

c/o P.O. Box 2569, Roanoke, VA 24010  
Ph: 540.904-1073

**HIGHSPEEDROANOKE.NET**

**MEMBERS:**

Kevin Boggess, City of Salem  
Tom Gates, Roanoke County  
Kathleen Guzi, Botetourt County  
Mike McEvoy, Citizen  
Chris Morrill, City of Roanoke

## **Roanoke Valley Broadband Authority Meeting**

**Friday, August 14, 2015 at 8:30 a.m.**

**Roanoke Valley-Alleghany Regional Commission, 313 Luck Ave, SW, Roanoke, VA 24016**

### **AGENDA**

1. **Call to Order, Introductions & Roll Call** ..... *Chairman Boggess*
2. **Approval of Minutes – July 17, 2015 Meeting, pp. 3-7** ..... *Chairman Boggess*
3. **Treasurer's Report** ..... *Olivia Dooley, Treasurer*
  - Financial Reports Ending July 31, 2015, pp. 8-9
  - Audit Comments, pp 10-13
4. **Licensing Agreement with the City of Roanoke** ..... *Sam Darby/Vice Chairman McEvoy*
  - a. Resolution in Lieu of Bond, p. 14
5. **Updates**
  - A. Inspection Services ..... *Vice Chairman McEvoy*
  - B. Construction, Permitting and Make Ready Work ..... *Eric Price*
6. **Laterals and Downtown Roanoke Loop** ..... *Eric Price*
7. **Request for Closed Meeting Pursuant to Virginia Code** ..... *Chairman Boggess*  
**Section 2.2-3711**

*Recess into a Closed Meeting to discuss personnel matters pursuant to Section 2.2-3711 (A)(1), Code of Virginia, 1950, as amended.*
8. **End Closed Meeting and Reconvene Regular Meeting** ..... *Chairman Boggess*
9. **Adoption of Certification Resolution of Closed Meeting, p. 15** ..... *Chairman Boggess*

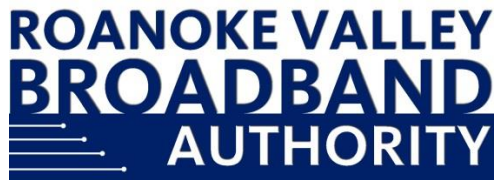
10. Action(s) by the Authority as a Result of the Closed Meeting ..... Chairman Boggess

Broadband Agenda (Cont'd)  
Page 2

11. Other Business

- Next Meeting Date Friday, September 18, 2015 ..... Chairman Boggess

12. Adjournment



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## **MINUTES**

The July meeting of the Roanoke Valley Broadband Authority was held on Friday, July 17, 2015 at 8:30 a.m. at the Roanoke Valley-Alleghany Regional Commission office, 313 Luck Ave., SW, Roanoke, VA.

### **1. CALL TO ORDER, WELCOME AND ROLL CALL**

Chairman Boggess called the meeting to order at 8:35 a.m. and welcomed those in attendance.

Matt Miller, Assistant Secretary to the Broadband Authority, called the roll and reported that a quorum was present.

Roanoke Valley Broadband Authority: *Present:* Kevin Boggess, City of Salem; Kathleen Guzi, Botetourt County; and Mike McEvoy, Citizen.

### **OTHERS IN ATTENDANCE**

Regional Commission Staff: Olivia Dooley, Treasurer; Matt Miller, Assistant Secretary and Jackie Pace.

Guests: Wayne Bowers, City of Roanoke and Broadband Advisory Committee member; Jay Brenchick, Botetourt County; Sam English, Roanoke Blacksburg Technology Council and Broadband Advisory Committee member; Bryan Hunley, Citizen; Meredith Hundley, Virginia Tech; Rob Ledger, City of Roanoke; Brian McConnell, Citizen; Roy Mentkow, City of Roanoke; Jeff Merritt, Cox Communications; Laura Carini, City of Roanoke; Bob Picchi, Blue Ridge Advisory Services Group; Eric Price, Thompson & Litton; Frank Smith, Citizen; and Margaret-Hunter Wade, Cox Communications.

### **2. APPROVAL OF MINUTES**

The Minutes of the June 19, 2015 meeting of the Roanoke Valley Broadband Authority were distributed earlier.

### **ROANOKE VALLEY BROADBAND AUTHORITY ACTION:**

Upon motion by Vice Chairman McEvoy, seconded by Ms. Guzi and carried, the Minutes of the June 19, 2015 meeting of the Broadband Authority were approved, as distributed.

### 3. **TREASURER'S REPORT**

- A. **FY 2015-2016 Budget Amendment** – Chairman Boggess reported on the following revisions to the FY 2015-2016 Budget: (1) the debt service payments of \$135,512.14 will be paid by the Cities of Roanoke and Salem, and (2) the \$30,000 contract extension with the Blue Ridge Advisory Services Group which lowered the “Operating Expenses for Future” line item.

**ROANOKE VALLEY BROADBAND AUTHORITY ACTION:**

Vice Chairman McEvoy moved to approve the revised FY 2015-2016 Budget, as presented. The motion was seconded by Ms. Guzi and carried.

- B. **Financial Reports Ending June 30, 2015** – Chairman Boggess stated that Financial Reports ending June 30, 2015 would be filed, as presented.

- C. **Other** – Treasurer Dooley asked if the Regional Commission staff could begin looking into securing a phone number for the Broadband Authority. Members concurred with the staff's request.

### 4. **LICENSING AGREEMENT WITH THE CITY OF ROANOKE**

Vice Chairman McEvoy stated that work on the licensing agreement with Roanoke City is progressing and that the City Attorney's Office has been helpful in this process. Broadband Attorney, Sam Darby, has reviewed the agreement and revisions and will be talking to City staff. It is anticipated that the agreement will be sent to the City Attorney's Office who will then forward it on to City Council for review at their August meeting.

Vice Chairman McEvoy stated that the agreement is similar to the VDOT agreement in that it allows the Broadband Authority to be in the City's right-of-ways and on approximately 10 City parcels that will need to be crossed. Mr. McEvoy noted that it is not an easement but essentially a license to be on the property and to be in the public right-of-ways.

One matter to be resolved is that the agreement has an insurance requirement that is higher than what the Broadband Authority currently carries. Mr. McEvoy noted he has spoken with Mark Jamison, City Engineer, and asked if the City would consider accepting a resolution from the Broadband Authority in lieu of a bond.

**ROANOKE VALLEY BROADBAND AUTHORITY ACTION:**

Vice Chairman McEvoy moved that the Chairman be authorized to execute the license agreement after negotiations are complete and Roanoke City Council has approved (since it will be prior to next broadband meeting in August) so that the contractor can start working in the City's right-of-ways in early August. The motion was seconded by Ms. Guzi and carried.

Mr. Bowers asked if the City of Salem would also be required to have a similar agreement. Chairman Boggess reported that most of the broadband work is already using existing fiber in Salem. Mr. Picchi stated that it might be useful to have a joint use agreement/facility sharing agreement with the City. Chairman Boggess stated that this would be an issue for the incoming executive director to look into once on board.

5. **APPROVAL OF VIRGINIA DEPARTMENT OF TRANSPORTATION (VDOT) RESOURCE SHARING AGREEMENT**

Sam Darby and Bob Picchi have been working on this resource sharing agreement between the Broadband Authority and VDOT. It is a 25-year agreement (with a 25-year renewal) which allows the Broadband Authority to have access to VDOT right-of-ways in exchange for VDOT having access to the Broadband Authority's fiber. The Broadband Authority will provide VDOT with two strands of fiber, with an option to buy four more in the future. Vice Chairman McEvoy reported that the agreement has been approved by the VDOT Regional Office.

**ROANOKE VALLEY BROADBAND AUTHORITY ACTION:**

Vice Chairman McEvoy moved to approve the Resource Sharing Agreement with VDOT, as presented. The motion was seconded by Ms. Guzi and carried.

6. **INSPECTION SERVICES**

Vice Chairman McEvoy reported that he and Matt Miller worked on soliciting bids from various firms for the inspection services for the fiber construction. Bids were received from three firms. Vice Chairman McEvoy and Matt Miller are recommending the firm of Bowman-Griffin to provide the inspection services. The firm had the lowest net cost at \$400 a day, plus expenses and most of the mileage. Mr. Picchi asked about the fiber optic inspection experience of Bowman-Griffin. Matt Miller stated that the primary inspector has 37 years of experience in this field. Vice Chairman McEvoy stated that the Water Authority has worked with this firm, and further stated that he has talked with the firm and let them know that the contractor will be having multiple crews in town and they would need to find additional resources. Matt Miller stated that the Authority should follow-up with Bowman-Griffin to clarify if there is going to be more than one inspector, who that person is, and how much experience they have.

**ROANOKE VALLEY BROADBAND AUTHORITY ACTION:**

Vice Chairman McEvoy moved to authorize the Chair to sign a contract with the low bid firm of Bowman-Griffin, subject to resolving issues raised in the discussion. The motion was seconded by Ms. Guzi and carried.

7. **NOTICE TO PROCEED WITH USC (CONSTRUCTION GRANT) AND UPDATE ON CONSTRUCTION, PERMITTING AND MAKE-READY WORK**

Eric Price stated that on July 13, 2015, he met with the contractor (USC) and authorized the notice to proceed. He reported that USC is now under contract, materials have been ordered, and minor details are being worked out on various materials. Breaking ground is anticipated in three weeks. The first order of business by USC was to submit a substitution request to now use OFS compatible fiber which was ordered through the company *Comscope*. The lead time on this fiber is 9 weeks. He noted this should help to meet the goal to complete the network in December. It is anticipated that there could be up to six crews working at a time, first borer crews, followed by plow crews. All permits are in place and make-ready work is nearing completion (ongoing). *Note: Make ready is when a utility, such as AEP, etc., hires a contractor to come out and move the utilities on the poles to make room for the Broadband Authority to attach.* Mr. Price anticipates scheduling a pre-

construction meeting for Thursday, August 6 at the Regional Commission office (to include representatives from VDOT, the Cities of Roanoke and Salem, Salem Electric, and essentially all the players who have an interest in the construction aspect of the project) so the contractor and everyone involved can understand the process, timeline and exchange information.

Mr. Price stated that he did check on the sidewalk project on Blue Hills Drive currently underway (anticipation completion date is September). Mr. Price noted that he doesn't know if it will work out to get the conduit under the sidewalk. It is currently planned on the same side of the road, so they are presently looking to see if there is a possibility to shift to the other side of the road to make provisions to serve customers on the other side. Mr. Price noted that they will continue to work with Roanoke City engineers on the project and will also invite them to the pre-construction meeting on August 6.

**8. APPROVAL OF ENGINEERING AND DESIGN WORK TO REMOVE ROUTE FROM GREENWAY (ORANGE AVENUE TO HIGHER EDUCATION CENTER)**

Matt Miller stated that the network was originally routed down the part of Lick Run Greenway that runs behind the Holiday Inn Express on I-581. It has since been determined that the original section is on private property. Matt noted that while the regional Greenway Commission has easements on that section, the Authority determined that it would be easier to stay off of the private property and come down Gainsboro Road, which would allow the network to hit the library and tie into the Higher Education Center. Since the original hut location was closer to 581, this would also solve several issues. The construction costs will not change, but there will need to be a small amount of design work to move that over. Some of the other known needs that do not have design work or construction costs include Blue Ridge Public TV and Virginia Western Community College. These connections could be bundled together as a single project. Mr. Miller stated that the more projects bundled together in Mr. Price's design work, the lower the cost. There are other projects that Roanoke City and the Water Authority are interested in, but that may be a separate issue. Mr. Price stated that the Gainsboro Road adjustment could probably be handled as a redesign and a field change order. He noted that he could call in some utility tickets, and work with the contractor as long as there are no conflicts with utilities or property issues. Mr. Price stated he would propose to do preliminary work and bring this item back for review at the August meeting. Concerning Blue Ridge Public TV and VWCC, Mr. Price noted they are completely additional routes that would need to be added to the contract. The Blue Ridge Public TV extension ties the network into the TV station and electronics will be housed at that site. The RVBA network needs to extend into the facility. There is already conduit to Blue Ridge Public TV which is owned by the Community College. Since the Community College would like access to the network, RVBA could possibly look at a swap.

Mr. Price stated he will look at other routes, such as the Water Authority and some of the drops in the City, and come up with an itemized proposal to bring to the next meeting and the Broadband Authority, Water Authority, or City can work out details of who will pay for the laterals.

Chairman Boggess stated that the discussion above covered Agenda Item #9 --- Laterals and Downtown Roanoke Loop.

## 9. UPDATES

- **Executive Director Position** – Chairman Boggess reported that no interviews have taken place at this time. Chairman Boggess also reported that they have received a large pool of qualified applicants. The Salem HR Department should begin contacting the top 4-5 candidates next week to set up interview times. The candidates will be interviewed by Chairman Boggess, Chris Morrill, Wayne Strickland, and Matt Miller. Chairman Boggess stated that the interview committee would like to make a recommendation for the executive director position at the next meeting, if possible. Also, if the list is narrowed down to 1 or 2 candidates, prior to the August 6 Pre-Construction Meeting, they could possibly be asked to attend that meeting to hear the discussion. The interviews will take place at the Regional Commission office, and for candidates that do not live close to the area, Skype will be used to conduct those interviews. Chairman Boggess stated that once the field is narrowed down to 1 or 2 candidates and if the committee has trouble making a decision, they may go through some HR-type analysis and perhaps hold a second interview.
- **Laterals and Downtown Roanoke Loop** – See discussion in Item #8.

## 10. OTHER BUSINESS

Chairman Boggess reported that there were conflicts with some board members with the date of the next regularly-scheduled Broadband Authority meeting (August 21). The Board agreed to change the August meeting date to **Friday, August 14, 2015** at 8:30 a.m. at the Regional Commission office.

The meeting was adjourned at 9:05 a.m.

Submitted by:

Matt Miller  
Assistant Secretary to the Roanoke Valley Broadband Authority

ROANOKE VALLEY BROADBAND AUTHORITY  
Financial Report  
July 1 - July 31, 2015

| DATE      |           | FOR                             |           | BALANCE    |
|-----------|-----------|---------------------------------|-----------|------------|
| 7/01/2015 |           | Beginning Balance               |           | 244,643.56 |
| 7/01/2015 | Check 137 | VML Insurance                   | 1,052.00  | 243,591.56 |
| 7/17/2015 | Check 141 | Olivia Dooley                   | 99.00     | 243,492.56 |
| 7/17/2015 | Check 142 | BB&T                            | 398.00    | 243,094.56 |
| 7/7/2015  | Check 143 | BRASG Inv #607                  | 5,515.97  | 237,578.59 |
| 7/8/2015  | Check 144 | Thompson & Litton #73992        | 5,750.00  | 231,828.59 |
| 7/10/2015 | Check 145 | Glenn Feldman Darby & Goodlatte | 1,164.00  | 230,664.59 |
| 7/13/2015 | Deposit   | Verizon (Refund)                | 416.67    | 231,081.26 |
| 7/17/2015 | Check 146 | American Electric Power         | 2,893.02  | 228,188.24 |
| 7/20/2015 | Check 147 | American Electric Power         | 177.45    | 228,010.79 |
| 7/22/2015 | Transfer  | Va Resource Authority           | 74,248.42 | 302,259.21 |
| 7/30/2015 | Check 148 | RVARC                           | 4,198.68  | 298,060.53 |



**Roanoke Valley Broadband Authority**  
**Period 07/01/15 to 07/31/16**

**OPERATING BUDGET**

|                               | Budget            | Prior<br>Years    | Current<br>Month | YTD              | Project to<br>Date | Under/Over        |
|-------------------------------|-------------------|-------------------|------------------|------------------|--------------------|-------------------|
| <b>Revenues</b>               |                   |                   |                  |                  |                    |                   |
| Cities of Roanoke/Salem       | 135,512.14        | 340,837.00        | 0.00             | 0.00             | 340,837.00         | 135,512.14        |
| Counties of Bot/Roanoke       | 0.00              | 0.00              | 0.00             | 0.00             | 0.00               | 0.00              |
| P/Y Carryover                 | 307,717.00        | 18,280.04         | 0.00             | 0.00             | 18,280.04          | 0.00              |
| <b>Total Revenue</b>          | <b>443,229.14</b> | <b>359,117.04</b> | <b>0.00</b>      | <b>0.00</b>      | <b>359,117.04</b>  | <b>443,229.14</b> |
| <b>Expenses</b>               |                   |                   |                  |                  |                    |                   |
| Accounting Package            | 400.00            | 224.95            | 0.00             | 0.00             | 224.95             | 400.00            |
| Advertising                   | 1,000.00          | 399.24            | 497.00           | 497.00           | 896.24             | 503.00            |
| Audit                         | 5,000.00          | 0.00              | 0.00             | 0.00             | 0.00               | 5,000.00          |
| Computer Fees                 | 100.00            | 83.88             | 0.00             | 0.00             | 83.88              | 100.00            |
| Contract (BRASG)              | 30,000.00         | 37,502.42         | 515.97           | 515.97           | 38,018.39          | 29,484.03         |
| Contract (RVARC)              | 30,000.00         | 0.00              | 4,125.00         | 4,125.00         | 4,125.00           | 25,875.00         |
| Debt Service Payments         | 135,512.14        | 0.00              | 0.00             | 0.00             | 0.00               | 135,512.14        |
| Insurance                     | 1,100.00          | 215.00            | 1,052.00         | 1,052.00         | 1,267.00           | 48.00             |
| Legal Fees                    | 60,000.00         | 11,532.39         | 153.74           | 153.74           | 11,686.13          | 59,846.26         |
| Supplies                      | 400.00            | 373.77            | 0.00             | 0.00             | 373.77             | 400.00            |
| Telephone                     | 0.00              | 0.00              | 73.68            | 73.68            | 73.68              | -73.68            |
| Operating Expenses for Future | 179,717.00        | 400.00            | 0.00             | 0.00             | 400.00             | 179,717.00        |
| <b>Total Expenses</b>         | <b>443,229.14</b> | <b>50,731.65</b>  | <b>6,417.39</b>  | <b>6,417.39</b>  | <b>57,149.04</b>   | <b>436,811.75</b> |
| <b>Total</b>                  | <b>0.00</b>       | <b>308,385.39</b> | <b>6,417.39</b>  | <b>-6,417.39</b> | <b>301,968.00</b>  | <b>6,417.39</b>   |

**CONSTRUCTION BUDGET**

|  | Budget              | Prior<br>Years     | Current<br>Month | YTD              | Project to<br>Date | Under/Over          |
|--|---------------------|--------------------|------------------|------------------|--------------------|---------------------|
| <b>Revenues</b>                          |                     |                    |                  |                  |                    |                     |
| Va Resource Authority                    | 5,689,961.35        | 233,047.27         | 74,248.42        | 74,248.42        | 307,295.69         | 5,615,712.93        |
| Interest income                          | 0.00                | 0.00               | 0.00             | 0.00             | 0.00               | 0.00                |
| Estimated Earnings                       | 3,726.41            | 0.00               | 0.00             | 0.00             | 0.00               | 3,726.41            |
| <b>Total Revenue</b>                     | <b>5,693,687.76</b> | <b>233,047.27</b>  | <b>74,248.42</b> | <b>74,248.42</b> | <b>0.00</b>        | <b>5,619,439.34</b> |
| <b>Expenses</b>                          |                     |                    |                  |                  |                    |                     |
| Construction                             | 3,811,414.09        | 666.07             | 3,070.47         | 3,070.47         | 3,736.54           | 3,808,343.62        |
| Engineering/Const Admin                  | 264,451.08          | 238,232.23         | 10,750.00        | 10,750.00        | 248,982.23         | 253,701.08          |
| Permitting/Easement Acquisitio           | 151,216.30          | 37,449.94          | -416.67          | -416.67          | 37,033.27          | 151,632.97          |
| Electronics (System Lighting & Data Stor | 715,534.56          | 0.00               | 0.00             | 0.00             | 0.00               | 715,534.56          |
| Local Debt Service Res Fund              | 670,039.01          | 670,039.01         | 0.00             | 0.00             | 670,039.01         | 670,039.01          |
| Local Cost of Issuance                   | 20,000.00           | 19,603.86          | 1,010.26         | 1,010.26         | 20,614.12          | 18,989.74           |
| Additional Proceeds/Contingenc           | 61,032.72           | 0.00               | 0.00             | 0.00             | 0.00               | 61,032.72           |
| <b>Total Expenses</b>                    | <b>5,693,687.76</b> | <b>965,991.11</b>  | <b>14,414.06</b> | <b>14,414.06</b> | <b>980,405.17</b>  | <b>5,679,273.70</b> |
| <b>Total</b>                             | <b>0.00</b>         | <b>-732,943.84</b> | <b>59,834.36</b> | <b>59,834.36</b> | <b>-980,405.17</b> | <b>-59,834.36</b>   |

# ROBINSON, FARMER, COX ASSOCIATES

*CERTIFIED PUBLIC ACCOUNTANTS*

*A PROFESSIONAL LIMITED LIABILITY COMPANY*

**DATE:** August 6, 2015

**MEMORANDUM TO:** Olivia Dooley, Treasurer  
Board of Directors  
Roanoke Valley Broadband Authority

**FROM:** Corbin Stone, CPA, Managing Director  
Robinson, Farmer, Cox Associates

**REGARDING:** Audit Results

We have completed our audit of the Roanoke Valley Broadband Authority for the fiscal year ending June 30, 2015 and share our comments below concerning same.

- The Authority's financial records were complete and well maintained. We easily located documentation for all transactions of the Authority.
- We issued a separate management comment letter (attached hereto) with three recommendations for the Authority.
- We recommended journal entries (attached hereto) to convert the Authority's books from the cash basis of accounting to the full-accrual basis of accounting.
- Upon completion of the Authority's current construction project, we plan on working with staff to identify entries needed to close out the project and begin depreciating assets for presentation in the annual audit report. We anticipate that staff will continue to maintain the books on the cash basis (or modified cash basis) of accounting and provide entries annually to convert the books to the accrual basis.

In closing, if you have any questions about the financial report or related documents, please do not hesitate to call (540-552-7322) or email (cstone@rfca.com).

# ROBINSON, FARMER, COX ASSOCIATES

*CERTIFIED PUBLIC ACCOUNTANTS*

*A PROFESSIONAL LIMITED LIABILITY COMPANY*

**DATE:** July 30, 2015

**MEMORANDUM TO:** Olivia Dooley, Treasurer  
Board of Directors  
Roanoke Valley Broadband Authority

**FROM:** Robinson, Farmer, Cox Associates

**REGARDING:** Audit Comments

In planning and performing our audit fieldwork for the Roanoke Valley Broadband Authority ("the Authority") for the year ended June 30, 2015, we considered the Roanoke Valley Broadband Authority's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

## **Security for Public Deposits Act:**

The Authority currently maintains a checking account at BB&T for the payment of operating and construction bills. This account is not designated as a public deposit under the Virginia Security for Public Deposits Act (Act). Under the Act, public deposits carry additional protection beyond amounts covered by FDIC. We recommend that the Authority contact BB&T and have them designate the account as a public deposit with the State Department of the Treasury.

## **Approval of Invoices:**

The Authority prepares cover sheets to accompany each vendor invoice; however, these sheets do not contain a space to document approval. We recommend that the Authority update the form to document payment approval by one of the authorized check signers.

## **Cancelled Checks:**

During our audit, we noted that the Authority does not receive cancelled checks (or electronic images of cancelled checks) from BB&T. During an audit, we validate that payees in the accounting system match those recorded on cancelled checks received from the bank. We recommend that the Authority request that BB&T provide images of cancelled checks in the future. **It is our understanding that the Authority contacted BB&T during the audit and has requested that cancelled checks be provided in the future.**

Client: **Roanoke Valley Broadband Authority**  
Engagement: **2015 - Roanoke Valley Broadband Authority**  
Period Ending: **6/30/2015**  
Trial Balance: **TB.01 - TB**  
Workpaper: **Adjusting Journal Entries Report**

| Account                                       | Description                        | W/P Ref | Debit               | Credit              |
|---|------------------------------------|---------|---------------------|---------------------|
| <b>Adjusting Journal Entries JE # 1</b>       |                                    |         |                     |                     |
| Perm 07                                       |                                    |         |                     |                     |
| To post debt issuance transaction             |                                    |         |                     |                     |
| 105   | Investments - Debt Service Reserve |         | 670,039.00          |                     |
| 110   | Investments - Bond Proceed Account |         | 4,790,601.00        |                     |
| 310   | Va Resource Authority              |         | 233,047.00          |                     |
| 440   | Cost of issuance                   |         | 27,923.00           |                     |
| 440   | Cost of issuance                   |         | 28,248.00           |                     |
| 440   | Cost of issuance                   |         | 30,142.00           |                     |
| 250   | Bond payable                       |         |                     | 5,780,000.00        |
| <b>Total</b>                                  |                                    |         | <b>5,780,000.00</b> | <b>5,780,000.00</b> |
| <b>Adjusting Journal Entries JE # 2</b>       |                                    |         |                     |                     |
| D-04  |                                    |         |                     |                     |
| To post interest payable on debt at year end. |                                    |         |                     |                     |
| 165   | Capitalized interest               |         | 11,415.00           |                     |
| 225   | Interest payable                   |         |                     | 11,415.00           |
| <b>Total</b>                                  |                                    |         | <b>11,415.00</b>    | <b>11,415.00</b>    |
| <b>Adjusting Journal Entries JE # 3</b>       |                                    |         |                     |                     |
| TB.01   |                                    |         |                     |                     |
| To post beginning accrual adjustments         |                                    |         |                     |                     |
| 290   | Beginning Equity                   |         | 14,376.00           |                     |
| 420   | Insurance                          |         | 837.00              |                     |
| 245   | Loan due RVARC                     |         |                     | 5,000.00            |
| 415   | Consultants                        |         |                     | 10,213.00           |
| <b>Total</b>                                  |                                    |         | <b>15,213.00</b>    | <b>15,213.00</b>    |
| <b>Adjusting Journal Entries JE # 4</b>       |                                    |         |                     |                     |
| E-10  |                                    |         |                     |                     |
| To post accounts payable at end of year.      |                                    |         |                     |                     |
| 415   | Consultants                        |         | 516.00              |                     |
| 425   | Legal Fees                         |         | 154.00              |                     |
| 440   | Cost of issuance                   |         | 1,010.00            |                     |
| 505   | Engineering/Const Admin            |         | 5,000.00            |                     |
| 505   | Engineering/Const Admin            |         | 5,750.00            |                     |
| 200   | Accounts payable                   |         |                     | 12,430.00           |
| <b>Total</b>                                  |                                    |         | <b>12,430.00</b>    | <b>12,430.00</b>    |
| <b>Adjusting Journal Entries JE # 5</b>       |                                    |         |                     |                     |
| CAP-18  |                                    |         |                     |                     |
| To reclassify capital items                   |                                    |         |                     |                     |
| 405   | Advertising                        |         | 1,112.00            |                     |
| 510   | Permitting/Easement Acquisition    |         | 39,543.00           |                     |
| 500   | Construction                       |         |                     | 666.00              |
| 505   | Engineering/Const Admin            |         |                     | 39,989.00           |
| <b>Total</b>                                  |                                    |         | <b>40,655.00</b>    | <b>40,655.00</b>    |
| <b>Adjusting Journal Entries JE # 6</b>       |                                    |         |                     |                     |
| CAP-18  |                                    |         |                     |                     |

Client: **Roanoke Valley Broadband Authority**  
Engagement: **2015 - Roanoke Valley Broadband Authority**  
Period Ending: **6/30/2015**  
Trial Balance: **TB.01 - TB**  
Workpaper: **Adjusting Journal Entries Report**

| Account                               | Description                     | W/P Ref | Debit             | Credit            |
|---------------------------------------|---------------------------------|---------|-------------------|-------------------|
| To reclassify capital asset purchases |                                 |         |                   |                   |
| 140                                   | Construction in progress        |         | 208,993.00        |                   |
| 155                                   | Right of way easements          |         | 73,893.00         |                   |
| 162                                   | Permits                         |         | 3,100.00          |                   |
| 505                                   | Engineering/Const Admin         |         |                   | 208,993.00        |
| 510                                   | Permitting/Easement Acquisition |         |                   | 76,993.00         |
| <b>Total</b>                          |                                 |         | <b>285,986.00</b> | <b>285,986.00</b> |

**RESOLUTION  
OF THE  
ROANOKE VALLEY BROADBAND AUTHORITY**

Guarantee by the Roanoke Valley Broadband Authority to the City of Roanoke, Virginia  
Furnished in Lieu of one or more Bonds for Public Work Permits

WHEREAS, the Roanoke Valley Broadband Authority (the “Authority”), an authority formed and existing in accordance with the provisions of Chapter 54.1 of Title 15.2 of the Code of Virginia, 1950, as amended, the Virginia Wireless Service Authorities Act §§ 15.2-5431.1 - 15.2-5431.37 (the “Act”), is required from time to time to post a bond or give other assurances in order to obtain permits from the City of Roanoke, Virginia (the “City”) to install, construct, reconstruct, maintain, and operate certain public works along, across, over and upon certain properties of the City; and

WHEREAS, expense, damage or injury may be sustained by the City growing out of the granting to said Authority by the City of said permits for the work aforesaid; and

WHEREAS, one of the conditions of such permit or permits is that the Authority shall indemnify the City to the extent permitted by law against all damages and injuries to the City’s properties and to persons or property lawfully upon such properties; and

WHEREAS, the Authority will take financial responsibility for the items normally covered by the performance bond and labor and materials bond.

NOW, THEREFORE, BE IT RESOLVED the condition of this obligation is such that if the Authority shall in all respects comply with all of the conditions of permit, permits, or license that have been, or will be, granted said Authority, including, without limitation, all obligations set forth in any license, permit or approval that are subject to the requirement that the Authority provide a performance bond or a labor and materials bond, and, to the extent permitted by law, shall indemnify and save harmless the City against and from all loss, cost, expense, damage or injury to City properties and to persons and property lawfully on such properties growing out of the granting of such permit, permits, or license to said Authority, then this obligation to be void, otherwise to be and remain in full force and virtue. Provided, however, if this resolution is repealed or not permitted by law, the Authority shall be subject to the bond requirements contained in any license agreement entered into between the City and the Authority, and the Authority agrees to obtain such bonds in such event.

AND BE IT FURTHER RESOLVED, that the appropriate officers are hereby authorized and directed to execute, deliver and file all documents, certificates and instruments and to take all such further action as may be necessary or desirable in connection with and that are in conformity with the purposes and intent of this resolution.  
This resolution shall take effect immediately.

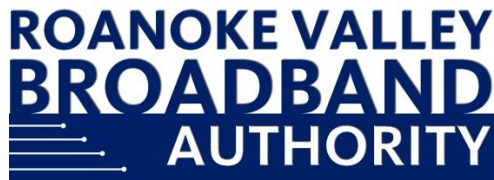
|                |       |
|----------------|-------|
| Members absent | _____ |
| Votes For      | _____ |
| Votes Against  | _____ |
| Abstentions    | _____ |

#### CERTIFICATION

The undersigned secretary of the Board of Directors of the Roanoke Valley Broadband Authority does hereby certify that the foregoing is a true, complete and correct Resolution adopted by a vote of a majority of the elected members of the Board of Directors of the Roanoke Valley Broadband Authority present at a regular meeting of the Board of Directors of the Roanoke Valley Broadband Authority duly called and held August 14, 2015, at which a quorum was present and acting throughout, and that the same has not been amended or rescinded and is in full force and effect as of the date of this certification, August \_\_, 2015.

\_\_\_\_\_  
Secretary  
Roanoke Valley Broadband Authority

(SEAL)



c/o P.O. Box 2569, Roanoke, VA 24010  
Ph: 540.904.1073

**HIGHSPEEDROANOKE.NET**

**MEMBERS:**

*Kevin Boggess, City of Salem  
Tom Gates, Roanoke County  
Kathleen Guzi, Botetourt County  
Mike McEvoy, Citizen  
Chris Morrill, City of Roanoke*

## **CERTIFICATION RESOLUTION**

### **RESOLUTION CERTIFYING CLOSED MEETING WAS HELD IN CONFORMITY WITH THE CODE OF VIRGINIA**

**WHEREAS**, the Roanoke Valley Broadband Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

**WHEREAS**, Section 2.2-3712 of the Code of Virginia requires a certification by the Roanoke Valley Broadband Authority that such closed meeting was conducted in conformity with Virginia law.

**NOW, THEREFORE, BE IT RESOLVED**, that the Roanoke Valley Broadband Authority hereby certifies that, to the best of each member's knowledge:

1. Only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting which this certification resolution applies; and
2. Only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Roanoke Valley Broadband Authority.