,851,667	\$ 4,919,050
Business-type activities:										
Other	\$ 52,757	\$ 74,961	\$ 45,166	\$ 167,468	\$ -	\$ 258	\$ -	\$ 4,000	\$ -	\$ -
Unrestricted revenues from use of money and property	-	-	18	-	-	-	-	-	-	-
Transfers	498,602	761,607	454,138	783,565	590,800	257,139	(33,781)	606,059	(144,511)	152,943
Total business-type activities	\$ 551,359	\$ 836,568	\$ 499,322	\$ 951,033	\$ 590,800	\$ 257,397	\$ (33,781)	\$ 610,059	\$ (144,511)	\$ 152,943
Total primary government	\$ 3,885,906	\$ 5,120,745	\$ 4,135,640	\$ 4,168,378	\$ 4,208,608	\$ 4,296,845	\$ 4,561,771	\$ 4,471,481	\$ 4,707,156	\$ 5,071,993
Change in Net Position										
Governmental activities	\$ 861,045	\$ 2,414,303	\$ (240,271)	\$ (628,472)	\$ (3,227,719)	\$ 758,368	\$ 664,866	\$ (594,545)	\$ (343,247)	\$ 198,688
Business-type activities	76,860	320,130	(9,793)	418,242	307,881	150,974	(6,704)	749,036	68,421	48,999
Total primary government	\$ 937,905	\$ 2,734,433	\$ (250,064)	\$ (210,230)	\$ (2,919,838)	\$ 909,342	\$ 658,162	\$ 154,491	\$ (274,826)	\$ 247,687

Table 3

Town of Rocky Mount, Virginia
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 1,550	\$ 1,550	\$ -	\$ 10,145	\$ 1,838	\$ 76,140
Restricted	-	-	-	-	-	-	-	451,764	127,010	-
Reserved	2,293	-	-	-	-	-	-	-	-	-
Unreserved	10,799,062	-	-	-	-	-	-	-	-	-
Unassigned	-	11,897,728	11,323,032	10,704,059	6,409,484	6,978,936	8,150,074	7,782,624	7,431,554	7,887,691
Total general fund	\$ 10,801,355	\$ 11,897,728	\$ 11,323,032	\$ 10,704,059	\$ 6,411,034	\$ 6,980,486	\$ 8,150,074	\$ 8,244,533	\$ 7,560,402	\$ 7,963,831
All other governmental funds										
Nonspendable										
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,721	\$ 2,790	\$ 57,643	\$ -	\$ -
Reserved	1,438,537	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Capital Projects	(1,013,171)	-	-	-	-	-	-	-	-	-
Assigned, reported in:										
Capital Projects	-	-	-	-	-	-	-	-	59,779	61,821
Unassigned, reported in:										
Capital Projects	-	(680,288)	(775,601)	(795,086)	(321,815)	-	-	-	-	-
Total all other governmental funds	\$ 425,366	\$ (680,288)	\$ (775,601)	\$ (795,086)	\$ (321,815)	\$ 16,721	\$ 2,790	\$ 57,643	\$ 59,779	\$ 61,821

(1) The Town implemented GASB Statement No. 54 during fiscal year 2011.

Town of Rocky Mount, Virginia
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 3,507,462	\$ 3,386,948	\$ 3,719,978	\$ 3,640,251	\$ 3,799,794	\$ 3,911,550	\$ 4,012,405	\$ 4,161,830	\$ 4,313,712	\$ 4,458,329
Licenses and permits	13,387	14,788	5,945	12,861	26,593	17,001	17,007	20,158	21,776	22,128
Fines and forfeitures	28,709	32,263	28,467	53,037	57,805	52,787	51,040	48,858	43,419	50,047
Use of money & property	221,229	320,196	81,198	69,353	62,171	74,136	142,520	52,266	51,434	265,366
Charges for services	95,343	106,006	107,332	132,437	115,874	115,625	114,872	131,171	133,238	143,485
Other	41,289	410,795	189,296	43,513	112,966	57,422	692,271	43,969	208,324	67,185
Intergovernmental	2,343,536	2,614,805	1,695,066	1,722,640	1,728,306	2,238,819	1,841,712	1,807,641	1,872,957	1,927,906
Total revenues	\$ 6,250,955	\$ 6,885,801	\$ 5,827,282	\$ 5,674,092	\$ 5,903,509	\$ 6,467,340	\$ 6,871,827	\$ 6,265,893	\$ 6,644,860	\$ 6,934,446
Expenditures										
General government administration	\$ 675,930	\$ 581,529	\$ 824,164	\$ 627,291	\$ 639,357	\$ 695,392	\$ 679,772	\$ 689,682	\$ 723,804	\$ 913,382
Public safety	1,468,653	2,239,784	1,764,573	1,609,022	1,957,098	1,976,129	1,896,243	2,158,484	2,277,564	2,340,342
Public works	2,193,364	1,308,836	1,457,358	1,465,808	1,400,360	1,564,856	2,017,661	1,794,250	2,144,584	1,984,217
Parks, recreation and cultural	75,782	107,660	69,802	118,091	136,981	51,633	74,202	1,265,614	289,807	153,857
Community development	263,795	271,900	374,620	631,578	378,721	495,568	700,736	769,785	1,151,040	504,627
Nondepartmental	132,627	201,300	398,734	176,669	188,939	163,654	154,046	189,047	105,204	139,528
Capital outlay	1,066,717	1,817,788	845,734	598,258	2,779,365	191,440	-	-	-	-
Debt service:										
Principal	134,766	1,666,248	189,300	189,300	134,557	184,792	181,879	182,799	313,770	290,000
Interest	137,594	167,135	126,381	112,968	158,116	51,989	45,412	48,552	52,659	50,079
Bond Issuance Costs	-	-	-	-	7,357	-	-	-	-	-
Total expenditures	\$ 6,149,228	\$ 8,362,180	\$ 6,050,666	\$ 5,528,985	\$ 7,780,851	\$ 5,375,453	\$ 5,749,951	\$ 7,098,213	\$ 7,058,432	\$ 6,376,032
Excess of revenues over (under) expenditures	\$ 101,727	\$ (1,476,379)	\$ (223,384)	\$ 145,107	\$ (1,877,342)	\$ 1,091,887	\$ 1,121,876	\$ (832,320)	\$ (413,572)	\$ 558,414
Other financing sources (uses)										
Transfers in	\$ 557	\$ -	\$ 592,219	\$ 395,346	\$ 3,629,816	\$ -	\$ 33,781	\$ 6,188,100	\$ 144,511	\$ -
Transfers out	(499,159)	(761,607)	(1,046,357)	(1,178,911)	(5,579,585)	(257,139)	-	(6,794,159)	-	(152,943)
Issuance of debt	-	1,640,000	-	-	1,190,700	-	-	1,512,000	-	-
Capital leases	-	-	-	-	-	73,240	-	-	-	-
Other	-	697,775	-	-	(1,183,343)	-	-	-	-	-
Total other financing sources (uses)	\$ (498,602)	\$ 1,576,168	\$ (454,138)	\$ (783,565)	\$ (1,942,412)	\$ (183,899)	\$ 33,781	\$ 905,941	\$ 144,511	\$ (152,943)
Net change in fund balances	\$ (396,875)	\$ 99,789	\$ (677,522)	\$ (638,458)	\$ (3,819,754)	\$ 907,988	\$ 1,155,657	\$ 73,621	\$ (269,061)	\$ 405,471
Debt service as a percentage of noncapital expenditures	5.66%	28.01%	6.07%	6.13%	5.86%	4.57%	4.20%	4.22%	5.77%	5.61%

Table 5

Town of Rocky Mount, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate				Personal Property	Machinery and Tools	Public Service Companies	Total	Total Direct Tax Rate (1)
	Single Family Homes	Multi-Family Homes	Commercial and Industrial	Agriculture					
2019	\$ 222,407,900	\$ 18,685,200	\$ 215,363,000	\$ 3,153,900	\$ 56,858,823	\$ 87,864,583	\$ 20,494,198	\$ 624,827,604	0.13
2018	222,212,800	18,685,200	212,716,700	3,675,000	46,837,096	82,603,648	21,333,422	608,063,866	0.16
2017	219,812,800	18,685,200	212,669,900	3,675,000	42,899,086	78,265,472	21,936,930	597,944,388	0.16
2016	217,736,000	23,249,400	199,809,100	3,068,400	44,044,980	76,089,912	22,587,129	586,584,921	0.16
2015	216,079,400	23,881,500	189,316,500	3,064,400	40,148,381	62,411,333	21,894,698	556,796,212	0.16
2014	214,696,200	23,881,500	202,935,900	3,064,400	39,049,218	57,535,342	21,048,808	562,211,368	0.13
2013	213,160,884	24,813,316	193,538,300	2,428,100	46,464,623	61,607,537	21,406,026	563,418,786	0.13
2012	255,899,900	18,205,800	190,568,700	3,184,700	40,503,524	61,910,094	22,415,323	592,688,041	0.14
2011	249,922,100	18,205,800	190,568,700	3,184,700	39,741,741	60,122,533	21,769,051	583,514,625	0.14
2010	247,373,500	18,205,800	189,646,700	3,631,600	36,599,174	64,006,873	23,530,708	582,994,355	0.14

Notes: Property is assessed at full market value. Properties are reassessed once every 4 years.

(1) Per \$1,000 of assessed value.

Components of the Direct Tax Rate include:

Real Estate and Public Service Corporation: \$0.13

Personal Property: \$0.51

Machinery and Tools: \$0.17

Source: Real estate and personal property tax assessments.

Table 6

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

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	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	\$ 9,800,400	1	2.13%	\$ 9,904,200	2	2.16%
Southgate Associates II LP (Tanyard Rd)	9,513,400	2	2.07%	10,346,300	1	2.25%
Rocky Mount Development Company LLC (Old Franklin)	9,474,000	3	2.06%	9,876,300	3	2.15%
Franklin Memorial Hospital	8,631,700	4	1.88%	9,154,300	5	2.00%
Franklin County (Technology Park)	8,481,500	5	1.85%			
Lowes Home Centers Inc.	8,321,500	6	1.81%	8,327,400	6	1.81%
Trinity Packaging Corporation	7,586,400	7	1.65%	6,305,800	7	1.37%
PG Multi-16 LP/Ply Gem	6,825,600	8	1.49%	9,471,500	4	2.06%
OHI Asset (VA) Rocky Mount LLC/Trinity Mission	6,820,100	9	1.48%	4,286,900	13	0.93%
L & M Properties LLC	5,880,800	10	1.28%	5,142,900	11	1.12%
Champion Modular Inc./Mod-U-Kraf	5,582,500	11	1.21%	6,293,600	8	1.37%
Medical Facilities of Virginia/Franklin Health Care	5,189,200	12	1.13%	5,084,800	12	1.11%
AZ Rocky Mount LLC/Walgreen #13013	4,269,600	13	0.93%			
Danny M. Perdue Living Trust	3,776,300	14	0.82%	3,006,200	16	0.66%
Ferguson Land & Lumber Inc.	3,640,000	15	0.79%	2,466,300	20	0.54%
	<u>\$ 103,793,000</u>		<u>22.58%</u>	<u>\$ 89,666,500</u>		<u>19.53%</u>

Source: Real estate tax assessments

Town of Rocky Mount, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years

Year Ended June 30	Taxes Levied	Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 1,092,275	\$ 1,051,437	96.26%	\$ -	\$ 1,051,437	96.26%
2018	1,084,974	1,030,137	94.95%	7,222	1,037,359	95.61%
2017	962,620	909,453	94.48%	18,561	928,014	96.41%
2016	959,038	903,099	94.17%	30,921	934,020	97.39%
2015	902,443	842,340	93.34%	40,872	883,212	97.87%
2014	901,325	879,708 A	97.60%	8,871	888,579	98.59%
2013	903,558	820,174	90.77%	75,192	895,366	99.09%
2012	899,388	870,261	96.76%	27,452	897,713	99.81%
2011	884,213	869,431	98.33%	13,379	882,810	99.84%
2010	869,573	866,613	99.66%	1,979	868,592	99.89%

Note A: Vehicle license fees were added to the personal property tax bills for the first time in fiscal year 2014 since physical decals are no longer required. The license fees are, therefore, added to tax collections.

Source: Detailed Town property tax records.

Note: Amount collected does not include any penalties and interest on late payments.

Table 8

Town of Rocky Mount, Virginia
Principal Utility Customers
(Largest Own-Source Revenue)
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Monthly Average Consumption	Rank	Percentage of Total Billed Monthly Average Consumption	Monthly Average Consumption	Rank	Percentage of Total Billed Monthly Average Consumption
Ronile	1,918,745	1	8.60%	2,147,621	1	9.83%
PlyGem Windows	1,795,234	2	8.05%	853,500	2	3.91%
Rocky Mount Health & Rehab (Trinity Mission)	760,536	3	3.41%	710,633	3	3.25%
Franklin County High School	541,383	4	2.43%	421,026	4	1.93%
Home Town Ice	504,487	5	2.26%	227,202	8	1.04%
Medical Facilities of America (Franklin Health Care)	411,411	6	1.84%	313,592	7	1.44%
Franklin County Middle School	351,278	7	1.57%	345,628	5	1.58%
Candlewood Apartments	227,386	8	1.02%	335,082	6	1.53%
Rocky Mount Beaumont Inn (Comfort Inn)	215,275	9	0.97%			
Trinity Packaging	213,303	10	0.96%			
Greater Southern Wood Preservers/Rocky Top	195,406	11	0.88%			
Rocky Mount Development (Kroger)	179,868	12	0.81%			
Property Mgt / Windy Lane	174,951	13	0.78%	151,633	13	0.69%
Carilion Franklin Memorial Hospital	160,935	14	0.72%	212,855	9	0.97%
Holiday Inn Express	160,542	15	0.72%	138,622	15	0.63%

Source: Average Consumption Report from Utility Billing System

Table 9

Town of Rocky Mount, Virginia
General Government Local Taxes
Last Ten Fiscal Years

Fiscal Year Ended June 30	Local Sales & Use Tax	Consumer Utility Tax	Business License Taxes	Bank Stock Taxes	Lodging Taxes	Meals Tax	Cigarette Taxes	Total
2019	\$ 219,461	\$ 323,155	\$ 703,410	\$ 319,352	\$ 212,306	\$ 1,564,903	\$ 87,225	\$ 3,429,812
2018	187,370	330,020	658,908	295,140	203,737	1,526,284	89,771	3,291,230
2017	180,099	322,765	644,219	228,304	184,230	1,483,084	108,493	3,151,194
2016	172,420	328,559	682,104	222,092	123,292	1,403,288	89,454	3,021,209
2015	167,128	333,011	625,162	275,223	114,034	1,352,151	107,461	2,974,170
2014	161,774	331,258	671,456	249,226	99,690	1,247,585	95,814	2,856,803
2013	170,318	322,792	626,570	211,311	86,254	1,192,660	100,371	2,710,276
2012	165,757	320,543	727,126	205,444	95,823	1,163,386	123,161	2,801,240
2011	162,650	330,044	566,498	215,996	89,232	1,093,932	-	2,458,352
2010	170,017	529,578	563,079	207,793	84,890	1,057,284	-	2,612,641

Source: Schedule 1

Table 10

Town of Rocky Mount, Virginia
Computation of Legal Debt Margin
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 45,821,418	\$ 46,188,130	\$ 46,785,910	\$ 43,394,060	\$ 44,457,800	\$ 43,234,180	\$ 43,234,180	\$ 45,484,290	\$ 45,728,970	\$ 45,961,000
Total net debt applicable to limit	10,113,684	7,431,900	6,576,568	5,700,063	5,164,500	4,778,500	4,778,500	5,506,500	4,919,000	5,443,500
Legal debt margin	35,707,734	38,756,230	40,209,342	37,693,997	39,293,300	38,455,680	38,455,680	39,977,790	40,809,970	40,517,500
Total net debt applicable to the limit as a percentage of debt limit	22%	16.1%	14.1%	13.1%	11.6%	11.1%	11.1%	12.1%	10.8%	11.8%

Legal Debt Margin Calculated for Fiscal Year 2019

Assessed value	\$ 459,610,000
Debt limit (10% of assessed value)	\$ 45,961,000
Debt applicable to limit:	
Revenue Bonds	2,750,000
Other Long-Term Obligations	2,693,500
Total net applicable to limit	<u>\$ 5,443,500</u>
Legal debt margin	<u>\$ 40,517,500</u>

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

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Net Bonded Debt	Net Bonded Debt Per Capita	Net Bonded Debt to Taxable Value
	General Obligation Bonds	Revenue Bonds	Capital Lease	General Obligation Bonds	Revenue Bonds					
2019	\$ 1,577,000	\$ -	\$ -	\$ 1,116,500	\$ 2,750,000	\$ 5,443,500	0.26%	\$ 1,577,000	\$ 329	\$ 2.52
2018	1,867,000	-	-	-	3,052,000	4,919,000	0.24%	1,867,000	389	3.07
2017	2,162,000	-	18,770	-	3,344,500	5,525,270	0.27%	2,180,770	455	3.65
2016	815,000	-	36,569	-	3,573,500	4,425,069	0.23%	851,569	177	1.45
2015	980,000	-	53,448	-	3,798,500	4,831,948	0.25%	1,033,448	215	1.86
2014	1,145,000	-	-	-	4,019,500	5,164,500	0.27%	1,145,000	238	2.04
2013	1,310,000	1,196,423	-	2,265,063	1,019,177	5,790,663	0.30%	2,506,423	520	4.45
2012	1,475,000	1,222,798	-	2,931,568	1,041,644	6,671,010	0.36%	2,697,798	560	4.55
2011	1,640,000	1,249,173	-	3,576,900	1,064,111	7,530,184	0.44%	2,889,173	602	4.95
2010	1,641,948	1,275,548	-	6,211,736	1,086,578	10,215,810	0.59%	2,917,496	645	5.00

Source: Note 9

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

Fiscal Year Ended (1)	Population (2)	Per Capita Personal Income (3)	Total Personal Income Thousands of Dollars (3)	Public School Enrollment	Unemployment Rate
2019	4,748			6,668	3.10%
2018	4,764	\$ 38,707	\$ 2,184,835	6,832	3.40%
2017	4,799	37,300	2,091,380	6,885	4.10%
2016	4,799	36,668	2,063,114	6,952	4.30%
2015	4,798	34,586	1,949,205	7,098	5.20%
2014	4,830	35,374	1,992,780	7,095	5.50%
2013	4,821	26,872	1,926,513	7,080	5.70%
2012	4,820	34,614	1,952,632	7,278	6.20%
2011	4,799	32,626	1,840,735	7,325	8.00%
2010	4,525	33,116	1,719,502	7,120	7.60%

(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 not yet available.

Table 13

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

Employer	Fiscal Year 2019			Fiscal Year 2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Franklin County Public Schools	1,288	1	4.92%	1,200	1	4.69%
Ply Gem Manufacturers Inc.	1,178	2	4.50%	1,020	2	3.99%
Franklin County	359	3	1.37%	328	4	1.28%
Trinity Packaging Inc.	347	4	1.32%	300	5	1.17%
Wal-mart	248	5	0.95%	400	3	1.56%
Carilion Franklin Memorial Hospital	224	6	0.85%	270	7	1.05%
Fleetwood Homes of Virginia	162	7	0.62%	65	15	0.25%
Franklin Health Care	138	8	0.53%			
Ronile Inc.	123	9	0.47%	300	6	1.17%
Rocky Mount Rehabilitation & Health	121	10	0.46%	232	8	0.91%
	4,188			4,115		

Source: Virginia Employment Commission & employer human resource offices

Table 14

Town of Rocky Mount, Virginia
Full-time Equivalent Town Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General government										
Management services	3	3	3	3	2	2	2	2	2	2
Finance	5	5	5	5	5	5	5	5	5	5
Planning & Community Development	7	6	6	5	5	5	5	5	5	5
Police										
Officers	24	22	21	20	20	20	20	20	20	20
Civilians	2	2	2	2	2	2	2	2	2	2
Other public works										
Other	17	17	17	17	17	17	17	17	17	17
Parks, recreation, and cultural										
Water	6	6	6	6	6	6	6	6	6	6
Sewer	5	5	5	5	5	4	4	4	4	4
Total	<u>69</u>	<u>66</u>	<u>65</u>	<u>63</u>	<u>62</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>

Source: Town's Adopted Operating Budget

Table 15

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

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Fleet										
Pieces of equipment maintained	61	61	54	53	53	52	56	56	56	56
Public safety										
Police										
Criminal arrests	792	655	713	744	461	587	622	498	694	516
Traffic violations	1,911	1,532	1,282	1,453	1,217	1,209	1,172	754	730	653
Fire										
Emergency responses	540	493	468	470	418	423	427	380	379	308
Public works										
Other public works										
Street resurfacing (miles)	4	4	4	4	4	4	4	5	3	5
Water										
Number of customer accounts	2,926	2,911	2,914	2,891	2,895	2,872	2,855	2,836	2,824	2,813
Miles of distribution lines										
Volume pumped (million gallons per day average)	757,727	742,200	716,871	753,000	745,361	897,444	820,333	895,083	866,694	858,556
Sewer										
Number of customer accounts	2,079	2,078	2,067	2,051	2,049	2,034	2,009	2,003	2,001	1,998
Waste/Water treated (million gallons per day)	1,223,136	772,750	793,969	937,225	671,128	801,031	703,833	740,817	738,611	856,844

Source: Council reports, utility reports, highway reports.

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

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Public safety										
Law enforcement vehicles	31	30	28	26	26	25	21	19	15	14
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 sewage										
Water treatment plants	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	66	66	66	66	66	66	66	66	66	66
Storm sewers (miles)										
Sanitary sewers (miles)	64	64	64	64	64	64	64	64	64	64

Source: Equipment schedules, highway reports, GIS system.

COMPLIANCE SECTION



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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Rocky Mount, Virginia as of and for the year ended June 30, 2019, 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 November 14, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Town of Rocky Mount, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001 and 2019-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Town of Rocky Mount, Virginia's Response to Findings

Town of Rocky Mount, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Town of Rocky Mount, Virginia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Prolina, Faver, Cox Associates

Blacksburg, Virginia
November 14, 2019

Town of Rocky Mount, Virginia

Schedule of Findings and Responses
Fiscal Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Section II - Financial Statement Findings

2019-001

Criteria:	Per auditing standards, an auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards. Furthermore, reliance on the auditor to propose adjustments necessary to comply with reporting standards is not a component of such controls.
Condition:	The financial statements as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, the auditor proposed adjustments that were material to the financial statements.
Effect of Condition:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the Town's internal controls over financial reporting.
Cause of Condition:	The Town does not have proper controls in place to detect and correct adjustments in closing their year end financial statements.
Recommendation:	The Town should review the auditors' proposed audit adjustments for the fiscal year and develop a plan to ensure the trial balances and related schedules are accurately presented for audit.
Management's Response:	The Town will review the auditors' proposed audit adjustments for the fiscal year and will develop a plan of action to ensure that all adjusting entries are made prior to final audit fieldwork next year.

Town of Rocky Mount, Virginia

Schedule of Findings and Responses
Fiscal Year Ended June 30, 2019 (Continued)

Section II - Financial Statement Findings (Continued)

2019-002

Criteria: Bank reconciliations should be prepared in a timely manner each month and reviewed by someone outside of the collecting or disbursing functions. The bank reconciliations should be reconciled to the ledger and any discrepancies should be investigated.

Condition: Bank activity for each month was compared to the detailed general ledger, but a formal bank reconciliation was not prepared and reviewed to ensure that the balances reported were accurate.

Effect of Condition: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the Town's internal controls over financial reporting.

Cause of Condition: The Town does not have proper controls in place to ensure that monthly bank reconciliations are prepared and reviewed in a timely manner.

Recommendation: A process should be put in place to ensure that reconciliations are prepared monthly. Same should be reviewed and such review should be documented with a signature or initials on the bank reconciliation. Documentation should be maintained for audit purposes.

Management's Response: Bank reconciliations are given a cursory review upon arrival and any unusual items are investigated immediately. Formal bank reconciliations (reconciling checks cleared and deposits posted) occur within the month or next month, depending on other work tasks.

Section III - Status of Prior Audit Findings and Responses

2018-001

This finding is repeated in the current year as 2019-001.

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE TOWN OF ROCKY MOUNT, VIRGINIA**

(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT
(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)

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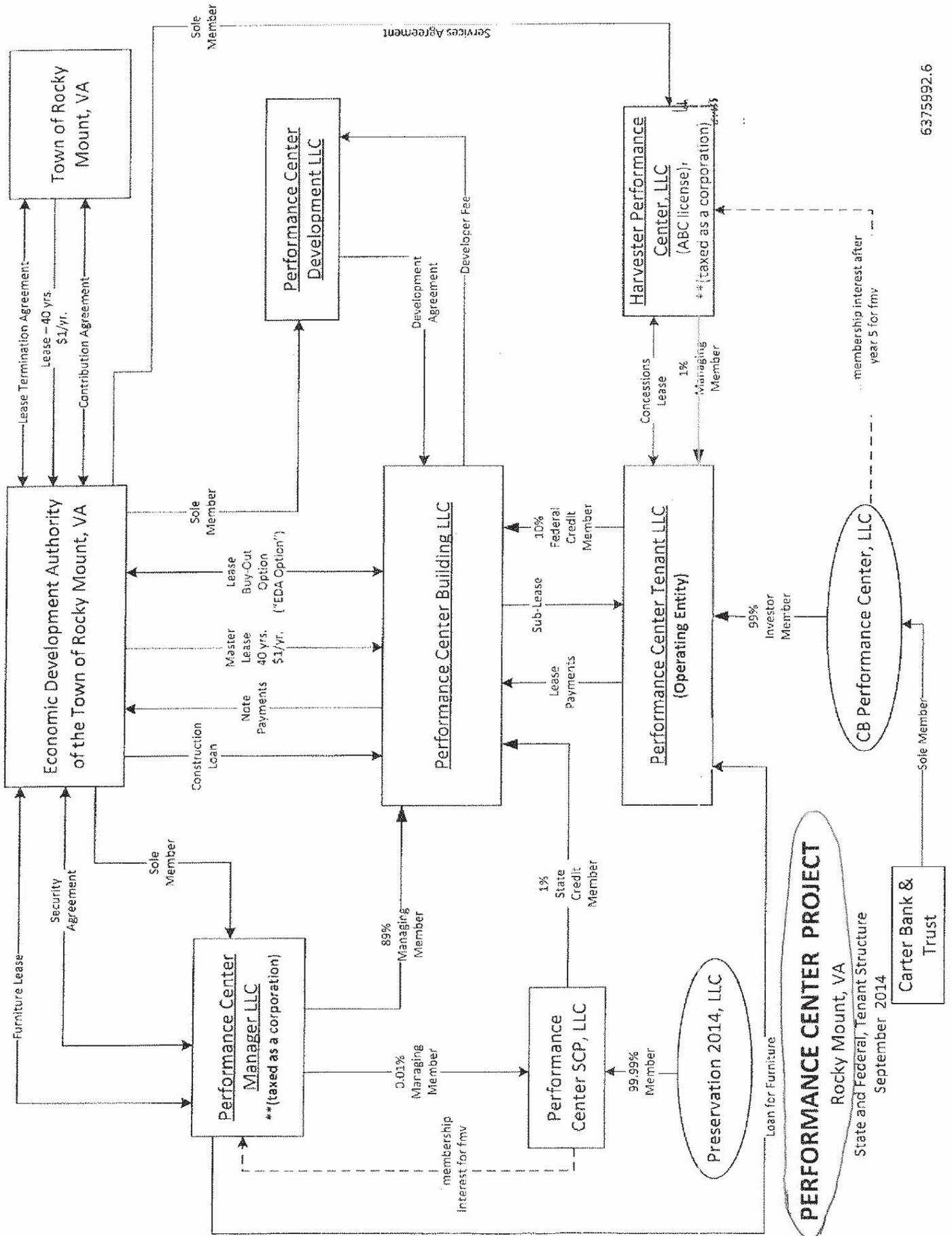
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COMPLIANCE SECTION

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INTRODUCTORY SECTION



FINANCIAL SECTION



Independent Auditors' Report

To the Honorable Members of
Economic Development Authority of
the Town of Rocky Mount, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Economic Development Authority of the Town of Rocky Mount, Virginia (the Authority), a component unit of the Town of Rocky Mount, Virginia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Authorities, Boards, and Commissions*, 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Economic Development Authority of the Town of Rocky Mount, Virginia, as of June 30, 2019, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement of Beginning Balances

As described in Note 5 to the financial statements, in 2019, the Authority restated beginning balances to reflect adjustments noted after year end. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019, on our consideration of the Economic Development Authority of the 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 solely 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 the effectiveness of the Economic Development Authority of the Town of Rocky Mount, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Economic Development Authority of the Town of Rocky Mount, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
November 14, 2019

Basic Financial Statements

ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA
 (A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)
 STATEMENT OF NET POSITION
 JUNE 30, 2019

ASSETS

Current Assets:

Cash and cash equivalents	\$	725,670
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Capital Assets:

Land	\$	68,244
Buildings and improvements (net of accumulated depreciation)		2,929,684
Machinery and equipment (net of accumulated depreciation)		12,083

Total Capital Assets	\$	3,010,011
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TOTAL ASSETS	\$	3,735,681
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LIABILITIES

Current Liabilities:

Accounts payable	\$	2,050
Due to Town of Rocky Mount		4,083,529

TOTAL LIABILITIES	\$	4,085,579
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NET POSITION

Investment in capital assets	\$	3,010,011
Unrestricted (deficit)		(3,359,909)

TOTAL NET POSITION (DEFICIT)	\$	(349,898)
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The accompanying notes to financial statements are an integral part of this statement.

ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA
(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

OPERATING REVENUES:

Ticket sales	\$ 1,411,224
Concessions sales	157,774
Donations	1,583
Service fees	45,352
Merchandise sales	19,697
Miscellaneous	70,727

TOTAL OPERATING REVENUES	\$ 1,706,357
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OPERATING EXPENSES:

Depreciation	\$ 90,432
Concessions	52,513
Merchandise	9,680
Artist payments	1,303,758
Professional fees	430,866
Advertising	191,655
Utilities	54,010
Office expenses	41,604
Fees	89,142
Other expenses	80,989

TOTAL OPERATING EXPENSES	\$ 2,344,649
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OPERATING INCOME (LOSS)	\$ (638,292)
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NONOPERATING REVENUES (EXPENSES):

Contributions from Town of Rocky Mount	\$ 210,525
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CHANGE IN NET POSITION	\$ (427,767)
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NET POSITION AT BEGINNING OF YEAR (DEFICIT), RESTATED	77,869
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NET POSITION AT END OF YEAR (DEFICIT)	\$ (349,898)
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The accompanying notes to financial statements are an integral part of this statement.

ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA
(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from concert sales	\$ 1,640,214
Cash received from donations	1,583
Cash receipts from other operations	70,727
Cash payments for operating expenditures	<u>(2,257,054)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (544,530)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Contributions from Town of Rocky Mount for HPC	\$ 393,685
Payments to Town of Rocky Mount on amounts owed	<u>(1,246,797)</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>\$ (853,112)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	<u>\$ (1,397,642)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,123,312</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 725,670</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (638,292)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	90,432
Changes in operating assets and liabilities:	
Accounts receivable	6,167
Accounts payable	<u>(2,837)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u><u>\$ (544,530)</u></u>

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

ECONOMIC DEVELOPMENT AUTHORITY OF TOWN OF ROCKY MOUNT
(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. Financial Reporting Entity:

The Economic Development Authority (the Authority) of the Town of Rocky Mount, Virginia was created as a political subdivision of the Commonwealth of Virginia by the Town of Rocky Mount, Virginia in 2012 pursuant to the provisions of the Industrial Development and Revenue Bond Act [Chapter 22, Section 15.1-1373, et. seq. of the Code of Virginia (1950), as amended]. The Authority is governed by the Town of Rocky Mount, Virginia. It is authorized to acquire, own, lease, and dispose of properties to the end that such activities may promote industry and develop trade by inducing enterprises to locate and remain in Virginia.

Discretely Presented Component Units:

The first project for the Authority was facilitating the construction of the Harvester Performance Center (HPC). The HPC is a mid-sized music venue for purposes of industrial and economic development in the Rocky Mount community. Because the Town owns the building housing the Harvester, the Town has its own operating budget for the HPC consisting of utilities, building and grounds maintenance, and other building related expenses. The HPC has a separate operating budget to cover performance expenses. The Town cannot override the HPC's performance budget or setting of rates. The HPC is fiscally dependent on the Town as the Town is responsible for funding any operating/performing deficits. As the HPC is not self-sustaining, this dependency creates a financial burden for the Town.

The majority of activity of the Authority to date is that of the HPC which has a calendar year end. Information herein is presented as of December 31, 2018 for the HPC.

The Town pools cash and allocates a portion of same to the EDA. Information related to pooled cash balances is reported as of June 30, 2019, the EDA's fiscal year end.

The Authority has been included in the financial statements of the Town as a component unit due to its financial relationship with the Town.

ECONOMIC DEVELOPMENT AUTHORITY OF TOWN OF ROCKY MOUNT
(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements:

Proprietary Funds - Account for operations that are financed in a manner similar to private business enterprises. The proprietary fund measurement focus is based upon determination of net income and financial position. The proprietary fund of the Authority is an Enterprise Fund which includes all of the Authority's operations.

Enterprise Fund - The Enterprise Fund accounts for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of charges to users of such services.

C. Basis of Accounting:

The Enterprise Fund uses the accrual basis of accounting. Under this method revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are interest, rent, and grants. Operating expenses include the cost of administration and related expenses. All revenues and expenses not meeting these definitions are reported as nonoperating.

D. Cash and Cash Equivalents:

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

E. Prepaid Items:

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

ECONOMIC DEVELOPMENT AUTHORITY OF TOWN OF ROCKY MOUNT
(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets:

Capital assets, which include property, plant and equipment, are reported in the financial statements. Capital assets are defined by the Authority 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 if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not to be 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. There was no interest capitalized during the current or previous fiscal year.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Machinery and equipment	5

G. 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.

H. 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.

ECONOMIC DEVELOPMENT AUTHORITY OF TOWN OF ROCKY MOUNT
(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Net Position Flow Assumption:

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority’s policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

J. Related Parties:

The Harvester Performance Center (HPC) was completed and began operations in April 2014. There are six limited liability companies (LLCs) associated with the HPC in which the EDA has an interest. The LLCs were set up with the assistance of Gentry Locke Rakes and Moore, LLP, Attorneys. Funding for the construction of the HPC was obtained in part through approximately \$1,000,000 in investments related to federal and state historic tax credits. The Town used a \$500,000 grant from the State Tobacco Commission for equipment related to the HPC.

The various LLC’s are: Performance Center Building LLC, Performance Center Manager LLC, Performance Center Development LLC, Performance Center SCP LLC, Performance Center Tenant LLC, and Harvester Performance Center LLC.

The Town leased the building prior to rehabilitation to the EDA under a 40 year lease at a rate of \$1 per year for 40 years. The EDA prepaid the entire lease during fiscal year 2015. The EDA leased the building to Performance Center Building LLC at a rate of \$1 per year for 40 years along with the commitment by Performance Center Building LLC that Performance Center Building LLC would rehabilitate the building. The Town contributed funds to finance the renovation costs to the EDA, who then loaned the funds to Performance Center Building LLC. The EDA, through its affiliate, Performance Center Development LLC oversaw the development of the HPC.

The EDA is the holder of the construction loan to Performance Center Building LLC. The EDA holds the master lease for 40 years, leasing the property to Performance Center Building LLC. The EDA is the sole member of Performance Center Manager LLC and Performance Center Development LLC. As Performance Center Building LLC repays its obligation to the EDA and as the EDA receives compensation for its development services provided to HPC through the EDA’s affiliate (Performance Center Development LLC), the EDA will contribute such funds to the Town under the contribution agreement in place between the Town and the EDA.

ECONOMIC DEVELOPMENT AUTHORITY OF TOWN OF ROCKY MOUNT
(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Related Parties: (Continued)

Performance Center Manager LLC leased certain furniture and equipment to Performance Center Tenant LLC. Performance Center Manager LLC is the 89% managing member of the Performance Center Building LLC and a .01% managing member of Performance Center SCP LLC.

Performance Center SCP LLC is a 1% State historic tax credit member and is governed by Preservation 2014 LLC, the 99.99% member of Performance Center SCP LLC.

CB Performance Center LLC is the 99% investor member of Performance Center Tenant LLC. CB Performance Center LLC's sole member is Carter Bank & Trust who is an investor member.

Performance Center Development LLC provided ongoing development services to the HPC project prior to and during the development of the HPC rehabilitation. The sole member of Performance Center Development LLC is the EDA.

Performance Center Building LLC is the borrower of funds from the EDA for the construction and rehabilitation of the HPC and pays a lease payment of \$1 per year for 40 years to the EDA for its lease of the facility. The members of Performance Center Building LLC are: Performance Center Manager LLC, the 89% managing member; Performance Center SCP LLC, the 1% state credit investor member; and Performance Center Tenant LLC, the 10% federal credit investor member. Performance Center Tenant LLC leases the property from Performance Center Building LLC.

Performance Center Tenant LLC is the operating entity of HPC. Performance Center Tenant LLC has leased certain equipment and furniture from Performance Center Manager LLC. The members of Performance Center Tenant are: CB Performance Center LLC, the 99% investor member; and Harvester Performance Center LLC the 1% managing member. Performance Center Tenant LLC receives 45% of concession receipts and all ticket sales related to the operation of the HPC. Performance Center Tenant pays rent to Performance Center Building LLC.

Harvester Performance Center LLC operates the concession stands and holds the ABC license for the facility. Revenues consist of merchandise, food, and alcohol sales. Forty-five percent of the gross receipts go to Performance Center Tenant LLC (the operating entity). Harvester Performance Center LLC has a concession lease, leasing space from Performance Center Tenant LLC. The sole member of Harvester Performance Center LLC is the EDA.

ECONOMIC DEVELOPMENT AUTHORITY OF TOWN OF ROCKY MOUNT
(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Related Parties: (Continued)

There are four checking accounts related to operation of the HPC. Harvester Performance Center Tenant LLC Accounts: the Deposit Income account collects the ticket sales and pays the state sales tax and the local meals tax and all ticketing expenses and distributes funds to the other accounts as appropriate; expenses of the Artist Deposit account are for down payment funds needed at the time a contract is signed by a performer; the Artist Settlement account has expenses related to the performance (these include funds to the performers, stage and box office help, band hospitality and catering). The Harvester Performance Center LLC concessions account is for the purchase of beer and wine and other items for the concession stand and processes sales of such concessions.

With operations beginning in April 2014, the Town has contributed funds to the EDA to support Performance Center Manager LLC's (whose sole member is the EDA) obligation to fund operating deficit loans to pay for expenses related to the HPC. These include advertising, security, cleaning, other contractual services, supplies and payroll expenses. Appropriate "due from" notes related to the HPC are shown in the Town's general ledger. The expectation is that the HPC will pay for all expenses through ticket and concession sales.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

Deposits with banks held by the Town 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 held by the Town are considered fully collateralized.

Amounts held by the other entities do not qualify under the aforementioned Code section and therefore are insured up to the FDIC limit. At December 31, 2018, the fiscal year end for the separate entities, \$190,283 was not covered by FDIC limits.

ECONOMIC DEVELOPMENT AUTHORITY OF TOWN OF ROCKY MOUNT
(A COMPONENT UNIT OF TOWN OF ROCKY MOUNT, VIRGINIA)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 3 - CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 68,244	\$ -	\$ -	\$ 68,244
Capital assets, being depreciated:				
Buildings and improvements	\$ 3,371,738	\$ -	\$ -	\$ 3,371,738
Machinery and equipment	20,138	-	-	20,138
Total capital assets being depreciated	<u>\$ 3,391,876</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,391,876</u>
Accumulated depreciation:				
Buildings and improvements	\$ (355,649)	\$(86,405)	\$ -	\$ (442,054)
Machinery and equipment	(4,028)	(4,027)	-	(8,055)
Total accumulated depreciation	<u>\$ (359,677)</u>	<u>\$ (90,432)</u>	<u>\$ -</u>	<u>\$ (450,109)</u>
Total capital assets being depreciated, net	<u>\$ 3,032,199</u>	<u>\$ (90,432)</u>	<u>\$ -</u>	<u>\$ 2,941,767</u>
Net capital assets	<u>\$ 3,100,443</u>	<u>\$ (90,432)</u>	<u>\$ -</u>	<u>\$ 3,010,011</u>

NOTE 4 - DUE TO TOWN OF ROCKY MOUNT

Amounts reported as due to the Town of Rocky Mount represent contributed capital and ongoing expenditures paid by the Town on the HPC's behalf, and amounts related to the federal and tax credits that were received at the outset of the HPC's operations. There are no set repayments terms for the amounts. \$4,083,529 was due to the Town of Rocky Mount at year end.

NOTE 5 - RESTATEMENT OF BEGINNING NET POSITION

Net position, as previously reported	\$ (1,366,720)
Adjustments:	
EDA pooled cash held by the Town	1,444,589
Net position, as restated	<u>\$ 77,869</u>

COMPLIANCE SECTION



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
Economic Development Authority of
the 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 Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of the Economic Development Authority of the Town of Rocky Mount, Virginia (the Authority), a component unit of the Town of Rocky Mount, Virginia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 14, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

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

Authority's Response to Findings

Economic Development Authority of the Town of Rocky Mount, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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, Farmer, Cox Associates

Blacksburg, Virginia
November 14, 2019

ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF ROCKY MOUNT, VIRGINIA
(A Component Unit of the Town of Rocky Mount, Virginia)
Schedule of Findings and Responses
For the Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Section II - Financial Statement Findings

2019-001

Criteria:	An auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards. Furthermore, reliance on the auditor to propose adjustments necessary to comply with reporting standards is not a component of such controls.
Condition:	The financial statements as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, the auditor proposed adjustments that were material to the financial statements.
Effect of Condition:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal controls over financial reporting.
Cause of Condition:	The Authority does not have proper controls in place to detect and correct adjustments in closing their year end financial statements.
Recommendation:	The Authority should review the auditors' proposed audit adjustments for the fiscal year and develop a plan to ensure the trial balances and related schedules are accurately presented for audit.
Management's Response:	The Authority will review the auditors' proposed audit adjustments for the fiscal year and will develop a plan of action to ensure that all adjusting entries are made prior to final audit fieldwork next year.

Section III - Status of Prior Audit Findings and Responses

Finding 2018-001 is repeated in the current year as 2019-001.



RESOLUTION NO.: 2019.018

HONORING JOYCE MORAN FOR 25 YEARS TO CHILDREN THROUGH LEADERSHIP OF THE COURT APPOINTED SPECIAL ADVOCATE PROGRAM

WHEREAS, Joyce Moran serves as the director of Franklin County's Court Appointed Special Advocate Program, selflessly taking a special important role in protecting, defending and assisting children who have been victims of crime and abuse, giving voice to those who might not otherwise be able to speak for themselves; and

WHEREAS, in her role, Joyce Moran has overseen the expansion of the program, adding and training volunteers to serve as advocates, giving children involved in court action the adult guidance and support necessary to protect their interests; and

WHEREAS, Ms. Moran worked diligently and with great effort to replace, expand and improve the physical facilities necessary to provide advocacy services in Uptown Rocky Mount, thereby helping with the Town's revitalization and beautification efforts; and

WHEREAS, through her dedication and willingness to overcome difficult circumstances, Ms. Moran has improved the lives of thousands of children in Rocky Mount and Franklin County, offering a brighter future during dark times; and

WHEREAS, our community, its children and our legal system are all better off for her efforts, her vision of a better and more involved community, dedication to providing important youth services and making our community a better and more sustainable place;

NOW, THEREFORE, BE IT RESOLVED this ninth day of December, 2019 by the Town Council of Rocky Mount, that the Town Council does hereby commemorate and celebrate twenty-five years of service by Joyce Moran to the Court Appointed Special Advocate Program, and does call this occasion to the attention of our residents as cause for celebration.

Given under my hand this 9th day of December, 2019.

Steven C. Angle, Mayor

ATTEST:

Rebecca H. Dillon, Town Clerk

**ROCKY MOUNT TOWN COUNCIL
REGULAR MEETING MINUTES
NOVEMBER 12, 2019**

The November 12, 2019 Regular Council Meeting of the Rocky Mount Town Council (hereafter referred to as "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:

- Mayor Steven C. Angle
- Vice Mayor Billie W. Stockton
- Bobby M. Cundiff
- Robert L. Moyer
- Mark H. Newbill
- Jon W. Snead
- Gregory B. Walker

The following staff members were also present:

- Tim Burton, Waste Water Treatment Superintendent
- Ken Criner, Chief of Police
- Rebecca H. Dillon, Town Clerk/Executive Administrative Assistant
- C. James Ervin, Town Manager
- Ed "Jeff" Gauldin, Water Superintendent
- Matthew Hankins, Assistant Town Manager
- Mark Lovern, Lt. of Patrol
- Brian Schofield, Public Works Superintendent
- Linda P. Woody, Finance Director

The meeting was called to order by Mayor Steven C. Angle.

PLEDGE OF ALLEGIANCE

Mayor Angle led in saying the Pledge of Allegiance.

APPROVAL OF AGENDA

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

Let the record show that the agenda was amended to remove the resolution for Ms. Moran as Ms. Moran was not able to make the Council meeting to receive the resolution due to being held up in court in Pittsylvania County.

Motion: To approve the amended agenda.

Motion By: Council Member Newbill

Second: Council Member Snead

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: Approved the amended agenda by a unanimous vote.

SPECIAL ITEMS

1. Resolution Honoring Joyce Moran with Southern Virginia Child Advocacy Center

As stated, Ms. Moran was unable to attend the meeting.

2. Resolution Presented to Organizers of "Cruisin" Rocky Mount

Mayor Angle presented to the group of organizers who were: Mr. Jeff Rakes, Ms. Kimberly Najduch, Council Member Jon Snead, Mr. Ronald Campbell and Mr. Fred Jamison. The organizers were a group of local car culture enthusiasts in the Rocky Mount area that came together to create a new event celebrating Rocky Mount's historic cars and cruising culture to bring more neighbors and friends with local businesses and property owners outside to participate in something that would bring the community together.

PUBLIC HEARING

None at this time

APPROVAL OF MINUTES

Received by Council in their packet for this scheduled meeting were draft minutes for review and consideration of approval:

- October 14, 2019 – Regular Meeting Minutes
- October 28, 2019 – Dinner Meeting / Retreat Meeting Minutes

Discussion: None

Motion: To approve the draft minutes

Motion By: Vice Mayor Stockton

Second: Council Member Moyer

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: Approved the motion by a unanimous vote.

APPROVAL OF CONSENT AGENDA

This month's consent agenda consists of the following items:

(1) **Miscellaneous Action**

(2) **Miscellaneous Resolutions/Proclamations** (none at this time)

(3) **Department Monthly Reports**

- Community Development Department
- Finance Department
- Fire Department
- Police Department
- Public Works Department
- Wastewater Department
- Water Department

Discussion: None

Motion: To approve the consent agenda as presented.

Motion By: Council Member Snead

Second: Council Member Walker

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: Approved the consent agenda as presented by a unanimous vote.

HEARING OF CITIZENS

Mayor Angle opened the floor to any citizens wishing to speak.

Let the record show that no one came forward.

OLD BUSINESS:

None at this time

NEW BUSINESS

1. Review and Consideration of Voluntary Direct Deposit for Town Council Members

Though the majority of Town employees were already using direct deposit, the Town Finance Department sought to make it mandatory that all Town employees use direct deposit to make for a more reliable and timely delivery of salary. Members of Town Council, Members of the Planning Commission and the Board of Zoning Appeals are requested to switch to direct deposit. While staff understands that Council can set rules for how the compensation paid to Council Members can be distributed, staff does feel that direct deposit would be more reliable and involve less cost for the Town.

Discussion: It was decided that by Council participating in the direct deposit, it would not only save the Town money but given that new Town employees were no longer given the option of a paper check so too then Council should be required as well.

Motion: To approve Council Members to no longer have the option of a paper check but to make it mandatory for Council Members to use direct deposit to receive their stipends.

Motion By: Council Member Snead

Second: Vice Mayor Stockton

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: Approved the motion by a unanimous vote.

2. Review and Consideration for Approval of 2020 Town Meeting Calendar

Each year staff put together a yearly meeting calendar with dates set for upcoming meetings in the new calendar year. Presented for Council's approval was the 2020 Town Meeting Calendar. The calendar speaks for Town Council, the Planning Commission and for the Board of Zoning Appeals. It is noted that there were two changes in the meeting calendar just prior to the meeting and Council was given an updated calendar on the day. Both changes were addressed as being due to the Planning Commission desiring to not meet on an election evening but to meet the day after.

Discussion: None

Motion: To approve the updated 2020 Town Meeting Calendar with the two changes discussed regarding the Planning Commission's meeting dates which were one in May for the local Town election and the other in November of 2020 for the Presidential election.

Motion By: Council Member Newbill

Second: Council Member Moyer

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: Approved the motion for the updated 2020 Town Meeting Calendar by a unanimous vote.

3. Review and Consideration for Outlaw Cruisers Car Club Annual Car Show

An Outlaw Cruisers Car Club annual car show was planned for Sunday, May 17, 2020 from 1:00 p.m. to 5:00 p.m. The location of the car show would be on Franklin Street at Angle Bridge to Franklin Street and Floyd Avenue. The Rocky Mount Police Department has reviewed and approved the request. The rain date for the event would be on Sunday, May 24, 2020 at the same time.

Discussion: None

Motion: To approve the request as presented.

Motion By: Council Member Snead

Second: Council Member Walker

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: Approved the motion by a unanimous vote.

4. Commonwealth of Virginia State Corporation Commission Change in Area Code

Mr. Ervin presented to Council that the town had received information from the State Corporation Commission that the area code as we know it would in the future either be broken into two parts or an overlay would be placed on top of what the Town has at this time. A comment period was planned although no information was given yet as to when it would be. Mr. Ervin asked if Council would like to make any comments during the period once opened. Mayor Angle stated that no comments from Council would be necessary but would like for Mr. Ervin to update Council on any additional information as he received it including any dates as to when the comment time period would be.

No action was taken at this time.

5. CEDS List for Year 2020

Each year the United States Department of Commerce, Economic Development Administration requires the Town to keep on file and update on an annual basis a list of the Town's comprehensive economic development strategies (CEDS) and that the list be filed through the Town's local planning district. The list has evolved to an annual list of projects that are approved and submitted through the West Piedmont Planning District. Mr. Ervin presented the proposed list for 2020 to Council. Mr. Ervin stated that projects must be on the CEDS list to apply for federal funding. Mr. Ervin asked that Council consider and approve the list of projects and authorize the letter that was attached to be sent by the Town Manager.

Discussion: None

Motion: To approve the request as presented.

Motion By: Vice Mayor Stockton

Second: Council Member Snead

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: Approved the motion by a unanimous vote.

COMMITTEE REPORTS

1. The Finance and Human Services Committee Met on November 7, 2019.

The Finance and Human Services Committee met on November 7, 2019 to discuss the Pay and Compensation Study that Council had authorized and a Revised Policy Manual that Staff have been working on for some time. A recommendation was not complete for either being discussed at the time of this Council meeting. Council Member Snead who is Chairman of the committee indicated he would like to call another meeting of the Finance and Human Services Committee prior to the next regular Council meeting.

OTHER MATTERS AND CONCERNS

No one appeared on Rise n' Shine as the show was not held on the Council meeting day.

CLOSED MEETING AND ACTION

Enter Closed Meeting

Motion: To go into closed session under the Virginia Code Section cited below

Time: 7:35 p.m.

Virginia Code Section:

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. (Town Manager's Office)

Motion By: Vice Mayor Stockton

Second: Council Member Moyer

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: To go into a closed meeting

Certificate of Closed Meeting Discussion:

Council certified unanimously that nothing was discussed in the closed meeting other than what was stated in the motion to enter the closed meeting. No action was taken during the closed meeting.

Whereas, the Rocky Mount Town Council has convened a closed meeting on Monday, March 14, 2016 pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia (1950), as amended, 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

ADJOURNMENT

Motion: To adjourn meeting

Time: 8:30 p.m.

Motion By: Council Member Moyer

Second: Vice Mayor Stockton

Motion Discussion: None

Ayes: Cundiff, Moyer, Newbill, Snead, Stockton, Walker

Nays: None

Action: Adjourned by a unanimous vote

Steven C. Angle, Mayor

ATTEST:

Rebecca H. Dillon, Town Clerk

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DRAFT

ITEM(S) TO BE CONSIDERED UNDER:

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

FOR COUNCIL MEETING DATED:	December 09, 2019
----------------------------	-------------------

STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	<p>Franklin County has prepared a “Revised Franklin County Solid Waste Management Plan, 2018” in accordance with State regulation (copy attached).</p> <p>Attached for Council’s review and consideration is a draft “Resolution of Support by the Town of Rocky Mount, Virginia for Franklin County Solid Waste Management Plan, 2018” that is in support of the County’s revised plan.</p> <p>Historically, the Town has supported the revision of the County’s solid waste management plan (most recently in 2013).</p>
ACTION NEEDED:	Approve or deny

Attachment(s): Yes

<p>FOLLOW-UP ACTION: (To be completed by Town Clerk)</p>
--



RESOLUTION NO.: 2019.021

**RESOLUTION OF SUPPORT
BY THE TOWN OF ROCKY MOUNT, VIRGINIA
FOR
FRANKLIN COUNTY SOLID WASTE MANAGEMENT PLAN, 2018**

WHEREAS, the Virginia Waste Management Board has adopted regulations which require every city, county, and town or region in the Commonwealth of Virginia to develop a solid waste management plan in accordance with 9VAC 20-130-10 et seq., effective August 1, 2001; and

WHEREAS, Franklin County has prepared a "Revised Franklin County Solid Waste Management Plan, 2018" in accordance with State regulations; and

WHEREAS, meeting the solid waste management needs of the Franklin County service area, including the Town of Rocky Mount and the Town of Boones Mill, require local government support of and commitment to the implemental of the local solid waste management plan; and

WHEREAS, the Town Council of the Town of Rocky Mount has considered the "Revised Franklin County Solid Waste Management Plan, 2018".

NOW, BE IT RESOLVED that the Town Council of the Town of Rocky Mount adopts and supports the "Revised Franklin County Solid Waste Management Plan, 2018" and is committed to its successful implementation; and

BE IT FURTHER RESOLVED that the Town Council of the Town of Rocky Mount agrees to cooperate with the County of Franklin to maintain, update, and implement the Plan adopted by the County of Franklin; and

BE IT FURTHER RESOLVED that the Town Council of the Town of Rocky Mount recognizes that in order for the Plan to be successfully implemented, each jurisdiction has an obligation to support solid waste management programmatic commitments in the adopted Plan and that implementation of the Plan may require cooperation between the Town of Rocky Mount and Town of Boones Mill, and the County of Franklin.

Given under my hand this 9th day of December 2019.

Steven C. Angle, Mayor

ATTEST:

Rebecca H. Dillon, Town Clerk



SOLID WASTE MANAGEMENT PLAN

ADOPTED BY THE BOARD OF SUPERVISORS ON:
TUESDAY, MAY 18, 2004
UPDATED JULY 2009
UPDATED JUNE 2013
UPDATED JULY 2018

PREPARED BY:

FRANKLIN COUNTY, VIRGINIA
DEPARTMENT OF PUBLIC WORKS
1255 FRANKLIN STREET, SUITE 103
ROCKY MOUNT, VIRGINIA 24151
PHONE: (540) 483-3027

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**FRANKLIN COUNTY, VIRGINIA
REVISED SOLID WASTE MANAGEMENT PLAN**

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APPENDIX VII..... PUBLIC HEARING RECORD/BOARD RESOLUTIONS

I. INTRODUCTION

A. SUMMARY

The purpose of this revised Solid Waste Management Plan (SWMP) is to meet the requirements of 9 VAC 20-130-10 et seq., effective August 1, 2001. The plan outlines the long-term strategy and goals set by the County of Franklin, Virginia.

In addition to Franklin County, the Town of Rocky Mount and the Town of Boones Mill have agreed to cooperate in the implementation of this plan. The original agreement between Franklin County and the Town of Rocky Mount is included in Appendix I, for reference only. Resolutions from each jurisdiction adopting this plan are included in Appendix VII.

B. PLAN GOALS

The goals of this SWMP include coordinating the efforts of Franklin County, the Town of Rocky Mount, and the Town of Boones Mill regarding solid waste management and planning. The plan will develop objectives for the management of solid wastes, including, at a minimum, all of the following elements: source reduction, reuse, recycling, resource recovery (waste-to-energy), collecting, and landfilling. In addition, the plan will demonstrate how the goals and objectives for solid waste management will be met and include a schedule for the implementation of these goals.

II. PROJECTIONS AND WASTE QUANTITIES

A. SWMP COVERAGE AREA

The coverage area of this SWMP is Franklin County, which includes the Towns of Rocky Mount and Boones Mill. Franklin County is located in the West Piedmont Planning District. The County is approximately 721 square miles in size. It is bounded to the north by Roanoke and Bedford Counties, to the south by Henry and Patrick Counties, to the west by Floyd County, and to the east by Pittsylvania County.

Within Franklin County, residential land use is concentrated in the Town of Rocky Mount, the Town of Boones Mill, the community of Ferrum, the Smith Mountain Lake area. Smaller clusters of non-agricultural residences occur at communities, such as Burnt Chimney, Callaway, Glade Hill, Henry, Redwood, Penhook, and Snow Creek. Commercial land uses in the County are concentrated around the communities of Burnt Chimney, West Lake and Glade Hill. Other commercial establishments within the County are located along Routes 40, 220, and other major highways crossing the County. There are also several rural village centers located throughout the County. As shown on the Future Land Use Map, provided in Appendix V, there are many rural village centers and areas of anticipated growth within the County, which includes communities such as Burnt Chimney, Ferrum, Glade Hill, Callaway, Henry, Sontag, and Snow Creek.

The Town of Rocky Mount is located near the geographic center of Franklin County and serves as the County seat. The Town is approximately 6.652 square miles in size. Land use within Rocky Mount is concentrated around the urban center with large amounts of vacant, agricultural, and forestlands remaining in the extreme northern, eastern, and southwestern portions of the Town. Commercial activity is centered in the downtown central business district and the vicinity of Tanyard Road (Route 122-40) where new commercial development is occurring. Residential concentrations in the Town are generally suburban in nature and are relatively compacted into areas immediately surrounding the business district.

The Town of Boones Mill is located along Route 220 north of Rocky Mount. The Town is approximately 0.74 square miles in size. Land use within the Town consists of agricultural, forestlands, and small residential concentrations. Commercial establishments are typically located in the center of the Town off of State Route 220 and within the new town owned business park.

Industrial activities within the County are generally located in and around the Town of Rocky Mount, the Town of Boones Mill, and the community of Ferrum. An approximate 75-acre industrial park is located in the Town of Rocky Mount. The County has developed and constructed the Commerce Center Park on 300 acres just off of Rt. 220 several miles south of Rocky Mount. This park has several industrial tenants. The County is currently developing and constructing a business park on Rt. 220 on over 550 acres, several miles north of Rocky Mount. In addition, the West Franklin Industrial

Park, which consists of approximately 82-acres, is located near the community of Ferrum.

Manufactured products generated in the County include prefabricated homes, mobile homes, absorbent fabrics, custom woodworking and cabinets, home accessories, windows, doors, packaging materials, and plastic bags and containers. There are 3 large scale metal recycling processing facilities in the county. A map is provided in Appendix V.

B. POPULATION DATA AND PROJECTIONS

The population recorded for the County in the 2010 Census was 56,159 persons. This value includes the populations for the Town of Rocky Mount and the Town of Boones Mill of 4,700 persons and 239 persons, respectively.

Table 1. Population by Jurisdiction.

Jurisdiction	2010	2015	2020	2025	2030	2035	2040
Franklin County	51,220	53,246	56,437	58,781	61,222	63,304	65,456
Town of Rocky Mount	4,700	5,090	5,736	6,336	7,000	7,937	9,000
Town of Boones Mill	239	239	239	239	239	239	239
Total	56,159	58,575	62,412	65,356	68,461	71,480	74,480

Generally, the total population for the County is projected to increase an average of 1.04 percent annually over the next twenty years. Population projections for Franklin County, which includes the Town of Rocky Mount and the Town of Boones Mill, at 5-year increments for a period of 20 years are provided in Table 1.

C. COMPOSITION OF SOLID WASTE

Based on the waste stream volumes recorded at the Franklin County Sanitary Landfill for the previous three years, household and residential waste represents approximately 60 percent of the waste stream generated and handled within Franklin County. Generally, this includes household waste, vegetative and yard waste, white-

goods, and recyclables, such as aluminum and paper. The remaining 40 percent of the waste stream generated and collected within the County is comprised of commercial and industrial waste, which generally includes construction and demolition debris, industrial wastes, incineration ash, sludge, tires, and recyclables, such as metals, paper, mixed paper, and cardboard. Waste summary reports for the Franklin County Sanitary Landfill for the past three years are provided in Appendix III.

The OmniSource Landfill is a captive industrial landfill, which disposes of waste materials generated by the automobile shredding plant operated by OmniSource Southeast, located adjacent to the landfill. By-products of the shredding operations and automobile shredder residue (ASR), consisting of non-metallic components of the cars from the onsite shredding plant and other OmniSource Southeast facilities, are the only materials disposed at the facility. If this waste was diverted to the Franklin County Sanitary Landfill, the percentage of commercial and industrial waste would increase to approximately 50 percent of the total waste stream accepted and disposed at the Franklin County facility.

D. SOLID WASTE GENERATION PROJECTIONS AND FLOW PATTERNS

Currently, solid waste is collected either directly from residences, businesses, and industries, or from collection areas. Residential waste is typically collected curbside by the Town of Rocky Mount within its borders, or at convenience center drop-off areas located throughout the County. The majority of the businesses and industries in Franklin County are served by private haulers. The collection areas in Franklin County are emptied on the average of four to five times per week, except in heavily populated areas, where they are emptied seven times per week. Due to tourism and recreational activities in the area of Smith Mountain Lake, Franklin County experiences a fluctuation of waste generation rates. This requires the collection boxes to be emptied more than usual for a county the size of Franklin County. In late 2016 the County began converting and consolidating the unmanned front load box collection sites to manned sites, with trash compactors for residents to dispose of their waste in. These sites also contain front load recycling boxes for newspaper, metal cans, certain plastics and at some sites cardboard. They also have 30 yard roll off boxes to handle scrap metal, tires, brush, and bulk items

like furniture.

As mentioned above, the majority of the businesses and industries in the County are served by private haulers. Waste generated by businesses and industries in the County is assessed a tipping fee at the landfill for disposal.

A decrease in the amount of residential waste is not expected to occur due to the increasing number of residents and the usage of more disposable products. Collection costs may increase along with population increases due to more frequent stops by waste collectors. In addition, due to the regulatory changes regarding the disposal of solid waste, the general operations of the landfill, and the cost of landfill equipment, it is expected that the cost for collection and disposal will increase.

E. WASTE STREAM PROJECTIONS

Solid waste generation projections were calculated based on per day per capita rates or based on recent reports of waste collection and recycling quantities generated by Franklin County staff. A description of the projection methodology for each of the major types of waste generated in the County is presented in the following sections. Supporting calculations are presented in Appendix IV.

1. Municipal Solid Waste

Originally, MSW projections were calculated using the average of the per capita values published by the Environmental Protection Agency (EPA) Office of Solid and Emergency Response in their *Municipal Solid Waste in the United States: 2001 Facts and Figures Executive Summary*, dated October 2003. The 2001 per day per capita MSW generation estimate was 4.41 pounds. The average of the per day per capita MSW generation rate between 1990 and 2001 was 4.51 pounds.

In order to determine if the average MSW generation rate for the U.S. is applicable for the County, the published per day per capita value was compared to the estimated tons per day per capita based on quantities reported by Franklin County in 2017. In 2017, a total of 33,420 tons of MSW was disposed at the

Franklin County Sanitary Landfill. Based on review of the 2010 Census and the estimated population for 2017, the population in 2017 was estimated to be 60,461 persons. Using the formula presented below, the per capita tonnage of MSW (PCTMSW) for the County based on actual reported quantities for 2017 was 3.03 pounds per day per capita. Derived from $(33,420 \text{ tons of MSW} \times 2000 \text{ pounds/ton}) / (365 \text{ days/year}) / 60,461 \text{ population}$.

Although the County's MSW generation rate is lower than the published MSW generation rate value, to be consistent with previous County data, the County's MSW generation rate of 3.03 pounds per day per capita was selected to calculate the MSW generation projection for the planning period of 2018 through 2038. To calculate the total annual and cumulative MSW generation quantities, the PCTMSW was then applied to the annual population projections for the County.

Using this methodology, it is estimated that approximately 850,337 tons of MSW will be generated in the County between 2018 and 2038. These calculations are presented in Appendix IV.

2. Construction/Demolition/Debris

In June 1998, the EPA released a report entitled *Characterization of Building-related Construction and Demolition Debris in the United States*, which presents a per capita CDD generation rate of approximately 2.8 pounds per day; however, this generation rate is based on limited data. Construction and Demolition Debris waste generation is also related to the amount of development occurring within the County. The Franklin County Comprehensive Plan was utilized to provide information on the growth rate of development in the County by using the growth rate of households within the County.

In 2017, a total of 6,005 tons of CDD was collected and disposed at the Franklin County Sanitary Landfill which is the highest total since 2013. This equals a per capita per day disposal rate of 0.5442 pounds. Currently the new household growth rate in Franklin County is negligible. To calculate the total annual and cumulative CDD quantities, the County population growth rate was

applied to the CDD waste stream to project the next twenty years of generation. These calculations are presented in Appendix IV.

3. Industrial Waste

Industrial waste is collected separately in the County from residential waste, and hauled to the Franklin County Sanitary Landfill for disposal.

Therefore, the same methodology used to calculate the CDD waste projections was also used to project the amount of non-hazardous industrial waste that is expected to be generated in the County, using the 2017 scalehouse records provided by the landfill.

During 2017, approximately 5527 tons of non-hazardous industrial waste was collected in the County and disposed at the sanitary landfill. This was 215 tons higher than the average for the last 5 years. Using an estimated population in 2017 for the County of 60,461 persons, the per capita per day tonnage of industrial waste (PCTIW) is 0.000250 tons per capita per day or 0.500 pounds per capita per day. To calculate the total annual and cumulative non-hazardous industrial waste generation quantities, the PCTIW was then applied to the annual population projections for the County. Using this methodology, it is estimated that approximately 129,000 tons of industrial waste will be generated in the County in the next twenty years. Calculations are presented in Appendix VI.

In addition to the Franklin County Sanitary Landfill, there is one private industrial waste landfill located in Franklin County, which is the Shredded Products Landfill, owned and operated by OmniSource Southeast. Since the Shredded Products Landfill only provides a disposal area for industrial wastes generated at the onsite shredding plant and other OmniSource Southeast facilities, and is not open to the general public, the industrial waste that is anticipated to be generated and disposed at this facility has been calculated separately from the County industrial waste estimates. The Shredded Products Landfill reported 30,945 tons of industrial waste to the DEQ in 2013 and 31,882 tons in 2014. It is anticipated that this quantity will vary over the next years as they are accepting fluff from their Kernersville, NC operation to extract the non ferrous metal

residues. This new waste stream was approved by the Franklin County Board of Supervisors with a per ton host fee attached. In late 2017 and early 2018 Omnisource constructed the last 2 cells of their current landfill.

4. Vegetative/Yard/Brush Waste

During 2017, approximately 1,833 tons of vegetative/yard waste was collected from the County and Smith Mountain Lake and disposed of at the Franklin County Sanitary Landfill. The County mulches this material semi annually and either sells it for boiler fuel to offset mulching cost or uses it for erosion control on existing landfill slopes. The mulching operations have replaced the previous brush burning operations. Additional information regarding the control and handling of vegetative/yard waste is included in Section VI.D. Using a 2017 population of 60,461 persons, the per day per capita tonnage of vegetative/yard waste (PCTYW) is 0.000083 tons per day per capita or 0.1661 pounds per day per capita.

Currently new construction and land clearing is very slow so not much brush is being generated from these activities. Most vegetative waste is generated from either Smith Mountain Lake, VDOT or homeowner cleanup after flooding and wind storms. These calculations are presented in Appendix IV

5. Incineration Ash

Currently, the Franklin County Landfill accepts incineration ash for disposal at its facility but has not received any ash since 2013, so no ash is going to be projected moving forward.

6. Sludge

In addition, the Franklin County Landfill accepts sludge for disposal at its facility. As with the incineration ash projections, the amount of sludge that is produced per year cannot be linked to population rates. Therefore, sludge

projections were based on the average annual quantities of sludge received at the landfill during 2017. During 2017, 1054 tons of sludge was received at the landfill which is 46 tons under the 1100 ton average for the last 5 years. Therefore, it is estimated that approximately 21,080 tons of sludge will be generated in the County in the next twenty years. Calculations are presented in Appendix IV.

7. Tires

The Franklin County Landfill accepts tires at its facility from residents and businesses located throughout the County, for recycling. Tire projections were based on the assumption that the landfill will continue to accept tires at the landfill. The landfill received 253 tons of tires in 2017 which is less than the 267 ton average for the last 5 years so there is no growth projected. Using the 2017 tonnage it is estimated that 5,560 tons of tires will be generated in the next 20 years. Calculations are presented in Appendix IV.

8. White Goods

During 2017, approximately 248 tons of white goods were collected from the County and brought to the Franklin County Sanitary Landfill. All 248 tons were recycled. As with the tire projections presented in Section II.E.7, white goods projections were based on the assumption that the landfill will continue to accept these materials for recycling, and that the annual quantity received at the landfill in the future will be relatively consistent with the quantity accepted in 2017, with a 1.0 percent per year growth rate. Therefore, it is estimated that a total of approximately 5,952 tons of white goods will be generated in the County in the next twenty years. Calculations are presented in Appendix IV.

9. Livestock

As allowed by their Solid Waste Permit, the Franklin County Landfill accepts livestock for disposal. It is assumed for the purposes of planning, that this process will continue to be utilized throughout the life of the facility. As a result, the quantities of livestock that is anticipated to be disposed during the planning period must be included in the total waste projections. However, livestock projections cannot be linked to population projections. Therefore, livestock projections were calculated using the average of the total livestock tons disposed at the landfill from 2013 through 2017, which results in a five-year average of approximately 367 tons per year.

Since there is not an increasing trend in livestock disposal, for the purposes of solid waste planning, the five-year average was used as the annual livestock disposal tonnage for each year of the planning period. Using this data, it is estimated that approximately 7,340 tons of livestock will be disposed in the County in the next twenty years. Calculations are presented in Appendix IV.

10. Other Recyclable Materials

The other recyclable materials projections were calculated using the per capita generation rate calculated from the 2015 population in the County and the total amount of recyclable materials, other than tires and white goods, collected by the County. For the purpose of this evaluation, recyclable materials were assumed to include paper, oil filters, used antifreeze, plastics, textiles, glass, cardboard, used oil, batteries, and aluminum. This evaluation did not include tires or white goods collected at the Franklin County Landfill and recycled, since the projections for these materials were presented in Sections II.E.7 and II.E.8, respectively.

The total quantity of other recyclable materials collected in the County in 2016 and 2017 was 33,098 tons for an average of 16,549 tons annually. Based on review of the 2010 Census and population projections, the population in the County in 2017 was approximately 60,461 persons. Using the formula given in Section II.E.1, a per capita tonnage of recyclable materials (PCTR) for the

County of 7.499E-04 tons per day per capita (1.500 pounds per day per capita) was calculated.

To calculate the total recyclable material projections, this PCTR was then applied to the annual population projections for the County. Using this methodology, it is estimated that approximately tons of other recyclable materials will be generated in the County between 2018 and 2038. These calculations are presented in Appendix IV.

11. Household Hazardous Waste

Since household hazardous waste (HHW) is exempt from coverage under the hazardous waste regulation, the majority of residents dispose of these materials with the rest of their household garbage. Since the actual quantities of HHW are typically very small in comparison to MSW, the projections of HHW are included in the MSW projections.

F. TYPES OF WASTE GENERATED

Generally, waste generated and handled in Franklin County consists of municipal solid waste (MSW), construction/demolition/debris (CDD), industrial waste, vegetative and yard waste, sludge, tires, white goods, livestock, and recyclables.

Throughout the previous years, MSW has comprised approximately 72% of the waste handled within the County; CDD approximately 12 %; industrial waste approximately 11%; vegetative and yard waste approximately 3.5%; sludge approximately 1%; and, incineration ash, tires, white goods, and livestock less than 1% each. Waste disposal volumes for the Franklin County Landfill for 2013 through 2017 are provided in Appendix III. As allowed by the County's Solid Waste Permit, the Franklin County Sanitary Landfill will continue to accept these types of materials for disposal or recycling.

III. SOLID WASTE MANAGEMENT SYSTEM

A. COLLECTION

1. Residential Waste

Residential waste is collected in four ways in Franklin County: 1) waste is brought to the landfill by private haulers, 2) waste is brought to the landfill by individuals, 3) waste is collected by the Town of Rocky Mount and brought to the landfill, and 4) waste is brought to collection sites in the County by individuals for later transfer and disposal in the landfill.

Franklin County utilizes a combination network of manned compactor sites and front load box sites for the collection of the residential county waste. In late 2016 the County began converting and consolidating the 69 unmanned front load box collection sites to manned sites with trash compactors for residents to dispose of their waste in. These sites also contain front load recycling boxes for newspaper, metal cans, certain plastics and cardboard. They also have 30 yard roll off boxes to handle scrap metal, tires, brush, and bulk items like furniture. Sites that had a truck visiting twice a day are now being serviced once every three or four days. Self contained compactors have been installed at the 8 outlying schools and the 4-h center and have reduced daily pickups to once every six week pickups. The scrap metal boxes at these manned sites are collecting a surprising tonnage of material and supplying an unexpected boost in revenue. The tire boxes are helping prevent tires from dumped in the landfill by the front loader trucks where landfill staff has to pick them out. The complete conversion is anticipated by the end of 2019.

Private haulers also provide pickup service to residents in certain areas of the County, as well as to businesses. The Town of Rocky Mount provides once-a-week curbside pickup for residential solid waste. Residents of the Town of Boones Mill utilize private haulers, as well as the collection boxes located in the County within the Town limits. The amount of household waste currently generated and disposed in Franklin County is approximately 36,419 tons per year or approximately 70 percent of the total 51,720 tons accepted at the facility

during 2017. The remaining 30 percent of the total tonnage accepted at the facility generally consists of commercial waste, industrial waste, yard waste, tires, and white goods.

2. Commercial Institutions and Industries

Commercial and industrial wastes are primarily collected through private haulers and delivered to the landfill for disposal. The amount of commercial and industrial waste currently collected by private haulers and disposed at the Franklin County Landfill is approximately 9,913 tons per year and 9,596 tons per year, respectively.

B. DISPOSAL

There are currently two solid waste disposal facilities located in Franklin County, one public municipal solid waste facility and one private industrial waste facility. A map, Drawing No. 2, showing the location of these facilities within the County is provided in Appendix V. A list of all known solid waste disposal sites located in Franklin County, closed, inactive, and active, is provided in Appendix VI.

1. Municipal Solid Waste

There is one active municipal solid waste (MSW) landfill located in Franklin County, the Franklin County Sanitary Landfill. This landfill is currently operating under Virginia Solid waste management Permits #72 and #577. The landfill is situated on an approximately 334-acre property, five miles south of the Town of Rocky Mount and 1.5 miles south of the intersection of U.S. Route 220 and State Route 619. The facility has been in operation since September 5, 1972. Permit #72 was issued on September 5, 1972, by the Virginia Department of Health. The permitted disposal area consists of approximately 49.6 acres, of which approximately 26.1 acres is currently closed (operated until December 21, 1988). Permit #577 was issued October 18, 1994. The first cell was constructed in

2012 and it began accepting waste in October 2013. With a permit Amendment approved in 2018 allowing for additional sub grade volume the #577 permit increased its total permitted waste volume to 5.1 million tons and gave it an approximate life span of 43 years. These calculations are shown in Table 2.

The landfill provides a disposal area for residential, commercial, and industrial wastes. The site utilizes the trench method of operation with daily cover and is partially fenced with gates to control public access. The facility is open to the public Monday through Saturday and is closed to the public on Sunday; thus, the landfill is open to the public six days per week. However, greenbox collections are conducted throughout the County seven days per week for delivery to the landfill for disposal. Table 2 provides the waste quantities planned for acceptance at the landfill based on the average annual tonnage from 2013-2017 and a 10% per cell annual increase thereafter.

Table 2. Disposal and Life Estimates for Landfill Permit No. 577

CELL	ESTIMATED AIRSPACE FOR WASTE (yd3)	AVERAGE TONS PER DAY (91 DAY QUARTER)	ESTIMATED LIFE EXPECTANCY (years)
1	244,625	150	2.7
2	856,550	165	8.5
3	1,265,360	182	11.4
4	970,000	200	8.0
5	1,100,000	220	8.2
6	663,450	242	4.5
Total	5,099,985	--	43.3

A maximum of 650 tons a day is allowed with Current equipment and permit

2. Industrial Waste

There is one private industrial waste landfill located in Franklin County, the Omnisource Southeast, LLC Shredded Products Industrial Landfill (SWP 552). The facility is located on the western side of Route 220 approximately five miles south of the Town of Rocky Mount. The facility is owned and operated by OmniSource Southeast. The facility consists of a shredding plant and a landfill.

Crushed cars and white goods are delivered to the site by flatbed truck and stored to the north of the plant site until they are used in the plant's shredding operation. As the cars and white goods are shredded, the scrap metal produced is stockpiled at the south side of the plant. The ferrous scrap metal is then trucked to an OmniSource Southeast location in Roanoke, VA to be recycled. The automobile shredder residue (ASR, or "fluff"), which consists of the non-metallic components of the cars, is disposed of at the on-site landfill located to the southwest of the plant.

The landfill and shredding facility began operation in 1994, and the landfill is divided into five disposal cells. The first three cells are located on the eastern half of the landfill area, and are mostly full. The last two cells were constructed in early 2018 and are now accepting waste. The landfill provides a disposal area only for industrial wastes generated at the on-site plant and other OmniSource Southeast facilities, it is not open to the general public.

The Omnisource Landfill primarily serves OmniSource Southeast's onsite automotive reduction plant; however, industrial waste from other OmniSource facilities that is similar to what is currently managed at the landfill will also be accepted. This includes, but is not limited to, fluff that originates from the facility, or waste that is sent to another facility for additional processing, and is then returned to the Shredded Products Landfill for disposal.

C. RECYCLING

There are currently thirteen recycling sites located throughout the County at the following locations:

1. Blackwater River Bridge, Route 220 North
2. Scruggs, Route 616
3. Ferrum, Route 40 West
4. Franklin County High School, Route 40 East
5. Burnt Chimney, Route 670
6. Glade Hill, Route 718

7. Franklin County Sanitary Landfill, Route 220 South
8. Wal-Mart, Route 40 East
9. Boones Mill, Route 1604
10. Fork Mountain, Route 220 South
11. Redwood, Webster Road
12. Hardy, Hardy road
13. Westlake, Lakewatch Center Drive

Residents can dispose of newspaper and newspaper inserts; cardboard (landfill and Lakewatch sites only); rinsed aluminum, tin, or steel cans; and plastic bottles and jugs (rinsed, crushed, and without lids). Plastic and brown paper bags are also collected at local food stores. Bulk ferrous metal is collected in 30 yard rolloff boxes at the manned collection sites. Currently, recyclable materials collected at the recycling sites are picked up periodically by Franklin County staff. The County continues evaluating the markets in the region to see if a recycling market for glass is available. In addition, the County chips the yard waste, land clearing debris, and wood products accepted at the County landfill, thus creating mulch for use by the County.

D. PUBLIC EDUCATION

Franklin County currently has several programs on-going in the area to promote recycling. Franklin County coordinates a community-wide cleanup each spring, fall, and Christmas. The Take Pride in Smith Mountain Lake Cleanup Project was begun at Smith Mountain Lake in the spring of 1988, and will continue to be an on-going annual effort. In addition, Franklin County also provides additional large roll-off green boxes twice a year (spring and fall) at various locations around the County and at the Town of Boones Mill.

E. PUBLIC/PRIVATE PARTNERSHIPS

Currently, Franklin County is not actively involved in any public and/or private partnerships with regards to solid waste management.

F. WASTE TREATMENT

Currently, County employees chip vegetative/yard waste that is received at the Franklin County Sanitary Landfill. As presented in Section II.E.4, it is estimated that approximately 25,924 tons of yard waste that will be generated in the County in the next twenty years.

Historically, Franklin County has had problems with local residents and businesses illegally dumping vegetative/yard waste throughout the County. Section 18-16 of the County Code specifically states that it is “unlawful for any person to dump, destroy, or otherwise dispose of or abandon solid waste within the county, except at the county landfill or by other methods approved” by the DEQ. As a result, the County had continuously educated residents and businesses that the abandonment of vegetative/yard waste throughout the County is illegal, and violators will be prosecuted. The County will continue to enforce Section 18-16 of the County Code, as well as investigate enforcing stricter penalties, as necessary, to catch and punish offenders. Additional information regarding County programs that have recently been implemented, as well as future programs that may be implemented, that are designed to increase the public on proper waste handling and disposal methods is provided in the County’s Recycling Action Plan.

IV. HIERARCHY

The Virginia Waste Management Board Regulations for Solid Waste Management Planning, Amendment 1, 9 VAC 20-130-10 et seq., require the plan to develop comprehensive and integrated solid waste management plans that consider, at a minimum, all components of the following hierarchy: (1) source reduction; (2) reuse; (3) recycling, (4) resource recovery (waste-to-energy); (5) incineration; and, (6) landfilling. A description of the existing status of each component of the hierarchy within the County is presented in the sections below.

A. SOURCE REDUCTION

The purpose of source reduction is to reduce the amount of waste generated at the

point of generation or at the source. Source reduction may mean a change in a method of packaging or a change in a process design to eliminate or reduce waste. In most cases, packaging of a product influences the buyer either to purchase or not to purchase the product. As this is the case, controls will need to be placed on packaging from the state or federal level.

In Franklin County, the major industries are window, absorbent paper products and modular home manufacturing companies. It is not believed that viable source reduction can occur at these industries at this time on a local level.

B. REUSE

Reuse is the use of a solid waste material that has been separated from the waste material, without processing or changing the materials form, for the same or another end use. Some examples of reusable items are glass soft drink bottles, bricks, and some wood products. At this time, there are very few markets for reusable waste products. In the majority of cases, a manufacturer uses all new materials when manufacturing a product. Additionally many waste products are not reusable until cleaned or disinfected. These processes require time and money, which most manufacturers are not willing to expend.

C. RECYCLING

Recycling is the process of separating a given waste material from the waste stream and processing it so that it is used again as a raw material for a product, which may or may not be similar to the original product. Recycling involves the separation of a waste material from the waste stream, collection, processing, marketing, sale, and utilization as a raw material.

There are several positive aspects to recycling. Recycling removes products from the waste stream resulting in less waste disposed. Less waste disposed conserves landfill space and county funds. Recycling also removes, in most cases, materials that are non-biodegradable and would not decompose in a landfill even if they were disposed.

Recycling helps in the conservation of natural resources by utilizing materials that have already been processed, rather than using virgin materials. Use of recycled

products rather than use of virgin materials does not generally affect the usability of a manufactured product. However, it can affect the quality of a manufactured product.

Examples of recycling already occurring in Franklin County include recycling of newspapers, aluminum, cardboard, plastics and tin. The majority of the recyclable waste produced in Franklin County is paper waste. This paper waste may be shipped to paper product brokers for reuse in the production of other paper products. The use of this recycled paper conserves landfill space and natural resources, while still allowing a useful product to be produced.

D. WASTE-TO-ENERGY/INCINERATION

A resource recovery system, or a waste-to-energy system, is defined as a solid waste management system that provides for collection, separation, recycling, and recovery of energy or solid wastes, including disposal of non-recoverable waste residues. Incineration is defined as the controlled combustion of solid waste for disposal. It is different from resource recovery in that no usable product is generated from the combustion of the waste. The sole purpose of incineration is to burn the waste to reduce the quantity to be managed or disposed.

The two major types of resource recovery facilities are the refuse derived fuel (RDF) facility and the mass burn facility. RDF systems utilize a separation process that divides material that is combustible from material that is non-combustible. The non-combustible material may be collected and sold as a recyclable or reusable product. The combustible material is processed into pellets or fluff (RDF) and sold or used by the manufacturer as a fuel for combustion. Revenue results from the sale of both the non-combustible material, as well as the RDF itself.

Mass burn facilities do not utilize a separation process. All municipal solid waste is directly fed to the incinerator, which burns the waste at a very high temperature. The resulting heat may be used to generate steam or electricity. It should be noted the mass burn of municipal solid waste results in the production of both air emissions and ash.

The air emissions are regulated by state and federal agencies. The ash must be landfilled as a waste. This being the case, the locality must still plan for the disposal of a waste product, although the amount of waste to be disposed will be greatly decreased.

In our opinion, with the amount of waste currently being generated in Franklin County, a resource recovery facility would not be feasible at this time. However, if several localities wish to join in a combined effort to site and construct a waste-to-energy facility for use by the combination of localities, such a project may be feasible, depending on gate fees and transportation costs. Over the past two years, Franklin County has evaluated the feasibility of participating in a proposed waste-to-energy facility in Martinsville, Virginia. A more detailed discussion on this proposed facility and how it may affect the County's solid waste management program is presented in Section VI.D of this plan. This particular proposal appeared too costly given the landfill alternatives in Franklin County. Franklin County will continue to consider alternatives as they arise.

E. LANDFILL

Franklin County currently operates old landfill Permit #72 with approximately 10,000 cubic yards of airspace remaining. This landfill should be full in the fall of 2019. This existing unlined landfill must cease accepting waste by December 31, 2020, based on the House Bill 1205 closure date imposed by the DEQ.

The County has obtained permit No. 577 to construct an approximately 45-acre new solid waste landfill adjacent to the existing facility to continue providing disposal services. Two of the six cells (14 acres) in this new landfill have been constructed. Preliminary figures indicate that the proposed facility can be constructed to provide a minimum of 35 additional years of disposal life for Franklin County. The life expectancy of the landfill is dependent on the types of solid waste material received at the facility and the material compaction once disposed. In addition, if other hierarchy items such as recycling are coupled with landfilling, it is expected that the life of this proposed facility may be extended even more.

At this time, landfilling appears to be the most feasible of the solid waste disposal alternatives. It is possible; however, with the rising costs of meeting stricter regulatory requirements, landfilling may become as nearly an expensive venture as other hierarchy items such as resource recovery.

V. OBJECTIVES

As previously mentioned, the primary objective of the SWMP is to coordinate the efforts of Franklin County, the Town of Rocky Mount, and the Town of Boones Mill regarding solid waste management and planning. To accomplish this goal, four steps are proposed: (1) continue the County Solid Waste Department; (2) develop and implement budgets and funding strategies; (3) review and update the SWMP, as required; and, (4) maintain a solid waste archive.

The second object of the SWMP is to develop a program for the management of solid wastes. To accomplish this objective, five steps are proposed: (1) develop a reporting system for materials recycled; (2) develop a reporting and accounting system for wastes generated in the county and disposed of either in the county or outside of the county; (3) establish an archive for the storage and maintenance of solid waste records and information; (4) educate landfill personnel in the reporting/accounting system; and, (5) document all known solid waste disposal sites.

The third and final objective of the SWMP is to enlist public participation for solid waste management. To accomplish this last objective, three steps are proposed: (1) continue to develop education programs to increase public awareness; (2) continue to provide support to groups participating in litter control programs; and, (3) continue to provide information to residents regarding locations of recyclable collection areas and materials accepted at the areas.

VI. PLAN IMPLEMENTATION

The hierarchy items currently chosen to be implemented in Franklin County include recycling and landfilling. A description of how each component of the hierarchy is currently implemented in the County and a schedule of future component implementation is presented in the sections below.

A. SOURCE REDUCTION

As mentioned previously, the majority of the industry within Franklin County involves the manufacturing of windows and modular homes. At this time, it is not

believed that viable source reduction can occur at these industries on a local level.

During the planning period and as funding allows, Franklin County will identify and evaluate regional or local programs that utilize and encourage practices that minimize waste generation. The County currently promotes public awareness to County residents regarding the benefits of purchasing recycled and/or reused materials. The County will also promote to consumers the benefits of purchasing items in bulk and with less packaging. Through the public awareness program, the County may achieve source reduction at the consumer level. Further investigation is needed to fully understand and quantify source reduction programs that are occurring within the County at the local businesses and industries.

B. REUSE

Currently, there are few markets for reusable waste products within Franklin County. Generally, most industrial facilities in the County use all new materials when manufacturing a product. Additionally, many waste products are not reusable until cleaned or disinfected, which require time and money, which most manufacturers are not willing to expend.

Reuse typically occurs on an industry level and cannot be controlled at this time by the local jurisdictions within the County. In addition, there is limited data available on the quantities of materials in the County that are reused on an industrial level, and there are no standardized methods that can easily be implemented to quantify reuse.

During the planning period and as funding allows, Franklin County will identify and evaluate regional or local programs that utilize and encourage practices that reuse materials. The County will continue to provide educational programs and materials to the residents, businesses, and industries in the County that promote the benefits of reusing materials through direct donations between user and reuser and/or packaging.

C. RECYCLING

To determine the existing level of recycling that is occurring in the County, the recycling rate was calculated. From this, the need for additional recycling programs can

be determined and/or implemented. The recycling rate is defined as the sum of the quantity of Principal Recyclable Material (PRM) and Supplemental Recyclable Material (SRM) recycled divided by the sum of the quantity of PRM recycled, SRM recycled, and total MSW disposed, multiplied by 100, as shown in the following equation:

$$\frac{\text{Total PRM} + \text{Total SRM}}{\text{Total PRM} + \text{Total SRM} + \text{Total MSW}} \times 100$$

Using the information collected at the Franklin County Landfill during 2017, the parameters in the recycling rate equation have been given the following values:

Total PRM Recycled = 24,061 tons
 Total SRM Recycled = 379 tons Total
 MSW Disposed = 36,419 tons

Using these values, the recycling rate calculation yields a recycling rate of 41.8 percent. This recycling rate exceeds the minimum recycling rate of 25 percent required by the Virginia Regulations for the Development of Solid Waste Management Plans. The County’s current recycle rate does meet the 15 percent recycle rate for rural Counties allowed by House Bill 647, which is effective as of July 1, 2006. Supporting calculations are provided in Appendix IV.

Franklin County will continue an on-going reporting system designed to more accurately monitor the wastes generated and recycled by the residences, businesses, and industries. Through voluntary participation, businesses and industries will provide the County with information on an on-going basis regarding the types and amounts of wastes generated and recycled, and where these wastes are disposed of or recycled. On-going participation by the businesses and industries is necessary to ensure that the database compiled by the County is complete and accurate. The data obtained from this system will enable Franklin County to determine what efforts can be concentrated to maintain and improve the County’s current recycle rate.

Currently, the County is successfully operating thirteen refuse and recycling centers for residents to deliver their recyclables, such as paper, cardboard, metals, glass,

used tires, used oil, batteries, aluminum, and copper. The County will continue to provide these services, and investigate adding additional services when economically feasible.

Franklin County will review the possibility of adding glass to the list of recyclables collected by the County. In the past, the County has collected glass; however, due to the regional recycling markets, the County was unable to find a glass recycler, so they stopped providing glass collection. These programs, with the addition of commercial and industrial recycling, will be maintained to enable the maintenance of the County's recycling objective.

In addition, as mentioned previously, Franklin County will encourage businesses to actively recycle, and will utilize a voluntary reporting system designed to more accurately monitor the wastes reused and recycled by the businesses and industries located throughout the County. Through this program, the businesses and industries are requested to provide the County with solid waste generation and recycling levels each month or every quarter. On-going participation by the businesses and industries is necessary to ensure that the database compiled by the County is complete and accurate.

If based on the results of the on-going evaluation outlined above, the County does not maintain the state mandated recycle rate, due to market conditions, the County will request from the Virginia DEQ that they are granted a variance or exemption from the minimum recycling rate since market conditions beyond the control of the County make the mandatory rate unreasonable. The County is allowed to request for the variance or exemption by both Virginia Code Section 10.1-1411 and 9VAC20-130-10 *et seq.*

D. WASTE-TO-ENERGY/INCINERATION

As mentioned previously, due to the low amounts of waste currently generated in Franklin County, in our opinion, a waste-to-energy facility would not be feasible for the County at this time. However, with the assistance of several other localities in joining a combined effort to site and construct a waste-to-energy facility for use by the combination of localities, such a project may be feasible.

Within the past year, the County has evaluated the feasibility of participating in a waste-to-energy facility in Martinsville, Virginia. Franklin County's participation in the

facility would be done by means of constructing a transfer station at the existing landfill and transporting the waste to the incineration facility or by directly hauling the waste collected at green box sites to the incineration facility. The County would continue their recycling program and continue to dispose waste at the existing landfill that cannot be diverted to the waste-to-energy facility, such as sludge, stumps, woody debris, and computers.

As mentioned previously, the County has determined that the proposed waste-to-energy facility is not a feasible option since it appears to be too costly given the landfill alternatives in the County. Franklin County will continue to consider alternatives.

E. LANDFILL

As a result of costs and the amount of waste generated in the County, other than recycling, landfilling is the most feasible of the solid waste disposal alternatives available to the County and has been selected as the primary component of the hierarchy to provide solid waste management within the County. As mentioned previously, the County is currently operating a landfill, which has a life span to approximately 2060, based on the current waste stream and facility operations.

VII. FUNDING AND CONSTRUCTION SCHEDULES

A. FUNDING

The recycling and education efforts in Franklin County will be funded through County funds, as well as through user fees assessed at the landfill. Private recycling efforts will be funded by those individuals wishing to pursue that option. Support from the County will be provided to these individuals to help organize and establish recycling programs. The County has budgeted money for maintaining current recycling programs and the operation of the existing landfill facility. At current waste volumes there should be enough landfill airspace to last 7- 8 years without additional construction.

VIII. PUBLIC PARTICIPATION

A. PUBLIC/PRIVATE PARTNERSHIPS

On a voluntary basis, commercial and business establishments will be encouraged by the county to submit information on waste generated and recycled, which will be archived at one location within the County. With this information, the generation concentrations of waste types can be more accurately determined. In addition, how and where to concentrate recycling efforts and goals should be implemented can more accurately be determined.

B. PUBLIC HEARINGS

A public hearing was held by Franklin County on August 9, 2018 in accordance with the public participation requirements outlined in 9 VAC 20-130-130. A copy of all notice published in the local newspaper and the minutes of the public hearing are provided in Appendix VII.

C. RESOLUTIONS

Copies of Franklin County's, the Town of Rocky Mount's, and the Town of Boones Mill's resolutions adopting this Solid Waste Management Plan are provided in Appendix VII.

IX. SUMMARY

APPENDIX I

TOWN OF ROCKY MOUNT RESOLUTION

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APPENDIX II
POPULATION PROJECTIONS

Year	Franklin County	Town of Boones Mill	Town of Rocky Mount	Total County Population
2010	51,220	239	4,700	56,159
2011	51,719	239	4,795	56,753
2012	52,223	239	4,891	57,353
2013	52,732	239	4,989	57,961
2014	53,246	239	5,090	58,575
2015	53,765	239	5,192	59,196
2016	54,289	239	5,297	59,825
2017	54,818	239	5,403	60,461
2018	55,353	239	5,512	61,104
2019	55,892	239	5,623	61,754
2020	56,437	239	5,736	62,412
2021	56,898	239	5,851	62,988
2022	57,363	239	5,969	63,571
2023	57,832	239	6,089	64,160
2024	58,304	239	6,212	64,755
2025	58,781	239	6,336	65,356
2026	59,261	239	6,464	65,964
2027	59,745	239	6,594	66,578
2028	60,234	239	6,727	67,199
2029	60,726	239	6,862	67,827
2030	61,222	239	7,000	68,461
2031	61,633	239	7,178	69,050
2032	62,046	239	7,361	69,646
2033	62,463	239	7,548	70,250
2034	62,882	239	7,740	70,861
2035	63,304	239	7,937	71,480
2036	63,728	239	8,139	72,107
2037	64,156	239	8,346	72,741
2038	64,586	239	8,559	73,384

- Source for 2010 Population: US Census Bureau (2010 census)
- Source for 2020, 2030 & 2040 Population Projections for Franklin County: Weldon Cooper Center for Public services website and Virginia Employment Commission
- 2030 & 2040 Population Projections for the Town of Rocky Mount provided by the Town of Rocky Mount based on a build out analysis for 2050 and 2060 in the Town's Comprehensive Plan
- (Population Projections for the Town of Boones Mill were not available. Assumed growth rate)

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APPENDIX III
FRANKLIN COUNTY SANITARY LANDFILL ANNUAL WASTE SUMMARY REPORTS

YEAR 2013

Waste Type	Received	Landfilled	Incinerated	Sent Off-site	Percent
MSW	35,624	35,624			68.98%
CDD	6,101	6,101			11.81%
Industrial	5,097	5,097			9.87%
Vegetative/Yard Waste	2,917		2,917		5.65%
Incineration Ash	54	54			0.10%
Sludge	1,271	1,271			2.46%
Tires	218			218	0.42%
White Goods	19			19	0.04%
Other (Livestock)	345	345			0.67%
Totals	51,646	48,492	2,917	237	100.00%
Percent		93.89%	5.65%	0.46%	

YEAR 2014

Waste Type	Received	Landfilled	Incinerated	Sent Off-site	Percent
MSW	33,499	33,499			70.50%
CDD	5,643	5,643			11.88%
Industrial	5,355	5,355			11.27%
Vegetative/Yard Waste	787				1.66%
Incineration Ash	1,398	1,398			2.94%
Sludge	235	235			0.49%
Tires	235			235	0.49%
White Goods	22			22	0.05%
Other (Livestock)	345	345			0.73%
Totals	47,519	46,475	0	257	100.00%
Percent		97.80%	0.00%	0.54%	

YEAR 2015

Waste Type	Received	Landfilled	Incinerated	Sent Off-site	Percent
MSW	33,638	33,638			72.95%
CDD	5,174	5,174			11.22%
Industrial	4,357	4,357			9.45%
Vegetative/Yard Waste	1,350				2.93%
Incineration Ash	0	0			0.00%
Sludge	912	912			1.98%
Tires	265			265	0.57%
White Goods	22			22	0.05%
Other (Livestock)	392	392			0.85%
Totals	46,110	44,473	0	287	100.00%
Percent		96.45%	0.00%	0.62%	

YEAR 2016

Waste Type	Received	Landfilled	Incinerated	Sent Off-site	Percent
MSW	35,317	35,317			71.97%
CDD	5,338	5,338			10.88%
Industrial	5,357	5,357			10.92%
Vegetative/Yard Waste	1,416				2.89%
Incineration Ash	0	0			0.00%
Sludge	860	860			1.75%
Tires	362			362	0.74%
White Goods	41			41	0.08%
Other (Livestock)	383	383			0.78%
Totals	49,074	47,255	0	403	100.00%
Percent		96.29%	0.00%	0.82%	

YEAR 2017

Waste Type	Received	Landfilled	Incinerated	Sent Off-site	Percent
MSW	36,420	34,505			71.00%
CDD	6,005	8,721			11.71%
Industrial	5,527	2,536			10.78%
Vegetative/Yard Waste	1,833				3.57%
Incineration Ash	0	85			0.00%
Sludge	854	1,605			1.66%
Tires	253			209	0.49%
White Goods	32			87	0.06%
Other (Livestock)	369	354			0.72%
Totals	51,293	47,806	0	296	100.00%
Percent		93.20%	0.00%	0.58%	

APPENDIX IV

SOLID WASTE PROJECTIONS

MUNICIPAL SOLID WASTE GENERATION PROJECTIONS FOR FRANKLIN COUNTY, THE TOWN OF ROCKY MOUNT, AND THE TOWN OF BOONES MILL

Given:

Total MSW Disposed in 2017 (tons) = 36,420
Total Population in 2012 (persons) = 60,461
Tons MSW/person/day = 1.650E-03

Year	Total County Population	Tons MSW/day	Annual MSW Needs (Tons)	Cumulative MSW Needs (Tons)
2017	60461	100		0
2018	61,104	101	36,807	38,359
2019	61,754	102	37,199	75,558
2020	62,412	103	37,595	113,153
2021	62,988	104	37,942	151,095
2022	63,571	105	38,293	189,389
2023	64,160	106	38,648	228,037
2024	64,755	107	39,007	267,043
2025	65,356	108	39,369	306,412
2026	65,964	109	39,735	346,147
2027	66,578	110	40,105	386,252
2028	67,199	111	40,479	426,731
2029	67,827	112	40,857	467,588
2030	68,461	113	41,239	508,827
2031	69,050	114	41,594	550,421
2032	69,646	115	41,953	592,374
2033	70,250	116	42,316	634,690
2034	70,861	117	42,685	677,375
2035	71,480	118	43,057	720,432
2036	72,107	119	43,435	763,867
2037	72,741	120	43,817	807,684
2038	73,384	121	44,205	851,889

CONSTRUCTION DEMOLITION DEBRIS GENERATION PROJECTIONS
 FOR FRANKLIN COUNTY, THE TOWN OF ROCKY MOUNT, AND THE TOWN OF
 BOONES MILL

Given:

Total CDD Disposed in 2017 (tons) = 6,005
 Total Population in 2017 (persons) = 60,461
 Tons CDD/person/day = 2.721E-04

Year	Total County Population	Tons CDD/day	Annual CDD Needs (Tons)	Cumulative CDD Needs (Tons)
2017	60461	16		0
2018	61,104	17	6,069	6,069
2019	61,754	17	6,133	12,202
2020	62,412	17	6,199	18,401
2021	62,988	17	6,256	24,657
2022	63,571	17	6,314	30,971
2023	64,160	17	6,372	37,343
2024	64,755	18	6,431	43,775
2025	65,356	18	6,491	50,266
2026	65,964	18	6,552	56,818
2027	66,578	18	6,613	63,430
2028	67,199	18	6,674	70,104
2029	67,827	18	6,737	76,841
2030	68,461	19	6,800	83,640
2031	69,050	19	6,858	90,499
2032	69,646	19	6,917	97,416
2033	70,250	19	6,977	104,393
2034	70,861	19	7,038	111,431
2035	71,480	19	7,099	118,530
2036	72,107	20	7,162	125,692
2037	72,741	20	7,225	132,917
2038	73,384	20	7,289	140,205

**INDUSTRIAL WASTE GENERATION PROJECTIONS
FOR FRANKLIN COUNTY, THE TOWN OF ROCKY MOUNT, AND THE TOWN OF
BOONES MILL**

Given:

Total Industrial Waste (IW) Disposed in 2017 (tons) = 5,527
 Total Population in 2017 (persons) = 60,461
 Tons IW/person/day = 2.505E-04

Year	Total County Population	Tons IW/day	Annual IW Needs (Tons)	Cumulative IW Needs (Tons)
2017	60,461	15		0
2018	61,104	15	5,586	5,586
2019	61,754	15	5,645	11,231
2020	62,412	16	5,705	16,936
2021	62,988	16	5,758	22,694
2022	63,571	16	5,811	28,506
2023	64,160	16	5,865	34,371
2024	64,755	16	5,920	40,290
2025	65,356	16	5,975	46,265
2026	65,964	17	6,030	52,295
2027	66,578	17	6,086	58,381
2028	67,199	17	6,143	64,524
2029	67,827	17	6,200	70,724
2030	68,461	17	6,258	76,983
2031	69,050	17	6,312	83,295
2032	69,646	17	6,367	89,661
2033	70,250	18	6,422	96,083
2034	70,861	18	6,478	102,561
2035	71,480	18	6,534	109,095
2036	72,107	18	6,592	115,687
2037	72,741	18	6,650	122,336
2038	73,384	18	6,708	129,045

**YARD WASTE GENERATION PROJECTIONS
FOR FRANKLIN COUNTY, THE TOWN OF ROCKY MOUNT, AND THE TOWN OF
BOONES MILL**

Given:

Total Yard Waste (YW) Disposed in 2017 (tons) = 1,823
 Total Population in 2017 (persons) = 60,461
 Tons Yard Waste/person/day = 8.261E-05

Year	Total County Population	Tons YW/day	Annual YW Needs (Tons)	Cumulative YW Needs (Tons)
2017	60,461	5		0
2018	61,104	5	1,842	1,842
2019	61,754	5	1,862	3,704
2020	62,412	5	1,882	5,586
2021	62,988	5	1,899	7,485
2022	63,571	5	1,917	9,402
2023	64,160	5	1,935	11,337
2024	64,755	5	1,952	13,289
2025	65,356	5	1,971	15,260
2026	65,964	5	1,989	17,249
2027	66,578	5	2,007	19,256
2028	67,199	6	2,026	21,282
2029	67,827	6	2,045	23,327
2030	68,461	6	2,064	25,392
2031	69,050	6	2,082	27,474
2032	69,646	6	2,100	29,574
2033	70,250	6	2,118	31,692
2034	70,861	6	2,137	33,828
2035	71,480	6	2,155	35,983
2036	72,107	6	2,174	38,158
2037	72,741	6	2,193	40,351
2038	73,384	6	2,213	42,564

SLUDGE GENERATION PROJECTIONS
 FOR FRANKLIN COUNTY, THE TOWN OF ROCKY MOUNT, AND THE TOWN OF
 BOONES MILL

Given:

Total Sludge Disposed in 2013 (tons) =	1,271
Total Sludge Disposed in 20014 (tons) =	1,598
Total Sludge Disposed in 2015 (tons) =	912
Total Sludge Disposed in 2016 (tons) =	863
Total Sludge Disposed in 2017 (tons) =	1,045
Average Incineration Sludge Disposal (2013-2017) (tons) =	1,138

Year	Annual Sludge Needs (Tons)	Cumulative Sludge Needs (Tons)
2017	1,045	1,045
2018	1,045	2,090
2019	1,045	3,135
2020	1,045	4,180
2021	1,045	5,225
2022	1,045	6,270
2023	1,045	7,315
2024	1,045	8,360
2025	1,045	9,405
2026	1,045	10,450
2027	1,045	11,495
2028	1,045	12,540
2029	1,045	13,585
2030	1,045	14,630
2031	1,045	15,675
2032	1,045	16,720
2033	1,045	17,765
2034	1,045	18,810
2035	1,045	19,855
2036	1,045	20,900
2037	1,045	21,945
2038	1,045	22,990

TIRE GENERATION PROJECTIONS
 FOR FRANKLIN COUNTY, THE TOWN OF ROCKY MOUNT, AND THE TOWN OF
 BOONES MILL

Given:

Total Tires Recycled in 2013 (tons) =	218
Total Tires Recycled in 2014 (tons) =	235
Total Tires Recycled in 2015 (tons) =	265
Total Tires Recycled in 2016 (tons) =	362
Total Tires Recycled in 2017 (tons) =	253
Average Tires Recycled (2013-2017) (tons) =	267

Year	Annual Tires Needs (Tons)	Cumulative Tires Needs (Tons)
2017	253	253
2018	253	506
2019	253	759
2020	253	1,012
2021	253	1,265
2022	253	1,518
2023	253	1,771
2024	253	2,024
2025	253	2,277
2026	253	2,530
2027	253	2,783
2028	253	3,036
2029	253	3,289
2030	253	3,542
2031	253	3,795
2032	253	4,048
2033	253	4,301
2034	253	4,554
2035	253	4,807
2036	253	5,060
2037	253	5,313
2038	253	5,566

WHITE GOODS GENERATION PROJECTIONS
 FOR FRANKLIN COUNTY, THE TOWN OF ROCKY MOUNT, AND THE TOWN OF
 BOONES MILL

Given:

Total White Goods (WG) Recycled in 2017 (tons) = 248
1% growth rate

Year	Annual WG Needs (Tons)	Cumulative WG Needs (Tons)
2017	248	496
2018	250	746
2019	253	999
2020	256	1,255
2021	258	1,513
2022	261	1,774
2023	263	2,037
2024	266	2,303
2025	269	2,571
2026	271	2,843
2027	274	3,117
2028	277	3,393
2029	279	3,673
2030	282	3,955
2031	285	4,240
2032	288	4,528
2033	288	4,816
2034	288	5,104
2035	288	5,392
2036	288	5,680
2037	288	5,968
2038	288	6,255

LIVESTOCK PROJECTIONS
 FOR FRANKLIN COUNTY, THE TOWN OF ROCKY MOUNT, AND THE TOWN OF
 BOONES MILL

Given:

Total Livestock Disposed in 2013 (tons) =	345
Total Livestock Disposed in 2014 (tons) =	345
Total Livestock Disposed in 2015 (tons) =	392
Total Livestock Disposed in 2016 (tons) =	383
Total Livestock Disposed in 2017 (tons) =	369
Average Livestock Disposed (2013-2017) (tons) =	367

Year	Annual WG Needs (Tons)	Cumulative WG Needs (Tons)
2017	367	
2018	367	367
2019	367	734
2020	367	1,100
2021	367	1,467
2022	367	1,834
2023	367	2,201
2024	367	2,568
2025	367	2,934
2026	367	3,301
2027	367	3,668
2028	367	4,035
2029	367	4,402
2030	367	4,768
2031	367	5,135
2032	367	5,502
2033	367	5,869
2034	367	6,236
2035	367	6,602
2036	367	6,969
2037	367	7,336
2038	367	7,703

RECYCLABLE MATERIALS GENERATION PROJECTIONS
 FOR FRANKLIN COUNTY, THE TOWN OF ROCKY MOUNT, AND THE TOWN OF
 BOONES MILL

Given:

Total Recycled in 2017 (tons) = 16,549
 Total Population in 2017 (persons) = 60,146
 Tons Recyclables/person/day = 7.538E-04

Year	Total County Population	Tons Recyclables/day	Annual Recyclable Needs (Tons)	Cumulative Recyclable Needs (Tons)
2017	60,461	46	16,636	16,636
2018	61,104	46	16,812	33,448
2019	61,754	47	16,991	50,440
2020	62,412	47	17,172	67,612
2021	62,988	47	17,331	84,943
2022	63,571	48	17,491	102,434
2023	64,160	48	17,653	120,088
2024	64,755	49	17,817	137,905
2025	65,356	49	17,983	155,888
2026	65,964	50	18,150	174,037
2027	66,578	50	18,319	192,356
2028	67,199	51	18,490	210,846
2029	67,827	51	18,662	229,508
2030	68,461	52	18,837	248,345
2031	69,050	52	18,999	267,344
2032	69,646	53	19,163	286,507
2033	70,250	53	19,329	305,836
2034	70,861	53	19,497	325,333
2035	71,480	54	19,667	345,001
2036	72,107	54	19,840	364,841
2037	72,741	55	20,015	384,855
2038	73,384	55	20,191	405,047

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APPENDIX V

FIGURES

Franklin County Landfills

Legend

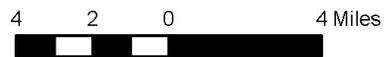
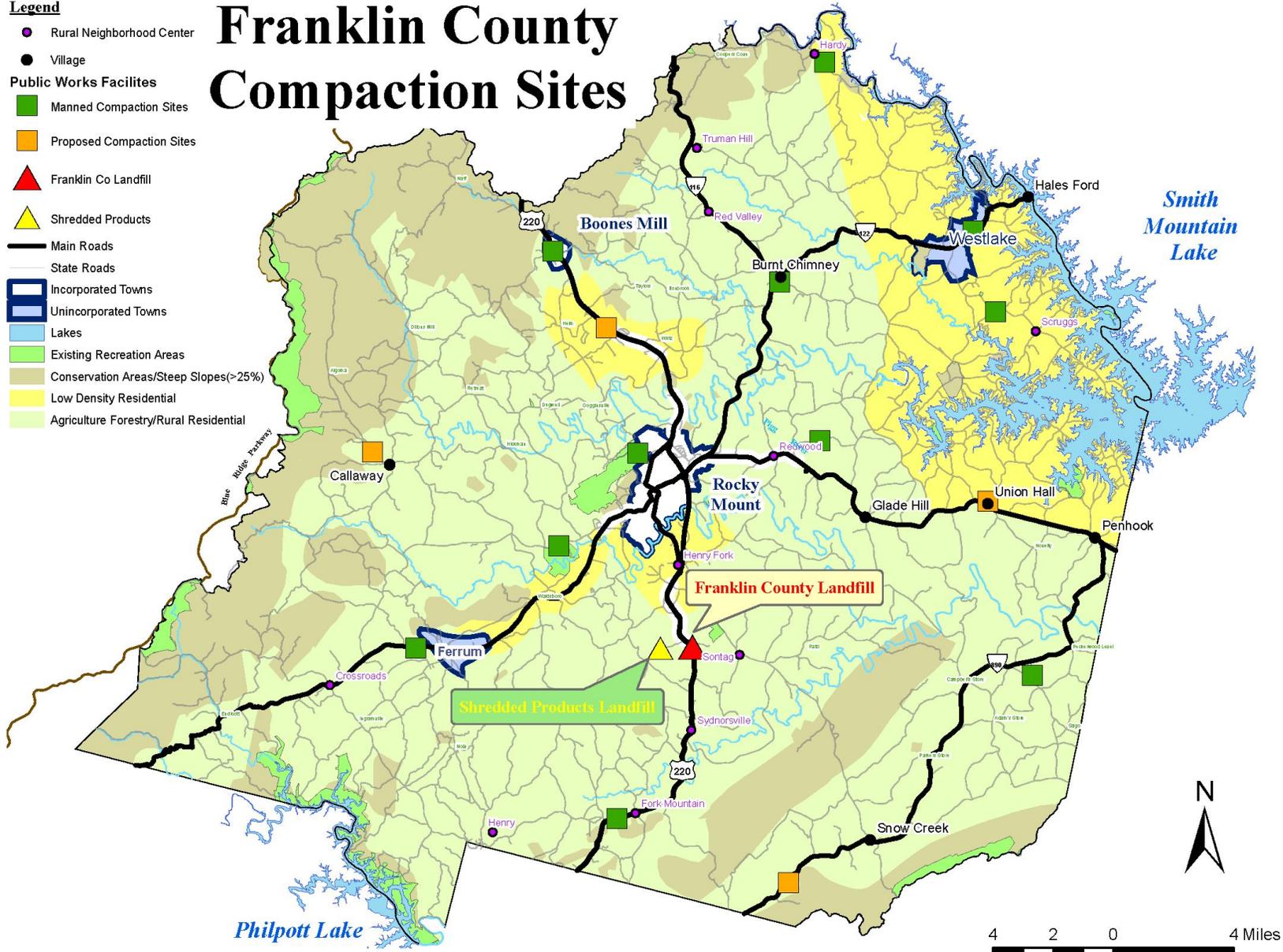
- Rural Neighborhood Center
- Village
- Public Works Facilities**
- ▲ Franklin Co Landfill
- ▲ Shredded Products
- Infrastructure**
- Main Roads
- State Roads
- Incorporated Towns
- Unincorporated Towns
- Lakes
- Existing Recreation Areas
- Conservation Areas/Steep Slopes(>25%)
- Low Density Residential
- Agriculture Forestry/Rural Residential



Legend

- Rural Neighborhood Center
- Village
- Public Works Facilities**
- Manned Compaction Sites
- Proposed Compaction Sites
- ▲ Franklin Co Landfill
- ▲ Shredded Products
- Main Roads
- State Roads
- ▭ Incorporated Towns
- ▭ Unincorporated Towns
- Lakes
- Existing Recreation Areas
- Conservation Areas/Steep Slopes(>25%)
- Low Density Residential
- Agriculture Forestry/Rural Residential

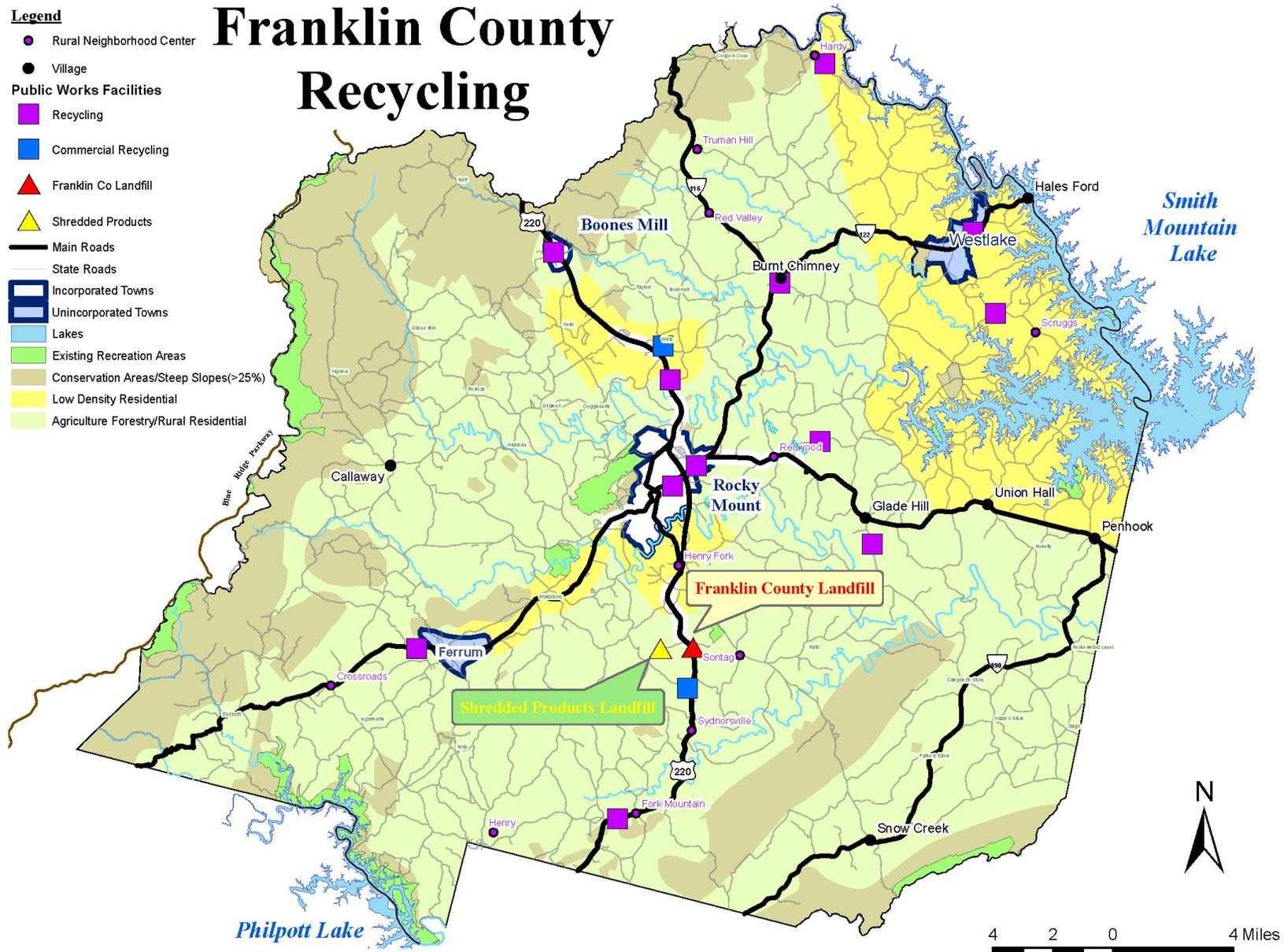
Franklin County Compaction Sites



Legend

- Rural Neighborhood Center
- Village
- Public Works Facilities**
- Recycling
- Commercial Recycling
- ▲ Franklin Co Landfill
- ▲ Shredded Products
- Main Roads
- State Roads
- ▭ Incorporated Towns
- ▭ Unincorporated Towns
- Lakes
- Existing Recreation Areas
- Conservation Areas/Steep Slopes(>25%)
- Low Density Residential
- Agriculture Forestry/Rural Residential

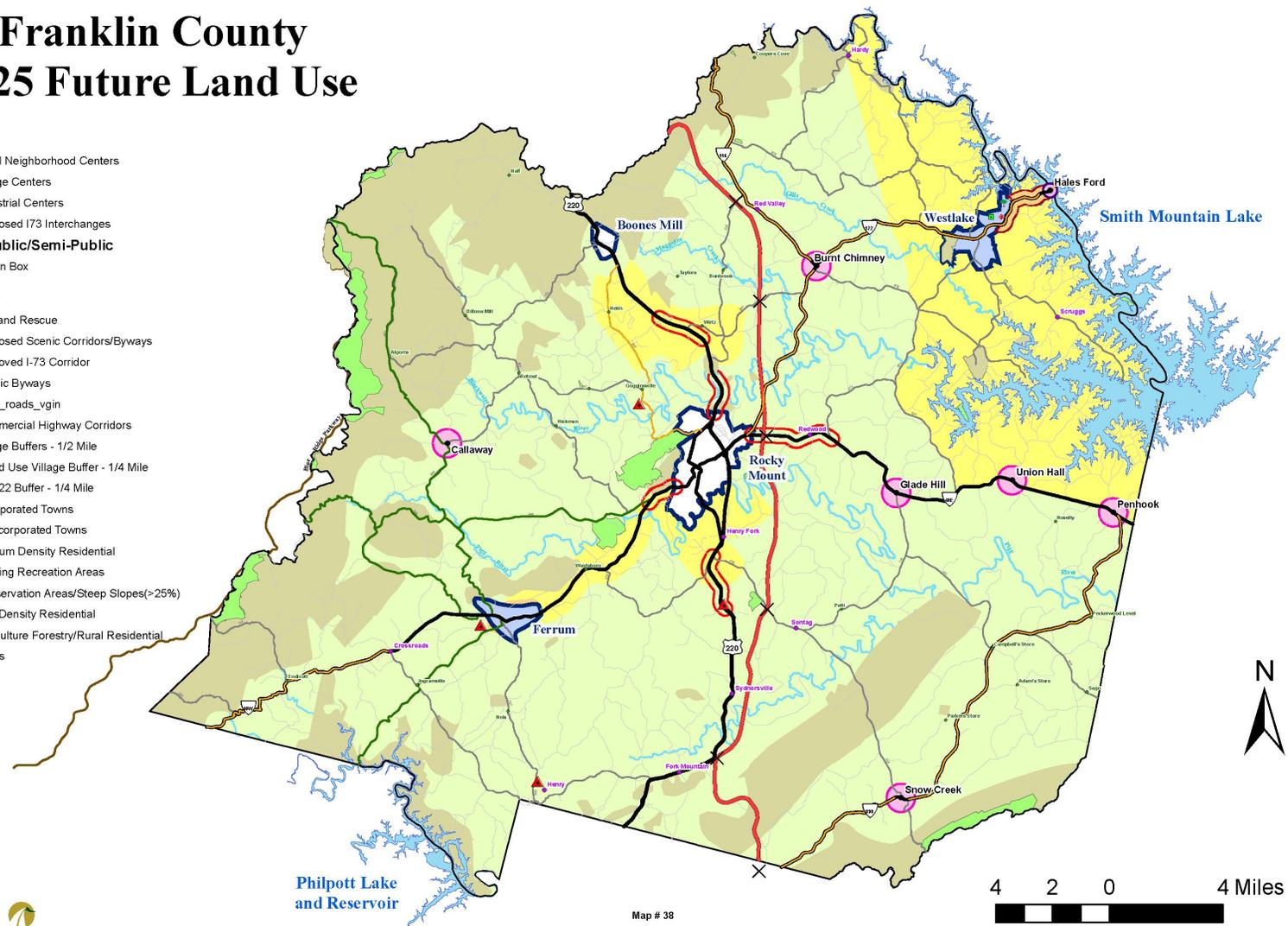
Franklin County Recycling



Franklin County 2025 Future Land Use

Legend

- Rural Neighborhood Centers
- Village Centers
- ▲ Industrial Centers
- ✕ Proposed I73 Interchanges
- Future Public/Semi-Public**
- Green Box
- 🌳 Park
- 🚒 Fire and Rescue
- Proposed Scenic Corridors/Byways
- Approved I-73 Corridor
- Scenic Byways
- state_roads_vgin
- ▭ Commercial Highway Corridors
- ▭ Village Buffers - 1/2 Mile
- ▭ Mixed Use Village Buffer - 1/4 Mile
- ▭ Rt. 122 Buffer - 1/4 Mile
- ▭ Incorporated Towns
- ▭ Unincorporated Towns
- ▭ Medium Density Residential
- ▭ Existing Recreation Areas
- ▭ Conservation Areas/Steep Slopes(>25%)
- ▭ Low Density Residential
- ▭ Agriculture Forestry/Rural Residential
- ▭ Lakes



Map # 38



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APPENDIX VI

LIST OF ALL KNOWN SOLID WASTE DISPOSAL SITES IN FRANKLIN COUNTY

<u>Facility Name</u>	<u>Permit Number</u>	<u>Type of Facility</u>	<u>Status</u>	<u>Year Permitted</u>	<u>Mail Address</u>	<u>Telephone</u>
Environmental Options, Inc. Transfer Station	PBR153	Transfer Station	Closed	1999	Environmental Options, Inc. P.O. Box 879 Rocky Mount, VA 24151	540-483-3920
Franklin County Sanitary Landfill	72	Sanitary	Active	1972	Franklin County 40 East Court Street Rocky Mount, VA 24151	540-483-3030
Franklin County Sanitary Landfill	577	Sanitary	Active	1994	Franklin County 40 East Court Street Rocky Mount, VA 24151	540-483-3030
OmniSource - Rocky Mount	552	Industrial	Active	1993	OmniSource Corporation 700 Commerce Road Rocky Mount, VA 24151	540-342-1831
Town of Rocky Mount/Franklin County Closed Sanitary Landfill	N/A	Sanitary	Closed	Pre-88	Pre-88 fill area located at the intersection of Deer Run Road and Power Dam Road, Rocky Mount	N/A
Dale Simmon's Property, Brooks Mill Road	N/A	Sanitary	Closed	Pre-88	Pre-88 trench fill located on the Dale Simmon's Property, Brooks Mill Road	N/A
Dry Hill Road, Ferrum	N/A	Sanitary	Closed	Pre-88	Pre-88 trench fill located off Dry Hill Road	N/A
890-Grindstaff Store	N/A	Sanitary	Closed	Pre-88	Pre-88 trench fill located off Route 890	N/A
Shively Road, Ferrum	N/A	Sanitary	Closed	Pre-88	Pre-88 trench fill located off Shively Road	N/A
Bethlehem Road, Boones Mill	N/A	Sanitary	Closed	Pre-88	Pre-88 trench fill located off Bethlehem Road	N/A
Crawford Excavating Incorporated	N/A	Incident Response	Unpermitted	N/A	Franklin County, VA	N/A
North American Housing Co	N/A	Incident Response	Unpermitted	N/A	Town of Boones Mill, VA	N/A

Legend:

Industrial = Industrial Landfill

Sanitary = Sanitary Landfill

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APPENDIX VII

PUBLIC HEARING RECORD/BOARD RESOLUTIONS

The Franklin News-Post

*Franklin Board of
Supervisors
1255 Franklin St, Ste. 112
Rocky Mt, VA 24151*

THE FRANKLIN NEWS-POST
P.O. Box 250
Rocky Mount, Virginia 24151-0250
540-483-5113

Account Number
6036720

Date
September 10, 2018

Affidavit of Publication

JENNIFER LYNN PRILLAMAN
NOTARY PUBLIC
Commonwealth of Virginia
Reg. #7611770
My Commission Expires Oct. 31, 20*18*

Date	Category	Description	Ad Size	Total Cost
<i>8/1/18</i>	<i>Legal Display</i>	<i>2018 SWMP Hearing</i>	<i>2x4</i>	<i>84.00</i>

**Publisher of the
FRANKLIN NEWS-POST**

I, (the undersigned) hereby certify that a Notice regarding

was published in the at Rocky Mount, County of Franklin, State of Virginia on the following dates:

8/1/18

The First insertion being given ... *8/1/18*

Newspaper reference: *79728e*



 Display Advertising Representative

Sworn to and subscribed before me this *Monday, September 10, 2018*



 Notary Public

State of Virginia
City/County of Franklin

*See
Attached*

THIS IS NOT A BILL. PLEASE PAY FROM INVOICE. THANK YOU

**Franklin County Sanitary Landfill
VA DEQ Permits No. 72 and 577**



**MINUTES FOR 5 YEAR SWMP UPDATE PUBLIC HEARING
August 9, 2018**

Proper advertisement of the Public Hearing for the update on the Franklin County 5-year Solid Waste Management was given for 6:00 PM, August 9, 2018 in the Franklin County Board of Supervisors room. The Public Hearing was called to order by County staff at 6:00 PM with Public Works Director Don Smith presiding. County staff waited in the advertised Board of Supervisors Room until 6:30 PM. There were no participants or inquiries, so the Public hearing was adjourned.

1255 Franklin Street, Suite 103 • Rocky Mount, Virginia 24151 • (540) 483-3027 • (540) 483-3041 (Fax)



**RESOLUTION OF SUPPORT FOR THE REVISED
FRANKLIN COUNTY SOLID WASTE MANAGEMENT PLAN, 2018**

WHEREAS, the Virginia Waste Management Board has adopted regulations which require every city, county, and town or region in the Commonwealth of Virginia to develop a solid waste management plan in accordance with 9VAC 20-130-10 et seq., effective August 1, 2001; and

WHEREAS, Franklin County and its engineering consultants have prepared a "Revised Franklin County Solid Waste Management Plan, 2018" in accordance with State regulation; and

WHEREAS, meeting the solid waste management needs of the Franklin County service area including the Town of Rocky Mount and the Town of Boones Mill require local government support of and commitment to the implementation of the local solid waste management plan; and

WHEREAS, the Board of Supervisors of Franklin County Virginia, has considered the "Revised Franklin County Solid Waste Management Plan, 2018."

NOW, BE IT RESOLVED, that the Board of Supervisors of Franklin County, Virginia, adopts and supports the "Revised Franklin County Solid Waste Management Plan, 2018" and is committed to its successful implementation; and

BE IT FURTHER RESOLVED, that the Board of Supervisors of Franklin County agrees to cooperate with the Towns of Boones Mill and Rocky Mount to maintain, update, and implement the Plan adopted by the County of Franklin; and

BE IT FURTHER RESOLVED, that the Board of Supervisors of Franklin County recognizes that in order for the Plan to be successfully implemented, each jurisdiction has an obligation to support solid waste management programmatic commitments in the adopted Plan and that implementation of the Plan may require cooperation between the Towns of Boones Mill and Rocky Mount, and the County of Franklin.

Adopted this, the 21st day of August, 2018 in the County of Franklin, Virginia as Consent Item #4

VOTE:

MOTION BY: Bob Camicia

SECONDED BY: Tim Tatum

AYES: Mitchell, Camicia, Carter, Tatum & Brubaker

ABSENT: Thompson, Cundiff

E. Cline Brubaker, Chair
Franklin County Board of Supervisors



APPENDIX VIII

LOCALITY RECYCLING RATE REPORT FOR CALENDAR YEAR 2017



**Commonwealth of Virginia
Locality Recycling Rate Report
Calendar Year 2017**

DEQ Form 50-30 (Revised September 2017)

Date Submitted

4/24/18

Email completed form to:

virginia.butler@deq.virginia.gov

Solid Waste Planning Unit **Franklin County**

Click on the adjacent cell for drop down menu

SWPU Web Page

Contact 1

Contact 2

Name	Barry Sink		Don Smith	
Title	Supervisor		Director of Public Works	
Address Line 1	1255 Franklin Street		1255 Franklin Street	
Address Line 2	Suite 112		Rocky Mount, VA 24151	
Address Line 3	Rocky Mount, VA 24151			
Phone Number	540-489-1600		540-263-0322	
Email address	barry.sink@franklincountyva.gov		don.smith@franklincountyva.gov	
Total Population for SWPU	56,234	SWPU Population Density	81	
Mandated Recycling Rate (% will auto calculate)	15%	Reporting Frequency (Will auto calculate)	Every 4 years	
Sources for PRM Data <i>Example: Permit #112, County Landfill</i>	Permit #072 & Permit #577, Franklin County Landfill			
Other Sources for collected data <i>Example: Walmart/Target</i>	Wal-Mart, Franklin Container Service, Food Lion, Kroger, Dollar General, Dollar Tree, EMI Recycling			
Comments:				

Enter tons (whole numbers only) in the yellow highlighted boxes for PRMs and MSW Disposed.
 Totals will auto calculate

Principal Recyclable Materials (PRM)	
PRM Material	Tons recycled
Paper	3,074
Metal	1,670
Plastic	9,088
Glass	7,000
Commingled	
Yard Waste	1,856
Waste Wood	
Textiles	259
Waste Tires	330
Used Oil	120
Used Oil Filters	2
Used Antifreeze	11
Batteries	258
Electronics	14
Inoperative Motor Vehicles	
Other Total (Specify Material and tonnage on Rows 24 - 39 to the right.)	379
Total PRM in Tons	24,061

Specify Other PRMs for Row 39	
PRM Material	Tons recycled
Grease	75
Mix Fat Bone	38
Beef Opal	9
Food Waste Compost	44
Food Donation	166
Cooking Oil	6
Books	41
Other Total	379

MSW Disposed	
Household Waste	36,419
Commercial Waste	
Institutional Waste	
Other	
Total MSW	36,419

Credit for Source Reduction Program
SRP does not apply enter "0"
2%

Enter facility information and material in columns A and B. Enter tons (whole numbers only) in the yellow highlighted boxes. Totals will auto calculate.

Credits Recycling Residue		
Facility/Operation	Material	Tons
Total		0

Credits Solid Waste Reused		
Reuse Method	Material	Tons
Total		0

Credits Non-MSW recycled		
Recycling Method	Material	Tons
Total		0
CREDITS TOTAL		0

Recycling rates auto calculate.

Base Recycling Rate	39.8%
Adjusted Recycling Rate	39.8%
Adjusted Recycling Rate + SRP	41.8%
Credit Max Allowed Base +5	44.8%
Final Recycle Rate	41.8%



RESOLUTION NO.: 2019.022

APPROPRIATION RESOLUTION

WHEREAS, the Town of Rocky Mount entered into a joint performance resolution with the County of Franklin and Empire Bakery Commissary LLC to support economic development via capital investment and job creation; and

WHEREAS, Empire Bakery Commissary expects to earn its Certificate of Occupancy on its new space within the next month; and

WHEREAS, Franklin County front-funded the local government investment on behalf of the Town of Rocky Mount; and

WHEREAS, the Town of Rocky Mount must appropriate the funds from its Undesignated Fund Balance to repay the county its share of the agreement between the three parties;

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Rocky Mount, assembled this ninth day of December, 2019, in regular session, does hereby amend the Fiscal Year 2020 Budget and appropriate funds from Undesignated Fund Balance in the following categories:

Account 10091020.56101 (Contingency Miscellaneous)	\$70,000	
Account 10090000.42562 (Unappropriated Fund Balance)		\$70,000

GIVEN UNDER MY HAND, THIS 9th DAY OF DECEMBER, 2019:

Steven C. Angle, Mayor

ATTESTED:

Rebecca H. Dillon, Town Clerk

Community Development & Planning November 2019 Monthly Report

ARTS & CULTURE								TOTAL: 0
AC FILE NUMBER	BUSINESS NAME	OWNER/OFFICER NAMES	GENERAL LOCATION	TAX MAP NUMBER	MAILING ADDRESS	CITY STATE ZIP	NOTES	
BANNER PERMITS								TOTAL: 0
Permit #	Applicant Name	Applicant Contact Info	Wording of Banner	Banner Location	Display Dates	Date Approved		
SITE/PLAT FILES								TOTAL: 0
File Number	Property Owner	Action	TMPN	Date	Notes	Location		
SIGN PERMITS								TOTAL: 1
Permit #	Applicant Name	Sign Location/TMPN	Zoning	Square Footage	Wording	Date Approved	Notes	
S19-015	Habitat for Humanity of Franklin Co	2100002200	GB	27.5 & 102.5	Habitat for Humanity of Franklin County Store	11/7/2019		
ZONING COMPLIANCE PERMITS								TOTAL: 10
Permit #	Applicant Name	Property Owner	Property Address/TMPN	Zoning	Proposed Use	Type of Improvement	Date Approved	
ZC19-097	R & C Siding	John Clements	2070062000	CBD	Commercial	Replacing an EPDM rubber roof	11/6/2019	
ZC19-098	Layman Electric & Plumbing	Gary Bowman	2100034200	R1	Residential	Upgrade overhead 100 amp service	11/7/2019	
ZC19-099	Waterworks Pools & Spas	Henrietta Shearer	2100013500	R1	Residential	Install hot tub on existing patio	11/8/2019	
ZC19-100	Sam Fochturnan	Patricia Ann Love	2070015300	R1	Residential	Removal of leaking heating oil tank	11/12/2019	
ZC19-101	Smoked Biscuit, Inc	Harvester	2070105600	CBD	Commercial	Operate a Food Truck	11/12/2019	
ZC19-102	Tasty Hut of VA, LLC (Pizza Hut)	Rocky Mount Limited, LLC	2070015503	GB	Commercial	Change of ownership for the Pizza Hut restaurant located at 380 Tanyard	11/12/2019	
ZC19-103	JES	Mark & Corvaba Cannaday	2070074400	R1	Residential	Installing 6 intelljacks to stabilize foundation	11/19/2019	

ZC19-104	Brian Tench	Oakley Adkins	2040043000	R2	Residential	Clearing lot for possible home placements Grading 5,000 sq feet	11/19/2019
ZC19-105	Charity Underwood	Cody Dillon	2100024600	R1	Residential	Interior remodel to include installing of bathroom, closing in a room downstairs, electrical plumbing, paint	11/21/2019
ZC19-106	Gary Fitzgerald	Barbara Mattox	2020101700	R1	Residential	Upgrade electrical service at the residence	11/26/2019
ZONING PERMITS		TOTAL: 1					
Permit #	Applicant Name	Building Lot Address	TMPN	Proposed Use	Current Zoning	Date Approved	NOTES
ZP19-027	Henry Hancock	420 Bernard	2020107700	Residential	R1	11/8/2019	Building a 15x15 storage shed to rear of house
ZONING LETTER		TOTAL: 0					
Permit #	Applicant Name	Building Lot Address	TMPN	Proposed Use	Current Zoning	Letter Date	
MOBILE FOOD UNIT PERMITS		TOTAL: 0					
Permit #	Applicant Name	Locations	Approval Date				
Public Facilities Disturbance Application		Total: 0					
Permit #	Applicant Name	Location	Reason for Disturbance	Expected Dates			

MONTHLY STAFF REPORT

DATE:	December 9, 2019
TO:	Rocky Mount Town Council
FROM:	Linda Woody, Finance Director
DEPARTMENT:	Finance Department
MONTH:	December meeting

This report contains the following monthly information for November 2019 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

Bond Reimbursement on Meter Replacement Project

Utility billing profiles on customers and consumption

Water Customer Cut-off's 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:

877 walk-in transactions

1191 drive-thru transactions

1292 mail transactions

**TOWN OF ROCKY MOUNT
NEW BUSINESS LICENSES
DURING NOVEMBER 2019**

New business licenses for the month of November 2019:

RETAIL:

Tasty Hut of VA LLC, Tanyard Rd., restaurant, new owner

TOWN OF ROCKY MOUNT
Investment Portfolio
at October 31, 2019

<u>Security</u>	<u>Call Date</u>	<u>Maturity Date</u>	<u>Bond</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Market Yield</u>	<u>Yield to Maturity</u>	<u>Cusip Number</u>	<u>Estimated Annual Interest</u>
Fixed Income / Bonds:									
FNMA	1/27/2019	1/27/2020	493,000	99.980	492,901.40	1.65%	1.65%	3135GOS46	8,134.50
Bond Totals			<u>493,000</u>		<u>492,901.40</u>	1.65% avg. return			<u>8,134.50</u>
Certificates of Deposits:									
Am Express Fed Svgs Bk		8/29/2022	245,000	101.022	247,503.90	2.37%	2.40%	02587CFU9	5,880.00
Am Express Centurion		4/5/2022	245,000	101.122	247,748.90	2.42%	2.45%	02587DN38	6,002.50
Bank Deerfield WIS		2/26/2021	245,000	99.383	243,488.35	1.25%	1.25%	061785DM0	3,062.50
Capital One Nat'l McLean V		12/29/2021	230,000	100.969	232,228.70	2.22%	2.25%	14042RFF3	5,175.00
Capital One BK Glen Allen V		7/20/2021	245,000	99.491	243,752.95	1.50%	1.50%	140420ZW3	3,675.00
Discover Bk Greenwood DL		7/22/2020	245,000	100.505	246,237.25	2.28%	2.30%	254671VH0	5,635.00
Goldman Sachs USA		1/13/2021	245,000	100.755	246,849.75	2.28%	2.31%	38148J5F4	5,635.00
HSBC BK McLean VA		3/10/2021	230,000	101.443	233,318.90	2.71%	1.30%	40434AP45	2,990.00
JP Morgan Chase, OH		11/30/2020	245,000	100.023	245,056.35	1.89%	1.90%	48126XNJ0	4,655.00
Sallie Mae Salt Lake City UT		1/31/2023	225,000	102.355	230,298.75	2.58%	2.68%	795450J71	5,962.50
State BK India NY NY		5/31/2022	245,000	101.392	248,410.40	2.36%	2.20%	8562843E2	5,880.00
CD Totals			<u>2,645,000</u>		<u>2,664,894.20</u>	2.17% avg. return			<u>54,552.50</u>
Total Investments			<u>3,138,000</u>		<u>3,157,795.60</u>	2.13% avg. return			<u>62,687.00</u>

<u>Month</u>	<u>LGIP</u>	<u>Effective</u>
	<u>Balance</u>	<u>Yield</u>
Oct-18	2,720,685.29	2.32%
Nov-18	2,748,420.98	2.35%
Dec-18	3,165,184.49	2.45%
Jan-19	2,591,029.99	2.59%
Feb-19	2,644,149.07	2.60%
Mar-19	3,029,767.74	2.60%
Apr-19	3,056,051.13	2.61%
May-19	3,079,023.84	2.57%
Jun-19	3,525,115.05	2.48%
Jul-19	3,551,305.86	2.43%
Aug-19	3,029,106.23	2.30%
Sep-19	2,761,893.34	2.21%
Oct-19	2,889,565.37	2.05%

REVENUE COMPARISONS
AS OF NOVEMBER 30, 2019

REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET	% OF
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET
GENERAL FUND - Local Revenues:						
Real Estate Tax	-	824	1,647	3,697	603,101	0.27%
Real Estate Tax - Delinquent	498	106	11,092	2,683	8,900	124.62%
Public Service Tax	-	-	-	-	27,500	0.00%
Personal Property Tax	-	242	1,890	7,243	227,963	0.83%
Personal Property Tax - Delinquent	1,128	1,684	10,983	5,271	12,000	91.52%
Machinery & Tools Tax	-	-	-	-	150,469	0.00%
Penalties on Tax	146	267	2,404	4,239	6,300	38.15%
Interest on Tax	104	296	1,561	2,592	3,200	48.79%
Local Sales Tax	18,657	17,366	94,119	60,047	216,371	43.50%
Meals Tax	139,817	139,223	670,383	507,999	1,623,266	41.30%
Utility Tax	24,620	25,856	108,349	107,602	330,100	32.82%
Communications Tax	13,434	14,315	53,835	56,917	179,245	30.03%
Bank Stock Tax	-	-	-	-	322,000	0.00%
Penalty-Meals Tax	1,467	-	2,113	395	2,000	105.66%
Interest-Meals Tax	227	-	322	28	300	107.30%
Penalty-Lodging Tax	-	-	-	-	-	0.00%
Interest-Lodging Tax	-	-	-	-	-	0.00%
Lodging Tax	25,054	21,716	107,744	70,995	207,671	51.88%
Cigarette Tax	-	8,730	35,070	29,094	81,000	43.30%
BPOL-Retail	131	194	1,833	4,678	334,040	0.55%
BPOL-Professional	8,130	-	9,525	13,958	180,000	5.29%
BPOL-Contractor	-	154	4,283	3,418	19,000	22.54%
BPOL-Repairs/Services	-	8,829	2,076	11,718	128,695	1.61%
BPOL-Alcoholic Beverages	-	-	-	-	800	0.00%
BPOL-Penalty/Interest	570	56	1,206	2,323	3,000	40.19%
BPOL-Amusement	-	-	-	-	208	0.00%
BPOL-Utility	-	-	-	-	11,475	0.00%
BPOL-Miscellaneous	-	-	745	30	5,300	14.06%
Solicitor Permits	-	-	20	20	-	0.00%
Farmer's Market Fees	500	290	1,820	1,430	4,500	40.44%
Welcome Center Fees	1,150	790	4,090	2,120	6,400	63.91%
Farmers Mkt EBT's Deposits	-	-	-	20	-	0.00%
Planning / Zoning Fees	185	1,390	2,460	4,190	10,300	23.88%
Court Fines	1,894	6,653	13,880	17,834	49,000	28.33%
Parking Fines	10	-	155	150	100	155.00%
Garbage Violation Fines	-	50	-	30	150	0.00%
Interest Earnings	5,000	8,473	39,000	51,283	157,000	24.84%
Return Check Fees	20	40	160	220	400	40.00%
Rental of Property	450	-	450	-	450	100.00%
Sale of Property	-	1,771	-	1,771	-	0.00%
Bond Proceeds	-	-	-	-	-	0.00%
Mortgage Payments	-	-	612	768	1,792	34.16%
EDA Loan Repayment (for HPC)	-	-	-	-	-	0.00%
Sale of Materials	-	-	-	-	-	0.00%
Security Services	1,400	960	3,620	1,890	3,930	92.11%
Passport Service Fees	1,312	1,328	5,617	5,718	15,300	36.71%
Police Reports	-	87	721	521	1,300	55.46%
Fingerprint Service Fees	-	20	122	170	360	33.89%
CIT / PAC Room Staffing	-	350	3,010	5,250	8,400	35.83%

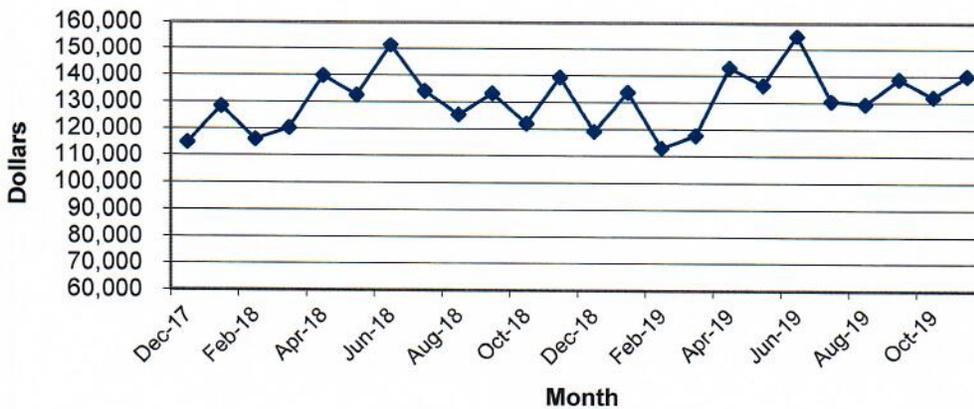
REVENUE COMPARISONS AS OF NOVEMBER 30, 2019						
REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET	% OF BUDGET
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	THIS YEAR
Garbage Collection Fees	10,442	7,982	65,670	51,000	96,874	67.79%
Truck Rental Program	20	50	190	350	600	31.67%
Credit Card Fees	201	209	1,916	1,248	3,400	56.35%
Weed Control Charges	-	-	1,094	207	650	168.28%
Administrative Charges for Services	-	-	350	50	150	233.33%
Miscellaneous Services	-	-	-	-	-	0.00%
Bond Reimbursement	-	-	-	-	-	0.00%
VML Safety Grant	-	-	-	4,000	-	0.00%
Donations	-	6	3	33	-	0.00%
Merchandise Sales	-	93	2	250	-	0.00%
Miscellaneous	-	50	326	223	-	0.00%
Donations - Gilley's Park	-	-	-	-	-	0.00%
Donations - Police K-9	-	-	1,390	-	-	0.00%
Firefighters Memorial Donations	-	-	-	-	-	0.00%
Curb & Gutter Recoveries	-	-	-	-	-	0.00%
Recoveries	82	-	3,743	-	-	0.00%
Unrealized Gain on Investments	-	(1,291)	-	(3,297)	-	0.00%
Appropriated Fund Balance	-	-	-	-	30,500	0.00%
Total Local Revenues	256,647	269,160	1,271,601	1,042,376	5,075,460	25.05%
GENERAL FUND - State Revenues:						
Rolling Stock Tax	-	-	3,337	3,346	3,340	99.92%
Litter Tax	2,164	-	2,164	2,760	2,750	78.69%
Rental Tax	1,412	4,000	6,939	12,997	21,000	33.04%
Other Categorical Aid	-	-	-	-	-	0.00%
Fire Programs	-	-	17,479	16,611	16,611	105.23%
PPTRA from the State	-	-	53,861	53,861	53,861	100.00%
Law Enforcement Grants	-	-	-	-	-	0.00%
DMV Grants	-	3,744	3,159	6,920	-	0.00%
VDOT Grant	252,065	-	359,421	8,015	-	0.00%
CDBG Grant	-	-	-	-	-	0.00%
Street Maintenance	-	-	363,032	363,031	1,473,904	24.63%
VML Safety Grant	-	-	-	-	-	0.00%
Volunteer Fire Dept.	-	-	7,500	7,500	30,000	25.00%
Law Enforcement-599 Funds	30,155	-	60,310	29,023	116,092	51.95%
Fire Grant	-	1,110	-	1,110	-	0.00%
FEMA Grant	18,521	-	18,521	-	29,500	62.78%
USDA Grant	-	-	-	-	-	0.00%
Va. Commission of the Arts Grant	-	-	-	-	-	0.00%
State School Resource Officer Grant	-	-	-	29,632	-	0.00%
Other Categorical Aid-County	-	-	-	-	-	0.00%
Other Categorical Aid-Police	-	-	-	-	-	0.00%
Other Categorical Aid-Schools	-	-	-	-	29,632	0.00%
Total State Revenues	304,318	8,853	895,724	534,805	1,776,690	50.42%
TOTAL GENERAL FUND REVENUES	560,964	278,013	2,167,324	1,577,181	6,852,150	31.63%

REVENUE COMPARISONS AS OF NOVEMBER 30, 2019							
REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET	% OF	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET THIS YEAR	
UTILITY FUND REVENUES:							
Water Sales	107,346	80,165	425,601	346,602	1,540,000	27.64%	
gallons billed	24,614,310	23,766,273	118,529,778	123,495,838			
Water Connections	-	-	11,875	7,525	12,000	98.96%	
Reconnect Fees	300	1,350	3,610	5,900	16,625	21.72%	
Penalties	2,485	1,197	15,782	9,308	26,000	60.70%	
Bulk Water Purchases	4,935	9,171	40,003	16,521	1,000	4000.29%	
Sewer Collection Charges	64,416	35,789	239,264	203,887	903,778	26.47%	
gallons billed	17,873,952	17,974,171	90,046,180	98,940,006			
Sewer Connections	-	-	2,500	4,000	6,000	41.67%	
Cell Tower Rent	-	1,890	89,512	18,375	99,852	89.64%	
VML Safety Grant	-	-	-	-	-	0.00%	
Sale of Materials	-	-	950	-	-	0.00%	
Recoveries	-	-	360	-	-	0.00%	
Transfer from Utility Capital Projects Fund	-	-	-	-	-	0.00%	
Appropriated Fund Balance	-	-	-	-	814,012	0.00%	
TOTAL UTILITY FUND REVENUES	179,482	129,561	829,457	612,117	3,419,267	24.26%	
CAPITAL PROJECTS REVENUES:							
Microenterprise Loan Payments	939	469	5,621	4,727	-	0.00%	
Appropriated Fund Balance	-	-	-	-	-	0.00%	
TOTAL CAPITAL PROJECTS REVENUES	939	469	5,621	4,727	-	0.00%	
UTILITY CAPITAL REVENUES:							
Capital Recovery Fees-Water	24,123	23,741	127,934	114,846	294,237	43.48%	
FEMA Grant	-	-	-	-	150,000	0.00%	
Capital Recovery Fees-Sewer	20,034	19,533	103,112	89,024	235,532	43.78%	
Capital Recovery Fees-Garbage	1,685	1,687	8,426	8,460	20,247	41.62%	
Appropriated Fund Balance	-	-	-	-	110,193	0.00%	
Transfer from Other Funds	-	-	-	-	-	0.00%	
TOTAL UTILITY CAPITAL REVENUES	45,842	44,961	239,472	212,331	810,209	29.56%	
PERFORMANCE VENUE REVENUES:							
Rent from EDA	-	-	14,200	-	85,200	16.67%	
Transfers from General Fund	36,135	38,985	153,954	170,165	355,484	43.31%	
TOTAL PERFORMANCE VENUE REVENUES	36,135	38,985	168,154	170,165	440,684	38.16%	
			5 months of the 12 months of the fiscal year			41.67%	

**TOWN OF ROCKY MOUNT
MEALS TAX COLLECTIONS**

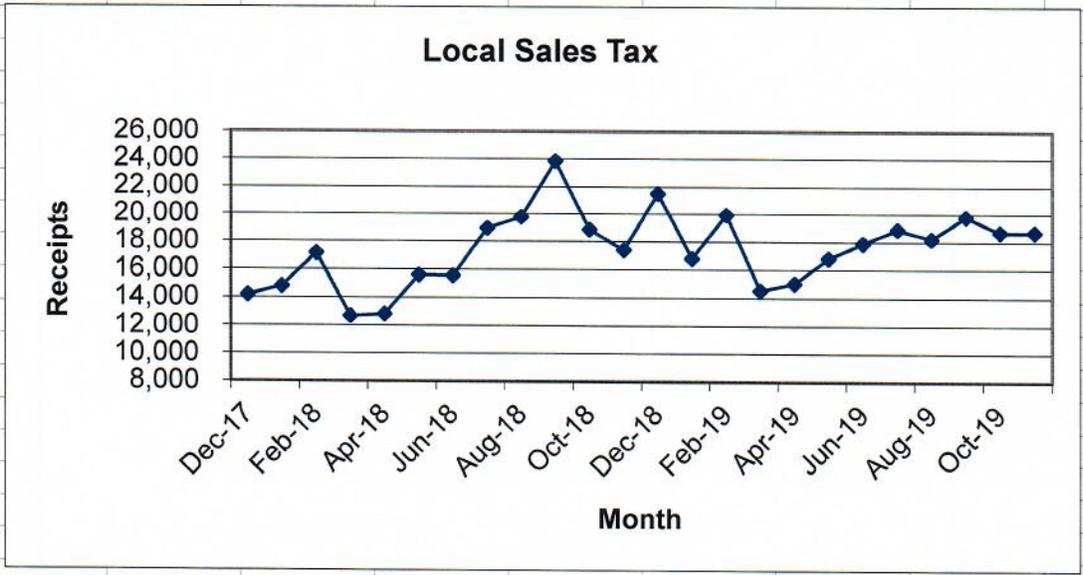
Month	Collections
Dec-17	114,825
Jan-18	128,340
Feb-18	115,988
Mar-18	120,285
Apr-18	139,665
May-18	132,498
Jun-18	151,336
Jul-18	133,965
Aug-18	125,245
Sep-18	133,202
Oct-18	122,081
Nov-18	139,223
Dec-18	119,084
Jan-19	133,631
Feb-19	112,951
Mar-19	117,703
Apr-19	142,949
May-19	136,339
Jun-19	155,015
Jul-19	130,456
Aug-19	129,365
Sep-19	138,698
Oct-19	132,048
Nov-19	139,817

Meals Tax Collections



Town of Rocky Mount
Local Sales Tax

Dec-17	14,180
Jan-18	14,793
Feb-18	17,151
Mar-18	12,675
Apr-18	12,810
May-18	15,592
Jun-18	15,540
Jul-18	18,923
Aug-18	19,743
Sep-18	23,846
Oct-18	18,834
Nov-18	17,366
Dec-18	21,497
Jan-19	16,776
Feb-19	19,909
Mar-19	14,516
Apr-19	15,009
May-19	16,812
Jun-19	17,851
Jul-19	18,864
Aug-19	18,180
Sep-19	19,770
Oct-19	18,649
Nov-19	18,657



TOWN OF ROCKY MOUNT
EXPENDITURE COMPARISONS
AS OF NOVEMBER 30, 2019

ACTIVITY	MONTH		YEAR TO DATE		BUDGET	% OF
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET THIS YEAR
GENERAL FUND:						
Mayor & Council	3,670	6,855	35,606	37,912	77,841	45.74%
Town Manager	24,446	21,999	128,377	101,737	297,309	43.18%
Town Attorney	5,466	3,216	13,723	18,086	37,799	36.30%
Finance Department	26,279	74,618	248,010	209,925	610,739	40.61%
Electorial Board	-	-	-	-	5,100	0.00%
Passport Services Expenses	-	94	478	596	3,324	14.38%
Police Department	153,882	157,726	1,378,134	907,535	2,323,151	59.32%
Volunteer Fire Dept.	3,535	4,642	53,132	52,239	169,295	31.38%
Public Works Admin.	9,081	11,445	72,629	51,489	97,414	74.56%
Public Works Admin. Non-VDOT Eligible	-	143	2,427	14,394	3,000	80.90%
Street Lights	8,524	77	33,534	27,570	117,430	28.56%
Traffic Control & Parking	2,768	1,908	74,355	17,762	525,421	14.15%
Streets	75,551	52,506	1,144,460	502,089	1,436,955	79.64%
Sidewalks & Curbs	2,380	428	17,658	1,870	62,235	28.37%
Angle Bridge	-	1,842	1,548	1,842	-	0.00%
Street Cleaning	571	-	2,781	2,482	7,507	37.04%
Refuse Collection	9,248	9,701	68,365	48,645	136,119	50.22%
Snow Removal	1,665	-	3,653	838	44,919	8.13%
Playgrounds	5,060	5,219	38,135	21,917	63,295	60.25%
Municipal Building	5,296	7,058	40,387	23,920	89,779	44.99%
Emergency Services Bldg.	6,762	11,203	36,144	41,396	65,625	55.08%
Public Works Building	13,842	4,949	38,349	10,222	51,943	73.83%
Cemetery	764	479	10,486	7,743	6,267	167.31%
Celeste Park	-	-	-	-	5,245	0.00%
Gilley's Park	-	-	-	-	1,000	0.00%
Mary Elizabeth Park	-	-	-	52,989	-	0.00%
Impound Lot	-	300	-	906	-	0.00%
Planning & Zoning	9,278	9,026	78,076	47,447	127,473	61.25%
Community Development	23,833	25,084	149,063	125,862	319,263	46.69%
Citizen's Square	343	1,348	9,741	11,636	22,333	43.62%
Hospitality Center	1,545	1,493	10,911	8,354	28,839	37.83%
Economic Development Authority	394	269	1,470	789	4,055	36.24%
Remediation of Blighted Structures	-	-	-	-	30,000	0.00%
Non-Departmental:						
Wages & Fringes	300	3,088	(7,882)	10,474	68,196	-11.56%
Employee Wellness Program	-	169	-	1,464	3,960	0.00%
Employee Drug Testing	-	173	481	242	1,100	43.73%
Insurance	-	-	67,032	64,522	67,032	100.00%
Contributions to Others	-	-	10,500	15,450	16,500	63.64%
Debt Service-Principal	-	-	128,000	125,000	288,000	44.44%
Debt Service-Interest	-	-	21,020	25,677	40,652	51.71%
Transfer to Performance Operations	36,135	38,985	153,954	170,165	355,484	43.31%
Contingency - General Purposes	-	-	-	-	17,777	0.00%
Contingency - Supplemental Pay Adjustments	-	-	-	-	29,550	0.00%
TOTAL GENERAL FUND EXPENDITURES	430,616	456,042	4,064,734	2,763,184	7,658,926	53.07%

TOWN OF ROCKY MOUNT
EXPENDITURE COMPARISONS
AS OF NOVEMBER 30, 2019

ACTIVITY	MONTH		YEAR TO DATE		BUDGET	% OF
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET
WATER & SEWER FUND:						
Water System Operation	22,751	20,962	111,185	108,771	236,619	46.99%
Meter Reading	1,888	2,401	14,916	13,148	41,724	35.75%
Water Plant	44,972	48,411	353,980	220,044	709,784	49.87%
Utility Billing & Administration	12,077	27,666	111,812	81,021	194,095	57.61%
Wastewater System Operation	18,114	18,722	66,350	72,268	208,073	31.89%
Wastewater Treatment Plant	37,614	35,696	280,221	165,515	558,377	50.18%
Non-Departmental:						
Wages & Fringes	-	-	-	-	-	0.00%
Insurance	-	-	22,344	21,507	22,344	100.00%
Debt Service-Principal	-	-	57,240	108,000	363,240	15.76%
Debt Service-Interest	-	-	19,985	6,418	108,504	18.42%
Contingency - Utility Operating Purposes	-	-	-	-	9,378	0.00%
Contingency - Supplemental Pay Adjustments	-	-	-	-	6,429	0.00%
Depreciation	-	-	-	-	814,012	0.00%
TOTAL WATER & SEWER FUND EXPENSES	137,416	153,858	1,038,032	796,692	3,272,579	31.72%
CAPITAL IMPROVEMENTS FUND:						
Microenterprise Loan Program	-	-	25,000	-	-	0.00%
Transfer to General Fund	-	-	-	-	-	0.00%
TOTAL CAPITAL PROJECTS EXPENDITURES	-	-	25,000	-	-	0.00%
UTILITY CAPITAL FUND:						
Public Works Utility Capital Items	-	-	81,481	-	91,500	89.05%
Meter Replacement	26,574	4,157	48,798	4,157	135,304	36.07%
WWWA Interconnection	3,130	-	3,130	-	10,500	29.81%
Ann Sink St Water & Sewer Lines Replacement	10,052	-	10,052	-	80,000	12.57%
Refurbish Old Grassy Hill Tank	-	-	-	-	70,000	0.00%
WTP Pick-up & Snow Blade	-	-	39,188	-	39,188	100.00%
WTP Generator	-	-	-	-	150,000	0.00%
WTP Valve Actuator	-	-	23,880	-	26,878	88.85%
WTP Replace Flocculators	-	3,817	-	3,817	156,492	0.00%
Diamond Ave Water Line Replacement	-	-	-	4,380	-	0.00%
Grassy Hill Upper Pump Re-do	-	-	-	11,119	-	0.00%
WTP Pressure Valve	-	-	-	11,920	-	0.00%
PW-Ground Penetrating Radar	-	-	-	33,850	-	0.00%
WTP Mower	-	-	-	8,973	-	0.00%
WTP Security Upgrades	4,914	-	4,914	-	31,200	15.75%
WW- Replace #1 Main Pump Station	-	-	-	-	50,000	0.00%
WW-S Main Slip Sewer Line	-	-	-	-	190,000	0.00%
WWTP Tractor	-	-	33,831	-	35,000	96.66%
Weaver St. Sewer Extension	-	-	-	-	-	0.00%
WW Main Pump Station Climbing Screen	-	-	-	-	-	0.00%
Hillcrest Sewer Line Replacement (PW)	-	-	-	-	108,000	0.00%
WWTP Security Upgrades	6,757	-	6,757	-	31,200	21.66%
Debt Service - Principal	20,621	-	20,621	-	57,240	36.03%
Debt Service - Interest	16,786	-	16,786	-	38,946	43.10%
Contingency	-	-	-	-	-	100.00%
TOTAL UTILITY CAPITAL EXPENDITURES	88,834	7,974	289,439	78,215	1,301,448	22.24%

TOWN OF ROCKY MOUNT
EXPENDITURE COMPARISONS
AS OF NOVEMBER 30, 2019

ACTIVITY	MONTH		YEAR TO DATE		BUDGET	% OF
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET
PERFORMANCE VENUE OPERATIONS:						
Performance Venue Operations:						
Wages - Full Time	16,574	15,933	91,159	63,242	204,786	44.51%
Wages - Part Time	-	-	-	4,350	-	0.00%
Wages - Overtime	277	-	2,677	-	-	100.00%
Wages - Security	1,890	1,530	7,470	5,535	22,000	33.95%
Fringes	8,824	8,120	43,416	38,879	76,736	56.58%
Contractual Services	2,988	3,064	39,476	11,760	35,000	112.79%
Custodial Services	2,363	1,513	6,413	3,400	11,700	54.81%
Repairs & Maintenance	-	-	289	1,927	7,500	3.86%
Advertising	-	-	-	-	-	0.00%
Printing & Binding	-	-	-	-	-	0.00%
Licenses & Permits	-	-	-	352	1,000	0.00%
Postage & Delivery Services	-	-	-	-	-	0.00%
Utilities	1,946	1,753	9,029	7,369	27,600	32.71%
Communications	980	1,070	5,078	4,886	13,800	36.80%
Office Supplies	55	257	441	669	800	55.13%
Janitorial Supplies	238	1,064	1,296	2,713	6,770	19.14%
Furniture & Fixtures	-	-	-	-	-	0.00%
Data Processing Equipment	-	-	-	-	2,500	0.00%
Machinery & Equipment	-	4,681	-	4,681	-	0.00%
Audio/Visual Equipment	-	-	-	-	-	0.00%
Contingency	-	-	-	-	53,568	0.00%
TOTAL PERFORMANCE VENUE EXPENSES	36,135	38,985	206,743	149,763	463,760	44.58%
			5 months of the 12 month fiscal year			41.67%
Balance of EDA Loan due to the Town	634,956					

TOWN OF ROCKY MOUNT
CONTINGENCY FUNDS
FISCAL YEAR 2020

	<u>GENERAL FUND</u>	<u>UTILITY FUND</u>	<u>UTILITY CAPITAL FUND</u>
BUDGETED CONTINGENCY - GENERAL PURPOSES COMMITTED:	50,000	10,000	60,000
8-12-19: Security Improvements	(16,500)	(9,300)	(60,000)
8-12-19: North Main rock wall	(10,536)		
AVAILABLE CONTINGENCY - GENERAL PURPOSES	<u>22,964</u>	<u>700</u>	<u>-</u>
<hr/>			
BUDGETED FOR SUPPLEMENTAL PAY ADJUSTMENTS COMMITTED:	29,550	7,051	
AVAILABLE FOR SUPPLEMENTAL PAY ADJUSTMENTS	<u>29,550</u>	<u>7,051</u>	
<hr/>			

	Town of Rocky Mount			11/25/2019
	Meter Replacement Project (FY 2019)			
	Bond: \$1,121,500 / 3.58% / 15 years			
	Deposit to Account = \$1,100,000			
	Account 05.5302.7000 Town budget = \$990,000			
		Contract	Reimbursement	Balance on
Vendor		Budget	Requests	Bond Proceeds
CMC Supply		\$ 853,768.50		
	Reimb Request #1		\$ 487,158.93	
	Reimb Request #2		\$ 43,595.84	
	Reimb Request #3		\$ 46,675.04	
	Reimb Request #4		\$ 55,723.34	
	Reimb Request #5		\$ 77,549.67	
	Reimb Request #7		\$ 12,494.89	
	Reimb Request #8		\$ 20,489.99	
	Reimb Request #9		\$ 67,916.61	
	Reimb Request #11		\$ 6,354.57	
	Reimb Request #12		\$ 11,340.36	
	Reimb Request #13		\$ 9,372.20	
	Reimb Request #14		\$ 2,757.09	
	Reimb Request #			
	Reimb Request #			
	Reimb Request #			
	Vendor Balance			\$ 12,339.97
(Concord) Atlantic				
Utility Services		\$ 226,570.00		
	Reimb Request #5		\$ 63,156.00	
	Reimb Request #6		\$ 32,580.00	
	Reimb Request #8		\$ 10,455.00	
	Reimb Request #10		\$ 22,350.00	
	Reimb Request #11		\$ 20,857.00	
	Reimb Request #12		\$ 9,950.00	
	Reimb Request #14		\$ 25,455.00	
	Reimb Request #			
	Reimb Request #			
	Vendor Balance			\$ 41,767.00
Other		\$ 19,661.50		
	Reimb Request #3		\$ 4,650.00	
	Reimb Request #5		\$ 64.17	
	Reimb Request #6		\$ 198.86	
	Reimb Request #7		\$ 12,905.60	
	Reimb Request #9		\$ 4.87	
	Reimb Request #13		\$ 36.37	
	Reimb Request #			
	Reimb Request #			
	Other Balance			\$ 1,801.63
Add: Interest	project to date			\$ 16,957.83
		\$ 1,100,000.00	\$ 1,044,091.40	\$ 72,866.43

TOWN OF ROCKY MOUNT
UTILITY BILLING
WATER CONSUMPTION PERCENTAGES
FOR THE MONTH OF NOVEMBER 2019

	TOTAL METERS	TOTAL GALLONS	TOTAL REVENUES	% METERS	% GALLONS	% REVENUES
IN-TOWN CUSTOMERS:						
Business Non-Profit, No Discount (B)	8	78,401	\$ 480	0%	0%	0%
Commercial ©	328	5,475,749	\$ 25,834	11%	22%	17%
Church with Non-Profit Discount (D)	9	9,268	\$ 51	0%	0%	0%
Industrial (I)	54	5,210,767	\$ 18,570	2%	21%	12%
Business Non-Profit, with Discount (N)	0	-	\$ -	0%	0%	0%
Church without Non-Profit Discount (O)	20	118,258	\$ 639	1%	0%	0%
Residential @	1747	7,295,152	\$ 45,748	60%	30%	31%
Schools (S)	21	1,278,736	\$ 4,562	1%	5%	3%
TOTAL	2187	19,466,331	\$ 95,885	75%	79%	64%
OUT-OF-TOWN CUSTOMERS						
Business Non-Profit, No Discount (B)	0	-	\$ -	0%	0%	0%
Commercial ©	74	2,281,618	\$ 19,028	3%	9%	13%
Church with Non-Profit Discount (D)	2	1,334	\$ 10	0%	0%	0%
Industrial (I)	2	10,640	\$ 124	0%	0%	0%
Business Non-Profit, with Discount (N)	2	1,644	\$ 12	0%	0%	0%
Church without Non-Profit Discount (O)	11	169,964	\$ 1,373	0%	1%	1%
Residential @	654	2,682,779	\$ 32,802	22%	11%	22%
Schools (S)	0	-	\$ -	0%	0%	0%
TOTAL	745	5,147,979	\$ 53,349	25%	21%	36%
				100%	100%	100%
GRAND TOTAL (ALL CUSTOMERS)						
Business Non-Profit, No Discount (B)	8	78,401	\$ 480	0%	0%	0%
Commercial ©	402	7,757,367	\$ 44,863	14%	32%	30%
Church with Non-Profit Discount (D)	11	10,602	\$ 61	0%	0%	0%
Industrial (I)	56	5,221,407	\$ 18,694	2%	21%	13%
Business Non-Profit, with Discount (N)	2	1,644	\$ 12	0%	0%	0%
Church without Non-Profit Discount (O)	31	288,222	\$ 2,012	1%	1%	1%
Residential @	2401	9,977,931	\$ 78,550	82%	41%	53%
Schools (S)	21	1,278,736	\$ 4,562	1%	5%	3%
TOTAL	2932	24,614,310	\$ 149,234	100%	100%	100%

NOTE: There is a new customer type break-down as we prepare for the new Munis utility billing financial software

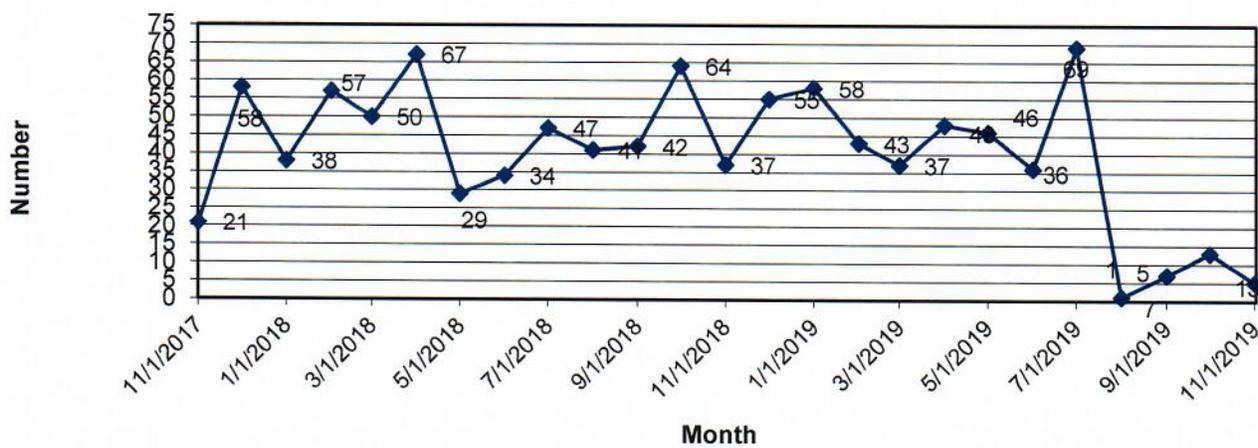
TOWN OF ROCKY MOUNT
UTILITY BILLING
PERCENT CONSUMPTION & PERCENT REVENUE
PER CUSTOMER CLASS
FISCAL YEAR 2020

In Town																		
Month	Bus Non Profit		Commercial		Church Discount		Industrial		Bus Discount		Church No Discou		Residential		Schools		Total	
	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.
Jul-19			30%	30%			21%	11%					32%	30%			82%	70%
Aug-19	0%	0%	30%	22%	0%	0%	24%	14%	0%	0%	0%	0%	27%	31%	4%	2%	85%	70%
Sep-19	1%	1%	25%	19%	0%	0%	24%	14%	0%	0%	0%	0%	29%	31%	6%	3%	84%	69%
Oct-19	0%	0%	32%	27%	0%	0%	22%	12%	0%	0%	0%	0%	25%	28%	5%	3%	86%	72%
Nov-19	0%	0%	22%	17%	0%	0%	21%	12%	0%	0%	0%	0%	30%	31%	5%	3%	79%	64%
Dec-19																		
Jan-20																		
Feb-20																		
Mar-20																		
Apr-20																		
May-20																		
Jun-20																		
Average	0%	0%	28%	23%	0%	0%	22%	13%	0%	0%	0%	0%	29%	30%	4%	2%	83%	69%

Out of Town																		
Month	Bus Non Profit		Commercial		Church Discount		Industrial		Bus Discount		Church No Discou		Residential		Schools		Total	
	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.
Jul-19			6%	9%			0%	0%					12%	21%			18%	30%
Aug-19	0%	0%	5%	9%	0%	0%	0%	0%	0%	0%	0%	0%	9%	21%	0%	0%	15%	30%
Sep-19	0%	0%	6%	9%	0%	0%	0%	0%	0%	0%	0%	0%	10%	22%	0%	0%	16%	31%
Oct-19	0%	0%	5%	8%	0%	0%	0%	0%	0%	0%	0%	0%	9%	20%	0%	0%	14%	28%
Nov-19	0%	0%	9%	13%	0%	0%	0%	0%	0%	0%	0%	1%	11%	22%	0%	0%	21%	36%
Dec-19																		
Jan-20																		
Feb-20																		
Mar-20																		
Apr-20																		
May-20																		
Jun-20																		
Average	0%	0%	6%	10%	0%	0%	0%	0%	0%	0%	0%	0%	10%	21%	0%	0%	17%	31%

***NOTE: The above chart shows the breakdown of in-town customer gallons and revenues vs. out-of-town. It also breaks those gallons & revenues into residential, commercial, and industrial customers for FY 2020 (year ended 6/30/20).

Number of Water Cut-off's



TOWN OF ROCKY MOUNT
WATER ACCOUNTABILITY
October-19

Water Plant Finished Water Pumped (Oct 1 - Oct 31) (meters read 11/1 - 11/6)		<u>25,060,000</u>
Water Consumption Billed	24,614,310	
Water Plant Process	1,034,000	
Flushing Water Lines, Hydrants, Tanks	333,000	
Water Obtained from Water Plant (to bill)	14,800	
Water Obtained from Public Works Hydrant (to bill)	-	
Bulk Water Used at Public Works Shop	10,400	
Tank Cleanout / Drainage (Bald Knob)	-	
Flow Meter Checks at Hydrants	-	
Meters Read and Not Billed	189,679	

Grand Total of Water Metered / Consumed / Tracked		<u>26,196,189</u>
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Percent Finished Water Accounted		104.53%
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Meters Read and Not Billed

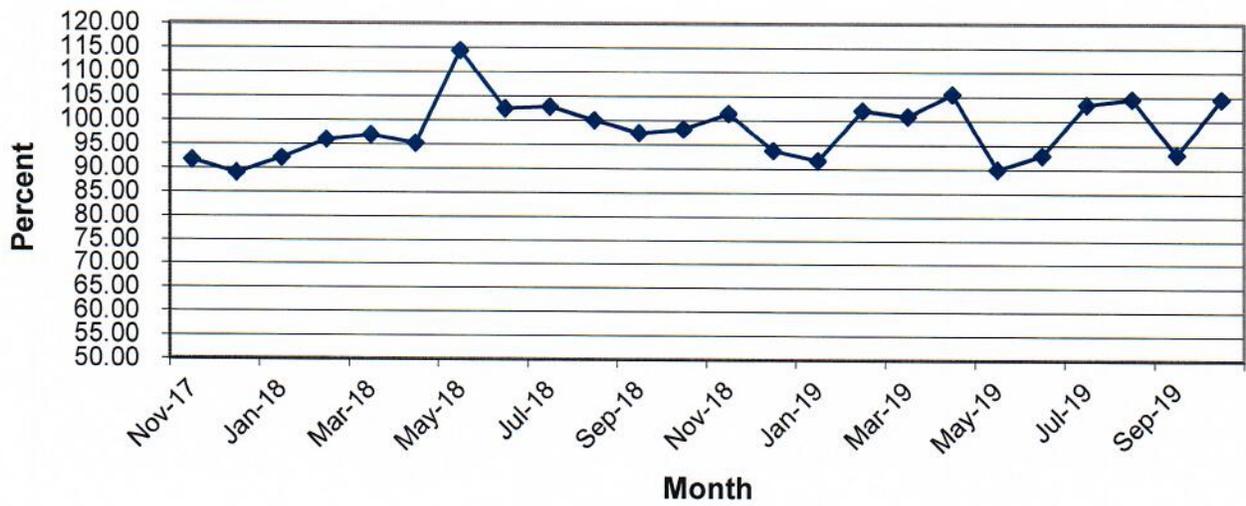
001-0122-10-01	Mary Bethune Park	1,396
001-0188-00-01	Impound Lot (old)	-
002-0317-20-01	Public Works Bldg	1
002-0317-30-01	Public Works Bldg-new bldg	2,280
004-1067-00-01	Veteran's Memorial Park	1,211
005-1300-00-01	Mary Elizabeth Park	220
005-1343-10-01	Harvester Performance Centre	11,000
005-1384-00-01	Farmer's Market	2,530
005-1457-00-01	Municipal Bldg.	2,416
006-1710-00-01	Welcome Center / Depot	533
009-2523-50-01	Emergency Services Bldg.	11,000
009-2538-70-01	Impound Lot (new)	12
011-0050-90-01	Rt 122 Pump Station	-
041-0034-00-01	WasteWater Treatment Plant	157,080

TOTAL Meters Not Billed		<u>189,679</u>
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Water Line Repairs by Public Works during the month:
repaired 2 water main

Sewer Line Repairs by Public Works during the month:
repaired or unplugged 5 sewer mains or laterals

Water Accountability %



TOWN OF ROCKY MOUNT
WATER ACCOUNTABILITY
FISCAL YEAR 2020

	Finished Water Treated	Total Water Gallons Accounted	Percent Accounted	Monthly Gallons Variance	Average Accounted Variance per Quarter	Average Monthly Variance per Quarter
Jul-19	24,020,000	24,831,247	103.38%	(811,247)		
Aug-19	25,760,000	26,929,686	104.54%	(1,169,686)		
Sep-19	27,228,550	25,355,313	93.12%	1,873,237	100.35%	(35,898.67)
Oct-19	25,060,000	26,196,189	104.53%	(1,136,189)		
Nov-19				-		
Dec-19				-	104.53%	(1,136,189.00)
Jan-20				-		
Feb-20				-		
Mar-20				-	0.00%	-
Apr-20				-		
May-20				-		
Jun-20				-	0.00%	-
AVG.	34,022,850	34,437,478	135.19%	(414,628)	204.88%	(1,172,088)
TOTAL	102,068,550	103,312,435		(1,243,885)		
Monthly Avg. Percent Unaccounted =			-35.19%			
Monthly Avg. Percent Accounted =			135.19%			
4 out of 4 months this fiscal year > 80% accountability						

**TOWN OF ROCKY MOUNT
UTILITY PROFILE
FISCAL YEAR 2020**

Month	Plant Hrs.	Raw Water Drawn	Monthly Avg. % of capacity	Finished water Treated (adjusted)	Monthly Avg. % of capacity	Total Water Gallons Accounted (A)(B)	Pct. Accounted	Connections	Wastewater Monthly Flow	Monthly Avg. % of Capacity	Total Sewer Gallons Billed	Pct. Accounted
Jul-19	303.80	23,350,000	37.66%	24,020,000	38.74%	24,831,247	103.38%	2,919	30,845,000	49.75%	18,162,775	58.88%
Aug-19	319.30	24,400,000	39.35%	25,760,000	41.55%	26,929,686	104.54%	2,929	21,607,000	34.85%	19,290,851	89.28%
Sep-19	309.00	26,000,000	43.33%	27,228,550	45.38%	25,355,313	93.12%	2,926	18,210,000	30.35%	18,621,884	102.26%
Oct-19	322.40	25,310,000	40.82%	25,060,000	40.42%	26,196,189	104.53%	2,932	22,754,000	36.70%	17,873,952	78.55%
Nov-19	279.00	22,870,000	38.12%		0.00%				21,420,000	35.70%		
Dec-19			0.00%		0.00%					0.00%		
Jan-20			0.00%		0.00%					0.00%		
Feb-20			0.00%		0.00%					0.00%		
Mar-20			0.00%		0.00%					0.00%		
Apr-20			0.00%		0.00%					0.00%		
May-20			0.00%		0.00%					0.00%		
Jun-20			0.00%		0.00%					0.00%		
AVG.	306.70	24,386,000	39.86%	25,517,138	41.52%	25,828,109	101.39%	2,927	22,967,200	37.47%	18,487,366	82.24%

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

NOTE (B): For any given month, "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 read by the meter readers 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").

MONTHLY STAFF REPORT

DATE:	December 9, 2019
TO:	Rocky Mount Town Council
FROM:	Justin Woodrow, Fire Chief
DEPARTMENT:	Fire Department
MONTH:	October 2019

For the period of October 2019, the Rocky Mount Fire Department responded to a total of 43 calls of which 21 were inside the town limits and 43 were within Franklin County.

RMFD apparatus traveled a total of 703 miles carrying out duties pertaining to answering calls and support efforts of the department.

RMFD members logged 11 members 32 hours of training on top of responding to 49 calls

Number of Calls	<u>Summary of Calls:</u> Type of Call	Notes or Special Circumstances
4	Structure Fires	
2	Vehicle Fire	
2	Brush Fires	
0	Chimney Fire	
14	Motor Vehicle Accidents	
0	Utility Pole Fire	
10	Fire Alarms	
3	Smoke Reports	
2	Hazardous Road Conditions	
4	Assist EMS	
2	Illegal Burns	

Respectfully Submitted By,
Chief Justin Woodrow

MONTHLY STAFF REPORT

DATE:	December 9, 2019
TO:	Rocky Mount Town Council
FROM:	Chief Ken E. Criner, Jr.
DEPARTMENT:	Police Department
MONTH:	November 2019

November 21st started our kickoff for our annual needy family food drive. Donations may be dropped off at 1250 North Main Street.

PLEASE SEE ATTACHED REPORT FOR MORE DETAILED INFORMATION ON MONTHLY CHARGES AND STATS.

ROCKY MOUNT POLICE DEPARTMENT
MONTHLY REPORT TO COUNCIL

ADM #1

DATE: **November 2019**

SEPT.

OCT.

NOV.

	SEPT.	OCT.	NOV.
UNIFORM TRAFFIC SUMMONS ISSUED	146	131	85
TRAFFIC STOPS	280	245	197
SPEEDING TICKETS ISSUED	17	10	11
DUI	4	3	1
COLLISIONS INVESTIGATED (TREDS)	19	16	13
MOTORIST AIDES	38	66	74
CRIMINAL ARRESTS "MISDEMEANOR"	56	55	29
CRIMINAL ARRESTS "FELONY"	17	23	29
INCIDENTS ADDRESSED	2071	2248	2366
INCIDENTS, OFFENSES REPORTABLE IN "RMS"	113	106	82
GRAND LARCENY WARRANTS	4	8	5
BREAKING & ENTERING REPORTS	1	3	0
BREAKING & ENTERING WARRANTS	2	1	0
BOLO'S (Be On Look Out)	36	43	28
FOLLOW-UP'S	59	83	65
BUSINESSES, RESIDENCES CHECKED "FOOT PATROLS"	1027	1114	1326
SCHOOL CHECKS	179	164	226
ALARM RESPONSES	34	43	24
OPEN DOORS, WINDOWS, ETC. UNSECURED	0	2	2
COURT HOURS	19.25	33.75	15.5
TRAINING HOURS:	151.5	47	46
SPECIAL ASSIGNMENT HOURS:	69	76.5	70
HARVESTER HOURS WORKED:	19	32	104
ECO/TDO	8	4	9
ECO/TDO HOURS:	20.25	23	33.25

TRAFFIC ENFORCEMENT:

- ◇ Moving and stationary radar: throughout the Town, Bernard 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 13 reportable accidents with 13 of the accidents on our public streets.

COMMUNITY OUTREACH:

- ◇ **Residential Foot Patrols:** Altice Mill Road, Anderson Street, Ann Sink Street, Avalon Street, Bernard Road, Bland Street, Booker T. Washington Highway, Brookshire Drive, Buckner Street, Bunny Lane, Byrd Lane, Candlewood Apartments, Cedar Street, Center Street, Circle Drive, Circle View Street, Claiborne Avenue, Cobb Street, Cornell Road, Cromwell Drive, Dent Street, Diamond Avenue, Donald Avenue, East Church Street, East Court Street, East Street, Edgemont Street, Fairlawn Drive, Friendly Street, Frontage Road, Glen Meadow Drive, Glenwood Drive, Goodview Street, Grayson Street, Grassy Hill Road, Green Meadow Lane, Greenview Avenue, Greer Lane, Hale Street, Harvey Street, Hatcher Street, Herbert Street, High Street, Highland Hills Road, Highview Terrace, Hillcrest Drive, Hilltop Drive, Jubal Pass, Knob Apartments, Knollwood Drive, Lakeview Drive, Law Street, Lawndale Drive, Leanor Street, Luke Street, Lynch Drive, Mamie Avenue, Maple Avenue, Mary Coger Lane, Maynor Street, Montview Avenue, Mountain View Drive, Musefield Road, Noel Street, Norris Street, North Main Street, Oak Street, Old Fort Road, Old Franklin Turnpike, Old Furnace Road, Orchard Avenue, Oxford Circle, Parker's Drive, Patterson Avenue, Pell Avenue, Pendleton Street, Perdue Lane, Randolph Street, Riverview Street, School Board Road, Scuffling Hill Road, Smithers Street, Spring Street, State Street, Summit Drive, Sycamore Street, Taliferro Street, Tanyard Village, Trail Drive, Walnut Street, Warren Street, West Church Street, West College Street, West Court Street, Whitten Street, Willow Avenue, Wilson Street, Windsor Drive, Windy Lane, Woodlawn Drive, Wrays Street and Wray's Chapel Road.
- ◇ **Business Foot Patrols:** Aaron's, ABC Store, Advance Auto, AEP, All American Car Wash, American National Bank, Ameristaff, Angle Hardware, Applebee's, Arby's, Arrington Sports Awards, Auto Zone, BB& T Bank, BFMS, Bojangles, Brookside Swim Club, Buddy's BBQ, Burger King, Burt's Dentistry, C-Mart, Carter Bank & Trust, CATCE Center, Catch A Tan, Center Stage Catering, Check Into Cash, China City, Christian Heritage Academy, Coast to Coast, Comfort Inn, Cook Out, Country Kids, Crooked Stitch, Curves, CVS, Dairy Queen, Davenport Gas, Davis Law Firm, Department of Social Services, DMV, Dollar General, Dollar Tree, Domino's, Doom's Day Tactical, Eagle Cinema, Edward Johnson Investment, El Rio, El Rodeo, Empire Foods, Enterprise Rent-A-Car, Essig Center, Farmer's Market, Fast Stop, Fast Tan, FCHS, First Baptist Church, Fisher Auto Parts, Fleetwood Homes, Flora Funeral Home, Flowers By Jones, Foley's Automotive, Food Lion, Francis of Assisi, Franklin Auto Glass, Franklin Center, Franklin Community Bank, Franklin County Dialysis, Franklin County Health Department, Franklin County Library, Franklin Dental Associates, Franklin Health Care, Franklin Heating & Air, Franklin Heights Baptist Church, Franklin Memorial Hospital, Frank's Pizza, Free Clinic, Furnace Creek Baptist Church, Get Ur Fix, Goodwill, The Grainery, Gusler's Alignment, H & R Block, Hair Fashions, Hardee's, Harper's Plumbing, Harvester Center, Haywood's Jewelry, Hema's, Highlander Laundry, Hodgesville Penicostal Holiness Church, Holiday Inn Express, Hollywood Beauty Salon, Hub Restaurant, Hutchinson Insurance, Ideal Building Supply, Industrial Avenue, Ippys, Jackson Hewitt, Jammin Apparel, Kay's Corner, Kentucky Fried Chicken, Kim's Nails, Kroger, Kupkavery, Lee M. Waid, Lesley Wray Photography, Little Ceasers, Long & Foster Realty, Los Tres Amigos, Lowe's, Lynch Park, Mary Bethune Park, Mary Elizabeth Park, McDonalds, Member One, Mod-U-Kraf, Moose Lodge, NAPA, National Guard Armory, Newbold, Nice Nails, Ntelos, Oasis Salon, Old's Cool, Papa Johns, Peebles, Pell Animal Clinic, Pet Clinic, Piedmont Community Services, Pizza Hut, Pizza King, Plygem, Prillaman's Auto Sales, Probation & Parole, Quiznos', Real Estate Rentals, Rent-A-Center, Retail Merchants, Riverside Minute Market, Rocky Mount Auto Repair, Rocky Mount Bowling Center, Rocky Mount Christian Church, Rocky Mount Church of God, Rocky Mount Elementary, Rocky Mount Public Works, Rocky Mount Ready Mix, Rocky Mount Rehab, Rocky Mount United Methodist Church, Ron Ayers Motorworks, Roses, Schewel's, School Board Road, Sheetz, Shell Station, Shentel, Sherwin Williams, Shoe Show, State Farm, Step Inc., Subway, Sun Tan City, Sunoco, Suntrust Bank, Team Nurse, Trinity Packaging, Turner's Ready Mix, US Cellular, Union Bank, Valley Star Credit Union, Veteran's Park, Vintage Spa, Walgreens, Wal-Mart, Wendy's, Women's Shelter, Wood Grains, YMCA and The Zone.

MISCELLANEOUS:

- November 2nd, 2019 - Cruise In
- November 11th, 2019 - Veteran's Day Memorial Ceremony
- November 21st, 2019 - Turkey Drop at Rocky Mount Emergency Services Building
- November 27th, 2019 - Open Door @ 270 Lakeview Drive
- November 28th, 2019 - Open Door @ Perdue Law Firm

INVESTIGATIONS:

Search Warrants: 5

Arrests: 5

Follow Up Investigations: Hundreds of man hours on follow up

Indictments obtained: 0

ICAC: multiple cases being worked

Rape cases: 0

B&E: 0

Investigations assisted with the following:

Assisted United States Marshall's Service with apprehension of subject with warrants from multiple jurisdictions.

Attended Grand Jury

Testing conducted for new Sergeant Position

Numerous hours spent on planning for Christmas events.

Open investigations include an accidental shooting that occurred on November 24th, homicide investigation from November 29th, larcenies, fraudulent activities and social services cases worked during month of November.

COMMUNITY RESOURCE OFFICER:

MEETINGS/EVENTS

- November 5th, 2019 – Project Lifesaver Client Visit
- November 6th, 2019 – Project Lifesaver Client Visit
- November 14th, 2019 – Met with Public Safety Director
- November 18th, 2019 – Presentation/Meeting with CFMH Clinic
- November 21st, 2019 – Fundraiser/Food Drive at Rocky Mount Fire Department
- Worked on North Main Street fence project @ Goodwill
- Met with Wal-Mart management in reference to show w/a cop set for December 13th, 2019

**BFMS SCHOOL RESOURCE OFFICER
REFERRAL'S 2019/2020:**

- **Nicotine vape – 2 petitions obtained**
- **Possession of Marijuana – 2 petitions obtained**
- **Distributions of Marijuana – 1 petition obtained**
- **Possession of Marijuana – 1 diversion**

**SCHOOL RESOURCE OFFICER REFERRAL'S
2019/2020:**

- **Property Damage – 2 diversions**
- **Possession w/intent to distribute marijuana – 1 diversion**
- **Possession of marijuana on school property – 1**
- **Underage possession of alcohol (vodka) - 1**
- **Possession of knife on school property (blade more than 3 inches) – 1**

**FCHS SCHOOL RESOURCE OFFICER
REFERRAL'S 2019/2020:**

- **Larceny - 1 petition**
- **Vaping - 1 petition**
- **Vaping x2 - 2 diversions**
- **Disorderly - 2 warnings**
- **Vaping - 2 warnings**
- **Assault - 1 warning**
- **Four Crisis Assessment Team Meetings**
- **Two parent meetings**
- **One parent forum at night**

SPEEDING TICKETS ISSUED

State Street (x 6)

Scuffling Hill Road (x 2)

Pell Avenue

Tanyard Road

North Main Street

CRIMINAL ARRESTS & LOCATIONS:

Possession of Cocaine	North Main Street
Possession of Cocaine	State Street
Possession of Meth	Old Franklin Turnpike (x 2)
Possession of Meth	State Street
Possession of Marijuana w/ Intent to Distribute	North Main Street
Possession of Marijuana w/ Intent to Distribute	Pell Avenue
Possession of Marijuana	Old Franklin Turnpike
Possession of Marijuana	Virgil H. Goode Highway
Driving Under the Influence	Virgil H. Goode Highway
Drunk In Public	Old Franklin Turnpike
Refusal of Blood or Breath Test	Virgil H. Goode Highway
Possession of a Firearm by a Convicted Felon	Old Franklin Turnpike (x 3)
Possession of a Stun Gun by a Convicted Felon	Old Franklin Turnpike
Possession of Ammo by a Convicted Felon	Old Franklin Turnpike (x 2)
Possession of a Firearm w/ a Controlled Substance	Old Franklin Turnpike (x 2)
Possession of a Sawed-Off Shotgun	Old Franklin Turnpike (x 2)
Child Neglect	Perdue Lane
Strangulation	Pell Avenue
Domestic Assault	Pell Avenue
Domestic Assault	Patterson Avenue
Grand Larceny	Tanyard Road (x 2)
Felony Shoplifting	Old Franklin Turnpike (x 2)
Shoplifting	Old Franklin Turnpike (x 4)
Obtain Money by False Pretense	Old Franklin Turnpike (x 2)

Possession of Stolen Property	Old Franklin Turnpike
Larceny	Tanyard Road (x 6)
Trespassing	Old Franklin Turnpike
Vandalism	Tanyard Road (x 2)
Warrant Service (Felony)	Meadow View Avenue (x 2)
Warrant Service (Capias)	Law Street
Warrant Service (Capias)	Bland Street
Warrant Service (Capias)	South Main Street
Warrant Service (Misdemeanor)	Powder Creek Drive (x 2)
Warrant Service (Misdemeanor)	Pendleton Street
Warrant Service (Misdemeanor)	Hatcher Street
Driving Suspended	Meadow View Avenue
Driving Revoked	Virgil H. Goode Highway
Driving Revoked	East College Street
Emergency Custody Order	Floyd Avenue (x 3)
Temporary Detention Order	Floyd Avenue (x 4)

MONTHLY STAFF REPORT

DATE:	December 9, 2019
TO:	Rocky Mount Town Council
FROM:	Brian Schofield, Public Works Superintendent
DEPARTMENT:	Public Works Department
MONTH:	November 2019

1. Read meters (3 days)
2. Meter repairs: replaced touch pads, trimmed bushes, gasket leaks, and cleanouts
3. Meter cutoffs:6
4. Clean-up 10 days
5. Swept streets
6. Cut trees along roads, sidewalks and parks
7. Repaired, replaced or unplugged two sewer mains or laterals
8. Repaired one water main
9. Repaired and/or replaced traffic and street signs
10. Water meter project proceeding along well
11. Continue to asphalt patch when possible
12. Started leave pickup
13. Continue to work on storm drains throughout town
14. We put up the Christmas decorations up around town

MONTHLY STAFF REPORT

DATE:	December 9, 2019
TO:	Rocky Mount Town Council
FROM:	Tim Burton
DEPARTMENT:	Waste Water Treatment Plant
MONTH:	November 2019

Average Daily Flow	.714 MGD		
TSS Reduction	99.4 %		
BOD Reduction	99.9 %		
Leachate (F.C. Landfill)	585,161 gallons		
VPDES Violations	None		
Sludge (Land filled @ F.C.)	0 Tons		
Rain Total	2.36 inches	Snow Total	0.0 inch

The Wastewater Plant had 2 after hour's alarms during the month of November.

The staff worked on regular maintenance around the plant and the pump stations.

Repairs above normal maintenance this month included;

- Staff had to replace a compressor in grit pump controller #2. The price of this vacuum compressor was \$832.55.
- Mid-Atlantic Entry Systems installed our new gate. The controller and wiring should be installed in the next few weeks.
- Friends of the River had Shenandoah StreamWorks come in and remove debris that was backed up against the bridge. They also did some river channel work and bank stabilization to eliminate the safety hazard that the last highwater created on Town property.

Respectfully Submitted.

Timothy Burton

MONTHLY STAFF REPORT

DATE:	December 9, 2019
TO:	Rocky Mount Town Council
FROM:	Jeff Gauldin – Water Superintendent
DEPARTMENT:	Water Department
MONTH:	November 2019

Operation and Production Summary:

The actual water production time (filtering of water) for the entire month averaged 9.3 hours a day, which yielded approximately 730,000 gallons of water per day. Rainfall for this month was 2.12 inches, as measured at the water treatment plant. The Blackwater River flow continues to be adequate for normal operation.

Total Raw Water Pumped:	22.87 million gallons
Total Drinking Water Produced:	22.03 million gallons
Average Daily Production:	730,000 gallons per day
Ave Percent of Production Capacity:	37.0%
Flushing of Hydrants/Tanks/FD Use:	181,000 gals. + F.D. 15,000 gals = 196,000 gals.
Plant Process Water:	922,000 gallons (finished water used by the plant)
Bulk Water Sold @ WTP:	14,800 gallons
Bulk Water used at PW Shop	5,900 gallons
Tank Cleanout/Drainage	0.00 gallons

Testing:

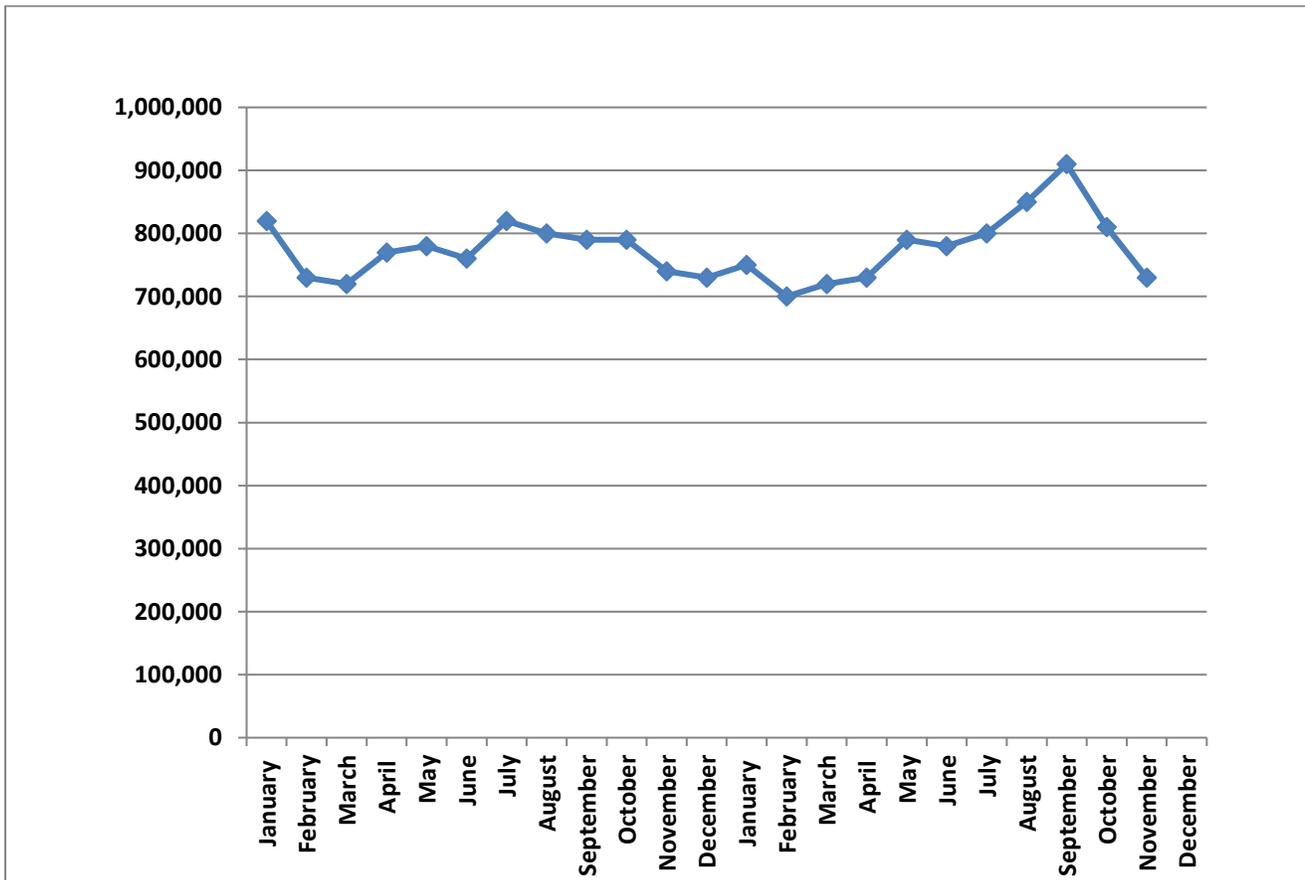
- Our monthly (6 total) routine bacteriological samples were free of bacteria. The Town continues to comply with all drinking water standards, by EPA requirements.
- Our THM and HAA-5 results are down significantly at both Doe Run and Beverly Hills. Our next round of tests for HAA-5 and THM will be taken in the second week of February of 2020. All the analysis for November 2019 came back well within limits.
- We continue with the Auto-flushing program. This month we have flushed 196,000 gallons of water (included in Flushing number) through all areas. We have seen a marked reduction in TTHM and HAA5's year over year, so we are continuing in this process for now.

Activities / Maintenance / Improvements

- The staff continued with our weekly checks of the chemical feeders, pump stations, equipment at tank sites, and monthly checklist around the plant, the river, and the dam. We continue to perform routine maintenance and groundskeeping.
- Western Virginia Water Authority has moved the line installation to 220 North and is boring under the Blackwater River using Grindstaff Underground as the subcontractor. We patiently await the completion of the boring operation so we can begin the interconnect.
- We continue the SCADA upgrade this month, AMR (American Mine Research) was at the plant to do some preliminary work for the Western Virginia Waterline connection, the reconnection of the Lower Grassy Hill tank and upgrading our SCADA communication radio.

- We drained and cleaned the Basins and Flocculators on the 12th of November, the increased demand over the summer, and into fall necessitated that we had to perform this task later in the year than we usually would. The staff performed this task well even in adverse weather conditions.
- Staff installed new monitoring equipment as well as new faucets in anticipation of the Western Virginia Water Interconnect.
- Installation of the Automatic gate began in November, along with the camera upgrades. This should significantly enhance the security of the Water Plant.

Water Plant Production in Gallons Per Day (January 2018 to December 2019)



ITEM(S) TO BE CONSIDERED UNDER:

- Special Items
 Public Hearing
 Consent Agenda
 Hearing of Citizens
 Old Business
 New Business
 Committee Reports
 Other

FOR COUNCIL MEETING DATED:	December 9, 2019
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STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	<p>Compensation for Council Members and Mayor</p> <p>Compensation for serving on Town Council has not changed in 20 years (a summary of changes dating back to 1982 is attached). Though there is unanimous agreement that service on Town Council is not for financial gain, but keeping the compensation relevant in terms of today's economy is essential, especially as we hope to attract a diverse new generation of citizens to the roll of serving as part of the governing body.</p> <p>Currently the Mayor receives \$450 per regular meeting and \$75 per special meeting. Members of Council receive \$250 per regular meeting and \$75 for a special meeting. Since we only meet once a month, this is in effect the monthly compensation for the work of serving on Council.</p> <p>Two issues are raised. The first is that the IRS would rather see this compensation converted to an annualized amount. The conversion would also be extremely useful to your Finance staff as <i>the amount would be predictable and not subject to accounting error in tracking special meetings, budget work sessions and professional development activities</i>. Secondly, If council wishes to change the way Town Council is compensated; this must be done prior to an election so that it can take effect at the start of the next fiscal year. We have an election next year and this is the only window to act on this issue for the next two years.</p> <p>Proposal: Effective July 1, 2020 (next budget) Council Members and the Mayor will be compensated at an annual rate. This will be accomplished by 26 payments associated with the Town's normal payroll check run.</p> <p>Rates: The position of Mayor will be paid \$8,000 annually and the position of Council Member will be paid \$6,000 annually effective July 1, 2020. This is a modest increase given the length of time it has been since Council compensation has been addressed. Additionally, these rates will be adjusted on July 1 following each May election and increased by a percentage equal to the two prior years Cost of Living Allowance given to Town Employees (that portion of pay adjustments intended to offset inflation). The first such inflationary adjustment will be on July 1, 2022 with adjustments to follow every two years thereafter.</p> <p>How were the proposed rates calculated? The average annual salary</p>

	<p>paid to the Mayor is \$7,100 (with a high value of \$7,300 and a low value of \$6,525 in the past several years) and the average annual salary paid to a Council Member is \$4,200 (with a high value of \$4,525 and a low value of \$3,775 in the past several years). The average rate was increased slightly to derive the proposed rate to address the decades of inflation since the last time the rate was adjusted.</p> <p>For comparison sake, a worksheet calculating the average annual compensation for localities of a similar size in Virginia is attached. The average annual compensation for a Council Member is \$6,099 and the average annual compensation for a Mayor is \$8,202.</p>
<p>ACTION NEEDED:</p>	<p>Approve or reject or make adjustments to the proposed rate of compensation for service on Town Council and the proposed method of making modest adjustments to this rate after each election.</p>

Attachment(s): Yes

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

Rocky Mount Town Council Pay History

(Per Month Basis)

Fiscal Year	Mayor			Council Members		Comments
	Salary/Stipend	Trav Exp	Spec Mtg	Reg Mtg	Spec Mtg	
1982-1983	1,050.00	125.00		150.00	25.00	
1983-1984	1,050.00	150.00		150.00	25.00	
1984-1985	1,050.00	175.00		150.00	25.00	
1985-1986	1,050.00	175.00		150.00	25.00	
1986-1987	2,000.00	175.00		200.00	50.00	
1987-1988	2,000.00			200.00	50.00	
1988-1989	2,000.00			200.00	50.00	
1989-1990	2,000.00			200.00	50.00	
1990-1991	200.00		50.00	200.00	50.00	
1991-1992	200.00		50.00	200.00	50.00	
1992-1993	200.00		50.00	200.00	50.00	
1993-1994	200.00		50.00	200.00	50.00	
1994-1995	200.00		50.00	200.00	50.00	
1995-1996	200.00		50.00	200.00	50.00	
1996-1997	200.00		50.00	200.00	50.00	
1997-1998						At some point during these fiscal years highlighted, Council Changed stipends to what they are in FY 01-02.
1998-1999						
1999-2000						
2000-2001						
2001-2002	450.00		75.00	250.00	75.00	
2002-2003	450.00		75.00	250.00	75.00	Paid regular meeting stipend regardless of attendance.
2003-2004	450.00		75.00	250.00	75.00	
2004-2005	450.00		75.00	250.00	75.00	
2005-2006	450.00		75.00	250.00	75.00	
2006-2007	450.00		75.00	250.00	75.00	
2007-2008	450.00		75.00	250.00	75.00	
2008-2009	450.00		75.00	250.00	75.00	
2009-2010	450.00		75.00	250.00	75.00	
2010-2011	450.00		75.00	250.00	75.00	
2011-2012	450.00		75.00	250.00	75.00	
2012-2013	450.00		75.00	250.00	75.00	
2013-2014	450.00		75.00	250.00	75.00	
2014-2015	450.00		75.00	250.00	75.00	
2015-2016	450.00		75.00	250.00	75.00	
2016-2017	450.00		75.00	250.00	75.00	
2017-2018	450.00		75.00	250.00	75.00	
2018-2019	450.00		75.00	250.00	75.00	
2019-2020	450.00		75.00	250.00	75.00	

Locality	Population	Number	Paid an annual salary or paid per meeting?	Council Member Pay	Mayor Pay	Council Member Annualized	Mayor Annualized	How Many Meetings are Scheduled a year?
TOWN OF TAZEWELL	5000		(276) 988-2501 m	\$ 300	\$ 500	\$ 3,600	\$ 6,000	12
COUNTY OF BATH	5048		(540) 839-7221 a	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	12
TOWN OF BRIDGEWATER	5203		(540) 828-3390 a	\$ 3,468	\$ 5,210	\$ 3,468	\$ 5,210	12
TOWN OF BLUEFIELD	5363		(276) 322-4626 m	\$ 650	\$ 450	\$ 7,800	\$ 5,400	12
CITY OF EMPORIA	5665		(434) 634-3332 a	\$ 7,200	\$ 9,000	\$ 7,200	\$ 9,000	24
TOWN OF BIG STONE GAP	5906		(276) 523-0115 m	\$ 75	\$ 100	\$ 1,800	\$ 2,400	24
TOWN OF PURCELLVILLE	6000		(540) 338-7092 a	\$ 4,250	\$ 5,525	\$ 4,250	\$ 5,525	24
CITY OF BEDFORD	6300		(540) 587-6001 m	\$ 250	\$ 333	\$ 6,000	\$ 7,992	24
CITY OF COVINGTON	6303		(540) 965-6300 m	\$ 350	\$ 400	\$ 8,400	\$ 9,600	24
CITY OF BUENA VISTA	6349		(540) 261-8600 m	\$ 220	\$ 275	\$ 5,280	\$ 6,600	24
TOWN OF MARION	6349		(276) 783-4113 m	\$ 378	\$ 756	\$ 9,072	\$ 18,144	24
TOWN OF SMITHFIELD	6750		(757) 365-4200 m	\$ 300	\$ 350	\$ 3,600	\$ 4,200	12
CITY OF GALAX	6837		(276) 236-5773 a	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	24
TOWN OF FARMVILLE	6845		(434) 392-5686 m	\$ 400	\$ 500	\$ 9,600	\$ 12,000	24
CITY OF LEXINGTON	6867		(540) 462-3700 m	\$ 300	\$ 400	\$ 7,200	\$ 9,600	24
TOWN OF ASHLAND	7200		(804) 798-9219 m	\$ 150	\$ 175	\$ 3,600	\$ 4,200	24
TOWN OF WARRENTON	7200		(540) 347-4505 m	\$ 400	\$ 800	\$ 9,600	\$ 19,200	24
TOWN OF ABINGDON	7780		(276) 628-7400 m	\$ 536	\$ 718	\$ 6,432	\$ 8,616	12
TOWN OF VINTON	7782		(540) 983-0607 a	\$ 4,964	\$ 8,275	\$ 4,964	\$ 8,275	24
TOWN OF WYTHEVILLE	7804		(276) 223-3350 m	\$ 230	\$ 269	\$ 5,520	\$ 6,456	24
CITY OF FRANKLIN	8346		(757) 562-8504 a	\$ 7,896	\$ 10,437	\$ 7,896	\$ 10,437	24
TOWN OF SOUTH BOSTON	9500		(434) 575-4200 m	\$ 400	\$ 500	\$ 9,600	\$ 12,000	24
TOWN OF PULASKI	9985		(540) 994-8601 m	\$ 400	\$ 500	\$ 9,600	\$ 12,000	24

\$ 6,099 \$ 8,202

ITEM(S) TO BE CONSIDERED UNDER:

- Special Items**
 Public Hearing
 Consent Agenda
 Hearing of Citizens
 Old Business
 New Business
 Committee Reports
 Other

FOR COUNCIL MEETING DATED:	December 9, 2019
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STAFF MAKING REQUEST:	C. James Ervin, Town Manager Rebecca H. Dillon, Town Clerk
BRIEF SUMMARY OF REQUEST:	Goodwill Industries of the Valleys has requested to hold a parade for its employees beginning on North Main Street at the Rocky Mount Bowling Center and ending at the Goodwill facility. This is a chance for the employees to participate in something fun and allow them to feel good about themselves. The parade route is the same as in past years. The request has been reviewed and approved by Chief Criner at the Rocky Mount Police Department.
ACTION NEEDED:	Approve or deny the parade.

Attachment(s): Yes

<p>FOLLOW-UP ACTION: (To be completed by Town Clerk)</p>
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Goodwill Industries of the Valleys



November 4, 2019

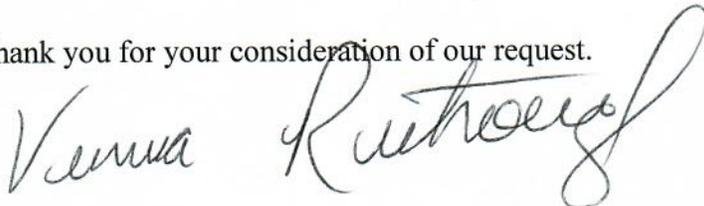
Mayor Steven Angle
Rocky Mount Town Council Members
345 Donald Avenue
Rocky Mount, VA 24151

Dear Mayor Angle and Council Members:

As you are aware Goodwill Industries serves a very important function in our community by providing programs that empower people to achieve and sustain a level of independence to participate more fully in life functions. Our workers have many of the same desires and dreams that all people in our community share, but not always the means to make their dreams a reality. This is the reason we are asking permission to schedule a modest parade for our workers.

We would like to do this at 9:30 a.m. on Friday, December 13, 2019 with a route beginning on North Main Street at the Rocky Mount Bowling Center and ending at our Goodwill facility. In the case of rain we would cancel the parade due to most participants being antique vehicles.

Thank you for your consideration of our request.



Venessa Rutrough
540-483-0296 ext. 4114
Goodwill Industries of the Valleys
1045 North Main Street
Rocky Mount, VA 24151

www.goodwillvalleys.com

Roanoke Jobs Campus &
Support Center
2502 Melrose Avenue, NW
P.O. Box 6159
Roanoke, VA 24017
Office: (540) 581.0620
Fax: (540) 581.0629

Madison Heights Jobs Center
174 River James Shopping Center
Madison Heights, VA 24572
Office: (434) 200.9920
Fax: (434) 845.3632

Radford Jobs Campus
103 Duncan Lane
Radford, VA 24141
Office: (540) 639.9027
Fax: (540) 639.3517

Rocky Mount Office
1045 North Main Street
P.O. Box 157
Rocky Mount, VA 24151
Office: (540) 483.0296
Fax: (540) 483.0297

Staunton Jobs Campus
1106-C Greenville Avenue
Staunton, VA 24401
Office: (540) 886.2001
Fax: (540) 886.7112



ITEM(S) TO BE CONSIDERED UNDER:

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

FOR COUNCIL MEETING DATED:	December 9, 2019
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STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	The Police Department has been striving for accreditation as time is available. Police Chief Criner will give an overview of our current status as well as his roadmap for moving towards this goal.
ACTION NEEDED:	No action is needed.

Attachment(s):

<p>FOLLOW-UP ACTION: (To be completed by Town Clerk)</p>
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ITEM(S) TO BE CONSIDERED UNDER:

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

FOR COUNCIL MEETING DATED:	December 9, 2019
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STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	<p>There has been much speculation as to the potential changes that may come from the General Assembly due to the change in the majority party.</p> <p>One area where this speculation has reached a high level is firearm regulations. The Governor has previously proposed some new firearm regulations for Virginia and many localities are signaling that some or all of the proposals in their opinion violate the Second Amendment of the United States Constitution. Many have reacted by passing resolutions specifically aimed at advising the General Assembly that such changes are opposed and are not welcome in their communities where firearm ownership is deeply tied to a community's history and way of life.</p> <p>Council Member Snead has asked that the Town have at the ready such a resolution in the event that it is the consensus of Council to follow suit in such a declaration. A draft of such a resolution is attached.</p>
ACTION NEEDED:	Approve, alter or reject the resolution.

Attachment(s): Yes

FOLLOW-UP ACTION: (To be completed by Town Clerk)
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RESOLUTION NO.: 2019.023

**RESOLUTION BY THE ROCKY MOUNT TOWN COUNCIL
FOR
THE PROTECTION OF SECOND AMENDMENT RIGHTS
TO THE CITIZENS OF THE TOWN OF ROCKY MOUNT**

WHEREAS, the members of Town Council have taken an oath to defend and uphold the constitutions of the United States and Virginia; and

WHEREAS, the Second Amendment to the United States Constitution reads: “A well-regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed”; and

WHEREAS, Article I, § 13 of the Virginia Constitution reads: “A well-regulated militia, composed of the body of the people, trained to arms, is the proper, natural, and safe defense of a free state, therefore, the right of the people to keep and bear arms shall not be infringed”; and

WHEREAS, the Council is concerned that certain legislation pre-filed for introduction in the 2020 Virginia General Assembly, and certain legislation that has been introduced in the United States Congress, may have the effect of infringing on the rights of law-abiding citizens to bear arms, as guaranteed by the United States and Virginia Constitutions; and

WHEREAS, the Council is concerned that passage of these bills, imposing unnecessary burdens on law-abiding citizens and inviting further regulations and burdens, and if to be enforced by local officials, will impose on the Town unfunded mandates, whether as a formal mandate or as a practical requirement of enforcing the law; and

WHEREAS, local law enforcement is the responsibility of the Chief of Police, and the Commonwealth’s Attorney; and the Commonwealth’s Attorney is an independently elected officer under the Virginia Constitution; and

WHEREAS, nevertheless, the Council wishes to express its sentiments, together with the sentiments of the Town of Rocky Mount community as a whole, with regard to this important matter, and its continuing intent to take lawful action to protect these important rights.

NOW THEREFORE, BE IT RESOLVED, that The Town of Rocky Mount will oppose any law that would unconstitutionally restrict the rights of its citizens under Article 2A of the United States Constitution wherein the rights of law-abiding citizens to keep and bear arms for the purposes of lawful self-defense, community defense, and hunting, as protected by the United States and Virginia Constitutions would be diminished as these rights are a part of the fabric of our community, our history and our way of life.

GIVEN UNDER MY HAND, THIS 9th DAY OF DECEMBER, 2019:

Steven C. Angle, Mayor

ATTESTED:

Rebecca H. Dillon, Town Clerk

ITEM(S) TO BE CONSIDERED UNDER:

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

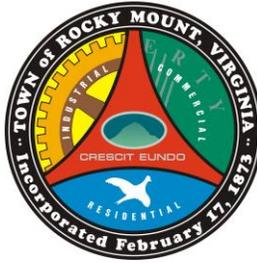
FOR COUNCIL MEETING DATED:	December 9, 2019
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STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	<p>The Finance and Human Services Committee met for the second time Nov. 25 to review the proposed conversion to Paid Time Off and the revised Pay Plan based on the plan developed by the Town's consultant. They recommended adopting the new Pay Plan effective January 1 and recommended Funding a 35% buyout ratio for sick time not converted to Personal Time Off.</p> <p>Our primary reasons for requesting & recommending these personnel-focused actions:</p> <ol style="list-style-type: none"> 1. Modernize, simplify and streamline Town leave procedures using the personal time off (PTO) standard instead of the outdated six/vacation/holiday model. 2. Encourage responsible employee use of personal time off while maintaining family-friendly leave. 3. Bring Town leave procedures in line with the Health Information Privacy & Protection Act (HIPPA). 4. Eliminate up to \$550,000 in current audit liability of Other Post-Employment Benefits (OPEB) by incentivizing employees to convert leave. 5. Protect Town investment in current employees by making employee compensation competitive with similar regional employers. 6. Get the Town's pay plan current after a 14 year time span since the last comprehensive pay plan review. <p>The questions asked of Town Council are summarized as follows:</p> <p>Conversion to PTO: <i>Should Council fund an incentive to accelerate conversion to PTO to eventually remove the accumulated sick time liability from our audit and at the same time give the employees a more flexible benefit?</i> Staff requested the use of \$105,000 of fund balance to offer a 35% buyout rate for sick time not converted to PTO (currently valued at 25% upon retirement). The Committee was supportive of the concept of PTO to give the staff a more flexible benefit, reduce the year-to-year audit liability associated with Sick Leave and the privacy concerns associated with Sick Leave. The Committee recommended funding the 35% buyout for a January conversion and also signaled that that amount would be reduced successively in future years, indicating</p>

	<p>that early conversion was advised and in the best interest of the employee. The amount needed to fund the buyout may be more or less based on participation.</p> <p>The merits of PTO versus Sick Leave and Vacation were covered in the briefings given to the committee and they are attached for your reference. A PDF of the new Policy Manual is available in the Council files area. A printed copy was previously distributed. The core benefits are an incentive to reduce sick time abuse, provide hours that are meaningful to an employee and provide a benefit that balances the needs of the Town and the flexibility of the employee's schedule. This change was initiated by VRS in 2014 when it began issuing short-term disability coverage to all employees under the assumption that most localities had converted to PTO.</p> <p>Implementation of New Pay Plan: <i>Should Council fund the implantation of the new pay plan, costing \$83,495 plus the cost of Town paid fringes?</i> Funding for this change is established by it taking the place of a standard Cost of Living Adjustment that would be asked for July 1, 2020 and the reduced COLA given out July 1, 2019. This is a net reduction in the costs to the Town. The Committee recommended implementing the plan on January 1, 2020 given the length of time since the last review of the Town's pay plan and having it take the place of any COLA for the next budget.</p> <p>The pay plan review was initiated by Council when evaluating the Town's response to the escalating starting pay for law enforcement officers. A detailed analysis of the plan results was previously sent to the committee and that report is attached.</p>
<p>ACTION NEEDED:</p>	<p>Approve or deny the requests A) allocating the use of funds for the conversion to PTO B) allocating the use of funds to implement the pay study for the second half of 2020. An appropriation resolution for these two actions will be presented in January once the appropriate cost centers are determined based on PTO participation rates.</p>

Attachment(s): Yes

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



2019 Pay and Compensation Study:

The Town once again turned to Springstead as a consultant that has done many pay and classification studies in Virginia for assistance (now Baker Tilly). They performed a complex study of nearby and similarly sized localities to determine how we were compensating our staff in comparison to the market. In general, about 60% of your positions were marginally under compensated and 40% were in keeping with market conditions. Better yet was the fact that in total, the Town was only 9% off.

During the formulation of the 2019 budget, Town of Rocky Mount staff recommended a pay reclassification for the Police Department but advised that a pay study for the entire Town was directed by Council.

The last comprehensive look at pay for Town employees took place in 2006. Since that time there has been 27.25% inflation and the Town has given out 11% in cost of living increases. In anticipation of the pay study outcome, Town Council approved only a 1% cost of living increase for the FY 2019 budget year, with the goal of reserving any additional changes to staff compensation for application to the implementation of the pay study results. Going into the pay study the Town had the expectation that some of their position classifications had slipped over time. The Town's Finance Director and Manager have individually adjusted various departments over time to keep pace.

The following attachments are included with this report: A) The Town's Current Pay Plan B) The Proposed Pay Plan and C) the comparative data used to generate the new pay plan.

Methodology: surrounding localities of similar size and scope of service delivery were contacted to obtain salary and position information. Looking at attachment C, the important data points are in the last columns. This is the minimum, midpoint and maximums identified in the localities that were surveyed with the Rocky Mount value for comparison. The "Mid" section is a good indicator of how the Town plan compares. Dollar figures in black are above the comparative value and ones in red are below the comparative value. About 66% of Town positions are below the comparative data and about 34% are above the comparative value. We are below the average for similar localities by just less than 9%.

The former pay plan had a starting salary of \$18,429. The new plan starts at \$20,667. Each plan scales at the same rate with 5% (5.062% for calculation) between grades and 2.5% between grades. Because the Town has recently conducted pay review for larger departments **66% of Town staff can be placed on the new pay plan at the grade nearest their current salary, resulting in only a 1.6% change in pay.** The remaining 34% receive changes based on the comparative market data.

In the narrative that follows you will note several positions that have been reduced in pay grade. This is due to two factors. The entire pay plan is being moved up to recognize that the lower grades have become economically irrelevant and are unused and also due to the fact that some Town classifications are above market. By moving the positions down in grade, a savings will be had when those positions are refilled due to the incumbent leaving service with the Town.

The Town was given three options for implementation. The first option was to move staff to the minimum step on the new plan and this was rejected as most staff would have seen a reduction in pay as that failed to recognize merit increases given in the position. The second option was to move staff to the next step on the new plan based on the step the originated from on the old plan. This option would have cost \$55,472 but was rejected due to it not addressing positions that were significantly under compensated. The final option proposed was to move staff to the new plan giving them credit for years of service. This option was not feasible as it would have cost \$358,554 to implement. The Town elected to formulate a fourth option that placed fairly compensated staff on the new pay plan as close as possible to their current pay and placing poorly compensated staff on the new pay plan as appropriate based on *time in that position versus total years of service*. This was a hybrid approach to options 2 and 3 and has a net cost that is approximately half of the recommended option 3 at \$166,991. **Funding this plan effective January 1, 2020 would have a FY 2019 cost of \$83,495.** Because the Town reduced the cost of living increase in FY 2019 in anticipation of the completion of the pay plan, this amount is commensurate with what would have been incurred had an inflation-based cost of living increase been given to staff. Additionally, if the revised pay plan is implemented in January, it will catch up salaries with inflation and there will be no need to implement a cost of living adjustment in 2020. A COLA of 2.5% would have been recommended and when combined with the 1% omitted in 2019, the net change of the pay plan is on par with the Town's expected costs. **This equates to about \$200,000 in avoided salary changes rolled into the pay study implementation for the cost of approximately \$120,000 with fringes. If implemented as proposed and allowed to take the place of a COLA for 2020, the plan should produce a net positive impact to total Town expenses.**

The following is a review of each position by department and recommendations to bring our pay plan current by placing staff onto the new plan (Attachment B).

1 Town Manager Department

1.1 Town Manager

For sake of implementation, the Town Manager has exempted his position from this review. For information, the midpoint of your current plan is \$15,000 below the midpoint of the localities surveyed. I include this so that you can factor it in in your salary formulations for future managers or if you wish to override the manager's plan to exclude his position.

1.2 Executive Assistant/Town Clerk

The midpoint of this position is \$10,251 below the survey average. Previously on grade 14, this position is moved to grade 16 with the incumbent given credit for years served in that position, placing them on step 12.

1.3 Receptionist/Admin Assistant

This position is accurately compensated. It is moved from Grade 10 to Grade 8.

2 Community Development Department

2.1 Assistant Town Manager

This position is undercompensated and is reclassified from Grade 26 to Grade 28 with the incumbent being placed on a step commensurate with years of service.

2.2 Planner

This position is under compensated and is reclassified from Grade 18 to Grade 20 with the incumbent moving to a commensurate position on Grade 20.

2.3 Administrative Assistant

This position is accurately compensated. It is moved from Grade 12 to Grade 9.

3. Finance Department:

This department received an internal reorganization four years ago and the pay scale for most positions are accurate.

3.1 Accounting Clerk

This position is accurately compensated. It is moved from Grade 13 to Grade 9.

3.2 Accounting Technician

This position is accurately compensated. It is moved from Grade 17 to Grade 14.

3.3 Assistant Finance Director

This position is modestly undercompensated. It remains on Grade 22, though the new Grade 22 covers a higher starting point and range and the incumbent is given credit for years served in that position.

3.4 Finance Director

This position is significantly undercompensated. It is moved from Grade 26 to Grade 28 with the incumbent being placed on Grade 28 with credit for years of service.

4 Harvester Performance Center

The staff at the HPC are not included in this study, though their positions show up on the pay plan documents. They are moved to the matching grade on the new pay plan.

There is one exception and that is the Lead Technician who is being reclassified as Salaried Exempt and moved to a step/grade commensurate with his current pay plus over time.

5 Police Department

5.1 Records Clerk

This position is accurately compensated and is moved from Grade 12 to Grade 9.

5.2 Records Manager

This position is moderately undercompensated and is moved from Grade 14 to Grade 15 with the incumbent being placed on Grade 15 commensurate with their years of service.

5.3 Police Officer

Starting pay for this position is 4% below our regional competition. Starting pay for a certified Police Officer is increased to \$37,380.

5.4 Police Sergeant

Starting pay for this position is 3% below our regional competition. It is moved from Grade 19 to Grade 18 with incumbents placed near their existing step based on years of service. This includes the Sergeant of Investigations.

5.5 Police Investigator

This position is approximately 10% below our regional competition. It remains on Grade 15, but the Grades have been changed upward, so this accomplishes pay parity. Incumbents are placed on the new Grade 15 based on years of service in the position.

5.6 Lieutenant

This includes Lieutenants of Patrol and Investigations. This position is 3% below our regional competition. It is changed from Grade 22 to Grade 21 with incumbents placed on the step that closely matches their years of service.

5.7 Police Chief

This position is approximately 10% undercompensated. It remains on Grade 28 with the incumbent being placed on the step that closely matches their years of service.

6 Public Works Department:

This department received an internal reorganization three years ago and the pay scale for most staff are accurate.

6.1 Superintendent

This position is approximately 20% undercompensated. It is moved from Grade 22 to Grade 24 and the incumbent placed on the new grade based on years of service.

6.2 Meter Reader

This position is accurately compensated and is moved from Grade 12 to Grade 9 with the incumbent being given credit for years of service.

6.3 Foreman:

This position is approximately 7% undercompensated. It remains on Grade 15 with the incumbents given credit for years of service.

6.4 Grounds Maintenance I

This position is accurately compensated and moved from Grade 10 to Grade 7.

6.5 Grounds Maintenance II

This position is accurately compensated and moved from Grade 12 to Grade 8.

6.6 Landscape Technician

This position is accurately compensated and moved from Grade 12 to Grade 10.

6.7 Maintenance I

This position is accurately compensated and moved from Grade 10 to Grade 7.

6.8 Maintenance II

This position is accurately compensated and moved from Grade 12 to Grade 8.

6.9 Maintenance III

This position is accurately compensated and moved from Grade 14 to Grade 9.

6.10 Mechanic

This position is accurately compensated and moved from Grade 14 to Grade 12.

7 Water Treatment Plant

7.1 Operators Grades I through IV

These are identical positions with different grades based on licensure. These positions are in general fairly compensated, but they are about 2% below our regional competition. Class I is moved from Grade 15 to Grade 14, Class II is moved from Grade 14 to Grade 12, Class III is moved from Grade 13 to Grade 10 with the incumbents at each grade placed based on years of licensure at that grade.

7.2 Lead Operator

This position is accurately compensated and is moved Grade 17 to Grade 16.

7.3 Water Plant Superintendent

This position is accurately compensated is moved from Grade 22 to Grade 21.

8 Wastewater Treatment

8.1 Operators Grades I through IV

These are identical positions with different grades based on licensure. These positions are in general fairly compensated but are about 2% below our regional competition. Class I is moved from Grade 15 to Grade 14, Class II is moved from Grade 14 to Grade 12, Class III is moved from Grade 13 to Grade 10 with the incumbents at each grade placed based on years of licensure at that grade.

8.2 Wastewater Superintendent

This position is slightly undercompensated and remains Grade 22 with the incumbent given credit for years of service.



Personnel Policy Manual:

Our current manual is over 20 years old and has references to out of date regulations and in general doesn't safeguard the Town or its employees. Key areas that have to be tied to state and federal law (the grievance procedure for example) are out of date.

The Town worked with Baker Tilly (officially Baker Tilly Virchow Krause, LLP) as this firm was previously Springstead Consulting (whom we initially hired) and Springstead has assisted more localities in Virginia with Personnel Policy Manuals than any other.

Baker Tilly assigned a retired Manager as lead on our project and took our existing manual as a starting point.

Over a period of nearly two years, Baker Tilly produced drafts and led meetings with the Town to develop the new manual.

One item that emerged while meeting with the Departments and reviewing the manual was a desire among the departments to address the ***chronic sick leave problem*** that is affecting many organizations.

Sick leave has become a dysfunctional leave type. What was intended as a leave bank for staff to deal with illness or with the illness of family members has evolved into two main usage types: First are those who take the days they get as soon as they receive them. These individuals rarely have a balance to call upon when illness strikes. The second group rarely use sick time in an effort to be prepared for an emergency and they end up accumulating massive amounts of sick leave. This massive amount of sick leave impacts our audit as it is carried as a liability on our books.

As of the writing of this, Town staff have accumulated a total of 26,000 hours of sick time with a value of \$680,000. This is shocking in that 17 of our staff have balances under 100 hours, meaning that a large number of staff have significant balances. The smallest group is the one in the middle that uses time as appropriate and neither stays close to zero nor amasses a significant balance.

The solution to this in the private sector is to eliminate sick and vacation leave and simply offer one type of leave, often called PTO for Paid Time Off. It is also the preferred leave type in local government as it removes the Town or employer from the medical concerns of the staff and alleviates complex proof and verification that threatens to violate health privacy rules (HIPAA). The manual presented presents a migration plan to PTO for Town staff.

The Town of Rocky Mount currently grants sick and vacation leave as follows:

Years of Service	Combined vacation and sick Hours (pay period)	Days Per Year
0 to 4	8	26.0
5 to 9	8.5	27.6
10 to 14	9	29.3
15 to 19	9.5	30.9
20 to 24	10	32.5
25 plus	10.5	34.1

VRS assumed a migration to PTO with their “Plan 3” employee type who are given a short-term disability policy as part of their VRS benefit. The logic is that you no longer need large amounts of sick leave if you have a short-term disability policy.

The advantage for the employee is that all time can be used for any purpose or converted to salary. Additionally, since PTO has an actual cash value, the caps on the accumulation of leave are removed. Finally, there is only one set of rules for leave usage.

The advantage for the employer is that the large accumulations of sick time are taken off of the books as a liability. The Town currently has 26,000 hours of sick leave tracked at a current value of \$680,000 that is a liability on our annual audit and is likely to exceed \$750,000 in future audits.

The Town proposes offering PTO on January 1, 2020. ***This will only be mandatory for VRS Plan 3 employees who are given a short-term disability policy in conjunction with their VRS participation.*** Any other interested employee can voluntarily move to PTO. Those that move to PTO will also be given the same short-term disability policy.

The PTO accumulation rates per pay period proposed are (current combined sick and vacation shown for comparison):

Years of Service	PTO (pay period)	Days	Combined vacation and Sick	Days
0 to 4	6.5	21.1	8	26.0
5 to 9	7	22.8	8.5	27.6
10 to 14	7.5	24.4	9	29.3
15 to 19	8	26.0	9.5	30.9
20 to 24	8.5	27.6	10	32.5
25 plus	9	29.3	10.5	34.1

For a new hire, the annual leave changes from 13 days of sick and 13 days of vacation the first year to 21.1 days of PTO. The total accumulation is reduced slightly as there is no longer a need to amass large numbers of hours of sick time.

Part of the standard tradeoff with PTO based plans is that the Town reduces the total number of days given as Leave, but grants employees much more flexibility in how they use their leave as well as eliminates the loss of leave either annually (as it is now with vacation Leave) or at separation from employment (as it is now with sick Leave).

Previously there were limits as to the accumulation of vacation time. There is no limit on the accumulation of PTO and time in excess of 200 hours can be turned in for pay at the then current rate at any time. This creates an incentive to manage, but also accumulate time.

Conversion to PTO:

All new hires will start as PTO recipients versus sick and vacation time recipients.

All VRS Plan 3 employees will be converted to PTO in accordance with the expectations of VRS using the following formula:

- Existing vacation leave is converted hour for hour with no limit.
- Existing sick time is converted hour for hour up to 200 hours.
- Sick time in excess of 200 hours is paid to the employee at 35% of their current rate.

Our current policy allows 25% of your sick time to be used towards insurance premiums up retirement. The suggested conversion factor is 35% to provide an incentive to reduce out total liability.

After putting the first 200 hours of sick leave into an employee’s PTO bank, there will still be 16,000 hours of sick leave Remaining. The cost of “buying out” all of that time at a 35% rate would be \$150,000. This figure is misleading in that not all staff would elect to participate. It is also misleading as your current policy guarantees a 25% payout upon retirement (a guaranteed commitment of \$170,000 with current balances).

To help visualize the potential cost of a PTO migration, here are theoretical participation rates and the costs of migrating using a 25% and a 35% buy out.

Participation	25%	35%
80%	\$ 85,867.41	\$ 120,214.37
70%	\$ 75,133.98	\$ 105,187.58
60%	\$ 64,400.56	\$ 90,160.78
50%	\$ 53,667.13	\$ 75,133.98
40%	\$ 42,933.71	\$ 60,107.19
30%	\$ 32,200.28	\$ 45,080.39

Real participation is likely to be 40% to 50% initially.

Staff recommends that conversion to PTO take place for VRS Plan 3 employees and be made optional to other employees so that the large liability balance the Town carries in sick leave can be significantly decreased or eliminated and staff can be given a more useful leave type that is not prone to either the abuse or hoarding that the current sick leave is. This will cost funds to perform a buy-out, but those costs are already obligated in the long run under the Town's current policy of paying out 25% and the program if successful could eventually eliminate over a half million-dollar audit liability.

One final note regarding the policy: all employees will be converted to PTO when the number of participants in PTO exceeds 90% of the total workforce. This is done to see that the Town only offers two leave type plans for a transition period. Though it may take a decade, eventually all employees will be on the PTO system. Should Council wish to accelerate that, a higher conversion percentage can be offered, but staff does not recommend it for fiscal constraint reasons.