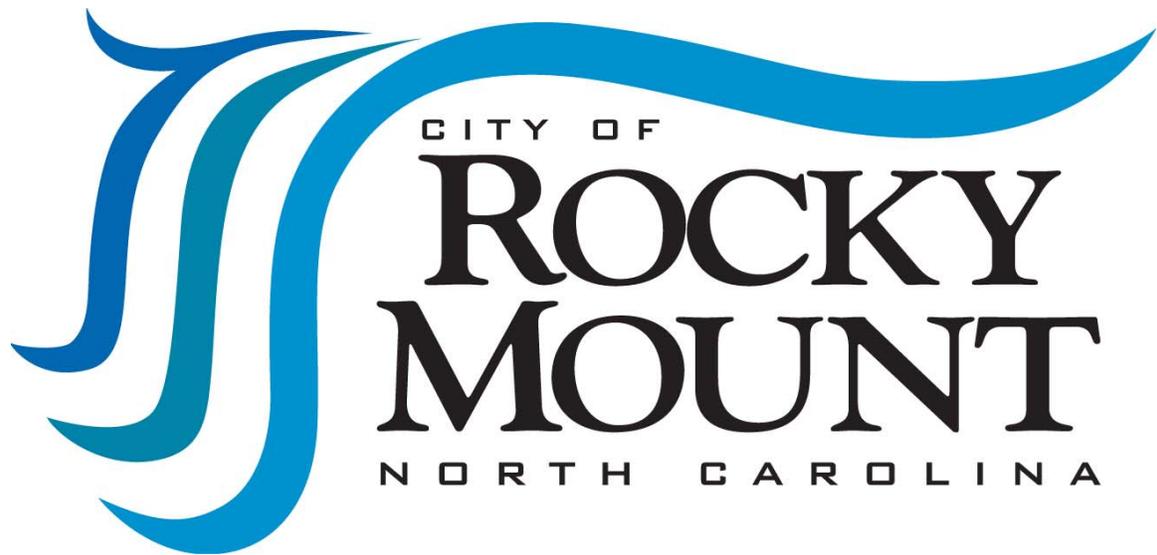


Compliance Letters



Fiscal Year Ended June 30, 2016

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> | 1-2 |
| Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Report On Schedule Of Expenditures Of Federal And State Awards in Accordance with Uniform Guidance And The State Single Audit Implementation Act | 3-5 |
| Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Report On Schedule Of Expenditures Of Federal And State Awards in Accordance with Uniform Guidance And The State Single Audit Implementation Act | 6-8 |
| Schedule of Findings, Responses, and Questioned Costs | 9-11 |
| Summary Schedule of Prior Year's Audit Findings | 12 |
| Schedule of Expenditures of Federal and State Awards | 13-14 |

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

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

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Rocky Mount, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of and for the year ended June 30, 2016, not presented here, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 13, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Rocky Mount'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 City of Rocky Mount's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Rocky Mount's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Rocky Mount's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control 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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
September 13, 2016

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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Report On Compliance For Each Major Federal Program; Report on Internal Control over Compliance; Report on the Schedule Of Expenditures Of Federal And State Awards in Accordance with Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Rocky Mount, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Rocky Mount's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Rocky Mount's major federal programs for the year ended June 30, 2016. The City of Rocky Mount's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Rocky Mount's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Rocky Mount's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Rocky Mount's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Rocky Mount complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the City of Rocky Mount is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Rocky Mount's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Rocky Mount's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Rocky Mount's basic financial statements. We issued our report thereon dated September 13, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rocky Mount's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
September 13, 2016

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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Report On Compliance For Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule Of Expenditures Of Federal And State Awards in Accordance with Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Rocky Mount, North Carolina

Report on Compliance for Each Major State Program

We have audited the City of Rocky Mount's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City of Rocky Mount's major State programs for the year ended June 30, 2016. The City of Rocky Mount's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Rocky Mount's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; applicable sections of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the City of Rocky Mount's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of the City of Rocky Mount's compliance.

Opinion on Each Major State Program

In our opinion, the City of Rocky Mount complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the City of Rocky Mount is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Rocky Mount's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Rocky Mount's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocky Mount as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Rocky Mount's basic financial statements. We issued our report thereon dated September 13, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rocky Mount's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
September 13, 2016

CITY OF ROCKY MOUNT, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness (es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

| <u>Program Name or Cluster</u> | <u>CFDA #</u> |
|---|--------------------------------|
| Formula Grants for Rural Areas | 20.509 |
| Federal Transit Cluster | 20.500, 20.507, 20.525, 20.526 |
| Highway Planning and Construction Program | 20.205 |

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? No

CITY OF ROCKY MOUNT, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

1. Summary of Auditor's Results (continued):

State Awards

Internal control over major State programs:

- Material weakness (es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major State programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major State programs:

Program Name

Powell Bill

CITY OF ROCKY MOUNT, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

2. Findings Related to the Audit of the Basic Financial Statements

None.

3. Findings and Questioned Costs Related to the Audit of Federal Awards

None.

4. Findings and Questioned Costs Related to the Audit of State Awards

None.

CITY OF ROCKY MOUNT, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

Finding 2015-001

Status: Corrected.

City of Rocky Mount, North Carolina
 Schedule of Federal and State Financial Assistance
 From Grant Inception and for the Year Ended 6/30/2016

| Grantor / Pass - Through Grantor / Program Title | Federal CFDA Number | Pass - Through Grantor Number | Grant Award (W/O match) | Prior Year Expenditures | Federal Expenditures 6/30/16 | State Expenditures 6/30/16 | Local Match 6/30/16 | Total Expenditures 6/30/16 | Pass-through to subrecipients 6/30/16 |
|--|---------------------------|----------------------------------|----------------------------|----------------------------|------------------------------------|----------------------------------|------------------------|----------------------------------|--|
| FEDERAL FINANCIAL ASSISTANCE PROGRAMS: | | | | | | | | | |
| U.S. Department of Transportation | | | | | | | | | |
| Direct Program - | | | | | | | | | |
| Federal Transit Administration: | | | | | | | | | |
| Federal Transit Formula Grant: | | | | | | | | | |
| Operating, Section 9 (50fed/50 local) 2016 NC-90-X586 | 20.507 | | \$ 269,359 | \$ - | 269,359 | - | 134,680 | \$ 404,039 | |
| Operating, Section 9 (50 fed /50 local) 2016 NC-2016-016-00 | 20.507 | | 135,234 | - | 96,481 | - | 56,040 | 152,521 | |
| Operating, Section 9 (50 fed /50 local) 2015 NC-90-X578 | 20.507 | | 386,898 | 580,348 | - | - | - | - | |
| Capital, Section 5307-2A (80 fed/20 local) 2015 NC-90-X586 | 20.507 | | 331,461 | - | 331,461 | - | 41,433 | 372,894 | |
| Capital, Section 5307-2A (80 fed/20 local) 2016 NC-2016-016-00 | 20.507 | | 166,412 | - | 166,412 | - | 20,802 | 187,214 | |
| Capital, Section 5307-2A (80 fed/20 local) 2015 NC-90-X562-00 | 20.507 | | 320,000 | - | - | - | - | - | |
| Capital, Section 5307-2A (80 fed/20 local) 2015 NC-90-X572-00 | 20.507 | | 2,160,000 | - | - | - | - | - | |
| Capital, Section 5309-2 (80fed/20local) 2015 NC-04-0057-00 | 20.507 | | 80,000 | - | 54,615 | - | 13,653 | 68,268 | |
| Federal Transit Capital Investment Grant: | | | | | | | | | |
| Capital, Section 5307 (80 fed / 10 local/10 SMAP) 2015 NC-90-X578 | 20.500 | | 517,778 | 644,793 | - | - | - | - | |
| Capital, Section 5307 (80 fed /10 local/10 SMAP) 2009 NC-96-0010 Recovery Act | 20.500 | | | | | | | | |
| | | | 991,722 | 707,549 | 263,574 | - | 781 | 264,355 | |
| Total Federal Transit Cluster | | | 5,358,864 | 1,932,690 | 1,181,902 | - | 267,389 | 1,449,291 | |
| Passed through North Carolina Department of Transportation: | | | | | | | | | |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | | | | | | | | | |
| Planning, Sect 5303 (80/10/10) #15-08-115, | 20.505 | 36230.25.14.6 | 33,561 | 37,285 | - | - | 2 | 2 | |
| Planning, Sect 5303 (80/10/10) #16-08-115 | 20.505 | 36230.25.15.6 | 32,130 | - | 28,556 | 3,568 | 3,572 | 35,696 | |
| Formula Grants for Rural Areas: | | | | | | | | | |
| Rural, Admin 2014 #14-CT-043 NC-18-X034 | 20.509 | 36233.23.12.1 | 205,095 | 178,175 | - | - | - | - | |
| Rural, Admin 2015 #15-CT-043 NC-18-X034 | 20.509 | 36233.23.13.1 | 205,094 | 203,870 | - | - | - | - | |
| Rural, Admin 2016 #16-CT-043 | 20.509 | 36233.23.14.1 | 205,094 | - | 148,947 | 9,305 | 27,932 | 186,184 | |
| Rural, Operating 2015 #15-CT-043 | 20.509 | 36233.23.13.2 | 97,500 | 147,478 | - | - | - | - | |
| Rural, Operating 2016 #15-CT-043 | 20.509 | 36233.23.14.2 | 97,500 | - | 92,385 | - | 107,386 | 199,771 | |
| Rural Capital 2015 #15CT-043 NC-18-X034 | 20.509 | 36233.23.13.3 | 1,500 | 1,320 | - | - | - | - | |
| Rural, Capital 2016 #16-CT-043 (80 fed/10 local/ 10 state) | 20.509 | 36233.23.14.3 | 900 | - | 368 | 46 | 46 | 460 | |
| Rural Capital 2015 P15 ARRA Capital #15-AR-043 | 20.509 | 51003.86.1STT1 | 255,258 | 274,476 | - | - | - | - | |
| Rural Reverse Commute 2015 #15-ED-5310 Operating | 20.509 | 51001.19.2.2 | 50,000 | 90,987 | - | - | - | - | |
| Rural Reverse Commute 2016 #16-ED-043,5310 Operating | 20.509 | 51001.19.3.2 | 50,000 | - | 49,363 | - | 54,364 | 103,727 | |
| Rural Mobility Management #15-ED-043 | 20.509 | 51001.19.2.3 | 35,000 | 36,230 | - | - | - | - | |
| Rural Mobility Management #16-ED-043 | 20.509 | 51001.19.3.4 | 31,500 | - | 26,726 | 3,339 | 3,345 | 33,410 | |
| Transit Services Programs | | | | | | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | | | | | | | | | |
| Rural, Capital 2016 #16-ED-043 (80 fed/10 local/10 state) | 20.513 | 51001.19.3.3 | 101,700 | - | 75,218 | 9,402 | 9,403 | 94,023 | |
| Federal Highway Administration | | | | | | | | | |
| Highway Planning and Construction Cluster: | | | | | | | | | |
| Downtown Redevelopment Project E-4992, | 20.205 | 41063.1.1 and 41063.3.1.1 | 4,561,414 | 8,196,853 | - | - | - | - | |
| PWP Transportation Planning FY2016 (80fed/20 local) | 20.205 | 7500019827 | 244,144 | - | 204,196 | - | 51,049 | 255,245 | |
| PWP Transportation Planning FY 2015 (80fed / 20 local) | 20.205 | 7500018617 | 249,496 | 181,904 | - | - | - | - | |
| Sidewalk Improvement (Tip Project C-4969) | 20.205 | 44069.1.1 and 44069.3.1 | 749,000 | 494,450 | - | - | - | - | |
| Intersection Improvements Sunset Avenue/Buck Leonard (C-4970E) | 20.205 | 44070.3.4 and 44070.3.5 | 200,000 | 198,600 | - | - | - | - | |
| Sidewalk Improvement (Tip Project C-5547) Nashville Road and Grace St. | 20.205 | 51017.1.1 | 229,000 | 183,313 | - | 31,019 | 7,755 | 38,774 | |
| Total Highway Planning and Construction Cluster | | | 6,233,054 | 9,255,120 | 204,196 | 31,019 | 58,804 | 294,019 | |
| Total U.S. Department of Transportation | | | 12,993,750 | 12,157,631 | 1,807,661 | 56,679 | 532,243 | 2,396,583 | |
| U.S. Department of Housing and Urban Development | | | | | | | | | |
| Direct Program - | | | | | | | | | |
| Community Development Block/Entitlement Grants Cluster: | | | | | | | | | |
| Community Development Entitlement Grant-2008 | 14.218 | | 681,281 | 822,299 | - | - | - | - | |
| Community Development Entitlement Grant-2009 | 14.218 | | 656,742 | 747,147 | - | - | - | - | |
| Community Development Entitlement Grant-2010 | 14.218 | | 663,046 | 752,689 | - | - | - | - | |
| Community Development Entitlement Grant-2011 | 14.218 | | 716,521 | 792,381 | - | - | - | - | |
| Community Development Entitlement Grant-2012 | 14.218 | | 601,983 | 672,466 | 2,925 | - | - | 2,925 | |
| Community Development Entitlement Grant-2013 | 14.218 | | 490,032 | 411,073 | 261 | - | - | 261 | |
| Community Development Entitlement Grant-2014 | 14.218 | | 462,307 | 375,377 | 102,700 | - | 22,791 | 125,491 | |
| Community Development Entitlement Grant-2015 | 14.218 | | 464,559 | 302,245 | 94,432 | - | 105,998 | 200,430 | 2,227 |
| Community Development Entitlement Grant-2016 | 14.218 | | 491,993 | - | 306,596 | - | 33,225 | 339,820 | 67,936 |
| Total Community Development Block/Entitlement Grants Cluster | | | 5,228,464 | 4,875,677 | 506,914 | - | 162,014 | 668,927 | 70,163 |
| Home Investment Partnerships Program: | | | | | | | | | |
| Community Development Home Grant-2005 | 14.239 | | 833,312 | 893,144 | - | - | - | - | |
| Community Development Home Grant-2006 | 14.239 | | 793,028 | 779,027 | - | - | - | - | |
| Community Development Home Grant-2007 | 14.239 | | 746,761 | 749,546 | - | - | - | - | |
| Community Development Home Grant-2008 | 14.239 | | 760,068 | 662,756 | - | - | - | - | |
| Community Development Home Grant-2009 | 14.239 | | 750,036 | 691,612 | - | - | - | - | |
| Community Development Home Grant-2010 | 14.239 | | 833,642 | 564,186 | - | - | - | - | |
| Community Development Home Grant-2011 | 14.239 | | 835,997 | 882,501 | 198,652 | - | 19,181 | 217,833 | 171,834 |
| Community Development Home Grant-2012 | 14.239 | | 736,315 | 467,203 | 168,614 | - | - | 168,614 | 168,216 |
| Community Development Home Grant-2013 | 14.239 | | 486,911 | 171,732 | 76,707 | - | 908 | 76,614 | 76,607 |
| Community Development Home Grant-2014 | 14.239 | | 381,984 | 35,584 | 40,870 | - | - | 40,870 | 39,635 |
| Community Development Home Grant-2015 | 14.239 | | 405,310 | 47,200 | 165,931 | - | - | 165,931 | 117,318 |
| Community Development Home Grant-2016 | 14.239 | | 426,528 | - | 75,610 | - | 76,126 | 151,736 | 32,685 |
| Passed through NC Housing Finance Agency | | | | | | | | | |
| CTP Program (Stewart B. McKinney Homeless Assistance Act - FAF) | 14.000 | CTP-12 | 65,000 | 65,000 | - | - | - | - | |
| Passed through NC Department of Commerce-Division of Community Assistance | | | | | | | | | |
| Neighborhood Stabilization Program 08-N-1894 | 14.256 | 08-N-1894 | 2,590,000 | 2,783,251 | 423,428 | - | - | 423,428 | 423,428 |
| Total U.S. Department of Housing and Urban Development | | | 15,873,356 | 13,668,419 | 1,656,726 | - | 258,229 | 1,914,953 | 1,099,886 |
| U.S. Department of Treasury | | | | | | | | | |
| Treasury Forfeiture Program | 21.000 | | | | 2,900 | - | - | 2,900 | |
| Total U.S. Department of Treasury | | | - | - | 2,900 | - | - | 2,900 | |

City of Rocky Mount, North Carolina
 Schedule of Federal and State Financial Assistance
 From Grant Inception and for the Year Ended 6/30/2016

| Grantor / Pass - Through Grantor / Program Title | Federal CFDA Number | Pass - Through Grantor Number | Grant Award (W/O match) | Prior Year Expenditures | Federal Expenditures 6/30/16 | State Expenditures 6/30/16 | Local Match 6/30/16 | Total Expenditures 6/30/16 | Pass-through to subrecipients 6/30/16 |
|--|---------------------|-------------------------------|-------------------------|-------------------------|------------------------------|----------------------------|---------------------|----------------------------|---------------------------------------|
| U.S. Department of Justice | | | | | | | | | |
| Direct Program - | | | | | | | | | |
| Bulletproof Vest Partnership Grant 2014 | 16.607 | | 18,890 | 37,402 | 189 | - | 189 | 378 | |
| Bulletproof Vest Partnership Grant 2015 | 16.607 | | 11,595 | - | 10,543 | - | 10,543 | 21,086 | |
| 2014 Edward Byrne Memorial JAG (2014-DJ-BX-047) | 16.738 | | 65,080 | 63,383 | 1,697 | - | - | 1,697 | 1,697 |
| 2015 Edward Byrne Memorial JAG (2015-DJ-BX-1041) | 16.738 | | 55,950 | - | - | - | - | - | |
| Equitable Sharing Program | 16.922 | | - | - | 50,848 | - | - | 50,848 | |
| Passed through NC Department of Public Safety-Governor's Crime Commission | | | | | | | | | |
| 2014 Edward Byrne Memorial JAG (2014-DJ-BX-1148) | 16.738 | | 25,000 | 21,310 | 3,399 | - | - | 3,399 | |
| 2015 Byrne Justice Assistance Grant (2015-DJ-BX-1076) | 16.738 | | 14,709 | - | 13,896 | - | - | 13,896 | |
| Total U.S. Department of Justice | | | 191,224 | 122,095 | 80,572 | - | 10,732 | 91,304 | 1,697 |
| U.S. Department of Energy | | | | | | | | | |
| Energy Efficiency and Conservation Block Grant Program Grant # DE-SC0003224 - Recovery Grant | 81.128 | | 572,100 | 572,100 | - | - | - | - | |
| Passed Through NC Department of Commerce, State Energy Office | | | | | | | | | |
| State Energy Program Main Street Energy Grant (ARRA) | 81.041 | DE-SC0003224 | 105,000 | 134,271 | - | - | - | - | |
| Total U.S. Department of Energy | | | 677,100 | 706,371 | - | - | - | - | - |
| U.S. Department of Homeland Security-Federal Emergency Mgt. Agency | | | | | | | | | |
| Assistance to Firefighters Grant | 97.044 | | 160,000 | 196,040 | - | - | - | - | |
| Total Federal Emergency Management Agency | | | 160,000 | 196,040 | - | - | - | - | - |
| U.S. Department of Health and Human Services | | | | | | | | | |
| Rural Access to Emergency Devices Grant and Public Access to Defibrillation | 93.259 | | 299,932 | 194,711 | 78,659 | - | - | 78,659 | |
| Total US Department of Health and Human Services | | | 299,932 | 194,711 | 78,659 | - | - | 78,659 | - |
| Total Federal Financial Assistance Programs | | | \$ 30,195,362 | \$ 27,045,267 | 3,626,518 | 56,679 | 801,204 | \$ 4,484,399 | \$ 1,101,583 |
| STATE FINANCIAL ASSISTANCE PROGRAMS: | | | | | | | | | |
| North Carolina Department of Transportation: | | | | | | | | | |
| Public Transportation Division: | | | | | | | | | |
| State Maintenance Assistance Program FY16 | | | \$ 175,121 | \$ - | - | 175,121 | - | \$ 175,121 | |
| State Maintenance Assistance Program FY16 | | | 62,234 | - | - | 62,234 | - | 62,234 | |
| Division of Highways: | | | | | | | | | |
| State Street-Aid Allocation Fund (Powell Bill) | | | 1,603,638 | - | - | 2,490,496 | - | 2,490,496 | |
| Municipal Agreement - WBS: 3605.33 & 36050.064 - Snow and Ice Removal | | | 125,000 | - | - | 110,999 | - | 110,999 | |
| Rail Division: | | | | | | | | | |
| Municipal Agreement - WBS: 42457 Train Station | | | 250,000 | 470,880 | - | - | - | - | |
| Total N.C. Department of Transportation | | | 2,215,993 | 470,880 | - | 2,838,850 | - | 2,838,850 | - |
| North Carolina Housing Finance Agency: | | | | | | | | | |
| NC Housing Trust Funds - Urgent Repair - URP1233 | | | 37,500 | 41,441 | - | - | - | - | |
| NC Housing Trust Funds - Urgent Repair - URP1423 | | | 45,000 | 44,548 | - | 447 | - | 447 | |
| NC Housing Trust Funds - Urgent Repair - URP1530 | | | 100,000 | - | - | 78,093 | 8 | 78,101 | 78,100 |
| Total North Carolina Housing Finance Agency | | | 182,500 | 85,989 | - | 78,540 | 8 | 78,548 | 78,100 |
| North Carolina Dept of Health & Human Services | | | | | | | | | |
| Summer Feeding Program 2015 | | | 25,088 | 3,349 | - | 12,816 | 2,792 | 15,608 | |
| Summer Feeding Program 2016 | | | 10,000 | - | - | - | - | - | |
| Passed through the Upper Coastal Plain Area Agency on Aging | | | | | | | | | |
| Senior Center General Purpose Funding | | | 3,893 | 5,191 | - | - | - | - | |
| Senior Center General Purpose Funding | | | 11,400 | - | - | 11,396 | 3,798 | 15,194 | |
| Total NC Dept of Health & Human Services | | | 50,381 | 8,540 | - | 24,212 | 6,590 | 30,802 | - |
| North Carolina Department of Public Safety | | | | | | | | | |
| Governor's Crime Commission | | | | | | | | | |
| 2015 Body Worn Cameras Grant | | | 24,786 | - | - | - | - | - | |
| 2015 Emergency Notification Towers Phase One (PROJ011392) | | | 16,784 | - | - | - | - | - | |
| Total North Carolina Department of Public Safety | | | 41,570 | - | - | - | - | - | - |
| North Carolina Dept of Commerce | | | | | | | | | |
| Main Street Solution Fund | | | | | | | | | |
| North Carolina Main Street Solutions Fund Grant | | | 202,500 | 100,000 | - | - | - | - | |
| Rural Economic Development Division | | | | | | | | | |
| Rural Grant Happy Hill 2013-247-60701-107 | | | 132,700 | 80,833 | - | 22,887 | - | 22,887 | 22,887 |
| Industrial Development Fund | | | | | | | | | |
| Acme United Sewer Project U-438 | | | 30,000 | 40,250 | - | - | - | - | |
| Fiscal Management Division | | | | | | | | | |
| Rocky Mount Children's Museum Grant ID #G4043100431GMUS | | | 62,636 | - | - | 62,636 | - | 62,636 | |
| Total North Carolina Dept of Commerce | | | 427,836 | 221,083 | - | 85,523 | - | 85,523 | 22,887 |
| North Carolina Office of State Budget and Management | | | | | | | | | |
| Downtown Revitalization | | | 96,107 | - | - | 1,760 | - | 1,760 | |
| Total North Carolina Office of State Budget and Management | | | 96,107 | - | - | 1,760 | - | 1,760 | - |
| Golden Leaf Foundation | | | | | | | | | |
| Economic Catalyst Grant Program-Project Yum | | | 355,000 | 30,115 | - | - | 10,762 | 10,762 | |
| Total State Assistance Programs | | | 3,369,387 | 816,607 | - | 3,028,885 | 17,360 | 3,046,245 | - |
| TOTAL FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAMS | | | \$ 33,564,749 | \$ 27,861,875 | 3,626,518 | 3,085,564 | 818,564 | \$ 7,530,644 | \$ 1,202,570 |

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the City of Rocky Mount under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Rocky Mount, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Rocky Mount.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. City of Rocky Mount has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.