



**ROCKY MOUNT TOWN COUNCIL**  
**AGENDA**  
**REGULAR COUNCIL MEETING**  
TO BE HELD IN COUNCIL CHAMBERS  
ROCKY MOUNT MUNICIPAL BUILDING  
345 DONALD AVENUE  
ROCKY MOUNT, VIRGINIA  
**FEBRUARY 12, 2018**  
**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 (*none at this time*)
- V. Public Hearing
  - Yard Sales
- VI. Approval of Draft Minutes
  - January 8, 2018 – Regular Meeting Minutes
  - January 29, 2018 – Special Called Meeting Minutes
- VII. Approval of Consent Agenda
  - Miscellaneous Action (*none at this time*)
  - Miscellaneous Resolutions/Proclamations (*none at this time*)
  - 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. Diamond Avenue Water Line Repair/Replacement
- X. New Business
  1. Presentation of Audit
  2. Public Art
  3. Johnny CASA 5 Miler - 5K Run/Walk Event
  4. Cell Phone Tower Lease with Verizon
  5. The Kingdom Run 5K to Benefit Food Bank
- XI. Committee Reports (*none at this time*)

- XII. Referrals to Planning (*none at this time*)
- XIII. Other Matters, Concerns and Rise 'N Shine Appearances
- XIV. Closed Meeting and Action (*none at this time*)
- 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](http://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**    **Other**    **Public Hearing**

FOR COUNCIL MEETING DATED:	February 12, 2018
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STAFF MAKING REQUEST:	Jessica Heckman, Town Planner
BRIEF SUMMARY OF REQUEST:	Due to numerous complaints of “permanent yard sales”, Planning Commission has recommended to Council that the Town add a section on temporary uses to the Town’s supplementary regulations in Article 6 to allow staff to manage yard sale complaints consistently and less subjectively. Planning Commission recommends limiting yard sales to two consecutive calendar days, limited to daylight hours, with a maximum of four sales per year with an interval of at least three months between sales. A public hearing was held on the amendment and was approved by Planning Commission with a 7-0 vote.
ACTION NEEDED:	Approve or deny

Attachment(s): Yes

<p>FOLLOW-UP ACTION: (To be completed by Town Clerk)</p>
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## IN THE COUNCIL OF THE TOWN OF ROCKY MOUNT

AN ORDINANCE of the Town of Rocky Mount amending Appendix A of the Code of the Town of Rocky Mount, Virginia (2002), known and cited as the “Zoning and Development Ordinance of the Town of Rocky Mount, Virginia” and providing for changes to Article 6 (Supplementary District Regulations).

WHEREAS, the Town Council of the Town of Rocky Mount is required to adopt zoning regulations for the purpose of promoting and improving public health, safety, convenience or welfare and to plan for the future development of the Town and to accomplish the objectives of Section 15.2-2200, et seq., of the Code of Virginia (1950), as amended, and the Zoning and Development Ordinance of the Town of Rocky Mount, Virginia.

THEREFORE, BE IT ORDAINED by the Town Council of the Town of Rocky Mount that Appendix A of the Code of the Town of Rocky Mount, Virginia (2002), known and cited as the “Zoning and Development Ordinance of the Town of Rocky Mount, Virginia” be amended and the following changes are adopted.

### **Article 6 (Supplementary District Regulations)**

Section 6-6 is enacted to read and provide as follows:

#### **6-6. Temporary Uses.**

6-6-1. Applicability. Authorized temporary uses, including permitted locations, duration, and maximum number per calendar year, and whether or not a zoning permit is required, shall be as set forth in Section 6-6-2.

#### 6-6-2. Temporary Uses

(A) Yard or garage sales shall be permitted in any district for a maximum duration of 2 consecutive calendar days only during daylight hours. No more than 2 sales shall be permitted per calendar year, with an interval of at least 3 months between sales. A zoning permit shall not be required. For purposes of this section, a “yard or garage sale” means a public sale at a dwelling at which personal items belonging to the residents of the dwelling are sold, provided that:

1. Items purchased elsewhere expressly for resale at a yard or garage sale shall be prohibited; and
2. Goods intended for sale shall not be stored or displayed in the front or side yards of a dwelling except on the day of sale.

This ordinance shall be in full force and effect upon its passage.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2018

Ayes:

Nays:

Present:

APPROVED:

\_\_\_\_\_

Mayor

ATTEST:

\_\_\_\_\_

Clerk

Approved as to form:

\_\_\_\_\_

Town Attorney

**ROCKY MOUNT TOWN COUNCIL  
REGULAR MEETING MINUTES  
JANUARY 8, 2018**

The January 8, 2018 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 Gregory B. Walker
- Bobby M. Cundiff
- Robert L. Moyer
- Jon W. Snead
- Billie W. Stockton
- Mark H. Newbill

The following staff members were also present:

- John Boitnott, Town Attorney
- Tim Burton, Waste Water Superintendent
- Ken Criner, Chief of Police
- Robert Deitrich, Water Plant Superintendent
- Rebecca H. Dillon, Executive Administrative Assistant
- C. James Ervin, Town Manager
- Matthew Hankins, Assistant Town Manager
- Jeff Rakes, Fire Chief
- Brian Schofield, Public Works Superintendent

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.

**Motion:** To approve the agenda

**Motion By:** Council Member Newbill

**Second:** Vice Mayor Walker

**Motion Discussion:** None

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

**Nays:** None

**Action:** Approved the agenda by a unanimous vote

### **SPECIAL ITEMS**

None at this time

### **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:

- December 11, 2017 – Regular Meeting Minutes

**Discussion:** None

**Motion:** To approve the draft minutes

**Motion By:** Council Member Snead

**Second:** Vice Mayor Walker

**Motion Discussion:** None

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

**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** (none at this time)
- (2) **Miscellaneous Resolutions/Proclamations** (none at this time)
- (3) **Department Monthly Reports**
  - Community Development Department
  - Finance Department (November and December Reports Were Released)
  - 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 Stockton

**Second:** Council Member Snead

**Motion Discussion:** None

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

**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.

For the record, no one came forward.

## **OLD BUSINESS:**

None at this time

## **NEW BUSINESS**

### 1. Supplemental Appropriation Resolution for Waste Water Treatment Plant

Mr. Ervin stated one of the two clarifiers at the Waste Water Treatment Plant failed on December 13, 2017. Staff investigated having the unit removed and rebuilt but the cost would have been an estimated \$81,850 (\$17,850 for rebuilding, two charges of \$32,000 for a crane and crew), and sending the unit off for rebuilding would be a 4 month process. A new unit was priced at \$31,500 and \$32,000 to install for a total of \$63,500; the lead time of which would have been six to eight weeks.

Mr. Ervin stated that Staff feared that the second unit might need replacement in the near future as it had the same number of hours on it as the failed unit. If a new unit was purchased; the old unit could be sent off for rebuilding. The total cost would then be \$113,350.

Mr. Ervin further stated that it was not cost effective as it would involve paying for two trips and two crane rentals. Two new units would cost approximately \$114,000 with a potential core rebate of \$4,000 which would make the two new units cheaper in the long run than a new unit and a rebuilt unit due to labor costs.

Staff recommended purchasing two new units for \$114,000. To fund this, Staff proposed taking \$60,000 from contingency and the remaining \$54,000 from under budget projects as well as fund balance.

Council Member Cundiff, Chairman of the Public Utilities Committee, met with other committee members on December 19, 2017, to review the request and recommended ordering two units so that the plant could stay in an operationally ready state. The Public Utilities Committee also instructed Mr. Ervin to obtain a consensus of Council via telephone so that these items could be placed on order as soon as possible. The two units were ordered. As of the Council meeting; no funds had been spent.

**Discussion: None**

**Motion: To purchase two new units for \$114,000. Staff will fund this by taking \$60,000 from contingency and the remaining \$54,000 from under budget projects as well as fund balance**

**Motion By: Council Member Cundiff**

**Second: Council Member Snead**

**Motion Discussion: None**

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

**Nays: None**

**Action: Approved the motion by a unanimous vote**

## 2. Franklin County High School Eagle Strut 2018

The Eagle Strut 2018 was scheduled for September 15, 2018 beginning at 8:00 a.m. The course for 2018 was the same as in previous years. The organizer from Franklin County High School, Cara Spivey, met with the police department who reviewed and approved the plans for the race.

**Discussion: None**

**Motion: To approve the Franklin County High School Eagle Strut 2018 scheduled for September 15, 2018**

**Motion By: Council Member Stockton**

**Second: Council Member Snead**

**Motion Discussion: None**

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

**Nays: None**

**Action: Approved the motion by a unanimous vote**

### 3. The Vietnam Veterans Memorial

Mr. Andre Peery of the American Legion requested Town financial support to help bring the mobile replica of the Vietnam Memorial Wall to the Franklin County Recreation Park in Sontag, late in 2018. The Town has supported this presentation in the past. If Town Council chooses to support the presentation in 2018, the funds could come from the Branding & Tourism line item, as it is likely to generate some visitation to the Town, its shops and restaurants.

Mr. Perry of 811 Grayson Avenue, NW, Roanoke, VA 24016, stated that he was honored to be able to play a part in bringing the Vietnam Memorial Wall to Franklin County. Mr. Perry stated the cost to bring the Memorial Wall here was \$5,500 dollars and that the wall would be instrumental in bringing the surrounding counties and states together to see the Memorial Wall.

Mr. Herman J. Chaney of 350 Murray Knob Road, Boones Mill, VA 24065, who was a Post Commander for Post 6, spoke on how the Memorial Wall touches the lives of those who view it.

**Discussion: None**

**Motion: To approve bringing the mobile replica of the Vietnam Memorial Wall to the Franklin County Rescreation Park in Sontag later in 2018**

**Motion By: Council Newbill**

**Second: Council Member Moyer**

**Motion Discussion: None**

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

**Nays: None**

**Action: Approved the motion by a unanimous vote**

### 4. Town Meeting Dates 2018

Each year in January, Town Council adopts a schedule of meeting dates for the following year. Staff asked Council to please review the meeting dates presented for 2018 and make a recommendation for that calendar year. There was only one date that had been changed which was November 12, 2018. This date was moved to November 19, 2018 due to Veteran's Day. The dates were already approved by the Planning Commission and the Board of Zoning Appeals.

**Discussion: None**

**Motion: To approve the calendar presented to Council for 2018 as the official meeting calendar but with regard to meeting on Tuesday, November 13, 2018, instead of the following Monday which would have been November 19, 2018**

**Motion By: Council Member Moyer**

**Second: Council Member Snead**

**Motion Discussion: None**

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

**Nays: None**

**Action: Approved the motion by a unanimous vote**

#### 5. No Left Turn at Powder Mill Road

Mr. Hankins stated that based on a review of traffic numbers and the recommendation of the Planning Commission, staff requested Council to consider altering the traffic pattern at the intersection of Powder Creek and Old Franklin Turnpike. The Planning Commission asked Town Council to authorize placement and police enforcement of an eastbound No Left Turn sign at Powder Creek Lane and Old Franklin Turnpike. The intersection near BB&T often finds traffic backed up while east-bound drivers wait to make their turn onto Route 40, which itself, frequently backs up from Marketplace Drive. Common observation shows increasing turn conflicts since Dollar Tree and Cookout occupied formerly vacant spaces. With proximity to the northbound 220 on-ramp, Rocky Mount Ready Mix and Sheetz, a congested center turn lane and increasingly heavy traffic complicating the turning movements, all combined was a significant matter of public safety.

After much discussion among Council members, the general consensus was to refer the item to the Streets, Sidewalks and Streetlights Committee for discussion among committee members. The committee will then bring a recommendation back to Council at the next regular meeting.

#### **COMMITTEE REPORTS**

Public Utilities Committee Meeting Report from December 19, 2017.

The item was considered under new business.

#### **REFERRALS TO PLANNING**

None at this time

#### **OTHER MATTERS AND CONCERNS**

Mr. Ervin was on Rise n' Shine.

Mayor Angle asked for an update on the First Responders Memorial. Mr. Hankins stated that the base had been poured and the concrete work had been sealed. Staff hoped to have the memorial up by April 2018. Also, an anonymous gift of \$20,000 was given to help fund the memorial.

Mr. Ervin stated that the Town Clerk had tickets to the Martin Luther King, Jr. breakfast on January 15, 2018 if any of the Council Members would like a ticket.

**CLOSED MEETING AND ACTION**

None at this time

**ADJOURNMENT**

**Motion:** To adjourn meeting

**Time:** 7:32 p.m.

**Motion By:** Council Member Moyer

**Second:** Vice Mayor Walker

**Motion Discussion:** None

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

**Nays:** None

**Action:** Adjourned by a unanimous vote

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Steven C. Angle, Mayor

ATTEST:

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Rebecca H. Dillon, Town Clerk

**ROCKY MOUNT TOWN COUNCIL  
SPECIAL CALLED MEETING MINUTES  
JANUARY 29, 2018**

The January 29, 2018 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 5:00 p.m. with Mayor Steven C. Angle presiding.

The following members of Council were present:

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

The following staff members were also present:

- Rebecca H. Dillon, Executive Administrative Assistant
- C. James Ervin, Town Manager
- Matthew Hankins, Assistant Town Manager

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

**APPROVAL OF AGENDA**

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

**Motion:** To approve the agenda

**Motion By:** Vice Mayor Walker

**Second:** Council Member Moyer

**Motion Discussion:** None

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

**Nays:** None

**Action:** Approved the agenda by a unanimous vote

**APPROVAL OF RESOLUTION EXTENDING LETTER OF CREDIT**

Mr. Ervin stated Council had been called to meet and approve a resolution which was required to extend the Town's present letter of credit with Carter Bank & Trust. The letter was required as a backup surety for VDOT revenue sharing funds used to extend the road in the Town's industrial park. The Town requested the new expiration date to be December 31, 2022 and in a new amount of \$72,017.00

**Discussion:** None

**Motion:** To approve the resolution extending the letter of credit

**Motion By:** Council Member Newbill

**Second:** Council Member Stockton

**Motion Discussion:** None

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

**Nays:** None

**Action:** Approved the motion by a unanimous vote.

## **ADJOURNMENT**

**Motion:** To adjourn meeting

**Time:** 5:04 p.m.

**Motion By:** Council Member Snead

**Second:** Vice Mayor Walker

**Motion Discussion:** None

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

**Nays:** None

**Action:** Meeting convened

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Steven C. Angle, Mayor

ATTEST:

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Rebecca H. Dillon, Town Clerk

**Community Development & Planning January 2018 Monthly Report**

<b>ARTS &amp; CULTURE</b>							
<b>TOTAL: 0</b>							
AC FILE NUMBER	BUSINESS NAME	OWNER/OFFICER NAMES	GENERAL LOCATION	TAX MAP NUMBER	MAILING ADDRESS	CITY STATE ZIP	NOTES
<b>BANNER PERMITS</b>							
<b>TOTAL: 1</b>							
Permit #	Applicant Name	Applicant Contact Info	Wording of Banner	Banner Location	Display Dates	Date Approved	
B18-001	Denny Robey	276-734-2066	Donna Sink Pediatric Fund	Farmers Market	02/12/18-02/24/18	1/3/2018	
<b>SITE/PLAT FILES</b>							
<b>TOTAL: 0</b>							
File Number	Property Owner	Action	TMPN	Date	Notes	Location	
SP18-001	Trinity Packaging Corporation	Site Plan Review	2040038800	12/5/2017	Addition of 3,275 sf	Trinity Packaging	
<b>SIGN PERMITS</b>							
<b>TOTAL: 2</b>							
Permit #	Applicant Name	Sign Location/TMPN	Zoning	Square Footage	Wording	Date Approved	Notes
S18-001	Carter Bank & Trust	2070049200	CBD	12	Carter Bank & Trust Training Center	1/11/2018	
S18-002	Check into Cash	2030007800	GB	78.5	Check into Ca\$h	1/29/2018	
<b>ZONING COMPLIANCE PERMITS</b>							
<b>TOTAL: 4</b>							
Permit #	Applicant Name	Property Owner	Property Address/TMPN	Zoning	Proposed Use	Type of Improvement	Date Approved
ZC18-001	Shively Electrical Co Inc.	Alexis Cundiff	2070030000	R2	Residential	Electrical upgrade in house	1/9/2018
ZC18-002	BCG Remodeling Inc.	Phillip & Jodi Root	2070028100	R2	Residential	Kitchen, Electrical Repair from fire damage	1/25/2018
ZC18-003	TDM Fitness/ Youth Connect	Rocky Mount LLC	2070015501	GB	Commercial	Move Business to bigger unit in retail shopping center	1/26/2018
ZC18-004	Moores Electric	CVS	2020000600	GB	Commercial	Replace HVAC	1/26/2018
<b>ZONING PERMITS</b>							
<b>TOTAL: 3</b>							
Permit #	Applicant Name	Building Lot Address	TMPN	Proposed Use	Current Zoning	Date Approved	NOTES
ZP18-001	Billie & Janet Stockton	205 Muse Field Road	2030006501	Residential	R1	1/8/2018	Adding Carport Variance granted 1/4/18
ZP18-002	Trinity Packaging Corporation	90 Industrial Ave	2040038800	Commercial	M2	1/10/2018	Building Addition

ZP18-003	Yates Mobile Service Corp	110 Grayson Street	2100016000	Residential	R1	1/22/2018	Adding Modular
<b>ZONING LETTER</b>		<b>TOTAL: 1</b>					
Permit #	Applicant Name	Building Lot Address	TMPN	Proposed Use	Current Zoning	Letter Date	
ZL18-001	Zoning Inc.	68 Market Place Drive	2030007401	Commercial	GB	1/10/2018	
<b>MOBILE FOOD UNIT PERMITS</b>		<b>TOTAL: 0</b>					
Permit #	Applicant Name	Locations		Approval Date			
<b>Public Facilities Disturbance Application</b>		<b>Total:</b>					
Permit #	Applicant Name	Location	Reason for Distrubance			Expected Dates	
PFD-001	Lumos Networks Inc	Main St/ W.Court St	Replacing new fiber optic facilities to the Carilion Services building located at 180 Floyd Ave			12/15/17-02/28/18	

## MONTHLY STAFF REPORT

<b>DATE:</b>	February 12, 2018
<b>TO:</b>	Rocky Mount Town Council
<b>FROM:</b>	Linda Woody, Finance Director
<b>DEPARTMENT:</b>	<b>Finance Department</b>
<b>MONTH:</b>	February meeting

This report contains the following monthly information for January 2018 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

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:

901 walk-in transactions

1417 drive-thru transactions

1419 mail transactions

**TOWN OF ROCKY MOUNT  
NEW BUSINESS LICENSES  
DURING JANUARY 2018**

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

**CONTRACTOR:**

Yates Home Sales, job on Grayson St.

**RETAIL:**

Cellular Sales of VA LLC, 660 Old Franklin Tnpk, cell phones & accessories

**TOWN OF ROCKY MOUNT**  
**Investment Portfolio**  
**at December 31, 2017**

<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>
<b>Fixed Income / Bonds:</b>									
FHLMC	12/29/2017	12/29/2021	500,000	99.149	495,745.00	2.21%	2.20%	3134GAC28	11,000.00
FHLMC	3/30/2016	12/30/2020	210,000	99.179	208,275.90	1.26%	2.00%	3134G8BH1	2,625.00
FNMA	7/27/2017	7/27/2017	493,000	99.193	489,021.49	1.66%	1.65%	3135GOS46	8,134.50
<b>Bond Totals</b>			<u>1,203,000</u>		<u>1,193,042.39</u>	1.71% avg. return			<u>21,759.50</u>
<b>Certificates of Deposits:</b>									
Am Express Fed Svgs Bk	8/29/2022		245,000	99.492	243,755.40	2.41%	2.40%	02587CFU9	5,880.00
Am Express Centurion	4/5/2022		245,000	99.724	244,323.80	2.45%	2.45%	02587DN38	6,002.50
Bank Deerfield WIS	2/26/2021		245,000	97.105	237,907.25	1.28%	1.25%	061785DM0	3,062.50
Barclays BK Del Retail	8/20/2019		225,000	100.138	225,310.50	2.09%	2.10%	06740LHV2	4,725.00
Capital One Nat'l McLean VA	12/29/2021		230,000	99.924	229,825.20	2.25%	2.25%	14042RFF3	5,175.00
Capital One BK Glen Allen V.	7/20/2021		245,000	97.339	238,480.55	1.54%	1.50%	140420ZW3	3,675.00
Discover Bk Greenwood DL	7/22/2020		245,000	100.472	246,156.40	2.28%	2.30%	254671VH0	5,635.00
Everbank Jacksonville FL	3/29/2019		245,000	99.623	244,076.35	1.50%	1.48%	29976DW3	3,675.00
Goldman Sachs USA	1/13/2021		245,000	100.473	246,158.85	2.28%	2.30%	38148J5F4	5,635.00
HSBC BK McLean VA	3/10/2021		230,000	99.849	229,652.70	1.30%	1.30%	40434AP45	2,990.00
JP Morgan Chase, OH	11/30/2020		245,000	99.234	243,123.30	1.91%	1.90%	48126XNJ0	4,655.00
Finl BK Chicago Ill	12/10/2018		190,000	99.429	188,915.10	1.10%	1.10%	55266CSB3	2,090.00
State BK India NY NY	12/5/2019		245,000	100.117	245,286.65	2.39%	2.20%	8562843E2	5,880.00
<b>CD Totals</b>			<u>3,080,000</u>		<u>3,062,972.05</u>	1.91% avg. return			<u>59,080.00</u>
<b>Total Investments</b>			<u>4,283,000</u>		<u>4,256,014.44</u>	1.87% avg. return			<u>80,839.50</u>

<u>Month</u>	<u>LGIP</u>	<u>Effective</u>
	<u>Balance</u>	<u>Yield</u>
Dec-16	2,592,286.69	0.67%
Jan-17	2,210,004.46	0.81%
Feb-17	2,228,269.83	0.84%
Mar-17	1,724,795.08	0.89%
Apr-17	1,741,606.06	0.98%
May-17	2,659,997.06	0.99%
Jun-17	3,054,217.68	1.05%
Jul-17	3,079,129.85	1.16%
Aug-17	2,656,125.66	0.12%
Sep-17	3,070,508.79	1.21%
Oct-17	2,791,854.39	1.22%
Nov-17	2,813,253.35	1.24%
Dec-17	2,818,160.75	1.34%

REVENUE COMPARISONS AS OF JANUARY 31, 2018						
REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET	% OF
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET THIS YEAR
GENERAL FUND - Local Revenues:						
Real Estate Tax	76,875	118,025	130,797	198,241	588,308	22.23%
Real Estate Tax - Delinquent	393	2,736	7,402	12,195	14,000	52.87%
Public Service Tax	-	1,641	-	13,063	28,474	0.00%
Personal Property Tax	42,809	43,458	55,500	72,360	232,980	23.82%
Personal Property Tax - Delinquent	399	708	979	2,288	5,000	19.58%
Machinery & Tools Tax	1,419	65,984	1,419	66,644	132,379	1.07%
Penalties on Tax	62	279	3,168	1,300	4,000	79.20%
Interest on Tax	0	123	2,130	1,758	1,700	125.28%
Local Sales Tax	14,793	14,275	75,176	73,556	188,064	39.97%
Meals Tax	128,340	127,320	717,734	720,230	1,489,112	48.20%
Utility Tax	29,127	29,289	162,827	164,315	325,033	50.10%
Communications Tax	14,966	15,622	90,528	92,933	186,119	48.64%
Bank Stock Tax	-	-	-	-	216,500	0.00%
Penalty-Meals Tax	-	447	1,247	1,348	2,000	62.35%
Interest-Meals Tax	-	2,709	756	2,739	700	108.04%
Penalty-Lodging Tax	-	-	47	-	-	0.00%
Interest-Lodging Tax	-	-	-	-	-	0.00%
Lodging Tax	10,860	8,410	88,677	80,447	163,977	54.08%
Cigarette Tax	8,760	8,788	40,336	58,519	93,314	43.23%
BPOL-Retail	2,600	-	4,803	4,036	345,830	1.39%
BPOL-Professional	2,001	2	9,897	2,432	176,131	5.62%
BPOL-Contractor	360	-	2,743	521	15,923	17.23%
BPOL-Repairs/Services	190	328	7,594	4,566	132,319	5.74%
BPOL-Alcoholic Beverages	-	-	50	-	700	7.14%
BPOL-Penalty/Interest	674	55	2,730	1,259	3,000	90.98%
BPOL-Amusement	-	-	-	-	208	0.00%
BPOL-Utility	4	-	4	-	12,978	0.03%
BPOL-Miscellaneous	-	-	572	587	5,500	10.39%
Solicitor Permits	-	-	-	20	-	0.00%
Farmer's Market Fees	-	646	570	1,704	4,100	13.90%
Welcome Center Fees	-	220	4,155	3,986	4,000	103.88%
Farmers Mkt EBT's Deposits	-	-	754	-	-	0.00%
Planning/Zoning Fees	420	1,775	6,058	5,014	7,300	82.99%
Court Fines	4,865	2,586	18,588	20,544	52,500	35.40%
Parking Fines	-	-	15	80	100	15.00%
Garbage Violation Fines	40	30	480	170	100	480.00%
Interest Earnings	-	10,251	35,775	38,201	73,007	49.00%
Return Check Fees	100	-	434	330	400	108.51%
Rental of Property	-	-	450	420	420	107.14%
Sale of Property	-	-	6,000	-	-	0.00%
Bond Proceeds	-	-	-	-	345,154	0.00%
Mortgage Payments	281	-	2,218	1,024	3,073	72.19%
Loan Repayment - Paving	-	728	683	5,138	1,455	46.92%
Sale of Materials	-	-	-	-	-	0.00%
Grave Preparation	-	1,500	1,875	1,875	1,500	125.00%
Security Services	-	-	2,940	2,310	2,840	103.52%
Passport Service Fees	1,803	1,577	7,135	5,227	10,000	71.35%
Police Reports	70	73	765	629	1,100	69.55%
Fingerprint Service Fees	10	40	245	265	490	50.00%
CIT / PAC Room Staffing	350	2,100	7,000	5,950	8,400	83.33%
Garbage Collection Fees	7,917	7,885	45,761	45,405	90,792	50.40%
Truck Rental Program	20	50	290	178	300	96.67%
Credit Card Fees	328	189	1,853	1,034	1,919	96.58%
Weed Control Charges	-	-	314	537	150	209.39%
Administrative Charges for Services	-	-	1,184	568	300	394.64%

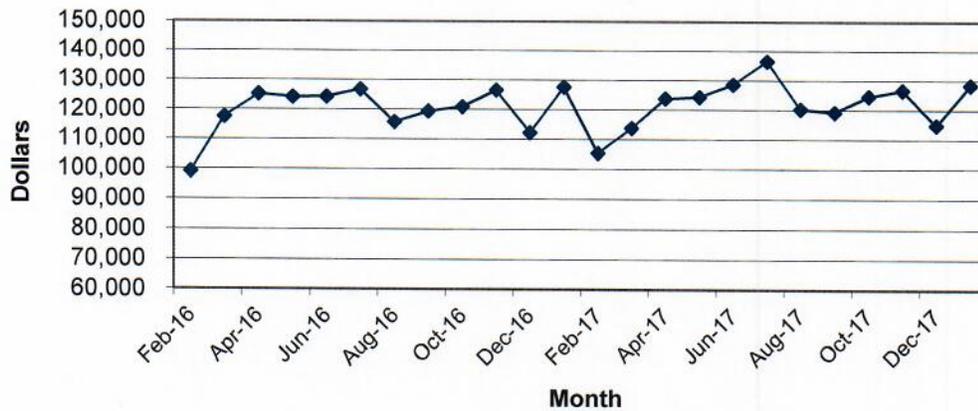
REVENUE COMPARISONS AS OF JANUARY 31, 2018						
REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET	% OF BUDGET
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	THIS YEAR
Miscellaneous Services	-	-	245	115	-	0.00%
Donations	-	-	20,003	30	-	0.00%
Merchandise Sales	-	-	2	7	25	8.20%
Miscellaneous	-	-	-	-	300	0.00%
Curb & Gutter Recoveries	-	-	-	-	-	0.00%
Recoveries	-	1	7,620	493	-	0.00%
Unrealized Gain on Investments	-	4,305	(27,116)	(40,758)	-	0.00%
Appropriated Fund Balance	-	-	-	-	-	0.00%
Total Local Revenues	350,836	474,154	1,553,408	1,675,834	4,973,974	31.23%
GENERAL FUND - State Revenues:						
Rolling Stock Tax	-	-	3,340	3,357	3,250	102.78%
Litter Tax	-	-	2,480	2,543	2,475	100.20%
Other Categorical Aid	-	-	509	260	200	254.50%
Fire Programs	-	-	16,044	14,016	15,210	105.48%
PPTRA from the State	-	-	53,861	53,861	53,861	100.00%
Law Enforcement Grants	-	-	3,181	-	-	0.00%
DMV Grants	-	-	7,795	5,045	-	0.00%
VDOT Grant	-	-	-	7,409	600,000	0.00%
CDBG Grant	-	-	-	-	-	0.00%
Street Maintenance	-	-	705,013	693,433	1,421,537	49.60%
VML Safety Grant	-	-	4,000	-	4,000	100.00%
Volunteer Fire Dept.	7,500	7,500	15,000	15,000	30,000	50.00%
Law Enforcement-599 Funds	-	-	55,976	55,976	108,460	51.61%
Va. Commission of the Arts Grant	-	-	-	240	-	0.00%
Other Categorical Aid-Police	-	-	1,614	-	-	0.00%
Other Categorical Aid-Schools	-	-	29,632	29,632	29,632	100.00%
Total State Revenues	7,500	7,500	898,445	880,772	2,268,625	39.60%
TOTAL GENERAL FUND REVENUES	358,336	481,654	2,451,853	2,556,606	7,242,599	33.85%
UTILITY FUND REVENUES:						
Water Sales	92,610	91,600	568,494	559,613	1,185,669	47.95%
gallons billed	19,012,587	18,209,730	145,401,377	146,673,934		
Water Connections	3,275	-	26,714	6,256	17,825	149.87%
Reconnect Fees	1,250	300	5,335	2,225	2,750	194.00%
Penalties	2,816	4,449	18,335	20,756	28,440	64.47%
Bulk Water Purchases	-	-	1,417	389	1,000	141.71%
Sewer Collection Charges	61,580	59,983	364,056	370,158	750,958	48.48%
gallons billed	15,318,360	14,590,710	120,190,010	112,752,688		
Sewer Connections	-	-	2,000	2,000	8,000	25.00%
Cell Tower Rent	4,059	5,734	30,547	29,340	47,339	64.53%
Recoveries	-	472	-	702	-	0.00%
Appropriated Fund Balance	-	-	-	-	887,992	0.00%
TOTAL UTILITY FUND REVENUES	165,590	162,539	1,016,899	991,438	2,929,973	34.71%
CAPITAL PROJECTS REVENUES:						
Microenterprise Loan Payments	1,139	729	4,538	1,589	6,924	65.54%
Appropriated Fund Balance	-	-	-	-	-	0.00%
TOTAL CAPITAL PROJECTS REVENUES	1,139	729	4,538	1,589	6,924	0.00%

REVENUE COMPARISONS							
AS OF JANUARY 31, 2018							
REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET	% OF	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET THIS YEAR	
UTILITY CAPITAL REVENUES:							
Proceeds from Bond	-	-	-	-	-	0.00%	
Capital Recovery Fees-Water	23,648	23,458	162,151	160,240	281,721	57.56%	
Capital Recovery Fees-Sewer	19,435	19,148	128,398	126,425	229,383	55.98%	
Capital Recovery Fees-Garbage	1,691	1,678	11,798	11,687	20,472	57.63%	
Appropriated Fund Balance	-	-	-	-	606,973	0.00%	
Transfer from Other Funds	-	-	-	-	-	0.00%	
<b>TOTAL UTILITY CAPITAL REVENUES</b>	<b>44,774</b>	<b>44,284</b>	<b>302,347</b>	<b>298,351</b>	<b>1,138,549</b>	<b>26.56%</b>	
PERFORMANCE VENUE REVENUES:							
Transfers from General Fund	-	-	-	-	354,682	0.00%	
<b>TOTAL PERFORMANCE VENUE REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354,682</b>	<b>0.00%</b>	
						7 months of the 12 months of the fiscal year	58.33%

TOWN OF ROCKY MOUNT  
MEALS TAX COLLECTIONS

Month	Collections
Feb-16	99,134
Mar-16	117,536
Apr-16	125,165
May-16	124,133
Jun-16	124,265
Jul-16	126,812
Aug-16	115,737
Sep-16	119,407
Oct-16	120,915
Nov-16	126,512
Dec-16	112,194
Jan-17	127,602
Feb-17	105,380
Mar-17	113,755
Apr-17	123,775
May-17	124,351
Jun-17	128,601
Jul-17	136,527
Aug-17	120,248
Sep-17	119,236
Oct-17	124,629
Nov-17	126,641
Dec-17	114,825
Jan-18	128,340

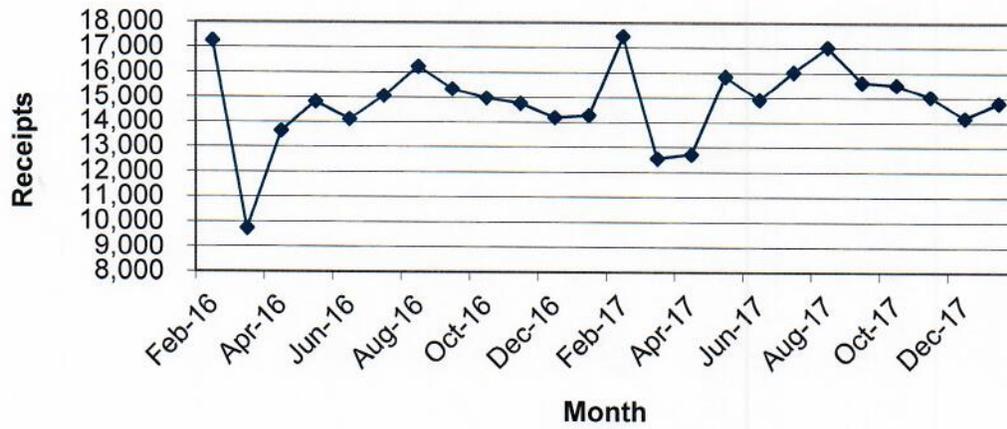
**Meals Tax Collections**



Town of Rocky Mount  
Local Sales Tax

Feb-16	17,249
Mar-16	9,733
Apr-16	13,632
May-16	14,819
Jun-16	14,114
Jul-16	15,067
Aug-16	16,242
Sep-16	15,351
Oct-16	14,977
Nov-16	14,766
Dec-16	14,186
Jan-17	14,275
Feb-17	17,453
Mar-17	12,547
Apr-17	12,710
May-17	15,859
Jun-17	14,918
Jul-17	16,034
Aug-17	17,021
Sep-17	15,631
Oct-17	15,529
Nov-17	15,043
Dec-17	14,180
Jan-18	14,793

Local Sales Tax



**TOWN OF ROCKY MOUNT  
EXPENDITURE COMPARISONS  
AS OF JANUARY 31, 2018**

ACTIVITY	MONTH		YEAR TO DATE		BUDGET	% OF BUDGET
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	THIS YEAR
<b>GENERAL FUND:</b>						
Mayor & Council	7,425	4,984	43,649	47,824	78,832	55.37%
Town Manager	19,108	19,371	137,922	135,531	251,239	54.90%
Town Attorney	-	-	19,061	11,844	36,745	51.87%
Finance Department	25,447	24,826	210,512	207,373	353,287	59.59%
Electorial Board	-	-	-	-	2,900	0.00%
Police Department	154,508	129,301	1,119,142	1,057,951	2,158,082	51.86%
Volunteer Fire Dept.	23,889	16,736	93,862	67,867	179,871	52.18%
Public Works Admin.	8,131	9,597	62,973	77,671	111,722	56.37%
Street Lights	8,650	11,190	52,406	58,516	112,633	46.53%
Traffic Control & Parking	2,566	63,175	60,715	149,320	676,999	8.97%
Streets	43,296	43,960	565,787	308,069	983,515	57.53%
Sidewalks & Curbs	-	-	10,327	1,049	50,869	20.30%
Scuffling Hill Drainage	-	-	-	7,685	-	0.00%
Bernard Rd Drainage	-	-	-	11,250	119,092	0.00%
Angle Bridge	1,030	-	4,901	-	150,000	3.27%
Street Cleaning	-	-	4,611	1,142	19,388	23.78%
Refuse Collection	8,436	7,029	105,309	59,019	204,751	51.43%
Snow Removal	172	9,953	42,469	18,910	74,586	56.94%
Municipal Building	17,451	36,678	75,526	98,449	72,012	104.88%
Emergency Services Bldg.	9,904	3,663	55,287	40,295	62,412	88.58%
Public Works Building	4,121	2,971	19,855	13,437	28,305	70.15%
Cemetery	-	2,162	13,129	50,291	19,198	68.39%
Playgrounds	143	2,231	71,507	40,230	42,874	166.78%
Celeste Park	-	-	-	-	5,245	0.00%
Gilley's Park	-	-	13,678	-	35,000	39.08%
Impound Lot	-	-	81,811	-	44,216	185.03%
Mary Elizabeth Park	-	-	32,530	-	80,000	40.66%
Veterans Memorial Park Erosion	-	141,350	51,473	266,318	4,208	1223.21%
Planning & Zoning	9,660	18,860	62,317	77,851	140,372	44.39%
Community Development	18,639	15,642	137,355	117,132	288,223	47.66%
Citizen's Square	992	1,668	7,788	11,455	270,351	2.88%
Hospitality Center	762	899	14,362	15,279	31,013	46.31%
Passport Services Expenses	5	235	819	785	2,210	37.07%
Economic Development Authority	447	-	1,339	1,247	15,960	8.39%
Remediation of Blighted Structures	-	1,086	1,440	8,591	15,000	9.60%
<b>Non-Departmental:</b>						
Wages & Fringes	1,618	1,725	31,462	35,644	62,307	50.50%
Employee Wellness Program	-	-	420	750	3,900	10.77%
Employee Drug Testing	173	171	422	373	1,850	22.81%
Insurance	-	-	64,458	74,299	72,524	88.88%
Contributions to Others	-	-	15,450	15,450	16,500	93.64%
Debt Service-Principal	165,000	165,000	295,000	165,000	295,000	100.00%
Debt Service-Interest	29,224	17,529	52,659	78,889	59,644	88.29%
Transfer to Performance Operations	-	-	-	-	354,682	0.00%
Contingency - General Purposes	-	-	-	-	50,000	0.00%
Contingency - Supplemental Pay Adjustment	-	-	-	-	28,796	0.00%
Contingency - to reimburse fund balance	-	-	-	50,000	27,862	0.00%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>560,797</b>	<b>751,993</b>	<b>3,633,733</b>	<b>3,382,785</b>	<b>7,694,175</b>	<b>47.23%</b>

TOWN OF ROCKY MOUNT  
EXPENDITURE COMPARISONS  
AS OF JANUARY 31, 2018

ACTIVITY	MONTH		YEAR TO DATE		BUDGET	% OF BUDGET
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	THIS YEAR
<b>WATER &amp; SEWER FUND:</b>						
Water System Operation	17,587	15,584	113,273	87,039	203,979	55.53%
Meter Reading	2,665	2,118	14,562	16,865	36,140	40.29%
Water Plant	41,943	38,748	277,468	280,478	642,777	43.17%
Wastewater System Operation	4,594	5,649	51,593	67,238	177,085	29.13%
Wastewater Treatment Plant	39,397	39,393	235,711	213,095	505,364	46.64%
Utility Billing & Administration	10,577	10,912	81,857	72,839	168,871	48.47%
<b>Non-Departmental:</b>						
Wages & Fringes	-	-	4,094	4,843	-	0.00%
Insurance	-	-	21,486	24,766	25,757	83.42%
Debt Service-Principal	187,000	180,000	292,500	284,000	292,500	100.00%
Debt Service-Interest	40,636	44,093	47,571	7,876	84,647	56.20%
Contingency - Utility Operating Purposes	-	-	-	-	10,000	0.00%
Contingency - Supplemental Pay Adjustment	-	-	-	-	7,266	0.00%
Depreciation	-	-	-	-	887,992	0.00%
<b>TOTAL WATER &amp; SEWER FUND EXPENSES</b>	<b>344,399</b>	<b>336,497</b>	<b>1,140,115</b>	<b>1,059,039</b>	<b>3,042,378</b>	<b>37.47%</b>
<b>CAPITAL IMPROVEMENTS FUND:</b>						
Transfer to General Fund	-	-	-	-	-	0.00%
<b>TOTAL CAPITAL PROJECTS EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>UTILITY CAPITAL FUND:</b>						
Public Works Utility Capital Items	-	-	144,511	-	150,000	96.34%
Water System Operation	-	-	-	-	112,405	0.00%
Water Distribution Utility Projects	-	-	-	22,672	20,000	0.00%
Meter Reading Capital Equipment	-	-	-	-	19,500	0.00%
Water Leak Detection	-	-	-	3,314	-	0.00%
220 S Tank Mixer	-	-	-	380	-	0.00%
Continuous Chlorine Analyzer	-	-	-	3,373	-	0.00%
WTP Boiler & HVAC Replacement	-	-	-	15,103	-	0.00%
WTP Parking Lot Repaving	-	-	10,770	-	10,700	100.65%
Diamond Ave Water Line Replacement	3,790	-	37,900	-	540,000	7.02%
Scuffing Hill Tank Aerator	-	-	68,155	-	70,000	97.36%
Grassy Hill Upper Pump Redo	-	-	-	-	15,000	0.00%
Eclips Sample Hydrants	-	-	-	-	12,000	0.00%
Streaming Current Monitor	-	-	6,764	-	9,452	71.57%
WTP Flucculator Motor Replacement	-	-	-	-	19,500	0.00%
WTP Upgrade Controls & Programming	-	-	-	-	10,000	0.00%
WTP Pressure Valve & Plumbing	-	-	-	-	10,205	0.00%
Wastewater Collection Utility Projects	-	-	-	-	-	0.00%
Sewer Portable Smoke Machine	-	-	-	2,380	-	0.00%
Sewer Pump Stations SCADA	-	-	24,037	-	20,000	120.19%
Wastewater Rapid Assessment Tool	-	-	25,524	-	27,000	94.53%
WWTP Main Pump Station Drive	-	-	-	17,966	-	0.00%
WWTP Replace Main Pumps	-	40,455	-	40,455	-	0.00%
WWTP Replace Sampler	-	-	-	5,935	-	0.00%
WWTP Parking Lot Repairs	-	-	12,787	-	12,787	100.00%
WWTP Replace Building Heaters	-	-	-	-	1,500	0.00%
WWTP Clarifiers	-	-	-	-	114,000	0.00%
Contingency	-	-	-	-	-	0.00%
<b>TOTAL UTILITY CAPITAL EXPENDITURES</b>	<b>3,790</b>	<b>40,455</b>	<b>330,449</b>	<b>111,579</b>	<b>1,174,049</b>	<b>28.15%</b>

TOWN OF ROCKY MOUNT  
EXPENDITURE COMPARISONS  
AS OF JANUARY 31, 2018

ACTIVITY	MONTH		YEAR TO DATE		BUDGET	% OF BUDGET
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	THIS YEAR
<b>PERFORMANCE VENUE OPERATIONS:</b>						
Performance Venue Operations:						
Wages - Full Time	12,221	11,861	74,605	72,408	158,045	47.20%
Wages - Part Time	2,850	-	6,825	2,582	40,584	16.82%
Wages - Security	1,545	510	8,625	9,255	21,000	41.07%
Fringes	6,545	5,081	41,918	37,136	70,984	59.05%
Contractual Services	3,175	2,000	18,744	5,914	17,500	107.11%
Custodial Services	-	-	1,200	-	-	0.00%
Repairs & Maintenance	-	-	-	-	4,500	0.00%
Advertising	-	250	2,075	2,350	-	0.00%
Printing & Binding	-	-	-	-	-	0.00%
Licenses & Permits	766	739	766	1,078	1,200	63.83%
Postage & Delivery Services	-	51	-	51	-	0.00%
Utilities	2,653	-	12,220	-	31,165	39.21%
Communications	1,090	195	7,041	1,300	9,704	72.55%
Stipends	-	-	-	-	-	0.00%
Office Supplies	289	64	436	64	-	0.00%
Janitorial Supplies	480	-	4,094	671	-	0.00%
Furniture & Fixtures	-	-	2,927	-	-	0.00%
Data Processing Equipment	-	-	-	810	-	0.00%
Machinery & Equipment	-	14,495	-	14,495	-	0.00%
AV Equipment	-	-	-	700	-	0.00%
Merchandise for Resale	-	1,593	-	1,593	-	0.00%
<b>TOTAL PERFORMANCE VENUE EXPENSES</b>	<b>31,615</b>	<b>36,838</b>	<b>181,476</b>	<b>150,406</b>	<b>354,682</b>	<b>51.17%</b>
			7 months of the 12 month fiscal year			58.33%

TOWN OF ROCKY MOUNT  
CONTINGENCY FUNDS  
FISCAL YEAR 2018

	<u>GENERAL FUND</u>	<u>UTILITY FUND</u>	<u>UTILITY CAPITAL FUND</u>
BUDGETED CONTINGENCY - GENERAL PURPOSES COMMITTED:	50,000	10,000	60,000
WWTP CLARIFIERS (1-8-18)			(60,000)
AVAILABLE CONTINGENCY - GENERAL PURPOSES	<u>50,000</u>	<u>10,000</u>	<u>-</u>
<hr/>			
BUDGETED FOR SUPPLEMENTAL PAY ADJUSTMENTS COMMITTED:	28,796	7,266	
SUPPLEMENTAL PAY ADJUSTMENTS (12-08-17)	(18,814)	(4,094)	
AVAILABLE FOR SUPPLEMENTAL PAY ADJUSTMENTS	<u>9,982</u>	<u>3,172</u>	
<hr/>			
BUDGETED FOR REIMBURSEMENT TO FUND BALANCE COMMITTED:	27,862		
AVAILABLE FOR REIMBURSEMENT TO FUND BALANCE	<u>27,862</u>		

TOWN OF ROCKY MOUNT  
UTILITY BILLING  
WATER CONSUMPTION PERCENTAGES  
FOR THE MONTH OF JANUARY 2018

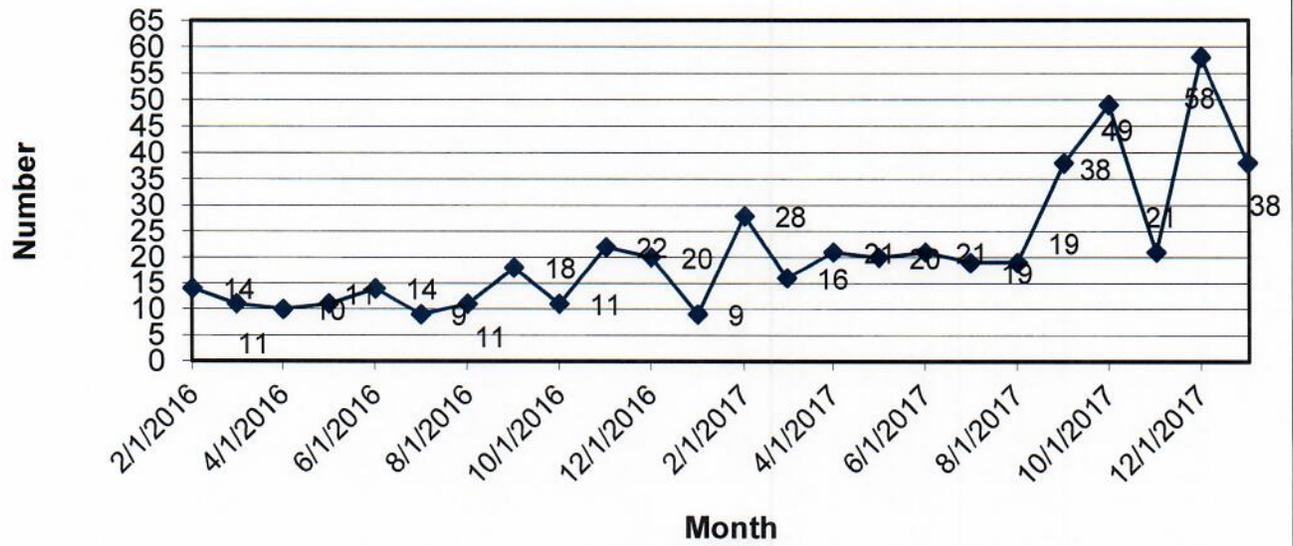
	TOTAL METERS	TOTAL GALLONS	TOTAL REVENUES	% METERS	% GALLONS	% REVENUES
<b>IN-TOWN CUSTOMERS</b>						
RESIDENTIAL	1,786	6,903,987	\$ 43,253	61%	36%	36%
COMMERCIAL	348	5,268,240	24,597	12%	28%	20%
INDUSTRIAL	49	3,566,030	\$ 12,455	2%	19%	10%
<b>TOTAL</b>	<b>2,183</b>	<b>15,738,257</b>	<b>\$ 80,306</b>	<b>74%</b>	<b>83%</b>	<b>67%</b>
<b>OUT-OF-TOWN CUSTOMERS</b>						
RESIDENTIAL	671	2,356,270	\$ 30,250	23%	12%	25%
COMMERCIAL	76	907,060	\$ 9,499	3%	5%	8%
INDUSTRIAL	2	11,000	\$ 121	0%	0%	0%
<b>TOTAL</b>	<b>749</b>	<b>3,274,330</b>	<b>\$ 39,870</b>	<b>26%</b>	<b>17%</b>	<b>33%</b>
				100%	100%	100%
<b>GRAND TOTAL (ALL CUSTOMERS)</b>						
RESIDENTIAL	2,457	9,260,257	\$ 73,503	84%	49%	61%
COMMERCIAL	424	6,175,300	\$ 34,096	14%	32%	28%
INDUSTRIAL	51	3,577,030	\$ 12,577	2%	19%	10%
<b>TOTAL</b>	<b>2,932</b>	<b>19,012,587</b>	<b>\$ 120,176</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

TOWN OF ROCKY MOUNT  
UTILITY BILLING  
PERCENT CONSUMPTION & PERCENT REVENUE  
PER CUSTOMER CLASS  
FISCAL YEAR 2018

Month	In Town								Out of Town							
	Residential		Commercial		Industrial		Total		Residential		Commercial		Industrial		Total	
	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.
Jul-17	34%	34%	31%	23%	19%	11%	84%	68%	11%	24%	5%	8%	0%	0%	16%	32%
Aug-17	33%	35%	32%	23%	18%	10%	83%	67%	12%	25%	4%	7%	0%	0%	17%	33%
Sep-17	31%	33%	33%	24%	19%	12%	84%	69%	11%	23%	5%	8%	0%	0%	16%	31%
Oct-17	31%	29%	35%	36%	18%	9%	85%	73%	11%	20%	5%	7%	0%	0%	15%	27%
Nov-17	33%	34%	31%	22%	19%	11%	83%	67%	12%	25%	4%	8%	0%	0%	17%	33%
Dec-17	35%	35%	30%	21%	17%	10%	82%	66%	12%	24%	6%	9%	1%	1%	18%	34%
Jan-18	36%	36%	28%	20%	19%	10%	83%	67%	12%	25%	5%	8%	0%	0%	17%	33%
Feb-18																
Mar-18																
Apr-18																
May-18																
Jun-18																
Average	33%	34%	31%	24%	18%	10%	83%	68%	12%	24%	5%	8%	0%	0%	17%	32%

\*\*\*NOTE: The above chart shows the breakdown of in-town customer gallons and revenues vs. out-of-town. It also breaks those gallons & revenues into residential, commercial, and industrial customers for FY 2018 (year ended 6/30/18).

### Number of Water Cut-off's



TOWN OF ROCKY MOUNT  
WATER ACCOUNTABILITY  
December-17

Water Plant Finished Water Pumped (Dec 6 - Jan 5) (meters read 1/2 - 1/8)		<u>22,298,908</u>
Water Consumption Billed	19,012,587	
Water Plant Process	627,000	
Flushing Water Lines, Hydrants, Tanks	75,000	
Water Obtained from Water Plant (to bill)	-	
Water Obtained from Public Works Hydrant (to bill)	-	
Bulk Water Used at Public Works Shop	6,050	
Flow Meter Checks at Hydrants	-	
Meters Read and Not Billed	130,420	
Grand Total of Water Metered / Consumed / Tracked		<u>19,851,057</u>
Percent Finished Water Accounted		89.02%

Meters Read and Not Billed

001-0122-10-01	Mary Bethune Park	-	
001-0188-00-01	Impound Lot (old)	-	
002-0317-20-01	Public Works Bldg	20	
002-0317-30-01	Public Works Bldg-new bldg	1,000	
004-1067-00-01	Veteran's Memorial Park	100	
005-1300-00-01	Mary Elizabeth Park	-	
005-1343-10-01	Harvester Performance Cente	6,000	
005-1384-00-01	Farmer's Market	2,800	
005-1457-00-01	Municipal Bldg.	2,000	
006-1710-00-01	Welcome Center / Depot	500	
009-2523-50-01	Emergency Services Bldg.	8,000	
009-2538-70-01	Impound Lot (new)	-	
011-0050-90-01	Rt 122 Pump Station	-	
041-0034-00-01	WasteWater Treatment Plant	110,000	

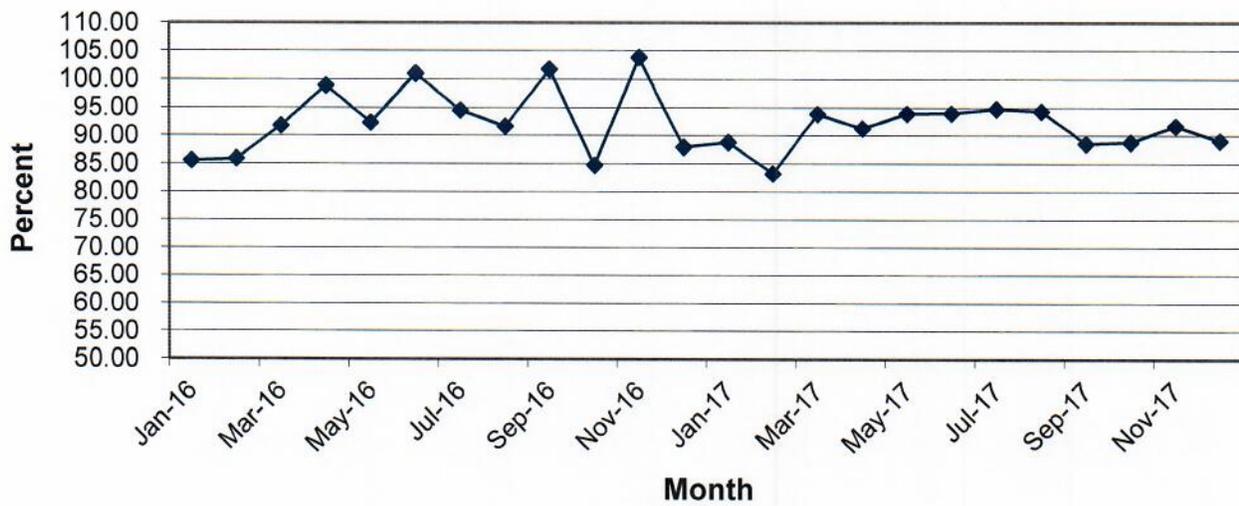
TOTAL Meters Not Billed		<u>130,420</u>
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Water Line Repairs by Public Works during the month:  
repaired 4 water mains

Sewer Line Repairs by Public Works during the month:  
repaired or unplugged 3 sewer mains or laterals

TOWN OF ROCKY MOUNT						
WATER ACCOUNTABILITY						
FISCAL YEAR 2018						
	Finished	Total		Monthly	Average	Average
	Water	Water	Percent	Monthly	Accounted	Monthly
	Treated	Gallons	Accounted	Gallons	Variance	Variance
Month		Accounted	Accounted	Variance	per Quarter	per Quarter
Jul-17	22,293,511	21,123,700	94.75%	1,169,811		
Aug-17	26,629,355	25,124,130	94.35%	1,505,225		
Sep-17	23,773,553	21,045,650	88.53%	2,727,903	92.54%	1,800,979.67
Oct-17	24,529,056	21,785,193	88.81%	2,743,863		
Nov-17	23,524,013	21,569,839	91.69%	1,954,174		
Dec-17	22,298,908	19,851,057	89.02%	2,447,851	89.84%	2,381,962.67
Jan-18				-		
Feb-18				-		
Mar-18				-	0.00%	-
Apr-18				-		
May-18				-		
Jun-18				-	0.00%	-
AVG.	23,841,399	21,749,928	91.19%	2,091,471	91.19%	2,091,471
TOTAL	143,048,396	130,499,569		12,548,827		
Monthly Avg. Percent Unaccounted =			8.81%			
Monthly Avg. Percent Accounted =			91.19%			
6 out of 6 months this fiscal year > 80% accountability						

### Water Accountability %



**TOWN OF ROCKY MOUNT  
UTILITY PROFILE  
FISCAL YEAR 2018**

Month	Plant Hrs.	Raw Water Drawn	Monthly Avg. % of capacity	Finished water Treated	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-17	306.90	25,710,000	41.47%	22,293,511	35.96%	21,123,700	94.75%	2,923	18,600,000	30.00%	14,777,950	79.45%
Aug-17	306.90	25,720,000	41.48%	26,629,355	42.95%	25,124,130	94.35%	2,930	18,817,000	30.35%	18,184,920	96.64%
Sep-17	291.00	24,540,000	40.90%	23,773,553	39.62%	21,045,650	88.53%	2,930	19,410,000	32.35%	23,007,490	118.53%
Oct-17	297.60	24,590,000	39.66%	24,529,056	39.56%	21,785,193	88.81%	2,936	19,964,000	32.20%	16,364,540	81.97%
Nov-17	288.00	23,460,000	39.10%	23,524,013	39.21%	21,569,839	91.69%	2,936	18,360,000	30.60%	15,860,960	86.39%
Dec-17	288.30	23,470,000	37.85%	22,298,908	35.97%	19,851,057	89.02%	2,932	19,251,000	31.05%	15,318,360	79.57%
Jan-18	319.30	26,620,000	42.94%		0.00%					0.00%		
Feb-18			0.00%		0.00%					0.00%		
Mar-18			0.00%		0.00%					0.00%		
Apr-18			0.00%		0.00%					0.00%		
May-18			0.00%		0.00%					0.00%		
Jun-18			0.00%		0.00%					0.00%		
<b>AVG.</b>	<b>299.71</b>	<b>24,872,857</b>	<b>40.49%</b>	<b>23,841,399</b>	<b>38.88%</b>	<b>21,749,928</b>	<b>91.19%</b>	<b>2,931</b>	<b>19,067,000</b>	<b>31.09%</b>	<b>17,252,370</b>	<b>108.51%</b>

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

<b>DATE:</b>	February 12, 2018
<b>TO:</b>	Rocky Mount Town Council
<b>FROM:</b>	Jeff Rakes
<b>DEPARTMENT:</b>	<b>Fire Department</b>
<b>MONTH:</b>	December 2017

The Rocky Mount Fire Department had a total of 46 calls during the month of December 2017. This was a very busy month to end the year. There were 22 calls inside town limits and 24 outside town limits.

The Fire Department vehicles traveled a total of 1,332 miles answering all of these calls. A total of 42 gallons of gasoline and 129 gallons of diesel fuel were used.

Of the 46 calls there was:

- 3 - Structure Fires
- 1 - Motor Vehicle Fire
- 4 - Woods & Grass Fires
- 3 - Chimney Fires
- 5 - Utilities Fires
- 18 - Motor Vehicle Accidents
- 1 - False Alarm
- 1 - Smoke Alarm
- 7 - Fire Alarms
- 1 - Service Call
- 2 - Smoke/Odor Removals
- 1 - Assist Squad / PD

The members of the Rocky Mount Fire Department trained for a total of 15 hours during the month of December 2017.

## MONTHLY STAFF REPORT

<b>DATE:</b>	February 12, 2018
<b>TO:</b>	Rocky Mount Town Council
<b>FROM:</b>	Chief Ken E. Criner, Jr.
<b>DEPARTMENT:</b>	<b>Police Department</b>
<b>MONTH:</b>	January 2018

Rocky Mount Police Department obtained and executed four drug related search warrants that netted multiple stolen firearms, narcotics and methamphetamine. Resulting in fourteen (14) felony warrants!

RMPD had two new officer's start at Cardinal Criminal Justice Academy on January 2<sup>nd</sup>, 2018.

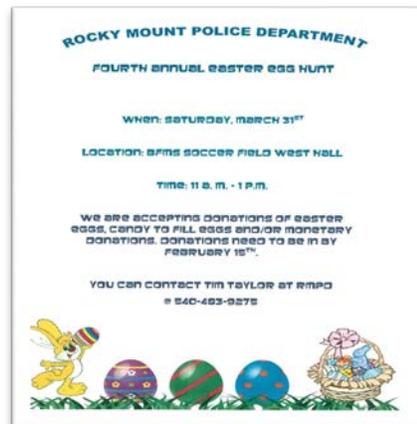
Chief Criner attended the Martin Luther King Breakfast at the Pigg River Community Center on January 15<sup>th</sup>, 2018.

Tyler Lee w/Carilion Hospital and Community Resource Officer Tim Taylor gave a presentation at Tanyard Village on drug deactivation kits that Carilion furnished on January 24<sup>th</sup>, 2018



We have kicked off our drive for Fourth Annual Easter Egg Hunt for 2018.

Please see attached report for more information and activities for the RMPD during the month of January 2018!



ROCKY MOUNT POLICE DEPARTMENT  
MONTHLY REPORT TO COUNCIL

ADM #1

DATE: January 2018

NOV.

DEC.

JAN.

	NOV.	DEC.	JAN.
UNIFORM TRAFFIC SUMMONS ISSUED	93	102	104
TRAFFIC STOPS	172	161	190
SPEEDING TICKETS ISSUED	34	25	16
DUI	2	5	2
COLLISIONS INVESTIGATED (TREDS)	13	21	17
MOTORIST AIDES	61	74	55
CRIMINAL ARRESTS "MISDEMEANOR"	28	35	28
CRIMINAL ARRESTS "FELONY"	7	22	44
INCIDENTS ADDRESSED	2759	2989	3179
INCIDENTS, OFFENSES REPORTABLE IN "RMS"	67	82	90
GRAND LARCENY WARRANTS	2	3	0
BREAKING & ENTERING REPORTS	2	1	0
BREAKING & ENTERING WARRANTS	0	0	0
BOLO'S (Be On Look Out)	73	74	46
FOLLOW-UP'S	70	63	91
BUSINESSES, RESIDENCES CHECKED "FOOT PATROLS"	1858	1965	2240
SCHOOL CHECKS	112	88	96
ALARM RESPONSES	28	35	41
OPEN DOORS, WINDOWS, ETC. UNSECURED	3	2	9
COURT HOURS	28	21.75	27.75
TRAINING HOURS:	43.5	28.5	390.5
SPECIAL ASSIGNMENT HOURS:	43.5	118	53.5
HARVESTER HOURS WORKED:	40	44	40
ECO/TDO	3	6	5
ECO/TDO HOURS:	10.5	21.25	19.25

## 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 17 reportable accidents with 17 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, Eagle Cinema, Edward Johnson Investment, El Rio, El Rodeo, Empire Foods, Enterprise Rent-A-Car, Essig Center, Family Dollar, Family Pharmacy, 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, Franklin Outdoors, 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, J & J Fashions, 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, Olympia Sports, 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:**

- January 5<sup>th</sup>, 2018 - Open Door “Lowe’s”
- January 12<sup>th</sup>, 2018 - Open Door “Lowe’s”
- January 13<sup>th</sup>, 2018 - Open Door “McCall’s Insurance”
- January 15<sup>th</sup>, 2018 - Attended “Martin Luther King Breakfast”
- January 15<sup>th</sup>, 2018 - Open Door “FCHS”
- January 20<sup>th</sup>, 2018 - Open Door “Train Depot”
- January 21<sup>st</sup>, 2018 - Open Door “Franklin Welding”
- January 22<sup>nd</sup>, 2018 - Open Door “Dollar General”
- January 28<sup>th</sup>, 2018 - Open Door “Frank’s Pizza”
- January 29<sup>th</sup>, 2018 - Open Door “Train Depot”

**SPEEDING TICKETS ISSUED**

Tanyard Road (x 9)

North Main Street (x 2)

Patterson Avenue (x 2)

Bernard Road

Frontage Road

Grassy Hill Road

**CRIMINAL ARRESTS & LOCATIONS:**

Possession of Meth w/ Intent to Distribute

North Main Street

Possession of Meth w/ Intent to Distribute

Harvey Street

Possession of Meth

West College Street

Possession of Meth

Old Franklin Turnpike

Possession of Meth

Harvey Street

Possession of Heroin w/ Intent to Distribute

North Main Street

Possession of Heroin

Powder Creek Lane

Distribution of Cocaine	Pendleton Street (x 2)
Possession of Cocaine	Powder Creek Lane
Possession of Cocaine	North Main Street
Possession of Marijuana w/ Intent to Distribute	Member One Way
Distribution of Marijuana on School Grounds	North Main Street
Possession of Marijuana	North Main Street (x 7)
Possession of Marijuana	Bernard Road
Possession of Marijuana	Harvey Street
Possession of Marijuana	Old Franklin Turnpike
Possession of Xanax	Member One Way
Possess a Firearm While In Possession of Cocaine	Pendleton Street (x 2)
Possess a Firearm While In Possession of Meth	West College Street
Possession of a Firearm by a Convicted Felon	Pendleton Street (x 2)
Possession of a Firearm by a Convicted Felon	Sycamore Street
Possession of a Firearm by a Convicted Felon	North Main Street
Concealment of a Stolen Firearm	North Main Street
Carry a Concealed Weapon	Member One Way
Carry a Concealed Weapon	West College Street
Driving Under the Influence	Scuffling Hill Road
Driving Under the Influence	Old Franklin Turnpike
Drunk In Public	Old Franklin Turnpike (x 2)
Refusal of Blood/Breath Test	Old Franklin Turnpike
Simple Assault	North Main Street
Domestic Assault	Fairlawn Drive (x 2)
Domestic Assault	Montview Avenue
Violate Protective Order	Hatcher Street
Utter a Fraudulent Check	Harvey Street

Failure to Report an Accident	Old Franklin Turnpike
Accessory to Property Damage	Old Franklin Turnpike
Obstruction of Justice	Tanyard Road
Obstruction of Justice	Old Franklin Turnpike
Give False Identity to Officer to Avoid Arrest	Old Franklin Turnpike
Trespassing	Tanyard Road
Warrant Service (Felony)	North Main Street (x 6)
Warrant Service (Felony)	Law Street (x 3)
Warrant Service (Capias)	North Main Street (x 2)
Warrant Service (Capias)	Circle Drive
Warrant Service (Capias)	Harvey Street
Warrant Service (Capias)	Hatcher Street
Warrant Service (Capias)	Pendleton Street
Warrant Service (Capias)	East Court Street
Warrant Service (Capias)	Old Furnace Road
Warrant Service (Capias)	Old Franklin Turnpike
Warrant Service (Warrant of Extradition)	Circle Drive
Warrant Service (Misdemeanor)	Pell Avenue
Warrant Service (Misdemeanor)	Hatcher Street
Emergency Custody Order	South Main Street
Temporary Detention Order	Floyd Avenue
Temporary Detention Order	Hatcher Street

## MONTHLY STAFF REPORT

<b>DATE:</b>	February 12, 2018
<b>TO:</b>	Rocky Mount Town Council
<b>FROM:</b>	Brian Schofield, Public Works Superintendent
<b>DEPARTMENT:</b>	<b>Public Works Department</b>
<b>MONTH:</b>	January 2018

1. Read meters (5 days)
2. Installed Nine 5/8" meters
3. Meter repairs: replaced touch pads, trimmed bushes, gasket leaks, and cleanouts
4. Meter cutoffs: 39
5. Clean-up 5 days
6. Swept streets
7. Cut trees along roads, sidewalks and parks
8. Repaired or unplugged four sewer Mains or laterals
9. Repaired eight water mains
10. Repaired many broken or frozen water meters and service lines
11. Repaired and replaced signs
12. Removed all the Christmas decorations from the holiday season.
13. Had one major snow event, two different mornings of ice.

## MONTHLY STAFF REPORT

<b>DATE:</b>	February 12, 2018
<b>TO:</b>	Rocky Mount Town Council
<b>FROM:</b>	Tim Burton
<b>DEPARTMENT:</b>	<b>Waste Water Treatment Plant</b>
<b>MONTH:</b>	January

Average Daily Flow	0.909 MGD
TSS Reduction	99.1 %
BOD Reduction	99.7 %
Leachate (F.C. Landfill)	124,334 gallons
VPDES Violations	None
Sludge (Land filled @ F.C.)	55.96 Tons
Rain Total      2.21 inches	Snow Total      4.0 inches

The staff has taken advantage of the pretty days to work on sewer line inspections with the SL-RAT.

The new clarifier drives are suppose to ship the first part of February and then the repair crew is to be in to install at the end of February.

The wastewater plant had 1 after hours alarm.

Respectfully Submitted,

Timothy Burton

## MONTHLY STAFF REPORT

<b>DATE:</b>	February 12, 2018
<b>TO:</b>	Rocky Mount Town Council
<b>FROM:</b>	Bob Deitrich, Water Plant Superintendent
<b>DEPARTMENT:</b>	<b>Water Department</b>
<b>MONTH:</b>	January 2018

### **Operation and Production Summary:**

The actual water production time (filtering of water) for the entire month averaged 10.3 hours a day which yielded approximately 820,000 gallons of water per day. This is almost 100,000 gallons per day above Decembers, which is due to a number of leaks that occurred during the deep freeze in January. Production fell back to normal during the last week of the month. Rainfall was 2 inches of rain and another 2 inches of snow, as measured at the water treatment plant. Backwater River flow continues to be adequate for normal operation.

Total Raw Water Pumped:	26.62 million gallons
Total Drinking Water Produced:	25.42 million gallons
Average Daily Production:	820,000 gallons per day
Ave Percent of Production Capacity:	41%
Flushing of Hydrants/Tanks/FD Use:	1,000,000 gallons (Multiple Leaks due to cold weather)
Plant Process Water:	737,000 gallons (finished water used by the plant)
Bulk Water Sold @ WTP:	None
Bulk Water used at PW Shop	7,150 gallons

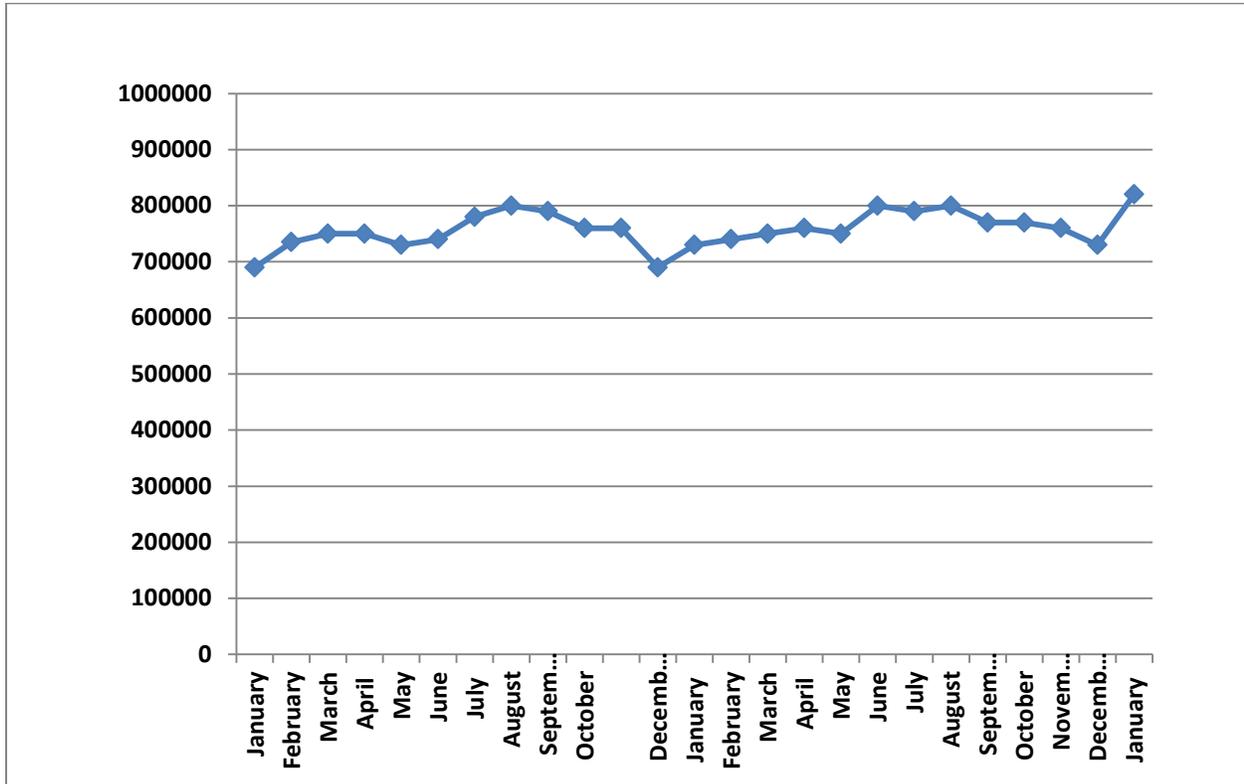
### **Testing:**

- All monthly routine bacteriological samples were free of bacteria. The Town continues to be in compliance with all drinking water standards, in accordance with EPA requirements.
- Our annual samples were collected and analyzed in January. Annual samples encompass groups of possible contaminants such as metals, volatile chemicals and organic compounds such as nitrates. All results indicate we continue to make top notch quality water.

### **Activities / Maintenance / Improvements**

- The extremely cold weather, generally speaking, did not affect the water plant. We had to thaw some outside equipment somewhat routinely but nothing was damaged. The lower pump station had a relief valve fail and we lost roughly 200,000 gallons of water but repairs have been made.
- Staff dealt with minor emergencies and equipment repairs. We installed a new feed pump for our coagulant and it is working much more consistently than the old one. We handled a minor electronics repair on our own related to the SCADA system which saved at least \$500 and we performed some preventative maintenance on our anti ice aerator to get it ready for the next deep freeze.

## Water Plant Production in Gallons Per Day (January 2016 to January 2018)



ITEM(S) TO BE CONSIDERED UNDER:

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

FOR COUNCIL MEETING DATED:	February 12, 2018
----------------------------	-------------------

STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	<p>This year's capital budget includes replacing a failing water line on Diamond Avenue.</p> <p>Bids were received on January 25, 2018 and Concrete Foundations, Inc. was the apparent low bidder at \$399,410.50. A bid summary and notice from the Town's Engineers is included.</p> <p>Staff asks Council's approval to issue a "Notice to Proceed" and enter into an agreement for the completion of the work with Concrete Foundations, Inc.</p>
ACTION NEEDED:	Authorize the Town Manager to issue a notice to proceed and enter into an agreement for the project.

Attachment(s): yes

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

Michael S. Agee  
Steven A. Campbell  
Randy W. Beckner  
Bradley C. Craig  
Wm. Thomas Austin  
David P. Wilson  
James B. Voso  
Randy L. Dodson  
Chad M. Thomas



Edwin K. Mattern, Jr. (1949-1982)  
Sam H. McGhee, III (Retired)  
Gene R. Cress (1935-2014)  
Stewart W. Hubbell (Retired)  
J. Wayne Craig (Retired)

February 7, 2018

Mr. Matt Hankins  
Assistant Town Manager  
Town of Rocky Mount  
345 Donald Avenue  
Rocky Mount, VA 24151

RE: Diamond Avenue Waterline Replacement  
M&C Commission No: 3792

Dear Matt:

Bids were received on the referenced project on January 25, 2018 (2:00 pm deadline) by the Town of Rocky Mount. The bids were publicly opened and read aloud shortly thereafter.

A total of four (4) bids were received. A tabulation of the bids is attached for your records. The apparent low bidder is Concrete Foundations, Inc. with a total unit price bid of \$389,410.50. A review of the bid revealed a mathematical error in the summation of the unit price totals. Based on Section 14.01.C of the Instructions to Bidders, which addresses unit price bid discrepancies, the correct unit price total bid is actually \$399,410.50. Concrete Foundations, Inc. has acknowledged the math error. Mattern & Craig's construction cost estimate for the project was \$448,600.00. Concrete Foundations, Inc. is a licensed Virginia Contractor (#2705057101). Our firm has not worked directly with Concrete Foundations, Inc. on past projects. However, we have spoken directly with references provided, and all had positive remarks concerning their work. Past projects appear to have been performed on schedule and with minimal problems.

Based on our review of the bids, we hereby recommend award of the contract to Concrete Foundations, Inc. in the amount of \$399,410.50. Our firm can prepare the Notice of Award and Agreement once you are ready to proceed.

Sincerely,

MATTERN & CRAIG

A handwritten signature in black ink, appearing to read 'R. Kincer', is written over a horizontal line.

Ryan P. Kincer, P.E.  
Project Manager

**Bid Tabulation**  
**For**  
**Diamond Avenue Waterline Replacement Project**  
**Town of Rocky Mount**  
**January 25, 2018 @ 2:00 p.m.**  
**Commission No. 3792**

Contractor	Bid Security (5%)	Receipt of Addendum #1	Total Bid (Unit Sum)
Aaron J. Conner General Contractors			Did not submit
Alleghany Construction			Did not submit
Central Builders Inc.	✓	✓	\$906,512.00
Concrete Foundations, Inc.	✓	✓	\$399,410.50*
DLB Enterprises, LLC	✓	✓	\$741,481.00
Prillaman & Pace, Inc.	✓	✓	\$446,177.00

\*Mathematical error in summation of unit price totals. Total resolved according to Section 14.01.C of the Instructions to Bidders. Original total bid price was \$389,410.50.

ITEM(S) TO BE CONSIDERED UNDER:

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

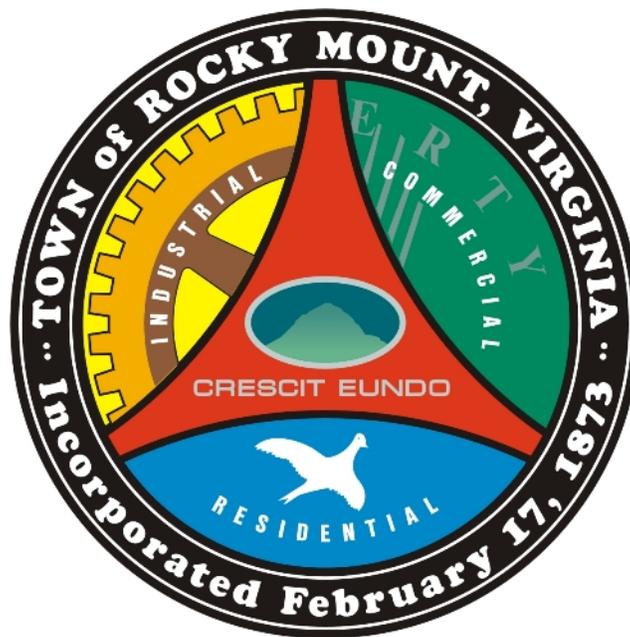
FOR COUNCIL MEETING DATED:	February 12, 2018
----------------------------	-------------------

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, 2017.  Emily Veirs with the audit firm Robinson, Farmer, Cox Associates will be here to formally present the annual report. They will also be at the Finance Committee meeting scheduled for 6:00 p.m. on Monday, February 12, 2018.
ACTION NEEDED:	Accept the audited financial statements.

Attachment(s): The 2017 CAFR was previously received.

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

**TOWN OF ROCKY MOUNT, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2017**



Prepared by the Finance Director/Treasurer

**TOWN OF ROCKY MOUNT, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2017**

---

Prepared by the Finance Director/Treasurer

TOWN OF ROCKY MOUNT, VIRGINIA  
 FINANCIAL REPORT  
 FISCAL YEAR ENDED JUNE 30, 2017

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TOWN OF ROCKY MOUNT, VIRGINIA  
 FINANCIAL REPORT  
 FISCAL YEAR ENDED JUNE 30, 2017

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## INTRODUCTORY SECTION

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TOWN OF ROCKY MOUNT, VIRGINIA

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DIRECTORY OF PRINCIPAL OFFICIALS

TOWN COUNCIL

---

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

APPOINTED OFFICIALS

---

C. James Ervin ..... Town Manager  
John T. Boitnott ..... Town Attorney  
Linda P. Woody ..... Finance Director/Treasurer  
Rebecca H. Dillon ..... Town Clerk



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

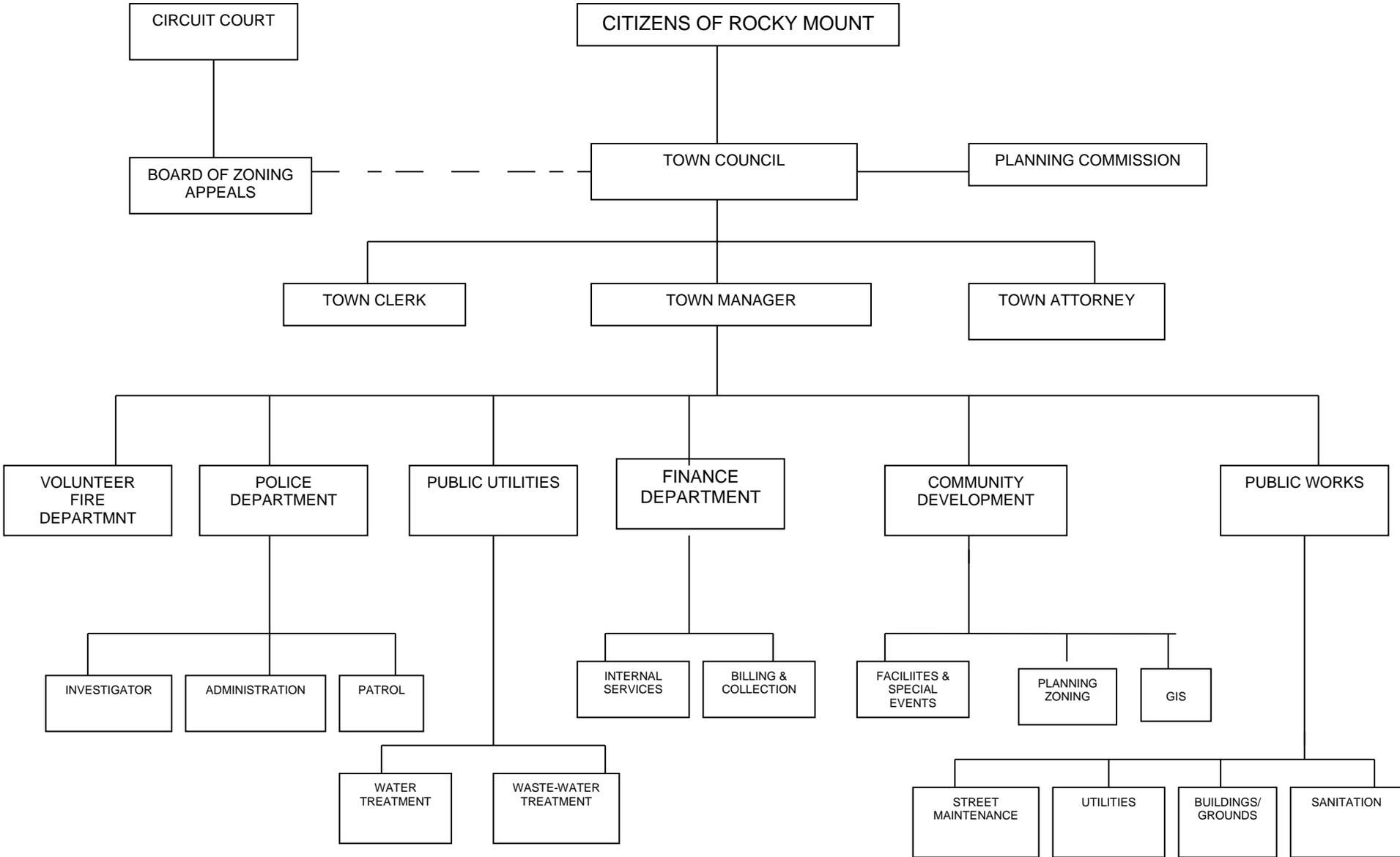
**Town of Rocky Mount  
Virginia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

TOWN OF ROCKY MOUNT, VIRGINIA – ORGANIZATIONAL CHART

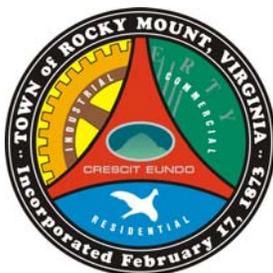




Town of Rocky Mount  
345 Donald Avenue  
Rocky Mount, Virginia 24151

540.483.5243  
FAX 540.483.8830

E-mail: [jervin@rockymountva.org](mailto:jervin@rockymountva.org)  
[www.rockymountva.org](http://www.rockymountva.org)



TOWN COUNCIL  
Steven C. Angle, *Mayor*  
Gregory B. Walker, *Vice Mayor*

Bobby M. Cundiff      P. Ann Love  
Jon W. Snead          Bobby L. Moyer  
Billie W. Stockton

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

November 13, 2017

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, 2017.

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, 2017, 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, 2017, 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 by May 1. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the Town of Rocky Mount's fiscal year. The appropriated budget is prepared by fund (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 housing developments. Because of these up-turns in employment and housing opportunities, Town residents are beginning 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, 2017 is 4.2%, which is a slight decrease from the annual rate of 4.3% a year ago according to the Virginia Employment Commission. The state's average unemployment rate as of June 30, 2017 is

3.9% and the national average rate is 4.5%. 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 2017. The last modest increase in the usage fee for water was implemented in February 2016, but none during fiscal year 2017. Water consumption has remained stable for the fiscal year.

Rocky Mount is the eastern gateway to the Crooked Road, Virginia's Heritage Music Trail. Four 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 third 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 three years, 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. At the end of fiscal year 2017, the Harvester Performance Center showed a small profit meeting its self-sufficiency goal earlier than expected.

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 2017.

#### 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 eleven 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 unflinching 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

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## FINANCIAL SECTION

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

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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, 2017, 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, 2017, 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.

## *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 11-18, 80, and 81-85, 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.

### *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 13, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Rocky Mount, Virginia, Virginia's internal control over financial reporting and compliance.

*Proliner, Fauer, Cox Associates*

Blacksburg, Virginia  
November 13, 2017

## 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, 2017. 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 \$29,319,011 (net position). Of this amount, \$7,305,420 (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 \$154,491. This increase is due to eliminating two projects (Scuffling Hill drainage improvements and Bernard Road drainage improvements budgeted at \$567,000).
- As of the close of the current fiscal year, the Town's governmental funds reported an ending fund balance of \$8,302,176, an increase of \$73,621 in comparison with the prior year. 94.40% 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 funds reported an ending net position of \$9,734,253, an increase of \$749,036 in comparison with the prior year (Exhibit 1).
- The Town's total outstanding debt increased \$1.5 million due to a new bond issue in this fiscal year to fund the purchase of public safety radios, to stabilize the Veterans Park river bank, two drainage projects and the purchase of equipment for Public Works.
- The net position of the Harvester Performance Center, the component unit, is \$2,309,316, a decrease of \$7,416 from the prior fiscal year (Exhibit 1).
- The general fund revenues were less than the final budgeted amount by \$372,624 (5.6%). Actual expenditures were \$2,392,385 (25.2%) 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 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 fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its water and wastewater departments. 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 statement.

**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 \$29,319,011 at the close of the most recent fiscal year.

By far the largest portion of the Town’s net position, \$21,561,827 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 position of \$7,305,420 may be used to meet the government’s obligations to citizens and creditors.

	<b>The Town’s Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Government</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 10,447,724	\$ 9,246,070	\$ 2,373,136	\$ 1,087,540	\$ 12,820,860	\$ 10,333,610
Capital assets	14,879,952	14,045,878	11,524,078	12,095,741	26,404,030	26,141,619
Total assets	<u>25,327,676</u>	<u>23,291,948</u>	<u>13,897,214</u>	<u>13,183,281</u>	<u>39,224,890</u>	<u>36,475,229</u>
Deferred outflows	727,538	365,127	167,580	90,972	895,118	456,099
Long-term liabilities	5,124,682	3,138,577	4,086,239	4,313,221	9,210,921	7,451,798
Other liabilities	1,345,618	256,835	141,219	153,443	1,486,837	410,278
Total liabilities	<u>6,470,300</u>	<u>3,395,412</u>	<u>4,227,458</u>	<u>4,466,664</u>	<u>10,697,758</u>	<u>7,862,076</u>
Deferred inflows	156	158,051	103,083	50,495	103,239	208,546
Net position						
Invested in capital assets, net of related debt	13,382,249	13,194,309	8,179,578	8,522,241	21,561,827	21,716,550
Restricted	451,764	-	-	-	451,764	-
Unrestricted	5,750,745	6,909,303	1,554,675	234,853	7,305,420	7,144,156
Total net position	<u>\$ 19,584,758</u>	<u>\$ 20,103,612</u>	<u>\$ 9,734,253</u>	<u>\$ 8,757,094</u>	<u>\$ 29,319,011</u>	<u>\$ 28,860,706</u>

**Governmental activities** – Governmental activities decreased the Town’s net position by \$594,545 because two major projects (Scuffling Hill drainage improvements and Bernard Road drainage improvements) were eliminated.

**Business-type activities** – Business-type activities increased the Town’s net position by \$749,036 because a large portion of capital funds received this fiscal year were set aside for use in future periods.

	<b>The Town’s Changes in Net Activities</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 200,187	\$ 182,919	\$ 2,581,401	\$ 2,468,788	\$ 2,781,588	\$ 2,651,707
Operating grants and contributions	1,562,401	1,591,163	-	-	1,562,401	1,591,163
General revenues						
Property taxes	1,009,816	1,004,337	-	-	1,009,816	1,004,337
Other taxes	3,151,194	3,021,209	-	-	3,151,194	3,021,209
Intergovernmental revenue unrestricted	245,240	250,549	4,000	-	249,240	250,549
Investment earnings	52,266	142,520	-	-	52,266	142,520
Other	8,965	143,156	-	-	8,965	143,156
<b>Total revenues</b>	<b>6,230,069</b>	<b>6,335,853</b>	<b>2,585,401</b>	<b>2,468,788</b>	<b>8,815,470</b>	<b>8,804,641</b>
<b>Expenses</b>						
General government	983,926	836,494	-	-	983,926	836,494
Public safety	2,374,024	2,017,134	-	-	2,374,024	2,017,134
Public works	1,743,964	1,947,796	-	-	1,743,964	1,947,796
Parks, recreation, and cultural	161,397	66,665	-	-	161,397	66,665
Community development	905,959	778,492	-	-	905,959	778,492
Interest on long-term debt	49,285	58,187	-	-	49,285	58,187
Water and wastewater	-	-	2,442,424	2,441,711	2,442,424	2,441,711
<b>Total expenses</b>	<b>6,218,555</b>	<b>5,704,768</b>	<b>2,442,424</b>	<b>2,441,711</b>	<b>8,660,979</b>	<b>8,146,479</b>
Increase (decrease) in net position before transfers	11,514	631,085	142,977	27,077	154,491	658,162
Transfers	(606,059)	33,781	606,059	(33,781)	-	-
Change in net position	\$ (594,545)	\$ 664,866	\$ 749,036	\$ (6,704)	\$ 154,491	\$ 658,162
Net position, beginning	20,103,612	19,438,746	8,757,094	8,763,798	28,860,706	28,202,544
Prior period adjustment*	75,691	-	228,123	-	303,814	-
Net position, ending	<b>19,584,758</b>	<b>20,103,612</b>	<b>9,734,253</b>	<b>8,757,094</b>	<b>29,319,011</b>	<b>28,860,706</b>

\*2016 restated – see note 20

## **Revenues and Expenses – Governmental Activities**

### **Revenues**

For the fiscal year ended June 30, 2017, revenues from governmental activities totaled \$6,230,069, a decrease of \$105,784 from the prior fiscal year due to a loan repayment in the prior fiscal year to the general fund from the Economic Development Authority of \$544,829.

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 \$3,151,194, an increase of \$129,985 from the prior fiscal year. Property taxes (real estate, personal property, machinery and tools, and public service) were \$1,009,816, an increase of \$5,479 from the prior fiscal year.

Charges for services totaled \$200,187 of the governmental activities. Garbage collection fees (\$93,563) are the largest component of charges for services.

The Town's largest intergovernmental revenue is for street maintenance (\$1,386,866). Other intergovernmental revenues include communications tax (\$184,942) and law enforcement aid (\$111,952).

Business-type revenues consist of charges to customers for water consumption and wastewater treatment. Cell tower rent (\$45,437) 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 \$328,686 to the Harvester operations.

### **Expenses**

For the fiscal year ended June 30, 2017, expenses for governmental activities totaled \$6,218,555, an increase of \$513,787 from the prior fiscal year due several capital projects. The largest two were the Veterans Park bank stabilization project for \$1,046,090 and the purchase of public safety radios for \$136,035.

General fund expenses consist of general government (Town Council, Town Manager, Town Attorney, and Finance) and were \$983,926 (15.82%). Public Safety expenses were \$2,374,024 (38.18%). Public Works expenses totaled \$1,743,964 (28.04%). Parks totaled \$161,397 (17.32%) mostly due to the capital purchase of an excavator this fiscal year. Community Development expenses were \$905,959 (14.57%). Interest expense totaled \$49,285 (1.00%).

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 \$328,686. 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 \$8,302,176 (Exhibit 3), an increase of \$73,621 in comparison with the prior year. 94.40% of the \$8,302,176, 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 \$8,244,533 (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 110% of total general fund expenditures.

The fund balance of the Town's general fund increased by \$53,768 during the fiscal year. Reserving revenues that exceeded expenditures to offset future operating costs contributed to this increase.

The fund balance of the Town's capital projects fund increased by \$19,853 during the year. The key factor to this increase is due to the loan receivable of providing a microenterprise loan of \$35,000 to a small business during the year.

**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 \$1,554,675 (Exhibit 7). This is a \$749,036 increase from the prior year due to reserving excess capital revenue for future capital projects.

## General Fund Budgetary Highlights

There was an increase of \$464,795 between the original budget and the final amended budget for revenues, and an increase of \$1,620,280 between the original and final amended budget for expenditures (Exhibit 10). The increase in expenditure budgets came from \$75,000 in contingencies for the Town's new impound lot (\$67,000) and renovations to the Police Department offices (\$8,000) and \$1,407,943 in the fund balance for the carry-over projects of Veterans Park river bank stabilization (\$1,050,000), Scuffling Hill drainage improvements (\$238,000) and Bernard Road drainage improvements (\$119,000).

## Capital Asset and Debt Administration

**Capital assets** – The Town’s investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$26,404,030 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and building improvements, infrastructure, machinery, and equipment. The total decrease in the Town’s investment in capital assets for the current fiscal year was 2.6% (a 1.4% increase for governmental activities and a 4% decrease 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:

Veterans Park bank stabilization \$1,046,090

Radios for Police and Fire \$136,035

HVAC replacement at the Water Treatment Plant \$82,288

Main pump station replacement at the Wastewater Treatment Plant \$40,455

Dump truck replacement for Public Works \$108,402

### The Town’s Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,598,952	\$ 2,598,952	\$ 189,454	\$ 189,454	\$ 2,788,406	\$ 2,788,406
Buildings and improvements	7,105,852	7,025,282	-	-	7,105,852	7,025,282
Public domain infrastructure	12,237,614	12,108,031	-	-	12,237,614	12,108,031
Distribution/transmission Systems	-	-	21,633,958	21,541,646	21,633,958	21,541,646
Water and wastewater plants	-	-	7,279,691	7,279,691	7,279,691	7,279,691
Machinery and equipment	5,142,911	4,870,754	1,428,510	1,428,510	6,571,421	6,209,948
Construction in progress	1,146,226	85,847	-	-	1,146,226	85,847
Accumulated depreciation	(13,351,603)	(12,642,988)	(19,007,535)	(18,254,244)	(32,359,138)	(30,897,232)
<b>Total</b>	<b>\$ 14,879,952</b>	<b>\$ 14,045,878</b>	<b>\$ 11,524,078</b>	<b>\$ 12,095,741</b>	<b>\$ 26,404,030</b>	<b>\$ 26,141,619</b>

**Long-term debt** – At the end of the current fiscal year, the Town had total debt outstanding of \$5,525,270. Of this amount, \$3,344,500 comprises debt backed by the full faith and credit of the government, \$2,162,000 is related to notes payable, and \$18,770 is a capital lease.

**The Town’s Outstanding Debt  
General Obligation and Notes Payable**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
General obligation	\$ 2,612,000	\$ 815,000	\$ -	\$ -	\$ 2,612,000	\$ 815,000
Revenue bonds	-	-	3,344,500	3,573,500	3,344,500	3,573,500
Capital Lease	18,770	36,569	-	-	18,770	36,569
	<u>\$ 2,180,770</u>	<u>\$ 851,569</u>	<u>\$ 3,344,500</u>	<u>\$ 3,573,500</u>	<u>\$ 5,525,270</u>	<u>\$ 4,425,069</u>

The Town’s total debt increased by \$1,100,201 (24.9%) during the fiscal year due to a \$1,512,000 bond issue for various general fund capital projects. 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](http://www.rockymountva.org).

## **Basic Financial Statements**

Town of Rocky Mount, Virginia  
Statement of Net Position  
June 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Harvester Performance Center
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 1,845,482	\$ 1,845,482	\$ 1,404,788
Investments	7,342,255	-	7,342,255	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	79,719	-	79,719	-
Accounts receivable	260,347	435,246	695,593	50
Loans receivable	57,643	-	57,643	-
Long-term receivable	742,690	-	742,690	-
Due from component unit	1,447,234	-	1,447,234	-
Due from other governmental units	55,927	2,810	58,737	-
Inventories	-	38,853	38,853	-
Prepaid items	10,145	18,620	28,765	52,795
Restricted assets:				
Cash and cash equivalents	451,764	32,125	483,889	-
Capital assets (net of accumulated depreciation):				
Land	2,598,952	189,454	2,788,406	-
Machinery and equipment	1,717,407	771,653	2,489,060	20,137
Water and wastewater plants	-	4,001,171	4,001,171	-
Buildings and improvements	3,285,957	-	3,285,957	3,167,336
Distribution/transmission systems	-	6,561,800	6,561,800	-
Public domain infrastructure	6,131,410	-	6,131,410	-
Construction in progress	1,146,226	-	1,146,226	-
Total assets	<u>\$ 25,327,676</u>	<u>\$ 13,897,214</u>	<u>\$ 39,224,890</u>	<u>\$ 4,645,106</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension contributions subsequent to measurement date	\$ 272,164	\$ 89,828	\$ 361,992	\$ 23,781
Items related to measurement of net pension liability	455,374	77,752	533,126	25,978
Total deferred outflows of resources	<u>\$ 727,538</u>	<u>\$ 167,580</u>	<u>\$ 895,118</u>	<u>\$ 49,759</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 148,782	\$ 32,446	\$ 181,228	\$ 12,169
Reconciled overdraft	1,118,969	-	1,118,969	-
Accrued liabilities	62,526	23,352	85,878	6,110
Customer deposits	-	32,125	32,125	-
Accrued interest payable	15,341	34,676	50,017	-
Amount held for others	-	18,620	18,620	-
Due to primary government	-	-	-	1,447,234
Long-term liabilities:				
Due within one year	493,157	358,448	851,605	7,946
Due in more than one year	4,631,525	3,727,791	8,359,316	912,090
Total liabilities	<u>\$ 6,470,300</u>	<u>\$ 4,227,458</u>	<u>\$ 10,697,758</u>	<u>\$ 2,385,549</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 156	\$ -	\$ 156	\$ -
Items related to measurement of net pension liability	-	103,083	103,083	-
Total deferred inflows of resources	<u>\$ 156</u>	<u>\$ 103,083</u>	<u>\$ 103,239</u>	<u>\$ -</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 13,382,249	\$ 8,179,578	\$ 21,561,827	\$ 3,187,473
Restricted				
Debt service	451,764	-	451,764	-
Unrestricted	5,750,745	1,554,675	7,305,420	(878,157)
Total net position	<u>\$ 19,584,758</u>	<u>\$ 9,734,253</u>	<u>\$ 29,319,011</u>	<u>\$ 2,309,316</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, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Harvester Performance Center
<b>PRIMARY GOVERNMENT:</b>								
Governmental activities:								
General government administration	\$ 983,926	\$ -	\$ -	\$ -	\$ (983,926)		\$ (983,926)	
Public safety	2,374,024	86,852	174,045	-	(2,113,127)		(2,113,127)	
Public works	1,743,964	93,563	1,386,866	-	(263,535)		(263,535)	
Parks, recreation, and cultural	161,397	3,375	1,490	-	(156,532)		(156,532)	
Community development	905,959	16,397	-	-	(889,562)		(889,562)	
Interest on long-term debt	49,285	-	-	-	(49,285)		(49,285)	
Total governmental activities	\$ 6,218,555	\$ 200,187	\$ 1,562,401	\$ -	\$ (4,455,967)		\$ (4,455,967)	
Business-type activities:								
Water and wastewater	\$ 2,442,424	\$ 2,581,401	\$ -	\$ -		\$ 138,977	\$ 138,977	
Total business-type activities	\$ 2,442,424	\$ 2,581,401	\$ -	\$ -		\$ 138,977	\$ 138,977	
Total primary government	\$ 8,660,979	\$ 2,781,588	\$ 1,562,401	\$ -	\$ (4,455,967)	\$ 138,977	\$ (4,316,990)	\$ -
<b>COMPONENT UNIT:</b>								
Harvester Performance Center	\$ 1,332,046	\$ 977,801	\$ -	\$ -				\$ (354,245)
Total component unit	\$ 1,332,046	\$ 977,801	\$ -	\$ -				\$ (354,245)
General revenues:								
General property taxes					\$ 1,009,816	\$ -	\$ 1,009,816	\$ -
Other local taxes:								
Bank stock taxes					228,304	-	228,304	-
Business license taxes					644,219	-	644,219	-
Consumers' utility taxes					322,765	-	322,765	-
Local sales and use taxes					180,099	-	180,099	-
Lodging taxes					184,230	-	184,230	-
Meals taxes					1,483,084	-	1,483,084	-
Cigarette taxes					108,493	-	108,493	-
Unrestricted revenues from the use of money and property					52,266	-	52,266	-
Miscellaneous					8,965	-	8,965	18,143
Contributions from Town of Rocky Mount, Virginia					-	-	-	328,686
Grants and contributions not restricted to specific programs					245,240	4,000	249,240	-
Transfers					(606,059)	606,059	-	-
Total general revenues and transfers					\$ 3,861,422	\$ 610,059	\$ 4,471,481	\$ 346,829
Change in net position					\$ (594,545)	\$ 749,036	\$ 154,491	\$ (7,416)
Net position - beginning, as restated					20,179,303	8,985,217	29,164,520	2,316,732
Net position - ending					\$ 19,584,758	\$ 9,734,253	\$ 29,319,011	\$ 2,309,316

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

Town of Rocky Mount, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2017

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Investments	\$ 7,342,255	\$ -	\$ 7,342,255
Receivables (net of allowance for uncollectibles):			
Taxes receivable	79,719	-	79,719
Accounts receivable	260,347	-	260,347
Loans receivable	-	57,643	57,643
Long-term receivable	742,690	-	742,690
Due from component unit	1,447,234	-	1,447,234
Due from other governmental units	55,927	-	55,927
Prepaid items	10,145	-	10,145
Restricted assets:			
Cash and cash equivalents	451,764	-	451,764
Total assets	<u>\$ 10,390,081</u>	<u>\$ 57,643</u>	<u>\$ 10,447,724</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 148,782	\$ -	\$ 148,782
Reconciled overdraft	1,118,969	-	1,118,969
Accrued payroll and related liabilities	62,526	-	62,526
Total liabilities	<u>\$ 1,330,277</u>	<u>\$ -</u>	<u>\$ 1,330,277</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	\$ 72,581	\$ -	\$ 72,581
Unavailable revenue - long-term receivable	742,690	-	742,690
Total deferred inflows of resources	<u>\$ 815,271</u>	<u>\$ -</u>	<u>\$ 815,271</u>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	\$ 10,145	\$ -	\$ 10,145
Loans receivable	-	57,643	57,643
Restricted			
Debt service	451,764	-	451,764
Unassigned	7,782,624	-	7,782,624
Total fund balances	<u>\$ 8,244,533</u>	<u>\$ 57,643</u>	<u>\$ 8,302,176</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,390,081</u>	<u>\$ 57,643</u>	<u>\$ 10,447,724</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, 2017

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	8,302,176
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		3,285,957
Machinery and equipment		1,717,407
Public domain infrastructure		6,131,410
Construction in progress		<u>1,146,226</u>
		14,879,952
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	\$	72,425
Unavailable revenue - loan receivable		<u>742,690</u>
		815,115
Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year and, therefore, are not reported in the funds.		
		272,164
Items related to measurement of the net pension liability are considered deferred outflows or deferred inflows and will be amortized and recognized in pension expense over future years		
Deferred outflows of resources		455,374
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	\$	(2,162,000)
Capital lease		(18,770)
Accrued interest payable		(15,341)
Net OPEB obligation		(287,021)
Compensated absences		(239,182)
Net pension liability		<u>(2,417,709)</u>
		(5,140,023)
Net position of governmental activities	\$	<u><u>19,584,758</u></u>

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, 2017

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
<b>REVENUES</b>			
General property taxes	\$ 1,010,636	\$ -	\$ 1,010,636
Other local taxes	3,151,194	-	3,151,194
Permits, privilege fees, and regulatory licenses	20,158	-	20,158
Fines and forfeitures	48,858	-	48,858
Revenue from the use of money and property	51,245	1,021	52,266
Charges for services	131,171	-	131,171
Miscellaneous	43,965	-	43,965
Recovered costs	4	-	4
Intergovernmental	1,807,641	-	1,807,641
Total revenues	<u>\$ 6,264,872</u>	<u>\$ 1,021</u>	<u>\$ 6,265,893</u>
<b>EXPENDITURES</b>			
Current:			
General government administration	\$ 689,682	\$ -	\$ 689,682
Public safety	2,158,484	-	2,158,484
Public works	1,794,250	-	1,794,250
Parks, recreation, and cultural	1,265,614	-	1,265,614
Community development	769,785	-	769,785
Nondepartmental	189,047	-	189,047
Debt service:			
Principal retirement	182,799	-	182,799
Interest and other fiscal charges	48,552	-	48,552
Total expenditures	<u>\$ 7,098,213</u>	<u>\$ -</u>	<u>\$ 7,098,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (833,341)</u>	<u>\$ 1,021</u>	<u>\$ (832,320)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 6,127,538	\$ 60,562	\$ 6,188,100
Transfers out	(6,752,429)	(41,730)	(6,794,159)
Issuance of revenue bonds	1,512,000	-	1,512,000
Total other financing sources (uses)	<u>\$ 887,109</u>	<u>\$ 18,832</u>	<u>\$ 905,941</u>
Net change in fund balances	\$ 53,768	\$ 19,853	\$ 73,621
Fund balances - beginning, as restated	8,190,765	37,790	8,228,555
Fund balances - ending	<u>\$ 8,244,533</u>	<u>\$ 57,643</u>	<u>\$ 8,302,176</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, 2017

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

Net change in fund balances - total governmental funds	\$	73,621	
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 capital outlays exceeded depreciation expense in the current period.			
Capital outlay	\$	1,621,622	
Depreciation expense		<u>(714,629)</u>	906,993
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, and disposals) is to decrease net position.			
			(72,919)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Property taxes	\$	(820)	
Change in deferred inflows of resources related to the measurement of the net pension liability		<u>158,007</u>	122,187
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.			
Debt issued or incurred:			
General obligation bonds	\$	(1,512,000)	
Principal repayments:			
Principal payments on general obligation bonds		165,000	
Capital lease		<u>17,799</u>	(1,329,201)
Pension contributions subsequent to the measurement date will be a decrease in the net pension liability in the next fiscal year and therefore, are not reported in the funds.			
			(18,595)
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.			
Change in compensated absences	\$	6,818	
Change in net OPEB obligation		(34,214)	
Change in accrued interest		(733)	
Change in net pension liability		(629,508)	
Change in deferred outflows of resources related to net pension liability		<u>381,006</u>	(276,631)
Change in net position of governmental activities		<u>\$</u>	<u>(594,545)</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, 2017

	Water and Wastewater Fund
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,845,482
Accounts receivable	435,246
Due from other governmental units	2,810
Inventories	38,853
Prepaid items	18,620
Total current assets	\$ 2,341,011
Noncurrent assets:	
Restricted assets:	
Customer deposits - cash and cash equivalents	\$ 32,125
Capital assets, net of accumulated depreciation:	
Land	\$ 189,454
Distribution/transmission systems	6,561,800
Machinery and equipment	771,653
Water and wastewater plants	4,001,171
Total capital assets	\$ 11,524,078
Total noncurrent assets	\$ 11,556,203
Total assets	\$ 13,897,214
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension contributions subsequent to measurement date	\$ 89,828
Items related to measurement of net pension liability	77,752
Total deferred outflows of resources	\$ 167,580
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 32,446
Accrued payroll and related liabilities	23,352
Customer deposits	32,125
Accrued interest payable	34,676
Amount held for others	18,620
Compensated absences - current portion	65,948
Bonds payable - current portion	292,500
Total current liabilities	\$ 499,667
Noncurrent liabilities:	
Compensated absences - net of current portion	\$ 21,983
Bonds payable - net of current portion	3,052,000
Net OPEB obligation	94,979
Net pension liability	558,829
Total noncurrent liabilities	\$ 3,727,791
Total liabilities	\$ 4,227,458
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Items related to measurement of net pension liability	\$ 103,083
 <b>NET POSITION</b>	
Net investment in capital assets	\$ 8,179,578
Unrestricted	1,554,675
Total net position	\$ 9,734,253

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, 2017

	Water and Wastewater Fund
<b>OPERATING REVENUES</b>	
Charges for services:	
Water service charges and fees	\$ 1,183,268
Sewer service charges and fees	783,362
Capital fund water service charges and fees	281,371
Capital fund sewer service charges and fees	229,556
Capital fund garbage service charges and fees	20,060
Water/sewer penalties	34,465
Other revenues	49,319
Total operating revenues	\$ 2,581,401
<b>OPERATING EXPENSES</b>	
Salaries	\$ 673,000
Fringe benefits	257,899
Maintenance	76,299
Utilities and insurance	211,456
Materials and supplies	177,036
Contractual Services	79,660
Other	72,400
Depreciation	753,291
Total operating expenses	\$ 2,301,041
Operating income (loss)	\$ 280,360
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Intergovernmental revenue	\$ 4,000
Interest expense	(141,383)
Total nonoperating revenues (expenses)	\$ (137,383)
Income (loss) before transfers	\$ 142,977
Transfers in	\$ 6,691,867
Transfers out	(6,085,808)
Total transfers	\$ 606,059
Change in net position	\$ 749,036
Total net position - beginning, as restated	8,985,217
Total net position - ending	\$ 9,734,253

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, 2017

	Water and Wastewater Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 2,591,395
Payments to suppliers	(635,227)
Payments to employees	(949,718)
Net cash provided by (used for) operating activities	\$ 1,006,450
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	\$ 6,691,867
Transfers to other funds	(6,085,808)
Intergovernmental funds	4,000
Net cash provided by (used for) noncapital financing activities	\$ 610,059
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	\$ (181,628)
Principal payments on bonds and leases	(229,000)
Interest payments	(144,149)
Net cash provided by (used for) capital and related financing activities	\$ (554,777)
Net increase (decrease) in cash and cash equivalents	\$ 1,061,732
Cash and cash equivalents - beginning (including restricted cash of \$28,835)	815,875
Cash and cash equivalents - ending (including restricted cash of \$32,125)	\$ 1,877,607
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	\$ 280,360
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 753,291
(Increase) decrease in accounts receivable	6,704
(Increase) decrease in inventories	(2,445)
(Increase) decrease in deferred outflows of resources	(76,608)
Increase (decrease) in customer deposits	3,290
Increase (decrease) in accounts payable	(15,931)
Increase (decrease) in accrued payroll and related liabilities	3,183
Increase (decrease) in net OPEB obligation	16,786
Increase (decrease) in compensated absences	(2,137)
Increase (decrease) in net pension liability	(12,631)
Increase (decrease) in deferred inflow of resources	52,588
Total adjustments	\$ 726,090
Net cash provided by (used for) operating activities	\$ 1,006,450

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, 2017

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**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 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 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 HPC is presented as a governmental fund type. The HPC does not issue separate financial statements. See Note 14 for additional information regarding the HPC.

Related Organizations - None

Jointly Governed Organizations - None

TOWN OF ROCKY MOUNT, VIRGINIA  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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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. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

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

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

TOWN OF ROCKY MOUNT, VIRGINIA  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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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  
FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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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  
FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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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 using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$52,610 for property taxes at June 30, 2017. The allowance amounted to approximately \$21,792 for water and sewer at June 30, 2017.

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  
FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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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 two items that qualify for reporting in this category. One item is comprised of contributions to the pension plan made during the current year and subsequent to the net pension liability measurement date, which will be recognized as a reduction of the net pension liability next fiscal year. The other item is comprised of certain items related to the measurement of the net pension liability. These include differences between expected and actual experience, the net difference between projected and actual earnings on pension plan investments, and changes in proportion and differences between employer contributions and proportionate share of contributions. For more detailed information on these items, reference the pension note.

TOWN OF ROCKY MOUNT, VIRGINIA  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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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 three 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 liability are reported as deferred inflows of resources. These consist of changes in proportion and differences between employer contributions and proportionate share of contributions. For more detailed information on these items, reference the pension note.

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). In accordance with the provisions of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The Town accrues salary-related payments associated with the payment of compensated absences. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

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  
FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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

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

13. 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.

14. Fund Equity

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

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

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

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

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

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

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

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

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

14. Fund Equity (Continued)

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).

15. 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.

16. 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.

**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.

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FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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

A. Budgetary information (Continued)

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, 2017, expenditures did not exceed appropriations in any departments.

C. Deficit fund equity

At June 30, 2017, the Harvester Performance Center had negative fund equity.

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).

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Note 3-Deposits and Investments: (Continued)

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.

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, 2017, issuers that equal or exceed 5% of the total portfolio are as follows:

	<u>% of Portfolio</u>
Certificates of Deposit	42.00%
Federal Home Loan Mortgage Corporation	10.00%
Federal National Mortgage Association	7.00%
LGIP	41.00%

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Note 3-Deposits and Investments: (Continued)

Credit Risk of Debt Securities (Continued)

The Town's rated debt investments as of June 30, 2017 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	\$ -	\$ -	\$ 2,865
Certificates of Deposit	-	-	3,084,494
Federal Home Loan Mortgage Corporation	-	709,467	-
Federal National Mortgage Association	-	491,211	-
LGIP	3,054,218	-	-
Total	\$ 3,054,218	\$ 1,200,678	\$ 3,087,359

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	\$ 2,865	\$ 2,865	\$ -	None
Certificates of Deposit	3,084,494	-	3,084,494	None
Federal Home Loan Mortgage Corporation	709,467	-	709,467	6/30/2017 & 12/29/2017
Federal National Mortgage Association	491,211	491,211	-	1/27/2017
LGIP	3,054,218	3,054,218	-	None
Total	\$ 7,342,255	\$ 3,548,294	\$ 3,793,961	

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 GASB Statement No. 79. There are no withdrawal limitations or restrictions imposed on participants.

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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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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, 2017:

	<u>Fair Value</u>	<u>Level 1</u>
Money Market	\$ 2,865	\$ 2,865
Certificates of Deposit	3,084,494	3,084,494
Federal Home Loan Mortgage Corporation	709,467	709,467
Federal National Mortgage Association	491,211	491,211
LGIP	3,054,218	3,054,218
Total investments	<u>\$ 7,342,255</u>	<u>\$ 7,342,255</u>

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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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Note 5-Due from Other Governmental Units:

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

	Governmental Activities	Business-type Activities
Local Government:		
Franklin County	\$ 7,500	\$ -
Commonwealth of Virginia:		
Sales Tax	33,056	-
Communication Tax	15,371	-
VDH Grant	-	2,810
Total	<u>\$ 55,927</u>	<u>\$ 2,810</u>

Note 6-Interfund Transfers:

Interfund transfers for the year ended June 30, 2017 consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ 6,127,538	\$ 6,752,429
Capital Projects	60,562	41,730
Water and Wastewater Fund	6,691,867	6,085,808
Total	<u>\$ 12,879,967</u>	<u>\$ 12,879,967</u>

The primary purpose of transfers is to eliminate negative pooled cash amounts due to normal operations.

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 FINANCIAL REPORT  
 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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Note 7-Component-Unit Obligations:

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

Fund	Due from Primary Government/ Component Unit	Due to Primary Government/ Component Unit
Primary Government:		
General Fund	\$ 1,447,234	\$ -
Component Unit - Harvester Performance Center:		
Performance Venue Fund	-	1,447,234
Total	\$ 1,447,234	\$ 1,447,234

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TOWN OF ROCKY MOUNT, VIRGINIA  
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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

**Note 8-Capital Assets:**

Capital asset activity for the year ended June 30, 2017 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	85,847	1,146,226	(85,847)	1,146,226
Total capital assets not being depreciated	<u>\$ 2,684,799</u>	<u>\$ 1,146,226</u>	<u>\$ (85,847)</u>	<u>\$ 3,745,178</u>
Capital assets, being depreciated:				
Public Domain Infrastructure	\$ 12,108,031	\$ 134,243	\$ (4,660)	\$ 12,237,614
Buildings and improvements	7,025,282	80,570	-	7,105,852
Machinery and equipment	4,870,754	278,052	(5,895)	5,142,911
Total capital assets being depreciated	<u>\$ 24,004,067</u>	<u>\$ 492,865</u>	<u>\$ (10,555)</u>	<u>\$ 24,486,377</u>
Accumulated depreciation:				
Public Domain Infrastructure	\$ (5,818,132)	\$ (288,190)	\$ 118	\$ (6,106,204)
Buildings and improvements	(3,619,959)	(199,936)	-	(3,819,895)
Machinery and equipment	(3,204,897)	(226,503)	5,896	(3,425,504)
Total accumulated depreciation	<u>\$ (12,642,988)</u>	<u>\$ (714,629)</u>	<u>\$ 6,014</u>	<u>\$ (13,351,603)</u>
Total capital assets being depreciated, net	<u>\$ 11,361,079</u>	<u>\$ (221,764)</u>	<u>\$ (4,541)</u>	<u>\$ 11,134,774</u>
Governmental activities capital assets, net	<u>\$ 14,045,878</u>	<u>\$ 924,462</u>	<u>\$ (90,388)</u>	<u>\$ 14,879,952</u>

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TOWN OF ROCKY MOUNT, VIRGINIA  
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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

Note 8-Capital Assets: (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 189,454	\$ -	\$ -	\$ 189,454
Capital assets being depreciated:				
Distributions/transmission systems	\$ 21,541,646	\$ 92,312	\$ -	\$ 21,633,958
Water and wastewater plants	7,279,691	-	-	7,279,691
Machinery and equipment	1,339,194	89,316	-	1,428,510
Total capital assets being depreciated	<u>\$ 30,160,531</u>	<u>\$ 181,628</u>	<u>\$ -</u>	<u>\$ 30,342,159</u>
Accumulated depreciation:				
Distributions/transmission systems	\$ (14,601,264)	\$ (470,894)	\$ -	\$ (15,072,158)
Water and wastewater plants	(3,094,511)	(184,009)	-	(3,278,520)
Machinery and equipment	(558,469)	(98,388)	-	(656,857)
Total accumulated depreciation	<u>\$ (18,254,244)</u>	<u>\$ (753,291)</u>	<u>\$ -</u>	<u>\$ (19,007,535)</u>
Total capital assets being depreciated, net	<u>\$ 11,906,287</u>	<u>\$ (571,663)</u>	<u>\$ -</u>	<u>\$ 11,334,624</u>
Business-type activities capital assets, net	<u>\$ 12,095,741</u>	<u>\$ (571,663)</u>	<u>\$ -</u>	<u>\$ 11,524,078</u>

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TOWN OF ROCKY MOUNT, VIRGINIA  
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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

Note 8-Capital Assets: (Continued)

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

Governmental activities:	
General government administration	\$ 95,712
Public safety	221,677
Public works	264,390
Parks, recreation, and culture	10,486
Community development	<u>122,364</u>
Total depreciation expense-governmental activities	<u>\$ 714,629</u>
Business-type activities:	
Water	\$ 342,741
Wastewater	<u>410,550</u>
Total depreciation expense-business-type activities	<u>\$ 753,291</u>

Discretely Presented Component Unit - Harvester Performance Center:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Buildings and improvements	\$ 3,432,746	\$ 7,096	\$ -	\$ 3,439,842
Machinery and equipment	-	20,137	-	20,137
Total capital assets being depreciated	<u>\$ 3,432,746</u>	<u>\$ 27,233</u>	<u>\$ -</u>	<u>\$ 3,459,979</u>
Accumulated depreciation:				
Buildings and improvements	<u>\$ (185,692)</u>	<u>\$ (86,814)</u>	<u>\$ -</u>	<u>\$ (272,506)</u>
Total capital assets being depreciated, net	<u>\$ 3,247,054</u>	<u>\$ (59,581)</u>	<u>\$ -</u>	<u>\$ 3,187,473</u>
Harvester Performance Center capital assets, net	<u>\$ 3,247,054</u>	<u>\$ (59,581)</u>	<u>\$ -</u>	<u>\$ 3,187,473</u>

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TOWN OF ROCKY MOUNT, VIRGINIA  
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 FISCAL YEAR ENDED JUNE 30, 2017 (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, 2017:

	Balance July 1, 2016	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2017
General obligation bonds	\$ 815,000	\$ 1,512,000	\$ (165,000)	\$ 2,162,000
Capital lease	36,569	-	(17,799)	18,770
Compensated absences	246,000	54,682	(61,500)	239,182
Net OPEB obligation	252,807	45,484	(11,270)	287,021
Net pension liability	1,788,201	1,135,273	(505,765)	2,417,709
 Total	 <u>\$ 3,138,577</u>	 <u>\$ 2,747,439</u>	 <u>\$ (761,334)</u>	 <u>\$ 5,124,682</u>

The general government compensated absences, pension obligations, 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,	General obligation bonds	
	Principal	Interest
2018	\$ 295,000	\$ 52,492
2019	290,000	50,161
2020	288,000	40,652
2021	291,000	31,082
2022	134,000	20,203
2023-2027	712,000	55,834
2028	152,000	1,649
Totals	<u>\$ 2,162,000</u>	<u>\$ 252,073</u>

The Town has entered into a capital lease for two police vehicles. The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of future minimum lease payments as of the inception date.

TOWN OF ROCKY MOUNT, VIRGINIA  
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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

Note 9-Long-term Obligations (Continued):

Primary Government - Governmental Activities (Continued):

Total capital assets acquired through the capital lease are as follows:

Police vehicles	\$ 72,815
Accumulated Depreciation	<u>(20,804)</u>
Net Book Value of Capital Assets	<u>\$ 52,011</u>

Present value of future minimum lease payments:

Year Ending June 30,	Capital Leases
2018	\$ 19,792
Total minimum lease payments	\$ 19,792
Less: amount representing interest	<u>(1,022)</u>
Present value of future minimum lease payments	<u>\$ 18,770</u>

Details of long-term obligations:

	Interest Rates	Date Issued	Final Maturity	Original Amount	Amount Outstanding	Amount Due Within One Year
General Obligation Bonds:						
Emergency Services Building	3.70%	12/10	12/21	\$ 1,640,000	\$ 650,000	\$ 165,000
GO Bond Series 2017	2.17%	04/17	08/27	1,512,000	<u>1,512,000</u>	<u>130,000</u>
Total General Obligation Bonds					\$ 2,162,000	\$ 295,000
Other Long-term Obligations:						
Capital lease	n/a	n/a	n/a	n/a	\$ 18,770	\$ 18,770
Net OPEB obligation	n/a	n/a	n/a	n/a	287,021	-
Compensated absences	n/a	n/a	n/a	n/a	239,182	179,387
Net pension liability	n/a	n/a	n/a	n/a	<u>2,417,709</u>	<u>-</u>
Total Other Long-term Obligations					\$ 2,962,682	\$ 198,157
Total Long-term Obligations					<u>\$ 5,124,682</u>	<u>\$ 493,157</u>

TOWN OF ROCKY MOUNT, VIRGINIA  
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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

Note 9-Long-term Obligations: (Continued)

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, 2017:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases/</u> <u>Issuances</u>	<u>Decreases/</u> <u>Retirements</u>	<u>Balance</u> <u>June 30, 2017</u>
Revenue bonds	\$ 3,573,500	\$ -	\$ (229,000)	\$ 3,344,500
Compensated absences	90,068	20,380	(22,517)	87,931
Net OPEB obligation	78,193	20,516	(3,730)	94,979
Net pension liability	<u>571,460</u>	<u>233,126</u>	<u>(245,757)</u>	<u>558,829</u>
 Total	 <u>\$ 4,313,221</u>	 <u>\$ 274,022</u>	 <u>\$ (501,004)</u>	 <u>\$ 4,086,239</u>

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

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

<u>Year Ending</u> <u>June 30,</u>	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 292,500	\$ 82,247
2019	302,000	76,013
2020	306,000	69,558
2021	310,000	63,028
2022	317,000	56,434
2023-2027	602,000	217,021
2028-2032	570,000	141,362
2033-2037	<u>645,000</u>	<u>55,862</u>
 Totals	 <u>\$3,344,500</u>	 <u>\$ 761,525</u>

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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

Note 9-Long-term Obligations: (Continued)

Primary Government-Business-type Activities: (Continued)

Details of long-term obligations:

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Revenue Bonds:</b>						
Virginia Municipal League	2.85%	8/13	02/37	\$ 2,205,000	\$ 2,135,000	\$ 80,000
Virginia Municipal League	1.85%	8/13	8/22	\$ 2,042,500	<u>1,209,500</u>	<u>212,500</u>
Total Revenue Bonds					<u>\$ 3,344,500</u>	<u>\$ 292,500</u>
<b>Other Long-term Obligations:</b>						
Net OPEB obligation	n/a	n/a	n/a	n/a	\$ 94,979	\$ -
Compensated absences	n/a	n/a	n/a	n/a	87,931	65,948
Net pension liability	n/a	n/a	n/a	n/a	<u>558,829</u>	<u>-</u>
Total Other Long-term Obligations					<u>\$ 741,739</u>	<u>\$ 65,948</u>
Total Long-term Obligations					<u>\$ 4,086,239</u>	<u>\$ 358,448</u>

Discretely Presented Component Unit - Harvester Performance Center Obligations:

	<u>Balance July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2017</u>
Net pension liability	\$ 129,909	\$ 71,726	\$ (34,883)	\$ 166,752
Compensated absences	-	10,594	-	10,594
Note payable	<u>742,690</u>	<u>-</u>	<u>-</u>	<u>742,690</u>
Total	<u>\$ 872,599</u>	<u>\$ 82,320</u>	<u>\$ (34,883)</u>	<u>\$ 920,036</u>

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TOWN OF ROCKY MOUNT, VIRGINIA  
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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

Note 9-Long-term Obligations: (Continued)

Discretely Presented Component Unit - Harvester Performance Center Obligations: (Continued)

Details of long-term obligations:

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Amount Due Within</u>
Notes payable:						
Note payable	n/a	5/22/2015	n/a	\$ 1,287,519	\$ 742,690	\$ -
Other Long-term Obligations:						
Compensated absences	n/a	n/a	n/a	n/a	\$ 10,594	\$ 7,946
Net pension liability	n/a	n/a	n/a	n/a	166,752	-
Total Other Obligations					<u>\$ 177,346</u>	<u>\$ 7,946</u>
Total Long-term Obligations					<u>\$ 920,036</u>	<u>\$ 7,946</u>

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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

**Note 10-Pension Plan:**

*Plan Description*

All full-time, salaried permanent employees of the Town and the Component Unit Harvester Performance Center 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.

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. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>About Plan 1</b>            Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p><b>About Plan 2</b>            Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is 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.</p>	<p><b>About the Hybrid Retirement Plan</b>            The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members")</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</li> </ul>

TOWN OF ROCKY MOUNT, VIRGINIA  
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**Note 10-Pension Plan:** (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 (Cont.)</p>	<p>About Plan 2 (Cont.)</p>	<p>About the Hybrid Retirement Plan (Cont.)</p> <ul style="list-style-type: none"> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>
<p><b>Eligible Members</b>                      Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b>                      VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p>	<p><b>Eligible Members</b>                      Employees are in Plan 2 if their membership date is 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.</p> <p><b>Hybrid Opt-In Election</b>                      Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p>	<p><b>Eligible Members</b>                      Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• School division employees</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.</li> </ul>

TOWN OF ROCKY MOUNT, VIRGINIA  
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**Note 10-Pension Plan:** (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Hybrid Opt-In Election (Cont.)            The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Hybrid Opt-In Election (Cont.)            The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>*Non-Eligible Members            Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p>Retirement Contributions            Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees are paying the full 5% as of July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions            Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees are paying the full 5% as of July 1, 2016.</p>	<p>Retirement Contributions            A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

TOWN OF ROCKY MOUNT, VIRGINIA  
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**Note 10-Pension Plan: (Continued)**

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Creditable Service</b>                      Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b>Creditable Service</b>                      Same as Plan 1.</p>	<p><b>Creditable Service</b>  <u><b>Defined Benefit Component:</b></u>                      Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u><b>Defined Contributions Component:</b></u>                      Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>

TOWN OF ROCKY MOUNT, VIRGINIA  
 FINANCIAL REPORT  
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**Note 10-Pension Plan:** (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Vesting</b>                      Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b>                      Same as Plan 1.</p>	<p><b>Vesting</b>  <u><b>Defined Benefit Component:</b></u>                      Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u><b>Defined Contributions Component:</b></u>                      Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p>

TOWN OF ROCKY MOUNT, VIRGINIA  
 FINANCIAL REPORT  
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**Note 10-Pension Plan:** (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting (Cont.)	Vesting (Cont.)	Vesting (Cont.) <u>Defined Contributions Component:</u> (Cont.) Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> Distribution is not required by law until age 70½.
<b>Calculating the Benefit</b> The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.	<b>Calculating the Benefit</b> See definition under Plan 1.	<b>Calculating the Benefit</b> <u>Defined Benefit Component:</u> See definition under Plan 1.

TOWN OF ROCKY MOUNT, VIRGINIA  
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**Note 10-Pension Plan:** (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Calculating the Benefit (Cont.)</b>            An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p><b>Calculating the Benefit (Cont.)</b></p>	<p><b>Calculating the Benefit (Cont.)</b>  <u><b>Defined Contribution Component:</b></u>            The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b>Average Final Compensation</b>            A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b>            A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b>            Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b>  <b>VRS:</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p><b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p><b>Political subdivision hazardous duty employees:</b> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p><b>Service Retirement Multiplier</b>  <b>VRS:</b> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p> <p><b>Sheriffs and regional jail superintendents:</b> Same as Plan 1.</p> <p><b>Political subdivision hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Service Retirement Multiplier</b>  <u><b>Defined Benefit Component:</b></u>  <b>VRS:</b> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p><b>Sheriffs and regional jail superintendents:</b> Not applicable.</p> <p><b>Political subdivision hazardous duty employees:</b> Not applicable.</p> <p><u><b>Defined Contribution Component:</b></u>            Not applicable.</p>

TOWN OF ROCKY MOUNT, VIRGINIA  
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**Note 10-Pension Plan:** (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age <u>Defined Benefit Component:</u> VRS: Same as Plan 2.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p>

TOWN OF ROCKY MOUNT, VIRGINIA  
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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

**Note 10-Pension Plan:** (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement <u>Defined Benefit Component:</u> Same as Plan 2.</p> <p><u>Defined Contribution Component:</u> Not applicable.</p> <p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p>

TOWN OF ROCKY MOUNT, VIRGINIA  
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**Note 10-Pension Plan:** (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u>                      The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</li> </ul>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u>                      Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u>                      Same as Plan 1 and Plan 2.</p>

TOWN OF ROCKY MOUNT, VIRGINIA  
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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

**Note 10-Pension Plan:** (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Disability Coverage</b>            Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p><b>Disability Coverage</b>            Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p><b>Disability Coverage</b>            Employees of political subdivisions and School divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p><b>Purchase of Prior Service</b>            Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b>            Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b>  <u>Defined Benefit Component:</u>            Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>•Hybrid Retirement Plan members are ineligible for ported service.</li> <li>•The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation.</li> <li>•Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-year period, the rate for most categories of service will change to actuarial cost.</li> </ul> <p><u>Defined Contribution Component:</u>            Not applicable.</p>

TOWN OF ROCKY MOUNT, VIRGINIA  
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 FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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**Note 10-Pension Plan:** (Continued)

*Pension Plan Data*

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2016 Comprehensive Annual Financial Report (CAFR). A copy of the 2016 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2016-annual-report-pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

*Employees Covered by Benefit Terms*

As of the June 30, 2015 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently	41
Inactive members:	
Vested inactive members	12
Non-vested inactive members	9
Inactive members active elsewhere in VRS	17
Total inactive members	38
Active members	61
Total covered employees	140

*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. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The Town's contractually required contribution rate for the year ended June 30, 2017 was 14.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

TOWN OF ROCKY MOUNT, VIRGINIA  
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**Note 10-Pension Plan:** (Continued)

*Contributions (Continued)*

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 \$361,992 and \$357,965 for the years ended June 30, 2017 and June 30, 2016, respectively.

The Component Unit Harvester Performance Center's contractually required contribution rate for the year ended June 30, 2017 was 14.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

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 Component Unit Harvester Performance Center were \$23,781 and \$20,054 for the years ended June 30, 2017 and June 30, 2016, respectively.

*Net Pension Liability*

The Town's and Component Unit Harvester Performance Center's net pension liabilities were measured as of June 30, 2016. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2015, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

*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, 2015, 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, 2016.

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

TOWN OF ROCKY MOUNT, VIRGINIA  
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Note 10-Pension Plan: (Continued)

*Actuarial Assumptions - General Employees (Continued)*

Mortality rates: 14% of deaths are assumed to be service related

Largest 10 - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

All Others (Non 10 Largest) - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

TOWN OF ROCKY MOUNT, VIRGINIA  
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Note 10-Pension Plan: (Continued)

*Actuarial Assumptions - Public Safety Employees*

The total pension liability for Public Safety employees in the Town of Rocky Mount Retirement Plan was based on an actuarial valuation as of June 30, 2015, 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, 2016.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, 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: 60% of deaths are assumed to be service related

Largest 10 - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

All Others (Non 10 Largest) - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

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Note 10-Pension Plan: (Continued)

*Actuarial Assumptions - Public Safety Employees (Continued)*

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

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 FISCAL YEAR ENDED JUNE 30, 2017 (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>
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
<b>Total</b>	<b><u>100.00%</u></b>		<b><u>5.83%</u></b>
		Inflation	2.50%
		*Expected arithmetic nominal return	<b><u>8.33%</u></b>

\* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

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**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. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the Town Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed 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, 2015	\$ 10,517,884	\$ 8,158,223	\$ 2,359,661
Changes for the year:			
Service cost	\$ 317,557	\$ -	\$ 317,557
Interest	717,349	-	717,349
Differences between expected and actual experience	201,701	-	201,701
Impact in change of proportion	(9,646)	(7,482)	(2,164)
Contributions - employer	-	357,965	(357,965)
Contributions - employee	-	121,946	(121,946)
Net investment income	-	142,757	(142,757)
Benefit payments, including refunds of employee contributions	(520,844)	(520,844)	-
Administrative expenses	-	(5,041)	5,041
Other changes	-	(61)	61
Net changes	\$ 706,117	\$ 89,240	\$ 616,877
Balances at June 30, 2016	\$ 11,224,001	\$ 8,247,463	\$ 2,976,538

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Note 10-Pension Plan: (Continued)

*Changes in Net Pension Liability (Continued)*

	Component Unit Harvester Performance Center		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	\$ 579,050	\$ 449,141	\$ 129,909
Changes for the year:			
Service cost	\$ 17,790	\$ -	\$ 17,790
Interest	40,187	-	40,187
Differences between expected and actual experience	11,300	-	11,300
Impact in change of proportion	9,646	7,482	2,164
Contributions - employer	-	20,054	(20,054)
Contributions - employee	-	6,831	(6,831)
Net investment income	-	7,998	(7,998)
Benefit payments, including refunds of employee contributions	(29,179)	(29,179)	-
Administrative expenses	-	(282)	282
Other changes	-	(3)	3
Net changes	\$ 49,744	\$ 12,901	\$ 36,843
Balances at June 30, 2016	\$ 628,794	\$ 462,042	\$ 166,752

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**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 and Component Unit Harvester Performance Center using the discount rate of 7.00%, as well as what the Town's and Component Unit Harvester Performance Center's 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		
	(6.00%)	(7.00%)	(8.00%)
Town			
Net Pension Liability	\$ 4,458,289	\$ 2,976,538	\$ 1,747,562
Component Unit Harvester Performance Center			
Net Pension Liability	\$ 249,762	\$ 166,752	\$ 97,902

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

For the year ended June 30, 2017, the Town and Component Unit Harvester Performance Center recognized pension expense of \$434,863 and \$24,410, respectively. At June 30, 2017, the Town and Component Unit Harvester Performance Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit Harvester Performance Center	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 217,399	\$ -	\$ 12,115	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	101,352	(103,083)	1,731	-
Net difference between projected and actual earnings on pension plan investments	214,375	-	12,132	-
Employer contributions subsequent to the measurement date	361,992	-	23,781	-
Total	\$ 895,118	\$ (103,083)	\$ 49,759	\$ -

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**Note 10-Pension Plan: (Continued)**

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

\$361,992 and \$23,781 were reported as deferred outflows of resources related to pensions resulting from the Town’s and Component Unit Harvester Performance Center’s contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2018. 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:

Year ended June 30	Primary Government	Component Unit Harvester Performance Center
2018	\$ 85,310	\$ 5,284
2019	85,310	5,284
2020	173,117	10,118
2021	86,306	5,292

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

Plan Description

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

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

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

Funding Policy

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

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 66,000
Interest on net OPEB obligation	13,000
Adjustment to annual required contribution	(13,000)
Annual OPEB cost (expense)	\$ 66,000
Contributions made	(15,000)
Increase in net OPEB obligation	\$ 51,000
Net OPEB obligation - beginning of year	331,000
Net OPEB obligation - end of year	\$ 382,000

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 56,000	27%	\$ 290,000
6/30/2016	59,000	31%	331,000
6/30/2017	66,000	23%	382,000

Funded Status and Funding Progress

The funded status of the Plan as of July 1, 2016, the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 569,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 569,000
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 2,616,000
UAAL as a percentage of covered payroll	21.75%

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FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

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

In the July 1, 2016, the most recent actuarial valuation, the projected unit credit actuarial cost method was used to determine liabilities. Under this method, the postretirement health costs are assumed to be earned ratably from the date of hire to the participant's full eligibility age. The actuarial assumptions used a 2.5% inflation rate, 4.0% investment rate of return, and a health care trend rate of 7.667% decreasing 0.333% per year until an ultimate rate of 5.00%. The unfunded accrued liability is being amortized as a level percent over 30 years. Amortizations are open ended in that they begin anew at each valuation date.

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Note 12-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 13-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 \$815,271 is comprised of the following:

Property Taxes - Property tax revenue representing uncollected tax billings not available for funding current expenditures totaled \$72,425.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2017 but paid in advance by the taxpayers totaled \$156.

Unavailable Long-Term Receivable - Unearned revenue representing uncollected long-term receivable amounts not available for funding current expenditures totaled \$742,690.

Note 14-Harvester Performance Center:

The Economic Development Authority (EDA) of the Town was created by the Town in 2012. The first project for the Authority was facilitating the construction of the Harvester Performance Center (HPC). The HPC was completed and began operations in April 2014. There are six limited liability companies (LLCs) associated with the Harvester Performance Center (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.

TOWN OF ROCKY MOUNT, VIRGINIA  
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Note 14-Harvester Performance Center: (Continued)

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.

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.

TOWN OF ROCKY MOUNT, VIRGINIA  
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FISCAL YEAR ENDED JUNE 30, 2017 (CONTINUED)

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Note 14-Harvester Performance Center: (Continued)

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.

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.

A schematic drawing of the various LLC relationships can be found on page 4.

Note 15-Related Party Transactions:

In 2015, the Town issued an interest free loan in the amount of \$1,287,519 to the Component Unit-Harvester Performance Center. The loan does not have defined repayment terms and is payable to the Town as the Harvester has available funds. As of June 30, 2017, the Harvester had a remaining loan balance of \$742,690.

Note 16-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.

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Note 17-Surety Bonds:

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

Note 18-Commitments and Contingent Liabilities:

Federal programs in which the Town and its component unit participate were audited in accordance with the provisions of U.S. Office of Management and Budget Uniform Guidance. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no material matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

The Town had the following construction commitment at June 30, 2017:

Project	Original Contract Amount	Outstanding at June 30, 2017
Town		
Building Security Upgrades	\$ 46,333	\$ 39,873
Furnace Creek Construction-Engineering	95,140	21,000
Furnace Creek Construction-Contractor	1,032,500	51,473
Totals	\$ 1,173,973	\$ 112,346

Note 19-Upcoming Pronouncements:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017.

Statement No. 81, *Irrevocable Split-Interest Agreements*, improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

TOWN OF ROCKY MOUNT, VIRGINIA  
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Note 19-Upcoming Pronouncements: (Continued)

Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 86, *Certain Debt Extinguishment Issues*, improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

TOWN OF ROCKY MOUNT, VIRGINIA  
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**Note 20-Restatement of Beginning Balances:**

Beginning balances have been restated for the current fiscal year as detailed below:

	Primary Government	
	General Fund	Capital Projects
Fund balance, July 1, 2016, as previously stated	\$ 8,150,074	\$ 2,790
Accrued wages	31,198	-
Accounts receivable	9,493	-
Long-term loan receivable - microenterprise loan program	-	35,000
Fund balance, July 1, 2016, as restated	\$ 8,190,765	\$ 37,790
	Governmental Activities	Business-type Activities
Net position, July 1, 2016, as previously stated	\$ 20,103,612	\$ 8,757,094
Applicable modified accrual entries above	75,691	-
Accounts receivable	-	228,123
Net position, July 1, 2016, as restated	\$ 20,179,303	\$ 8,985,217

**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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 998,450	\$ 998,450	\$ 1,010,636	\$ 12,186
Other local taxes	3,075,820	3,075,820	3,151,194	75,374
Permits, privilege fees, and regulatory licenses	14,500	14,500	20,158	5,658
Fines and forfeitures	48,100	48,100	48,858	758
Revenue from the use of money and property	67,561	67,561	51,245	(16,316)
Charges for services	107,144	107,144	131,171	24,027
Miscellaneous	33,803	43,803	43,965	162
Recovered costs	-	-	4	4
Intergovernmental:				
Local government	29,632	29,632	29,632	-
Commonwealth	1,772,691	2,227,486	1,778,009	(449,477)
Federal	25,000	25,000	-	(25,000)
Total revenues	\$ 6,172,701	\$ 6,637,496	\$ 6,264,872	\$ (372,624)
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 696,175	\$ 696,175	\$ 689,682	\$ 6,493
Public safety	2,253,135	2,266,399	2,158,484	107,915
Public works	2,338,416	2,841,675	1,794,250	1,047,425
Parks, recreation, and cultural	1,018,454	2,205,064	1,265,614	939,450
Community development	897,564	889,811	769,785	120,026
Nondepartmental	288,276	213,176	189,047	24,129
Debt service:				
Principal retirement	343,239	343,239	182,799	160,440
Interest and other fiscal charges	35,059	35,059	48,552	(13,493)
Total expenditures	\$ 7,870,318	\$ 9,490,598	\$ 7,098,213	\$ 2,392,385
Excess (deficiency) of revenues over (under) expenditures	\$ (1,697,617)	\$ (2,853,102)	\$ (833,341)	\$ 2,019,761
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 6,127,538	\$ 6,127,538
Transfers out	(55,280)	(55,280)	(6,752,429)	(6,697,149)
Issuance of revenue bonds	1,500,000	1,500,000	1,512,000	12,000
Total other financing sources (uses)	\$ 1,444,720	\$ 1,444,720	\$ 887,109	\$ (557,611)
Net change in fund balances	\$ (252,897)	\$ (1,408,382)	\$ 53,768	\$ 1,462,150
Fund balances - beginning, as restated	252,897	1,408,382	8,190,765	6,782,383
Fund balances - ending	\$ -	\$ -	\$ 8,244,533	\$ 8,244,533

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

Town of Rocky Mount, Virginia  
 Schedule of OPEB Funding Progress  
 Fiscal Year Ended June 30, 2017

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## Town Other Postemployment Benefits

Actuarial Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2)/(3)	Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
July 1, 2016	\$ -	\$ 569,000	\$ 569,000	0.00%	\$ 2,616,000	21.75%
July 1, 2014	-	492,000	492,000	0.00%	2,524,000	19.49%
July 1, 2012	-	350,000	350,000	0.00%	2,053,000	17.05%

Town of Rocky Mount, Virginia  
Schedule of Changes in Net Pension Liability and Related Ratios  
Primary Government  
Fiscal Years Ended June 30, 2015 through June 30, 2017

	2016	2015	2014
Total pension liability			
Service cost	\$ 317,557	\$ 311,299	\$ 271,936
Interest	717,349	675,381	645,150
Differences between expected and actual experience	201,701	130,521	-
Impact in change of proportion	(9,646)	-	-
Benefit payments, including refunds of employee contributions	(520,844)	(495,244)	(475,165)
Net change in total pension liability	\$ 706,117	\$ 621,957	\$ 441,921
Total pension liability - beginning	10,517,884	9,895,927	9,454,006
Total pension liability - ending (a)	\$ <u>11,224,001</u>	\$ <u>10,517,884</u>	\$ <u>9,895,927</u>
 Plan fiduciary net position			
Impact in change of proportion	\$ (7,482)	\$ -	\$ -
Contributions - employer	357,965	349,774	332,610
Contributions - employee	121,946	119,251	112,574
Net investment income	142,757	360,480	1,070,448
Benefit payments, including refunds of employee contributions	(520,844)	(495,244)	(475,165)
Administrative expense	(5,041)	(4,872)	(5,743)
Other	(61)	(75)	56
Net change in plan fiduciary net position	\$ 89,240	\$ 329,314	\$ 1,034,780
Plan fiduciary net position - beginning	8,158,223	7,828,909	6,794,129
Plan fiduciary net position - ending (b)	\$ <u>8,247,463</u>	\$ <u>8,158,223</u>	\$ <u>7,828,909</u>
 Political subdivision's net pension liability - ending (a) - (b)	\$ 2,976,538	\$ 2,359,661	\$ 2,067,018
 Plan fiduciary net position as a percentage of the total pension liability	73.48%	77.57%	79.11%
 Covered payroll	\$ 2,463,898	\$ 2,398,797	\$ 2,378,594
 Political subdivision's net pension liability as a percentage of covered payroll	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 Changes in Net Pension Liability and Related Ratios  
Component Unit Harvester Performance Center  
Fiscal Years Ended June 30, 2015 through June 30, 2017

	2016	2015	2014
<b>Total pension liability</b>			
Service cost	\$ 17,790	\$ 17,138	\$ 14,971
Interest	40,187	37,182	35,518
Differences between expected and actual experience	11,300	7,187	-
Impact in change of proportion	9,646	-	-
Benefit payments, including refunds of employee contributions	(29,179)	(27,265)	(26,160)
<b>Net change in total pension liability</b>	<b>\$ 49,744</b>	<b>\$ 34,242</b>	<b>\$ 24,329</b>
Total pension liability - beginning	579,050	544,808	520,479
<b>Total pension liability - ending (a)</b>	<b>\$ 628,794</b>	<b>\$ 579,050</b>	<b>\$ 544,808</b>
<b>Plan fiduciary net position</b>			
Impact in change of proportion	\$ 7,482	\$ -	\$ -
Contributions - employer	20,054	19,256	18,312
Contributions - employee	6,831	6,565	6,198
Net investment income	7,998	19,846	58,932
Benefit payments, including refunds of employee contributions	(29,179)	(27,265)	(26,160)
Administrative expense	(282)	(268)	(316)
Other	(3)	(4)	3
<b>Net change in plan fiduciary net position</b>	<b>\$ 12,901</b>	<b>\$ 18,130</b>	<b>\$ 56,969</b>
Plan fiduciary net position - beginning	449,141	431,011	374,042
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 462,042</b>	<b>\$ 449,141</b>	<b>\$ 431,011</b>
<b>Political subdivision's net pension liability - ending (a) - (b)</b>	<b>\$ 166,752</b>	<b>\$ 129,909</b>	<b>\$ 113,797</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>73.48%</b>	<b>77.57%</b>	<b>79.11%</b>
<b>Covered payroll</b>	<b>\$ 129,679</b>	<b>\$ 132,063</b>	<b>\$ 124,117</b>
<b>Political subdivision's net pension liability as a percentage of covered payroll</b>	<b>128.59%</b>	<b>98.37%</b>	<b>91.69%</b>

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  
 Fiscal Years Ended June 30, 2008 through June 30, 2017

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)
<b>Primary Government</b>					
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%
2009	253,599	253,599	-	2,165,663	11.71%
2008	262,075	262,075	-	1,989,938	13.17%
<b>Component Unit Harvester Performance Center</b>					
2017	\$ 23,781	\$ 23,781	-	\$ 168,914	14.08%
2016	20,054	20,054	-	129,679	15.46%
2015	19,256	19,256	-	132,063	14.58%

Schedule is intended to show information for 10 years. Information prior to 2015 is not available for the component unit because it began operating at that time. Additional years will be included as they become available.

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, 2017

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Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this is a fairly new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2016 are not material.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

Largest 10 - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

**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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,021	\$ 1,021
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 1,021	\$ 1,021
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 60,562	\$ 60,562
Transfers out	-	-	(41,730)	(41,730)
Total other financing sources (uses)	\$ -	\$ -	\$ 18,832	\$ 18,832
Net change in fund balances	\$ -	\$ -	\$ 19,853	\$ 19,853
Fund balances - beginning, as restated	-	-	37,790	37,790
Fund balances - ending	\$ -	\$ -	\$ 57,643	\$ 57,643

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

Town of Rocky Mount, Virginia  
Balance Sheet  
Discretely Presented Component Unit - Harvester Performance Center  
June 30, 2017

	<u>Performance Venue Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,404,788
Receivables (Net of Allowance for Uncollectibles):	
Accounts receivable	50
Prepays	52,795
Total Assets	\$ 1,457,633
<b>LIABILITIES</b>	
Liabilities	
Accounts payable	\$ 12,169
Accrued liabilities	6,110
Due to primary government	1,447,234
Total Liabilities	\$ 1,465,513
<b>FUND BALANCES</b>	
Nonspendable	\$ 52,795
Unassigned	(60,675)
Total Fund Balances	\$ (7,880)
Total Liabilities and Fund Balances	\$ 1,457,633
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Total fund balances per above	\$ (7,880)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Buildings and improvements	3,167,336
Machinery and equipment	20,137
Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year and, therefore, are not reported in the funds.	
	23,781
Items related to measurement of the net pension liability are considered deferred outflows or deferred inflows and will be amortized and recognized in pension expense over future years	
Deferred outflows of resources	25,978
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	
Notes payable	(742,690)
Net pension liability	(166,752)
Compensated absences	(10,594)
Net position of governmental activities	\$ 2,309,316

Town of Rocky Mount, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds - Discretely Presented Component Unit - Harvester Performance Center  
Fiscal Year Ended June 30, 2017

	<u>Performance</u> <u>Venue Fund</u>
<b>REVENUES</b>	
Charges for services	\$ 977,801
Miscellaneous	18,143
Intergovernmental:	
Town of Rocky Mount, Virginia	328,686
Total Revenues	<u>\$ 1,324,630</u>
<b>EXPENDITURES</b>	
Current:	
Community Development	
Harvester Performance Center	\$ 1,260,808
Total Expenditures	<u>\$ 1,260,808</u>
Excess (Deficiency) of Revenues Over (Under)	
Expenditures	<u>\$ 63,822</u>
Net Change in Fund Balance	\$ 63,822
Fund Balance - Beginning	(71,702)
Fund Balance - Ending	<u>\$ (7,880)</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:	
Net change in fund balances - total governmental funds - per above	\$ 63,822
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 the depreciation exceeded capital outlays in the current period.	
Capital outlays	27,233
Depreciation expense	(86,814)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred inflows related to the measurement of the net pension liability	11,478
Pension contributions subsequent to the measurement date will be a decrease in the net pension liability in the next fiscal year and therefore, are not reported in the funds.	
	3,727
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.	
Change in compensated absences	(10,594)
Change in net pension liability	(36,843)
Change in deferred outflows of resources related to net pension liability	20,575
Change in net position of governmental activities	<u>\$ (7,416)</u>

Town of Rocky Mount, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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	\$ 590,715	\$ 590,715	\$ 573,300	\$ (17,415)
Public service corporation taxes	29,226	29,226	28,333	(893)
Personal Property Tax	244,609	244,609	270,481	25,872
Machinery and tools tax	128,700	128,700	127,927	(773)
Penalties	3,500	3,500	6,599	3,099
Interest	1,700	1,700	3,996	2,296
Total general property taxes	<u>\$ 998,450</u>	<u>\$ 998,450</u>	<u>\$ 1,010,636</u>	<u>\$ 12,186</u>
Other local taxes:				
Local sales and use taxes	\$ 179,404	\$ 179,404	\$ 180,099	\$ 695
Consumers' utility taxes	326,904	326,904	322,765	(4,139)
Business license taxes	646,500	646,500	644,219	(2,281)
Bank stock taxes	194,900	194,900	228,304	33,404
Lodging taxes	190,998	190,998	184,230	(6,768)
Meals taxes	1,453,114	1,453,114	1,483,084	29,970
Cigarette taxes	84,000	84,000	108,493	24,493
Total other local taxes	<u>\$ 3,075,820</u>	<u>\$ 3,075,820</u>	<u>\$ 3,151,194</u>	<u>\$ 75,374</u>
Permits, privilege fees, and regulatory licenses:				
Farmers Market permits	\$ 3,000	\$ 3,000	\$ 6,072	\$ 3,072
Welcome Center fees	3,500	3,500	5,466	1,966
Planning and zoning	8,000	8,000	8,560	560
Solicitor fees	-	-	60	60
Total permits, privilege fees, and regulatory licenses	<u>\$ 14,500</u>	<u>\$ 14,500</u>	<u>\$ 20,158</u>	<u>\$ 5,658</u>
Fines and forfeitures:				
Court fines	\$ 48,000	\$ 48,000	\$ 48,408	\$ 408
Parking fines	100	100	300	200
Other fines	-	-	150	150
Total fines and forfeitures	<u>\$ 48,100</u>	<u>\$ 48,100</u>	<u>\$ 48,858</u>	<u>\$ 758</u>
Revenue from use of money and property:				
Interest earned	\$ 58,409	\$ 58,409	\$ 41,321	\$ (17,088)
Revenue from use of property	9,152	9,152	9,924	772
Total revenue from use of money and property	<u>\$ 67,561</u>	<u>\$ 67,561</u>	<u>\$ 51,245</u>	<u>\$ (16,316)</u>
Charges for services:				
Waste collection charges	\$ 88,944	\$ 88,944	\$ 93,563	\$ 4,619
Grave preparation	1,500	1,500	3,375	1,875
Police reports	1,000	1,000	1,070	70
Security services	3,000	3,000	3,990	990
Passport services	10,000	10,000	12,776	2,776
Miscellaneous services	2,700	2,700	16,397	13,697
Total charges for services	<u>\$ 107,144</u>	<u>\$ 107,144</u>	<u>\$ 131,171</u>	<u>\$ 24,027</u>
Miscellaneous:				
Donations	\$ -	\$ -	\$ 34	\$ 34
Local contributions and grants	30,000	40,000	40,000	-
Miscellaneous	3,803	3,803	3,931	128
Total miscellaneous	<u>\$ 33,803</u>	<u>\$ 43,803</u>	<u>\$ 43,965</u>	<u>\$ 162</u>

Town of Rocky Mount, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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)				
Revenue from local sources: (Continued)				
Recovered costs:				
Other recovered costs	\$ -	\$ -	\$ 4	\$ 4
Total revenue from local sources	<u>\$ 4,345,378</u>	<u>\$ 4,355,378</u>	<u>\$ 4,457,231</u>	<u>\$ 101,853</u>
Intergovernmental:				
Revenue from local governments:				
County of Franklin, Virginia	\$ 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	218,734	218,734	184,942	(33,792)
Litter tax	2,600	2,600	2,543	(57)
Rolling Stock	3,600	3,600	3,357	(243)
Other revenue	-	-	537	537
Total noncategorical aid	<u>\$ 278,795</u>	<u>\$ 278,795</u>	<u>\$ 245,240</u>	<u>\$ (33,555)</u>
Categorical aid:				
Fire programs	\$ 15,210	\$ 15,210	\$ 16,273	\$ 1,063
Highway maintenance	1,370,226	1,370,226	1,386,866	16,640
COPS grant	-	4,795	-	(4,795)
Virginia commission for the arts	-	-	1,490	1,490
Law enforcement aid	108,460	108,460	111,952	3,492
VDOT grant	-	450,000	7,409	(442,591)
DMV mini grant	-	-	8,779	8,779
Total other categorical aid	<u>\$ 1,493,896</u>	<u>\$ 1,948,691</u>	<u>\$ 1,532,769</u>	<u>\$ (415,922)</u>
Total revenue from the Commonwealth	<u>\$ 1,772,691</u>	<u>\$ 2,227,486</u>	<u>\$ 1,778,009</u>	<u>\$ (449,477)</u>
Revenue from the federal government:				
Categorical aid:				
CDBG	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Total General Fund	<u>\$ 6,172,701</u>	<u>\$ 6,637,496</u>	<u>\$ 6,264,872</u>	<u>\$ (372,624)</u>
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Interest earned	\$ -	\$ -	\$ 1,021	\$ 1,021
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,021</u>	<u>\$ 1,021</u>
Total Primary Government	<u>\$ 6,172,701</u>	<u>\$ 6,637,496</u>	<u>\$ 6,265,893</u>	<u>\$ (371,603)</u>

Town of Rocky Mount, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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>
Discretely Presented Component Unit - Harvester Performance Center:				
Performance Venue Fund:				
Revenue from local sources:				
Charges for services:				
Performance venue sales	\$ -	\$ -	\$ 977,801	\$ 977,801
Miscellaneous:				
Sponsorship	\$ -	\$ -	\$ 902	\$ 902
Miscellaneous	-	-	17,241	17,241
Total miscellaneous	\$ -	\$ -	\$ 18,143	\$ 18,143
Intergovernmental:				
Revenues from local governments:				
Contribution from Town of Rocky Mount, Virginia	\$ 331,146	\$ 331,146	\$ 328,686	\$ (2,460)
Total Performance Venue Fund	\$ 331,146	\$ 331,146	\$ 1,324,630	\$ 993,484
Total Discretely Presented Component Unit - Harvester Performance Center	\$ 331,146	\$ 331,146	\$ 1,324,630	\$ 993,484

Town of Rocky Mount, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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>
<b>General Fund:</b>				
<b>General government administration:</b>				
<b>Mayor and Town Council:</b>				
Wages - elected officials	\$ 2,400	\$ 2,400	\$ 2,050	\$ 350
Wages - contractual services	31,000	31,000	29,925	1,075
Fringes/benefits	2,927	2,927	2,726	201
Contractual services	3,650	3,650	2,552	1,098
Advertising	1,900	1,900	1,489	411
Printing and binding	1,240	1,240	2,006	(766)
Postage and delivery services	200	200	117	83
Communication	3,200	3,200	3,409	(209)
Travel, training, and education	3,500	3,500	1,814	1,686
Meeting expenses	950	950	752	198
Stipends	850	850	650	200
Dues and professional memberships	10,192	10,192	10,219	(27)
Books and subscriptions	100	100	-	100
Office supplies	3,500	3,500	1,919	1,581
Miscellaneous	14,500	14,500	10,753	3,747
Data processing equipment	600	600	395	205
Audio and video equipment	-	-	1,178	(1,178)
Total Mayor and Town Council	<u>\$ 80,709</u>	<u>\$ 80,709</u>	<u>\$ 71,954</u>	<u>\$ 8,755</u>
<b>Town Manager:</b>				
Wages	\$ 158,121	\$ 158,121	\$ 155,913	\$ 2,208
Fringes/benefits	58,607	58,607	57,028	1,579
Contractual services	1,120	1,120	10,045	(8,925)
Advertising	-	-	771	(771)
Printing and binding	70	70	-	70
Postage and delivery services	370	370	109	261
Motor fuel expense	420	420	614	(194)
Motor vehicle expense	236	236	837	(601)
Communication	5,900	5,900	5,957	(57)
Travel, training, and education	6,600	6,600	8,193	(1,593)
Dues and professional memberships	1,120	1,120	1,135	(15)
Books and subscriptions	520	520	1,846	(1,326)
Office supplies	5,000	5,000	9,203	(4,203)
Furniture and fixtures	-	-	1,969	(1,969)
Data processing equipment	3,000	3,000	3,227	(227)
Total Town Manager	<u>\$ 241,084</u>	<u>\$ 241,084</u>	<u>\$ 256,847</u>	<u>\$ (15,763)</u>
<b>Town Attorney/Legal Services:</b>				
Contractual services	\$ 5,000	\$ 5,000	\$ 254	\$ 4,746
Retainer	21,000	21,000	21,000	-
Professional services	12,500	12,500	4,156	8,344
Travel, training, and education	-	-	37	(37)
Dues and professional memberships	250	250	240	10
Books and subscriptions	390	390	336	54
Total Town Attorney/Legal Services	<u>\$ 39,140</u>	<u>\$ 39,140</u>	<u>\$ 26,023</u>	<u>\$ 13,117</u>

Town of Rocky Mount, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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>
<b>General Fund: (continued)</b>				
<b>General government administration: (continued)</b>				
Finance:				
Wages	\$ 164,720	\$ 164,720	\$ 167,574	\$ (2,854)
Fringes/benefits	66,252	66,252	63,788	2,464
Contractual services	64,500	64,500	62,595	1,905
Advertising	600	600	242	358
Printing and binding	8,500	8,500	10,801	(2,301)
Postage and delivery services	6,700	6,700	5,250	1,450
Fees	2,300	2,300	3,537	(1,237)
Communications	5,100	5,100	5,797	(697)
Travel, training, and education	4,500	4,500	6,203	(1,703)
Dues and professional memberships	1,470	1,470	1,046	424
Books and subscriptions	100	100	232	(132)
Office Supplies	10,000	10,000	7,220	2,780
Data processing	500	500	573	(73)
Total Finance	\$ 335,242	\$ 335,242	\$ 334,858	\$ 384
Total General Government Administration	\$ 696,175	\$ 696,175	\$ 689,682	\$ 6,493
<b>Public safety:</b>				
Police Department:				
Wages	\$ 1,100,663	\$ 1,092,663	\$ 1,115,281	\$ (22,618)
Fringes/benefits	538,842	535,242	497,796	37,446
Contractual services	15,600	15,600	24,633	(9,033)
Subscription - safety radios	15,600	15,600	-	15,600
Repairs and maintenance	400	400	324	76
Advertising	500	500	665	(165)
Printing and binding	500	500	698	(198)
Postage and delivery services	700	700	481	219
Motor fuel expense	31,000	31,000	38,679	(7,679)
Motor vehicle expense	30,000	30,000	24,895	5,105
Communications	22,000	22,000	27,030	(5,030)
Purchases-grant funded	-	5,328	-	5,328
Purchases-comm grant	-	3,936	1,750	2,186
Asset forfeiture expenses	-	-	178	(178)
Police K-9 unit	4,400	4,400	6,603	(2,203)
SWAT/warrant expenses	100	100	-	100
Uniforms	4,700	4,700	4,412	288
Travel, training, and education	9,200	9,200	4,808	4,392
Transportation and extraditions	100	100	-	100
Uniform stipend	12,600	12,600	12,535	65
Dues and professional memberships	9,250	9,250	10,404	(1,154)
Books and subscriptions	100	100	-	100
Miscellaneous	100	100	-	100
Office supplies	2,630	2,630	1,896	734
Police supplies	25,000	36,600	38,061	(1,461)
Land and building	-	-	750	(750)
Furniture and fixtures	-	-	324	(324)
Data processing	9,000	9,000	10,814	(1,814)
Motor vehicles	74,000	74,000	74,592	(592)
Audio and video equipment	10,000	14,000	7,657	6,343
Police equipment	119,950	119,950	123,121	(3,171)
"Fresh" grant	-	-	454	(454)
Total Police Department	\$ 2,036,935	\$ 2,050,199	\$ 2,028,841	\$ 21,358

Town of Rocky Mount, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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)				
Volunteer Fire Department:				
Fringes/benefits	\$ 6,109	\$ 6,109	\$ 6,310	\$ (201)
Contractual services	1,500	1,500	1,726	(226)
Subscription - safety radios	6,000	6,000	-	6,000
Repairs and maintenance	3,000	3,000	1,436	1,564
Advertising	500	500	-	500
Printing and binding	100	100	-	100
Permits, licenses, and fees	100	100	-	100
Postage and delivery services	30	30	-	30
Motor fuel expense	4,800	4,800	4,986	(186)
Motor vehicle expense	10,000	10,000	11,582	(1,582)
Small equipment expense	100	100	55	45
Communications	2,544	2,544	2,700	(156)
Insurance	9,400	9,400	9,980	(580)
Uniforms/turnout gear	10,000	10,000	3,832	6,168
Travel, training, and education	100	100	-	100
Stipends	60,000	60,000	57,310	2,690
Dues and professional memberships	1,060	1,060	26	1,034
Books and subscriptions	250	250	-	250
Office supplies	260	260	54	206
Furniture and fixtures	-	-	500	(500)
Fire department supplies	5,000	5,000	682	4,318
Data processing	600	600	499	101
Audio and video equipment	-	-	5,017	(5,017)
Fire equipment	94,747	94,747	22,348	72,399
DOFP reporting	-	-	600	(600)
Total Volunteer Fire Department	\$ 216,200	\$ 216,200	\$ 129,643	\$ 86,557
Total public safety	\$ 2,253,135	\$ 2,266,399	\$ 2,158,484	\$ 107,915
Public works:				
Administration:				
Wages	\$ -	\$ -	\$ 82,729	\$ (82,729)
Fringes/benefits	937	937	28,007	(27,070)
Contractual services	500	500	572	(72)
Permits, licenses and fees	-	-	32	(32)
Advertising	100	100	133	(33)
Printing and binding	40	40	-	40
Postage and delivery	-	-	13	(13)
Communications	2,665	2,665	3,072	(407)
Uniforms	11,140	11,140	11,010	130
Travel, training, and education	100	100	141	(41)
Dues and professional memberships	-	-	102	(102)
Data processing equipment	-	-	1,290	(1,290)
Books and subscriptions	-	-	603	(603)
Office supplies	175	175	799	(624)
Total Administration	\$ 15,657	\$ 15,657	\$ 128,503	\$ (112,846)
PW Non-VDOT Highway Eligible:				
Uniforms	\$ -	\$ -	\$ 1,558	\$ (1,558)

Town of Rocky Mount, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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>
<b>General Fund: (continued)</b>				
<b>Public works: (continued)</b>				
Street Lights:				
Wages	\$ 4,557	\$ 4,557	\$ 2,141	\$ 2,416
Fringes/benefits	2,484	2,484	1,765	719
Contractual services	4,000	4,000	-	4,000
Repairs and maintenance	450	450	243	207
Utilities	102,000	102,000	105,728	(3,728)
Streets, street lights, sidewalks	2,500	2,500	1,122	1,378
Total Street Lights	<u>\$ 115,991</u>	<u>\$ 115,991</u>	<u>\$ 110,999</u>	<u>\$ 4,992</u>
Traffic Control and Parking:				
Wages	\$ 12,152	\$ 12,152	\$ 21,206	\$ (9,054)
Fringes/benefits	6,625	6,625	12,593	(5,968)
Contractual services	25,000	25,000	22,715	2,285
Repairs and maintenance	1,000	1,000	1,663	(663)
Utilities	11,700	11,700	11,621	79
Motor fuel expense	395	395	623	(228)
Motor vehicle expense	500	500	82	418
Small equipment	300	300	-	300
Communications	-	-	724	(724)
Traffic control/parking supplies	9,000	9,000	14,327	(5,327)
Capital outlay	50,000	50,000	-	50,000
Machinery and equipment	-	-	1,350	(1,350)
Infrastructure	-	-	60,615	(60,615)
Traffic signals	-	-	33,995	(33,995)
Total Traffic Control and Parking	<u>\$ 116,672</u>	<u>\$ 116,672</u>	<u>\$ 181,514</u>	<u>\$ (64,842)</u>
Streets:				
Wages	\$ 322,531	\$ 322,531	\$ 265,591	\$ 56,940
Fringes/benefits	175,688	175,688	137,427	38,261
Contractual services	425,000	443,004	311,748	131,256
Repairs and maintenance	-	-	6,073	(6,073)
Advertising	175	175	242	(67)
Permits, licenses, fees	-	-	1,528	(1,528)
Motor fuel expense	17,000	17,000	17,491	(491)
Motor vehicle expense	20,000	20,000	25,338	(5,338)
Travel and training	100	100	111	(11)
Small equipment expense	8,000	8,000	2,827	5,173
Miscellaneous	100	100	-	100
Agricultural supplies	2,100	2,100	349	1,751
Chemicals and materials	3,800	3,800	1,565	2,235
Streets, street lights, sidewalk supplies	32,000	32,000	29,274	2,726
Motor vehicles	-	-	34,096	(34,096)
Machinery and equipment	10,000	10,000	11,941	(1,941)
Construction vehicles and equipment	-	83,000	74,306	8,694
Audio and video equipment	-	-	663	(663)
Infrastructure	-	-	9,620	(9,620)
Total Streets	<u>\$ 1,016,494</u>	<u>\$ 1,117,498</u>	<u>\$ 930,190</u>	<u>\$ 187,308</u>

Town of Rocky Mount, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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>
<b>General Fund: (continued)</b>				
<b>Public works: (continued)</b>				
Sidewalks, curbs, and guttering:				
Wages	\$ 7,595	\$ 7,595	\$ -	\$ 7,595
Fringes/benefits	4,140	4,140	1,046	3,094
Street and sidewalk supplies	2,500	2,500	3	2,497
Capital outlay	582,500	582,500	-	582,500
Infrastructure	-	-	38,225	(38,225)
Total Sidewalks, curbs, and guttering	<u>\$ 596,735</u>	<u>\$ 596,735</u>	<u>\$ 39,274</u>	<u>\$ 557,461</u>
Street Cleaning:				
Wages	\$ 10,883	\$ 10,883	\$ 1,862	\$ 9,021
Fringes/benefits	5,833	5,833	1,130	4,703
Motor fuel expense	2,200	2,200	737	1,463
Motor vehicle expense	1,200	1,200	339	861
Total Street Cleaning	<u>\$ 20,116</u>	<u>\$ 20,116</u>	<u>\$ 4,068</u>	<u>\$ 16,048</u>
Refuse Collection:				
Wages	\$ 102,374	\$ 102,374	\$ 60,534	\$ 41,840
Fringes/benefits	55,674	55,674	32,526	23,148
Contractual services	-	-	268	(268)
Printing and binding	500	500	-	500
Advertising	400	400	224	176
Motor fuel expense	10,000	10,000	5,999	4,001
Motor vehicle expense	11,000	11,000	4,882	6,118
Refuse collection supplies	1,200	1,200	1,120	80
Total Refuse Collection	<u>\$ 181,148</u>	<u>\$ 181,148</u>	<u>\$ 105,553</u>	<u>\$ 75,595</u>
Snow Removal:				
Wages	\$ 17,595	\$ 17,595	\$ 7,803	\$ 9,792
Fringes/benefits	8,186	8,186	2,235	5,951
Motor fuel expense	1,300	1,300	741	559
Motor vehicle expense	1,500	1,500	559	941
Chemicals, materials, supplies	10,000	10,000	8,076	1,924
Streets, street lights, cleaning, and sidewalk supplies	1,000	1,000	229	771
Total Snow Removal	<u>\$ 39,581</u>	<u>\$ 39,581</u>	<u>\$ 19,643</u>	<u>\$ 19,938</u>
Scuffling Hill Drainage Improvement				
Contractual services	\$ -	\$ 238,553	\$ 7,685	\$ 230,868
Bernard Road Drainage:				
Bernard Rd drainage	\$ -	\$ 119,092	\$ 15,000	\$ 104,092

Town of Rocky Mount, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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)				
Municipal Building:				
Wages	\$ 3,038	\$ 3,038	\$ 3,188	\$ (150)
Fringes/benefits	1,656	1,656	1,436	220
Contractual services	25,000	25,000	15,178	9,822
Repairs and maintenance	1,500	1,500	1,298	202
Advertising	-	-	121	(121)
Utilities	33,000	33,000	21,515	11,485
Communications	4,000	4,000	4,080	(80)
Municipal building supplies	2,000	2,000	1,248	752
Agricultural supplies	500	500	348	152
Janitorial supplies	1,755	1,755	1,722	33
Land and buildings	60,000	60,000	71,526	(11,526)
Furniture and fixtures	-	-	699	(699)
Data processing	1,000	1,000	11,428	(10,428)
Total Municipal Building	\$ 133,449	\$ 133,449	\$ 133,787	\$ (338)
Emergency Services Building:				
Wages	\$ 3,038	\$ 3,038	\$ 2,897	\$ 141
Fringes/benefits	1,666	1,666	1,433	233
Contractual services	18,200	18,200	19,090	(890)
Repairs and maintenance	7,500	7,500	3,130	4,370
Utilities	17,300	17,300	16,970	330
Heating fuel expense	13,000	13,000	6,423	6,577
Communications	4,000	4,000	2,073	1,927
Firefighters memorial	-	36,510	18,255	18,255
Agricultural supplies	100	100	43	57
Janitorial supplies	3,000	3,000	1,040	1,960
ES building supplies	100	100	459	(359)
Land and buildings	10,000	18,100	19,338	(1,238)
Total Emergency Services Building	\$ 77,904	\$ 122,514	\$ 91,151	\$ 31,363
Public Works Building:				
Wages	\$ 3,038	\$ 3,038	\$ 884	\$ 2,154
Fringes/benefits	1,656	1,656	352	1,304
Contractual services	2,000	2,000	2,298	(298)
Repairs and maintenance	500	500	41	459
Utilities	6,300	6,300	5,246	1,054
Heating fuel expense	4,000	4,000	2,051	1,949
Communications	3,525	3,525	3,808	(283)
Office supplies	150	150	66	84
Janitorial supplies	1,500	1,500	2,776	(1,276)
Shop supplies	2,000	2,000	5,062	(3,062)
Chemicals and materials	-	-	168	(168)
Data processing	-	-	1,548	(1,548)
Audio video equipment	-	-	1,025	(1,025)
Total Public Works Building	\$ 24,669	\$ 24,669	\$ 25,325	\$ (656)
Total public works	\$ 2,338,416	\$ 2,841,675	\$ 1,794,250	\$ 1,047,425

Town of Rocky Mount, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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>
<b>General Fund: (continued)</b>				
<b>Parks, recreation, and cultural:</b>				
<b>Cemetery Maintenance:</b>				
Wages	\$ 12,152	\$ 12,152	\$ 10,643	\$ 1,509
Fringes/benefits	6,634	6,634	6,169	465
Contractual services	1,000	1,000	10	990
Motor fuel expense	650	650	658	(8)
Small equipment expense	600	600	-	600
Agricultural supplies	350	350	43	307
Machinery and equipment	-	39,067	39,067	-
<b>Total Cemetery Maintenance</b>	<b>\$ 21,386</b>	<b>\$ 60,453</b>	<b>\$ 56,590</b>	<b>\$ 3,863</b>
<b>Playgrounds and Parks:</b>				
Wages	\$ 18,228	\$ 18,228	\$ 26,869	\$ (8,641)
Fringes/benefits	9,940	9,940	11,130	(1,190)
Contractual services	2,300	2,300	3,860	(1,560)
Repairs and maintenance	900	900	2,512	(1,612)
Utilities	2,000	2,000	1,781	219
Motor fuel expense	600	600	657	(57)
Small equipment expense	500	500	-	500
Agricultural supplies	600	600	415	185
Parks, recreation, cemetery supplies	2,000	2,000	2,858	(858)
Machinery and equipment	35,000	35,000	25,586	9,414
Infrastructure	925,000	925,000	13,008	911,992
<b>Total Playgrounds and Parks</b>	<b>\$ 997,068</b>	<b>\$ 997,068</b>	<b>\$ 88,676</b>	<b>\$ 908,392</b>
<b>Celeste Park</b>				
Capital outlay	\$ -	\$ 5,245	\$ -	\$ 5,245
<b>Gilley's Park</b>				
Capital outlay	\$ -	\$ 25,000	\$ -	\$ 25,000
<b>Impound Lot</b>				
Wages	\$ -	\$ -	\$ 6,316	\$ (6,316)
Fringes/benefits	-	-	1,773	(1,773)
Contractual services	-	-	228	(228)
Impound lot	-	67,000	14,468	52,532
<b>Total Impound Lot</b>	<b>\$ -</b>	<b>\$ 67,000</b>	<b>\$ 22,785</b>	<b>\$ 44,215</b>
<b>Veterans Memorial Park</b>				
Land improvements	\$ -	\$ 884,771	\$ -	\$ 884,771
Advertising	-	-	1,439	(1,439)
Insurance	-	-	802	(802)
Infrastructure	-	165,527	1,095,322	(929,795)
<b>Total Veterans Memorial Park</b>	<b>\$ -</b>	<b>\$ 1,050,298</b>	<b>\$ 1,097,563</b>	<b>\$ (47,265)</b>
<b>Total parks, recreation, and cultural</b>	<b>\$ 1,018,454</b>	<b>\$ 2,205,064</b>	<b>\$ 1,265,614</b>	<b>\$ 939,450</b>

Town of Rocky Mount, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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>
<b>General Fund: (continued)</b>				
<b>Community development:</b>				
<b>  Planning and Zoning:</b>				
Wages	\$ 75,940	\$ 75,940	\$ 70,770	\$ 5,170
Fringes/benefits	30,048	30,048	26,433	3,615
Contractual services	5,732	5,732	1,178	4,554
Advertising	2,550	2,550	1,419	1,131
Printing and binding	100	100	-	100
Postage and delivery services	250	250	185	65
Motor fuel expense	270	270	-	270
Motor vehicle expense	750	750	186	564
Communications	5,500	5,500	5,776	(276)
Travel	1,000	1,000	595	405
Meeting expenses	575	575	268	307
Stipends	8,375	8,375	7,850	525
Dues and professional memberships	425	425	-	425
Books and subscriptions	100	100	141	(41)
Office Supplies	3,600	3,600	3,496	104
Data processing equipment	-	-	9,856	(9,856)
<b>Total Planning and Zoning</b>	<b>\$ 135,215</b>	<b>\$ 135,215</b>	<b>\$ 128,153</b>	<b>\$ 7,062</b>
<b>Community and Economic Development:</b>				
Wages	\$ 92,323	\$ 92,323	\$ 92,833	\$ (510)
Fringes/benefits	40,083	40,083	33,819	6,264
Contractual services	45,000	45,000	28,084	16,916
Advertising	3,500	3,500	1,766	1,734
Branding of Town	58,939	51,186	32,859	18,327
Printing and binding	100	100	-	100
Postage and delivery services	1,000	1,000	364	636
Motor fuel expense	800	800	1,749	(949)
Motor vehicle expense	600	600	1,018	(418)
Communications	3,200	3,200	2,902	298
Travel, training, and education	5,000	5,000	4,954	46
Dues and professional memberships	2,100	2,100	2,254	(154)
Books and subscriptions	300	300	1,213	(913)
Special events/promotions	20,000	20,000	19,692	308
Shop local campaign	15,000	15,000	-	15,000
Office supplies	6,300	6,300	4,327	1,973
Capital outlay	600	600	-	600
Data processing equipment	500	500	1,717	(1,217)
Audio and video equipment	-	-	1,712	(1,712)
Town decorations	5,000	5,000	9,200	(4,200)
<b>Total Community and Economic Development</b>	<b>\$ 300,345</b>	<b>\$ 292,592</b>	<b>\$ 240,463</b>	<b>\$ 52,129</b>

Town of Rocky Mount, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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>
<b>General Fund: (continued)</b>				
<b>Community development: (continued)</b>				
Citizens' Square:				
Wages	\$ 3,038	\$ 3,038	\$ 7,169	\$ (4,131)
Fringes/benefits	1,656	1,656	3,595	(1,939)
Contractual services	10,000	10,000	10,149	(149)
Repairs and maintenance	1,500	1,500	360	1,140
Advertising	2,000	2,000	-	2,000
Permits, licenses, fees	40	40	40	-
EBT expense	-	-	1,168	(1,168)
Utilities	2,400	2,400	2,427	(27)
Janitorial supplies	100	100	314	(214)
Citizens' Square/Depot supplies	200	200	1,544	(1,344)
Total Citizens' Square	<u>\$ 20,934</u>	<u>\$ 20,934</u>	<u>\$ 26,766</u>	<u>\$ (5,832)</u>
Community and Hospitality Center:				
Wages	\$ 15,063	\$ 15,063	\$ 11,330	\$ 3,733
Fringes/benefits	2,616	2,616	1,322	1,294
Contractual services	5,500	5,500	4,715	785
Repairs and maintenance	2,000	2,000	-	2,000
Utilities	5,600	5,600	3,439	2,161
Communications	800	800	972	(172)
Travel, training, and education	300	300	53	247
Office supplies	700	700	179	521
Janitorial supplies	275	275	414	(139)
Citizens' Square/Depot supplies	-	-	362	(362)
Total Community and Hospitality Center	<u>\$ 32,854</u>	<u>\$ 32,854</u>	<u>\$ 22,786</u>	<u>\$ 10,068</u>
Passport Program:				
Postage and delivery services	\$ 1,700	\$ 1,700	\$ 1,601	\$ 99
Office supplies	525	525	738	(213)
Total Passport Program	<u>\$ 2,225</u>	<u>\$ 2,225</u>	<u>\$ 2,339</u>	<u>\$ (114)</u>
Remediation of Blighted Structures:				
Wages	\$ -	\$ -	\$ 2,799	\$ (2,799)
Fringes/benefits	-	-	620	(620)
Contractual services	-	-	15,156	(15,156)
Demolition	20,000	20,000	-	20,000
Total Remediation of Blighted Structures	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 18,575</u>	<u>\$ 1,425</u>
Economic Development Authority:				
Wages	\$ 600	\$ 600	\$ 600	\$ -
Fringes/benefits	145	145	228	(83)
Travel and training	2,000	2,000	-	2,000
Stipends	2,100	2,100	1,150	950
Advertising	-	-	-	-
Office supplies	-	-	39	(39)
Land and buildings	50,000	50,000	-	50,000
Total Economic Development Authority	<u>\$ 54,845</u>	<u>\$ 54,845</u>	<u>\$ 2,017</u>	<u>\$ 52,828</u>
Contributions to Harvester Performance Center	<u>\$ 331,146</u>	<u>\$ 331,146</u>	<u>\$ 328,686</u>	<u>\$ 2,460</u>
Total Community Development	<u>\$ 897,564</u>	<u>\$ 889,811</u>	<u>\$ 769,785</u>	<u>\$ 120,026</u>

Town of Rocky Mount, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
Fiscal Year Ended June 30, 2017

<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>
<b>General Fund: (continued)</b>				
<b>Nondepartmental:</b>				
Wages	\$ -	\$ -	\$ 17,103	\$ (17,103)
Fringes/benefits	58,683	58,683	32,195	26,488
Insurance	73,352	73,352	74,299	(947)
Contributions to other entities	16,500	16,500	15,450	1,050
Contingency	139,741	64,641	50,000	14,641
Total Nondepartmental	<u>\$ 288,276</u>	<u>\$ 213,176</u>	<u>\$ 189,047</u>	<u>\$ 24,129</u>
<b>Debt service:</b>				
Principal retirement	\$ 343,239	\$ 343,239	\$ 182,799	\$ 160,440
Interest and fiscal charges	35,059	35,059	48,552	(13,493)
Total debt service	<u>\$ 378,298</u>	<u>\$ 378,298</u>	<u>\$ 231,351</u>	<u>\$ 146,947</u>
Total General Fund	<u>\$ 7,870,318</u>	<u>\$ 9,490,598</u>	<u>\$ 7,098,213</u>	<u>\$ 2,392,385</u>
Total Primary Government	<u>\$ 7,870,318</u>	<u>\$ 9,490,598</u>	<u>\$ 7,098,213</u>	<u>\$ 2,392,385</u>
<b>Discretely Presented Component Unit - Harvester Performance Center:</b>				
<b>Performance Venue Fund:</b>				
<b>Community development:</b>				
Harvester Performance Center	\$ 331,146	\$ -	\$ 1,260,808	\$ (1,260,808)
Total Performance Venue Fund	<u>\$ 331,146</u>	<u>\$ -</u>	<u>\$ 1,260,808</u>	<u>\$ (1,260,808)</u>
Total Discretely Presented Component Unit - Harvester Performance Center	<u>\$ 331,146</u>	<u>\$ -</u>	<u>\$ 1,260,808</u>	<u>\$ (1,260,808)</u>

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**STATISTICAL SECTION**

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 8,691,806	\$ 8,949,640	\$ 9,938,639	\$ 12,308,493	\$ 12,768,337	\$ 12,824,596	\$ 13,421,135	\$ 13,173,384	\$ 13,194,309	\$ 13,382,249
Restricted	-	-	-	-	-	-	-	-	-	451,764
Unrestricted	10,250,528	11,126,647	10,998,693	10,934,072	10,241,470	9,524,633	5,700,375	4,942,843	6,909,303	5,750,745
Total governmental activities net position	<u>\$ 18,942,334</u>	<u>\$ 20,076,287</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 7,499,720	\$ 7,619,260	\$ 7,601,301	\$ 9,435,263	\$ 9,712,564	\$ 9,967,807	\$ 8,910,140	\$ 8,741,269	\$ 8,522,241	\$ 8,179,578
Restricted for debt service	-	-	356,642	356,642	280,018	280,018	-	-	-	-
Unrestricted	137,803	69,501	(192,322)	(1,150,324)	(1,514,916)	(1,379,266)	266,300	22,529	8,757,094	1,554,675
Total business-type activities net position	<u>\$ 7,637,523</u>	<u>\$ 7,688,761</u>	<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>\$ 9,734,253</u>
Primary Government										
Net investment in capital assets	\$ 16,191,526	\$ 16,568,900	\$ 17,539,940	\$ 21,743,756	\$ 22,480,901	\$ 22,792,403	\$ 22,331,275	\$ 21,914,653	\$ 21,716,550	\$ 21,561,827
Restricted for debt service	-	-	356,642	356,642	280,018	280,018	-	-	-	451,764
Unrestricted	10,388,331	11,196,148	10,806,371	9,783,748	8,726,554	8,145,367	5,966,675	4,965,372	7,144,156	7,305,420
Total primary government net position	<u>\$ 26,579,857</u>	<u>\$ 27,765,048</u>	<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>\$ 29,319,011</u>

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government administration	\$ 900,371	\$ 861,445	\$ 798,988	\$ 174,544	\$ 1,310,661	\$ 894,183	\$ 909,202	\$ 931,434	\$ 836,494	\$ 983,926
Public Safety	1,768,618	1,807,691	1,713,977	2,157,429	2,012,658	1,884,733	2,123,428	2,026,137	2,017,134	2,374,024
Public Works	1,370,547	1,733,026	1,892,605	1,555,182	1,538,835	1,756,852	1,371,148	1,728,155	1,947,796	1,743,964
Parks, recreation and cultural	45,521	45,676	43,798	112,286	54,320	125,182	113,983	61,642	66,665	161,397
Community development	295,389	257,877	303,876	186,118	581,132	752,701	3,894,611	680,806	778,492	905,959
Interest on long-term debt	147,012	141,919	135,526	185,382	116,630	108,331	104,988	20,876	58,187	49,285
Total governmental activities expenses	\$ 4,527,458	\$ 4,847,634	\$ 4,888,770	\$ 4,370,941	\$ 5,614,236	\$ 5,521,982	\$ 8,517,360	\$ 5,449,050	\$ 5,704,768	\$ 6,218,555
Business-type activities:										
Water and Sewage	\$ 2,436,316	\$ 2,403,437	\$ 2,304,052	\$ 2,293,343	\$ 2,286,168	\$ 2,567,771	\$ 2,517,014	\$ 2,392,635	\$ 2,441,711	\$ 2,442,424
Total business-type activities expenses	\$ 2,436,316	\$ 2,403,437	\$ 2,304,052	\$ 2,293,343	\$ 2,286,168	\$ 2,567,771	\$ 2,517,014	\$ 2,392,635	\$ 2,441,711	\$ 2,442,424
Total primary government expenses	\$ 6,963,774	\$ 7,251,071	\$ 7,192,822	\$ 6,664,284	\$ 7,900,404	\$ 8,089,753	\$ 11,034,374	\$ 7,841,685	\$ 8,146,479	\$ 8,660,979
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government administration	\$ 13,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	71,740	49,926	33,858	38,121	34,393	93,630	109,983	89,168	81,459	86,852
Public Works	76,398	86,812	89,694	91,463	91,874	98,136	85,135	92,842	93,420	93,563
Other activities	2,504	23,890	13,887	23,473	15,477	6,569	5,154	3,403	8,040	19,772
Operating grants and contributions	1,251,767	1,447,387	1,488,707	1,587,192	1,439,839	1,477,830	1,471,561	1,482,557	1,591,163	1,562,401
Capital grants and contributions	112,137	630,066	789,122	760,818	156,064	-	-	500,000	-	-
Total governmental activities program revenues	\$ 1,527,896	\$ 2,238,081	\$ 2,415,268	\$ 2,501,067	\$ 1,737,647	\$ 1,676,165	\$ 1,671,833	\$ 2,167,970	\$ 1,774,082	\$ 1,762,588
Business-type activities:										
Charges for services:										
Water & Sewer	\$ 2,146,201	\$ 1,938,102	\$ 1,829,553	\$ 1,776,905	\$ 1,777,053	\$ 2,034,980	\$ 2,234,095	\$ 2,286,212	\$ 2,468,788	\$ 2,581,401
Total primary government program revenues	\$ 3,674,097	\$ 4,176,183	\$ 4,244,821	\$ 4,277,972	\$ 3,514,700	\$ 3,711,145	\$ 3,905,928	\$ 4,454,182	\$ 4,242,870	\$ 4,343,989
<b>Net (expense)/revenue:</b>										
Governmental activities	\$ (2,999,562)	\$ (2,609,553)	\$ (2,473,502)	\$ (1,869,874)	\$ (3,876,589)	\$ (3,845,817)	\$ (6,845,527)	\$ (3,281,080)	\$ (3,930,686)	\$ (4,455,967)
Business-type activities	(290,115)	(465,335)	(474,499)	(516,438)	(509,115)	(532,791)	(282,919)	(106,423)	27,077	138,977
Total primary government net expense	\$ (3,289,677)	\$ (3,074,888)	\$ (2,948,001)	\$ (2,386,312)	\$ (4,385,704)	\$ (4,378,608)	\$ (7,128,446)	\$ (3,387,503)	\$ (3,903,609)	\$ (4,316,990)

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 755,957	\$ 807,283	\$ 791,374	\$ 818,866	\$ 836,746	\$ 849,121	\$ 958,992	\$ 937,781	\$ 1,004,337	\$ 1,009,816
Sales tax	179,058	176,134	184,303	162,650	165,757	170,318	161,774	167,128	172,420	180,099
Business licenses taxes	558,239	582,774	563,079	566,498	727,126	626,570	671,456	625,162	682,104	644,219
Meals tax	1,092,531	1,075,767	1,057,284	1,093,932	1,163,386	1,192,660	1,247,585	1,352,151	1,403,288	1,483,084
Lodging tax	103,205	83,114	84,890	89,232	95,823	86,254	99,690	114,034	123,292	184,230
Bank stock tax	227,005	219,726	207,793	215,996	205,444	211,311	249,226	275,223	222,092	228,304
Other local taxes	99,734	94,061	89,619	86,873	83,426	87,651	2,890	-	-	-
Consumers' utility taxes	558,085	557,220	526,582	330,044	282,489	322,792	331,258	333,011	328,559	322,765
Mobile telephone tax	-	-	-	-	38,054	-	-	-	-	-
Cigarette tax	-	-	-	-	123,161	100,371	95,814	107,461	89,454	108,493
Intergovernmental revenue, unrestricted	83,213	102,764	65,707	266,795	255,227	244,810	256,745	256,262	250,549	245,240
Unrestricted revenues from use of money and property	564,770	481,979	221,229	320,196	81,198	69,353	62,171	74,136	142,520	52,266
Other	13,857	22,066	41,289	1,094,702	32,619	39,699	71,007	54,238	143,156	8,965
Transfers	62,582	(459,382)	(498,602)	(761,607)	(454,138)	(783,565)	(590,800)	(257,139)	33,781	(606,059)
Total governmental activities	\$ 4,298,236	\$ 3,743,506	\$ 3,334,547	\$ 4,284,177	\$ 3,636,318	\$ 3,217,345	\$ 3,617,808	\$ 4,039,448	\$ 4,595,552	\$ 3,861,422
Business-type activities:										
Other	\$ 23,267	\$ 41,628	\$ 52,757	\$ 74,961	\$ 45,166	\$ 167,468	\$ -	\$ 258	\$ -	\$ 4,000
Unrestricted revenues from use of money and property	23,438	15,563	-	-	18	-	-	-	-	-
Transfers	(62,582)	459,382	498,602	761,607	454,138	783,565	590,800	257,139	(33,781)	606,059
Total business-type activities	\$ (15,877)	\$ 516,573	\$ 551,359	\$ 836,568	\$ 499,322	\$ 951,033	\$ 590,800	\$ 257,397	\$ (33,781)	\$ 610,059
Total primary government	\$ 4,282,359	\$ 4,260,079	\$ 3,885,906	\$ 5,120,745	\$ 4,135,640	\$ 4,168,378	\$ 4,208,608	\$ 4,296,845	\$ 4,561,771	\$ 4,471,481
Change in Net Position										
Governmental activities	\$ 1,298,674	\$ 1,133,953	\$ 861,045	\$ 2,414,303	\$ (240,271)	\$ (628,472)	\$ (3,227,719)	\$ 758,368	\$ 664,866	\$ (594,545)
Business-type activities	(305,992)	51,238	76,860	320,130	(9,793)	418,242	307,881	150,974	(6,704)	749,036
Total primary government	\$ 992,682	\$ 1,185,191	\$ 937,905	\$ 2,734,433	\$ (250,064)	\$ (210,230)	\$ (2,919,838)	\$ 909,342	\$ 658,162	\$ 154,491

Table 3

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

	Fiscal Year									
	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,550	\$ 1,550	\$ -	\$ 10,145
Restricted	-	-	-	-	-	-	-	-	-	451,764
Reserved	112,378	45,617	2,293	-	-	-	-	-	-	-
Unreserved	10,311,101	10,874,461	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
Total general fund	\$ 10,423,479	\$ 10,920,078	\$ 10,801,355	\$ 11,897,728	\$ 11,323,032	\$ 10,704,059	\$ 6,411,034	\$ 6,980,486	\$ 8,150,074	\$ 8,244,533
All other governmental funds										
Nonspendable										
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,721	\$ 2,790	\$ 57,643
Reserved	405,494	554,444	1,438,537	-	-	-	-	-	-	-
Unreserved, reported in:										
Capital Projects	-	149,074	(1,013,171)	-	-	-	-	-	-	-
Unassigned, reported in:										
Capital Projects	-	-	-	(680,288)	(775,601)	(795,086)	(321,815)	-	-	-
Total all other governmental funds	\$ 405,494	\$ 703,518	\$ 425,366	\$ (680,288)	\$ (775,601)	\$ (795,086)	\$ (321,815)	\$ 16,721	\$ 2,790	\$ 57,643

(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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	\$ 3,577,520	\$ 3,560,999	\$ 3,507,462	\$ 3,386,948	\$ 3,719,978	\$ 3,640,251	\$ 3,799,794	\$ 3,911,550	\$ 4,012,405	\$ 4,161,830
Licenses and permits	14,178	21,890	13,387	14,788	5,945	12,861	26,593	17,001	17,007	20,158
Fines and forfeitures	68,423	46,676	28,709	32,263	28,467	53,037	57,805	52,787	51,040	48,858
Use of money & property	564,770	481,979	221,229	320,196	81,198	69,353	62,171	74,136	142,520	52,266
Charges for services	81,392	92,062	95,343	106,006	107,332	132,437	115,874	115,625	114,872	131,171
Other	13,857	22,066	41,289	410,795	189,296	43,513	112,966	57,422	692,271	43,969
Intergovernmental	1,447,116	2,180,217	2,343,536	2,614,805	1,695,066	1,722,640	1,728,306	2,238,819	1,841,712	1,807,641
<b>Total revenues</b>	<b>\$ 5,767,256</b>	<b>\$ 6,405,889</b>	<b>\$ 6,250,955</b>	<b>\$ 6,885,801</b>	<b>\$ 5,827,282</b>	<b>\$ 5,674,092</b>	<b>\$ 5,903,509</b>	<b>\$ 6,467,340</b>	<b>\$ 6,871,827</b>	<b>\$ 6,265,893</b>
<b>Expenditures</b>										
General government administration	\$ 703,880	\$ 734,668	\$ 675,930	\$ 581,529	\$ 824,164	\$ 627,291	\$ 639,357	\$ 695,392	\$ 679,772	\$ 689,682
Public safety	1,580,176	1,881,914	1,468,653	2,239,784	1,764,573	1,609,022	1,957,098	1,976,129	1,896,243	2,158,484
Public works	1,175,851	1,273,449	2,193,364	1,308,836	1,457,358	1,465,808	1,400,360	1,564,856	2,017,661	1,794,250
Parks, recreation and cultural	37,757	70,730	75,782	107,660	69,802	118,091	136,981	51,633	74,202	1,265,614
Community development	186,456	226,764	263,795	271,900	374,620	631,578	378,721	495,568	700,736	769,785
Nondepartmental	218,550	206,272	132,627	201,300	398,734	176,669	188,939	163,654	154,046	189,047
Capital outlay	226,902	484,432	1,066,717	1,817,788	845,734	598,258	2,779,365	191,440	-	-
Debt service:										
Principal	125,129	129,840	134,766	1,666,248	189,300	189,300	134,557	184,792	181,879	182,799
Interest	148,230	143,815	137,594	167,135	126,381	112,968	158,116	51,989	45,412	48,552
Bond Issuance Costs	-	-	-	-	-	-	7,357	-	-	-
<b>Total expenditures</b>	<b>\$ 4,402,931</b>	<b>\$ 5,151,884</b>	<b>\$ 6,149,228</b>	<b>\$ 8,362,180</b>	<b>\$ 6,050,666</b>	<b>\$ 5,528,985</b>	<b>\$ 7,780,851</b>	<b>\$ 5,375,453</b>	<b>\$ 5,749,951</b>	<b>\$ 7,098,213</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 1,364,325</b>	<b>\$ 1,254,005</b>	<b>\$ 101,727</b>	<b>\$ (1,476,379)</b>	<b>\$ (223,384)</b>	<b>\$ 145,107</b>	<b>\$ (1,877,342)</b>	<b>\$ 1,091,887</b>	<b>\$ 1,121,876</b>	<b>\$ (832,320)</b>
<b>Other financing sources (uses)</b>										
Transfers in	\$ 229,247	\$ 178,472	\$ 557	\$ -	\$ 592,219	\$ 395,346	\$ 3,629,816	\$ -	\$ 33,781	\$ 6,188,100
Transfers out	(166,665)	(637,854)	(499,159)	(761,607)	(1,046,357)	(1,178,911)	(5,579,585)	(257,139)	-	(6,794,159)
Issuance of debt	-	-	-	1,640,000	-	-	1,190,700	-	-	1,512,000
Capital leases	-	-	-	-	-	-	-	73,240	-	-
Other	-	-	-	697,775	-	-	(1,183,343)	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ 62,582</b>	<b>\$ (459,382)</b>	<b>\$ (498,602)</b>	<b>\$ 1,576,168</b>	<b>\$ (454,138)</b>	<b>\$ (783,565)</b>	<b>\$ (1,942,412)</b>	<b>\$ (183,899)</b>	<b>\$ 33,781</b>	<b>\$ 905,941</b>
<b>Net change in fund balances</b>	<b>\$ 1,426,907</b>	<b>\$ 794,623</b>	<b>\$ (396,875)</b>	<b>\$ 99,789</b>	<b>\$ (677,522)</b>	<b>\$ (638,458)</b>	<b>\$ (3,819,754)</b>	<b>\$ 907,988</b>	<b>\$ 1,155,657</b>	<b>\$ 73,621</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>7.24%</b>	<b>6.61%</b>	<b>5.66%</b>	<b>28.01%</b>	<b>6.07%</b>	<b>6.13%</b>	<b>5.86%</b>	<b>4.57%</b>	<b>4.20%</b>	<b>4.22%</b>

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					
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
2009	244,576,200	18,205,800	189,438,200	3,928,500	41,366,265	60,580,689	22,152,956	580,248,610	0.18
2008	177,369,800	14,052,600	166,125,300	2,420,300	38,620,252	57,168,380	15,834,646	471,591,278	0.15

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 2017			Fiscal Year 2008		
	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	9,635,600	1	2.12%	8,357,500	4	2.32%
Southgate Associates II LP (Tanyard Rd)	9,513,400	2	2.09%	6,716,900	7	1.87%
Rocky Mount Development Company LLC (Old Franklin)	9,474,000	3	2.08%	7,394,300	5	2.05%
Lowes Home Centers Inc.	8,772,300	4	1.93%	14,741,300	1	4.10%
Franklin Memorial Hospital	8,631,700	5	1.90%	8,944,300	2	2.48%
Franklin County (Technology Park)	8,322,100	6	1.83%			
Trinity Packaging Corporation	7,586,400	7	1.67%	5,903,100	8	1.64%
PG Multi-16 LP/Ply Gem	6,825,600	8	1.50%	8,360,100	3	2.32%
OHI Asset (VA) Rocky Mount LLC/Trinity Mission	6,820,100	9	1.50%	3,757,700	12	1.04%
L & M Properties LLC	5,880,800	10	1.29%	2,660,800	15	0.74%
Mod-U-Kraf Homes Inc.	5,582,500	11	1.23%	3,849,100	11	1.07%
Medical Facilities of Virginia/Franklin Health Care	5,189,200	12	1.14%	4,650,000	10	1.29%
AZ Rocky Mount LLC/Walgreen #13013	4,269,600	13	0.94%			
Danny M. Perdue Living Trust	3,911,300	14	0.86%			
Ferguson Land & Lumber Inc.	3,599,300	15	0.79%			
	<u>\$ 104,013,900</u>		<u>22.87%</u>	<u>\$ 75,335,100</u>		<u>20.92%</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
2017	\$ 962,620	\$ 909,453	94.48%	\$ -	\$ 909,453	94.48%
2016	959,038	903,099	94.17%	23,939	903,099	94.17%
2015	902,443	842,340	93.34%	42,149	884,489	98.01%
2014	901,325	879,708 A	97.60%	10,250	889,958	98.74%
2013	903,558	820,174	90.77%	79,283	899,457	99.55%
2012	899,388	870,261	96.76%	26,416	896,677	99.70%
2011	884,213	869,431	98.33%	13,223	882,654	99.82%
2010	869,573	866,613	99.66%	2,019	868,632	99.89%
2009	890,915	852,065	95.64%	38,507	890,572	99.96%
2008	813,789	804,657	98.88%	8,855	813,512	99.97%

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 2017			Fiscal Year 2008		
	Monthly Average Consumption	Rank	Percentage of Total Billed Monthly Average Consumption	Monthly Average Consumption	Rank	Percentage of Total Billed Monthly Average Consumption
Ronile	1,556,973	1	7.24%	3,562,509	1	11.46%
PlyGem Windows	903,548	2	4.20%	1,059,338	3	3.41%
Trinity Mission	692,642	3	3.22%	725,604	4	2.33%
Medical Facilities of America	691,238	4	3.21%	392,120	6	1.26%
Franklin County Middle School	486,029	5	2.26%	505,543	5	1.63%
Franklin County High School	448,264	6	2.08%	355,066	7	1.14%
Home Town Ice	397,636	7	1.85%			
Candlewood Apartments	276,605	8	1.29%	319,321	8	1.03%
Tanyard Village	225,766	9	1.05%			
Property Mgt / Windy Lane	188,985	10	0.88%			
Franklin County Courthouse Complex	183,107	11	0.85%			
Greater Southern Wood Preservers/Rocky Top	180,405	12	0.84%			
Rocky Mount Comfort Inn	162,478	13	0.76%			
Trinity Packaging	155,774	14	0.72%			
All American Auto Spa	150,652	15	0.70%			

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
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
2009	161,848	543,095	582,774	219,726	83,114	1,075,767	-	2,666,324
2008	179,058	558,085	558,239	227,005	103,205	1,092,531	-	2,718,123

Source: Schedule 1

Table 10

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 35,725,585	\$ 45,614,870	\$ 45,821,418	\$ 46,188,130	\$ 46,785,910	\$ 43,394,060	\$ 44,457,800	\$ 43,234,180	\$ 43,234,180	\$ 45,484,290
Total net debt applicable to limit	11,715,910	10,926,856	10,113,684	7,431,900	6,576,568	5,700,063	5,164,500	4,778,500	4,778,500	5,506,500
Legal debt margin	24,009,675	34,688,014	35,707,734	38,756,230	40,209,342	37,693,997	39,293,300	38,455,680	38,455,680	39,977,790
Total net debt applicable to the limit as a percentage of debt limit	33%	24%	22%	16.1%	14.1%	13.1%	11.6%	11.1%	11.1%	12.1%

Legal Debt Margin Calculated for Fiscal Year 2017

Assessed value	<u>\$ 454,842,900</u>
Debt limit (10% of assessed value)	\$ 45,484,290
Debt applicable to limit:	
Revenue Bonds	3,344,500
Other Long-Term Obligations	<u>2,162,000</u>
Total net applicable to limit	<u>5,506,500</u>
Legal debt margin	<u><u>\$ 39,977,790</u></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	Per Capita
	General Obligation Bonds	Revenue Bonds	Capital Lease	General Obligation Bonds	Revenue Bonds			
2017	\$ 2,162,000	\$ -	\$ 18,770	\$ -	\$ 3,344,500	\$ 5,525,270	0.27%	\$ 1,152
2016	815,000	-	36,569	-	3,573,500	4,425,069	0.23%	922
2015	980,000	-	53,448	-	3,798,500	4,831,948	0.25%	1,007
2014	1,145,000	-	-	-	4,019,500	5,164,500	0.27%	1,071
2013	1,310,000	1,196,423	-	2,265,063	1,019,177	5,790,663	0.30%	1,201
2012	1,475,000	1,222,798	-	2,931,568	1,041,644	6,671,010	0.36%	1,384
2011	1,640,000	1,249,173	-	3,576,900	1,064,111	7,530,184	0.44%	1,569
2010	1,641,948	1,275,548	-	6,211,736	1,086,578	10,215,810	0.59%	2,258
2009	1,755,113	1,299,223	-	6,871,743	1,106,745	11,032,824	8.88%	2,405
2008	1,863,353	1,322,898	-	7,512,557	1,126,912	11,825,720	10.09%	2,567

Source: Note 8

Table 12

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
2017	4,799			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%
2009	4,544	33,420	1,728,877	7,285	4.90%
2008	4,564	28,893	131,867	7,185	4.70%

(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 2017			Fiscal Year 2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Franklin County Public Schools	1,270	1	4.91%	1,145	1	4.47%
Ply Gem Manufacturers Inc.	950	2	3.68%	1,130	2	4.41%
Trinity Packaging Inc.	380	3	1.47%	285	5	1.11%
Franklin County	339	4	1.31%	350	4	1.37%
Wal-mart	300	5	1.16%	400	3	1.56%
Carilion Franklin Memorial Hospital	275	6	1.06%	278	6	1.09%
Fleetwood Homes of Virginia	162	7	0.63%	200	10	0.78%
Franklin Health Care	146	8	0.57%			
Ronile Inc.	135	9	0.52%	248	7	0.97%
Rocky Mount Rehabilitation & Health	121	10	0.47%	215	8	0.84%
	4,078			4,251		

Source: Virginia Employment Commission & employer human resource offices

Table 14

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

<u>Function/Program</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>	<u>2009</u>	<u>2008</u>
General government										
Management services	3	3	2	2	2	2	2	2	2	2
Finance	5	5	5	5	5	5	5	5	5	5
Planning & Community Development	6	5	5	5	5	5	5	5	4	4
Building	0	0	0	0	0	0	0	0	1	1
Police										
Officers	21	20	20	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	18
Parks, recreation, and cultural										
Water	6	6	6	6	6	6	6	6	6	6
Sewer	5	5	5	4	4	4	4	4	4	4
Total	<u>65</u>	<u>63</u>	<u>62</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>62</u>

Source: Town's Adopted Operating Budget

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Fleet										
Pieces of equipment maintained	54	53	53	52	56	56	56	56	56	56
Public safety										
Police										
Criminal arrests	713	744	461	587	622	498	694	516	693	815
Traffic violations	1,282	1,453	1,217	1,209	1,172	754	730	653	820	1,658
Fire										
Emergency responses	468	470	418	423	427	380	379	308	289	328
Public works										
Other public works										
Street resurfacing (miles)	4	4	4	4	4	5	3	5	5	3
Water										
Number of customer accounts	2,914	2,891	2,895	2,872	2,855	2,836	2,824	2,813	2,801	2,799
Miles of distribution lines										-
Volume pumped (million gallons per day average)	716,871	753,000	745,361	897,444	820,333	895,083	866,694	858,556	917,166	1,002,931
Sewer										
Number of customer accounts	2,067	2,051	2,049	2,034	2,009	2,003	2,001	1,998	1,982	1,980
Waste/Water treated (million gallons per day)	793,969	937,225	671,128	801,031	703,833	740,817	738,611	856,844	816,199	773,034

Source: Council reports, utility reports, highway reports.

Table 16

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

<u>Function/Program</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>	<u>2009</u>	<u>2008</u>
Public safety										
Law enforcement vehicles	28	26	26	25	21	19	15	14	14	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.

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## COMPLIANCE SECTION

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## 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*

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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, 2017, 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 13, 2017.

### 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. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness (2017-001).

## 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.

  
Blacksburg, Virginia  
November 13, 2017

Town of Rocky Mount, Virginia  
Schedule of Findings and Responses  
Fiscal Year Ended June 30, 2017

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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

2017-001

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Criteria:	Per Statement on Auditing Standards 115, 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 more than a remote likelihood 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.

ITEM(S) TO BE CONSIDERED UNDER:

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

FOR COUNCIL MEETING DATED:	February 12, 2018
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<p><b>STAFF MAKING REQUEST:</b></p>	<p>Community Development                  Planning Commission                  Economic Development Authority                  Public Works</p>
<p><b>BRIEF SUMMARY OF REQUEST:</b></p>	<p>Town Council’s approved comprehensive plan calls for the creation of public art as a means to enhance quality of life, produce economic development, support the local arts community and improve usability of public spaces.</p> <p>Staff has produced a plan which would use a mixture of public and private spaces to create public art. For example, the Economic Development Authority is working to create a town anchor for the Franklin County Barn Quilt trail and a Virginia Love Works sign, both at the Farmers Market.</p> <p>The initial program would be limited to the Arts and Culture District. Examples of public art locations include storm drain covers (an idea started by the city of Richmond and since adopted by the City of Roanoke for this year), traffic barriers, public and private walls, and other locations which would contribute to a more vibrant Arts &amp; Culture District. Funding for the project would come from a portion of the tourism/branding line item in Community Development, so long as budget allows.</p>
<p><b>ACTION NEEDED:</b></p>	<p>Review the program and authorize the Arts &amp; Culture District administrator &amp; public facilities director to approve use of public facilities and funds for public art projects.</p>

Attachment(s): yes

<p><b>FOLLOW-UP ACTION:</b>                  (To be completed by Town Clerk)</p>
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## **PUBLIC ART PROJECT SUMMARY**

# **Town of Rocky Mount Public Art Initiatives**

The Town's Comprehensive Plan was updated in 2015, and as part of the update the Town resolved to be proactive in its implementation and not to let it sit idle as in years past. We should be implementing the plan's goals and opportunity action projects as time permits on an ongoing basis, with guidance from town council, the planning commission, and the public. The items covered in this document are part of this ongoing comp plan implementation.

### **PUBLIC ART**

One of the economic development and tourism strategic items in the plan encourages a proactive strategy for generating interest in Town through public art. Specifically, the plan mentions a need to strengthen arts and cultural activities by engaging local artisans and facilitating cultural activities around town, and it encourages us to research successful approaches in other communities

### **Strategy 7 in the Economic Section:**

***“Facilitate expanded arts and cultural activities and facilities in downtown and uptown. Work with art/culture organizations and stakeholders to develop an arts and culture plan to guide public direction and private investment. Consider benchmark communities similar to Rocky Mount and investigate successful approaches. Consider art projects to raise interest (e.g. murals).”***

### **PROJECT 1**

Virginia Is For Lovers LOVEworks Program

### **PROJECT 2**

Storm Drain Mural Art Project

### **PROJECT 3**

Arts & Culture District Wall Murals

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# PUBLIC ART PROJECT SUMMARY

## Approval Mechanism:

Staff has made a zoning determination that murals on private property only require sign permits if they contain informational or advertising matter, for either on-premises or off-premises businesses. Because they constitute visual messages being broadcast to the public, we have asked property owners who are interested in murals to give us an outline the design for approval prior to installing. However, if we find that the mural design does not constitute a “sign” by our zoning ordinance definition, we are limited to only evaluate whether the murals contains objectionable material. Staff recommends that Town Council authorize the Arts & Culture District administrator and the Public Facilities Director to evaluate applications and approve such projects.

## Possible Public Property Mural Locations:

In developing this plan, members of the EDA, Planning Commission, and the public have suggested several publicly-owned locations where public art installations would be a benefit to the public. These publicly-owned facilities would require approval by Town Council prior to installation. Some of the locations include:

- A Crooked Road or Rocky Mount history-themed mural at Angle Bridge, the entrance to downtown Rocky Mount. Currently, the bridge is concrete with a chain link fence, and could use some aesthetic improvement. The Historic Rocky Mount Foundation has agreed to donate \$1,000 to this mural specifically. Below are a couple of bridge mural examples.



- Historic murals of some sort on the side of the fire station downtown. The Fire Department is working to do mural signage on the doors depicting historic scenes of fire trucks in the bays. Some members of the public have suggested a simple mural of the station logo or a representation of the Town’s ‘29 Seagrave truck, with offers for private contributions to cover most of the mural cost.





# PUBLIC ART PROJECT SUMMARY

## PROJECT 3

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# Arts & Culture District Wall Murals

### Summary:

One of the most popular requests from the public and from private property owners involves wall murals on buildings and facilities in Town. There is ample opportunity for art murals on private property, and a few limited areas where murals may be appropriate for Town-owned facilities.



### Examples:

Recently the cities of Roanoke, Richmond and Bristol have undertaken wall mural initiatives to beautify the cities and create public interest in targeted neighborhoods. The towns of Marion, Abingdon and Richlands have all invested heavily in the same concept. Nearly all of these were on privately-owned walls and buildings.

### Timeline:

No deadline.

### Funding Mechanism:

Property owners can fund murals on their properties without any public assistance. If any specific locations are of particular interest to the Town, we could allocate some funds to have greater control over the final design of some private property murals. The Tourism Funds, which originate from the new lodging tax increase, would be the primary source of funding for these stipends. Those funds must be allocated to tourism-related activities, and this is a low-cost/high-return initiative that would not impact other parts of the budget. Typically, materials for murals can run anywhere from \$200 to \$3000, depending on size and complexity, with artist costs dependent on a variety of factors. Town staff will develop an application for Tourism Funds to assist private property owners in the creation of murals which are significantly visible to the public and help beautify the Town.



# PUBLIC ART PROJECT SUMMARY

## Timeline:

No deadline; staff could begin working if project concept is approved.

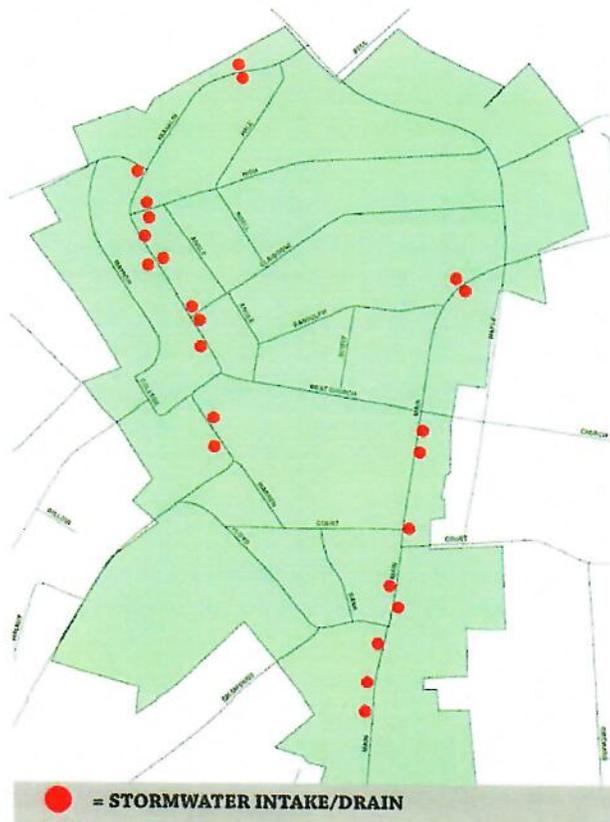
## Funding Mechanism:

The Tourism Funds would be the primary source of funding for the artists' stipends. Those funds must be allocated to tourism-related activities, and this is a low-cost initiative that would qualify as tourism-related activities without impacting other parts of the Town's budget. Depending on final decisions about how the site will be prepped, Town time and material investment may include other items like site prep and cleaning prior to painting, or post-mural site protection (adding a protective coating).



## Approval Mechanism:

For the kickoff year of the project, it may be prudent to make eligible only a handful of storm water intakes, with the number potentially increasing in subsequent selection rounds. The map below displays all of the stormwater intakes in the Town of Rocky Mount Arts and Cultural District main roads (Main Street in uptown and Franklin Street through downtown). There are 23 intakes along these main routes, and there are dozens more alongside secondary roads, including in residential neighborhoods. For safety, we could start along secondary roads (Claiborne Ave or Warren Street, for example). Mural winners could be determined by staff, EDA, local artists or some other group.





# PUBLIC ART PROJECT SUMMARY

## PROJECT 2

# Storm Drain Mural Art Project

### Summary:

Recently, several towns and cities have instituted a unique initiative to help support arts and cultural districts: adding artistic murals and designs to storm drain drop inlet faces.

These are low-cost, high-return projects which engage the community and create a buzz amongst locals and tourists. Select drains in the town are uniquely-decorated, often times focused around a central theme (examples: "Water Quality", "Historic Images of Town", etc.)

The Town can institute a Storm Drain Murals Project relatively easily and inexpensively. The established Arts and Cultural District in downtown and uptown Rocky Mount is a perfect focus for the program, and provides more than a dozen storm drains which may be decorated.

Students (16 and older), artists and the public in general would be solicited to submit paper or electronic designs for the drains, based on a standardized template provided by the Town. The winners would be selected by a committee of community members, elected officials and town staff, and would be provided with a stipend (\$200-\$300) for the work and to help cover costs for time and materials. This is an inexpensive town branding item which could be derived from the FY2017 Tourism Funds.

Standards of work will be established, including requirements for type of materials to ensure a lasting effect throughout the year. The finished works will be on working drains and it should be kept in mind that that time and weather will eventually cause artwork to fade, but an annual or biennial commitment to the project could create fresh opportunities for public involvement and positive attention to the Town.



### Examples:

The City of Richmond has implemented a storm drain art project tied to water quality, with the theme "It All Drains to the James." Artists submitted designs and winners were chosen for several drains. The winners were provided a stipend for materials and time (~\$300), and each artist and their drain were featured and publicized in the local press and on the city's website. The City of Roanoke has also adopted this program.





# PUBLIC ART PROJECT SUMMARY

## Funding Mechanism:

VTC will reimburse approved projects up to \$1,500 each for the creation of a LOVEwork. Additional costs would be covered by the locality/applicant. If the Town strives to stay below that amount, there will be no cost to the Town. Otherwise, Tourism Funds can be used to supplement an overage.

## Approval Mechanism (From VTC):

- Should be geared towards family-friendly tourism destinations and is open to local tourism offices, convention and visitors bureaus, attractions, DMOs and localities
- The LOVEwork must be permanent in highly-visible, well-trafficked areas (indoor or outdoor) that experiences high visitation and can be easily and SAFELY photographed and shared on social media.
- The proposed LOVEwork needs to be large – big enough for an adult to stand beside for a photo
- Projects should promote or incorporate local/regional themes, materials or items that are unique selling points for the destination (i.e. seashells for beaches, murals for historic downtowns, canoe paddles for outdoor adventure, etc.)
- The project applicant assumes all responsibility for maintenance and upkeep of the LOVEwork and agrees to secure any necessary permits or permissions for constructions/creations.
- Once the LOVEwork is built, it should remain in place for a minimum of a year after its placement





# PUBLIC ART PROJECT SUMMARY

## PROJECT 1

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# Virginia Is For Lovers LOVEworks Program

### Summary:

The LOVEworks program is a state-wide branding initiative designed to promote family-friendly vacation experiences in Virginia and the *Virginia is for Lovers* message. In an effort to promote this message, the Virginia Tourism Corporation (VTC) opened a reimbursement program in 2013 to encourage localities to build their own LOVEwork. The program was a success, with dozens created and travelers of all ages interacting with the structures every day.

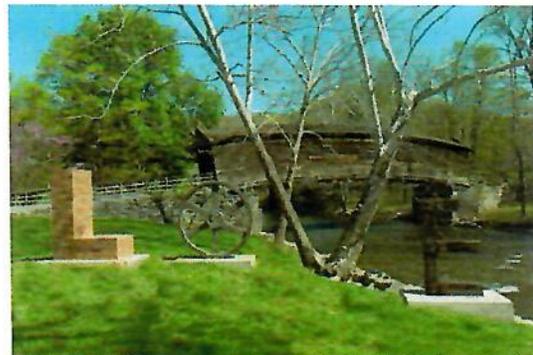


On social media and in traveler photos, these LOVEworks displays have become special places, for local communities and travelers. People are drawn to and seek out the LOVE letters and often choose them as backdrops for special occasions such as engagements, family pictures, new baby pictures and memorable road trips. Thanks to that popularity, the LOVEworks program provides a great opportunity for our community to showcase itself as a unique destination.

The LOVEworks display in Rocky Mount could take any number of forms, but the three-dimensional constructed display or sculpture piece is the most common. Town staff has also confirmed that murals would also qualify for reimbursement funds. Location will be imperative for maximizing the effectiveness of the display

### Examples:

Waynesboro created a 'river-themed' LOVEwork displayed in a local park—this was an effort to continue to brand their city as an ideal hub for outdoor recreation. Similarly, Harrisonburg created their own LOVEwork to provide an interactive representation of their community strengths: diverse ethnic backgrounds, rich agriculture, outdoor recreation and cycling, and a vibrant and growing arts scene.



### Timeline:

Applications are being accepted now, and will be considered and approved on a first-come, first-served basis.



## **PUBLIC ART PROJECT SUMMARY**

# **Town of Rocky Mount Public Art Initiatives**

The Town's Comprehensive Plan was updated in 2015, and as part of the update the Town resolved to be proactive in its implementation and not to let it sit idle as in years past. We should be implementing the plan's goals and opportunity action projects as time permits on an ongoing basis, with guidance from town council, the planning commission, and the public. The items covered in this document are part of this ongoing comp plan implementation.

### **PUBLIC ART**

One of the economic development and tourism strategic items in the plan encourages a proactive strategy for generating interest in Town through public art. Specifically, the plan mentions a need to strengthen arts and cultural activities by engaging local artisans and facilitating cultural activities around town, and it encourages us to research successful approaches in other communities

### **Strategy 7 in the Economic Section:**

***“Facilitate expanded arts and cultural activities and facilities in downtown and uptown. Work with art/culture organizations and stakeholders to develop an arts and culture plan to guide public direction and private investment. Consider benchmark communities similar to Rocky Mount and investigate successful approaches. Consider art projects to raise interest (e.g. murals).”***

### **PROJECT 1**

Virginia Is For Lovers LOVEworks Program

### **PROJECT 2**

Storm Drain Mural Art Project

### **PROJECT 3**

Arts & Culture District Wall Murals

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ITEM(S) TO BE CONSIDERED UNDER:

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

FOR COUNCIL MEETING DATED:	February 12, 2018
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STAFF MAKING REQUEST:	Rebecca H. Dillon, Town Clerk
BRIEF SUMMARY OF REQUEST:	The Johnny CASA 5Miler-5K Run/Walk Event is scheduled for December 15, 2018 beginning at 9:00 a.m. The course this year is the same as in the previous two years. The organizer/race director is Mr. Johnny Nolen from 78 Cromwell Drive, Rocky Mount. Mr. Nolen has met with your police department and together they have reviewed all information. Your police department has approved the plans for the race.
ACTION NEEDED:	Approve or deny

Attachment(s): yes

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

Re: Johnny CASA 5Miler-5K Run/Walk Event

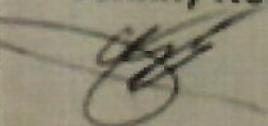
We are looking forward to having our 13<sup>th</sup> Annual Johnny CASA event to benefit the Southern Virginia Child Advocacy Center located at 300 S. Main St., Rocky Mount, VA. The town has let us use the streets of Rocky Mount for the last five years and with the support of the Rocky Mount Police Department, our event has proven to be even more successful than it was at Lakewatch Plantation in the previous years. We draw runners, walkers and their families to show case the Town of Rocky Mount and The Child Advocacy Center. In 2017 we had over 200 entries many from Roanoke join us as well as Franklin County elementary schools with run and walk programs participate in the event and it is our hope that in 2018, we will be able to attract more as the event continues to grow.

As in the past five years we have chosen a date as to not interfere with traffic from other events. Our request this year will be to have our event on a new date and to coordinate with the Rocky Mount Police Departments Food Drive, being Saturday, December 15, 2018 with a race start beginning at 9:00am. We will ask participants and the community to bring food to our event as they did in 2017 for the RMPD to distribute, during this time of giving.

The proposed race route request will be the same as in the previous two years. It is an out and back route beginning on Main Street near the intersection of Church Street. The course will proceed out N. Main with

the 5K turn around for the 5K near the firehouse/police station and the 5 miler would proceed on to Benjamin Franklin Middle School parking lot for the turnaround. After the turnarounds, the participants will proceed back to S. Main with a right turn on Floyd Ave. and the next right on to Bank Street with the finish behind The Child Advocacy Center.

Johnny Nolen



Race Director

78 Cromwell Drive, Rocky Mount, VA 24151 IC- (540) 352-8425  
[runnolen@gmail.com](mailto:runnolen@gmail.com)

ITEM(S) TO BE CONSIDERED UNDER:

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

FOR COUNCIL MEETING DATED:	February 12, 2018
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STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	<p>Cellular attachments to Town Owned Water Tank and Tower</p> <p>Verizon has requested to attach to the Town owned water tank on Scuffling Hill and the Town owned tower at the former tank hill water site. This will be as a secondary attachment in each location.</p> <p>Town staff have spent six months negotiating attachment agreements. The agreements presented allow for a monthly rent of \$2,800 per site and a term of five years with four additional extensions of five years. The agreements have been reviewed as to form by the Town attorney.</p> <p>Staff recommends accepting these agreements as submitted and scheduling a public hearing on the leasing of public property at the March meeting.</p> <p>Please note that these rates are the highest we've been able to find, including in Northern Va.</p>
ACTION NEEDED:	Approve or deny

Attachment(s): yes

<p>FOLLOW-UP ACTION: (To be completed by Town Clerk)</p>
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## WATER TOWER LEASE AGREEMENT

This Water Tower Lease Agreement ("Agreement"), made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ between TOWN OF ROCKY MOUNT with an address of 345 Donald Avenue, Rocky Mount, Virginia 24151 hereinafter designated LESSOR and CELLCO PARTNERSHIP d/b/a Verizon Wireless, with its principal offices at One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920 (telephone number 866-862-4404), hereinafter designated LESSEE. LESSOR and LESSEE are at times collectively referred to hereinafter as the "Parties" or individually as the "Party".

### WITNESSETH

In consideration of the mutual covenants contained herein and intending to be legally bound hereby, the Parties hereto agree as follows:

1. PREMISES. LESSOR hereby leases to LESSEE a portion of that certain space ("the Tower Space") on LESSOR's water tower, hereinafter referred to as the "Tower", located at 1654 Scuffling Hill Road, Rocky Mount, Franklin County, Virginia, as shown on the Tax Map of the County of Franklin as Tax Map No. 0630014400 (the entirety of LESSOR's property is referred to hereinafter as the "Property"), together with a 16' by 22' parcel of land containing 352 square feet (the "Land Space"), together with the non-exclusive right (the "Right of Way") for ingress and egress, seven (7) days a week, twenty-four (24) hours a day, on foot or motor vehicle, including trucks, and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under or along a twenty foot (20') wide right-of-way extending from the nearest public right-of-way, Scuffling Hill Road, to the Land Space; and together with a three foot (3') wide non-exclusive right-of-way for an ice bridge extending from the Land Space to the Tower (the "Ice Bridge Easement"). The Tower Space, Land Space, Right of Way and Ice Bridge Easement, are substantially described in Exhibit "A", attached hereto and made a part hereof demised premises and are collectively referred to hereinafter as the "Premises".

In the event any public utility is unable to use the Right of Way, the LESSOR hereby agrees to grant an additional right-of-way(s) either to the LESSEE or to the public utility at no cost to the LESSEE.

LESSOR hereby grants permission to LESSEE to install, maintain and operate the radio communications equipment, antennas and appurtenances described in Exhibit "B" attached hereto.

LESSEE reserves the right to replace the aforementioned equipment with similar and comparable equipment provided said replacement does not increase tower loading of said Tower.

2. SURVEY. LESSOR also hereby grants to LESSEE the right to survey the Property and the Premises, and said survey shall then become Exhibit "C" which shall be attached hereto and made a part hereof, and shall control in the event of boundary and access discrepancies between it and Exhibit "A". Cost for such work shall be borne by the LESSEE.

3. TERM; RENTAL; ELECTRICAL.

a. This Agreement shall be effective as of the date of execution by both Parties, provided, however, the initial term shall be for five (5) years and shall commence on the Commencement Date (as hereinafter defined) at which time rental payments shall commence and be due at a total annual rental of \$33,600.00 to be paid by check in equal monthly installments on the first day of the month, in advance, to LESSOR or to such other person, firm or place as LESSOR may, from time to time, designate in writing at least thirty (30) days in advance of any rental payment date by notice given in accordance with Paragraph 25 below. The Agreement shall commence based upon the earlier of the following: (i) the first day of the month immediately following the receipt of a written notice to proceed with the installation of LESSEE's equipment or (ii) October 1, 2018 (either the "Commencement Date"). LESSOR and LESSEE agree that they shall acknowledge in writing the Commencement Date. LESSOR and LESSEE acknowledge and agree that initial rental payment(s) shall not actually be sent by LESSEE until ninety (90) days after a written acknowledgement confirming the Commencement Date.

b. LESSOR hereby agrees to provide to LESSEE certain documentation (the "Rental Documentation") evidencing LESSOR's interest in, and right to receive payments under, this Agreement, including without limitation: (i) documentation, acceptable to LESSEE in LESSEE's reasonable discretion, evidencing LESSOR's good and sufficient title to and/or interest in the Property and right to receive rental payments and other benefits hereunder; (ii) a complete and fully executed Internal Revenue Service Form W-9, or equivalent, in a form acceptable to LESSEE, for any party to whom rental payments are to be made pursuant to this Agreement; and (iii) other documentation requested by LESSEE in LESSEE's reasonable discretion. From time to time during the Term of this Agreement and within thirty (30) days of a written request from LESSEE, LESSOR agrees to provide updated Rental Documentation in a form reasonably acceptable to LESSEE. The Rental Documentation shall be provided to LESSEE in accordance with the provisions of and at the address given in Paragraph 25. Delivery of Rental Documentation to LESSEE shall be a prerequisite for the payment of any rent by LESSEE and notwithstanding anything to the contrary herein, LESSEE shall have no obligation to make any rental payments until Rental Documentation has been supplied to LESSEE as provided herein.

Within fifteen (15) days of obtaining an interest in the Property or this Agreement, any assignee(s), transferee(s) or other successor(s) in interest of LESSOR

shall provide to LESSEE Rental Documentation in the manner set forth in the preceding paragraph. From time to time during the Term of this Agreement and within thirty (30) days of a written request from LESSEE, any assignee(s) or transferee(s) of LESSOR agrees to provide updated Rental Documentation in a form reasonably acceptable to LESSEE. Delivery of Rental Documentation to LESSEE by any assignee(s), transferee(s) or other successor(s) in interest of LESSOR shall be a prerequisite for the payment of any rent by LESSEE to such party and notwithstanding anything to the contrary herein, LESSEE shall have no obligation to make any rental payments to any assignee(s), transferee(s) or other successor(s) in interest of LESSOR until Rental Documentation has been supplied to LESSEE as provided herein.

c. LESSOR shall, at all times during the Term, permit electrical service, telephone, fiber, and other necessary utility service access within the Premises. LESSEE shall furnish and install an electrical meter at the Premises for the measurement of electrical power used by LESSEE's installation and shall pay the electrical provider directly. LESSEE shall be permitted at any time during the Term, to install, maintain and/or provide access to and use of, as necessary (during any power interruption at the Premises), a temporary power source, and all related equipment and appurtenances within the Premises, or elsewhere on the Property in such locations as reasonably approved by LESSOR. LESSEE shall have the right to install conduits connecting the temporary power source and related appurtenances to the Premises after review and approval by LESSOR.

4. EXTENSIONS. This Agreement shall automatically be extended for four (4) additional five (5) year terms unless LESSEE terminates it at the end of the then current term by giving LESSOR written notice of the intent to terminate at least six (6) months prior to the end of the then current term.

5. EXTENSION RENTALS. Commencing on the first annual anniversary of the Commencement Date and on each annual anniversary thereafter during the term of this Agreement (including all extension terms), annual rent shall increase by an amount equal to two percent (2%) of the annual rent due for the immediately preceding lease year.

6. ADDITIONAL EXTENSIONS. If at the end of the fourth (4th) five (5) year extension term this Agreement has not been terminated by either Party by giving to the other written notice of an intention to terminate it at least three (3) months prior to the end of such term, this Agreement shall continue in force upon the same covenants, terms and conditions for a further term of five (5) years and for five (5) year terms thereafter until terminated by either Party by giving to the other written notice of its intention to so terminate at least three (3) months prior to the end of such term. Annual rental rate shall increase as specified in Paragraph 5. The initial term and all extensions shall be collectively referred to herein as the "Term".

7. TAXES. LESSEE shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Property which LESSOR demonstrates is the result of LESSEE's use of the Premises and/or the installation, maintenance, and operation of the LESSEE's improvements, and any sales tax imposed on the rent (except to the extent that LESSEE is or may become exempt from the payment of sales tax in the jurisdiction in which the Property is located), including any increase in real estate taxes at the Property which LESSOR demonstrates arises from the LESSEE's improvements and/or LESSEE's use of the Premises. LESSOR and LESSEE shall each be responsible for the payment of any taxes, levies, assessments and other charges imposed including franchise and similar taxes imposed upon the business conducted by LESSOR or LESSEE at the Property. Notwithstanding the foregoing, LESSEE shall not have the obligation to pay any tax, assessment, or charge that LESSEE is disputing in good faith in appropriate proceedings prior to a final determination that such tax is properly assessed provided that no lien attaches to the Property. Nothing in this Paragraph shall be construed as making LESSEE liable for any portion of LESSOR's income taxes in connection with any Property or otherwise. Except as set forth in this Paragraph, LESSOR shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Property and shall do so prior to the imposition of any lien on the Property.

LESSEE shall have the right, at its sole option and at its sole cost and expense, to appeal, challenge or seek modification of any tax assessment or billing for which LESSEE is wholly or partly responsible for payment. LESSOR shall reasonably cooperate with LESSEE at LESSEE's expense in filing, prosecuting and perfecting any appeal or challenge to taxes as set forth in the preceding sentence, including but not limited to, executing any consent, appeal or other similar document. In the event that as a result of any appeal or challenge by LESSEE, there is a reduction, credit or repayment received by the LESSOR for any taxes previously paid by LESSEE, LESSOR agrees to promptly reimburse to LESSEE the amount of said reduction, credit or repayment. In the event that LESSEE does not have the standing rights to pursue a good faith and reasonable dispute of any taxes under this paragraph, LESSOR will pursue such dispute at LESSEE's sole cost and expense upon written request of LESSEE.

8. USE; GOVERNMENTAL APPROVALS. LESSEE shall use the Premises for the purpose of constructing, maintaining, repairing and operating a communications facility and uses incidental thereto. All improvements, equipment, antennas and conduits shall be at LESSEE's expense and their installation shall be at the discretion and option of LESSEE. LESSEE shall have the right to replace, repair, add or otherwise modify its utilities, equipment, antennas and/or conduits or any portion thereof and the frequencies over which the equipment operates, whether the equipment, antennas, conduits or frequencies are specified or not on any exhibit attached hereto, during the Term. It is understood and agreed that LESSEE's ability to use the Premises

is contingent upon its obtaining after the execution date of this Agreement all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be required by any Federal, State or Local authorities as well as satisfactory soil boring tests and structural analysis which will permit LESSEE use of the Premises as set forth above. LESSOR shall cooperate with LESSEE in its effort to obtain such approvals and shall take no action which would adversely affect the status of the Property with respect to the proposed use thereof by LESSEE. In the event that (i) any of such applications for such Governmental Approvals should be finally rejected; (ii) any Governmental Approval issued to LESSEE is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; (iii) LESSEE determines that such Governmental Approvals may not be obtained in a timely manner; (iv) LESSEE determines that any soil boring tests or structural analyses are unsatisfactory; (v) LESSEE determines that the Premises is no longer technically or structurally compatible for its use, or (vi) LESSEE, in its sole discretion, determines that the use of the Premises is obsolete or unnecessary, LESSEE shall have the right to terminate this Agreement. Notice of LESSEE's exercise of its right to terminate shall be given to LESSOR in writing by certified mail, return receipt requested, and shall be effective upon the mailing of such notice by LESSEE, or upon such later date as designated by LESSEE. All rentals paid to said termination date shall be retained by LESSOR. Upon such termination, this Agreement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other hereunder. Otherwise, the LESSEE shall have no further obligations for the payment of rent to LESSOR. In addition, LESSEE shall have the right to terminate this Agreement without penalty at any time and for any reason prior to the date LESSEE commences installation of the equipment on the Premises, effective upon the mailing of such notice by LESSEE, or upon such later date as designated by LESSEE in such notice.

9. INDEMNIFICATION. LESSEE shall indemnify, and hold LESSOR harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the negligence or willful misconduct of LESSEE, its employees, agents or independent contractors, except to the extent such claims or damages may be due to or caused by the negligence or willful misconduct of LESSOR, its employees, agents or independent contractors..

10. INSURANCE. Lessee will carry during the Term, at its own cost and expense, the following insurance: (i) "All Risk" property insurance for its property's replacement cost; (ii) commercial general liability insurance with a combined single limit of Five Million Dollars (\$5,000,000) for bodily injury (including death) and for property damage each occurrence; and (iii) Workers' Compensation Insurance as required by law. The coverage afforded by Tenant's commercial general liability insurance shall apply to the Town as an additional insured as their interest may appear under this Agreement excluding Workers' Compensation.

11. LIMITATION OF LIABILITY. Neither Party shall be liable to the other, or any of their respective agents, representatives, or employees for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, loss of data, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

12. ANNUAL TERMINATION. Notwithstanding anything to the contrary contained herein, provided LESSEE is not in default hereunder beyond applicable notice and cure periods, LESSEE shall have the right to terminate this Agreement upon the annual anniversary of the Commencement Date provided that three (3) months prior notice is given to LESSOR. Should this termination occur prior to the conclusion of the initial five (5) year term, LESSEE shall pay to LESSOR a termination fee within sixty (60) days of the date of termination,. If termination occurs before the initial thirty-six (36) months of the Agreement, LESSEE shall pay LESSOR a termination fee equal to twelve (12) months of the then-current rental rate; after the initial thirty-six (36) months but before sixty (60) months of the Agreement, the termination fee shall be equal to six (6) months of the then-current rental rate.

13. ACCESS TO TOWER. LESSOR agrees the LESSEE shall have free access to the Tower at all times for the purpose of installing and maintaining the said equipment. LESSOR shall furnish LESSEE with necessary means of access for the purpose of ingress and egress to this site and Tower location. It is agreed, however, that only authorized engineers, employees or properly authorized contractors of LESSEE or persons under their direct supervision will be permitted to enter said premises. LESSEE shall provide a regularly-updated list of persons authorized for entry to LESSOR.

14. TOWER COMPLIANCE. LESSOR covenants that it will keep the Tower in good repair as required by all Laws (as defined in Paragraph 35 below). The LESSOR shall also comply with all rules and regulations enforced by the Federal Communications Commission with regard to the lighting, marking and painting of towers. If the LESSOR fails to make such mutually-agreed repairs including maintenance the LESSEE may make the repairs and the costs thereof shall be payable to the LESSEE by the LESSOR on demand together with interest thereon from the date of payment at rate of six percent (6%) per annum. If the LESSOR does not make payment to the LESSEE within ten (10) business days after such demand, the LESSEE shall have the right to deduct the costs of the repairs from the succeeding monthly rental amounts normally due from the LESSEE to the LESSOR.

No materials may be used in the installation of the antennas or transmission lines that will cause corrosion or rust or deterioration of the Tower structure or its appurtenances. Upon determination and notification by LESSOR that any attachment

causes such corrosion, LESSEE shall have thirty (30) calendar days from receipt of notice to cure the same.

All antenna(s) on the Tower must be identified by a marking fastened securely to its bracket on the Tower and all transmission lines are to be tagged at the conduit opening where it enters any user's equipment space.

Not later than fifteen (15) days following the execution of this Agreement, LESSOR shall supply to LESSEE copies of all structural analysis reports that have done with respect to the Tower and throughout the Term, LESSOR shall supply to LESSEE copies of all structural analysis reports that are done with respect to the Tower within thirty (30) calendar days after the completion of the same.

Upon request of the LESSOR, LESSEE agrees to relocate its equipment on a temporary basis to another location on the Property, hereinafter referred to as the "Temporary Relocation," for the purpose of LESSOR performing maintenance, repair or similar work at the Property or on the Tower provided:

- a. The Temporary Relocation is similar to LESSEE's existing location in size and is fully compatible for LESSEE's use, in LESSEE's reasonable determination;
- b. LESSOR pays all mutually-agreed costs incurred by LESSEE for relocating LESSEE's equipment to the Temporary Relocation and improving the Temporary Relocation so that it is fully compatible for the LESSEE's use, in LESSEE's reasonable determination;
- c. LESSOR gives LESSEE at least ninety (90) days written notice prior to requiring LESSEE to relocate, unless LESSOR declares relocation necessary due to an emergency related to structural repair and will attempt to give LESSEE a reasonable amount of time to relocate;
- d. LESSEE's use at the Premises is not interrupted or diminished during the relocation and LESSEE is allowed, if necessary, in LESSEE's reasonable determination, to place a temporary installation on the Property during any such relocation; and
- e. Upon the completion of any maintenance, repair or similar work by LESSOR, LESSEE is permitted to return to its original location from the temporary location with all costs for the same being paid by LESSOR.

15. INTERFERENCE. LESSEE agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in

accordance with then existing industry standards to any equipment of LESSOR or other licensed wireless communications providers of the Property which existed on the Property prior to the date this Agreement is executed by the Parties. In the event any after-installed LESSEE's equipment causes such interference, and after LESSOR has notified LESSEE in writing of such interference, LESSEE will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, at LESSEE's option, powering down such equipment and later powering up such equipment for intermittent testing. In no event will LESSOR be entitled to terminate this Agreement or relocate the equipment as long as LESSEE is making a good faith effort to remedy the interference issue. LESSOR agrees that LESSOR and/or any other tenants, occupants, or users of the Property who currently have or in the future take possession of, all or a part of, the Property will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of LESSEE. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

16. REMOVAL AT END OF TERM. LESSEE shall, upon expiration of the Term, or within ninety (90) days after any earlier termination of the Agreement, remove its building(s), antenna(s), equipment, conduits, fixtures and all personal property and restore the Premises to as close to its original condition as reasonably possible, casualty damage excepted. LESSOR agrees and acknowledges that all of the equipment, conduits, fixtures and personal property of LESSEE shall remain the personal property of LESSEE and LESSEE shall have the right to remove the same at any time during the Term, whether or not said items are considered fixtures and attachments to real property under applicable Laws (as defined in Paragraph 35 below). If such time for removal causes LESSEE to remain on the Premises after termination of this Agreement, LESSEE shall pay rent at the then existing monthly rate or on the existing monthly pro-rata basis if based upon a longer payment term, until such time as the removal of the building, antenna structure, fixtures and all personal property are completed.

17. HOLDOVER. LESSEE has no right to retain possession of the Premises or any part thereof beyond the expiration of that removal period set forth in Paragraph 16 herein, unless the Parties are negotiating a new lease or lease extension in good faith. In the event that the Parties are not in the process of negotiating a new lease or lease extension in good faith, LESSEE holds over in violation of Paragraph 16 and this Paragraph 17, then the rent then in effect payable from and after the time of the expiration or earlier removal period set forth in Paragraph 16 shall be equal to the rent applicable during the month immediately preceding such expiration or earlier termination.

18. RIGHT OF FIRST REFUSAL. If LESSOR elects, during the Term (i) to sell or otherwise transfer all or any portion of the Property, whether separately or as part of a larger parcel of which the Property is a part, or (ii) to grant to a third party by easement or other legal instrument an interest in and to that portion of the Tower and or Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, with or without an assignment of this Agreement to such third party, LESSEE shall have the right of first refusal to meet any bona fide offer of sale or transfer on the same terms and conditions of such offer. If LESSEE fails to meet such bona fide offer within thirty (30) days after written notice thereof from LESSOR, LESSOR may sell or grant the easement or interest in the Property or portion thereof to such third person in accordance with the terms and conditions of such third party offer.

19. RIGHTS UPON SALE. Should LESSOR, at any time during the Term decide (i) to sell or transfer all or any part of the Property or the Tower thereon to a purchaser other than LESSEE, or (ii) to grant to a third party by easement or other legal instrument an interest in and to that portion of the Tower and or Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, such sale or grant of an easement or interest therein shall be under and subject to this Agreement and any such purchaser or transferee shall recognize LESSEE's rights hereunder under the terms of this Agreement. To the extent that LESSOR grants to a third party by easement or other legal instrument an interest in and to that portion of the Tower and/or Property occupied by LESSEE for the purpose of operating and maintaining communications facilities or the management thereof and in conjunction therewith, assigns this Agreement to said third party, LESSOR shall not be released from its obligations to LESSEE under this Agreement, and LESSEE shall have the right to look to LESSOR and the third party for the full performance of this Agreement.

20. QUIET ENJOYMENT. LESSOR covenants that LESSEE, on paying the rent and performing the covenants herein, shall peaceably and quietly have, hold and enjoy the Premises.

21. TITLE. LESSOR represents and warrants to LESSEE as of the execution date of this Agreement, and covenants during the Term that LESSOR is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement. LESSOR further covenants during the Term that there are no liens, judgments or impediments of title on the Property, or affecting LESSOR's title to the same and that there are no covenants, easements or restrictions which prevent or adversely affect the use or occupancy of the Premises by LESSEE as set forth above.

22. INTEGRATION. It is agreed and understood that this Agreement contains all agreements, promises and understandings between LESSOR and LESSEE and that no

verbal or oral agreements, promises or understandings shall be binding upon either LESSOR or LESSEE in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing signed by the Parties or in a written acknowledgment in the case provided in Paragraph 3. In the event any provision of the Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement. The failure of either Party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights under the Agreement shall not waive such rights and such Party shall have the right to enforce such rights at any time and take such action as may be lawful and authorized under this Agreement, in law or in equity.

23. GOVERNING LAW. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the Laws of the State in which the Property is located.

24. ASSIGNMENT. This Agreement may be sold, assigned or transferred by the LESSEE without any approval or consent of the LESSOR to the LESSEE's principal, affiliates, subsidiaries of its principal or to any entity which acquires all or substantially all of LESSEE's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization. As to other parties, this Agreement may not be sold, assigned or transferred without the written consent of the LESSOR, which such consent will not be unreasonably withheld, delayed or conditioned. No change of stock ownership, partnership interest or control of LESSEE or transfer upon partnership or corporate dissolution of LESSEE shall constitute an assignment hereunder.

25. NOTICES. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LESSOR: TOWN OF ROCKY MOUNT  
345 Donald Avenue  
Rocky Mount, Virginia 24151

LESSEE: Cellco Partnership  
d/b/a Verizon Wireless  
180 Washington Valley Road  
Bedminster, New Jersey 07921

Attention: Network Real Estate

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

26. SUCCESSORS. This Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.

27. SUBORDINATION AND NON-DISTURBANCE. LESSOR shall obtain not later than fifteen (15) days following the execution of this Agreement, a Non-Disturbance Agreement, as defined below, from its existing mortgagee(s), ground lessors and master lessors, if any, of the Property. At LESSOR's option, this Agreement shall be subordinate to any future master lease, ground lease, mortgage, deed of trust or other security interest (a "Mortgage") by LESSOR which from time to time may encumber all or part of the Property, Tower or right-of-way; provided, however, as a condition precedent to LESSEE being required to subordinate its interest in this Agreement to any future Mortgage covering the Tower or Property, LESSOR shall obtain for LESSEE's benefit a non-disturbance and attornment agreement for LESSEE's benefit in the form reasonably satisfactory to LESSEE, and containing the terms described below (the "Non-Disturbance Agreement"), and shall recognize LESSEE's right to remain in occupancy of and have access to the Premises as long as LESSEE is not in default of this Agreement beyond applicable notice and cure periods. The Non-Disturbance Agreement shall include the encumbering party's ("Lender's") agreement that, if Lender or its successor-in-interest or any purchaser of Lender's or its successor's interest (a "Purchaser") acquires an ownership interest in the Tower or Property, Lender or such successor-in-interest or Purchaser will (1) honor all of the terms of the Agreement, (2) fulfill LESSOR's obligations under the Agreement, and (3) promptly cure all of the then-existing LESSOR defaults under the Agreement. Such Non-Disturbance Agreement must be binding on all of Lender's participants in the subject loan (if any) and on all successors and assigns of Lender and/or its participants and on all Purchasers. In return for such Non-Disturbance Agreement, LESSEE will execute an agreement for Lender's benefit in which LESSEE (1) confirms that the Agreement is subordinate to the Mortgage or other real property interest in favor of Lender, (2) agrees to attorn to Lender if Lender becomes the owner of the Tower or Property and (3) agrees to accept a cure by Lender of any of LESSOR's defaults, provided such cure is completed within the deadline applicable to LESSOR. In the event LESSOR defaults in the payment and/or other performance of any mortgage or other real property interest encumbering the Property, LESSEE, may, at its sole option and without obligation, cure or correct LESSOR's default and upon doing so, LESSEE shall be subrogated to any and all rights, titles, liens and equities of the holders of such mortgage or other real property interest and LESSEE shall be entitled to deduct and setoff against all rents that may otherwise become due under this Agreement the sums paid by LESSEE to cure or correct such defaults.

28. RECORDING. LESSOR agrees to execute a Memorandum of this Agreement which LESSEE may record with the appropriate recording officer. The date set forth in the Memorandum of Lease is for recording purposes only and bears no reference to commencement of either the Term or rent payments.

29. DEFAULT.

a. In the event there is a breach by LESSEE with respect to any of the provisions of this Agreement or its obligations under it, including the payment of rent, LESSOR shall give LESSEE written notice of such breach. After receipt of such written notice, LESSEE shall have fifteen (15) days in which to cure any monetary breach and thirty (30) days in which to cure any non-monetary breach, provided LESSEE shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSEE commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. LESSOR may not maintain any action or effect any remedies for default against LESSEE unless and until LESSEE has failed to cure the breach within the time periods provided in this Paragraph.

b. In the event there is a breach by LESSOR with respect to any of the provisions of this Agreement or its obligations under it, LESSEE shall give LESSOR written notice of such breach. After receipt of such written notice, LESSOR shall have thirty (30) days in which to cure any such breach, provided LESSOR shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSOR commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. LESSEE may not maintain any action or effect any remedies for default against LESSOR unless and until LESSOR has failed to cure the breach within the time periods provided in this Paragraph. Notwithstanding the foregoing to the contrary, it shall be a default under this Agreement if LESSOR fails, within five (5) days after receipt of written notice of such breach, to perform an obligation required to be performed by LESSOR if the failure to perform such an obligation interferes with LESSEE's ability to conduct its business on the Property; provided, however, that if the nature of LESSOR's obligation is such that more than five (5) days after such notice is reasonably required for its performance, then it shall not be a default under this Agreement if performance is commenced within such five (5) day period and thereafter diligently pursued to completion.

30. REMEDIES. Upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party's duty or obligation on the defaulting Party's behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefor. In the event of a default by either Party with respect to a material

provision of this Agreement, without limiting the non-defaulting Party in the exercise of any right or remedy which the non-defaulting Party may have by reason of such default, the non-defaulting Party may terminate the Agreement and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the state in which the Premises are located; provided, however, LESSOR shall use reasonable efforts to mitigate its damages in connection with a default by LESSEE. If LESSEE so performs any of LESSOR's obligations hereunder, the full amount of the reasonable and actual cost and expense incurred by LESSEE shall immediately be owing by LESSOR to LESSEE, and LESSOR shall pay to LESSEE upon demand the full undisputed amount thereof with interest thereon from the date of payment at the rate of six percent (6%) per annum. Notwithstanding the foregoing, if LESSOR does not pay LESSEE the full undisputed amount within thirty (30) days of its receipt of an invoice setting forth the amount due from LESSOR, LESSEE may offset the full undisputed amount, including all accrued interest, due against all fees due and owing to LESSOR until the full undisputed amount, including all accrued interest, is fully reimbursed to LESSEE.

31. ENVIRONMENTAL.

a. LESSOR represents and warrants that, to its knowledge as of the Effective Date of this Agreement, the Property is free of hazardous substances, and, to the best of LESSOR's knowledge, the Property has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. LESSOR and LESSEE agree that each will be responsible for compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene condition or other matters as may now or at any time hereafter be in effect, that are now or were related to that Party's activity conducted in or on the Property.

b. In the event either Party becomes aware of any hazardous materials on the Property, or any environmental or industrial hygiene condition or matter relating to the Property that, in either Party's sole determination, renders the condition of the Premises or Property unsuitable for either Party's use, or if either Party believes that the leasing or continued leasing of the Premises would expose them to undue risks of government action, intervention or third-party liability, either Party will have the right, in addition to any other rights it may have at law or in equity, to terminate the Agreement upon notice to the other Party.

c. The Parties recognize that LESSEE is only leasing a small portion of LESSOR's Property, and that LESSEE shall not be responsible for addressing or liable for any environmental or industrial hygiene condition that existed prior to the execution of this Agreement, including but not limited to any costs or contamination

resulting from unregistered underground storage tanks, or that otherwise did not result from the activities of LESSEE.

32. CASUALTY. In the event of damage by fire or other casualty to the Tower or Premises that cannot reasonably be expected to be repaired within forty-five (45) days following same or, if the Property is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, then LESSEE may, at any time following such fire or other casualty, provided LESSOR has not completed the restoration required to permit LESSEE to resume its operation at the Premises, terminate this Agreement without penalty upon fifteen (15) days prior written notice to LESSOR. Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment, as of such termination date, with respect to payments due to the other under this Agreement. Notwithstanding the foregoing, the rent shall abate during the period of repair following such fire or other casualty in proportion to the degree to which LESSEE's use of the Premises is impaired.

33. CONDEMNATION. In the event of any condemnation of all or any portion of the Property, this Agreement shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever occurs first. If as a result of a partial condemnation of the Premises or Tower, LESSEE, in LESSEE's sole discretion, is unable to use the Premises for the purposes intended hereunder, or if such condemnation may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, LESSEE may, at LESSEE's option, to be exercised in writing within fifteen (15) days after LESSOR shall have given LESSEE written notice of such taking (or in the absence of such notice, within fifteen (15) days after the condemning authority shall have taken possession) terminate this Agreement without penalty as of the date the condemning authority takes such possession. LESSEE may on its own behalf make a claim in any condemnation proceeding involving the Premises for losses related to the equipment, conduits, fixtures, its relocation costs and its damages and losses (but not for the loss of its leasehold interest). Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment as of such termination date with respect to payments due to the other under this Agreement. If LESSEE does not terminate this Agreement in accordance with the foregoing, this Agreement shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the same proportion as the rentable area of the Premises taken bears to the total rentable area of the Premises. In the event that this Agreement is not terminated by reason of such condemnation, LESSOR shall promptly repair any damage to the Premises caused by such condemning authority.

34. SUBMISSION OF AGREEMENT/PARTIAL INVALIDITY/AUTHORITY. The submission of this Agreement for examination does not constitute an offer to lease the Premises and this Agreement becomes effective only upon the full execution of this Agreement by the Parties. If any provision herein is invalid, it shall be considered deleted from this Agreement and shall not invalidate the remaining provisions of this Agreement. Each of the Parties hereto warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.

35. APPLICABLE LAWS. During the Term, LESSOR shall maintain the Property and all structural elements of the Premises in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations, and restrictions of record, permits, building codes, and the requirements of any applicable fire insurance underwriter or rating bureau, now in effect or which may hereafter come into effect (including, without limitation, the Americans with Disabilities Act and laws regulating hazardous substances) (collectively "Laws"). LESSEE shall, in respect to the condition of the Premises and at LESSEE's sole cost and expense, comply with (a) all Laws relating solely to LESSEE's specific and unique nature of use of the Premises (other than general office use); and (b) all building codes requiring modifications to the Premises due to the improvements being made by LESSEE in the Premises.

36. SURVIVAL. Any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall survive such termination or expiration.

37. CAPTIONS. The captions contained in this Agreement are inserted for convenience only and are not intended to be part of the Agreement. They shall not affect or be utilized in the construction or interpretation of the Agreement.

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year first above written.

LESSOR:

TOWN OF ROCKY MOUNT

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

LESSEE:

CELLCO PARTNERSHIP  
d/b/a Verizon Wireless

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Print Name: Thomas O'Malley

Title: Director - Network Field Engineering

Date: \_\_\_\_\_

**Exhibit "A"**

Description of Premises

Exhibit "B"

Equipment

- (9) Antennas
- (6) Remote Radio Heads
- (1) OVP
- (1) Cable

Exhibit "C"

Survey

## TOWER LEASE AGREEMENT

This Tower Lease Agreement (“Agreement”), made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ between TOWN OF ROCKY MOUNT with an address of 345 Donald Avenue, Rocky Mount, Virginia 24151 hereinafter designated LESSOR and CELLCO PARTNERSHIP d/b/a Verizon Wireless, with its principal offices at One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920 (telephone number 866-862-4404), hereinafter designated LESSEE. LESSOR and LESSEE are at times collectively referred to hereinafter as the “Parties” or individually as the “Party”.

### WITNESSETH

In consideration of the mutual covenants contained herein and intending to be legally bound hereby, the Parties hereto agree as follows:

1. PREMISES. LESSOR hereby leases to LESSEE a portion of that certain space (the “Tower Space”) on LESSOR’s tower, hereinafter referred to as the “Tower”, located at 44 Pendleton Street, Rocky Mount, Franklin County, Virginia, as shown on the Tax Map of the County of Franklin as Tax Map No. 2040047400 (the entirety of LESSOR’s property is referred to hereinafter as the “Property”), together with a 5’ by 21’ parcel of land containing 105 square feet for LESSEE’s ground equipment and a 4.5’ x 9’ parcel of land containing 40.5 square feet for LESSEE’s generator (both parcels of land are collectively known as the “Land Space”); together with 3’ wide non-exclusive easements for grounding around the Land Space; together, if applicable, a 3’ wide non-exclusive easement for an ice bridge or duct bank extending from the Land Space to the Tower; and together with the non-exclusive right for ingress and egress, seven (7) days a week, twenty-four (24) hours a day, on foot or motor vehicle, including trucks, and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under or along a right-of-way extending from the nearest public right-of-way, Pendleton Street, to the Land Space. The Tower Space, Land Space, and easements are described in Exhibit “A”, attached hereto and made a part hereof demised premises and are collectively referred to hereinafter as the “Premises”.

In the event any public utility is unable to use the right of way granted herein, LESSOR hereby agrees to grant an additional right-of-way(s) either to the LESSEE or to the public utility at no cost to the LESSEE.

LESSOR hereby grants permission to LESSEE to install, maintain and operate the radio communications equipment, antennas and appurtenances described in Exhibit “B” attached hereto.

LESSEE reserves the right to replace the aforementioned equipment with similar and comparable equipment provided said replacement does not increase tower loading of said Tower.

2. SURVEY. LESSOR also hereby grants to LESSEE the right to survey the Property and the Premises, and said survey shall then become Exhibit "C" which shall be attached hereto and made a part hereof, and shall control in the event of boundary and access discrepancies between it and Exhibit "A". Cost for such work shall be borne by the LESSEE.

3. TERM; RENTAL; ELECTRICAL.

a. This Agreement shall be effective as of the date of execution by both Parties, provided, however, the initial term shall be for five (5) years and shall commence on the Commencement Date (as hereinafter defined) at which time rental payments shall commence and be due at a total annual rental of \$33,600.00 to be paid by check in equal monthly installments on the first day of the month, in advance, to LESSOR or to such other person, firm or place as LESSOR may, from time to time, designate in writing at least thirty (30) days in advance of any rental payment date by notice given in accordance with Paragraph 25 below. The Agreement shall commence based upon the earlier of the following: (i) the first day of the month immediately following the receipt of a written notice to proceed with the installation of LESSEE's equipment or (ii) October 1, 2018 (either the "Commencement Date"). LESSOR and LESSEE agree that they shall acknowledge in writing the Commencement Date. LESSOR and LESSEE acknowledge and agree that initial rental payment(s) shall not actually be sent by LESSEE until ninety (90) days after a written acknowledgement confirming the Commencement Date.

b. LESSOR hereby agrees to provide to LESSEE certain documentation (the "Rental Documentation") evidencing LESSOR's interest in, and right to receive payments under, this Agreement, including without limitation: (i) documentation, acceptable to LESSEE in LESSEE's reasonable discretion, evidencing LESSOR's good and sufficient title to and/or interest in the Property and right to receive rental payments and other benefits hereunder; (ii) a complete and fully executed Internal Revenue Service Form W-9, or equivalent, in a form acceptable to LESSEE, for any party to whom rental payments are to be made pursuant to this Agreement; and (iii) other documentation requested by LESSEE in LESSEE's reasonable discretion. From time to time during the Term of this Agreement and within thirty (30) days of a written request from LESSEE, LESSOR agrees to provide updated Rental Documentation in a form reasonably acceptable to LESSEE. The Rental Documentation shall be provided to LESSEE in accordance with the provisions of and at the address given in Paragraph 25. Delivery of Rental Documentation to LESSEE shall be a prerequisite for the payment of any rent by LESSEE and notwithstanding anything to the contrary herein, LESSEE shall have no obligation to make any rental payments until Rental Documentation has been supplied to LESSEE as provided herein.

Within fifteen (15) days of obtaining an interest in the Property or this Agreement, any assignee(s), transferee(s) or other successor(s) in interest of LESSOR

shall provide to LESSEE Rental Documentation in the manner set forth in the preceding paragraph. From time to time during the Term of this Agreement and within thirty (30) days of a written request from LESSEE, any assignee(s) or transferee(s) of LESSOR agrees to provide updated Rental Documentation in a form reasonably acceptable to LESSEE. Delivery of Rental Documentation to LESSEE by any assignee(s), transferee(s) or other successor(s) in interest of LESSOR shall be a prerequisite for the payment of any rent by LESSEE to such party and notwithstanding anything to the contrary herein, LESSEE shall have no obligation to make any rental payments to any assignee(s), transferee(s) or other successor(s) in interest of LESSOR until Rental Documentation has been supplied to LESSEE as provided herein.

c. LESSOR shall, at all times during the Term, permit electrical service, telephone, fiber, and other necessary utility service access within the Premises. LESSEE shall furnish and install an electrical meter at the Premises for the measurement of electrical power used by LESSEE's installation and shall pay the electrical provider directly. LESSEE shall be permitted at any time during the Term, to install, maintain and/or provide access to and use of, as necessary (during any power interruption at the Premises), a temporary power source, and all related equipment and appurtenances within the Premises, or elsewhere on the Property in such locations as reasonably approved by LESSOR. LESSEE shall have the right to install conduits connecting the temporary power source and related appurtenances to the Premises after review and approval by LESSOR.

4. EXTENSIONS. This Agreement shall automatically be extended for four (4) additional five (5) year terms unless LESSEE terminates it at the end of the then current term by giving LESSOR written notice of the intent to terminate at least six (6) months prior to the end of the then current term.

5. EXTENSION RENTALS. Commencing on the first annual anniversary of the Commencement Date and on each annual anniversary thereafter during the term of this Agreement (including all extension terms), annual rent shall increase by an amount equal to two percent (2%) of the annual rent due for the immediately preceding lease year.

6. ADDITIONAL EXTENSIONS. If at the end of the fourth (4th) five (5) year extension term this Agreement has not been terminated by either Party by giving to the other written notice of an intention to terminate it at least three (3) months prior to the end of such term, this Agreement shall continue in force upon the same covenants, terms and conditions for a further term of five (5) years and for five (5) year terms thereafter until terminated by either Party by giving to the other written notice of its intention to so terminate at least three (3) months prior to the end of such term. Annual rental rate shall increase as specified in Paragraph 5. The initial term and all extensions shall be collectively referred to herein as the "Term".

7. TAXES. LESSEE shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Property which LESSOR demonstrates is the result of LESSEE's use of the Premises and/or the installation, maintenance, and operation of the LESSEE's improvements, and any sales tax imposed on the rent (except to the extent that LESSEE is or may become exempt from the payment of sales tax in the jurisdiction in which the Property is located), including any increase in real estate taxes at the Property which LESSOR demonstrates arises from the LESSEE's improvements and/or LESSEE's use of the Premises. LESSOR and LESSEE shall each be responsible for the payment of any taxes, levies, assessments and other charges imposed including franchise and similar taxes imposed upon the business conducted by LESSOR or LESSEE at the Property. Notwithstanding the foregoing, LESSEE shall not have the obligation to pay any tax, assessment, or charge that LESSEE is disputing in good faith in appropriate proceedings prior to a final determination that such tax is properly assessed provided that no lien attaches to the Property. Nothing in this Paragraph shall be construed as making LESSEE liable for any portion of LESSOR's income taxes in connection with any Property or otherwise. Except as set forth in this Paragraph, LESSOR shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Property and shall do so prior to the imposition of any lien on the Property.

LESSEE shall have the right, at its sole option and at its sole cost and expense, to appeal, challenge or seek modification of any tax assessment or billing for which LESSEE is wholly or partly responsible for payment. LESSOR shall reasonably cooperate with LESSEE at LESSEE's expense in filing, prosecuting and perfecting any appeal or challenge to taxes as set forth in the preceding sentence, including but not limited to, executing any consent, appeal or other similar document. In the event that as a result of any appeal or challenge by LESSEE, there is a reduction, credit or repayment received by the LESSOR for any taxes previously paid by LESSEE, LESSOR agrees to promptly reimburse to LESSEE the amount of said reduction, credit or repayment. In the event that LESSEE does not have the standing rights to pursue a good faith and reasonable dispute of any taxes under this paragraph, LESSOR will pursue such dispute at LESSEE's sole cost and expense upon written request of LESSEE.

8. USE; GOVERNMENTAL APPROVALS. LESSEE shall use the Premises for the purpose of constructing, maintaining, repairing and operating a communications facility and uses incidental thereto. All improvements, equipment, antennas and conduits shall be at LESSEE's expense and their installation shall be at the discretion and option of LESSEE. LESSEE shall have the right to replace, repair, add or otherwise modify its utilities, equipment, antennas and/or conduits or any portion thereof and the frequencies over which the equipment operates, whether the equipment, antennas, conduits or frequencies are specified or not on any exhibit attached hereto, during the Term. It is understood and agreed that LESSEE's ability to use the Premises

is contingent upon its obtaining after the execution date of this Agreement all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be required by any Federal, State or Local authorities as well as satisfactory soil boring tests and structural analysis which will permit LESSEE use of the Premises as set forth above. LESSOR shall cooperate with LESSEE in its effort to obtain such approvals and shall take no action which would adversely affect the status of the Property with respect to the proposed use thereof by LESSEE. In the event that (i) any of such applications for such Governmental Approvals should be finally rejected; (ii) any Governmental Approval issued to LESSEE is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; (iii) LESSEE determines that such Governmental Approvals may not be obtained in a timely manner; (iv) LESSEE determines that any soil boring tests or structural analyses are unsatisfactory; (v) LESSEE determines that the Premises is no longer technically or structurally compatible for its use, or (vi) LESSEE, in its sole discretion, determines that the use of the Premises is obsolete or unnecessary, LESSEE shall have the right to terminate this Agreement. Notice of LESSEE's exercise of its right to terminate shall be given to LESSOR in writing by certified mail, return receipt requested, and shall be effective upon the mailing of such notice by LESSEE, or upon such later date as designated by LESSEE. All rentals paid to said termination date shall be retained by LESSOR. Upon such termination, this Agreement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other hereunder. Otherwise, the LESSEE shall have no further obligations for the payment of rent to LESSOR. In addition, LESSEE shall have the right to terminate this Agreement without penalty at any time and for any reason prior to the date LESSEE commences installation of the equipment on the Premises, effective upon the mailing of such notice by LESSEE, or upon such later date as designated by LESSEE in such notice.

9. INDEMNIFICATION. LESSEE shall indemnify, and hold LESSOR harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the negligence or willful misconduct of LESSEE, its employees, agents or independent contractors, except to the extent such claims or damages may be due to or caused by the negligence or willful misconduct of LESSOR, its employees, agents or independent contractors.

10. INSURANCE. LESSEE will carry during the Term, at its own cost and expense, the following insurance: (i) "All Risk" property insurance for its property's replacement cost; (ii) commercial general liability insurance with a combined single limit of Five Million Dollars (\$5,000,000.00) for bodily injury (including death) and for property damage each occurrence; and (iii) Workers' Compensation Insurance as required by law. The coverage afforded by LESSEE's commercial general liability insurance shall apply to LESSOR as an additional insured as their interest may appear under this Agreement excluding Workers' Compensation.

11. LIMITATION OF LIABILITY. Neither Party shall be liable to the other, or any of their respective agents, representatives, or employees for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, loss of data, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

12. ANNUAL TERMINATION. Notwithstanding anything to the contrary contained herein, provided LESSEE is not in default hereunder beyond applicable notice and cure periods, LESSEE shall have the right to terminate this Agreement upon the annual anniversary of the Commencement Date provided that three (3) months prior notice is given to LESSOR. Should this termination occur prior to the conclusion of the initial five (5) year term, LESSEE shall pay to LESSOR a termination fee within sixty (60) days of the date of termination. If termination occurs before the initial thirty-six (36) months of the Agreement, LESSEE shall pay LESSOR a termination fee equal to twelve (12) months of the then-current rental rate; after the initial thirty-six (36) months but before sixty (60) months of the Agreement, the termination fee shall be equal to six (6) months of the then-current rental rate.

13. ACCESS TO TOWER. LESSOR agrees the LESSEE shall have free access to the Tower at all times for the purpose of installing and maintaining the said equipment. LESSOR shall furnish LESSEE with necessary means of access for the purpose of ingress and egress to this site and Tower location. It is agreed, however, that only authorized engineers, employees or properly authorized contractors of LESSEE or persons under their direct supervision will be permitted to enter said premises. LESSEE shall provide a regularly-updated list of persons authorized for entry to LESSOR.

14. TOWER COMPLIANCE. LESSOR covenants that it will keep the Tower in good repair as required by all Laws (as defined in Paragraph 35 below). The LESSOR shall also comply with all rules and regulations enforced by the Federal Communications Commission with regard to the lighting, marking and painting of towers. If the LESSOR fails to make such mutually-agreed repairs including maintenance the LESSEE may make the repairs and the costs thereof shall be payable to the LESSEE by the LESSOR on demand together with interest thereon from the date of payment at rate of six percent (6%) per annum. If the LESSOR does not make payment to the LESSEE within ten (10) business days after such demand, the LESSEE shall have the right to deduct the costs of the repairs from the succeeding monthly rental amounts normally due from the LESSEE to the LESSOR.

No materials may be used in the installation of the antennas or transmission lines that will cause corrosion or rust or deterioration of the Tower structure or its appurtenances. Upon determination and notification by LESSOR that any attachment

causes such corrosion, LESSEE shall have thirty (30) calendar days from receipt of notice to cure the same.

All antenna(s) on the Tower must be identified by a marking fastened securely to its bracket on the Tower and all transmission lines are to be tagged at the conduit opening where it enters any user's equipment space.

Not later than fifteen (15) days following the execution of this Agreement, LESSOR shall supply to LESSEE copies of all structural analysis reports that have done with respect to the Tower and throughout the Term, LESSOR shall supply to LESSEE copies of all structural analysis reports that are done with respect to the Tower within thirty (30) calendar days after the completion of the same.

Upon request of the LESSOR, LESSEE agrees to relocate its equipment on a temporary basis to another location on the Property, hereinafter referred to as the "Temporary Relocation," for the purpose of LESSOR performing maintenance, repair or similar work at the Property or on the Tower provided:

- a. The Temporary Relocation is similar to LESSEE's existing location in size and is fully compatible for LESSEE's use, in LESSEE's reasonable determination;
- b. LESSOR pays all mutually-agreed costs incurred by LESSEE for relocating LESSEE's equipment to the Temporary Relocation and improving the Temporary Relocation so that it is fully compatible for the LESSEE's use, in LESSEE's reasonable determination;
- c. LESSOR gives LESSEE at least ninety (90) days written notice prior to requiring LESSEE to relocate, unless LESSOR declares relocation necessary due to an emergency related to structural repair and will attempt to give LESSEE a reasonable amount of time to relocate;
- d. LESSEE's use at the Premises is not interrupted or diminished during the relocation and LESSEE is allowed, if necessary, in LESSEE's reasonable determination, to place a temporary installation on the Property during any such relocation; and
- e. Upon the completion of any maintenance, repair or similar work by LESSOR, LESSEE is permitted to return to its original location from the temporary location with all costs for the same being paid by LESSOR.

15. INTERFERENCE. LESSEE agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in

accordance with then existing industry standards to any equipment of LESSOR or other licensed wireless communications providers of the Property which existed on the Property prior to the date this Agreement is executed by the Parties. In the event any after-installed LESSEE's equipment causes such interference, and after LESSOR has notified LESSEE in writing of such interference, LESSEE will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, at LESSEE's option, powering down such equipment and later powering up such equipment for intermittent testing. In no event will LESSOR be entitled to terminate this Agreement or relocate the equipment as long as LESSEE is making a good faith effort to remedy the interference issue. LESSOR agrees that LESSOR and/or any other tenants, occupants, or users of the Property who currently have or in the future take possession of, all or a part of, the Property will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of LESSEE. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

16. REMOVAL AT END OF TERM. LESSEE shall, upon expiration of the Term, or within ninety (90) days after any earlier termination of the Agreement, remove its building(s), antenna(s), equipment, conduits, fixtures and all personal property and restore the Premises to as close to its original condition as reasonably possible, casualty damage excepted. LESSOR agrees and acknowledges that all of the equipment, conduits, fixtures and personal property of LESSEE shall remain the personal property of LESSEE and LESSEE shall have the right to remove the same at any time during the Term, whether or not said items are considered fixtures and attachments to real property under applicable Laws (as defined in Paragraph 35 below). If such time for removal causes LESSEE to remain on the Premises after termination of this Agreement, LESSEE shall pay rent at the then existing monthly rate or on the existing monthly pro-rata basis if based upon a longer payment term, until such time as the removal of the building, antenna structure, fixtures and all personal property are completed.

17. HOLDOVER. LESSEE has no right to retain possession of the Premises or any part thereof beyond the expiration of that removal period set forth in Paragraph 16 herein, unless the Parties are negotiating a new lease or lease extension in good faith. In the event that the Parties are not in the process of negotiating a new lease or lease extension in good faith, LESSEE holds over in violation of Paragraph 16 and this Paragraph 17, then the rent then in effect payable from and after the time of the expiration or earlier removal period set forth in Paragraph 16 shall be equal to the rent applicable during the month immediately preceding such expiration or earlier termination.

18. RIGHT OF FIRST REFUSAL. If LESSOR elects, during the Term (i) to sell or otherwise transfer all or any portion of the Property, whether separately or as part of a larger parcel of which the Property is a part, or (ii) to grant to a third party by easement or other legal instrument an interest in and to that portion of the Tower and or Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, with or without an assignment of this Agreement to such third party, LESSEE shall have the right of first refusal to meet any bona fide offer of sale or transfer on the same terms and conditions of such offer. If LESSEE fails to meet such bona fide offer within thirty (30) days after written notice thereof from LESSOR, LESSOR may sell or grant the easement or interest in the Property or portion thereof to such third person in accordance with the terms and conditions of such third party offer.

19. RIGHTS UPON SALE. Should LESSOR, at any time during the Term decide (i) to sell or transfer all or any part of the Property or the Tower thereon to a purchaser other than LESSEE, or (ii) to grant to a third party by easement or other legal instrument an interest in and to that portion of the Tower and or Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, such sale or grant of an easement or interest therein shall be under and subject to this Agreement and any such purchaser or transferee shall recognize LESSEE's rights hereunder under the terms of this Agreement. To the extent that LESSOR grants to a third party by easement or other legal instrument an interest in and to that portion of the Tower and/or Property occupied by LESSEE for the purpose of operating and maintaining communications facilities or the management thereof and in conjunction therewith, assigns this Agreement to said third party, LESSOR shall not be released from its obligations to LESSEE under this Agreement, and LESSEE shall have the right to look to LESSOR and the third party for the full performance of this Agreement.

20. QUIET ENJOYMENT. LESSOR covenants that LESSEE, on paying the rent and performing the covenants herein, shall peaceably and quietly have, hold and enjoy the Premises.

21. TITLE. LESSOR represents and warrants to LESSEE as of the execution date of this Agreement, and covenants during the Term that LESSOR is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement. LESSOR further covenants during the Term that there are no liens, judgments or impediments of title on the Property, or affecting LESSOR's title to the same and that there are no covenants, easements or restrictions which prevent or adversely affect the use or occupancy of the Premises by LESSEE as set forth above.

22. INTEGRATION. It is agreed and understood that this Agreement contains all agreements, promises and understandings between LESSOR and LESSEE and that no

verbal or oral agreements, promises or understandings shall be binding upon either LESSOR or LESSEE in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing signed by the Parties or in a written acknowledgment in the case provided in Paragraph 3. In the event any provision of the Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement. The failure of either Party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights under the Agreement shall not waive such rights and such Party shall have the right to enforce such rights at any time and take such action as may be lawful and authorized under this Agreement, in law or in equity.

23. GOVERNING LAW. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the Laws of the State in which the Property is located.

24. ASSIGNMENT. This Agreement may be sold, assigned or transferred by the LESSEE without any approval or consent of the LESSOR to the LESSEE's principal, affiliates, subsidiaries of its principal or to any entity which acquires all or substantially all of LESSEE's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization. As to other parties, this Agreement may not be sold, assigned or transferred without the written consent of the LESSOR, which such consent will not be unreasonably withheld, delayed or conditioned. No change of stock ownership, partnership interest or control of LESSEE or transfer upon partnership or corporate dissolution of LESSEE shall constitute an assignment hereunder.

25. NOTICES. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LESSOR: Town Of Rocky Mount  
345 Donald Avenue  
Rocky Mount, Virginia 24151

LESSEE: Cellco Partnership  
d/b/a Verizon Wireless  
180 Washington Valley Road  
Bedminster, New Jersey 07921  
Attention: Network Real Estate

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

26. SUCCESSORS. This Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.

27. SUBORDINATION AND NON-DISTURBANCE. LESSOR shall obtain not later than fifteen (15) days following the execution of this Agreement, a Non-Disturbance Agreement, as defined below, from its existing mortgagee(s), ground lessors and master lessors, if any, of the Property. At LESSOR's option, this Agreement shall be subordinate to any future master lease, ground lease, mortgage, deed of trust or other security interest (a "Mortgage") by LESSOR which from time to time may encumber all or part of the Property, Tower or right-of-way; provided, however, as a condition precedent to LESSEE being required to subordinate its interest in this Agreement to any future Mortgage covering the Tower or Property, LESSOR shall obtain for LESSEE's benefit a non-disturbance and attornment agreement for LESSEE's benefit in the form reasonably satisfactory to LESSEE, and containing the terms described below (the "Non-Disturbance Agreement"), and shall recognize LESSEE's right to remain in occupancy of and have access to the Premises as long as LESSEE is not in default of this Agreement beyond applicable notice and cure periods. The Non-Disturbance Agreement shall include the encumbering party's ("Lender's") agreement that, if Lender or its successor-in-interest or any purchaser of Lender's or its successor's interest (a "Purchaser") acquires an ownership interest in the Tower or Property, Lender or such successor-in-interest or Purchaser will (1) honor all of the terms of the Agreement, (2) fulfill LESSOR's obligations under the Agreement, and (3) promptly cure all of the then-existing LESSOR defaults under the Agreement. Such Non-Disturbance Agreement must be binding on all of Lender's participants in the subject loan (if any) and on all successors and assigns of Lender and/or its participants and on all Purchasers. In return for such Non-Disturbance Agreement, LESSEE will execute an agreement for Lender's benefit in which LESSEE (1) confirms that the Agreement is subordinate to the Mortgage or other real property interest in favor of Lender, (2) agrees to attorn to Lender if Lender becomes the owner of the Tower or Property and (3) agrees to accept a cure by Lender of any of LESSOR's defaults, provided such cure is completed within the deadline applicable to LESSOR. In the event LESSOR defaults in the payment and/or other performance of any mortgage or other real property interest encumbering the Property, LESSEE, may, at its sole option and without obligation, cure or correct LESSOR's default and upon doing so, LESSEE shall be subrogated to any and all rights, titles, liens and equities of

the holders of such mortgage or other real property interest and LESSEE shall be entitled to deduct and setoff against all rents that may otherwise become due under this Agreement the sums paid by LESSEE to cure or correct such defaults.

28. RECORDING. LESSOR agrees to execute a Memorandum of this Agreement which LESSEE may record with the appropriate recording officer. The date set forth in the Memorandum of Lease is for recording purposes only and bears no reference to commencement of either the Term or rent payments.

29. DEFAULT.

a. In the event there is a breach by LESSEE with respect to any of the provisions of this Agreement or its obligations under it, including the payment of rent, LESSOR shall give LESSEE written notice of such breach. After receipt of such written notice, LESSEE shall have fifteen (15) days in which to cure any monetary breach and thirty (30) days in which to cure any non-monetary breach, provided LESSEE shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSEE commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. LESSOR may not maintain any action or effect any remedies for default against LESSEE unless and until LESSEE has failed to cure the breach within the time periods provided in this Paragraph.

b. In the event there is a breach by LESSOR with respect to any of the provisions of this Agreement or its obligations under it, LESSEE shall give LESSOR written notice of such breach. After receipt of such written notice, LESSOR shall have thirty (30) days in which to cure any such breach, provided LESSOR shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSOR commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. LESSEE may not maintain any action or effect any remedies for default against LESSOR unless and until LESSOR has failed to cure the breach within the time periods provided in this Paragraph. Notwithstanding the foregoing to the contrary, it shall be a default under this Agreement if LESSOR fails, within five (5) days after receipt of written notice of such breach, to perform an obligation required to be performed by LESSOR if the failure to perform such an obligation interferes with LESSEE's ability to conduct its business on the Property; provided, however, that if the nature of LESSOR's obligation is such that more than five (5) days after such notice is reasonably required for its performance, then it shall not be a default under this Agreement if performance is commenced within such five (5) day period and thereafter diligently pursued to completion.

30. REMEDIES. Upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party's duty or obligation on

the defaulting Party's behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefor. In the event of a default by either Party with respect to a material provision of this Agreement, without limiting the non-defaulting Party in the exercise of any right or remedy which the non-defaulting Party may have by reason of such default, the non-defaulting Party may terminate the Agreement and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the state in which the Premises are located; provided, however, LESSOR shall use reasonable efforts to mitigate its damages in connection with a default by LESSEE. If LESSEE so performs any of LESSOR's obligations hereunder, the full amount of the reasonable and actual cost and expense incurred by LESSEE shall immediately be owing by LESSOR to LESSEE, and LESSOR shall pay to LESSEE upon demand the full undisputed amount thereof with interest thereon from the date of payment at the rate of six percent (6%) per annum. Notwithstanding the foregoing, if LESSOR does not pay LESSEE the full undisputed amount within thirty (30) days of its receipt of an invoice setting forth the amount due from LESSOR, LESSEE may offset the full undisputed amount, including all accrued interest, due against all fees due and owing to LESSOR until the full undisputed amount, including all accrued interest, is fully reimbursed to LESSEE.

31. ENVIRONMENTAL.

a. LESSOR represents and warrants that, to its knowledge as of the Effective Date of this Agreement, the Property is free of hazardous substances, and, to the best of LESSOR's knowledge, the Property has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. LESSOR and LESSEE agree that each will be responsible for compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene condition or other matters as may now or at any time hereafter be in effect, that are now or were related to that Party's activity conducted in or on the Property.

b. In the event either Party becomes aware of any hazardous materials on the Property, or any environmental or industrial hygiene condition or matter relating to the Property that, in either Party's sole determination, renders the condition of the Premises or Property unsuitable for either Party's use, or if either Party believes that the leasing or continued leasing of the Premises would expose them to undue risks of government action, intervention or third-party liability, either Party will have the right, in addition to any other rights it may have at law or in equity, to terminate the Agreement upon notice to the other Party.

c. The Parties recognize that LESSEE is only leasing a small portion of LESSOR's Property, and that LESSEE shall not be responsible for addressing or liable for any environmental or industrial hygiene condition that existed prior to the execution of this Agreement, including but not limited to any costs or contamination resulting from unregistered underground storage tanks, or that otherwise did not result from the activities of LESSEE.

32. CASUALTY. In the event of damage by fire or other casualty to the Tower or Premises that cannot reasonably be expected to be repaired within forty-five (45) days following same or, if the Property is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, then LESSEE may, at any time following such fire or other casualty, provided LESSOR has not completed the restoration required to permit LESSEE to resume its operation at the Premises, terminate this Agreement without penalty upon fifteen (15) days prior written notice to LESSOR. Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment, as of such termination date, with respect to payments due to the other under this Agreement. Notwithstanding the foregoing, the rent shall abate during the period of repair following such fire or other casualty in proportion to the degree to which LESSEE's use of the Premises is impaired.

33. CONDEMNATION. In the event of any condemnation of all or any portion of the Property, this Agreement shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever occurs first. If as a result of a partial condemnation of the Premises or Tower, LESSEE, in LESSEE's sole discretion, is unable to use the Premises for the purposes intended hereunder, or if such condemnation may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, LESSEE may, at LESSEE's option, to be exercised in writing within fifteen (15) days after LESSOR shall have given LESSEE written notice of such taking (or in the absence of such notice, within fifteen (15) days after the condemning authority shall have taken possession) terminate this Agreement without penalty as of the date the condemning authority takes such possession. LESSEE may on its own behalf make a claim in any condemnation proceeding involving the Premises for losses related to the equipment, conduits, fixtures, its relocation costs and its damages and losses (but not for the loss of its leasehold interest). Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment as of such termination date with respect to payments due to the other under this Agreement. If LESSEE does not terminate this Agreement in accordance with the foregoing, this Agreement shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be

reduced in the same proportion as the rentable area of the Premises taken bears to the total rentable area of the Premises. In the event that this Agreement is not terminated by reason of such condemnation, LESSOR shall promptly repair any damage to the Premises caused by such condemning authority.

34. SUBMISSION OF AGREEMENT/PARTIAL INVALIDITY/AUTHORITY. The submission of this Agreement for examination does not constitute an offer to lease the Premises and this Agreement becomes effective only upon the full execution of this Agreement by the Parties. If any provision herein is invalid, it shall be considered deleted from this Agreement and shall not invalidate the remaining provisions of this Agreement. Each of the Parties hereto warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.

35. APPLICABLE LAWS. During the Term, LESSOR shall maintain the Property and all structural elements of the Premises in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations, and restrictions of record, permits, building codes, and the requirements of any applicable fire insurance underwriter or rating bureau, now in effect or which may hereafter come into effect (including, without limitation, the Americans with Disabilities Act and laws regulating hazardous substances) (collectively "Laws"). LESSEE shall, in respect to the condition of the Premises and at LESSEE's sole cost and expense, comply with (a) all Laws relating solely to LESSEE's specific and unique nature of use of the Premises (other than general office use); and (b) all building codes requiring modifications to the Premises due to the improvements being made by LESSEE in the Premises.

36. SURVIVAL. Any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall survive such termination or expiration.

37. CAPTIONS. The captions contained in this Agreement are inserted for convenience only and are not intended to be part of the Agreement. They shall not affect or be utilized in the construction or interpretation of the Agreement.

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year first above written.

LESSOR:

TOWN OF ROCKY MOUNT

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

LESSEE:

CELLCO PARTNERSHIP  
d/b/a Verizon Wireless

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Print Name: Thomas O'Malley

Title: Director - Network Field Engineering

Date: \_\_\_\_\_

**Exhibit "A"**

Description of Premises

Exhibit "B"

Equipment

Exhibit "C"

Survey

ITEM(S) TO BE CONSIDERED UNDER:

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

FOR COUNCIL MEETING DATED:	February 12, 2018
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STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	The Kingdom Run is a benefit 5K scheduled for August 25, 2018 beginning at 8:00 a.m. The course begins and ends at the location of Rocky Mount Church of God at 1360 North Main Street in Rocky Mount. The event organizer Jacqueline C. Meador has met with your police department who reviewed and approved the plans for the benefit.
ACTION NEEDED:	Approve or deny

Attachment(s): yes

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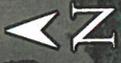
Attention Town Council:

I am approaching the council to ask permission for a benefit 5K on August 25<sup>th</sup>, 2018 called The Kingdom Run. This benefit and its proceeds would go towards God's Provision Food Pantry located at 1549 Franklin Street, Rocky Mount Va. 24151. God's Provision Food Pantry serves disabled and/or low-income individuals and families in Franklin County. In 2017 God's Provision serviced 2,683 families in our county, equaling a total of 7,448 people who received food and a total of 22,820,469lbs of food. The pantry runs solely on donations and volunteers and operates on a \$1500.00 monthly budget for rent and other operational bills. I am asking for approval to have a 5K on August 25<sup>th</sup>, at 8am, starting and ending location would be at Rocky Mount Church of God located at 1360 North Main Street in Rocky Mount. I am willing to adjust times and or routes to better accommodate the county as I have asked for assistance from the Rocky Mount Police Department. I want to thank you for taking the time to look over my proposal and consider its approval.

Jacqueline C. Meador "SeaJay"

**Bunny Hop For Hunger 5K**  
*The Kingdom* Rocky Mount Police/Fire Department

Legend



2000 ft

Google Earth

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